ORASCOM TELECOM HOLDING

First Half 2010

ORASCOM TELECOM

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CONTENT

Orascom Telecom Holding First Half 2010 Results

Cairo, August 12th, 2010: Orascom Telecom Holding (OTH) (Ticker: ORTE.CA, ORTEq.L, ORAT EY, OTLD LI), announces its first half 2010 consolidated results.

Highlights

- All Financial Figures reflect the result of the settlement and amended shareholders' agreements concluded with France Telecom, whereas the proportionate consolidation of Mobinil is not applicable as per IFRS. Mobinil will be reflected through the equity method starting Q3 2010.
- **Total subscribers** exceeded 99 million (including Mobinil), an increase of 18% over the same period last year.
- **Revenues** reached US$ 2,049 million[1] (LE 11,433 million), increasing by 1% over H1 2009 as a result of strong growth in most of the GSM operations. With the inclusion of Mobinil, consolidated revenues would have reached US$ 2,493 million (LE 13,908 million). Q2 10 revenues increased by 7% compared to Q1 10.
- **EBITDA** reached US$ 878 million[1] (LE 4,940 million), remained stable over H1 2009 mainly as a result of weak performance in Algeria countered by strong performance in Bangladesh, Pakistan, Tunisia and North Korea. With the inclusion of Mobinil, consolidated EBITDA would have reached US$ 1,056 million (LE 5,987 million). Q2 2010 EBITDA increased by 1% over Q1 10.
- **Group EBITDA margin** was stable over H1 2009 at 42.9%. EBITDA margins of the major subsidiaries were: Djezzy 56%, Tunisiana 52.6%, Mobilink 39.6% and banglalink 34.4%.
- **Net Income** before minority interest for the first half of 2010 stood at US$ 17 million. Net income attributable to equity holders for H1 2010 was a net loss of US$ 17 million. This loss was due to a book-entry of unrealized foreign exchange losses of US$ 120 million from the US$ 3.5 billion denominated debt at OTH, as OTH's primary accounts are held in Egyptian Pounds, due to statutory requirements.
- **Earnings per GDR** reached US$ (0.02)/GDR (based on a weighted average for the outstanding GDRs of 984 million over 6M 2010)[2].
- **Net Debt** as of June 30, 2010 stood at US$ 4,613 million. On a pro-forma basis, after receipt of the global settlement fee from France Telecom and LINKdotNET's sale proceeds, Net Debt/EBITDA will reach approximately 2.4x.

1. US$ financial figures in the Income Statement & Balance Sheet are according to the International Financial Reporting Standards (IFRS).
2. The weighted average for the outstanding GDRs was 983,507,696 as of June 30th.

Khaled Bichara, Group CEO, commented on the results:

"The first half of 2010 has demonstrated stable growth for most of our operations, supported by a trend of high additions to our various customer bases. In comparison to Q1, the second quarter has boosted subscriber levels and has shown a slight alleviation of irrational competitive pressures.

In Algeria, the disruptions of the fourth quarter have began to subside, once again solidifying Djezzy's market position, and displaying a 6% growth in revenues QoQ, thanks to higher post-paid ARPUs and gross adds. The situation in Egypt has witnessed significant improvement after the agreements concluded with France Telecom. The agreements have enabled us to fully devote our efforts into preserving Mobinil's leading position in the Egyptian market. A further development to our operation in Egypt is Mobinil's acquisition of LINKdotNET, which will reap the benefits of the trend in the global telecom industry; the convergence between ISPs and operators, which will clearly enhance value for both businesses. Even so, Mobinil was strongly hit by the new activation process, as well as the pressing shortage in dials in Q2, which have negatively impacted additions to their subscriber base. Nevertheless, Mobinil retains 40% of market share in Egypt. Mobilink's indicators have shown healthy signs of growth across the board, in particular an 18% YoY increase in EBITDA thanks to reduced SIM tax subsidization. In Pakistan, high subscriber growth, as well as a 5.5% increase in revenues compared to Q1 2010, is attributable to various successful promotions. Tunisiana's revenues in Q2 grew by nearly 1% in US$ versus 8% in local currency compared to the previous quarter. Bearing in mind the impact of the exchange rate, the increase was driven by an increase in subscribers, and complimented by tactical promotions in preparation of increasing competition in the Tunisian market. As a result, Tunisiana has witnessed a 26% increase in its subscriber base YoY. Our operation in Bangladesh is continuing to grow adding over 5 million subscribers to its network since June 2009.

"…we endeavour to become a stronger integrated fast growing company and an effective tool for our clients and subscribers of over 99 million worldwide."

WIND Mobile Canada celebrated its 100,000 subscriber mark in July, and is now providing its services in 5 of the 6 major urban centers in Canada: Toronto, Ottawa, Edmonton, Calgary and Vancouver.

With competition intensifying in most of our operating markets, Orascom Telecom will now be devoting its efforts to enrich its services in voice, as well as a new focus on areas of online and mobile content & solutions. With the addition of content and solutions to our array of services, we endeavour to become a stronger integrated fast growing company and an effective tool for our clients and subscribers of over 99 million worldwide."

Operational Performance

Subscribers

During the first half of 2010 Orascom Telecom continued to grow its customer base reaching over 99 million subscribers, an 18% growth over the same period last year.

Growth was particularly strong in Bangladesh, up 46%, in Tunisia up 26% and in Egypt, up 14%. In Algeria, subscribers exceeded 15 million, an increase of 4% compared to H1 2009.

Subscribers' growth in Pakistan has resumed throughout the first half of the year surpassing 32 million subscribers and demonstrating an increase of 10.5% over the previous year. A significant contribution to customer base growth was also delivered by Telecel Globe, with subscribers reaching 2.5 million, and by koryolink which counts almost 185 thousand subscribers as of June 30, 2010. In Lebanon, the customer base of Alfa reached 1.1 million, demonstrating a 34% increase over the same period last year.

The recent launch of WIND Mobile in Canada has already resulted in 94 thousand subscribers by the end of H1 2010. It is worth noting that WIND Mobile celebrated its 100 thousand subscriber mark in July 2010.

Table 1: Total Subscribers

Subsidiary	30 June 2009	31 Mar. 2010	30 June 2010	Inc/(dec) June 2010 vs. June 2009
Djezzy (Algeria)	14,539,873	14,790,372	**15,142,460**	4.1%
Mobilink (Pakistan)	29,136,839	31,572,181	**32,202,547**	10.5%
Tunisiana (Tunisia)	4,399,120	5,399,559	**5,562,269**	26.4%
banglalink (Bangladesh)	11,049,412	14,219,447	**16,096,598**	45.7%
Telecel Globe	1,197,800	2,280,369	**2,501,000**	108.8%
koryolink (DPRK)	47,863	125,661	**184,531**	n.m.
Alfa (Lebanon)	854,500	1,088,626	**1,148,473**	34.4%
Total	**61,225,407**	**69,476,215**	**72,837,878**	**17.7%**
Operations accounted for under the equity method				
Mobinil (Egypt)[1]	22,853,466	26,121,394	**26,147,615**	14.4%
Wind Canada (Canada)			**93,882**	n.a.
Total	**22,853,466**	**26,121,394**	**26,241,497**	**14.8%**
Grand Total	**84,078,873**	**95,597,609**	**99,079,375**	**17.8%**

1. As a result of the settlement and amended shareholders' agreements concluded with France Telecom, the proportionate consolidation of Mobinil is not applicable as per IFRS. Mobinil will be reflected through the equity method starting Q3 2010.

ARPU

The very high subscriber growth trend in Tunisia had a dilutive impact on the ARPU in Q2 2010. Moreover, the decline in ARPU was due to an increase in "on net" bonuses to preserve market share against the launch of the 3rd entrant into the market. Finally, the depreciation of the Tunisian Dinar against the US$ had a negative impact on ARPU in Q2 2010. In local currency terms, ARPU witnessed a decline of 12% compared to 20% in US$ terms. The decrease in ARPU in Egypt is attributable to the highly competitive environment, mainly surrounding cheap cross net tariffs, which caused Mobinil to respond with an aggressive on net offer.

In Algeria, the increase in ARPU in Q2 2010 compared to Q1 2010 by almost 4% is associated with an increase in outgoing voice ARPU resulting from the diminishing effect of the retention activities, in addition to the seasonality effect.

In Pakistan, ARPU in Q2 2010 decreased compared to the same period last year as a result of the depreciation of the local currency against the US$. In local currency terms ARPU remained stable in comparison to Q2 of last year, in spite of the increase in subscribers. In Bangladesh, Q2 2010 ARPU was marginally diluted by the substantial increase in subscribers, which was offset by the increase in total revenue.

Table 2: Blended Average Revenue Per User (ARPU)

Subsidiary	30 June 2009 US$ (3 months)	31 Mar. 2010 US$ (3 months)	30 June 2010 US$ (3 months)	Inc/(dec) June 2010 vs. June 2009
Djezzy (Algeria)	10.8	9.2	**9.5**	(12.0%)
Mobilink (Pakistan)	3.0	2.8	**2.9**	(3.3%)
Mobinil (Egypt)[1]	7.0	5.6	**5.4**	(22.9%)
Tunisiana (Tunisia)	12.6	10.6	**10.1**	(19.8%)
banglalink (Bangladesh)	2.6	2.3	**2.5**	(3.8%)
koryolink (DPRK)	22.8	21.3	**21.5**	(5.7%)
Alfa (Lebanon)	56.1	37.5	**42.1**	(25.0%)
Global ARPU (YTD)[2]	**5.9**	**5.0**	**5.0**	**(15.3%)**
Global ARPU (3 months)	**6.0**	**5.0**	**5.0**	**(16.7%)**

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

Subsidiary	30 June 2009 (3 months)	31 Mar. 2010 (3 months)	30 June 2010 (3 months)	Inc/(dec) June 2010 vs. June 2009
Djezzy (Algeria) (DZD)	786.6	679.1	**711.3**	(9.6%)
Mobilink (Pakistan) (PKR)	247.0	239.6	**246.9**	(0.0%)
Tunisiana (Tunisia) (TND)	17.1	14.7	**15.0**	(12.3%)

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

Market Share & Competition

During the first half of the year, OTH maintained its market leadership position in all its countries of operation with the exception of Bangladesh where it enjoys the second highest market share.

banglalink's effective promotions led to a healthy increase in its market share in Q2 2010 compared to the first quarter of the year. With the growth trend resuming in Pakistan, market share for Mobilink as reported by the regulator grew to 32.6%. It should be noted that a number of competitors in Pakistan do not apply a strict churn policy. Mobilink's market share of active subscribers as measured internally on traffic patterns remains at 40% as of June 30, 2010.

During the first half of 2010, Mobinil faced a massive intensification of the regulatory and competitive pressures resulting in a marginal decline in its market share compared to the previous quarter. In Tunisia market share decreased slightly over the previous quarter in line with expectations following the launch of the 3rd operator in the Tunisian market.

In Algeria, Djezzy's market share remained stable compared to the previous quarter, despite the prevailing regulatory and financial challenges.

Table 4: Market Share & Competition

Country	Brand name	Market Share (%)		Market Position	Names of additional network operations
		31 Mar. 2010	30 June 2010		
Algeria	Djezzy	59.1%	59.1%	1	AMN, Qtel
Pakistan[1]	Mobilink	31.6%	32.6%	1	U-Fone, Paktel, Telenor, Al Warid
Egypt	Mobinil	41.1%	40.0%	1	Vodafone, Etisalat
Tunisia	Tunisiana	54.9%	52.9%	1	Tunisie Telecom, Orange Tunisie
Bangladesh[1]	banglalink	25.9%	26.9%	2	Garmeen, Aktel, Citycell, BTTB, Al Warid

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

CAPEX

Total consolidated capital expenditures in H1 2010 decreased by 17% compared to the same period last year. Investments in Mobilink, Tunisiana and banglalink have been increased in order to boost network capacity in response to increased subscriber growth, and increased traffic. In Djezzy, the decrease in CAPEX of 65% compared to the same period last year is attributable to the blocking of imports of equipment and spare parts resulting in a delay in CAPEX.

The "Other" CAPEX mainly relates to investments made 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 2009[4]	Total US$ million 2010	Inc/(dec)
Algeria	Djezzy	127	45	(65%)
Pakistan	Mobilink	48	62	29%
Tunisia	Tunisiana	32	34	6%
Bangladesh	banglalink	50	102	104%
Other[2]		134	84	(37%)
Total		**391**	**327**	**(16.4%)**
Total Consolidated[3]		**375**	**310**	**(17.3%)**
Consolidated Capex/Sales		**18.5%**	**15.1%**	**(3.4%)**

1. Based on 100% ownership of all subsidiaries. As a result of the settlement and amended shareholders' agreements concluded with France Telecom, the proportionate consolidation of Mobinil is not applicable as per IFRS, as it renders the entity an investment held for sale, and consequently a discontinued operation under IFRS. Mobinil will be reflected through the equity method starting Q3 2010. H1 2009 and Q1 2010 figures have been restated to reflect the accounting treatment of Mobinil.
2. "Other" companies include CHEO, Linkdotnet, MedCable, Mena-Cable, OT Holding, Ring and Telecel Globe in 2009 and CHEO, Linkdotnet, Mena-Cable, OT Holding, Ring and Telecel Globe in 2010.
3. Consolidated CAPEX based on 50% in Tunisiana.
4. CAPEX components classification (e.g. tangible vs. Intangible) may differ from an operational perspective vs. an accounting one. Accordingly, OTH has adopted the accounting perspective in order to ensure that CAPEX classification is consistent with those reported in the financial statements. As a result, stated CAPEX figures for H1 09 have been adjusted and may differ from previously released CAPEX figures.

Main Financial Events

France Telecom and Orascom Telecom submit the main terms of their agreements on MobiNil and ECMS to the Egyptian Financial Supervisory Authority

In April 2010, France Telecom and Orascom Telecom submitted to the Egyptian Financial Supervisory Authority the main terms of the agreements on MobiNil and ECMS signed between them. The content of this submission can be found below.

1. Maintaining the partnership between the Parties, and subject to paragraph 4 below, neither Party shall transfer to the other Party any shares in MobiNil for Telecommunications (unlisted) or the Egyptian Company for Mobile Services (listed). The Parties further agreed that Orascom Telecom Holding shall not own or hold, directly or indirectly and/or whether acting in concert, an equity stake in the Egyptian Company for Mobile Services (listed) of more than 20% of the share capital of the latter (this refers to a standstill provision which further provides that Orascom Telecom Holding shall not seek to directly or indirectly and/or whether acting in concert increase its current equity stake in ECMS. This has been clarified in a subsequent press release);
2. Amending and restating the existing shareholders' agreement between the Parties relating to MobiNil for Telecommunications (unlisted). As a result of this amendment, OT will adopt the equity method instead of the proportionate consolidation method for the basis of accounting on the shareholders' equity. OT will consolidate its investment using the equity method in accordance with the Egyptian Accounting Standard No. 18, where OT's share in the net assets of ECMS at the date of entry into force of the settlement agreement shall be presented in a separate line item in the consolidated balance sheet, rather than on a line-by-line basis. As a result of this reclassification, there will be no impact on OT's consolidated income statement and OT's consolidated shareholders' equity, at that date. As for the OT's share in the profits or losses, the changes in the shareholders' equity of ECMS recognized after that date will be presented in a separate line item in the consolidated income statement and the consolidated statement of shareholders' equity respectively. By virtue of the International Financial Reporting Standards, France Telecom will fully consolidate its investment in MobiNil Telecommunications and ECMS as from the date of entry into force of the settlement agreement and the Amended and Restated Shareholders Agreement. The modification of the basis of the accounting treatment for France Telecom and Orascom Telecom will have no effect on ECMS and the minority shareholders of ECMS;
3. Granting Orascom Telecom Holding certain rights in the amended and restated shareholders' agreement with respect to the approval of material decisions and operational matters, the governance model under the Amended and Restated Shareholders Agreement is designed to ensure (i) the consolidation by FT of the financial results of MobiNil and its subsidiaries, and (ii) that material matters relating to the finances and operations of MobiNil, ECMS and/or their material Subsidiaries may not be taken unless such actions are authorized pursuant to the approval of all of the OT Directors and a majority of the FT Directors. The composition of the boards of MobiNil and ECMS reflects participation by OT and FT which is not materially different from the original shareholders agreement, whereby FT appoints, directly or indirectly, the majority of the members of the MobiNil and ECMS board of directors. The ECMS board of directors shall continue to include three non-executive, independent directors with relevant industry background. ECMS' management will include a CEO appointed by FT and a CFO designated from among FT candidates, whereas the Chief Technical Officer and the Chief Commercial Officer will be designated by the CEO from among OT candidates. Under the original shareholders agreement, in case the OT and the FT representatives on the board of MobiNil fail to reach consensus on a decision, a deadlock mechanism was triggered where either party buys the other's stake in MobiNil through a bidding process. Being the main reason behind the dispute subject matter of the arbitration between OT and FT, the parties agreed to simplify and amend such deadlock resolution mechanism and replace it with a right granted to OT in certain deadlock situations to put its shares in MobiNil and ECMS to FT for the Put Option Consideration, which consideration is calculated on a per share price;
4. Granting Orascom Telecom Holding in the amended and restated shareholders' agreement the option to put its shares in MobiNil for Telecommunications (unlisted) together with its shares in the Egyptian Company for Mobile Services (listed) to the France Telecom Group (i) during the period from September 15 through November 15, 2012, and (ii) during the period from September 15 through November 15, 2013, as well as (iii) at anytime until November 15,

2013 in a limited number of deadlock situations on some material decisions, and subject to certain conditions. In the event of the exercise of the put option, the price per the Egyptian Company for Mobile Services (listed) share ("ECMS P") which has been agreed between the Parties will increase over time from EGP 221.7 as of closing up to EGP 248.5 as of end 2013, to be converted in EUR at a fixed EUR/EGP exchange rate of 7.53. As for the opening put option price (221.7 as of 30/06/2010), it was calculated in reference to the weighted average market share price of ECMS for the week preceding April 14, 2010 accreted by 3% to 30/06/2010 = 220.3*(1+3%*79/360), payable in Euros at a fixed rate corresponding on the EGP:EUR rate as at the date of signing of the agreement. Each subsequent price represents a 3% annual accretion over the opening put option price. Therefore, the price of the put option does not express the parties' view of the long term valuation of ECMS. The price per MobiNil for Telecommunications (unlisted) share will be computed as ECMS P multiplied by the total number of ECMS shares held by MobiNil for Telecommunications (unlisted) in the Egyptian Company for Mobile Services (listed) and divided by the total number of MobiNil for Telecommunications (unlisted) shares;

5. The continuation of the Parties in rendering technical support and management services to the Egyptian Company for Mobile Services (listed) according to the two existing management agreements with the Parties, which were ratified to the General Assembly of the Company, and whereby each Party receives a fee equal to 0.75% of the total revenues of the Company (excluding equipment sales and sales taxes). In case of exit by OT, it will assign to FT its rights to the above management fees and enter into a transition services agreement to the benefit of ECMS enabling ECMS, at its option, to continue or terminate the various services and/or technical assistance agreements entered into with OT group, all subject to applicable laws and the approval of the competent corporate bodies of ECMS. In consideration for the assignment referred to above and the entering into by ECMS of the transition agreement, FT shall pay to OT a fee of EUR 110 million;

6. Prior to the settlement agreement, a dispute between the relevant parties on the ownership of the "MobiNil" trademark existed. OT and FT agreed that MobiNil and ECMS shall regularize the ownership of the MobiNil Trademark in the best interests of ECMS and all its shareholders and with a view to enhance the visibility of the trademark;

7. The agreement in principle of the Parties on the acquisition by the Egyptian Company for Mobile Services of Link Dot Net S.A.E and Link Egypt S.A.E, a leading Egyptian ISP, for total consideration calculated on the basis of an aggregate enterprise value of USD 130,000,000, subject to obtaining the approval of the competent corporate bodies (general assemblies and/or boards of directors) and completing the necessary procedures in accordance with applicable laws and regulations; and

8. In consideration for the settlement of all disputes between the Parties, whether in Egypt or abroad, under the Master Agreement, FT also agrees to pay OT a global settlement fee of USD 300,000,000 in consideration for OT's undertakings and obligations under the Master Agreement, the termination of the original shareholders agreement as well as execution of the Amended and Restated Shareholders Agreement (which results in the loss for OT of consolidation of MobiNil financial results) and the Settlement Agreement. There is no specific contractual breakdown of the global settlement fee among the items set forth above. However, the quantum was agreed taking into account the value of the additional portion of EBITDA that will be consolidated by France Telecom in its financial statements. Such fee shall be paid by one of the FT Entities in cash on the Closing Date and is in line with the benchmark of companies suffering a discount on their holdings in non consolidated assets. The quantum and the payment of such global settlement fee do not impact ECMS and the minority shareholders of ECMS. All the more, ECMS will benefit from the global settlement between its main shareholders as it will enable ECMS to perform and pursue its development with the full support and commitment of France Telecom and Orascom Telecom. Moreover, the global settlement enables France Telecom to reinforce its long term investment in Egypt and to ensure a positive media environment for its investment.

Orascom Telecom Algeria's ("OTA") Tax Appeal Process

In November 2009 Orascom Telecom Algeria (OTA) received a notice of reassessment from the Algerian Direction des Grandes Entreprises ("DGE") in respect of the tax years 2005, 2006 and 2007 (the "Reassessment"). In December 2009, OTA filed an administrative appeal. To appeal, OTA was required to pay 20% of alleged taxes and penalties to be owed, amounting to USD 120 million. The appeal was rejected.

In March 2010, OTA paid a further 20% of the remaining balance amounting to USD 110 million (including delay penalties), to appeal to the Central Commission, which was rejected. OTA's administrative appeal in relation to the 2004 tax reassessment had also been rejected.

In April, after exhausting all appeal available within internal forums at the Algerian tax authority, OTA then appealed to the Administrative Court of Algiers to request:

- An injunction to immediately suspend the payment order received pursuant to the rejection of OTA's appeal to the tax administration on April 1st, 2010, and

- The dismissal of the entire tax adjustment for the years 2004 through to 2007, on the merit of the case.

OTA paid the remaining balance of the principal amount of the authorities' tax reassessment claim for the years 2005-2007 equivalent to USD 597* million, excluding penalties which amount to USD 74 million from which USD 49 million were paid and USD 25 million has been suspended until final ruling of the administrative court on merits in the case filed by OTA pertaining to taxes and penalties related thereto. All amounts paid will be recoverable if OTA's case against the tax authority is successful.

These payments were made without prejudice to any rights OTH or OTA may have under: (1) the tax exemptions and protections granted under an Investment Agreement dated 5 August 2001 signed by Algeria with OTH and Oratel International Inc. (now a fully owned subsidiary of OTH) acting for and on behalf of OTA; (2) the 1997 Treaty for the Mutual Promotion and Protection of Investments between Algeria and Egypt; and (3) Algerian law.

* Based on an exchange rate of: USD 1 = DZD 73.6.

Orascom Telecom Holding S.A.E. Extends its Management Contract of Alfa

In February 2010, Orascom Telecom Holding S.A.E. ("Orascom Telecom" or "OTH") announced that after exceeding the 1 million subscriber mark required in its management contract signed with the Republic of Lebanon in January 2009, OTH was awarded an extension to the management contract of Alfa, one of the two Lebanese mobile telecommunications operators, for a period of 6 months ending on 31 July 2010. Under this contract, OTH receives a monthly sum of USD 2.5 Million in addition to 8.5% of total revenues. Out of these amounts Orascom Telecom Holding 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.

Orascom Telecom Holding Announces the Sale of LINKdotNET and Link Egypt to Mobinil

In July 2010, Orascom Telecom Holding S.A.E. ("OTH" or "the Company") announced that it had concluded the sale of its internet services arm LINKdotNET and Link Egypt ("LINK") to the Egyptian Company for Mobile Services ("Mobinil"). InTouch Communications S.A.E, a wholly-owned subsidiary of OTH signed a share sale and purchase agreement with Mobinil for the sale of LINK. The sale excludes the non-ISP part of Link Egypt's business and affects LINKdotNET's Egyptian operations only. The other non-connectivity business, LINK Development, LINKonLINE, Connect Ads, Arab Finance Brokerage Company and Arpu+ remain owned by OTH. The deal was a cash transaction based on an enterprise value of USD 130 Million. The business represented 56% and 90% of the revenue and EBITDA of OTH Internet Services respectively.

Financial Review

Revenues

Consolidated revenues in H1 2010 increased by 1.1% over the same period last year.

GSM revenues across the board displayed strong growth in H1 2010 vs. H1 2009 with the exception of a 9.8% decrease in revenues in Algeria, driven by the impact of the crisis that took place in Q4 2009, the suspension of a portion of the post-paid base for cash collection issues in Q1 2010, as well as the inability to launch new promotions. In addition, lower VAS revenue negatively impacted Djezzy's revenues in comparison to H1 2009. banglalink's revenues grew by nearly 26% due to revenue enhancement initiatives and a higher average subscriber base, which resulted in higher pre-paid revenues. Tunisiana recorded revenue growth of 9% compared to the same period last year, with higher incoming revenue and higher outgoing revenue generated by a higher average base of subscribers. In Pakistan, Mobilink's promotions spurred a higher average base and increased MOU, translating into a revenue increase of almost 6% YoY. The growth performance of Telecel Globe and koryolink is increasingly evident in the overall top line trend, both exhibiting strong growth at 32% and 86% respectively.

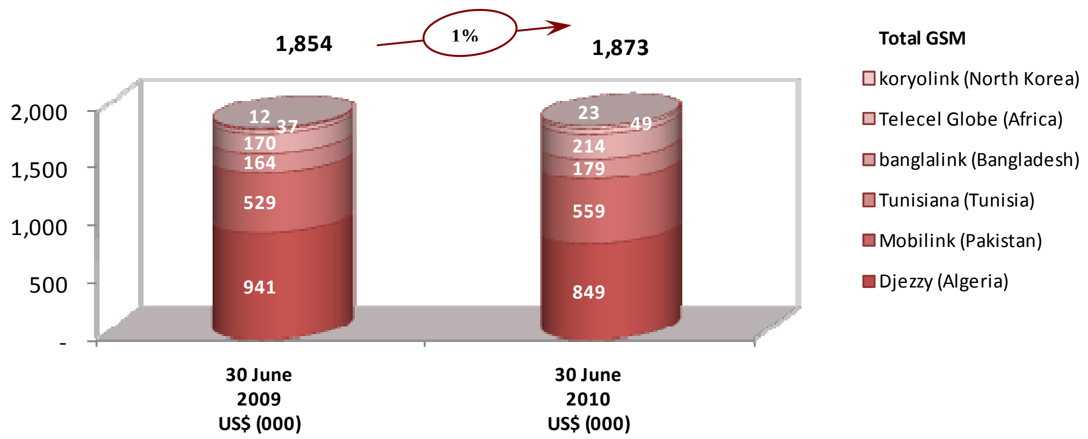
With regards to Telecom Services, the YoY decrease of 21% in Ring was caused by stock fluctuations, whereas the 66% increase in Other Telecom Services reflects OT Lebanon's high subscriber growth in Alfa, Lebanon.

Table 6: Consolidated Revenues

Subsidiary	30 June [1] 2009 US$ (000)	30 June [1] 2010 US$ (000)	Inc/ (dec)	Q1 - 2010[1] (3 months) US$ (000)	Q2 - 2010[1] (3 months) US$ (000)	Inc/ (dec)
GSM						
Djezzy (Algeria)	941,438	**849,053**	(9.8%)	412,524	436,529	5.8%
Mobilink (Pakistan)	529,009	**559,494**	5.8%	272,262	287,232	5.5%
Tunisiana (Tunisia)	163,909	**178,807**	9.1%	89,088	89,720	0.7%
banglalink (Bangladesh)	170,404	**214,123**	25.7%	99,653	114,470	14.9%
Telecel Globe (Africa)	36,956	**48,783**	32.0%	24,172	24,611	1.8%
koryolink (North Korea)	12,472	**23,199**	86.0%	9,029	14,170	56.9%
Total GSM	1,854,187	**1,873,460**	1.0%	906,728	966,732	6.6%
Telecom Services						
Ring	96,153	**75,877**	(21.1%)	35,054	40,823	16.5%
Other[2]	31,077	**51,742**	66.5%	25,113	26,629	6.0%
Total Telecom Services	127,230	**127,620**	0.3%	60,167	67,452	12.1%
Internet Services	45,269	**48,218**	6.5%	23,767	24,451	2.9%
Total Consolidated	**2,026,686**	**2,049,297**	**1.1%**	**990,662**	**1,058,635**	**6.9%**

1. As a result of the settlement and amended shareholders' agreements concluded with France Telecom, the proportionate consolidation of Mobinil is not applicable as per IFRS, as it renders the entity an investment held for sale, and consequently a discontinued operation under IFRS. Mobinil will be reflected through the equity method starting Q3 2010. H1 2009 and Q1 2010 figures have been restated to reflect the accounting treatment of Mobinil.
2. Other Telecom Services Companies include C.A.T., OT Lebanon and TWA in H1 2009 and OT Lebanon and TWA in H1 2010.

Consolidated Revenues



The second quarter of 2010 showed significant improvement over the previous quarter across all subsidiaries. Djezzy witnessed a QoQ increase in revenues of 6%, driven mainly by higher pre-paid revenues, due to higher pre-paid ARPU, resulting from the diminishing effect of the crisis retention activities amidst Djezzy's inability to launch promotions, and higher average subscribers.

Tunisiana's revenues remained stable in US$ terms, increasing by nearly 1% with the impact of increased visitor roaming being negatively offset by the exchange rate of the TND against the US$. However, in local currency terms, Tunisiana achieved a revenue growth of 8.2% QoQ due to subscriber growth, customer retention through on net strategies and loyalty programs leading to increased usage. In Bangladesh, banglalink's revenues in Q2 2010 increased by nearly 15% in comparison to the previous quarter mostly attributable to a higher subscriber base. Incoming revenues from the retroactive adjustment eliminating VAT on international incoming calls and the shutdown of four competing fixed line operators also added a slight increase to revenue growth this quarter.

The 57% increase in koryolink's revenue compared to Q1 10 is mainly attributable to the increase in its subscriber base.

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

Subsidiary	30 June 2009	30 June 2010	Inc/ (dec)	Q1 - 2010 (3 months)	Q2 - 2010 (3 months)	Inc/ (dec)
GSM						
Djezzy (Algeria) (DZD bn)	68.3	**63.0**	(7.8%)	30.4	32.6	7.2%
Mobilink (Pakistan) (PKR bn)	42.6	**47.5**	11.4%	23.1	24.4	5.4%
Tunisiana (Tunisia) (TND mn)	228.8	**256.7**	12.2%	123.3	133.4	8.2%

1. Un-audited Figures.

EBITDA

Consolidated EBITDA in H1 2010 remained stable over the previous year with GSM EBITDA decreasing 1.9% compared to the same period last year.

GSM EBITDA was negatively impacted mainly as a result of lower revenues and the introduction of a new 5% sales tax on mobile recharges effective from July 2009, which caused Djezzy's EBITDA to decrease by 16.7% in comparison to H1 2009.

banglalink delivered an impressive performance in the first half of 2010 compared to the previous year with EBITDA growing 22.4% mainly as a result of high subscriber and revenue growth and a cautious SIM card subsidization strategy.

In Pakistan, Mobilink's EBITDA grew by 18% while maintaining a healthy ARPU trend, resulting in higher revenues, as well as reduced SIM tax subsidy to Rs 250/SIM in July 2009 from Rs 500/SIM. The increase in subscriber base in Tunisia, as well as revenues, resulted in a 5.6% growth in EBITDA.

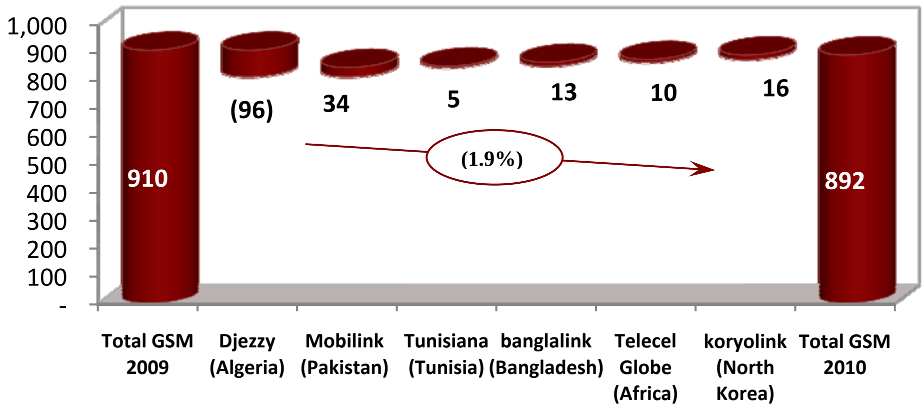
Total Telecom Services EBITDA was affected by Ring's stock fluctuations, as well as OT Lebanon's subscriber growth in Alfa. Internet Services EBITDA witnessed a high increase YoY after undergoing extensive provisions analyses.

Table 8: Consolidated EBITDA[1]

Subsidiary	30 June[2] 2009 US$ (000)	30 June[2] 2010 US$ (000)	Inc/ (dec)	Q1 - 2010[2] (3 months) US$ (000)	Q2 - 2010[2] (3 months) US$ (000)	Inc/ (dec)
GSM						
Djezzy (Algeria)	570,801	**475,262**	(16.7%)	229,415	245,847	7.2%
Mobilink (Pakistan)	187,673	**221,417**	18.0%	105,772	115,646	9.3%
Tunisiana (Tunisia)	89,147	**94,110**	5.6%	46,872	47,239	0.8%
banglalink (Bangladesh)	60,110	**73,574**	22.4%	42,592	30,982	(27.3%)
Telecel Globe (Africa)	(1,003)	**9,297**	n.m.	3,612	5,685	57.4%
koryolink (North Korea)	2,802	**18,679**	n.m.	5,849	12,830	119.4%
Total GSM	909,531	**892,338**	(1.9%)	434,111	458,227	5.6%
Telecom Services						
Ring	(6,591)	**2,796**	n.m.	6,298	(3,502)	n.m.
Other[3]	(7,043)	**11,402**	n.m.	5,484	5,919	7.9%
Total Telecom Services	(13,634)	**14,198**	n.m.	11,781	2,417	(79.5%)
Internet Services	937	**6,189**	n.m.	3,340	2,848	(14.7%)
OT Holding & Other[4]	(21,150)	**(34,319)**	(62.3%)	(12,158)	(22,162)	(82.3%)
Total Consolidated	875,685	**878,406**	0.3%	437,075	441,331	1.0%

1. EBITDA excludes management fees which were previously treated as a cost in each subsidiary and as a revenue for the Holding.
2. As a result of the settlement and amended shareholders' agreements concluded with France Telecom, the proportionate consolidation of Mobinil is not applicable as per IFRS, as it renders the entity an investment held for sale, and consequently a discontinued operation under IFRS. Mobinil will be reflected through the equity method starting Q3 2010. H1 2009 and Q1 2010 figures have been restated to reflect the accounting treatment of Mobinil.
3. Other Telecom Services Companies include: C.A.T., MedCable, Mena Cable, OT Lebanon, TWA, and OTWIMAX in H1 2009 and H1 2010.
4. Other non operating companies include: Cortex, Eurasia, FPPL, Moga Holding, MINMax, OIH, OIIH, Oratel, OT Holding Canada, OT ESOP, OTFSCA, OTI Malta, OT Services Europe, OT Oscar, OT Wireless Europe, OT Asia, Pioneers, SAWLTD, ITCL, M-link, Swyer, IWPL and Telecel.

Consolidated EBITDA



Total GSM EBITDA saw a healthy 5.6% increase from Q1 2010 to Q2 2010. Mobilink observed a 9.3% increase in EBITDA in Q2 2010 compared to the previous quarter because of its increased subscriber base resulting in higher MOU from successful promotional campaigns. banglalink's EBITDA witnessed a decrease of 27.3% in Q2 2010 versus Q1 2010, as a consequence of higher marketing costs resulting from the SIM tax subsidy for higher gross adds.

Djezzy's EBITDA grew by 7.2% in Q2 2010 in comparison with Q1 2010, corresponding with its QoQ revenue increase from the diminishing effect of the crisis retention activities. Tunisiana's EBITDA increased by 0.8% in US$ terms from Q1 2010 to Q2 2010. In local currency terms, EBITDA grew by 8%, due to higher revenues and stable costs.

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

Subsidiary	30 June 2009	30 June 2010	Inc/ (dec)	Q1 - 2010 (3 months)	Q2 - 2010 (3 months)	Inc/ (dec)
GSM						
Djezzy (Algeria) (DZD bn)	41.7	**35.4**	(15.1%)	17.0	18.4	8.3%
Mobilink (Pakistan) (PKR bn)	15.1	**18.8**	24.8%	9.0	9.8	9.0%
Tunisiana (Tunisia) (TND mn)	124.4	**135.0**	8.5%	64.9	70.1	8.0%

1. Un-audited Figures.

EBITDA MARGIN

EBITDA margin was stable over H1 2009 at 42.9%. GSM margin declined by 1.4% to 47.6% in H1 2010 vs. H1 2009 as a result of lower margins in OTA and Tunisiana. The margin decline in OTA was driven by the aforementioned sales tax introduction, borne by the operators. Tunisiana's decline of 1.8% is mostly attributable to the increased sales costs, as well as higher subsidies on handsets in efforts to counter mounting competition in the market. Furthermore, competition in Tunisia required an increase in marketing expenses, as well as an increase in maintenance expenses to accommodate higher subscribers and usage. In Bangladesh, banglalink's EBITDA margin remained fairly stable, dropping by less than 1%. The slight decrease relates to the SIM tax subsidy in Q2 2010.

The negative impact on the GSM margin was partially offset by the increase in the margins of Mobilink and koryolink. Mobilink's margin grew as a result of increasing revenues and reduced marketing expenses. koryolink's margin showed an impressive increase of 58%, and Telecel Globe's 22% increase saw through a positive EBITDA margin in H1 2010 in comparison to H1 2009 as a result of lower OPEX and effective growth in subscribers and revenues.

Table 10: Consolidated EBITDA Margin

Subsidiary	30 June 2009	30 June 2010	Change	Q1 - 2010 (3 months)	Q2 - 2010 (3 months)	Change
GSM						
Djezzy (Algeria)	60.6%	**56.0%**	(4.7%)	55.6%	56.3%	0.7%
Mobilink (Pakistan)	35.5%	**39.6%**	4.1%	38.8%	40.3%	1.4%
Tunisiana (Tunisia)	54.4%	**52.6%**	(1.8%)	52.6%	52.7%	0.0%
banglalink (Bangladesh)	35.3%	**34.4%**	(0.9%)	42.7%	27.1%	(15.7%)
Telecel Globe (Africa)	(2.7%)	**19.1%**	21.8%	14.9%	23.1%	8.2%
koryolink (North Korea)	22.5%	**80.5%**	58.0%	64.8%	90.5%	25.8%
Total GSM	49.1%	**47.6%**	(1.4%)	47.9%	47.4%	(0.5%)
Total Telecom Services	(10.7%)	**11.1%**	21.8%	19.6%	3.6%	(16.0%)
Internet Services	2.1%	**12.8%**	10.8%	14.1%	11.6%	(2.4%)
EBITDA Margin	**43.2%**	**42.9%**	**(0.3%)**	**44.1%**	**41.7%**	**(2.4%)**

Foreign Exchange Rates

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

Currency	Jun. 09	Mar. 10	Jun. 10	% Chg[3] Jun. 10 vs Jun. 09	% Chg[3] Jun. 10 vs Mar. 10
Egyptian Pound/USD					
Income Statement [1]	5.5630	5.5043	5.5748	0.2%	1.3%
Balance Sheet [2]	5.3790	5.5260	5.7149	6.2%	3.4%
Algerian Dinar/USD					
Income Statement [1]	72.5610	73.5749	74.1869	2.2%	0.8%
Balance Sheet [2]	72.9300	73.7159	75.3636	3.3%	2.2%
Tunisian Dinar/USD					
Income Statement [1]	1.3960	1.3855	1.4343	2.7%	3.5%
Balance Sheet [2]	1.3540	1.4042	1.5173	12.1%	8.1%
Pakistan Rupee/USD					
Income Statement [1]	80.4640	84.7466	84.8122	5.4%	0.1%
Balance Sheet [2]	81.6670	84.2733	85.5000	4.7%	1.5%
Bangladeshi Taka/USD					
Income Statement [1]	69.4280	69.6100	69.6633	0.3%	0.1%
Balance Sheet [2]	69.4500	69.6800	69.8000	0.5%	0.2%
Canadian Dollar/USD					
Income Statement [1]	1.1920	1.0273	1.0258	-13.9%	-0.1%
Balance Sheet [2]	1.1620	1.0047	1.0392	-10.6%	3.4%

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

Net Income before minority interest for the first half of 2010 stood at US$ 17 million. Net income attributable to equity holders for the H1 2010 was a net loss of US$ 17 million, despite increasing stability across our operations. This loss was attributable to several factors that took place in Q2 2010. Due to statutory requirements, OTH's primary accounts are held in Egyptian Pounds. Accordingly, the appreciation of the US$ against the Egyptian Pound from 5.526 to 5.715 during the course of Q2 had a significant effect on the mark to market value of the US$ denominated debt at OTH of approximately US$ 3.5 billion, which resulted in a QoQ and consequently a YoY increase in the book-entry of unrealized foreign exchange losses of approximately US$ 102 million and US$120 million, respectively.

Furthermore, the impairment of MedCable in Algeria, caused by the disallowing of the cables' use for domestic and international calls by OTA, also impacted the bottom line. Finally, the net income for the period also encompassed start up losses from our Canadian operations.

EPS in the 6 months ended June 30, 2010 stood at US$ (0.02)/GDR.

Table 12: Income Statement in IFRS/US$

	30 June 2009 US$ (000)	30 June 2010 US$ (000)	Inc/ (dec)	Q1 - 2010 (3 months) US$ (000)	Q2 - 2010 (3 months) US$ (000)	Inc/ (dec)
Revenues	**2,026,686**	**2,049,298**	**1%**	**990,662**	**1,058,636**	**7%**
Other Income	17,356	18,042		9,220	8,822	
Total Expense	(1,168,357)	(1,188,934)		(562,807)	(626,127)	
EBITDA [1]	**875,685**	**878,406**	**0.3%**	**437,075**	**441,331**	**1%**
Depreciation & Amortization	(397,713)	(399,441)		(199,359)	(200,082)	
Impairment of Non Current Assets	(15,612)	(35,036)		(3,747)	(31,289) [2]	
Gain (Loss) on Disposal of Non Current Assets	35,541 [3]	(642)		(190)	(452)	
Operating Income	**497,901**	**443,287**	**(11%)**	**233,780**	**209,507**	**(10%)**
Financial Expense	(227,624) [4]	(253,586) [4]		(134,623)	(118,964)	
Financial Income	79,782 [5]	38,591		17,068	21,523	
Foreign Exchange Gain (Loss)	(66,756)	(114,001) [6]		7,606	(121,607) [6]	
Net Financing Cost	(214,598)	(328,996)		(109,948)	(219,048)	
Share of Profit (Loss) of Associates	(11,169)	(66,914) [7]		(33,692)	(33,222)	
Profit Before Tax	**272,134**	**47,377**	**(83%)**	**90,140**	**(42,763)**	**n.m.**
Income Tax	(144,534)	(122,204)		(56,747)	(65,457)	
Profit from Continuing Operations	**127,599**	**(74,827)**	**n.m.**	**33,393**	**(108,220)**	**n.m.**
Gains or losses from discontinued operations [8]	85,801	91,583		24,765	66,818	
Profit for the Period	**213,400**	**16,756**	**(92%)**	**58,158**	**(41,402)**	**n.m.**
Attributable to:						
Equity Holders of the Parent [9]	**182,993**	**(17,276)**	**n.m.**	**48,806**	**(66,082)**	**n.m.**
Earnings Per Share (US$/GDR)	**0.21** [10]	**(0.02)** [10]	**n.m.**	**0.05** [10]	**(0.06)** [10]	**n.m.**
Minority Interest	30,408	34,032		9,352	24,680	
Net Income	**213,400**	**16,756**	**(92%)**	**58,158**	**(41,402)**	**n.m.**

1- Management Presentation developed from IFRS financials.
2- Mainly due to the impairment of MedCable in Algeria.
3- Due to the proceeds of the disposal of M-Link.
4- Due to a waiver obtained from the lenders regarding the Algerian tax claim amounting to approximately US$ 24 million in H1 2010.
5- Mainly due to gains of approx. US$36.5 million resulting from the early extinguishment of PMCL's bond.
6- Mainly due to the unrealised FX loss from mark to market value of the US$ denominated debt at OTH of US$ 3.5 billion as a result of the depreciation of the Egyptian Pound.
7- Mainly due to the launch of the Canadian operations.
8- As a result of the settlement and amended shareholders' agreements concluded with France Telecom, whereas the proportionate consolidation of Mobinil is not applicable as per IFRS, as it renders the entity an investment held for sale, and consequently a discontinued operation under IFRS. Mobinil will be reflected through the equity method starting Q3 2010. H1 2009 and Q1 2010 figures have been restated to reflect the accounting treatment of Mobinil.
9- Equates to Net Income after Minority Interest.
10- Based on a weighted average for the outstanding number of GDRs of 983,507, 696 GDRs in H1 10 and 1,045,643,124 GDRs in Q2 10. On a pro forma basis for the rights issue, the weighted average for the outstanding number of GDRs for H1 09 and Q110 is 874,860,645 and 920,681,875 GDRs respectively.

Table 13: Balance Sheet in IFRS/US$

	IFRS/US$ 31 December 2009 US$ (000)	IFRS/US$ 30 June 2010 US$ (000)
Assets		
Property and Equipment (net)	5,031,757	3,965,452
Intangible Assets	2,261,477	1,722,599
Other Non-Current Assets	963,990	1,070,718
Total Non-Current Assets	**8,257,224**	**6,758,769**
Cash and Cash Equivalents	759,546	412,782
Trade Receivables	331,759	299,053
Assets Held for Sale	109,953	1,547,943[1]
Other Current Assets	640,537	1,270,369[2]
Total Current Assets	**1,841,795**	**3,530,147**
Total Assets	**10,099,019**	**10,288,916**
Equity Attributable to Equity Holders of the Company	1,275,765	1,981,419
Minority Share	140,029	152,917
Total Equity	**1,415,794**	**2,134,336**
Liabilities		
Long Term Debt	4,873,991	4,213,007
Other Non-Current Liabilities	340,145	284,325
Total Non-Current Liabilities	**5,214,136**	**4,497,332**
Short Term Debt	998,231	1,005,969
Trade Payables	1,042,907	754,608
Liabilities Held for Sale	54,946	998,065[1]
Other Current Liabilities	1,373,005	898,605
Total Current Liabilities	**3,469,089**	**3,657,247**
Total Liabilities	**8,683,225**	**8,154,580**
Total Liabilities & Shareholder's Equity	**10,099,019**	**10,288,916**
Net Debt[3]	**5,112,676**	**4,612,830**

1- As a result of the settlement and amended shareholders' agreements concluded with France Telecom, whereas the proportionate consolidation of Mobinil is not applicable as per IFRS, as it renders the entity an investment held for sale, and consequently a discontinued operation under IFRS. Mobinil will be reflected through the equity method starting Q3 2010.
2- Includes pledged cash of approximately US$ 193 million.
3- Net Debt is calculated as a sum of Short Term Debt, Long Term Debt, less Cash and Cash Equivalents. Net Debt for H1 2010 excludes pledged cash of approximately US$ 193 million.

Table 14: Cash Flow Statement in IFRS/US$[1]

	IFRS/US$ 30 June 2009 US$ (000)	IFRS/US$ 30 June 2010 US$ (000)
Cash Flows from Operating Activities		
Profit/Loss for the Period from continuing operations	**127,599**	**(74,827)**
Depreciation, Amortization & Impairment of Non-Current Assets	413,325	434,477
Income Tax Expense	144,534	122,204
Net Financial Charges	147,842	214,995
Share of Loss (Profit) of Associates Accounted for Using the Equity Method	11,169	66,914
Other	59,341	141,351
Changes in Assets Carried as Working Capital	(40,734)	(645,953)
Changes in Other Liabilities Carried as Working Capital	98,717	116,046
Income Tax Paid	(494,252)	(233,334)
Interest Expense Paid	(224,428)	(178,295)
Net Cash Generated by/(used in) Operating Activities	**243,113**	**(36,422)**
Cash Flows from Investing Activities		
Cash Outflow for Investments in Property & Equipment, Intangible Assets, and Financial Assets & Consolidated Subsidiaries	(696,511)	(367,727)
Net (Payments) for Current Financial Assets	(1,505)	9,486
Proceeds from Disposal of Property & Equipment, Associates, Subsidiaries and Financial Assets	160,726	21,969
Advances & Loans made to Associates & other parties	-	-
Dividends & Interest Received	12,183	11,352
Net Cash Used in Investing Activities	**(525,107)**	**(324,920)**
Cash Flows from Financing Activities		
Proceeds from Non-Current Borrowings	613,571	516,242
Repayment of Non-Current Borrowings	(435,289)	(688,674)
Net Proceeds (Payments) from Current Financial Liabilities	47,696	-
Advances & Loans made to Associates & Other Parties	(27,511)	(286,980)
Net Change in Cash Collateral	36,260	(195,438)
Dividend Payments	-	-
Proceeds / Payments for Treasury Shares	(11,811)	(993)
Capital injections	-	775,205
Change in Minority Interest	-	-
Net Cash generated by Financing Activities	**222,916**	**119,362**
Discontinued operations		
Net cash generated by operating activities	104,052	108,008
Net cash used in investing activities	(104,073)	(108,566)
Net cash used in financing activities	(21,232)	(25,309)
Net cash (used in) discontinued operations	**(21,253)**	**(25,867)**
Net Increase (Decrease) in Cash & Cash Equivalents	**(80,331)**	**(267,847)**
Cash included in Assets Held for Sale	(42,515)	(56,584)
Effect of Exchange Rate Changes on Cash & Cash Equivalents	(12,480)	(22,333)
Cash & Cash Equivalents at the Beginning of the Period	651,783	759,546
Cash & Cash Equivalents at the End of the Period	516,457	412,782

1- As a result of the settlement and amended shareholders' agreements concluded with France Telecom, whereas the proportionate consolidation of Mobinil is not applicable as per IFRS, as it renders the entity an investment held for sale, and consequently a discontinued operation under IFRS. Mobinil will be reflected through the equity method starting Q3 2010. H1 2009 and Q1 2010 figures have been restated to reflect the accounting treatment of Mobinil.

Table 15: Income Statement in EAS/Egyptian Pounds

	30 June 2009 LE (000)	30 June 2010 LE (000)	Inc/ (dec)	Q1 - 2010 (3 months) LE (000)	Q2 - 2010 (3 months) LE (000)	Inc/ (dec)
Revenues	**13,954,379**	**13,907,799**	**(0.3%)**	**6,693,876**	**7,213,923**	**8%**
Other Income	96,707	101,374		50,914	50,460	
Total Expense	(7,802,847)	(8,021,836)		(3,819,163)	(4,202,673)	
EBITDA[1]	**6,248,239**	**5,987,337**	**(4%)**	**2,925,628**	**3,061,709**	**5%**
Depreciation & Amortization	(2,705,844)	(2,693,609)		(1,329,431)	(1,364,178)	
Other	112,217	(200,780)		(21,626)	(179,154)	
Operating Income	**3,654,612**	**3,092,948**	**(15%)**	**1,574,570**	**1,518,378**	**(4%)**
Financial Expense	(1,473,927)	(1,552,870)		(805,968)	(746,902)	
Financial Income	460,471	226,940		100,795	126,145	
Foreign Exchange Gain (Loss)	(370,112)	(594,054)		67,856	(661,910)	
Net Financing Cost	*(1,383,567)*	*(1,919,983)*		*(637,317)*	*(1,282,666)*	
Share of Profit (Loss) of Associates	(62,894)	(373,020)		(185,451)	(187,569)	
Profit Before Tax	**2,208,150**	**799,946**	**(64%)**	**751,802**	**48,144**	**(94%)**
Income Tax	(934,455)	(787,825)		(364,495)	(423,330)	
Profit from Continuing Operations	**1,273,695**	**12,121**	**(99%)**	**387,307**	**(375,187)**	**n.m.**
Profit for the Period	**1,273,695**	**12,121**	**(99%)**	**387,307**	**(375,187)**	**n.m.**
Attributable to:						
Equity Holders of the Parent	**1,096,162**	**(147,999)**	**n.m.**	**316,149**	**(464,148)**	**n.m.**
Earnings Per Share (EGP/Share)[2]	**0.25**[3]	**(0.03)**[3]	**n.m.**	**0.07**[3]	**(0.10)**[3]	**n.m.**
Minority Interest	177,533	160,120		71,158	88,962	
Net Income	**1,273,695**	**12,121**	**(99%)**	**387,307**	**(375,187)**	**n.m.**

1- Management Presentation developed from EAS financials.
2- Adjusted based on a pro forma basis for the rights issue.
3- Based on a weighted average for the outstanding number of shares for H1 2010 of 4,917,538,481 local shares and for Q2 10 of 5,228,215,621 local shares. On a pro forma basis for the rights issue, the weighted average for the outstanding number of shares for H1 09 and Q1 10 is 4,374,303,225 and 4,603,409,374 local shares respectively.

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

	EAS/LE 31 December 2009 LE (000)	EAS/LE 30 June 2010 LE (000)
Assets		
Property and Equipment (net)	27,526,242	27,235,929
Intangible Assets	12,262,066	11,976,260
Other Non-Current Assets	5,310,618	6,162,591
Total Non-Current Assets	**45,098,927**	**45,374,781**
Cash and Cash Equivalents	4,184,340	2,659,684
Trade Receivables	1,827,658	1,992,398
Assets Held for Sale	605,732	645,101
Other Current Assets	3,570,237	7,585,229[2]
Total Current Assets	**10,187,968**	**12,882,413**
Total Assets	**55,286,895**	**58,257,194**
Equity Attributable to Equity Holders of the Company	6,806,645	11,020,939
Minority Share	762,697	815,957
Total Equity	**7,569,342**	**11,836,896**
Liabilities		
Long Term Debt	26,747,498	26,389,711
Other Non-Current Liabilities	1,886,011	2,110,040
Total Non-Current Liabilities	**28,633,509**	**28,499,751**
Short Term Debt	5,483,389	6,246,091
Trade Payables	5,745,373	5,278,704
Other Current Liabilities	7,855,282	6,395,751
Total Current Liabilities	**19,084,044**	**17,920,546**
Total Liabilities	**47,717,553**	**46,420,297**
Total Liabilities & Shareholder's Equity	**55,286,895**	**58,257,194**
Net Debt [3]	**28,046,547**	**28,871,041**

1- Management presentation developed from EAS financials.
2- Includes pledged cash of approximately LE 1,105 million.
3- Net Debt is calculated as a sum of Short Term Debt, Long Term Debt, less Cash and Cash Equivalents. Net Debt for H1 2010 excludes pledged cash of approximately LE 1,105 million.

Presence in Countries with Favourable Dynamics:

OTH serves a population of 512 million* with an average penetration of 50%

EGYPT
Population: 80.1 million
GDP Growth: 4.7%
GDP/Capita PPP ($): 6,000
Pop. Under 15 years: 33%
Sovereign Rating: BB+
Mobile Penetration: 82%

TUNISIA
Population: 10.6 million
GDP Growth: 1.3%
GDP/Capita PPP ($): 8,000
Pop. Under 15 years: 22%
Sovereign Rating: BBB
Mobile Penetration: 99%

ALGERIA
Population: 35 million
GDP Growth: 2.6%
GDP/Capita PPP ($): 7.000
Pop. Under 15 years: 25%
Sovereign Rating: NR
Mobile Penetration: 73%

CANADA
Population: 34 million
GDP Growth:-2.5%
GDP/Capita PPP($): 38,400
Pop. Under 15 years: 16%
Sovereign Rating: AAA
Mobile Penetration: 65%

NAMIBIA
Population: 2.1 million
GDP Growth: 0.7%
Pop. Under 15 years: 35%
Sovereign Rating: BBB
Mobile Penetration: 80%

CENTRAL AFRICA REPUBLIC
Population: 4.8 million
GDP Growth: 2.4%
Pop. Under 15 years3: 41%
Sovereign Rating: NR
Mobile Penetration: 15%

BANGLADESH
Population: 158 million
GDP Growth: 5.6%
GDP/Capita PPP ($): 1.600
Pop. Under 15 years: 34%
Sovereign Rating: NR
Mobile Penetration: 38%

PAKISTAN
Population: 177.3 million
GDP Growth: 2.7%
GDP/Capita PPP ($): 2.600
Pop. Under 15 years: 36%
Sovereign Rating: CCC
Mobile Penetration: 56%

ZIMBABWE
Population: 11.7 million
GDP Growth: 3.7%
Pop. Under 15 years3: 43%
Sovereign Rating: NR
Mobile Penetration: 33%

BURUNDI
Population: 9.9 million
GDP Growth: 3.2%
Pop. Under 15 years: 46%
Sovereign Rating: NR
Mobile Penetration: 11%

NORTH KOREA
Population: 22.8 million
GDP Growth: 3.7%
GDP/Capita (PPP) ($): 1.900
Pop. Under 15 years: 21%
Sovereign Rating: NR
Mobile Penetration: 1%

Note: Sovereign Ratings shown are Moody's/S&P.
Population Figures from CIA Factbook (est. July 2010).
Mobile Penetration is based on June 30, 2010 subscriber figures & market share

*excluding Canada and Lebanon

Operational Overview

Djezzy – Algeria

Financial Data	June 2009	June 2010	Inc/ (dec)
Financial Data			
Revenues (US$ 000)	941,438	849,053	(9.8%)
Revenues (DZD bn)	68.3	63.0	(7.8%)
EBITDA (US$ 000)	570,801	475,262	(16.7%)
EBITDA (DZD bn)	41.7	35.4	(15.1%)
EBITDA Margin	60.6%	56.0%	(4.7%)
Capex (US$ m)	127	45	(65%)

Operational Data	June 2009	March 2010	June 2010	Inc/(dec) June 2010 vs. June 2009
Operational Data				
Subscribers	14,539,873	14,790,372	15,142,460	4.1%
Market Share	63.7%	59.1%	59.1%	(4.6%)
ARPU (US$) (3 months)	10.8	9.2	9.5	(12.0%)
ARPU (DZD) (3 months)	786.6	679.1	711.3	(9.6%)
MOU (YTD)	226	267	273	20.8%
Churn (3 months)	7.1%	6.4%	6.2%	(0.9%)

Djezzy maintained its leadership position in the market closing the second quarter of the year with over 15 million subscribers, resulting in 59.1% market share. Also, after conducting multiple marketing actions, Djezzy succeeded in attracting new post-paid customers and retaining its customer base by significantly improving the churn rate to reach the level of 6.2% during Q2 2010 vs 7.1 % in Q2 2009 and 6.4% in Q1 2010. The reported first half revenues reached US$ 849 million representing a decline of 9.8% over the same period last year. EBITDA for the first half reached US$ 475 million with a decline of 16.7% over the same period last year on a comparable basis reflecting an EBITDA margin of 56%. During Q2 2010, Djezzy continued its recovery from the unfavorable events that occurred in Q4 2009, reopening all of its remaining owned shops (CDS) after being renovated.

However, Djezzy started facing a new challenge, with the issuance from the Algerian central bank of a circulation to the banks, hindering them to process any transfer abroad in foreign currency for Djezzy suppliers, and putting on hold any custom clearance of imported goods. Although this situation generated a huge challenge for Djezzy to keep the network operating in spite of hindering any import of equipment and spare parts, Djezzy managed to avoid any major network issues.

From a regulatory perspective, during Q2 2010, none of the Algerian GSM operators were granted any approvals from the Algerian telecommunication regulator (ARPT) for any submitted promotions and tariff offers, as the regulatory council did not issue any decisions during this period due to internal reasons.

In response to the above mentioned situation, a new marketing road map was put in place in order to face the challenging year of 2010, including a new pre-paid offers revamp portfolio with very attractive features, new segmented promotions, an improved collection process to decrease post-paid bad-debt and a strong transversal plan for summer and Ramadan were put in place. Marketing research was developed and undergone in order to assess the market reaction in terms of customer satisfaction and network perception.

From a communication standpoint, despite the already mentioned severe restrictions on new promotions and offers launches, Djezzy continued to deliver and animate its existing offers by revamping communication campaigns on football during the world cup and to animate content services with "Club logo download" as a new content offer.

Mobilink – Pakistan

Financial Data				Operational Data				
	June 2009	June 2010	Inc/ (dec)		June 2009	March 2010	June 2010	Inc/(dec) June 2010 vs. June 2009
Financial Data				**Operational Data**				
				Subscribers	29,136,839	31,572,181	32,202,547	10.5%
Revenues (US$ 000)	529,009	559,494	5.8%					
Revenues (PKR bn)	42.6	47.5	11.4%	Market Share *	30.9%	31.6%	32.6%	1.7%
EBITDA (US$ 000)	187,673	221,417	18.0%	ARPU (US$) (3 months)	3.0	2.8	2.9	(3.3%)
EBITDA (PKR bn)	15.1	18.8	24.8%	ARPU (PKR) (3 months)	247.0	239.6	246.9	(0.0%)
EBITDA Margin	35.5%	39.6%	4.1%	MOU (YTD)	196	203	206	5.1%
Capex (US$ m)	48	62	29%	Churn (3 months)	5.1%	5.2%	5.9%	0.8%

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

Mobilink's subscribers exceeded 32 million in H1 2010. As per Mobilink's internal reporting, its market share stood at 40.6% at the close of the second Quarter. According to the Pakistan Telecommunication Authority (Regulator), Mobilink's market share in Q2 reached 32.6%, from 31.6% in last quarter. Mobilink's revenues increased from USD 529 million in H1 2009 to USD 559 million in H1 2010 registering an increase of 5.8%.

EBITDA reached $221 million, 18% higher than EBITDA of H1 last year. EBITDA margin for H1 2010 was at 39.6%.

The Pakistani telecom industry remained competitive with five active contenders. While competitors kept launching aggressive offers to increase respective market share, Mobilink also maintained its strong presence in the market with multiple offers to increase the engagement of the existing subscriber base and attract new customers.

In line with Mobilink's focus on the retention of its market share, an acquisition offer was initiated to attract potential new customers as well as port-ins from competition. In this promotion, all new customers who buy a new SIM or join Mobilink's network via MNP during the course of the promotion receive up to 1000 free minutes and 1000 free SMS as a bonus on recharge. Furthermore multiple reactivation promotions were carried out, offering combinations of upfront and conditional incentives to all reactivating customers. These promotions were instrumental in increasing the active base by keeping net churn in check.

A pre-paid bonus on recharge offer was launched towards the end of the 2nd quarter to boost the daily recharge trend. Customers opting for this offer were instantly awarded free minutes and SMS on any recharge transaction of Rs.100 or more. All customers making recharge transactions of Rs. 500 or more are also eligible to enter into a lucky draw to win valuable prizes.

Jazz ongoing products kept growing in their popularity. Jazz Ghanta and Jazz 24 Ghanta engaged the subscriber base and still continue to increase every month.

On the brand building front, Jazz new brand promise campaign, launched in the 1st quarter, was continuously promoted in all product communications. Mobilink launched another corporate campaign which, in addition to focusing on the importance of change agents for the better future of Pakistan, also highlighted Mobilink's commitment to the field of education.

For post-paid customers, Mobilink carried out two promotions in affiliation with the Football World Cup. The first promotion allowed all new and current, corporate and individual customers to get into a lucky draw to win an all-expense paid trip to South Africa to watch the World Cup live. A second post-paid promotion was launched during the World Cup which allowed customers to enjoy 50% discount on all on-net calls during the match timings every day during the World Cup.

The VAS portfolio has been exhibiting consistent and sustainable organic growth in the last two quarters. Pre-paid VAS revenues for Q2 2010 were higher by 2.9% versus Q1 primarily due to smart pricing and aggressive promotions on key services such as RBT, SMS Khazana and Jazz Juke Box. Mobilink added new and improved products to its VAS portfolio. Exciting services such as SMS Chat, Reverse Auction and Guess the Celebrity were introduced in Q2. Following the success of Jazz SMS Khazana, the second phase named Jazz Super SMS Khazana was launched with bigger prizes in the 2nd quarter. Various event based services were also introduced with football and cricket services being the most popular ones.

Mobinil – Egypt

Operational Data

	June 2009	March 2010	June 2010	Inc/(dec) June 2010 vs. June 2009
Operational Data				
Subscribers	22,853,466	26,121,394	26,147,615	14.4%
Market Share	44.4%	41.1%	40.0%	(4.4%)
ARPU (US$)* (3 months)	7.0	5.6	5.4	(22.9%)
ARPU (EGP)* (3 months)	39.1	30.8	30.1	(23.0%)
MOU (YTD) *	180	167	171	(5.0%)
Churn (3 months) *	7.6%	9.7%	8.4%	0.8%

* ARPU, MOU & Churn expressed under OTH's definition may differ from Mobinil's disclosed figures.

In H1 2010 Mobinil continued to lead the mobile telecommunications market in Egypt with 26 million subscribers. ARPU reached US$5.4 with a decline of 23.3% over the same period last year mainly driven by the impact of aggressive competition in the market.

On the commercial side, Mobinil continued its focus on their BlackBerry Promotion for Postpaid Customers giving up to 75% discount on the BlackBerry service for three consecutive months based on the tariff plan. Mobinil also offered Unlimited Roaming with a receiving rate of 1EGP/min at any destination for all Star and Business customers. For pre-paid customers, Ma'lem Promotion provided double credit upon recharge. Mobinil also focused on its Unlimited MBB Daily Promotion where customers can enjoy 24 hours of unlimited Internet access for only EGP 5/day.

During the first half of 2010, Mobinil faced a massive intensification of the regulatory and competitive pressures. Despite those factors, Mobinil managed to maintain its leadership position in the Egyptian market and to improve profitability in the second quarter compared to the first quarter. Finally, Mobinil has reached a very important business milestone through acquiring LINKdotNET, which will result in diversifying the portfolio of telecom services provided to the Egyptian market.

The first half of this year has been heavily impacted by new regulations and dials shortage, constraining subscriber acquisition. During this quarter Mobinil was limited to relying almost entirely on the recycling of old numbers in order to provide its services to the market. In spite of this, the subscriber base and market leader position were upheld. A new Code 0150 was introduced representing the first 11-digit dial code in Egypt. This comes as a first phase for migrating Mobinil existing dials [012, 017 and 018] from 10 digits to 11 digits. Mobinil continues in its efforts to solve the issue with the regulator, in order to improve upon the limited availability dials.

Tunisiana – Tunisia

Financial Data	June 2009	June 2010	Inc/ (dec)
Financial Data			
Revenues (US$ 000)*	163,909	178,807	9.1%
Revenues (TND bn)	228.8	256.7	12.2%
EBITDA (US$ 000)*	89,147	94,110	5.6%
EBITDA (TND bn)	124.4	135.0	8.5%
EBITDA Margin	54.4%	52.6%	(1.8%)
Capex (US$ m)	32	34	6%

Operational Data	June 2009	March 2010	June 2010	Inc/(dec) June 2010 vs. June 2009
Operational Data				
Subscribers	4,399,120	5,399,559	5,562,269	26.4%
Market Share	52.3%	54.9%	52.9%	0.6%
ARPU (US$) (3 months)	12.6	10.6	10.1	(19.8%)
ARPU (TND) (3 months)	17.1	14.7	15.0	(12.3%)
MOU (YTD)	171	178	182	6.4%
Churn (3 months)	8.6%	6.3%	7.7%	(0.9%)

* Proportionate consolidated figures

Tunisiana closed the first half of 2010 with an overall market share of 52.9% and 5.6 million subscribers compared to 52.3% overall market share and 4.4 million subscribers at the end of H1 2009. The reported first half revenues reached US$ 179 million representing a growth of 9.1% over the same period last year. EBITDA for the first half reached US$ 94 million with an increase of 5.6% over the same period last year on a comparable basis reflecting an EBITDA margin of 52.6%.

In order to secure its customer base and enhance its offers' attractiveness, Tunisiana reinforced its community and abundance offers. Aiming to reduce "silent subs" and to enhance usage, Tunisiana reinforced its recharging based promotions. For business clients, Tunisiana initiated some actions in order to revamp its corporate offers and services. Tunisiana strengthened its Internet offers to counter 3G threats presented by Orange.

To improve retention and ensure revenue growth, Tunisiana clients can enjoy subscription to the Happy Week offer during peak hours: 1hour per day on the Tunisiana network for pre-paid and locked bundles with a more attractive subscription fee, and 10 hours free on net on Sunday for post-paid customers. In the summer and during off peak hours, Tunisiana subscribers were able to make unlimited calls towards 1, 2 or 3 favorite numbers from 1 am to 8 am in addition to the existing time slots with an attractive subscription fee. Tunisiana launched monthly limited time promotions such as 100% bonus for each recharge of 5 TND or more. In order to make recharging more accessible for low value and youth customers, Tunisiana introduced a new recharge denomination of 0.5 TND. To develop and secure the youth segment, Tunisiana continued to reinforce its strategy regarding Amigos community. Tunisiana also launched "family pre-paid" which gives the subscribers the opportunity to share 2 hours with 4 other Tunisiana subscribers for a given subscription fee. In Q2, unlimited calls and SMS offers within the community were updated: the subscription fees were decreased and the time slots were improved in order to boost closed usage groups "CUG". Furthermore, Amigos subscribers continue to benefit from one free hour within the community on the weekend for each subscription in back to school options during the week. Amigos subscribers now enjoy the advantage to send 20 "Call Me" SMS instead of 5. To boost acquisition, Tunisiana launched an attractive promotion consisting of a monthly bonus equal to the bundle amount. During the first three months' lifetime, subscribers migrating to locked bundle offers can also benefit from this promotion.

To better serve the business segment, Tunisiana continued developing customized offers such as 10 TND bundles dedicated to large accounts handling a minimum of 20 lines. This action initiated in Q1 was continued in Q2 through the revamp of the Bundle Pro offer, targeting professionals and consisting of 5 locked bundles. The amount of bonus on recharge was increased and some services were provided to enrich the offer such as "family business" and "one hour on net for free". Also, a discount was placed on the subscription fee to "VPN option". VPN option is a customized service that allows business customers to benefit from a special package including CUG Voice and SMS.

On the data side, Tunisiana continued to develop several actions encompassing the re-pricing of Internet mobile bundles and launching the new bundle "WAP+facebook" which allows unlimited access and browsing on Tunisiana WAP portal and Facebook mobile. Tunisiana launched World Cup info foot, accessible through WAP or by subscription through USSD or SMS service. The WAP portal was updated to allow video downloading of world cup goals and receive the latest world cup news. Tunisiana continued ongoing discounts from Q1 on games downloaded on the WAP Up portal.

To boost international calls, Tunisiana converted the "Happy Zone" promotion into a permanent concept. "Happy Zone" service is a discount on international calls towards specific zones. Amidst aggressive international competitive pricing on both landline and mobile, Tunisiana subscribers can call different destinations (landlines and mobiles) at a competitive tariff per minute. Tunisiana maintained its international bundle promotion which allows post-paid subscribers to take advantage of free International minutes depending on the chosen area and package.

banglalink – Bangladesh

Financial Data	June 2009	June 2010	Inc/ (dec)
Financial Data			
Revenues (US$ 000)	170,404	214,123	25.7%
EBITDA (US$ 000)	60,110	73,574	22.4%
EBITDA Margin	35.3%	34.4%	(0.9%)
Capex (US$ m)	50	102	104%

Operational Data	June 2009	March 2010	June 2010	Inc/(dec) June 2010 vs. June 2009
Operational Data				
Subscribers	11,049,412	14,219,447	16,096,598	45.7%
Market Share*	23.7%	25.9%	26.9%	3.2%
ARPU (US$) (3 months)	2.6	2.3	2.5	(3.8%)
ARPU (BDT) (3 months)	179.3	160.9	171.9	(4.1%)
MOU (YTD)	267	233	235	(12.0%)
Churn (3 months)	(0.5%)	2.3%	2.1%	n.m.

* 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 continued its success in the Bangladeshi market and achieved a strong position in the first half with 16 million subscribers, consolidating its number 2 position in the market with 26.9% market share. banglalink achieved 45.7% subscriber growth in H1 2010 compared to the same period last year. Revenue performance has been very solid throughout H1 2010, reaching US$214 million, a 26% increase over the same period last year. In Q2 2010, ARPU increased by 5.1% compared to last quarter while generating subscriber base growth. During H1 2010, banglalink achieved an EBITDA of US$73.5 million, 22% higher than EBITDA of H1 last year. EBITDA margin for H1 2010 was very healthy at 34% in spite of subsidy in SIM tax during Q2 2010. In the first six months of 2010, CAPEX investment was US$102 million, double of that invested in H1 last year.

These positive results were driven by a number of highly effective marketing actions undertaken in this period, such as, launching 'Emergency Credit Service', offering 'Bonus on Usage' and launching 'EK Rate Darun'- a new flat tariff option.

An incremental usage campaign, Boundary Bonus Offer, was launched in order to boost revenues. The campaign also celebrated banglalink's 5th year anniversary. Daily SMS & minute bundle offer was launched as a value for money proposition to customers, offering bundle minutes and SMS with one day validity. The aim of this campaign was to enhance overall usage and revenue.

To protect revenue and market share, banglalink launched an aggressive flat tariff package, EK Rate Darun. This action successfully reduced the risk of increasing churn and the dormant base. To further retain the existing base and minimize the dormant and churn bases, customers were given a limited time offer where they could enjoy a special tariff upon recharge. Launched in Q1, banglalink Advance was an innovative feature, introduced for the first time in Bangladesh by any telecom service provider. This emergency credit service offers a small loan to customers when their balance is low.

To further increase penetration in the SME segment, banglalink launched the SME post-paid package in May 2010 with new flat tariffs, attractive CUG rates and bundled monthly internet. Potential banglalink SME customers can now choose the package that best suits their specific needs.

banglalink also launched the post-paid Unlimited package in May 2010, a monthly bundle package with included minutes, SMS and data to provide the best value to high end post-paid customers.

On the data side, banglalink Internet modem was launched with a plug-n-play model modem. Also, Phone Backup service was offered with an alternate e-storage medium where subscribers could save the mobile phone's data and also restore saved records in case of data loss. Blood Bank service was another emergency information based service whereby customers can access information and data regarding blood banks.

In a competitive move, Amar Tunes (CRBT) Express copy was introduced for customers, whereby a CRBT of any banglalink customer could be copied into subscribers' handsets instantly. To top the list of innovative services, Timer SMS service was introduced which enabled customers to plan and schedule SMS at a future time and date. Cell info Display was another novel development. Through this service, customers were informed of World Cup match results, and other information free of cost.

In the first half of 2010, banglalink launched m-remittance service, as a first provider for such service in Bangladesh as well as in the whole of South Asia. It has also launched mobile based utility bill pay service and domestic remittance service in collaboration with Bangladesh Post Office.

koryolink – Democratic People's Republic of Korea

Financial Data

Operational Data

	June 2009	June 2010	Inc/ (dec)
Financial Data			
Revenues (US$ 000)*	12,472	23,199	86.0%
EBITDA (US$ 000)*	2,802	18,679	n.m.
EBITDA Margin	22.5%	80.5%	58.0%
Capex (US$ m)*	20	21	5%

	June 2009	March 2010	June 2010	Inc/(dec) June 2010 vs. June 2009
Operational Data				
Subscribers	47,863	125,661	184,531	n.m.
Market Share	100.0%	100.0%	100.0%	0%
ARPU (US$)* (3 months)	22.8	21.3	21.5	(5.7%)
MOU (YTD)	199	311	327	64.3%
Churn (3 months)	0.0%	0.0%	0.0%	0.0%

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

At the end of H1, koryolink subscriber base stood at 184,531. The reported first half revenues reached US$23 million representing an increase of 86% over the same period last year. EBITDA for the first half reached US$18.7 million, due to the continuous focus on revenue enhancement & cost optimization, reflecting an EBITDA margin of 80.5%. koryolink continued its network expansion with CAPEX amounting to US$ 21 million by the end of June 2010.

koryolink was inaugurated on the 15th of December 2008 as the first 3G mobile network in the Democratic People's Republic of Korea (DPRK). During its 18 months of operation, koryolink focused on customer needs with the objective of maintaining a well-developed customer experience and increasing the level of customer satisfaction. Such efforts have resulted in accelerating the demand on koryolink's connections and services. Despite the initial speculations that the mobile service in the DPRK will be only relevant to high end government officials and elite foreigners, koryolink has succeeded in penetrating other medium to medium-high value segments, specifically within the teens and young adults segments. koryolink has also witnessed regional expansion outside Pyongyang in terms of sales and traffic.

Customer's average voice and SMS usage has increased Q on Q, reflecting the increasing appeal on the telecommunication services provided by koryolink. In June, koryolink faced a shortage in handset supply due to the distributor which slightly impacted sales and consequently the quarter's closing subscriber base. In spite of that, the high demand on voice and VAS supplied, enabled koryolink to overachieve its revenue targets as of the end of Q2 2010.

In light of the retail plan to expand and reach customers in various populated areas of the DPRK, koryolink (through its distributor) successfully launched 7 new shops in seven main cities as well as 4 new outlets enriching koryolink's indirect sales network to reach a total of 10 shops and 13 indirect outlets, covering 7 out of the 9 main cities of DPRK. These launches come in line with koryolink's vision and ambitious plan to enhance people's lives via wider reach and world class customer experience.

By the end of H1 2010, koryolink had more than 215 Node B's covering the capital Pyongyang, in addition to 5 new cities and 14 new highways/railways, to reach a total of 12 main cities, and 22 highways/railways. As of June 2010, koryolink covered 60% of the DPRK population.

WIND Mobile– Canada

Globalive Wireless Management Corp. (“GWMC”), operating its wireless business under the brand name WIND Mobile, closed the first half of the year with nearly 100,000 subscribers.

WIND Mobile launched network coverage in Vancouver during the second quarter of 2010. As was the case in its other markets of Toronto, Ottawa, Calgary and Edmonton, WIND is the first new entrant to enter the Vancouver market in over a decade. In total, WIND Mobile operates its network in five of the top six population centers in Canada, with coverage supplemented by a national roaming arrangement, and has become the first real, country-wide alternative in a Canadian market that was marked by an oligopoly of three players.

WIND Mobile offers simple feature-rich service plans that start as low as the $15 Chat plan, unlimited province-wide calling with its $35 Always Talk plan and unlimited nation-wide calling on the $45 Always Shout plan. WIND Mobile brings global standards and plans that offer true value for Canadians, with features such as no charges for incoming text or incoming long distance, no system access fees and no contracts, along with the capability of choosing to pay via post-paid or pre-paid for the same plan features.

WIND Mobile celebrated its sixty-eighth own store opening in Q2. WIND Mobile’s distribution also expanded to include the first dealers and third party retailer locations. WIND Mobile’s partnership with Blockbuster Canada which includes branded kiosks inside Blockbuster stores also expanded to enable handset sales in Blockbuster locations that do not already have a WIND kiosk. In total, WIND’s distribution network includes more than 200 points of presence.

WIND has offered innovative promotions to help Canadians make the switch to a new alternative. Such limited time promotions have included porting credits for customers that bring their phone numbers to WIND and fixed term discounts on plan fees as well as a first-of-its-kind in the Canadian market Refer-a-Friend viral campaign to spur and reward word-of-mouth recommendations.

In May, WIND was joined in the Toronto market by two other new entrants, Public Mobile and Mobilicity. Each launched with Toronto network coverage approximately 50% or less that of WIND. Also, on the regulatory front, the federal court application filed by Public Mobile continues. Public Mobile had applied to the Federal Court of Canada requesting an order to overturn the December, 2009 order of the Governor in Council (“Cabinet”) affirming compliance with Canadian ownership and control requirements. WIND Mobile has filed its factum. The application is now expected to be heard in October, 2010. In the interim, the Canadian government has announced it is reviewing approaches on foreign ownership controls in the Canadian telecommunications market, with the options to raise foreign ownership limits, abolish limits for competitors with under a specified amount of market share or complete elimination of the foreign ownership limits.

Table 17: Ownership Structure & Consolidation Methods

Subsidiary	Ownership June 30 2009	Ownership June 30 2010	Consolidation Method June 30 2009	Consolidation Method June 30 2010
GSM Operations				
Mobinil (Egypt)[1]	28.75%	28.75%	Proportionate Consolidation	Proportionate Consolidation*
Egyptian Co. for Mobile Services	20.00%	20.00%	Proportionate Consolidation	Proportionate Consolidation*
IWCPL (Pakistan)	100.00%	100.00%	Full Consolidation	Full Consolidation
Orascom Telecom Algeria [2]	96.81%	96.81%	Full Consolidation	Full Consolidation
Telecel (Africa)	100.00%	100.00%	Full Consolidation	Full Consolidation
Orascom Telecom Tunisia [3]	50.00%	50.00%	Proportionate Consolidation	Proportionate Consolidation
Telecel Globe	100.00%	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
M-Link	100.00%	100.00%	Full Consolidation	Full Consolidation
OT Services Europe	100.00%	100.00%	Full Consolidation	-
MedCable	100.00%	100.00%	Full Consolidation	Full Consolidation
Mena Cable	99.97%	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

* As a result of the settlement and amended shareholders' agreements concluded with France Telecom, the proportionate consolidation of Mobinil is not applicable as per IFRS, as it renders the entity an investment held for sale, and consequently a discontinued operation under IFRS. Mobinil will be reflected through the equity method starting Q3 2010. H1 2009 and Q1 2010 figures have been restated to reflect the accounting treatment of Mobinil.

1- Mobinil is a holding company which controls 51% of ECMS, the mobile operator. Mobinil is also the brand name used by ECMS.
2- Direct and Indirect stake through Moga Holding Ltd. and Oratel.
3- Orascom Telecom Tunisia is proportionately consolidated through Orascom Tunisia Holding and Carthage Consortium.
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 I

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. OTT customers are considered churn if they do not recharge within 90 days after the validity of the scratch card; while 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, Mobinil, and Tunisiana 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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