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Translation from Arabic

Telecom Egypt Company
(An Egyptian Joint Stock Company)
Condensed Consolidated Interim Financial Statements
For The Three Months Ended March 31, 2019
And Limited Review Report

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Translation from Arabic

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(An Egyptian Joint Stock Company)
Condensed Consolidated Interim Financial Statements
For The Three Months Ended March 31, 2019
And Limited Review Report

Index

KPMG

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Limited Review Report on The Condensed Consolidated Interim Financial Statements To The Board of Directors of Telecom Egypt Company

Introduction

We have performed a limited review on the accompanying condensed consolidated statement of financial position of Telecom Egypt Company "an Egyptian joint stock company" as at March 31, 2019 and the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with Egyptian Accounting Standard number (30) "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our limited review.

Scope of Limited Review

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

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements do not present fairly, in all material respects, the consolidated financial position of the company as at March 31, 2019 and of its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with Egyptian Accounting Standard number (30) "Interim Financial Reporting".

KPMG Hazem Hassan

KPMG Hazem Hassan
Public Accountants & Consultants

Cairo, May 13, 2019

KPMG Hazem Hassan
Public Accountants and Consultants
26

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Telecom Egypt Company

(An Egyptian Joint Stock Company)

Condensed Consolidated Statement of Financial Position as of:

	Note No.	31/3/2019 L.E. (000)	31/12/2018 Reclassified L.E. (000)
Assets			
Non Current Assets			
Fixed assets	(11)	22 940 676	21 534 394
Projects in progress	(12)	4 778 899	5 429 756
Investments in associates	(13)	9 245 089	13 452 011
Available-for-sale investments		79 811	79 811
Long-term balances (prepaid expense)		68 749	74 672
Other assets	(14)	10 588 971	10 753 357
Deferred tax assets	(24-1)	259 845	239 160
Total non current Assets		**47 962 040**	**51 563 161**
Current Assets			
Inventories	(15)	1 812 201	1 766 009
Trade and notes receivable	(16)	4 255 767	4 378 759
Debtors and other debit balances	(17)	4 955 188	4 992 342
Held-to-maturity investments-treasury bills		118 958	105 488
Cash and cash equivalents	(18)	1 416 483	1 101 087
Total Current Assets		**12 558 597**	**12 343 685**
Total Assets		**60 520 637**	**63 906 846**
Equity			
Capital	(22)	17 070 716	17 070 716
Reserves	(23)	4 762 106	4 695 606
Retained earnings		10 918 782	10 529 466
Foreign entities translation reserve		121 420	176 729
Equity attributable to shareholders of the company		**32 873 024**	**32 472 517**
Non - controlling interest		**10 269**	**15 820**
Total Equity		**32 883 293**	**32 488 337**
Non Current Liabilities			
Loans and credit facilities	(19)	539 745	550 168
Creditors and other credit balances	(20)	4 906 026	4 039 728
Deferred tax liabilities	(24-1)	987 917	1 244 893
Total non current Liabilities		**6 433 688**	**5 834 789**
Current Liabilities			
Loans and credit facilities installments due within one year	(19)	9 115 740	13 303 507
Creditors and other credit balances	(20)	11 068 728	10 484 565
Credit accounts to associates	(28)	273 469	1 055 119
Provisions	(21)	745 719	740 529
Total Current Liabilities		**21 203 656**	**25 583 720**
Total Liabilities		**27 637 344**	**31 418 509**
Total Equity and Liabilities		**60 520 637**	**63 906 846**

The accompanying notes on pages (7) to (28) are an integral part of these Condensed Consolidated Interim Financial Statements.

Senior Financial Director	**Chief Financial Officer**	**Managing Director & Chief Executive Officer**
Wael Hnfy	M.Shamrokh	
" Wael Hanafy "	" Mohamed Shamroukh "	"Adel Hamed"

Board of Directors approval

Chairman

"Maged Osman"

Limited Review Report "attached"

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Telecom Egypt Company

(An Egyptian Joint Stock Company)

Condensed Consolidated Statement of Income

	Note No.	For the three months ended 31/3/2019 L.E.(000)	31/3/2018 Restated L.E.(000)
Operating revenues	(3)	6 086 861	4 782 072
Operating costs	(4)	(3 621 720)	(2 887 492)
Gross Profit		**2 465 141**	**1 894 580**
Other income		99 771	64 153
Selling and distribution expenses	(5)	(570 744)	(481 458)
General and administrative expenses	(6)	(802 983)	(501 155)
Other expenses		(12 158)	(28 211)
Operating profit		**1 179 027**	**947 909**
Finance income		504 597	48 413
Finance cost		(393 345)	(339 746)
Net finance income (cost)	(7)	**111 252**	**(291 333)**
Share of profit of equity accounted investees	(8)	**647 219**	**286 759**
Net profit before tax		**1 937 498**	**943 335**
Income tax expense		(598 500)	(108 179)
Deferred tax	(24-1)	277 661	(59 598)
Total income tax		**(320 839)**	**(167 777)**
Net profit for the period		**1 616 659**	**775 558**
Profit attributable to :			
Shareholders of the company		1 615 428	773 873
Non-controlling interest		1 231	1 685
Net profit for the period		**1 616 659**	**775 558**
Basic and diluted earning per share for the period (L.E. / Share)	(10)	**0.95**	**0.45**

The accompanying notes on pages (7) to (28) are an integral part of these Condensed Consolidated Interim Financial Statements.

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Telecom Egypt Company

(An Egyptian Joint Stock Company)

Condensed Consolidated Statement of Comprehensive Income

	For the three months ended	
	31/3/2019	31/3/2018
		Restated
	L.E.(000)	L.E.(000)
Net profit for the period	1 616 659	775 558
Other Comprehensive Income items :		
Translation differences of foreign entities	(55 309)	(4 443)
Total Comprehensive Income	1 561 350	771 115
Attributable to :		
Shareholders of the company	1 560 119	769 430
Non-controlling interest	1 231	1 685
Total Comprehensive Income	1 561 350	771 115

The accompanying notes on pages (7) to (28) are an integral part of these Condensed Consolidated Interim Financial Statements.

(An Egyptian Joint Stock Company)

Condensed Consolidated Statement of Changes in Equity

For The Three Months Ended March 31, 2019

	Capital	Legal reserve	Other reserves	Retained earnings	Foreign entities translation reserve	Total of equity attributable to shareholders of the company	Non-controlling interest	Total
	L.E.(000)	L.E.(000)	L.E.(000)	L.E.(000)	L.E.(000)	L.E.(000)	L.E.(000)	L.E.(000)
Balance as of January 1,2018	17 070 716	1 844 723	2 796 578	8 576 083	189 443	30 477 543	12 135	30 489 678
Comprehensive Income								
Net profit for the period (Restated)	-	-	-	773 873	-	773 873	1 685	775 558
Translation differences of foreign entities	-	-	-	-	(4 443)	(4 443)	-	(4 443)
Total Comprehensive Income (Restated)	-	-	-	773 873	(4 443)	769 430	1 685	771 115
Transactions with shareholders								
Transferred to legal reserve	-	52 002	-	(52 002)	-	-	-	-
Dividends for year 2017 (shareholders)	-	-	-	(426 768)	-	(426 768)	(3 002)	(429 770)
Dividends for year 2017 (Employees & Board of Directors)	-	-	-	(720 224)	-	(720 224)	(451)	(720 675)
Total transactions with shareholders	-	52 002	-	(1 198 994)	-	(1 146 992)	(3 453)	(1 150 445)
Balance as of March 31,2018 (Restated)	17 070 716	1 896 725	2 796 578	8 150 962	185 000	30 099 981	10 367	30 110 348
Balance as of January 1,2019	17 070 716	1 899 028	2 796 578	10 529 466	176 729	32 472 517	15 820	32 488 337
Comprehensive Income								
Net profit for the period	-	-	-	1 615 428	-	1 615 428	1 231	1 616 659
Translation differences of foreign entities	-	-	-	-	(55 309)	(55 309)	-	(55 309)
Total Comprehensive Income	-	-	-	1 615 428	(55 309)	1 560 119	1 231	1 561 350
Transactions with shareholders								
Transferred to legal reserve	-	66 500	-	(66 500)	-	-	-	-
Dividends for year 2018 (shareholders)	-	-	-	(426 768)	-	(426 768)	(5 917)	(432 685)
Dividends for year 2018 (Employees & Board of Directors)	-	-	-	(732 844)	-	(732 844)	(865)	(733 709)
Total transactions with shareholders	-	66 500	-	(1 226 112)	-	(1 159 612)	(6 782)	(1 166 394)
Balance as of March 31, 2019	17 070 716	1 965 528	2 796 578	10 918 782	121 420	32 873 024	10 269	32 883 293

The accompanying notes on page from (7) to (28) are an integral part of these Condensed Consolidated Interim Financial Statements

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Telecom Egypt Company
(An Egyptian Joint Stock Company)
Condensed Consolidated Statement of Cash Flows

	Note No.	For the Three months ended: 31/3/2019 L.E. (000)	31/3/2018 Restated L.E. (000)
Cash flows from operating activities:-			
Cash receipts from customers		6 420 356	5 055 730
Value added tax collected from customers		114 194	98 682
Stamp tax and fees collected (from third party)		25 645	22 663
Deposits collected from customers		205	237
Cash paid to suppliers		(1 822 477)	(769 167)
Payments for NTRA license fees		(198 598)	(249 961)
Dividends paid to employees and Board of Directors		(15 955)	(47 245)
Cash paid to employees and Board of Directors		(1 518 639)	(1 029 883)
Cash paid on behalf of employees to third party		(262 220)	(190 259)
Cash provided by operating activities		**2 742 511**	**2 890 797**
Interest paid		(300 976)	(230 930)
Payments to Tax Authority - income tax		(17 989)	(22 243)
Payments to Tax Authority - value added tax		(343 247)	(543 415)
Payments to Tax Authority - other taxes		(347 730)	(294 772)
Cash paid to third parties for claims		-	(847 053)
Other proceeds		244 698	327 834
Net cash provided by operating activities		**1 977 267**	**1 280 218**
Cash flows from investing activities:-			
Payments for purchase of fixed assets, projects in progress and other assets		(2 109 727)	(1 172 387)
Payments for purchase of other assets		(703)	(25 000)
Proceeds form sales of fixed assets and other assets		18	3
Payments for retrieval of held-to-maturity investment - treasury bills		(8 529)	-
Interest received		11 436	10 465
Dividends of profit collected from investments		4 614 084	12 323
Proceeds from sale available for sale investment		-	7
Proceeds from retrieval of held-to-maturity investment - treasury bills		-	11 490
Proceeds from income of securities (treasury bills - mutual fund)		227	164
Net cash provided by (used in) investing activities		**2 506 806**	**(1 162 935)**
Cash flows from financing activities:-			
Payments for loans and other facilities		(4 172 495)	(15 709)
Proceeds from loans and other facilities		2 112	480 336
Net cash (used in) provided by financing activities		**(4 170 383)**	**464 627**
Net change in cash and cash equivalents during the period		**313 690**	**581 910**
Translation differences of foreign entities		(8 074)	(3 710)
Cash and cash equivalents at the beginning of the period	(18)	1 081 867	637 395
Cash and cash equivalents at the end of the period	(18)	**1 387 483**	**1 215 595**

The attached notes on pages from (7) to (28) are an integral part of these Condensed Consolidated Interim Financial statements.

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Notes to the Condensed Consolidated Interim Financial Statements
For The Three Months Ended March 31, 2019

1. BACKGROUND

1-1 Legal Entity

- Arab Republic of Egypt National Telecommunication Organization (ARENTO) was established according to Law No.153 of 1980. Effective from March 27, 1998 and according to law No.19 of 1998, the legal form of (ARENTO) was amended after the revaluation of its assets on March 26, 1998 to become "Telecom Egypt Company" (TE).
- Telecom Egypt Company (the "Company") is an Egyptian Joint Stock Company registered in the Arab Republic of Egypt and is engaged in the provision of public communications and associated products and services.
- The company is subject to the provisions of the Companies Law No. 159 of 1981 and Capital Market law No. 95 of 1992.
- The registered office of the company is 26 Ramses Street, Cairo, Egypt.
- The nominal shares for the company are traded in the Egyptian Stock Exchange and the London market for securities.

1-2 Purpose of the company

The main purpose of the company represents in the following:

- Owning, setting up, operating, maintenance and development of telecommunication networks and infrastructure necessary for communication services for using and / or managing and / or leasing to others and / or dealing on them.
- Providing voice, video and data transmission telecommunication services to subscribers and / or managing and / or leasing to others and / or dealing on them.
- Participating or contributing to global communication systems, such as: - submarine cables and satellites and obtaining capacities or circuits for using and / or managing and / or leasing to others and / or dealing on them.
- Dealing or contracting or Participating with authorities, agencies, companies, organizations or any entity exercising an activity similar to or identical to the company's activities or relates or assists the company to achieve its purposes either in Arab Republic of Egypt or abroad.
- Managing, selling, leasing, purchasing, possessing, renting and dealing on any property and rights or benefit or right in any property. Including the movable and immovable property which could be acquired or owned by the company.
- Selling, purchasing and distributing of fixed line sets , mobile phones and computers, its peripherals, accessories and supplies, complementary devices and necessary spare parts and related maintenance works.
- Setting up voice, video and written data transmission networks and providing value-added services, content services, marketing, electronic signature and online money transfer.
- Investment properties for serving its purposes and executing its projects.

1-3 Issuance of Condensed Consolidated Interim Financial Statements

These Condensed Consolidated Interim Financial Statements were approved by the Board of Directors for issuance on May 13, 2019.

2. BASIS OF PREPERATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2-1 Statement of compliance

- These Condensed Consolidated Interim Financial Statements as of March 31, 2019 have been prepared in accordance with Egyptian Accounting Standard No.30 "Interim Financial Reporting" accordingly it is condensed comparative view to the annual consolidated financial statements for the company, and in the light of applicable Egyptian laws and regulations related to.
- These Condensed Consolidated Interim Financial Statements don't include all the required information needed for preparing the full annual financial statements and must be read with the consolidated annual financial statements of the company as of December 31, 2018

2-2 *Basis of measurement*

These Condensed Consolidated Interim Financial Statements have been prepared under the historical cost basis, except for certain financial investments which are evaluated at fair value in according to the Egyptian Accounting Standards.

For presentation purposes, the current and non-current classification has been used for the condensed consolidated balance sheet, while expenses are analyzed in the condensed consolidated income statement using a classification based on their function. The direct method has been used in preparing the condensed consolidated statement of cash flows.

2-3 *Functional and presentation currency*

These Condensed Consolidated Interim Financial Statements are presented in Egyptian pound (L.E.), All financial information presented in "L.E." has been rounded to the nearest thousand unless otherwise stated.

2-4 *Use of estimates*

The preparation of the Condensed Consolidated Interim Financial Statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other various factors that are believed to be reasonable under the circumstances, the results of these assumption represent the judgmental basis for the value of assets and liabilities that may not apparently available from other sources. The actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on going basis. Accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements is included in the following notes:

- Impairment loss on non-financial and financial assets.
- Provisions and contingencies.
- Deferred tax assets and liabilities.
- Operational useful life of fixed assets.

2-5 *Fair value measurement*

- The fair value of financial instruments is determined based on the market value of the financial instrument or similar financial instruments at the date of the condensed consolidated interim financial statements without deducting any estimated future selling costs. The financial assets values are determined with the current purchase prices; however, the financial liabilities values are determined with the current prices that could settle these liabilities.

-In case there is no active market to determine the fair value of the financial instruments, the fair value is estimated using different valuation techniques taking into consideration the prices of the latest transactions, and use the current fair value of the similar financial instruments as guideline – the discounted cash flows technique or any other valuation methods that results reliable values.

-When the discounted cash flows is used as a valuation technique, the future cash flows are estimated based on the management best estimate. The discount rate used is determined in line with the market rate at the date of the financial statements for the similar financial instruments in nature and conditions.

2-6 *Segment reporting*

Operating activities related to the company is managed by operating segments at the group activates level as integrated activity, based on the nature of product and the service provided. The segment reporting is prepared according to services provided by activities as a group as follows:

- Communications, marine cables and infrastructure services.
- Internet services.
- Outsourcing services.

3. OPERATING REVENUES

	For the three months ended	
	31/3/2019	31/3/2018
	L.E. (000)	L.E. (000)
Home and personal communications	2 401 206	1 829 392
Enterprise	749 938	583 449
Domestic wholesale	1 309 187	879 916
International carrier	1 128 307	1 096 357
International cables and networks	498 223	392 958
	6 086 861	4 782 072

Total operating revenues have increased by an amount of L.E. 1 304 789 K mainly due to the increase in home and personal communications revenues by an amount of L.E. 571 814 K due to the increase in revenues resulting from subscription of fixed line and rendering mobile phone services and the increase in domestic wholesale revenue by an amount of L.E. 429 271 K due to the increase in access service revenue, infrastructure revenue in addition to the increase in both of International cables and networks and Enterprise revenue by an amount of L.E. 105 265 K and L.E 166 489 k respectively.

4. OPERATING COSTS

	For the three months ended	
	31/3/2019	31/3/2018 Restated
	L.E. (000)	L.E. (000)
Interconnection cost	1 133 768	1 014 894
Depreciation and amortization*	776 812	574 176
Salaries and wages	675 444	488 059
Company's social insurance contribution	78 951	55 782
Frequencies and licenses charges (National Telecom Regulatory Authority)	230 610	186 772
Other operating cost	726 135	567 809
	3 621 720	2 887 492

Operating costs have increased by an amount of L.E. 734 228 K mainly due to the following: -

- The increase of interconnection cost by an amount of L.E. 118 874 K which is mainly due to the increase in cost of national roaming fees, however the decrease in cost of international connection fees led to limitation of this increase.
- The increase of salaries and wages and equivalent item to an amount of L.E. 210 554 K due to the annual increase by 10 % from the basic salary starting from January 2019.
- The increase in the depreciation and amortization item by an amount of L.E 202 636 K due to the additions of the last year after the first quarter and the current period.
- The increase in Frequencies and licenses charges (National Telecom Regulatory Authority) by an amount of L.E 43 838 K.
- The increase in other operating cost item by an amount of L.E. 158 326 K is mainly due to the increase in fuel and power item by an amount of L.E 42 017 K, merchandise for sale cost by an amount of L.E 32 023 K and the organizations services costs item by an amount of L.E 31 242 K.

* Restatement was made on comparative figures as shown in Note no (30-2).

5. SELLING AND DISTRIBUTION EXPENSES

	For the three months ended	
	31/3/2019	31/3/2018
	L.E. (000)	L.E. (000)
Salaries and wages	214 705	252 088
Company's social insurance contribution	25 468	26 770
Depreciation and amortization	1 597	163
Advertising and marketing	199 530	119 385
Selling and distribution commissions	129 444	83 052
	570 744	**481 458**

The increase in selling and distribution expenses by an amount of L.E 89 286 K mainly due to the increase in advertising and marketing item by an amount of L.E 80 145 K and also the increase in Selling and distribution item by an amount of L.E 46 392 K due to the increase in both of Tax and duties item by an amount of L.E 8 979 K and selling and distribution commissions item by an amount of L.E 9 652 K.

6. GENERAL AND ADMINISTRATIVE EXPENSES

	For the three months ended	
	31/3/2019	31/3/2018
	L.E. (000)	L.E. (000)
Salaries and wages	514 483	341 334
Company's social insurance contribution	41 467	33 201
The company's contribution in loyalty and belonging fund	69 045	-
Depreciation and amortization	32 703	19 744
Organization services cost and consultants	46 455	24 838
Bad debt expense	-	44
Tax and duties	33 474	18 719
Other general and administration expenses	65 356	63 275
	802 983	**501 155**

The increase in general and administrative expenses by an amount of L.E. 301 828 K is mainly due to increase in salaries and wages and equivalent item by an amount of L.E 181 415 K due to the annual increase by 10 % from the basic salary starting from January 2019 in addition to the increase in the company's contribution in loyalty and belonging fund item by an amount of L.E 69 045 K in addition to the increase in organizations services costs and consultants item by an amount of L.E 21 617 K and the increase in in Tax and duties item by an amount of L.E 14 755 K.

7. NET FINANCE INCOME (COST)

	For the three months ended	
	31/3/2019	31/3/2018
	L.E. (000)	L.E. (000)
Total finance income	504 597	48 413
Total finance cost	(393 345)	(339 746)
Net finance income (cost)	**111 252**	**(291 333)**

The increase in net finance income by an amount of L.E 402 585 K during the period is mainly due to the increase in translation profits of foreign currencies balances and transactions by an amount of L.E 412 659 K and the increase in treasury bills income by an amount of L.E 22 516 K, however the increase in finance expenses and interests by an amount of L.E 78 991 K led to limitation of this increase.

8. SHARE OF PROFIT OF EQUITY ACCOUNTED INVESTEES

	For the three months ended	
	31/3/2019	31/3/2018
	L.E. (000)	L.E. (000)
Vodafone Egypt	647 219	286 754
Egypt trust	-	5
	647 219	**286 759**

9. EMPLOYEES' BENEFITS

9-1 Early retirement scheme (Telecom Egypt)

The Company had an early retirement scheme where employees who wishes to retire, prior to the legal retirement age, are entitled to receive a compensation amounting to 75% of their latest basic salary for the remaining service period up to the retirement age with a maximum of 10 years for men and 15 years for women – by the date of 30/3/2016, internal instructions no. 9 were issued related to apply the optional early retirement for employees during the period from 3/4/2016 until 31/5/2016 the employees who wishes to retire prior to the legal retirement age are entitled to receive a compensation amounting to 125% of their latest basic salary for the remaining service period up to the retirement age with a maximum of 15 years. And now the company doesn't apply any early retirement scheme.

9-2 End of service benefits (the company's contribution in loyalty and belonging fund)

The employees are granted an end of service benefits through a Loyalty & belonging Fund established in January 2004. Employees' benefit are based on the employees' basic salary in January 1, 2012 increasing annually at a compound rate of 5%. The subscription for employees hired after January 1, 2012, is calculated according to a subscription schedule for new hires and increase annually at a compound rate of 5% annually starting from the next year from the hiring date with the same conditions of annual raise of employees.
The employees share in loyalty & belonging fund according to constant subscription are based on the same employees' basic salary where the end of service benefit calculated. The company's share represents annual defined contribution and the company had contributed by an amount of L.E 69 045 K for the period ended in March 31, 2019 (Nil for the same period of 2018) stated in the general and administrative expenses as shown in note no (6).

10. BASIC AND DILUTED EARNING PER SHARE FOR THE PERIOD

- The profit share of the period is calculated as follows:

	For the three months ended	
		Restated
	31/3/2019	31/3/2018
The holding company owners' equity :		
Net profit for the period (LE in thousand)*	1 615 428	773 873
Number of shares available during the period (share)	1 707 071 600	1 707 071 600
Basic and diluted earning per share for the period (LE / share)	**0.95**	**0.45**

* Restatement was made on comparative figures as shown in Note no (30-2).

11. FIXED ASSETS

Description	31/3/2019 Cost L.E.(000)	31/3/2018 Cost L.E.(000)	31/3/2019 Accumulated depreciation L.E.(000)	31/3/2018 Accumulated depreciation Restated L.E.(000)	31/3/2019 Net L.E.(000)	31/3/2018 Net Restated L.E.(000)	31/12/2018 Net L.E.(000)
Land	2 350 238	2 371 117	-	-	2 350 238	2 371 117	2 350 350
Buildings & Infrastructure *	29 161 073	25 384 949	15 897 240	14 957 056	13 263 833	10 427 893	11 958 566
Centrals & information technologies equipment*	29 232 942	26 223 477	22 206 832	20 926 316	7 026 110	5 297 161	6 921 932
Vehicles	146 258	149 245	109 097	108 290	37 161	40 955	37 592
Furniture	723 795	646 539	533 561	459 574	190 234	186 965	190 343
Tools & supplies	143 578	131 540	86 409	75 654	57 169	55 886	59 675
Decoration & fixtures	136 073	127 235	120 142	113 987	15 931	13 248	15 936
Fixtures on trunk radio network	315	315	315	315	-	-	-
Total	61 894 272	55 034 417	38 953 596	36 641 192	22 940 676	18 393 225	21 534 394

- The increase in net carrying value of fixed assets mainly due to the additions during the period by an amount of L.E. 2 065 150 K, however the depreciation of the period by an amount of L.E. 647 490 K led to limitation of this increase.

- The cost of fixed assets as of March 31, 2019 includes an amount of L.E. 23 156 Million fully depreciated fixed assets and still in use.

* Restatement was made to comparative figures for accumulated depreciation at March 31, 2018 as shown in Note no (30-2).

12. PROJECTS IN PROGRESS

	31/3/2019 L.E. (000)	31/12/2018 L.E. (000)
Land	21 025	21 025
Buildings and Infrastructure	1 553 672	2 616 751
Centrals and information technologies equipment	2 442 030	2 222 125
Tools and supplies	24 083	24 083
Vehicles	10 668	493
Furniture	1 143	2 108
Other Assets (cables)	74 506	70 776
Advance payments - Fixed assets	672 263	492 886
	4 799 390	5 450 247
Less:		
Impairment loss on projects in progress	20 491	20 491
	4 778 899	5 429 756

The balance of projects in progress is represented in the part that have been executed from commitments and capital contracts, and advanced payment until March 31,2019.

13. INVESTMENTS IN ASSOCIATES

	31/3/2019		31/12/2018	
	Ownership %	amount L.E. (000)	Ownership %	amount L.E. (000)
- Vodafone Egypt Telecommunication company*	44.95	9 244 942	44.95	13 451 864
- Wataneya for Telecommunication**	50.00	125	50.00	125
- International Telecommunication Consortium Limited. (ITCL)**	50.00	54	50.00	54
- Egypt Trust**	35.71	7 647	35.71	7 647
- Consortium Algerien de Telecommunications (CAT)**	33.00	133	33.00	133
		9 252 901		13 459 823
Less:				
Impairment loss on investment in associates		7 812		7 812
		9 245 089		13 452 011

* The investments in Vodafone Egypt on March 31, 2019 represents the ownership of 107 869 799 shares with a percentage of 44.95% from the total shares of Vodafone Egypt.

The financial year of Vodafone Egypt ends on March 31 of each year and the equity method was applied in recognizing the investment in Vodafone Egypt during preparing the Condensed Consolidated Interim Financial Statements as of March 31, 2019 by using the consolidated financial statements of Vodafone Egypt for the financial year ended in March 31, 2019 which presents the 12 months from the 1st of April 2018 till March 31, 2019, deduct the movements of the period from April 1, 2018 till December 31, 2018 from the interim financial data of Vodafone Egypt as of December 31, 2018 to determine the share of financial period from January 1 to March 31, 2019 of business results.

** The impairment loss on investments value for Egypt Trust, Wataneya for Telecommunication, Consortium Algerian Telecommunications (CAT) and International Telecommunication Consortium Limited (ITCL) is due to the realized losses by these investee companies, which exceeded this investments amount, as the Extra Ordinary General Assembly meeting of Consortium Algeria Telecommunication held on July 1, 2009, approved the dissolution and liquidation of CAT.

14. OTHER ASSETS

	31/3/2019 L.E. (000)	31/12/2018 L.E. (000)
Cost		
Fourth generation network license	8 633 330	8 633 330
Submarine Cables (right of way)	2 400 805	2 407 087
Right of Use (ROU)	720 546	720 332
License (internet service - programs)	79 312	79 379
Land (possession-usufruct)	440 684	440 684
	12 274 677	12 280 812
Less:		
Accumulated amortization and impairment	1 685 706	1 527 455
Net other assets	10 588 971	10 753 357

- The decrease in net carrying value of other assets mainly due to the amortization of the period by an amount of L.E 163 622 K.
- Other assets cost includes at March 31, 2019 an amount of L.E 175 Million, other assets fully amortized and still in use.

15. INVENTORIES

	31/3/2019 L.E. (000)	31/12/2018 L.E. (000)
Spare parts	818 702	754 080
Computers	9 033	8 333
Project cables and supplies	406 610	482 239
Material supplies , Merchandise for sale and Letters of credit	577 856	521 357
	1 812 201	1 766 009

The value of inventories was written down by L.E. 19 074 K (against LE 19 215 K as at December 31, 2018) for obsolete and slow-moving items directly from the cost of each type of inventory related to.

16. TRADE AND NOTES RECEIVABLE

	31/3/2019 L.E. (000)	31/12/2018 L.E. (000)
Trade Receivables - National	3 562 885	3 797 603
Trade Receivables - International	2 738 190	2 653 385
	6 301 075	6 450 988
Less:		
Impairment loss on trade receivables	2 046 820	2 072 734
	4 254 255	4 378 254
Add:		
Notes receivable	1 512	505
	4 255 767	4 378 759

Trade and notes receivable balance have decreased by an amount of L.E. 122 992 K is mainly due to the decrease in Trade Receivables –National due to the increase in proceeds from home and personal communications trade receivables during the period compared to the opposite period, however the increase in Trade receivables – International due to the increase in both of revenues from international carriers and International cables and networks led to limitation of this decrease.

17. DEBTORS AND OTHER DEBIT BALANCES

	31/3/2019 L.E.(000)	31/12/2018 Reclassified L.E.(000)
Accrued revenues	36 399	26 364
Deposits with other	258 806	254 891
Suppliers – debit balances	1 477 260	439 761
Tax Authority - withholding tax	357 569	224 581
Tax Authority - value added tax	1 558 232	1 910 067
Due from ministries, organizations and companies*	423 004	920 859
Tax Authority - income tax	45 442	45 963
Temporary debts due from employees	174 621	714 919
Other debit balances	778 947	610 981
	5 110 280	5 148 386
Less:		
Impairment loss on debtors and other debit balances	155 092	156 044
	4 955 188	4 992 342

Debtors and other debit net balances have decreased by an amount of L.E. 37 154 K mainly due to the decrease in Temporary debts due from employees by an amount of L.E 540 298 K as a result for the employees profits dividends for 2018, Tax Authority- value added tax item by an amount of L.E 351 835 K and Due from ministers, organizations and companies by an amount of L.E 497 855 K , however the increase in suppliers – debit balances item by an amount of L.E 1 037 499 K and Tax Authority – withholding tax by an amount of L.E 132 988 K led to limitation of this decrease.

* Reclassification was made on comparative figures as shown in Note no (30-1).

18. CASH AND CASH EQUIVALENTS

	Note No.	31/3/2019 L.E. (000)	31/12/2018 Reclassified L.E. (000)	31/3/2018 Reclassified L.E. (000)
Banks - time deposits (less than 3 months)		226 723	376 656	686 336
Banks - current accounts		788 723	255 027	244 505
Cash on hand*		233 543	219 144	194 660
Treasury bills (less than 3 months)		51 805	135 063	36 776
Money market funds (less than 3 months)		115 689	115 197	79 695
Cash and cash equivalents		1 416 483	1 101 087	1 241 972
Less:				
Restricted cash and cash equivalents at banks	(26)	29 000	19 220	26 377
Cash and cash equivalents as per statement of cash flows		1 387 483	1 081 867	1 215 595

- The increase in cash and cash equivalents due to the increase in proceeds from customers during the period.
* Reclassification was made on comparative figures as shown in Note no (30-1).

19. LOANS AND CREDIT FACILITIES

- The decrease in the balance of loans and credit facilities by an amount of L.E 4 198 190 K is mainly resulting from payments of loans and credit facilities from banks with local and foreign currencies amounted to L.E. 4 172 495 K where loans and credit facilities with local and foreign currencies in March, 31 2019 amounted to L.E. 9 655 485 K (against LE 13 853 675 K at 31 December, 2018).

- On October 18, 2018, Telecom Egypt has signed a USD 500 Million medium – term syndicated loan, which will be used to support its capital and operational expenditure, and refinance an existing short – term facility. First Abu Dhabi Bank PJSC (FAB) and Mashreq Bank NPSC (Mashreq) were mandated as joint Book runners and mandated lead arrangers of the facility. FAB is the facility agent for the transaction and Mashreq Bank is the designated Account Bank, the company didn't use any amount from the said loan yet.

20. CREDITORS AND OTHER CREDIT BALANCES

	31/3/2019 L.E. (000)	31/12/2018 L.E. (000)
Suppliers and notes payable	1 149 593	1 168 049
Tax Authority-Income Tax	623 642	271 892
Tax Authority (taxes other than income tax)	742 024	613 059
Deposits from others	462 634	458 930
Assets creditors	7 338 271	8 114 940
Dividends payable	437 688	3 442
Accrued expenses	763 984	879 443
Trade receivables - credit balances	571 959	404 313
Credit balances organizations and companies	236 912	467 877
Deferred revenues*	1 724 866	843 284
National Telecommunication Regulatory Authority (NTRA)	544 610	384 843
Other credit balances*	1 378 571	914 221
	15 974 754	14 524 293
Less balances due within more than one year:		
Assets creditors	4 551 211	3 667 798
Deferred revenues	354 815	371 930
Creditors and non current liabilities balances	**4 906 026**	**4 039 728**
Creditors and current liabilities balances	**11 068 728**	**10 484 565**
Total Creditors and other balances	**15 974 754**	**14 524 293**

Creditors and other credit balances have increased by an amount of L.E. 1 450 461 K mainly due to the increase in both of the dividends payable item by an amount of L.E 434 246 K due to 2018 dividends according to General Assembly decree on March 27, 2019 and deferred revenue by an amount of L.E 881 582 K and Tax Authority – income tax by an amount of L.E 351 750 K and trade rceivables – credit balances item by an amount of L.E 167 646 K, however the decrease in assets creditors item by an amount of L.E 776 669 K and Credit balances organization and companies by an amount of L.E 230 965 K led to the limitation of this increase.

21. PROVISIONS

	31/3/2019 L.E.(000)	31/12/2018 L.E.(000)	31/3/2018 L.E.(000)
Balance at the beginning of the period /year	740 529	1 829 960	1 829 848
Reclassification during the period/year	–	811	–
Charged to income statement for the period / year	5 195	102 083	5 591
Provision used during the period / year	–	(1 192 320)	(1 112 892)
Translation differences	(5)	(5)	–
Balance at the end of the period / year	**745 719**	**740 529**	**722 547**

* The provisions charged to income statement during the period included in other expenses to meet contingent taxes liabilities.

22. CAPITAL

- The company's issued and fully paid-up capital is L.E. 17 070 716 K, represented in 1 707 071 600 shares at a par value of L.E. 10 each.
- The Egyptian Government owns 80% after floating 20% of company's shares in public offering during December 2005.

23. RESERVES

	31/3/2019 L.E.(000)	31/12/2018 L.E.(000)
Legal reserve	1 965 528	1 899 028
Other reserves	2 796 578	2 796 578
	4 762 106	4 695 606

The increase in the legal reserve balance as a result of retaining an amount of L.E. 66 500 K from the profit of 2018 in accordance with the company's article of association.

24. DEFERRED TAX

24-1 Recognized deferred tax assets and liabilities

	31/3/2019		31/12/2018	
	Assets L.E.(000)	(Liabilities) L.E.(000)	Assets L.E.(000)	(Liabilities) L.E.(000)
Total deferred tax asset / (liability)	259 845	(987 917)	239 160	(1 244 893)
Net deferred tax liability	-	(728 072)	-	(1 005 733)
Deferred tax charged to income statement for the period / year	277 661			(646 992)

24-2 Unrecognized deferred tax assets

	31/3/2019 L.E.(000)	31/12/2018 L.E.(000)
Unrecognized deferred tax assets	527 399	554 303

Deferred tax assets has not been recognized in respect of the above due to the uncertainly of the utilization of their benefits in the foreseeable future.

25. CAPITAL COMMITMENTS

The group's capital commitments for the unexecuted parts of contracts up to March 31, 2019 amounted to L.E 4 350 Million (against L.E. 3 206 Million up to December 31, 2018).

26. CONTINGENT LIABILITIES

In addition to the amounts included in the condensed consolidated statement of financial statements as of March 31, 2019, the company has the following contingent liabilities:

	31/3/2019 L.E. (000)	31/12/2018 L.E. (000)
- Letters of guarantee issued by banks on behalf of the company*	1 285 604	913 002
- Letters of credit	1 672 904	1 357 440

*Includes letters of guarantee which were issued by banks at March 31, 2019 against restricted cash and cash equivalents at banks (note no.18).

27. TAX POSITION (Telecom Egypt Company)

27-1 Corporate tax

- Tax inspection was performed for the years till December 31, 2015 and all due taxes were settled.
- Tax inspection for the year 2016, 2017 is in process.
- Tax returns were submitted according to the income tax law and all taxes were paid during the legal dates.

27- 2 Value added Tax /Sales

-Tax inspection for the years 2010 untill 2015 was performed and the tax differences were settled and the company didn't pay the additional tax, lawsuit was raised regarding it.

- Tax returns were submitted according to the value added tax law and the accrued taxes were paid.

27- 3 Salary Tax

- Tax inspection was performed for the years till December 31 ,2014, and the Company was notified with tax differences and all due taxes were settled and the company objected on disputed item and follow up the matter.
- Tax inspection for the year 2015 is in process.

27- 4 Stamp Tax

- Tax inspection for the period from March 27, 1998 to December 31, 2000 was performed for certain sectors and the company was notified with assessment basis, the company objected and apealed on the disputed items on the due dates and the provisions were formed to meet any tax liabilities that may arise.
- Tax inspection for the period from January 1, 2001 till July 31, 2006 was performed for certain sectors of the company and taxes due were settled. Tax inspection for the remaining sectors is currently being undertaken for the same period.
- Tax inspection for period from August 1, 2006 to December 31, 2009 was performed and due taxes were settled and the disputed item has been transferred to the internal committe .
- Tax inspection for the years from 2010 to 2014 was performed and the disputed items were settled except for the relative stamp on salaries and wages which have been transfered to the Appeal Committee.
- Tax inspection for the years 2015 and 2016 is in process.

27- 5 Real Estate Tax

- All taxes are paid according to the tax forms received by the company. The company's Legal Department follows up the disputes according to the real estate tax law.
- Tax returns were submitted according to the new real estate tax law on the due dates.

Provisions were formed to meet any tax liabilities that may arise from the tax inspection.

28. RELATED PARTY TRANSACTIONS

There are transactions between the group and it's associates. The related transactions during the period and balances on the condensed consolidated interim financial statements date are stated as follows:-

	Nature of transactions during the period	Transactions volume during the period stated in the statement of income	Movement during the period		Balance as of 31/3/2019 Debit (Credit)	Balance as of 31/12/2018 Debit (Credit)
			Debit	Credit		
		LE 000	LE 000	LE 000	LE 000	LE 000
Debit balances due from associates						
- Consortium Algerien de Telecommunications (CAT)*/**	Paid on behalf of associate to finance operating expenses	-	-	-	453 902	453 902
- International Telecommunication Consortium Limited (ITCL)*/**	-	-	-	-	66	66
			-	-	453 968	453 968
Credit balances due to associates						
- Vodafone Egypt Telecommuniacations Company	Outgoing calls and voice services to the associate company	426 424				
			2 844 403	2 062 010	(267 239)	(1 049 632)
	Incoming and international calls, transmission & lease of company premises and towers to the associates company	131 772				
	Telecommunications services	5 487	16 399	17 142	(6 230)	(5 487)
			2 860 802	2 079 152	(273 469)	(1 055 119)

*The Balance represented in the value of the finance provided by Telecom Egypt to Consortium Algerian de Telecommunication Company (CAT) where Telecom Egypt participates directly and indirectly by 50%, accordingly, impairment has been made for the full balance, the mentioned company suffers from financial difficulties and sustains material losses. The Extra-Ordinary General Assembly of (CAT) held on July 1, 2009 approved the dissolution and liquidation of (CAT). In the light of these circumstances, there is high probability that will not be able to collect the finance given to Consortium Algerian de Telecommunication Company.

** The balances are fully impaired due to company's inability to recover this amount in foreseeable future.

29. GROUP ENTITIES

Company's direct and indirect share in subsidiaries companies on March 31, 2019 which were included in the condensed consolidated interim financial statements is as follows:

Company name:	Country of incorporation	Ownership interest	
		31/3/2019	31/12/2018
Telecom Egypt France	France	100.00 %	100.00 %
WE Data	Egypt	100.00 %	100.00 %
T.E Data Jordan	Jordan	100.00 %	100.00 %
TE Investment Holding	Egypt	100.00 %	100.00 %
The Egyptian Telecommunication Company for Information Systems (Xceed)	Egypt	100.00 %	100.00 %
Xceed Customer Care Maroc	Morocco	100.00 %	100.00 %
Centra Technologies	Egypt	100.00 %	100.00 %
Centra Industries	Egypt	100.00 %	100.00 %
Telecom Egypt Globe	Singabore	100.00 %	100.00 %
Egyptian international submarine cables company (Eiscc)*	Egypt	100.00 %	100.00 %
Middle East and North Africa Submarine Cable Company (MENA CABLE)	Egypt	100.00 %	100.00 %
Mena Company For Submarine Cable Company (MENA CABLE ITALY)	Italy	100.00 %	100.00 %
Centra Distribution	Egypt	100.00 %	100.00 %
Middle East Radio Communication (MERC)	Egypt	51.00 %	51.00 %

*During year 2018, Telecom Egypt Group has acquired the rest of the shares of the Egyptian International Submarine Cables Company (EISCC) which represent 50% by an amount of USD 15 Million the necessary legal procedures which related to this acquisition of that company were finalized and Telecom Egypt announced the acquisition of Middle East and North Africa Submarine Cable "MENA Cable" from Orascom Investment Holding "OIH" through its subsidiary Egyptian International Submarine Cable Company "EISCC". The total enterprise value of MENA Cable is USD 90 Million of which USD 40 Million represents the equity value and the remaining amount USD 50 Million represents its outstanding debt, the deal was financed by a loan granted by the company to the said subsidiary with an amount of USD 90 Million at annual interest rate libor, in addition to profit margin which will be paid within one year from the date of obtaining the loan at most and the loan was compeletly paid during 2018.

30. COMPARATIVE FIGURERS

- Restatement was made to some of the comparative figures of the condensed consolidated statement of income and condensed consolidated statement of comprehensive income as a result of modification of The useful life for some fixed assets items based on the technical department opinion and the Board of Directors decree in meeting held on July 5, 2018 effective from 1/1/2018 which led to decrease in the depreciation of the period ended March 31, 2018 by an amount of L.E 85 921 K after applying the modified useful life from 1/1/2018.
- Reclassification was made to some of the comparative figuers of the condensed consolidated statement of financial position, and condensed consolidated statement of cash flows to conform to the current presentation of the condensed consolidated interim financial statements.
- The following is the effect of restatement and reclassification on the condensed consolidated financial statements:

30-1 Effect on the condenced consolidated statement of financial position:

	31/12/2018 as previously reported debit / (credit) L.E.(000)	Reclassification Reclassification debit / (credit) L.E.(000)	31/12/2018 Reclassified debit / (credit) L.E.(000)
Debtors and other debit balances	5 200 654	(208 312)	4 992 342
Cash and cash equivalents	892 775	208 312	1 101 087

30-2 Effect on the condenced consolidated satetment of income:

	For the three moths ended 31/3/2018 as previously reported LE(000)	Restatement (debit) / credit LE(000)	For the three moths ended 31/3/2018 Restated LE(000)
Operating costs	(2 973 413)	85 921	(2 887 492)
Basic and diluted earnings per share for the period (LE / share)	0.40	0.05	0.45

30-3 Effect on the condenced consolidated satetment of cash flows:

	For the three months ended 31/3/2018 as previously reported LE(000)	/Reclassification Restatement LE(000)	For the three months ended 31/3/2018 Restated LE(000)
Cash flow from operating activities:			
Dividends paid to employees and Board of Directors	(47 265)	20	(47 245)
Cash paid to employees and board of directors	(1 029 863)	(20)	(1 029 883)
Other proceeds	400 697	(72 863)	327 834

31- BUSINESS COMBINATION

31-1 Acquisition of non- controlling interest (NCI) in subsidiary- "Egyptian International Submarine Cables Company- EISCC"

According to the Board of Directors decision on September 30, 2018 which approved the acquisition of non-controlling interest (NCI) (New Kimit Media For Announcing and Advertising) which represent 50% from total share of The Egyptian International Submarine Cables Company (EISCC) by an amount of USD 15 Million which equivalent to amount L.E 267 455 K.

The net of assets and liabilities of the Egyptian International Submarine Cables Company and also the result of acquisition process are stated as follows:

	30/9/2018 LE(000)
Net assets (L.E 250 K * 50%)	125
Consideration paid to NCI	(267 455)
The decrease in equity attributable to shareholders of the company	(267 330)

31-2 Acquisition on subsidiary- "Middle East and North Africa Submarine Cables Company-"MENA"

According to the Board of Directors decision on May 9, 2018 Telecom Egypt announces the conclusion of the acquisition of 100% of Middle East and North Africa Submarine cable "MENA Cable" through its subsidiary Egyptian International Submarine Cable Company "EISCC". By an amount of USD 90 Million of which USD 40 Million represents the equity and USD 50 Million represent MENA Cable outstanding debt.

The company determined the primary study for consolidation related to the acquisition of "MENA" company using provisional value on July 31, 2018 till complete the study of PPA (Purchase Price Allocation) to determine the fair value for the acquired assets and liabilities including the intangible assets on the acquisition date. The recognition of the adjustments related to the provisional value for the assets and liabilities will be within 12 months according to Egyptian Accounting Standard no. (29) "Business Combination".

The net of assets and liabilities of Middle East and North Africa Submarine Cable "MENA Cable" company as of acquisition date are shown as follows:

	31/7/2018 LE(000)
Assets	
Fixed assets	1 215 660
Intangible assets	465 770
Project in progress	43 008
Other assets	267 234
Total assets	**1 991 672**
Total liabilities	**(1 267 789)**
Net assets	**723 883**
Company's share of net assets 100%	**723 883**

32- SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of the condensed consolidated interim financial statements as of March 31, 2019 is the same as the accounting policies applied in the preparation of the annual Consolidated financial statements as of December 31, 2018, these accounting policies have been applied consistently to all periods presented in these condensed Consolidated interim financial.

Restatement and reclassification were made to some of comparative figures of the condensed consolidated interim financial statements (note no.30).

33- New issues and amendments issued to the Egyptian Accounting Standards:

On 18 March 2019, the Minister of Investment and International Cooperation amended some of the Egyptian Accounting Standards issued by the Minister of Investment Decree No. 110 of 2015, which include some new accounting standards and amendments to some existing standards as follows:

New or Amended Standards	Summary of the Most Significant Amendments	Potential impact on the Financial Statements	Adoption date
New Egyptian Accounting Standard No. (47) "Financial instruments"	1. The new Egyptian Accounting Standard No. (47) "Financial Instruments" replaces the corresponding topics in Egyptian Accounting Standard (26) Financial Instruments: Recognition and Measurement. Accordingly, the Egyptian Accounting Standard No. (26) Was amended and reissued after the withdrawal of the paragraphs related to new EAS (47) and define the scope of the amended Standard (26) to work only with limited cases of hedge accounting according to the Entity's choice. 2. In accordance with the requirements of the Standard, financial assets are classified based on subsequently measured at their amortized cost, at fair value through other comprehensive income or at fair value through profit or loss, in accordance with the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial asset.	Management is currently assessing the potential impact on the financial statements when applying the amendment to the standard.	Standard No. 47 is effective for financial periods beginning on or after 1 January 2020 and early adoption is permitted, on the condition of applying the Egyptian Accounting Standards No. (1), (25), (26) and (40) amended 2019 together at the same Date.

New or Amended Standards	Summary of the Most Significant Amendments	Potential impact on the Financial Statements	Adoption date
	3. The realized loss model in the measurement of impairment of financial assets is replaced by the expected credit loss models, which requires the measurement of impairment of all financial assets measured at amortized cost and financial instruments measured at fair value through other comprehensive income from the initial recognition regardless of the existence of an index of the loss event 4. Pursuant to the requirements of this standard, the following criteria have been amended: - Egyptian Accounting Standard No. (1) "Presentation of Financial Statements", amended 2019 - Egyptian Accounting Standard No. (4) "Statement of Cash Flows" - Egyptian Accounting Standard No. (25) "Financial Instruments: Presentation" - Egyptian Accounting Standard No. (26) "Financial Instruments: Recognition and Measurement" Egyptian Accounting Standard No. (40) "Financial Instruments: Disclosures"		These amendments shall be effective from the date of application of the standard 47.
New Accounting Egyptian Standard No. (48) "Revenue from contracts with customers"	1. The new Egyptian Accounting Standard No. 48, Revenue from Contracts with Customers, replaces and cancels the following criteria: (A) Egyptian Accounting Standard No. (8) "Construction Contracts", amended 2015;	Management is currently assessing the potential impact on the financial statements when applying the amendment to the standard.	Standard No. 48 is effective for financial periods beginning on or after 1 January 2020 and early adoption is permitted

New or Amended Standards	Summary of the Most Significant Amendments	Potential impact on the Financial Statements	Adoption date
	(B) Egyptian Accounting Standard No. 11, "Revenue", amended 2015; 2. The control model was used to recognize revenue instead of the benefit and risk model. 3. The incremental costs of obtaining a contract with a customer are recognized as an asset if the entity expects to recover those costs and the recognition of the costs of fulfilling the contract as an asset when specific conditions are met. 4. The standard requires that the contract has commercial substance in order for revenue to be recognized. 5. Expanding disclosure and presentation requirements.		
New Egyptian Accounting Standard (49) "Leases"	1. The new Egyptian Accounting Standard No. (49) "Leases" replaces the Egyptian Accounting Standard No. (20) "Accounting Standards and Standards for Financial Leasing Operations 2015 and cancels it. 2. The Standard introduces a single accounting model for the lessor and the lessee, the lessee recognizes the right of use of the leased asset within the assets of the company and recognizes an obligation that represents the present value of the unpaid lease payments within the company's obligations, taking into account that the lease contracts are not classified as operating lease or a finance lease.		Standard No. (49) Applies to financial periods beginning on or after 1 January 2020 and early adoption is permitted if the Egyptian Accounting standard No. (48) "Revenue from contracts with customers" 2019 in the same time. Except as of the effective date above, Standard No. 49 (2019) applies to leases that were subject to the Financial Leasing Law No. 95 of 1995 and its amendments which were treated in accordance with Egyptian Accounting Standard No. 20, "Accounting Standards and Standards Related to Finance Lease Operations" The finance lease contracts which are arise subject to the Law of Organizing Finance Lease and Factoring Activities No. 176 of 2018, from the beginning of the annual

New or Amended Standards	Summary of the Most Significant Amendments	Potential impact on the Financial Statements	Adoption date
	3. For the lessor, the lessor shall classify each contract of its lease contracts either as an operating lease or as a finance lease. 4. For the finance lease, the lessor must recognize the assets held under a finance lease in the statement of financial position and present them as a due amounts equal to the net investment in the lease contract. 5. For operating lease, the lessor should recognize the lease payments from operating leases as income either on a straight-line basis or on another regular basis.		report period, in which law No. 95 of 1995 was canceled And issuing law No. 176 of 2018
Amended Egyptian Accounting Standard No. (38) "Employees Benefits"	A number of paragraphs were added and amended to amend the accounting rules for the modification, reduction and settlement of the employee benefits scheme	Management is currently assessing the potential impact on the financial statements when applying the amendment to the standard.	Standard No. (38) is effective for financial periods beginning on or after 1 January 2020 and early adoption is permitted

New or Amended Standards	Summary of the Most Significant Amendments	Potential impact on the Financial Statements	Adoption date
Amended Egyptian Accounting Standard No. (42) "Consolidated financial statements"	Some of the paragraphs were added related to the exception of investment entities from the consolidation. This amendment resulted in an amendment to some standards related to the subject of investment entities. The following is the amended standards - Egyptian Accounting Standard No. (15) "Disclosure of Related Parties" - Egyptian Accounting Standard No. 17 "Separate Financial Statements" - Egyptian Accounting Standard No. (18) "Investments in Associates" - Egyptian Accounting Standard No. (24) "Income Tax" - Egyptian Accounting Standard No. (29) "Business Combinations" - Egyptian Accounting Standard No. (30) "interim Financial Statements" - Egyptian Accounting Standard No. (44) - " Disclosure of Interests in Other Entities "	Management is currently assessing the potential impact on the financial statements when applying the amendment to the standard.	Standard No. 42 is effective for financial periods beginning on or after 1 January 2020 and early adoption is permitted The new or amended paragraphs are also applied to the standards that have been amended with respect to investment entities on the effective date of the Egyptian Accounting Standard No. 42 "Consolidated Financial Statements", and amended 2019.
Issuance of an Egyptian Accounting Interpretation No. (1) "Arrangements for Privileges of Public Services"	This interpretation provides guidance on the accounting by operators of public service concession arrangements from a public entity to a private entity for the construction, operation and maintenance of public utility infrastructure such as roads, bridges, tunnels, hospitals, airports, water distribution facilities, power supplies and communications networks. ..., etc. This interpretation gives the option of continuing to apply the prior treatment of existing public service concession arrangements	Management is currently assessing the potential impact on the financial statements when applying the amendment to the standard.	Interpretation No. (1) Applies to financial periods beginning on or after 1 January 2019.

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	prior to 1 January 2019 to entities that had recognized and measured the assets of these arrangements as fixed assets in accordance with EAS 10 Fixed Assets and Depreciation until their expiry.		
Egyptian Accounting Standard No. (22) "Earnings per share"	The scope of adoption of the Standard has been amended to be binding on the separate, consolidated or individual financial statements issued to all entities.	Management is currently assessing the potential impact on the financial statements when applying the amendment to the standard.	Amendment applies to financial periods beginning on or after 1 January 2019.
Egyptian Accounting Standard No. (34) Investment Property	- The use of the fair value model option for all properties is derecognized in subsequent measurement of its real estate investments and the obligation only to the cost model, with only real estate investment funds required to use the fair value model on subsequent measurement of all its real estate assets. Based on this amendment, both: - EAS 32 "Non-current Assets Held for Sale and Discontinued Operations". - Egyptian Accounting Standard No. (31) "Impairment of Assets"	Management is currently assessing the potential impact on the financial statements when applying the amendment to the standard.	Amendment applies to financial periods beginning on or after 1 January 2019.
Amended Egyptian Accounting Standard No. (4) "Statement of Cash flows"	An entity is required to provide disclosures that enable users of the financial statements to assess changes in liabilities arising from financing activities, including both changes resulting from cash flows or non-cash changes.	Management is currently assessing the potential impact on the financial statements when applying the amendment to the standard.	Amendment applies to financial periods beginning on or after ١ January ٢٠١٩