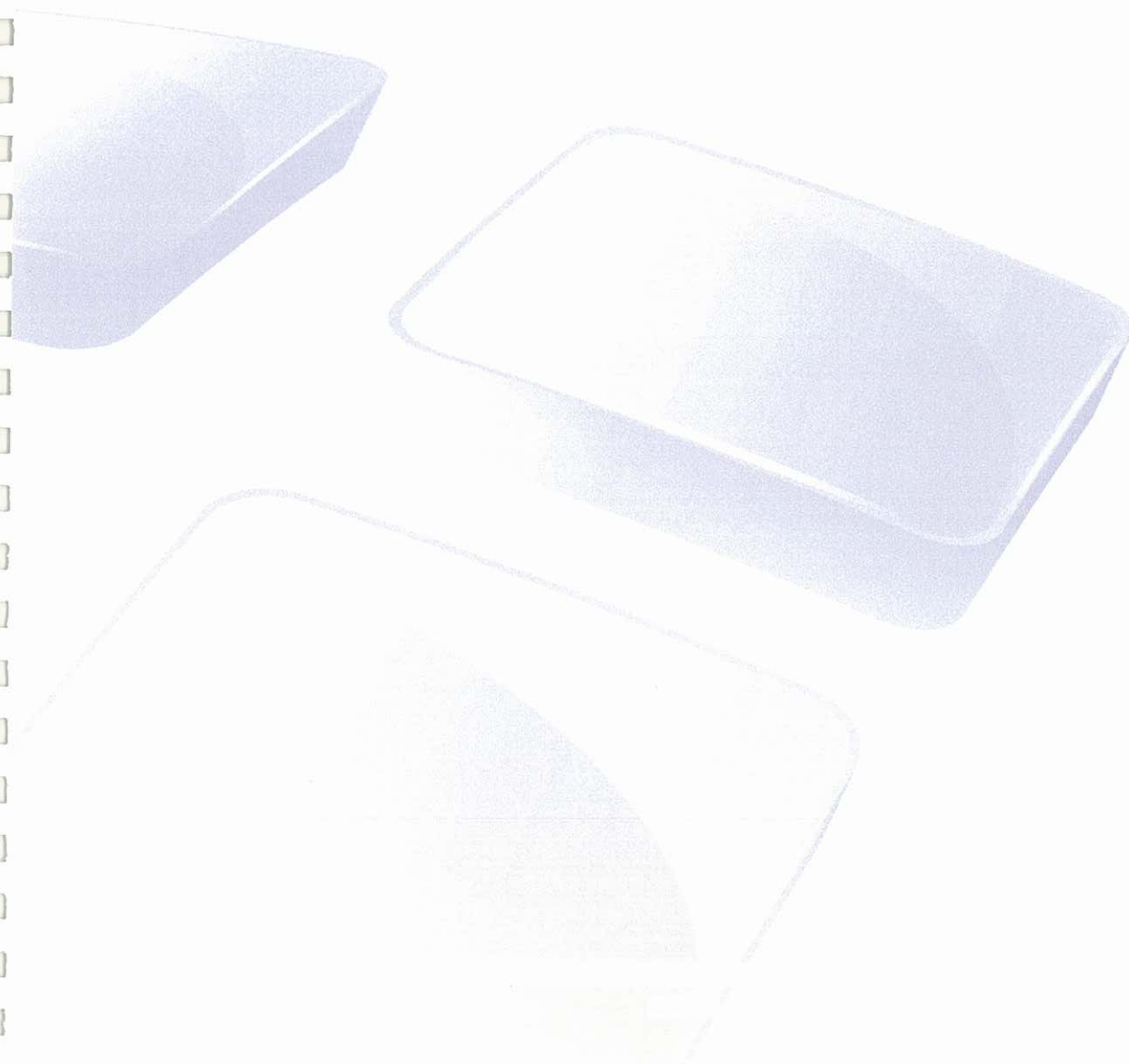




*Translation from Arabic*

**Telecom Egypt Company**  
**(An Egyptian Joint Stock Company)**  
**Condensed Separate Interim Financial Statements**  
**for the six months ended June 30, 2014**  
**And the Limited Review Report**





*Translation from Arabic*

**Telecom Egypt Company**  
**(An Egyptian Joint Stock Company)**  
**Condensed Separate Interim Financial Statements**  
**for the six months ended June 30, 2014**  
**And the Limited Review Report**

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## Hazem Hassan

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*Translation from Arabic*

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

#### ***Introduction***

We have performed a limited review on the accompanying condensed separate balance sheet of Telecom Egypt Company "an Egyptian joint stock company" as of June 30, 2014 and the related condensed separate statements of income, cash flows and changes in equity for the six 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 separate interim financial statements in accordance with Egyptian Accounting Standard number (30) "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed separate 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 separate 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 separate interim financial statements.

#### ***Conclusion***

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed separate interim financial statements do not present fairly, in all material respects, the financial position of the Company as at June 30, 2014 and of its financial performance and its cash flows for the six months then ended in accordance with Egyptian Accounting Standard number (30) "Interim Financial Reporting".

#### ***Emphasis of Matter***

Without qualifying our conclusion, we draw attention to note No. (27-2) of the notes to the condensed separate interim financial statements, a resolution has been taken by the Board of Directors of National Telecom Regulatory Authority (NTRA) to cancel the annual license fees cap incurred by the company starting from 1 July 2011, accordingly, the license fees will be calculated based on the percentages stated in the license granted to the company without fees cap.



Hazem Hassan

*Translation from Arabic*

The company submitted a grievance against the said resolution based on the fact that the terms of change, according to the granted license, for changing the annual license fees cap were not satisfied. On 24 February 2014 the company received a letter from the Chairman of NTRA stating that the company's grievance is currently being considered.

The company is of the opinion that it has a valid case according to the granted license, in addition to what has been mentioned in the grievance submitted to NTRA, which supports its position with respect to the claim not to change the basis of the annual license fees calculation. It is difficult at the moment to determine the final outcome of this dispute until an agreement is reached concerning the basis of the annual license fees calculation between the company and NTRA.

Cairo, August 12, 2014

*KPMG Hazem Hassan*  
**KPMG Hazem Hassan**  
**Public Accountants & Consultants**





Translation from Arabic

**Telecom Egypt Company**  
**(An Egyptian Joint Stock Company)**  
**Condensed separate Balance Sheet As of:**

	Note <u>No.</u>	30/6/2014 <u>L.E. (000)</u>	31/12/2013 <u>L.E. (000)</u> <u>Reclassified</u>
<b><u>Long Term Assets</u></b>			
Fixed assets	(4)	10 650 606	10 830 009
Projects in progress	(5)	573 343	405 964
Investments in subsidiaries and associates	(6)	6 586 503	6 586 503
Available-for-sale investments		100 319	100 319
Other assets	(7)	802 016	823 690
Deferred tax assets	(17-1)	351 175	308 822
<b>Total Long Term Assets</b>		<b>19 063 962</b>	<b>19 055 307</b>
<b><u>Current Assets</u></b>			
Inventories	(8)	418 466	438 929
Trade receivables	(9)	4 441 610	3 301 618
Debtors and other debit balances	(10)	1 450 548	1 663 869
Held-to-maturity investments -treasury bills		343 200	-
Cash and cash equivalents	(11)	3 658 133	5 143 426
<b>Total Current Assets</b>		<b>10 311 957</b>	<b>10 547 842</b>
<b><u>Current Liabilities</u></b>			
Loans and credit facilities installments due within one year	(12)	70 769	96 435
Creditors and other credit balances	(13)	3 786 001	3 009 766
Provisions	(14)	602 761	467 690
<b>Total Current Liabilities</b>		<b>4 459 531</b>	<b>3 573 891</b>
<b>Working Capital</b>		<b>5 852 426</b>	<b>6 973 951</b>
<b>Total Investments</b>		<b>24 916 388</b>	<b>26 029 258</b>
Financed as follows:			
<b><u>Equity and Long Term Liabilities</u></b>			
<b><u>Equity</u></b>			
Capital	(15)	17 070 716	17 070 716
Reserves	(16)	6 255 405	6 144 686
Retained earnings		18 054	112 842
Net profit for the period / year		1 133 899	2 214 389
<b>Total Equity</b>		<b>24 478 074</b>	<b>25 542 633</b>
<b><u>Long Term Liabilities</u></b>			
Loans and credit facilities	(12)	431 416	475 266
Creditors and other credit balances	(13)	6 898	11 359
<b>Total Long Term Liabilities</b>		<b>438 314</b>	<b>486 625</b>
<b>Total Equity and Long Term Liabilities</b>		<b>24 916 388</b>	<b>26 029 258</b>

The attached notes on pages (7) to (24) are an integral part of these condensed separate interim financial statements.

Financial Director

Shaher Shokry

"Shaher Shokry"

Chief Financial officer

M. Shamroukh

"Mohamed Shamroukh"

Vice Pres. of Financial,  
Admin affairs  
and HR

T. Mashhor

"Taha Mashhor"

Managing Director  
& Chief Executive Officer

Mohamed Amin Elnaway

"Mohamed Amin Elnaway"

Chairman

Omar ELSheikh

"Omar ELSheikh"

Limited Review Report for condensed separate interim financial statements"attached"



Translation from Arabic

**Telecom Egypt Company**  
**(An Egyptian Joint Stock Company)**  
**Condensed Separate Income Statement**

	Note	<u>For the six months ended</u>		<u>For the three months ended</u>	
		30/06/2014	30/06/2013	30/06/2014	30/06/2013
		<u>L.E.(000)</u>	<u>L.E.(000)</u>	<u>L.E.(000)</u>	<u>L.E.(000)</u>
			<u>Reclassified</u>		<u>Reclassified</u>
Operating revenues	(18)	5 871 262	4 892 580	3 515 523	2 468 857
Operating cost	(19)	(2 912 104)	(3 062 966)	(1 527 577)	(1 553 212)
<b>Gross Profit</b>		<b>2 959 158</b>	<b>1 829 614</b>	<b>1 987 946</b>	<b>915 645</b>
Other income		85 350	166 805	38 147	118 190
General and administrative expenses	(20)	( 823 871)	( 690 318)	( 496 460)	( 382 340)
Selling and distribution expenses	(21)	( 476 216)	( 367 238)	( 264 533)	( 194 793)
Other expenses		( 347 506)	( 8 065)	( 342 617)	10 999
<b>Operating profit</b>		<b>1 396 915</b>	<b>930 798</b>	<b>922 483</b>	<b>467 701</b>
Finance income	(22)	265 714	612 820	161 397	282 397
Finance cost	(22)	( 43 457)	( 5 878)	( 32 181)	23 741
<b>Net finance income</b>		<b>222 257</b>	<b>606 942</b>	<b>129 216</b>	<b>306 138</b>
Income from investments in subsidiaries and associate	(23)	28 741	186 834	26 967	26 967
<b>Profit before tax</b>		<b>1 647 913</b>	<b>1 724 574</b>	<b>1 078 666</b>	<b>800 806</b>
Income tax expense		( 556 367)	( 356 357)	( 376 394)	( 148 461)
Deferred tax	(17-1)	42 353	( 34 172)	40 703	( 42 292)
<b>Total income tax</b>		<b>( 514 014)</b>	<b>( 390 529)</b>	<b>( 335 691)</b>	<b>( 190 753)</b>
<b>Profit for the period</b>		<b>1 133 899</b>	<b>1 334 045</b>	<b>742 975</b>	<b>610 053</b>
Basic earnings per share (L.E. / Share)	(25)	0.66	0.78	0.44	0.36

The attached notes on pages (7) to (24) are an integral part of these condensed separate interim financial statements.



Translation from Arabic

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

		<b>For the six months ended:</b>	
	<b>Note</b>	<b>30/06/2014</b>	<b>30/06/2013</b>
	<b>No.</b>	<b>L.E.(000)</b>	<b>L.E.(000)</b>
			<b>Reclassified</b>
<b><u>Cash flows from operating activities</u></b>			
Cash receipts from trade receivables		3 837 172	3 560 661
Sales tax collected from trade receivables		132 381	144 330
Stamp tax and fees collected (from third party)		29 206	32 296
Deposits returned to trade receivables		( 2 709)	( 6 291)
Cash paid to suppliers		( 442 900)	( 318 725)
Payments of financial lease obligations		-	( 727)
Dividends paid to employees		( 374 661)	( 279 566)
Cash paid to employees		(1 111 571)	(1 079 832)
Cash paid on behalf of employees to third party		( 201 324)	( 229 127)
<b>Cash provided by operating activities</b>		<b>1 865 594</b>	<b>1 823 019</b>
Interest paid		( 6 728)	( 11 550)
Payments to Tax Authority - income tax		( 573 793)	( 534 935)
Payments to Tax Authority - sales tax		( 453 277)	( 293 114)
Payments to Tax Authority - other tax		( 214 069)	( 150 926)
Other proceeds		105 828	234 396
<b>Net cash provided by operating activities</b>		<b>723 555</b>	<b>1 066 890</b>
<b><u>Cash flows from investing activities</u></b>			
Payments for purchase of fixed assets and projects in progress		( 359 652)	( 217 499)
Acquisition of investements		-	( 1 000)
Interest received		10 001	18 883
Dividends collected from investments		115 886	167 732
Payments for purchase of held-to-maturity investment -treasury bills		( 335 641)	-
Proceeds from treasury securities- bills interest		130 654	133 660
Proceeds from money market fund - fund interest		2 303	15 816
<b>Net cash (used in )/ provided by investing activities</b>		<b>( 436 449)</b>	<b>117 592</b>
<b><u>Cash flows from financing activities</u></b>			
Repayment of loans and other facilities		( 64 951)	( 107 600)
Dividends paid to shareholders		(1 707 072)	(2 219 193)
<b>Net cash used in financing activities</b>		<b>(1 772 023)</b>	<b>(2 326 793)</b>
<b>Net change in cash and cash equivalents during the period</b>		<b>(1 484 917)</b>	<b>(1 142 311)</b>
Cash and cash equivalents at the beginning of the period	(11)	5 132 046	5 901 411
<b>Cash and cash equivalents at the end of the period</b>	(11)	<b>3 647 129</b>	<b>4 759 100</b>

The attached notes on pages (7) to (24) are an integral part of these condensed separate interim financial statements.



Translation from Arabic

**Telecom Egypt Company**  
**(An Egyptian Joint Stock Company)**  
**Condensed Separate Statement of Changes in Equity**  
**For the six months ended June 30, 2014**

	<b>Capital</b>	<b>Legal reserve</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Net profit</b>	<b>Total</b>
	<b>L.E. (000)</b>	<b>L.E. (000)</b>	<b>L.E. (000)</b>	<b>L.E. (000)</b>	<b>L.E. (000)</b>	<b>L.E. (000)</b>
<b>Balance as of 1/1/2013 (restated)</b>	17 070 716	1 219 706	4 810 362	607 977	2 301 153	26 009 914
Transferred to retained earnings	-	-	-	2 301 153	(2 301 153)	-
Transferred to legal reserve	-	114 618	-	(114 618)	-	-
Dividends year 2012	-	-	-	(2 681 670)	-	(2 681 670)
Profit for the period	-	-	-	-	1 334 045	1 334 045
<b>Balance as of June 30, 2013 (restated)</b>	<b>17 070 716</b>	<b>1 334 324</b>	<b>4 810 362</b>	<b>112 842</b>	<b>1 334 045</b>	<b>24 662 289</b>
<b>Balance as of 1/1/2014</b>	17 070 716	1 334 324	4 810 362	112 842	2 214 389	25 542 633
Transferred to retained earnings	-	-	-	2 214 389	(2 214 389)	-
Transferred to legal reserve	-	110 719	-	(110 719)	-	-
Dividends year 2013	-	-	-	(2 198 458)	-	(2 198 458)
profit for the period	-	-	-	-	1 133 899	1 133 899
<b>Balance as of June 30, 2014</b>	<b>17 070 716</b>	<b>1 445 043</b>	<b>4 810 362</b>	<b>18 054</b>	<b>1 133 899</b>	<b>24 478 074</b>

The attached notes on pages (7) to (24) are an integral part of these condensed separate interim financial statements.





Notes to the Condensed Separate interim financial statements (continued)  
For the six months ended June 30, 2014



Translation from Arabic

**Telecom Egypt Company**  
**(An Egyptian Joint Stock Company)**

**Notes to the Condensed Separate Interim Financial Statements**  
**For the six months ended June 30, 2014**

**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 the condensed separate interim financial statements**

These condensed separate interim financial statements were approved by the company's Board of Directors on August 12, 2014.



## **2. BASIS OF PREPERATION OF THE CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS**

### **2-1 Statement of compliance**

These condensed separate interim financial statements as of June 30, 2014 have been prepared in accordance with Egyptian Accounting Standards No.30 "Interim Financial Reporting" accordingly it is condensed compared to the annual separate financial statements for the company, and in the light of applicable Egyptian laws and regulations.

These condensed separate interim financial statements don't include all the required information needed for preparing the full annual financial statements and must be read with the annual separate financial statements in December 31, 2013.

### **2-2 Basis of measurement**

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

### **2-3 Functional and presentation currency**

These condensed separate interim financial statements are presented in Egyptian pound (LE), which is the Company's functional currency. All financial information presented in "L.E." has been rounded to the nearest thousands unless otherwise stated.

### **2-4 Use of estimates**

The preparation of the condensed separate interim financial statements in conformity with Egyptian Accounting Standards that requires the management to make judgments, estimates and assumptions that affect the application of 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 supposed 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 ongoing basis. accounting recognition estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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

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

## **3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied in the preparation of the condensed separate interim financial statements as of June 30, 2014 is the same as the accounting policies applied in the preparation of the annual separate financial statements as of December 31, 2013, these accounting policies have been applied consistently to all periods presented in these condensed separate interim financial statements.

- Certain comparative figures have been reclassified to conform with the current presentation of the condensed separate interim financial statements (Note No.31).



Notes to the Condensed Separate interim financial statements (continued)  
For the six months ended June 30, 2014

Translation from Arabic

#### 4. FIXED ASSETS

Description	30/06/2014	30/06/2014	30/06/2014	31/12/2013
	Cost	Accumulated depreciation	Net	Net
	<u>L.E. (000)</u>	<u>L.E. (000)</u>	<u>L.E. (000)</u>	<u>L.E. (000)</u>
				<u>Reclassified</u>
Land	2 482 684	-	2 482 684	2 482 349
Buildings & Infrastructure*	19 231 800	13 015 082	6 216 718	6 456 843
Centrals and technical equipment & information technologies	20 316 801	18 433 665	1 883 136	1 834 995
Vehicles	114 087	103 598	10 489	8 000
Furniture	226 280	192 340	33 940	32 942
Tools & supplies	81 931	58 292	23 639	14 880
<b>Total</b>	<b><u>42 453 583</u></b>	<b><u>31 802 977</u></b>	<b><u>10 650 606</u></b>	<b><u>10 830 009</u></b>

- The decrease in net carrying value of fixed assets is due to the depreciation of the period.
- The cost of fixed assets includes an amount of LE 19 078 million fully depreciated fixed assets and still used.
- A reclassification was made from land item to other assets as shown in note no (31-1).

#### 5. PROJECTS IN PROGRESS

The balance of projects in progress in the balance sheet as of June 30, 2014 includes an amount of LE 296 449 K represented in buildings and infrastructure (against LE 110 582 K as at December 31, 2013), and also includes an amount of LE 135 347 K represented in centrals and information technology equipment (against LE 158 875 K as at December 31, 2013).



Notes to the Condensed Separate interim financial statements (continued)  
For the six months ended June 30, 2014

Translation from Arabic

## 6. INVESTMENTS IN SUBSIDIARIES & ASSOCIATES

	30/6/2014		31/12/2013	
	Ownership	Amount	Ownership	Amount
	%	L.E. (000)	%	L.E. (000)
- Telecom Egypt France	100.00	40 923	100.00	40 923
- T.E. Data	99.99	527 461	99.99	527 461
- TE Investing Holding	99.95	4 997	99.95	4 997
- Egyptian Telecommunication for Information System	97.66	31 250	97.66	31 250
- Centra Technologies	58.76	14 737	58.76	14 737
- Wataneya for Telecommunications	50.00	125	50.00	125
- International Telecommunications Consortium limited (ITCL)	50.00	54	50.00	54
- Middle East Radio Communication (MERC)	49.00	7 350	49.00	7 350
- Vodafone Egypt Telecommunications Company	44.95	5 960 054	44.95	5 960 054
- Egypt Trust	35.71	7 500	35.71	7 500
- Consortium Algerien de Telecommunications (CAT)	33.00	133	33.00	133
- Sofisat	25.00	-	25.00	-
		<b>6 594 584</b>		<b>6 594 584</b>
<b>Less:</b>				
<b>Impairment loss on investments of :-</b>				
Consortium Algerien de Telecommunications (CAT), International Telecommunications Consortium Limited (ITCL), Egypt Trust, Wataneya for Telecommunications and Telecom Egypt France		8 081		8 081
		<b>6 586 503</b>		<b>6 586 503</b>

## 7. OTHER ASSETS

	30/6/2014	31/12/2013
	L.E. (000)	L.E. (000)
<b>Cost</b>		<b>Reclassified</b>
Submarine cables	730 640	734 405
Land (possession-usufruct)	353 005	353 005
	<b>1 083 645</b>	<b>1 087 410</b>
<b>Less:</b>		
Accumulated amortization	281 629	263 720
<b>Net</b>	<b>802 016</b>	<b>823 690</b>

- The decrease in net carrying value of other assets is due to the amortization of the period.
- An adjustment was made on land item (possession) as shown in Note No (31-1).
- Other assets amortization charged to operating costs.



Notes to the Condensed Separate interim financial statements (continued)  
For the six months ended June 30, 2014

Translation from Arabic

## 8. INVENTORIES

	30/6/2014	31/12/2013
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Spare parts	332 460	293 248
Material supplies , Merchandise for sale and Letters of credit	15 801	15 112
Others – project cables and supplies	70 205	130 569
	<u>418 466</u>	<u>438 929</u>

The value of inventory was written down by an amount of LE 23 289 K (against LE 18 750 K as at December 31, 2013) for obsolete and slow moving items directly from the cost of each type of inventory.

## 9. TRADE RECEIVABLES

	30/6/2014	31/12/2013
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Governmental sector	411 002	412 241
Private sector	5 271 670	3 707 954
Foreign telecommunication companies and organizations	1 158 913	1 542 681
	<u>6 841 585</u>	<u>5 662 876</u>
<b>Less:</b>		
Impairment loss on trade receivables	2 399 975	2 361 258
	<u>4 441 610</u>	<u>3 301 618</u>

The increase in trade receivables by an amount of LE 1 139 992 K due to the increase in the private sector balance by LE 1 563 716 K as a result of increase in IRU revenues in addition to delay in the collection of some dues of mobile operators and the decrease in foreign telecommunication companies and organizations balance by an amount of LE 383 768 K and the increase in Impairment loss on trade receivables by an amount of LE 38 717 K to meet the default risk.



Notes to the Condensed Separate interim financial statements (continued)  
For the six months ended June 30, 2014

Translation from Arabic

## 10. DEBTORS AND OTHER DEBIT BALANCES

	30/6/2014	31/12/2013
	<u>LE(000)</u>	<u>LE(000)</u>
Suppliers – debit balances	54 284	16 652
Tax Authority	683 889	768 844
Due from organizations and companies	248 752	93 059
Payments on the account of corporate tax	136 639	85 012
Other debit balances	437 884	810 570
	<u>1 561 448</u>	<u>1 774 137</u>
<b>Less:</b>		
Impairment loss on debtors and other debit balances	110 900	110 268
	<u>1 450 548</u>	<u>1 663 869</u>

The balance of debtors and other debit balances has been decreased by an amount of LE 213 321 K mainly due to the decrease in the other debit balances by an amount of LE 372 686 K due to collection of accrued revenues of cables sales and dividends of investments in subsidiaries in spite of the increase in due from organizations and companies item by an amount of LE 155 693 K which led to a reduction of the decline.

## 11. CASH AND CASH EQUIVALENTS

	30/6/2014	31/12/2013
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Banks - time deposits (less than 3 months)	2 583 472	1 960 782
Banks - current accounts	( 38 012)	( 25 816)
Cash on hand	4 112	2 946
Treasury bills (less than 3 months)	1 101 160	3 203 952
Money market funds (less than 3 months)	7 401	1 562
<b>Cash and cash equivalents</b>	<u>3 658 133</u>	<u>5 143 426</u>
<b>Less:</b>		
Restricted time deposits	11 004	11 380
<b>Cash and cash equivalents as per cash flows statement</b>	<u>3 647 129</u>	<u>5 132 046</u>

The decrease in cash and cash equivalents is due to the payment of 2013 dividends during the period in addition to investing in treasury bills (long term) by an amount of LE 343 200 K.



Notes to the Condensed Separate interim financial statements (continued)  
For the six months ended June 30, 2014

Translation from Arabic

## 12. LOANS AND CREDIT FACILITIES

The decrease in the balance of loans and credit facilities mainly resulting from the payment of due loans installments during the period, and take into consideration the following points:

Foreign suppliers facilities in euro amounted to LE 773 K equivalent to Euro 79 K against letters of guarantee issued by National Bank of Egypt in favor of "Siemens" as a guarantee for payment of this facility and there are no other guarantees.

The unused amount of foreign loans and facilities as at June 30, 2014 which is available for use amounted to the equivalent to LE 8 146 K.

## 13. CREDITORS AND OTHER CREDIT BALANCES

	<b>30/6/2014</b>	<b>31/12/2013</b>
	<b><u>L.E. (000)</u></b>	<b><u>L.E. (000)</u></b>
Suppliers	395 367	150 714
Deposits from others	655 126	654 871
Accrued expenses	339 308	348 783
Trade receivables - credit balances	308 645	330 075
Deferred revenues	525 275	20 281
Customers credit balances - Marine Cables	2 410	2 410
Dividends payable	770	770
Tax Authority - Income Tax	530 597	635 443
Tax Authority (taxes other than income tax)	122 422	88 565
Other credit balances	912 979	789 213
	<b><u>3 792 899</u></b>	<b><u>3 021 125</u></b>
<b><u>Less:</u></b>		
Credit balances due after more than one year	6 898	11 359
	<b><u>3 786 001</u></b>	<b><u>3 009 766</u></b>

The creditors and other credit balance have increased by an amount of LE 771 774 K mainly due to the increase in deferred revenues by an amount of LE 504 994 K as a result of rents of transmission systems for Mobile operators which is related to the second term of year 2014 and suppliers by an amount of LE 244 653 K which is mainly represented in dues to TE DATA company while tax authority – income tax decreased by an amount of LE 104 846 K.



Notes to the Condensed Separate interim financial statements (continued)  
For the six months ended June 30, 2014

Translation from Arabic

#### 14. PROVISIONS

	30/6/2014	31/12/2013
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Balance at the beginning of the period / year	467 690	326 108
Charged to income statement for the period / year*	330 000	215 085
Reversal of provision	-	( 39 441)
Used during the period / year	( 194 929)	( 34 062)
<b>Balance at the end of the period / year</b>	<b><u>602 761</u></b>	<b><u>467 690</u></b>

\*The provisions charged to income statement within other expenses to meet contingent liabilities.

#### 15. CAPITAL

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

#### 16. RESERVES

	30/6/2014	31/12/2013
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Legal reserve	1 445 043	1 334 324
Other reserves	4 810 362	4 810 362
	<b><u>6 255 405</u></b>	<b><u>6 144 686</u></b>

The balance of legal reserve has increased as a result of retaining 5% of the 2013 net profits in accordance with the company's article of association.





Notes to the Condensed Separate interim financial statements (continued)  
For the six months ended June 30, 2014

Translation from Arabic

## 17. DEFERRED TAX

### 17-1 Deferred tax assets

	30/6/2014		31/12/2013	
	Assets	Liabilities	Assets	Liabilities
	<u>L.E.(000)</u>	<u>L.E.(000)</u>	<u>L.E.(000)</u>	<u>L.E.(000)</u>
Total deferred tax asset	351 175	-	308 822	-
Net deferred tax asset	351 175	-	308 822	-
Deferred tax charged to the income statement for the period / year	<u>42 353</u>		<u>(71 927)</u>	

### 17-2 Unrecognized deferred tax assets

	30/6/2014	31/12/2013
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
	Unrecognized deferred tax assets	<u>524 591</u>

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

## 18. OPERATING REVENUES

	For the six months ended		For the three months ended	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
	<u>L.E. (000)</u>	<u>L.E. (000)</u>	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Home	860 244	947 325	425 776	476 386
Enterprise	685 866	568 565	417 632	301 912
Domestic wholesale	1 673 819	1 393 818	850 413	690 563
international carrier	1 553 320	1 694 494	821 296	805 061
international cables and networks	1 098 013	288 378	1 000 406	194 935
<b>Total operating revenues</b>	<u>5 871 262</u>	<u>4 892 580</u>	<u>3 515 523</u>	<u>2 468 857</u>

Total operating revenues have increased by an amount of LE 978 682 K mainly due to the increase in international cables and networks by an amount of LE 809 635 K due to the increase in sales of IRU submarine cables.



Notes to the Condensed Separate interim financial statements (continued)  
For the six months ended June 30, 2014

Translation from Arabic

## 19. OPERATING COSTS

	For the six months ended		For the three months ended	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
	<u>L.E. (000)</u>	<u>L.E. (000)</u>	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Interconnection cost	1 198 082	1 227 505	612 310	566 215
Depreciation and amortization	718 482	784 803	367 504	388 305
Other operating cost	995 540	1 050 658	547 763	598 692
	<u>2 912 104</u>	<u>3 062 966</u>	<u>1 527 577</u>	<u>1 553 212</u>

Operating costs have decreased by an amount of LE 150 862 k due to the following:

- The decrease of interconnection cost by an amount of LE 29 423 K as a result of the decrease in the interconnection for Mobile operators.
- The decrease of depreciation and amortization by an amount of LE 66 321 K as a result of the increase of the fully depreciated assets during the period.
- The decrease of other operating cost by an amount of LE 55 118 K is mainly due to the decrease in leased circuits and subscription in satellites by an amount of LE 32 521 K.

## 20. GENERAL AND ADMINISTRATIVE EXPENSES

	For the six months ended		For the three months ended	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
	<u>L.E. (000)</u>	<u>L.E. (000)</u>	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Salaries and wages	452 927	462 134	244 477	265 054
Depreciation	9 028	8 410	4 809	4 005
Others	361 916	219 774	247 174	113 281
	<u>823 871</u>	<u>690 318</u>	<u>496 460</u>	<u>382 340</u>

The increase in general and administrative expenses is mainly due to the increase in others item by an amount of LE 142 142 K as a result of the increase in taxes and fees items by an amount of LE 97 473 K due to the sales tax inspection differences on December 31, 2010 and the increase in The costs of services organizations by an amount of LE 33 278 K.



Notes to the Condensed Separate interim financial statements (continued)  
For the six months ended June 30, 2014

Translation from Arabic

## 21. SELLING AND DISTRIBUTION EXPENSES

	For the six months ended		For the three months ended	
	30/6/2014	30/6/2013	30/06/2014	30/06/2013
	<u>L.E. (000)</u>	<u>L.E. (000)</u>	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Salaries & wages	335 057	313 010	177 693	169 315
Others	141 159	54 228	86 840	25 478
	<u>476 216</u>	<u>367 238</u>	<u>264 533</u>	<u>194 793</u>

The increase in Selling and distribution expenses is mainly due to the increase other item by LE 86 931 K as a result of the increase in discount allowed by LE 68 967 K.

## 22. NET FINANCE INCOME

	For the six months ended		For the three months ended	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
	<u>L.E. (000)</u>	<u>L.E. (000)</u>	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Total finance income	265 714	612 820	161 397	282 397
Total finance cost	( 43 457)	( 5 878)	( 32 181)	23 741
<b>Net finance income</b>	<u>222 257</u>	<u>606 942</u>	<u>129 216</u>	<u>306 138</u>

The decrease in net finance income is mainly due to the decrease in foreign exchange currency gain by LE 239 672 K.

## 23. INCOME FROM INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

This item which amounted to LE 28 741 K Represented in the Company's share in the dividends from both of Vodafone (associate) by LE 26 967 K and Merc (Subsidiary) by LE 1 774 K (against LE 186 834 K the dividends from investment in subsidiaries and associates for the comparative period which includes dividends from investment in Vodafone, TE DATA , Xceed and Merc by an amount of LE 26 967 K, LE 126 750 K , LE 31 250 K and LE 1 867 K respectively).

## 24. EMPLOYEE'S BENEFITS

### 24-1 Early retirement scheme

The Company has an early retirement scheme whereby employees who wish 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.

Compensations relating to early retirement amounted to LE 806 K for the period ended June 30, 2014 (against LE 1 007 K for the same period of the year 2013) are included in general and administrative expenses.



Notes to the Condensed Separate interim financial statements (continued)  
For the six months ended June 30, 2014

Translation from Arabic

#### 24-2 End of service benefits

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, 2002 increasing at a compound rate of 5%. The subscription for employees hired after January 1, 2002, is calculated according to a subscription schedule for new hires and increasing at a compound rate of 5% starting from the next year from the hiring date. 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 contribution for the period ended June 2014 amounts to LE 85 744 K (against LE 77 949 K for the same period as of the year 2013). The Company's contribution is included in general and administrative expenses.

#### 25. BASIC EARNINGS PER SHARE.

	For the six months ended		For the three months ended	
	<u>30/06/2014</u>	<u>30/06/2013</u>	<u>30/06/2014</u>	<u>30/06/2013</u>
Net profit for the period (LE (000))	1 133 899	1 334 045	742 975	610 053
Number of shares during the period	1707 071 600	1707 071 600	1707 071 600	1707 071 600
Basic earnings per share for the period (LE / share)	<u>0.66</u>	<u>0.78</u>	<u>0.44</u>	<u>0.36</u>

#### 26. CAPITAL COMMITMENTS

The company's capital commitments for the unexecuted parts of contracts until June 30, 2014 amounted to LE 445 million ( against LE 97.50 million as at December 31, 2013 ) includes uncalled installments of investees' share in capital and haven't been claimed yet by an amount of LE 1 million. These commitments are expected to be settled in the subsequent period except for the uncalled installments of investees' share in capital, which shall be settled when required by the Board of Directors of those investees companies.



Notes to the Condensed Separate interim financial statements (continued)  
For the six months ended June 30, 2014

Translation from Arabic

## 27. CONTINGENT LIABILITIES

**27-1** In addition to the amounts included in the condensed Separate balance sheet as of June 30, 2014, the company has the following contingent liabilities:

	<b>30/6/2014</b>	<b>31/12/2013</b>
	<b><u>LE (000)</u></b>	<b><u>LE (000)</u></b>
- Letters of guarantee issued by banks on behalf of the company*	26 576	26 239
- Letters of credit	184 139	85 953

\* Include letters of guarantee were issued against restricted cash and cash equivalents (Note no.11)

### **27-2** NATIONAL TELECOM REGULATORY AUTHORITY (NTRA) ANNUAL LICENSE FEES

- NTRA annual licenses fees are booked and paid in accordance with article no. 38 of the license granted to Telecom Egypt, which states that Telecom Egypt is to pay licenses fees amounting to 3% of total revenues (excluding international calls revenues) in addition to 5% of international calls revenues. However, the same article states that starting from 2006 till 2008, Telecom Egypt has to pay the annual license fees cap. Starting from first of July 2008, NTRA has the right to reconsider either to proceed with the annual license fees cap, or apply the said percentages; depending on market conditions and tariff restructuring.
- Telecom Egypt received a claim from NTRA according to NTRA Board of Directors' resolution during year 2012, cancelling the annual license fees cap and claiming 5% of international calls revenue, in addition to 3% of the remaining revenues starting from the fiscal year 2011/2012. The amount disputed till 30 June 2014 amounts to approximately L.E. 672 million.
- Telecom Egypt submitted a grievance to the Minister of Telecommunications and the Chairman of NTRA requesting to continue applying the annual license fees cap as the terms of change according to the granted licenses for changing the annual license fees cap depending on market conditions and tariff restructuring were not satisfied, which didn't have any positive impact on the company's activity evidenced by the company's financial analysis included in the company's grievance which is based on company's issued financial statements.
- On February 24, 2014 Telecom Egypt received a letter from the Chairman of NTRA stating that the company's grievance is currently being considered.
- Telecom Egypt is of the opinion that it has a valid case for its grievance, since neither the market conditions nor the tariff restructuring changes had a positive impact on the company's activity so that NTRA could change from the annual license fees cap to apply the said percentages.



## **28. TAX POSITION**

### **28-1 Corporate tax**

- Tax inspection was performed for the years till December 31, 2008 and all due taxes were settled.
- Tax inspection for the years 2009,2010 and 2011 is currently being undertaken
- Tax return for the years from 2012 to 2013 was submitted on the due dates and payments were made accordingly.
- On June 4, 2014, law no. 44 of 2014 was issued, imposing additional 5% increase in the tax rate on individuals and corporate entities whose annual income exceeds one million egyptian pounds. This tax will be calculated and collected according to the provisions of the income tax law, and shall come into force on 5 June 2014.
- On June 30, 2014, a presidential decree no. 53 of 2014 was issued, amending certain provisions of the income tax Law No. 91 of 2005, the main amendments are:
  1. Imposing income tax on dividends.
  2. Imposing income tax on capital gains from selling shares and securities.

According to these amendments, the company assess the effect and the mechanism of applying the amendments starting from the effective date of the law, 1 July 2014 and in light of its executive regulation when issued.

### **28-2 Sales Tax**

- Tax inspection was performed for the years till December 31, 2010 and all due taxes were settled.
- Tax inspection for the year 2011 is currently being undertaken

### **28-3 Salary Tax**

- Tax inspection was performed for the years till December 31 ,2007, and the Company was notified and all taxes due were settled.
- Tax inspection for 2008 was performed and the company objected on the disputed items on the due dates and the related provisions were formed to meet the disputed tax liabilities.
- Tax inspection for the years 2009 till 2012 is currently being undertaken

### **28-4 Stamp tax**

- Tax inspection for the period from March 27, 1998 to December 31, 2000 was performed being certain sectors and the company was notified, the company objected on the disputed items on the due dates and the related provisions were formed to meet the disputed tax liabilities.
- 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 during the same period.
- Tax inspection for period from August 1, 2006 to December 31, 2009 and due taxes were settled and disbuted items has been transferred to the internal committee.
- Tax inspection for the years 2010 till 2012 is currently being undertaken.

### **28-5 Real estate taxes**

- All taxes are paid according to the addition notices received by the company. The company's Legal Affairs Department follows up the disputes according to the Real Estate Tax Law.
- Tax returns were submitted according to the new Real Estate Tax Law No.196 for the year 2008 on the due dates. Provisions were formed to meet any tax liabilities that may arise from the tax inspection.



*Notes to the Condensed Separate interim financial statements (continued)  
For the six months ended June 30, 2014*

**29. RELATED PARTY TRANSACTIONS**

There are transactions between Telecom Egypt and its subsidiaries and associates and such transactions to deal with others and approved by the company's management, the following statement contain the most important transactions during the financial period and the balances shown in the condensed separate interim financial statements date:

**29-1 Transactions with subsidiaries:**

	Nature of transaction during the period	Amount of transactions during the period recorded in the income statement L.E. 000	Transaction volume during the period		Balance as of	
			Debit L.E. 000	Credit L.E. 000	30/6/2014 Debit/(Credit) L.E. 000	31/12/2013 Debit/(Credit) L.E. 000
<b>Debit balances included in trade receivables</b>						
- Egyptian Telecommunication Company for Information Systems	Lease of company	5 055	5 112	5 191	134	213
- TE Data	Leased circuits - ROU	471 289	727 169	166 114	706 680	145 625
- Middle East Radio Communication (MERC)	Leased circuits	708	779	655	124	-
- Jordanian Egyptian Company for data transfer	participation contract	1 321	2 719	2 704	( 900)	( 915)
- Jordanian Egyptian Company for data transfer	The movement of international clearing	1 043	1 900	2 874	1 062	2 036
			<u>737 679</u>	<u>177 538</u>	<u>707 100</u>	<u>146 959</u>
<b>Debit balances included in debtors and other debit balances</b>						
- Egyptian Telecommunication Company for Information Systems	-	-	-	-	145	145
- T E investment Holding	Lease of premises	9	18	-	76	58
- TE Data	Variable services	-	9 100	177 840	9 100	177 840
- TE France	Finance	( 3 928)	7 407	18 809	( 8 778)	2 624
- TE France	T.E North	-	615	-	35 432	34 817
			<u>17 140</u>	<u>196 649</u>	<u>35 975</u>	<u>215 484</u>
<b>Credit balances included in suppliers balances</b>						
- TE Data	Purchasing fixed assets	-	-	284 093	( 284 093)	-
- Centra for Technologies	Maintenance & supplying computers for Telecom Egypt Company	4 240	7 107	20 332	( 16 008)	( 2 783)
- Centra for Electronic Industries	Maintenance & supplying computers for Telecom Egypt Company	1 128	1 357	1 207	( 906)	( 1 056)
- Middle East Radio Communication (MERC)	Supplying & installing communication networks	-	-	-	( 138)	( 138)
- TE Data	Services rendered from subsidiary company	18 243	3 554	34 270	( 53 768)	( 23 052)
			<u>12 018</u>	<u>339 902</u>	<u>( 354 913)</u>	<u>( 27 029)</u>
<b>Credit balance included in creditors and other credit balances</b>						
- TE Data	Internet services	46	43	46	( 146)	( 143)
- TE Data	Administrative services	8 719	1 060	9 280	( 91 590)	( 83 370)
- TE Data	Supplying information technology equipment participation contract	-	-	-	( 3 910)	( 3 910)
- TE Data	Maintenance Services	-	7 714	462	-	( 7 252)
- Centra for Industries	Call Center Services	32 080	980	-	-	( 980)
- Egyptian Telecommunication Company for Information Systems			54 640	48 731	( 11 949)	( 17 858)
			<u>64 437</u>	<u>58 519</u>	<u>( 107 595)</u>	<u>( 113 513)</u>



*Notes to the Condensed Separate interim financial statements (continued)  
For the six months ended June 30, 2014*

*Translation from Arabic*

29. RELATED PARTY TRANSACTIONS (continued)

29-2 Related party transactions with associates

	Nature of transactions during the period	Amount of transactions during the period recorded in the income statement L.E.000	Transaction volume during the period		Balance as of	
			Debit	Credit	30/6/2014	31/12/2013
			L.E.000	L.E.000	Debit/(Credit) L.E.000	Debit/(Credit) L.E.000
- Vodafone Egypt Telecommunications Company	Outgoing calls and voice services to the associates company	591 298	1 440 282	1 339 487	8 598 (92 197)	
	Incoming and international calls, transmission premises and towers to the associates company	478 557				
			1 440 282	1 339 487	8 598 (92 197)	
			-	-	453 902 453 902	
	Paid on behalf of associates to finance operating expenses		-	-	453 902 453 902	
			-	-	66 66	

Debit balances included in debt balances – long term

- Consortium Algerien de Telecommunications (CAT)\*

Debit balances included in debtors and other debit balances

- International Telecommunication Consortium Limited (ITCL)\*\*

\* Impairment was formed to this balance which 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%, this company suffers from financial difficulties and sustains material losses. The Extra-Ordinary General Assembly Meeting of the company (CAT) held on July 1, 2009 approved the dissolution and liquidation of the company. In the light of these circumstances, there is high probability that Telecom Egypt will not be able to collect the finance given to Consortium Algerian de Telecommunication Company

\*\*The balance is fully impaired due to company's inability to recover this amount in foreseeable future.





Notes to the Condensed Separate interim financial statements (continued)  
For the six months ended June 30, 2014

Translation from Arabic

### **30. CLAIMS AND LITIGATIONS**

The Company's external legal advisor's opinion is that the following cases are still in preliminary stage; hence, the final outcome cannot currently be reliably estimated.

#### **30-1 INTERCONNECT AGREEMENT WITH MOBILE COMPANIES.**

Telecom Egypt had filed a complaint before the Dispute Resolution Board of the National Telecommunication Regulatory Authority (NTRA) requesting the application of interconnection rates with the mobile operators (Mobinil and Vodafone), for the implementation of the law's obligation and signed agreements between Telecom Egypt and each of Mobinil and Vodafone. On September 3, 2008 The NTRA issued a decision in favor of Telecom Egypt and amended on December 31, 2009 and on January 14, 2010, the mobile operators (Vodafone and Mobinil) had appealed to the administration court between the mobile operators and the National Telecommunication Regulatory Authority (NTRA) and the two appeals are still in progress, knowing that Vodafone is still applying the interconnection rates mentioned in those agreements till the appeal is resolved, However, Mobinil Company do not apply those interconnection rates, knowing that Telecom Egypt is not part of the filed appeal by Mobinil and against the (NTRA) to repeal the previous mentioned Decisions.

On September 2009, Mobinil had filed the Arbitration Case no. 644/2009 year requesting the application of the interconnection rates mentioned in the signed agreements with Telecom Egypt as an objection to evade the (NTRA) mentioned decisions claiming that Telecom Egypt made a contractual violations and as a compensation to resort to the (NTRA) and not to conclude the services agreements related to the Transmission and International portals and the compensation of this violation. On October 2009, Telecom Egypt had filed the Arbitration Case against Mobinil and filed the Arbitration Case no. 650/2009 against Vodafone, that's where Telecom Egypt's management believes that these two companies calculate Telecom Egypt with rates exceeds the rates where these two companies are dealing with each other and this violates the article no.(13) from the interconnection agreement between Telecom Egypt and these two companies and still those cases before the arbitral courts. Telecom Egypt's external legal counselors believe that the company's legal position is grounded on the interconnection agreement, and in the light of the telecommunication law in both cases.

According to the external legal counselors' opinion the company recognizes its revenues and its costs related to the interconnection service with mobile operators according to the decisions released by the National telecommunication Regulatory Authority and that's till the dispute is resolved.

- The amount in dispute as per the company's record between Telecom Egypt and both companies " Mobinil , Vodafone " in relation to the said dispute during the period from September 3, 2008 to the end of June 2014 is LE 1 086 616 K.



Notes to the Condensed Separate interim financial statements (continued)  
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Translation from Arabic

### 30-2 Other Claim

- The company has filed an arbitration cases against an investee, in which the company owns 25%, claiming compensations for breach of obligations stipulated in a revenue sharing agreement concluded between the company and the investee and requesting the termination of the said agreement. Also, the investee has filed a counter arbitration case against "Telecom egypt" Company claiming compensation for an alleged breach of obligations stipulated in the same agreement.
- The company has filed three arbitration cases against the prepaid cards companies which filed a counter case against Telecom Egypt. one of these cases has been resolved in favor of telecom egypt where the other two cases are still under inspection at cairo regional center commercial arbitration.

## 31. COMPARATIVE FIGURES

### 31-1 Balance Sheet

- Reclassification was made to comparative figures by LE 538 K from land item- fixed assets to land (possession) other assets.

#### Effect on balance sheet

<u>Description</u>	<u>31/12/2013</u> <u>LE(000)</u> <u>as previously</u> <u>presented</u>	<u>Reclassification</u>	<u>31/12/2013</u> <u>LE(000)</u> <u>Reclassified</u>
Fixed assets	10 830 547	( 538)	10 830 009
Other assets	823 152	538	823 690

### 31-2 income statement

- Reclassification was made to comparative figures by LE 7 661 K from other operating revenue to other operating expenses.

<u>Description</u>	<u>for the six</u> <u>months ended</u> <u>30/06/2013</u> <u>LE(000)</u> <u>as previously</u> <u>presented</u>	<u>Reclassification</u>	<u>for the six</u> <u>months ended</u> <u>30/06/2013</u> <u>LE(000)</u> <u>Reclassified</u>
Other operating revenues	159 144	7 661	166 805
Other operating expenses	( 404)	( 7 661)	( 8 065)

### 31-3 Condensed separate statement of cash flows

Reclassification was made to comparative figures for cash flow items to conform to the current presentation.