

Orascom Telecom Holding

First Quarter 2007 Results

Cairo, May 15th, 2007: Orascom Telecom Holding (OTH) (Ticker: ORTE.CA, ORTEq.L, ORAT EY, OTLD LI), announces its first quarter 2007 consolidated results.

Highlights

- **Total subscribers exceeded 56 million, an increase of 61% over March 2006.**
- **Proportionate subscribers exceeded 44 million, an increase of 68% over March 2006.**
- **Revenues of US\$ 1,195 million¹ (LE 6,845 million), an increase of 22% over March 2006.**
- **EBITDA reached US\$ 517 million¹ (LE 2,966 million), an increase of 19% over March 2006.**
- **Group EBITDA margin stood at 43.3%.
GSM EBITDA² margin stood at 48.1%. EBITDA margins of the major subsidiaries are: Djezzy 61.1%, Mobilink 39.5%, Mobinil 49.3%, Iraqna 42.3% and Tunisiana 51.2%.**
- **Net income for the period reached US\$ 168 million¹ (LE 970 million) an increase of 7% over March 2006.**
- **Earnings per GDR reached US\$ 0.78 vs. US\$ 0.72 in March 2006.**
- **Net debt stood at US\$ 3,807 million¹ (LE 21,796 million) on 31 March 2007. Net Debt/EBITDA³ for the period is 1.87**

1. US\$ financial figures in the Income Statement & Balance Sheet are according to the International Financial Reporting Standards (IFRS)

2. GSM EBITDA margin excludes: Telecel.

3. EBITDA is calculated on the basis of the last twelve months.

Operational Performance

During the First quarter of 2007, OTH continued its momentum of growth by adding 4.9 million subscribers. During this quarter, Mobilink added over 2 million subscribers, and Mobinil added approximately 1.5 million and crossed the 10 million subscriber threshold; and Djezzy crossed 11 million. In Iraq, the current security situation has created significant emigration of Iraqis. This phenomenon combined with a cleanup of the dormant subscriber base led to a decrease of subscribers in Iraq.

Table 1: Total Subscribers

| Subsidiary | 31 March 2006 | 31 December 2006 | 31 March 2007 | Inc/(dec) Mar. 2007 vs. Mar. 2006 |
|-------------------------------|-------------------|---------------------|-------------------|--|
| Djezzy (Algeria) | 7,977,731 | 10,530,826 | 11,265,045 | 41% |
| Mobilink (Pakistan) | 14,058,876 | 22,491,900 | 24,636,082 | 75% |
| Mobinil (Egypt) | 6,965,398 | 9,266,815 | 10,668,927 | 53% |
| Iraqna (Iraq) | 2,166,413 | 2,904,166 | 2,844,602 | 31% |
| Tunisiana (Tunisia) | 2,388,443 | 3,069,314 | 3,112,278 | 30% |
| Banglalink(Bangladesh) | 1,533,793 | 3,276,313 | 3,873,014 | 153% |
| Telecel (Africa) ¹ | 129,597 | 148,785 | 219,753 | 70% |
| Grand Total | 35,220,251 | 51,688,119 | 56,619,701 | 61% |

1. Telecel reflects Telecel Zimbabwe subscribers only.

OTH has increased its proportionate subscribers to reach 44.8 million, a 68% increase year-on-year.

Table 2: Total Proportionate Subscribers

| Subsidiary | 31 March 2006 | 31 December 2006 | 31 March 2007 | Inc/(dec) Mar. 2007 vs. Mar. 2006 |
|-------------------------|-------------------|---------------------|-------------------|--|
| Djezzy (Algeria) * | 6,994,875 | 10,194,893 | 10,905,690 | 56% |
| Mobilink (Pakistan) | 12,468,817 | 19,948,066 | 21,849,741 | 75% |
| Mobinil (Egypt) | 2,177,383 | 3,061,060 | 3,635,970 | 67% |
| Iraqna (Iraq) | 2,166,413 | 2,904,166 | 2,844,602 | 31% |
| Tunisiana (Tunisia) | 1,194,222 | 1,534,657 | 1,556,139 | 30% |
| Banglalink (Bangladesh) | 1,533,793 | 3,276,313 | 3,873,014 | 153% |
| Telecel (Africa) | 77,758 | 89,271 | 131,852 | 70% |
| Grand Total | 26,613,261 | 41,008,426 | 44,797,008 | 68% |

* Algeria's proportionate subscribers are calculated on the basis of 96.81% ownership in March 2007 & December 2006, 87.68% in March 2006.

ARPU's continued to decline as the subscriber base continued to grow reaching lower income levels. In Bangladesh the ARPU was negatively affected by the tariff decrease in the prepaid.

Table 3: Blended Average Revenue Per User (ARPU)

| Subsidiary | 31 March 2006 US\$ (3 Months) | 31 December 2006 US\$ (3 Months) | 31 March 2007 US\$ (3 Months) | Inc/(dec) Mar. 2007 vs. Mar. 2006 |
|--------------------------------------|--|---|--|--|
| Djezzy (Algeria) | 14.6 | 13.0 | 12.1 | (17.1%) |
| Mobilink (Pakistan) | 6.2 | 4.1 | 4.0 | (35.5%) |
| Mobinil (Egypt) ¹ | 10.8 | 10.1 | 9.7 | (10.2%) |
| Iraqna (Iraq) | 19.7 | 15.3 | 14.9 | (24.4%) |
| Tunisiana (Tunisia) | 12.6 | 13.3 | 12.7 | 0.8% |
| Banglalink (Bangladesh) | 3.5 | 3.1 | 2.7 | (22.9%) |
| Global ARPU (YTD)² | 10.1 | 8.9 | 7.6 | (24.8%) |
| Global ARPU (3 months) | 10.1 | 8.1 | 7.6 | (24.8%) |

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

Table 4: Market Share & Competition

| Country | Brand name | Market Share (%) | | Number of additional network operations | Names of additional network operations |
|-------------------|-----------------------|------------------|---------------|---|---|
| | | 31 December 2006 | 31 March 2007 | | |
| Algeria | Djezzy | 63.8% | 66.4% | 2 | AMN, Wataniya |
| Pakistan | Mobilink ¹ | 46.3% | 44.3% | 5 | U-Fone, Instaphone, Paktel, Telenor, Al Warid |
| Egypt | Mobinil | 52.1% | 52.5% | 2 | Vodafone, Etisalat |
| Iraq ² | Iraqna | 32.8% | na | 2 | MTC, Asiacell |
| Tunisia | Tunisiana | 46.5% | 46.3% | 1 | Tunisie Telecom |
| Bangladesh | Banglalink | 15.6% | 16.8% | 5 | Grameen, Aktel, Citycell, BTTB, Al Warid |
| Zimbabwe | Tel Zim | 16.0% | 20.0% | 2 | Econet, Net One |

1. Market share, as announced by the Pakistani Regulator is based on disclosed information by the other operators which use different subscriber recognition policies.
2. Market share was previously disclosed based on published information by Wataniya and MTC. However, after the divestment of Wataniya's Iraqi subsidiary "Asiacell" subscriber information is not disclosed, making it difficult to calculate the market share in Iraq

Capex decreased in Pakistan, Iraq & Tunisia as a result of OTH's strategy to reduce capex. In Egypt and Bangladesh, explosive subscriber and traffic growth led to capex increase. Increase of capex in Algeria was mostly due to orders reported from Q4 2006 to Q1 2007.

Table 5: Capital Expenditure of OTH Subsidiaries for March 31, 2007

| Country | Service name | Total | Total | Inc/(dec) |
|--------------------|---------------------|-------------------|-------------------|-------------|
| | | US\$ million 2006 | US\$ million 2007 | |
| Algeria | Djezzy | 50 | 75 | 50% |
| Pakistan | Mobilink | 132 | 102 | (23%) |
| Egypt | Mobinil | 44 | 130 | 195% |
| Iraq | Iraqna | 29 | 11 | (62%) |
| Tunisia | Tunisiana | 26 | 18 | (31%) |
| Bangladesh | Banglalink | 21 | 91 | 333% |
| Africa | Telecel | 1 | 0 | na |
| | M-Link & MedCable | 2 | 4 | 100% |
| | Linkdotnet | 1 | 4 | 300% |
| | Others ¹ | 2 | 1 | (50%) |
| Total | | 308 | 436 | 42% |
| Capex/Sales | | 31.4% | 36.5% | 5.1% |

1. Other Companies include OrasInvest, OT Holding and Ring

Main Financial Events

Orascom Telecom Buy Back program

In January 2007 OTH announced that it will continue to evaluate a number of investment opportunities, including acquisitions of new licenses and established operators, as well as repurchases of minority stakes in existing Orascom Telecom operations. In addition to 1,815,000 GDRs and 925,000 local shares (after the share split) purchased in 2006, OTH bought an additional 3,203,932 GDRs on the LSE and 1,273,535 local shares on CASE during Q1 2007.

Stock Split Announcement Date On CASE

In April 2007 OTH announced the effective date of the OTH stock split. The five-for-one split of OTH's common stock (traded on the Cairo & Alexandria Stock Exchange ("CASE")) decided by the Extraordinary General Assembly of OTH held on January 25th, 2007 was effected on April 12th, 2007. This split did not apply on the Global Depositary Receipts ("GDRs") traded on the London Stock Exchange. After the split, the nominal value of the local shares listed on CASE became LE 1 instead of LE 5. Prior to the split, the ratio between OTH's common stock and the GDRs was one- to- one, following the split, it would become five-to-one.

Dividend Payment

OTH announced the payment date and record date for the dividend of EGP 0.75 per share (EGP 3.75 per GDR to be converted at the prevailing US\$ to EGP exchange rate at the time of payment). The dividend shall be paid on May 24, 2007 to the holders of shares on May 21, 2007.

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Financial Review

Revenues

Revenues for the quarter stood at US\$ 1,195 million (LE 6,845), a 22% increase year-on-year and a 1% increase over last quarter. Subscriber growth led the revenue growth in Pakistan, Egypt, and Iraq.

Table 6: Consolidated Revenues

| Subsidiary | 31 March 2006 | 31 March 2007 | Inc/ (dec) | Q4 - 2006 | Q1 - 2007 | Inc/ (dec) |
|--------------------------------|------------------|------------------|---------------|--------------------------|--------------------------|---------------|
| | US\$ (000) | US\$ (000) | | (3 months) US\$ (000) | (3 months) US\$ (000) | |
| GSM | | | | | | |
| Djezzy (Algeria) | 336,773 | 401,085 | 19% | 399,938 | 401,085 | 0% |
| Mobilink (Pakistan) | 236,026 | 281,870 | 19% | 266,743 | 281,870 | 6% |
| Mobinil (Egypt) | 110,465 | 149,264 | 35% | 141,844 | 149,264 | 5% |
| Iraqna (Iraq) | 125,233 | 136,909 | 9% | 128,727 | 136,909 | 6% |
| Tunisiana (Tunisia) | 43,788 | 58,938 | 35% | 58,665 | 58,938 | 0% |
| Banglalink (Bangladesh) | 15,972 | 30,491 | 91% | 30,884 | 30,491 | (1%) |
| Telecel (Africa) | - | - | na | - | - | na |
| Total GSM | 868,257 | 1,058,557 | 22% | 1,026,801 | 1,058,557 | 3% |
| Telecom Services | | | | | | |
| Ring | 73,232 | 89,911 | 23% | 109,313 | 89,911 | (18%) |
| M-Link & MedCable | 22,560 | 26,514 | 18% | 25,561 | 26,514 | 4% |
| OrasInvest | 6,301 | 7,881 | 25% | 10,024 | 7,881 | (21%) |
| Other ¹ | 2,167 | 3,159 | 46% | 4,047 | 3,159 | (22%) |
| Total Telecom Services | 104,260 | 127,465 | 22% | 148,945 | 127,465 | (14%) |
| Internet Services | 7,045 | 9,280 | 32% | 9,073 | 9,280 | 2% |
| OT Holding & Others | - | - | na | - | - | na |
| Total Consolidated | 979,562 | 1,195,302 | 22% | 1,184,819 | 1,195,302 | 1% |

1. Other Telecom Services Companies include ARPU+, C.A.T., and Onward Technologies & Pharoah in 2006.

EBITDA

Consolidated EBITDA reached US\$ 517 million; a 19% increase year-on year and Group EBITDA Margin reached 43.3%. EBITDA & EBITDA Margin in Algeria decreased from Q4 2006 to Q1 2007 mostly because of one off positive accounting adjustments made in Q4 2006.

Table 7: Consolidated EBITDA¹

| Subsidiary | 31 March 2006 | 31 March 2007 | Inc/ (dec) | Q4 - 2006 | Q1 - 2007 | Inc/ (dec) |
|--|------------------|------------------|---------------|--------------------------|--------------------------|---------------|
| | US\$ (000) | US\$ (000) | | (3 months) US\$ (000) | (3 months) US\$ (000) | |
| GSM | | | | | | |
| Djezzy (Algeria) | 214,297 | 245,175 | 14% | 280,606 | 245,175 | (13%) |
| Mobilink (Pakistan) | 87,792 | 111,371 | 27% | 108,534 | 111,371 | 3% |
| Mobinil (Egypt) | 54,508 | 73,636 | 35% | 61,713 | 73,636 | 19% |
| Iraqna (Iraq) ² | 67,186 | 57,929 | (14%) | 52,586 | 57,929 | 10% |
| Tunisiana (Tunisia) | 19,983 | 30,199 | 51% | 27,178 | 30,199 | 11% |
| Banglalink (Bangladesh) | (5,734) | (9,532) | (66%) | (7,887) | (9,532) | (21%) |
| Telecel (Africa) | (5,651) | (243) | 96% | 565 | (243) | na |
| Total GSM | 432,381 | 508,535 | 18% | 523,295 | 508,535 | (3%) |
| Telecom Services | | | | | | |
| Ring | 4,123 | 4,712 | 14% | 5,479 | 4,712 | (14%) |
| M-Link & MedCable | 9,674 | 11,739 | 21% | 9,610 | 11,739 | 22% |
| OrasInvest | 3,597 | 1,686 | (53%) | (526) | 1,686 | 320% |
| Others ³ | (1,195) | (2,432) | (103%) | (1,626) | (2,432) | (50%) |
| Total Telecom Services | 16,199 | 15,705 | (3%) | 12,937 | 15,705 | 21% |
| Internet Services | 1,335 | 1,130 | (15%) | 1,736 | 1,130 | (35%) |
| OT Holding & Others⁴ | (15,461) | (8,352) | 46% | (16,441) | (8,352) | na |
| Total Consolidated | 434,454 | 517,018 | 19% | 521,527 | 517,018 | (1%) |

1. EBITDA excludes management fees which were previously treated as a cost in each subsidiary and as a revenue for the Holding.
2. From 2006, Iraqna started paying 13% revenue share under the new license renewal terms.
3. Other Telecom Services Companies include ARPU+, C.A.T., OT WIMAX, TWA. and Pharoah & Onward Technologies in 2006.
4. Other non operating companies include: Cortex, Eurasia, Moga Holding, Oratel, OT ESOP, OTFSCA, OT Services Europe, and Pioneers.

Table 8: Consolidated EBITDA Margin

| Subsidiary | 31 March | 31 March | Change | Q4-2006 | Q1-2007 | Change |
|-------------------------------|--------------|--------------|---------------|--------------|--------------|---------------|
| | 2006 | 2007 | | (3 months) | (3 months) | |
| GSM | | | | | | |
| Djezzy (Algeria) | 63.6% | 61.1% | (2.5%) | 70.2% | 61.1% | (9.1%) |
| Mobilink (Pakistan) | 37.2% | 39.5% | 2.3% | 40.7% | 39.5% | (1.2%) |
| Mobinil (Egypt) | 49.3% | 49.3% | 0.0% | 43.5% | 49.3% | 5.8% |
| Iraqna (Iraq) ¹ | 53.6% | 42.3% | (11.3%) | 40.9% | 42.3% | 1.4% |
| Tunisiana (Tunisia) | 45.6% | 51.2% | 5.6% | 46.3% | 51.2% | 4.9% |
| Banglalink (Bangladesh) | (35.9%) | (31.3%) | 4.6% | (25.5%) | (31.3%) | (5.8%) |
| Total GSM² | 50.5% | 48.1% | (2.4%) | 50.9% | 48.1% | (2.8%) |
| Telecom Services | | | | | | |
| Ring | 5.6% | 5.2% | (0.4%) | 5.0% | 5.2% | 0.2% |
| M-Link & MedCable | 42.9% | 44.3% | 1.4% | 37.6% | 44.3% | 6.7% |
| OrasInvest | 57.1% | 21.4% | (35.7%) | (5.2%) | 21.4% | 26.6% |
| Others ³ | (55.1%) | (76.9%) | (21.8%) | (40.2%) | (76.9%) | (36.7%) |
| Total Telecom Services | 15.5% | 12.3% | (3.2%) | 8.7% | 12.3% | 3.6% |
| Internet Services | 18.9% | 12.2% | (6.7%) | 19.1% | 12.2% | (6.9%) |
| EBITDA Margin | 44.4% | 43.3% | (1.1%) | 44.0% | 43.3% | (0.7%) |

1. From 2006, Iraqna started paying 13% revenue share under the new license renewal terms.
2. GSM EBITDA margin excludes Telecel.
3. Other Telecom Services Companies include ARPU+, C.A.T., TWA, OT WIMAX, and Onward Technologies & Pharoah, in 2006.

Table 9: Foreign Exchange Rates used in the Income Statement & Balance Sheet

| Currency | Income Statement | | | Balance Sheet | | |
|------------------------------|------------------|-----------|-----------|---------------|-----------|-----------|
| | Mar. 2006 | Dec. 2006 | Mar. 2007 | Mar. 2006 | Dec. 2006 | Mar. 2007 |
| Egyptian Pound / US Dollar | 0.1740 | 0.1738 | 0.1746 | 0.1739 | 0.1744 | 0.1747 |
| Algerian Dinar / US Dollar | 0.0136 | 0.0138 | 0.0140 | 0.0135 | 0.0140 | 0.0141 |
| Tunisian Dinar / US Dollar | 0.7387 | 0.7536 | 0.7643 | 0.7394 | 0.7710 | 0.7680 |
| Pakistan Rupee / US Dollar | 0.0167 | 0.0166 | 0.0165 | 0.0167 | 0.0164 | 0.0165 |
| Bangladeshi Taka / US Dollar | 0.0141 | 0.0143 | 0.0144 | 0.0139 | 0.0144 | 0.0145 |

Source: Egyptian banks

Net Income

Net Income for the period reached US\$ 168 million (LE 970 million) a 7% increase over March 2006. Interest expense increased as OTH continued the strategy to optimize its capital structure by maintaining an adequate financial leverage and repurchase of its shares at favorable market valuations. Income Tax rate came back to a more normalized level after the one off changes incurred in Q4 2006 in Iraq & Tunisia. Earnings per GDR increased from US\$ 0.72 in March 2006 to US\$ 0.78 in March 2007.

Table 10: Income Statement in IFRS/US\$

| | 31 March 2006 | 31 March 2007 | Inc/ (dec) | Q4-2006 (3 months) US\$ (000) | Q1-2007 (3 months) US\$ (000) | Inc/ (dec) |
|---|------------------|-------------------------|---------------|-------------------------------------|-------------------------------------|---------------|
| | US\$ (000) | US\$ (000) | | | | |
| Revenues | 979,562 | 1,195,302 | 22% | 1,184,819 | 1,195,302 | 1% |
| Total Cost | (331,327) | (413,591) | | (426,079) | (413,591) | |
| Gross Profit | 648,235 | 781,711 | | 758,740 | 781,711 | |
| Total Expense | (217,514) | (264,421) | | (238,535) | (264,421) | |
| Others | 3,733 | (272) | | 1,322 | (272) | |
| EBITDA¹ | 434,454 | 517,018 | 19% | 521,527 | 517,018 | (1%) |
| Depreciation & Amortization | (127,960) | (176,880) | | (167,849) | (176,880) | |
| Net Interest Expense | (81,231) | (119,656) | | (86,448) | (119,656) | |
| Foreign Exchange Gain (Loss) | (21,512) | 2,185 | | (14,913) | 2,185 | |
| Capital Gain (Loss) | 28 | 33 | | (898) | 33 | |
| Share of Gain of Associates | (597) | (5,329) ² | | (18,750) | (5,329) | |
| Gain from Sale of Investments | - | - | | 4 | - | |
| Other Income | 4,731 | 1,600 | | 1,544 | 1,600 | |
| Profit Before Tax | 207,912 | 218,971 | 5% | 234,217 | 218,971 | (7%) |
| Income Tax | (35,502) | (36,200) | | (49,808) | (36,200) | |
| Profit for the Period | 172,410 | 182,771 | 6% | 184,409 | 182,771 | (1%) |
| Attributable to: | | | | | | |
| Equity Holders of the Parent³ | 157,102 | 168,314 | 7% | 169,168 | 168,314 | (1%) |
| Earnings Per Share (US\$/GDR) | 0.72 | 0.78⁴ | 8% | 0.78 | 0.78 | 0% |
| Minority Interest | 15,308 | 14,457 | | 15,241 | 14,457 | |
| Net Income | 172,410 | 182,771 | 6% | 184,409 | 182,771 | (1%) |

1. Management Presentation developed from IFRS financials
2. The assumption for reporting HTIL in the income statement are as follows: Amortization of the Identifiable Intangible Assets resulted from the Purchase Price Allocation study, The Deferred tax gain resulted from the Amortization of the Identifiable Intangible Assets. As a result of the unavailability of the complete financial information due to the legal restrictions in HTIL, OTH did not include its stake in HTIL's profit and shareholders equity for the first quarter.
3. Equates to Net Income after Minority Interest
4. Based on a weighted average for the outstanding number of shares of 214,843,543 shares.

Balance Sheet

OTH continued its strategy to optimize its capital structure by re-leveraging its Balance sheet to buy back its shares. Consolidated Net Debt increased by approximately US\$ 374 million compared to December 31, 2006, principally due to an increase in debt at the holding company level to fund purchases of OTH shares.

Table 11: Balance Sheet in IFRS/US\$

| | IFRS/US\$ | IFRS/US\$ |
|---|---------------------|------------------|
| | 31 December 2006 | 31 March 2007 |
| | US\$ (000) | US\$ (000) |
| Assets | | |
| Property and Equipment (net) | 3,322,240 | 3,493,799 |
| Property and Equipment under Construction | 718,893 | 791,259 |
| Goodwill (net) | 718,889 | 750,355 |
| Other Non-Current Assets | 2,319,840 | 2,307,472 |
| Total Non-Current Assets | 7,079,862 | 7,342,885 |
| Cash | 756,198 | 925,964 |
| Trade and Other Receivables (net) | 214,337 | 210,553 |
| Other Current Assets | 624,997 | 654,619 |
| Total Current Assets | 1,595,532 | 1,791,136 |
| Total Assets | 8,675,394 | 9,134,021 |
| Total Shareholder's Equity | 2,063,299 | 1,990,646 |
| Minority Share | 125,223 | 130,536 |
| Total Equity | 2,188,522 | 2,121,182 |
| Liabilities | | |
| Long Term Debt | 3,580,236 | 3,781,938 |
| Other Long term Liabilities | 236,923 | 242,255 |
| Total Long Term Liabilities | 3,817,159 | 4,024,193 |
| Bank Facilities & Short Term Debt | 608,819 | 951,072 |
| Trade and Other Payables | 973,567 | 1,008,820 |
| Other Current Liabilities | 1,087,327 | 1,028,754 |
| Total Current Liabilities | 2,669,713 | 2,988,646 |
| Total Liabilities | 6,486,872 | 7,012,839 |
| Total Liabilities & Shareholder's Equity | 8,675,394 | 9,134,021 |
| Net Debt ¹ | 3,432,857 | 3,807,046 |

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

Cash Flow Statement

Table 12: Cash Flow Statement in US\$

| | IFRS/US\$ | IFRS/US\$ |
|---|--------------------|------------------|
| | 31 March 2006 | 31 March 2007 |
| | US\$ (000) | US\$ (000) |
| Cash Flows from Operating Activities | | |
| Net Profit for the Period before Tax | 207,912 | 218,971 |
| Adjustment to Reconcile Net Profit to Cash Flows from Operating Activities | | |
| Depreciation, Amortization & Impairment of Assets | 127,960 | 177,127 |
| Unrealized Exchange Difference | 15,404 | (1,189) |
| Financial Charges | 74,348 | 111,312 |
| Gain from Sale of Trading Investments | (136) | - |
| Others | 17,775 | 23,028 |
| Net Profit before Changes in Current Assets and Current Liabilities | 443,263 | 529,249 |
| Changes in Current Assets | 24,095 | (37,067) |
| Changes in Current Liabilities | 63,252 | (49,662) |
| Cash Generated from Operations | 530,610 | 442,520 |
| Income Tax Paid | (5,554) | (22,307) |
| Interest Paid | (59,155) | (119,321) |
| Net Cash Provided by Operating Activities | 465,901 | 300,892 |
| Cash Flows from Investing Activities | | |
| Payments for Property & Equipment and Property under Construction | (265,299) | (356,772) |
| Proceeds from Sale of Property & Equipment | 444 | 3,087 |
| Payments for Licenses & Software | (13,438) | (16,892) |
| Interest Received | 4,356 | 4,717 |
| Payments for Investments | (1,183,206) | (39,785) |
| Proceeds from Sale of Investments | 8,805 | 285 |
| Net Cash Used in Investing Activities | (1,448,338) | (405,360) |
| Cash Flows from Financing Activities | | |
| Proceeds from Borrowings | 1,997,018 | 985,609 |
| Repayment of Borrowings | (679,588) | (470,395) |
| Change in Other Assets | (114,838) | 14,043 |
| Payments for Treasury Stock | (74,284) | (247,587) |
| Changes in Minority Interests | 860 | (8,868) |
| Payments for Capital Lease Obligations | (101) | (615) |
| Net Cash Provided by Financing Activities | 1,129,067 | 272,187 |
| Net Cash Movement | 146,630 | 167,719 |
| Cash & Cash Equivalents as at January 1 st | 286,891 | 756,198 |
| Change Cumulative Translation Adjustments | (3,492) | 2,047 |
| Cash & Cash Equivalents as at March 31 st | 430,029 | 925,964 |

Table 13: Income Statement in EAS/Egyptian Pounds

| | 31 March 2006 | 31 March 2007 | Inc/ (dec) | Q4-2006 (3 months) LE (000) | Q1-2007 (3 months) LE (000) | Inc/ (dec) |
|-------------------------------------|------------------|------------------|---------------|-----------------------------------|-----------------------------------|---------------|
| | LE (000) | LE (000) | | | | |
| Revenues | 5,629,865 | 6,845,096 | 22% | 6,805,038 | 6,845,096 | 1% |
| Total Cost | (1,904,243) | (2,368,497) | | (2,447,532) | (2,368,497) | |
| Gross Profit | 3,725,622 | 4,476,599 | | 4,357,506 | 4,476,599 | |
| Total Expenses | (1,220,014) | (1,509,303) | | (1,312,486) | (1,509,303) | |
| Provisions | (61,966) | (62,097) | | (90,965) | (62,097) | |
| Others | 83,418 | 60,538 | | 69,356 | 60,538 | |
| EBITDA ¹ | 2,527,060 | 2,965,737 | 17% | 3,023,411 | 2,965,737 | (2%) |
| Depreciation & Amortization | (734,576) | (1,011,610) | | (962,200) | (1,011,610) | |
| Earnings Before Interest & Tax | 1,792,484 | 1,954,127 | 9% | 2,061,211 | 1,954,127 | (5%) |
| Net Financing Cost | (586,949) | (664,993) | | (581,307) | (664,993) | |
| Other Revenues | 24,548 | 2,238 | | 8,865 | 2,238 | |
| Share of Gain of Associates | (3,432) | (30,520) | | (107,902) | (30,520) | |
| Capital loss | 158 | 189 | | (5,152) | 189 | |
| Earnings Before Taxes | 1,226,809 | 1,261,041 | 3% | 1,375,715 | 1,261,041 | (8%) |
| Income Tax | (204,043) | (207,303) | | (286,083) | (207,303) | |
| Net Income before Minority Interest | 1,022,766 | 1,053,738 | 3% | 1,089,632 | 1,053,738 | (3%) |
| Minority Share | (92,732) | (83,705) | | (94,793) | (83,705) | |
| Net Income | 930,034 | 970,033 | 4% | 994,839 | 970,033 | (2%) |
| Earnings Per Share (in LE) | 0.85 | 0.90 | 6% | 0.92 | 0.90 | (2%) |

1. Management Presentation developed from EAS financials

Table 14: Balance Sheet in EAS/Egyptian Pounds

| | EAS/LE | EAS/LE |
|---|---------------------|-------------------|
| | 31 December 2006 | 31 March 2007 |
| | LE (000) | LE (000) |
| Assets | | |
| Cash | 4,335,282 | 5,301,144 |
| Trade Receivable (net) | 1,228,791 | 1,205,414 |
| Other Current Assets | 3,569,711 | 3,735,843 |
| Total Current Assets | 9,133,784 | 10,242,401 |
| Net Fixed Assets | 19,013,282 | 19,968,158 |
| Assets Under Construction | 4,121,410 | 4,519,654 |
| Goodwill (Net) | 3,924,460 | 4,098,848 |
| Other Long Term Assets | 13,313,268 | 13,233,091 |
| Total Long Term Assets | 40,372,420 | 41,819,751 |
| Total Assets | 49,506,204 | 52,062,152 |
| Liabilities | | |
| Bank over Draft & Short Term Debt | 3,490,358 | 5,444,886 |
| Trade Payable | 5,558,609 | 5,760,351 |
| Other Current Liabilities | 6,247,490 | 5,896,192 |
| Total Current Liabilities | 15,296,457 | 17,101,429 |
| Long Term Debt | 20,525,687 | 21,651,860 |
| Other Long Term Liabilities | 1,358,279 | 1,386,914 |
| Total Long Term Liabilities | 21,883,966 | 23,038,774 |
| Total Liabilities | 37,180,423 | 40,140,203 |
| Total Shareholder's Equity | 11,613,040 | 11,179,905 |
| Minority Share | 712,741 | 742,044 |
| Total Liabilities & Shareholder's Equity | 49,506,204 | 52,062,152 |
| Net Debt ¹ | 19,680,763 | 21,795,602 |

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

Operational Overview

Country Highlights



Djezzy – Algeria

| | March 2006 | March 2007 | Inc/(dec) | | March 2006 | December 2006 | March 2007 | Inc/(dec) Mar. 2007 vs. Mar. 2006 |
|-----------------------|------------|------------|-----------|-------------------------|------------|---------------|------------|-----------------------------------|
| Financial Data | | | | Operational Data | | | | |
| Revenues (US\$ 000) | 336,773 | 401,085 | 19.1% | Subscribers | 7,977,731 | 10,530,826 | 11,265,045 | 41.2% |
| EBITDA (US\$ 000) | 214,297 | 245,175 | 14.4% | Prepaid | 7,711,237 | 10,191,909 | 10,906,994 | 41.4% |
| EBITDA Margin | 63.6% | 61.1% | (2.5%) | Postpaid | 266,494 | 338,917 | 358,051 | 34.4% |
| Capex (US\$ m) | 50 | 75 | 50.0% | Market Share | 63.7% | 63.8% | 66.4% | 2.7% |
| | | | | ARPU (US\$) (3 months) | 14.6 | 13.0 | 12.1 | (17.1%) |
| | | | | MOU (YTD) | 150 | 147 | 130 | (13.3%) |
| | | | | Churn (YTD) | 15.0% | 63.5% | 13.1% | (1.9%) |

Orascom Telecom Algeria (OTA) is continuing its success in the three player Algerian market and achieved a strong first quarter with outstanding results, crossing the 11 million subscriber base and increased its undisputable leadership position with 66.4% market share of net subscribers.

The ARPT, the Algerian regulation Authority, has recently made several decisions to declare OTA a dominant operator. These decisions if enforced would force OTA to increase its retail prices and leave more room for its competitors.

OTA considered that the ARPT's decisions have no legal ground and have been issued without any objective study or contradictory debate. Furthermore the decisions do not demonstrate any abuse of dominance or any breach by OTA of the pricing legislation. Furthermore, OTA considers that the ARPT intervening in this arbitrarily manner on retail prices is not in scope of ARPT role as by the law and even contradicts the text of law and legislation that is looking to ensure healthy competition through the freedom of fixing retail prices to the benefits of the consumers.

Although these decisions from ARPT do not affect OTA's Q1 results and should even, if enforced, tend to increase OTA's EBITDA in the future, it would nevertheless reduce OTA's flexibility to compete in the long term.

Consequently, OTA immediately introduced claims against all these decisions at the Algerian State Council and will spare no effort to defend its rights.

In order to preserve and even to increase its market share position 66.4%, OTA had to review its prepaid tariffs' structure to remain competitive with its two rivals, securing a sales market share above 50%.

The growth of subscribers is coming mainly from the low-end segment of late adopters whose marginal ARPU is lower, thus affecting the average of total ARPU base.

The combination of the two effects of lowering tariffs and bringing new subscribers from lower segments is contributing to lower the ARPU while the total revenue is continuing to grow.

OTA's ARPU remains relatively healthy, above US \$12 with a high EBITDA margin of 61.1%. This is mainly due to the adequate commercial actions that were undertaken in order to successfully develop usage and traffic, acquisition and retention without affecting profitability.

Although the churn rate was 15.6% at year end 2006, in the first quarter OTA's churn decreased to 13.1% and its share of total market churn is still the lowest as compared to its competitors' net figures. This is mainly due to OTA's loyalty programme "Imtiyaz", and the level of commitment to OTA's network by subscribers. The Imtiyaz Loyalty program is securing the retention of the high value segment among OTA's subscribers and is growing on awareness.

From a distribution point of view, OTA is still growing its distribution capacity by reinforcing the relationship that exists between OTA and its seven exclusive distributors, managing a nationwide network of more than 20,000 independent dealers in addition to the 62 owned shops.

During the quarter OTA's revenues grew to US\$ 401 million in comparison to US\$ 337 million in 2006, a 19% increase from the same period last year. EBITDA for the year stood at US\$ 245 million.


Mobilink - Pakistan

| | March 2006 | March 2007 | Inc/ (dec) | | March 2006 | December 2006 | March 2007 | Inc/(dec) Mar. 2007 vs. Mar. 2006 |
|-----------------------|---------------|---------------|---------------|---------------------------|---------------|------------------|---------------|---|
| Financial Data | | | | Operational Data | | | | |
| Revenues (US\$ 000) | 236,026 | 281,870 | 19.4% | Subscribers | 14,058,876 | 22,491,900 | 24,636,082 | 75.2% |
| EBITDA (US\$ 000) | 87,792 | 111,371 | 26.9% | Prepaid | 13,746,680 | 22,058,805 | 24,159,292 | 75.7% |
| EBITDA Margin | 37.2% | 39.5% | 2.3% | Postpaid | 312,196 | 433,095 | 476,790 | 52.7% |
| Capex (US\$ m) | 132 | 102 | (22.7%) | Market Share* | 51.4% | 46.3% | 44.3% | (7.1%) |
| | | | | ARPU (US\$) (3 months) | 6.2 | 4.1 | 4.0 | (35.5%) |
| | | | | MOU (YTD) | 146 | 130 | 124 | (15.1%) |
| | | | | Churn (YTD) | 2.4% | 8.0% | 4.1% | 1.7% |

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

During the first quarter of 2007, Mobilink added more than 2.1 million customers to the network closing the base at 24.6 million customers by the end of March 2007. The growth in customers was backed by an aggressive growth in network expansion which ended the quarter with a network consisting of 5,489 cell sites and 50 mobile switching centres, providing coverage in more than 5,000 cities, towns and villages across Pakistan.

The quarter also saw Mobilink revise tariffs for Jazz Budget and Jazz Easy package plans. The Jazz Budget package plan was further strengthened by the introduction of a unique feature branded as "Happy Hour". This feature allows customers to select predefined time windows to make discounted calls. During the quarter Mobilink, also re-launched its Jazz Octane offering by lowering the SMS rates and refreshing the content offering. All the above initiatives were backed by extensive print and electronic media campaigns which were very well received by the target segments.

During the quarter, the market witnessed a number of price cuts by the various competitors, which inevitably led Mobilink to decrease its prices as well, but Mobilink maintained the leading market share and notable subscriber acquisitions.

The last week of March saw the launch of Mobile Number Portability (MNP) in Pakistan. This industry driven initiative lead by the Pakistan Telecommunication Authority, allows customers to change their cellular service provider without changing the number.

During the quarter Mobilink's revenues grew to US\$ 282 million in comparison to US\$ 236 million in 2006, a 19% increase from the same period last year. EBITDA for the quarter stood at US\$ 111 million, with an EBITDA margin of 39.5%.




Mobinil - Egypt

| | March 2006 | March 2007 | Inc/ (dec) |
|-----------------------|---------------|---------------|---------------|
| Financial Data | | | |
| Revenues (US\$ 000) | 243,458 | 309,828 | 27.3% |
| EBITDA (US\$ 000) | 122,062 | 148,638 | 21.8% |
| EBITDA Margin | 50.1% | 48.0% | (2.1%) |
| Capex (US\$ m) | 44 | 130 | 195.4% |

| | March 2006 | December 2006 | March 2007 | Inc/(dec) Mar. 2007 vs. Mar. 2006 |
|---------------------------|---------------|------------------|---------------|---|
| Operational Data | | | | |
| Subscribers | 6,965,398 | 9,266,815 | 10,668,927 | 53.2% |
| Prepaid | 6,212,656 | 8,565,962 | 10,021,596 | 61.3% |
| Postpaid | 752,742 | 700,853 | 647,331 | (14.0%) |
| Market Share | 51.3% | 52.1% | 52.5% | 1.2% |
| ARPU (US\$) (3 months) | 10.8 | 10.1 | 9.7 | (10.2%) |
| MOU (YTD) | 129 | 148 | 157 | 21.7% |
| Churn (YTD) | 16.0% | 32.9% | 6.5% | (9.5%) |

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

During the first quarter in 2007, Mobinil crossed an important milestone the 10 million subscriber base. As Mobinil led the market with dynamic commercial propositions to maintain its leadership position; figures reflect continuous growth over the same period last year and active subscribers have increased by 53% year-on-year.

Mobinil continued to optimize its coverage to reach more remote areas and further improve service quality to all existing and potential customers. More investments in network infrastructure took place in this quarter, as Mobinil announced the completion of a major GSM network expansion project with Motorola, to further extend its coverage, while providing better network performance in high density areas and allowing Mobinil to add new subscribers quickly and efficiently. Investments further continued on the infrastructure level, as the total number of sites increased to 2,723 sites.

During the first quarter of 2007, Mobinil launched a portfolio of exclusive promotions and services that reinforced its position. Mobinil launched "Lifetime Validity" exclusive to all prepaid customers by recharging with any denomination. To further improve customer satisfaction, nurture the loyalty of medium and high-end prepaid customers, Mobinil has modified the price per minute for Alohah and ALO Business tariff plans.

Now, all prepaid customers may enjoy roaming with Mobinil Global Rate. Mobinil prepaid customers are now charged a flat minute rate for outgoing calls when traveling abroad depending on the zone to which the visited country, as well as a flat minute rate for receiving calls worldwide with a special discounted rate when receiving calls in Saudi Arabia.

To stimulate the postpaid segment, Mobinil offered new business buckets, consisting of seven packages of free minutes, SMS, MMS and GPRS usage targeting different business segments. Building on the success of Star Buckets concept, Mobinil launched Star 100 for the personal postpaid market. Star 100 is a new customized bucket with monthly 100 free airtime minutes and 10 free SMS.

Mobinil offered more innovation services particularly focusing on Push E-mail solutions with the launch of "LinkdotNet Mobile E-mail" where all personal and business customers with a



LinkdotNet e-mail account can access their E-mail on their mobile and enjoy a free mobile E-mail monthly subscription for a limited time period.

Mobinil continued its efforts to support national cultural initiatives in the Egyptian community. Mobinil was the official sponsor of Cairo's 39th International Book Fair. The Fair was dedicated to Egypt's Nobel Prize Laureate Naguib Mahfouz. Moreover, Mobinil led a nationwide blood donation campaign, carried out in coordination with the National Blood Transfusion Services under the auspices of the Ministry of Health and Population to provide one million blood units annually to fulfill the needs of all Egyptian patients.

During the quarter Mobinil's revenues grew to US\$ 310 million in comparison to US\$ 243 million in 2006, a 27% increase from the same period last year. EBITDA for the quarter stood at US\$ 149 million, with an EBITDA margin of 48%.



Iraqna - Iraq

| | March 2006 | March 2007 | Inc/ (dec) | | March 2006 | December 2006 | March 2007 | Inc/(dec) Mar. 2007 vs. Mar. 2006 |
|-----------------------|------------|------------|------------|---------------------------|------------|------------------|------------|-----------------------------------|
| Financial Data | | | | Operational Data | | | | |
| Revenues (US\$ 000) | 125,233 | 136,909 | 9.3% | Subscribers | 2,166,413 | 2,904,166 | 2,844,602 | 31.3% |
| EBITDA (US\$ 000) | 67,186 | 57,929 | (13.8%) | Prepaid | 2,103,362 | 2,852,075 | 2,796,879 | 33.0% |
| EBITDA Margin | 53.6% | 42.3% | (11.3%) | Postpaid | 63,051 | 52,091 | 47,723 | (24.3%) |
| Capex (US\$ m) | 29 | 11 | (62.1%) | Market Share ¹ | 37.8% | 32.8% | na | na |
| | | | | ARPU (US\$) (3 months) | 19.7 | 15.3 | 14.9 | (24.4%) |
| | | | | MOU (YTD) | 273 | 255 ² | 170 | (37.7%) |
| | | | | Churn (YTD) | 4.2% | 27.1% | 17.0% | 12.8% |

- Market share disclosed is based on disclosed information by Wataniya and MTC in which their definition of an active subscriber differs from OTH's 3-month rule.
- Iraqna used to report the incoming minutes including the on-net minutes, this was corrected as of January 2007. Reported MOU in Q1 2007 excludes on-net from the incoming minutes.

During the first quarter in 2007, IraQna still dominated the central region by having significant population coverage and is currently extending its business to the southern and northern regions of Iraq.

During the first quarter in 2007, IraQna continued with strong offers & promotions, where it launched two main offers "\$10+\$10" connection fee promo & a "Stop The Clock" promo to benefit its subscribers. IraQna also launched a new scratch card denomination "\$5 Scratch Card" to improve the service offered to subscribers and meet their needs for lower denominations. In February 2007, IraQna launched the MCA Service for post-paid customers & many of IVR & SMS services to further enhance the subscriber experience and maintain Iraqna's commitment to the development of the Iraqi telecommunications sector.

Iraqna has been facing operational difficulties such as security risks affecting its employees and assets and the continued migration of the Iraqi civilians leaving Iraq which affected



churn. IraQna has experienced delays in the supply of telecommunications equipment and SIM cards and has not been able to deploy the network at a pace it otherwise would have been able to do. During the quarter IraQna's revenues grew to US\$ 137 million in comparison to US\$ 125 million in 2006, a 9% increase from the same period last year. EBITDA for the year stood at US\$ 58 million.



Tunisiana – Tunisia

| | March 2006 | March 2007 | Inc/ (dec) | | March 2006 | December 2006 | March 2007 | Inc/(dec) Mar. 2007 vs. Mar. 2006 |
|-----------------------|------------|------------|------------|-------------------------|------------|---------------|------------|-----------------------------------|
| Financial Data | | | | Operational Data | | | | |
| Revenues (US\$ 000) | 91,603 | 122,594 | 33.8% | Subscribers | 2,388,443 | 3,069,314 | 3,112,278 | 30.3% |
| EBITDA (US\$ 000) | 37,476 | 61,649 | 64.5% | Prepaid | 2,355,124 | 3,027,761 | 3,069,036 | 30.3% |
| EBITDA Margin | 40.9% | 50.3% | 9.4% | Postpaid | 33,319 | 41,553 | 43,242 | 29.8% |
| Capex (US\$ m) | 26 | 18 | (30.8%) | Market Share | 43.7% | 46.5% | 46.3% | 2.6% |
| | | | | ARPU (US\$) (3 months) | 12.6 | 13.3 | 12.7 | 0.8% |
| | | | | MOU (YTD) | 111 | 132 | 115 | 3.6% |
| | | | | Churn (YTD) | 12.2% | 40.7% | 9.2% | (3.0%) |

During the first quarter of 2007, Tunisiana had a market share of 46.3% an increase of 2.6% over the same period last year, and had over three million subscribers. This success is closely associated with the launch of new promotions and services.

To maintain its stance of being the innovative company, Tunisiana launched in mid January 'Sammani' a Personal Ring Back Tone service. Moreover, to ensure that Tunisiana is meeting all of its subscribers' needs, Tunisiana extended validity of E-vouchers.

With the aim of proliferating its growth, Tunisiana launched in March 'Happy Hour' promotion dedicated to Carta and Carta + subscribers. To celebrate The Youth Day, Tunisiana offered 50 On-Net sms for all its subscribers to use on the 21st March.

Moreover, to maintain its leadership in the value added services, Tunisiana launched in March the 'MMS PROMOTION', in which all subscribers enjoyed 2 free On-Net MMS for every 4 MMS sent.

As part of Tunisiana's continuous efforts to support national cultural initiatives in the Tunisiana community, Tunisiana was the sponsor of two major events in Tunisia the "Festival méditerranéen de la guitare" and The TV Show "Star Academy Maghreb".

During the quarter Tunisiana's revenues grew to US\$ 123 million in comparison to US\$ 92 million in 2006, a 34% increase from the same period last year. EBITDA for the year stood at US\$ 62 million.



Banglalink - Bangladesh

| | March 2006 | March 2007 | Inc/ (dec) | | March 2006 | December 2006 | March 2007 | Inc/(dec) Mar. 2007 vs. Mar. 2006 |
|-----------------------|---------------|---------------|---------------|---------------------------|---------------|------------------|---------------|---|
| Financial Data | | | | Operational Data | | | | |
| Revenues (US\$ 000) | 15,972 | 30,491 | 90.9% | Subscribers | 1,533,793 | 3,276,313 | 3,873,014 | 152.5% |
| EBITDA (US\$ 000) | (5,734) | (9,532) | (66.2%) | Prepaid | 1,478,082 | 3,134,297 | 3,647,325 | 146.8% |
| EBITDA Margin | (35.9%) | (31.3%) | 4.6% | Postpaid | 55,711 | 142,016 | 225,689 | 305.1% |
| Capex (US\$ m) | 21 | 91 | 333.3% | Market Share | 13.1% | 15.6% | 16.8% | 3.7% |
| | | | | ARPU (US\$) (3 months) | 3.5 | 3.1 | 2.7 | (22.9%) |
| | | | | MOU (YTD) | 141 | 143 | 162 | 14.9% |
| | | | | Churn (YTD) | 0.0% | 13.6% | 6.3% | 6.3% |

The first quarter of 2007 was a period of uncertainty in Bangladesh. The political situation of the country was very unstable, accompanied by a series of blockades and strikes all over the country, which had a negative impact on the overall economy. Businesses in all sectors slowed and this continued until a state of emergency was declared and a new caretaker government took over. Although the new setup did bring political stability, the immediate crackdown on corrupt politicians and businesses did not help the economic environment. However, this is expected to be a temporary phase since the overall stability in the country will lead to a more conducive environment for the economy to continue growing at the 6-7% growth rate; this is why, the Asian Development Bank (ADB) has recently increased its GDP growth forecast from 6% to 6.5%.

The impact of the prevailing situation on the mobile business was inevitable, and the overall market was significantly slower in all respects during Q1 2007. However, banglalink continued to launch innovative products and services to enhance sales, revenues, and loyalty. The outcome of these activities helped in achieving the second highest market share in terms of gross additions during the quarter.

During this quarter banglalink reduced its effective tariff on prepaid by around 12.5% in January; postpaid prices were also adjusted with an effective reduction of approximately 7.5%. Moreover, other offers launched during this quarter included unlimited validity (on prepaid recharge), and introduction of a special off-peak rate and discounts on off-net and on on-net calls.

banglalink continued to build its flagship prepaid brand called "desh" with more attractive features and nationwide activities to increase awareness of this product that has been positioned as the best package to call any network. Within a very short period of time, desh has become one of the most recognizable brands in the country.

In line with its strategy to focus on making the overall value proposition more attractive for consumers, and be a pioneer in the market, banglalink introduced features like bonus on incoming and lifetime validity during Q1 2007. These initiatives helped in clearly differentiating banglalink in the market.



In addition to all the various activities for the prepaid segment, banglalink continued to focus on the high-value segment and considerable growth was seen in the corporate and commercial segments. During the last quarter of 2006, banglalink had introduced its “enterprise” brand targeting the corporate and SME segments. A dedicated sales channel has been developed to focus on SME sales considering the huge potential in this segment.

Service quality improvement will continue to be a major priority for 2007 as well. In this regard, the pace of network roll-out has more than doubled. A new, call center with higher capacity and state-of-the art technology has also been inaugurated to ensure the highest level of customer care.

banglalink created two of the best acclaimed television campaigns of the year during the first quarter of 2007; these campaigns were prepared on the occasion of 21st February International Mother Language Day and 26th March Independence Day. Both campaigns were highly appreciated by people across all segments, and helped in further strengthening banglalink’s image in the hearts of people.

On the whole, the first quarter of 2007 was slower than expected, as business performance was negatively affected by the overall situation in the country. However, banglalink has continued to work according to its strategy to enhance the value proposition, improve customer experience, and extend nationwide reach so as to be positioned to take full advantage as the situation improves over the coming months.

Table 15: Ownership Structure & Consolidation Methods

| Subsidiaries | Ownership March 31 | | Consolidation Method March 31 | |
|--------------------------------------|-----------------------|---------|----------------------------------|-----------------------------|
| | 2006 | 2007 | 2006 | 2007 |
| GSM Operations | | | | |
| Mobinil (Egypt) ¹ | 28.75% | 28.75% | Proportionate Consolidation | Proportionate Consolidation |
| Egyptian Co. for Mobile Services | 16.60% | 19.42% | Proportionate Consolidation | Proportionate Consolidation |
| IWCPL (Pakistan) ² | 100.00% | 100.00% | Full Consolidation | Full Consolidation |
| Orascom Telecom Algeria ³ | 87.68% | 96.81% | Full Consolidation | Full Consolidation |
| Telecel (Africa) | 100.00% | 100.00% | Full Consolidation | Full Consolidation |
| Orascom Telecom Tunisia ⁴ | 50.00% | 50.00% | Proportionate Consolidation | Proportionate Consolidation |
| OIH (Iraq) ⁵ | 100.00% | 100.00% | Full Consolidation | Full Consolidation |
| OT Ventures ⁶ | 100.00% | 100.00% | Full Consolidation | Full Consolidation |
| Internet Service | | | | |
| Intouch | 73.47% | 98.11% | Full Consolidation | Full Consolidation |
| Non GSM Operations | | | | |
| Ring | 99.00% | 99.00% | Full Consolidation | Full Consolidation |
| Orasinvest ⁷ | 97.50% | 100.00% | Full Consolidation | Full Consolidation |
| Pharaoh | 56.00% | - | Full Consolidation | Deconsolidated |
| Cortex | 95.00% | 100.00% | Full Consolidation | Full Consolidation |
| OT ESOP | 100.00% | 100.00% | Full Consolidation | Full Consolidation |
| Arpu + ⁸ | 87.00% | 99.07% | Full Consolidation | Full Consolidation |
| M-Link | 100.00% | 100.00% | Full Consolidation | Full Consolidation |
| OT Services Europe | 100.00% | 100.00% | Full Consolidation | Full Consolidation |
| Onward Technologies | 55.00% | - | Full Consolidation | Deconsolidated |
| MedCable | 100.00% | 100.00% | Full Consolidation | Full Consolidation |
| Oratel | 96.10% | 100.00% | Full Consolidation | Full Consolidation |
| C.A.T. ⁹ | 50.00% | 50.00% | Proportionate Consolidation | Proportionate Consolidation |
| OT Wireless Europe | 100.00% | 100.00% | - | Full Consolidation |
| OT WIMAX ¹⁰ | - | 70.00% | - | Full Consolidation |
| TWA | - | 51.00% | - | Full Consolidation |
| OT Asia | - | 100.00% | - | Full Consolidation |
| OTFCSA | - | 100.00% | - | Full Consolidation |
| Eurasia | 100.00% | 100.00% | - | Full Consolidation |
| Intelligent Village | 10.25% | 10.19% | Fair Value | Fair Value |

1. Mobinil is a holding company which controls 51% of ECMS, the mobile operator. Mobinil is also the brand name used by ECMS.
2. IWCPL owns 88.69% of Mobilink.
3. Direct and Indirect stake through Moga Holding Ltd. and Oratel.
4. Orascom Telecom Tunisia is proportionately consolidated through Orascom Tunisia Holding and Carthage Consortium.
5. OIH owns 100% of Orascom Telecom Iraq.
6. OT Ventures owns 100% of Sheba Telecom which operates under the trade name Banglalink.
7. Includes Egyptian Satellite Company, Contra Egypt, & Contra BVI.
8. Direct and Indirect stake through Intouch.
9. Direct and Indirect stake through International Telecommunications Consortium Limited (ITCL).
10. With an option to increase stake to 100%.

Appendix I

Glossary

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

Capex: Change in fixed assets, which includes work in progress, network, IT, and other tangible and intangible fixed assets during the reporting period.

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 grace period without recharging. It is worth noting that the grace period is a function of the scratch card being recharged by the subscriber in case this card has a certain validity and grace period. 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, Mobinil and BanglaLink so far.

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 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 & Bangladesh, Market share as announced by the Regulators is based on disclosed information by the other operators which may use different subscriber recognition policies.

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