



# **Orascom Telecom Holding**

## **S.A.E**

### **Condensed Consolidated Interim Financial Information**

**Six months ended  
June 30, 2009**  
(US\$)



**Hazem Hassan**  
Public Accountants & Consultants



## Hazem Hassan

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### **Independent report on review of condensed consolidated interim financial information**

#### **To the Board of Directors of Orascom Telecom Holding S.A.E**

#### **Introduction**

We have reviewed the accompanying condensed consolidated balance sheet of Orascom Telecom Holding S.A.E as at 30 June 2009 and the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended (interim financial information). Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard 34 "*Interim financial Reporting*". Our responsibility is to express a conclusion on this interim financial information based on our review.

#### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410 "*Review of Interim Financial Information performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International 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.

#### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "*Interim Financial Reporting*".

#### **Emphasis of a matter**

*Without qualifying our conclusion, we draw attention to note (22) "Contingent Assets and Liabilities" for the following:*

- 1- Egyptian Company for Mobile Services (ECMS) "Jointly controlled entity" filed a lawsuit against the National Telecommunication Regulatory Authority (NTRA) to cancel NTRA's decision relating to the amendments of the interconnect prices between the fixed and mobile networks. The Company and its external legal counselor believe that the possibility of winning the lawsuit is probable as NTRA's decision does not have legal or contractual ground, therefore the Company continued to recognize interconnect revenue and cost from and to Telecom Egypt based on the existing agreement.



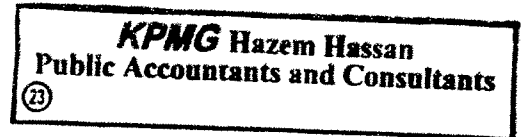
Hazem Hassan

- 2- Some subsidiaries received tax assessment from the tax authorities in the territories in which they operate. Management believes that these assessments are excessive, and intends to challenge the assessments through the proper legal channels. Currently, the management of these subsidiaries can not make reliable estimate of tax exposures.

*Hazem Hassan*

KPMG Hazem Hassan

Cairo, 25 August 2009



Condensed consolidated interim balance sheet

(in million of US\$)	Note	June 30, 2009	December 31, 2008
<b>Assets</b>			
Property and equipment	16	4,974	5,057
Intangible assets	16	2,304	2,371
Investment in Associates		18	-
Other non-current financial assets	19	699	639
Deferred tax assets		117	88
<b>Total non-current assets</b>		<b>8,112</b>	<b>8,155</b>
Inventories		94	106
Trade receivables		344	328
Other current financial assets		193	277
Current income tax receivables		83	75
Other current assets		224	247
Cash and cash equivalents		552	652
Assets held for sale	6	88	80
<b>Total current assets</b>		<b>1,578</b>	<b>1,765</b>
<b>Total Assets</b>		<b>9,690</b>	<b>9,920</b>
<b>Equity and Liabilities</b>			
Share capital		261	261
Reserves		(358)	(329)
Retained earnings		1,172	1,148
<b>Equity attributable to equity holders of the Company</b>		<b>1,075</b>	<b>1,080</b>
Minority interest		123	121
<b>Total equity</b>	17	<b>1,198</b>	<b>1,201</b>
<b>Liabilities</b>			
Non-current borrowings	18	5,187	5,205
Other non-current liabilities		144	220
Provisions		4	3
Non-current income tax liabilities		-	43
Deferred tax liabilities		179	249
<b>Total non-current liabilities</b>		<b>5,514</b>	<b>5,720</b>
Current borrowings	18	676	530
Trade payables		955	1,186
Other current liabilities		1,108	856
Income tax liabilities		147	341
Provisions		50	61
Liabilities held for sale	6	42	25
<b>Total current liabilities</b>		<b>2,978</b>	<b>2,999</b>
<b>Total Liabilities</b>		<b>8,492</b>	<b>8,719</b>
<b>Total Equity and Liabilities</b>		<b>9,690</b>	<b>9,920</b>

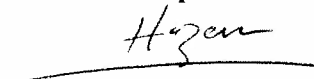
Group CFO  
Aldo Mareuse



Chairman & Managing Director  
Naguib Onsi Sawiris



Review report "attached"



**Condensed consolidated interim income statement**

(in million of US\$)	Note	H1 2009	H1 2008	Q2 2009	Q2 2008
Revenue	7	2,478	2,652	1,280	1,356
Other income		16	20	8	8
Purchases and services	8	(1,142)	(1,280)	(580)	(676)
Other expenses	9	(91)	(80)	(49)	(40)
Personnel costs	10	(163)	(152)	(87)	(75)
Depreciation and amortization	11	(481)	(452)	(244)	(236)
Impairment charges	12	(16)	(36)	(13)	(33)
Disposal of non current assets		36	-	-	-
<b>Operating income</b>		<b>637</b>	<b>672</b>	<b>315</b>	<b>304</b>
Financial income	13	82	47	60	20
Financial expense	13	(262)	(251)	(139)	(141)
Foreign exchange (loss)/gain	13	(66)	(10)	2	(15)
<b>Net financing costs</b>		<b>(246)</b>	<b>(214)</b>	<b>(77)</b>	<b>(136)</b>
		391	458	238	168
Share of loss of associates	14	(11)	-	(8)	-
Gains on disposal of associates	14	-	27	-	-
<b>Profit before income tax</b>		<b>380</b>	<b>485</b>	<b>230</b>	<b>168</b>
Income tax expense	15	(166)	(178)	(101)	(87)
<b>Profit for the period</b>		<b>214</b>	<b>307</b>	<b>129</b>	<b>81</b>
<b>Attributable to:</b>					
Equity holders of the Company		184	276	112	66
Minority interest		30	31	17	15
		<b>214</b>	<b>307</b>	<b>129</b>	<b>81</b>
<b>Basic and diluted Earnings per share - (US\$)</b>	20	<b>0.21</b>	<b>0.28</b>	<b>0.13</b>	<b>0.07</b>

(The accompanying notes on pages (6) to (24) are an integral part of this condensed consolidated interim financial information)

**Condensed consolidated statement of comprehensive income**

(in million of US\$)	H1 2009	H1 2008	Q2 2009	Q2 2008
Changes in fair value of available-for-sale financial assets	-	(1)	1	1
Change in cash flow hedges, net of tax	21	(1)	22	(14)
Currency translation differences	(36)	39	19	29
Share of profit recognized directly in equity of associates	-	5	-	-
<b>Other comprehensive income for the period</b>	<b>(15)</b>	<b>42</b>	<b>42</b>	<b>16</b>
Profit for the period	214	307	129	81
<b>Total comprehensive income for the period</b>	<b>199</b>	<b>349</b>	<b>171</b>	<b>97</b>
<b>Attributable to:</b>				
- Equity holders of the Company	175	314	151	82
- Minority interest	24	35	20	15
	<b>199</b>	<b>349</b>	<b>171</b>	<b>97</b>

Condensed consolidated interim statement of changes in equity

(in million of US\$)	Attributable to the equity holders of the Company				Total	Minority interest	Total equity
	Share capital	Treasury shares	Other reserves	Retained earnings			
<b>As of January 1, 2008</b>	<b>316</b>	<b>(892)</b>	<b>212</b>	<b>3,513</b>	<b>3,149</b>	<b>93</b>	<b>3,242</b>
<b>Change in fair value gains/(loss), net of tax:</b>							
- available-for-sale financial assets	-	-	(1)	-	(1)	-	(1)
- cash flow hedges	-	-	(1)	-	(1)	-	(1)
Currency translation differences	-	-	35	-	35	4	39
Share of profit recognized directly in equity of associates	-	-	5	-	5	-	5
<b>Other comprehensive income for the period ended June 30, 2008</b>	-	-	<b>38</b>	-	<b>38</b>	<b>4</b>	<b>42</b>
Profit for the period	-	-	-	276	276	31	307
<b>Total comprehensive income for the period ended June 30, 2008</b>	-	-	<b>38</b>	<b>276</b>	<b>314</b>	<b>35</b>	<b>349</b>
Issuance of shares	-	-	-	-	-	5	5
Dividends paid	-	-	-	(157)	(157)	(31)	(188)
Cancellation of shares	(18)	867	(25)	(824)	-	-	-
Purchase of treasury shares	-	(1,777)	-	-	(1,777)	-	(1,777)
Reclassifications	-	-	(6)	6	-	-	-
Others	-	-	(1)	-	(1)	-	(1)
<b>Total transactions with owners</b>	<b>(18)</b>	<b>(910)</b>	<b>(31)</b>	<b>(975)</b>	<b>(1,935)</b>	<b>(26)</b>	<b>(1,961)</b>
<b>As of June 30, 2008</b>	<b>298</b>	<b>(1,802)</b>	<b>217</b>	<b>2,815</b>	<b>1,528</b>	<b>102</b>	<b>1,630</b>

(in million of US\$)	Attributable to the equity holders of the company				Total	Minority interest	Total equity
	Share capital	Treasury shares	Other reserves	Retained earnings			
<b>As of January 1, 2009</b>	<b>261</b>	<b>(190)</b>	<b>(139)</b>	<b>1,148</b>	<b>1,080</b>	<b>121</b>	<b>1,201</b>
<b>Change in fair value gains/(loss), net of tax:</b>							
- cash flow hedges	-	-	21	-	21	-	21
Currency translation differences	-	-	(30)	-	(30)	(6)	(36)
<b>Other comprehensive income for the period ended June 30, 2009</b>	-	-	<b>(9)</b>	-	<b>(9)</b>	<b>(6)</b>	<b>(15)</b>
Profit for the period	-	-	-	184	184	30	214
<b>Total comprehensive income for the period ended June 30, 2009</b>	-	-	<b>(9)</b>	<b>184</b>	<b>175</b>	<b>24</b>	<b>199</b>
Dividends paid	-	-	-	(160)	(160)	(22)	(182)
Purchase of treasury shares	-	(26)	-	-	(26)	-	(26)
Sale of treasury shares	-	14	-	-	14	-	14
Others	-	-	(8)	-	(8)	-	(8)
<b>Total transactions with owners</b>	-	<b>(12)</b>	<b>(8)</b>	<b>(160)</b>	<b>(180)</b>	<b>(22)</b>	<b>(202)</b>
<b>As of June 30, 2009</b>	<b>261</b>	<b>(202)</b>	<b>(156)</b>	<b>1,172</b>	<b>1,075</b>	<b>123</b>	<b>1,198</b>

(The accompanying notes on pages (6) to (24) are an integral part of this condensed consolidated interim financial information)

Condensed consolidated interim statement of cash flows

(in million of US\$)

	H1 2009	H1 2008
<b>Profit for the period</b>	214	307
<b>Adjustments for:</b>		
Depreciation, amortization and impairment of non current assets	497	488
Income tax expense	166	178
Share-based compensation	6	4
Net financial charges	180	204
Unrealized foreign exchange difference	51	2
Disposal of non-current assets	(36)	-
Share of loss of associates	11	-
(Gain) from Sale of Associates	-	(27)
Change in assets carried as working capital	(78)	(70)
Change in provisions and allowances	26	13
Change in other liabilities carried as working capital	71	37
Income tax paid	(507)	(331)
Interest expense paid	(255)	(197)
<b>Net cash generated by operating activities</b>	<b>346</b>	<b>607</b>
<b>Net Cash outflow for investments in:</b>		
- Property and equipment	(607)	(790)
- Intangible assets	(71)	(129)
- Financial assets	(94)	(10)
- Consolidated subsidiaries	(29)	-
<b>Net Proceeds from disposals of:</b>		
- Property and equipment	9	6
-Subsidiaries	77	-
-Associates	-	957
-Financial assets	75	513
Net (payments) from Current financial assets	(2)	-
Dividends and interest received	14	17
<b>Net cash (used in) / generated by investing activities</b>	<b>(628)</b>	<b>564</b>
Proceeds from non-current borrowings	679	1,198
Repayment of non-current borrowings	(485)	(1,503)
Net proceeds from Current financial liabilities	19	691
Advances and loans made to associate and other parties	(28)	-
Net change in cash collateral	36	(14)
Dividend payments	-	(160)
Net (payments) for treasury shares	(12)	(1,777)
Change in minority interest	(8)	(28)
<b>Net cash generated by/(used in) financing activities</b>	<b>201</b>	<b>(1,593)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(81)</b>	<b>(422)</b>
Cash included in assets held for sale	(7)	(1)
Effect of exchange rate changes on cash and cash equivalents	(12)	30
Cash and cash equivalents at the beginning of the period	652	1,239
<b>Cash and cash equivalents at the end of the period</b>	<b>552</b>	<b>846</b>

## ORASCOM TELECOM HOLDING (S.A.E)

Half year financial information ended June 30, 2009

Notes to the condensed consolidated interim financial information

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### 1. General information

Orascom Telecom Holding S.A.E. (the "Company") is a joint stock company with its head office based in Cairo, Egypt. The Company, through its subsidiaries (together the "Group"), is a leading mobile telecommunications company operating in high growth emerging markets in the Middle East, Africa and south Asia, having a total population under license of approximately 510 million. The Company is a subsidiary of Weather Investments ("Weather Investments" or the "Parent Company") an Italian company. The Company is listed on the Egyptian Stock Exchange and has Global Depository Receipts ("GDR") listed on the London Stock Exchange.

### 2. Statement of compliance

This condensed consolidated interim financial information as of and for the six months ended June 30, 2009 has been prepared in accordance with IAS 34 "Interim Financial Reporting". As permitted by IAS 34, the Company has opted to prepare a condensed version as compared to the consolidated financial statements as of and for the year ended December 31, 2008. This condensed consolidated interim financial information does not include all of the information required for the annual financial statements, and should be read in conjunction with the consolidated financial statements as of and for the year ended December 31, 2008.

This condensed consolidated interim financial information was authorized for issue by the Board of Directors on August 25, 2009

### 3. Significant accounting policies

Except as described below, the accounting policies adopted for the preparation of the condensed consolidated interim financial information are consistent with those used in the consolidated financial statements as of and for the year ended December 31, 2008. The accounting policies have been consistently applied to all the periods presented.

These consolidated financial statements are presented in United States Dollar ("US\$"). In order to present financial information to international investors, Egyptian pounds (L.E) is the Company's functional currency. The information presented in this document has been presented in millions of United States Dollar ("US\$"), unless otherwise stated.

For the purposes of the preparation of this condensed consolidated interim financial information, H1 refers to the six months ended June 30 and Q2 refers to the three months ended June 30.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning January 1, 2009.

*IAS 1 (revised), 'Presentation of financial statements'*. The consolidated statement of changes in equity will only present transactions between shareholders. Other components will be included in a comprehensive income statement. Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Group has elected to present two statements: an income statement and a statement of comprehensive income. The condensed consolidated interim financial information has been prepared under the revised disclosure requirements.

*IFRS 8, 'Operating segments'*. IFRS 8 replaces IAS 14, 'Segment reporting'. It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in an increase in the number of operating segments presented. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the board of directors of the Group that makes strategic decisions. Goodwill is allocated by management to groups of cash-generating units on a segment level. The change in reportable segments has not resulted in any additional goodwill impairment. There has been no further impact on the measurement of the Group's assets and liabilities. Comparatives for 2008 have been restated.

*IFRIC 13, "Customer loyalty programs"*. According to IFRIC 13, loyalty programs should be valued at their fair value which is defined as the excess price over the sales incentive that would be granted to any new customer.

## ORASCOM TELECOM HOLDING (S.A.E)

Half year financial information ended June 30, 2009

### Notes to the condensed consolidated interim financial information

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The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning January 1, 2009, but are not currently relevant for the Group:

*IAS 23 (amendment), "Borrowing costs"*. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset shall be capitalized as part of the cost of that asset. Their capitalization is no longer optional. The Group had already elected to capitalize all such borrowing costs.

*IFRS 2 (amendment) "Share-based payment"*. This amendment clarifies share-based payment vesting conditions (service conditions and performance conditions only). All cancellations, whether they result from a decision taken by the entity or by another party, will be accounted for on the same basis.

*IAS 32 (amendment), "Financial instruments: presentation"*, and consequential amendments to IAS 1, "Presentation of financial statements". This amendment deals only with separate financial statements and not consolidated financial statements. It therefore does not impact the Group's consolidated financial statements.

*IFRIC 16, "Hedges of a net investment in a foreign operation"*. IFRIC 16 clarifies the accounting treatment in respect of net investment hedging. This includes the fact that net investment hedging relates to differences in functional currency not presentation currency, and hedging instruments may be held anywhere in the group.

*IFRS 3 (amendment), "Business combinations"* and consequential amendments to IAS 27, "Consolidated and separate financial statements", IAS 28, "Investments in associates" and IAS 31, "Interests in joint ventures", will be effective for the Group prospectively to business combinations for which the acquisition date is on or after January 1, 2010. Changes in a parent's ownership interest in a subsidiary that do not result in a change in control will be accounted for as changes in equity. Moreover, the revised standard will allow for each acquisition with an interest ownership below 100% to record goodwill either on a 100% basis or on the acquired interest ownership basis (without any subsequent change on additional purchase of minority interest). The impacts of this standard's future application are currently being evaluated.

#### 4. Estimates

The preparation of the condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Except as described below, in preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2008.

During the six months ended 30 June 2009 management reassessed its estimates in respect of:

- Measurement of the recoverable value of intangible assets and goodwill
- Financial instrument valuation
- Deferred tax assets recognition
- Provisions and contingencies

#### 5. Segment reporting

The chief-operating decision maker has been identified as the board of directors of the Group. The board of directors reviews the Group's internal reporting in order to assess its performance and allocate resources, mainly from a geographical perspective, of the mobile telecommunication business. Management has determined the reportable operating segments according to the information analyzed periodically by the board of directors as follows:

- Mobile telecommunication business in Algeria;
- Mobile telecommunication business in Pakistan;
- Mobile telecommunication business in Egypt;
- Mobile telecommunication business in Tunisia;
- Mobile telecommunication business in Bangladesh;
- Other operating segments

# ORASCOM TELECOM HOLDING (S.A.E)

Half year financial information ended June 30, 2009

## Notes to the condensed consolidated interim financial information

Other operating segments include other territories in which the Group operates as a mobile telecommunication operator and other services. Other territories are mainly located in South and Central Africa and North Korea, whereas other services sold mainly include telecom services.

The Group reports on operating segments which are independently managed. The board of directors assesses the performance of such operating segments based on:

- total revenues,
- EBITDA defined as profit from continuing operations net of income tax expense, gains (losses) on disposal of associates, share of profit (loss) of associates, foreign exchange gains (losses), financial expense, financial income, disposal of non current assets, impairment charges and depreciation and amortization, and

The information provided to the board of directors is measured consistently with that of the financial statements.

	Algeria	Pakistan	Egypt	Tunisia	Bangladesh	Central and South Africa	North Korea	Other Telecom services (Non GSM)	Total	Holdings & Others (including OTH and non operation holding companies)	Consolidated
<b>H1 2009</b>											
<b>H1 2008</b>											
Total segment revenue - current period	942	539	452	164	170	37	12	176	2,483	-	2,483
Total segment revenue - previous period	1,012	684	419	176	132	-	-	413	2,836	-	2,836
(Inter-segment revenue - current period)	-	(1)	-	-	-	-	-	(27)	(28)	23	(5)
(Inter-segment revenue - previous period)	(24)	(10)	-	(16)	-	-	-	(134)	(184)	-	(184)
Total revenue from external customers - current period	942	529	452	164	170	37	12	149	2,455	23	2,478
Total revenue from external customers - previous period	988	674	419	160	132	-	-	279	2,652	-	2,652
Other income - current period	1	-	-	-	-	-	-	3	4	12	16
Other income - previous period	-	-	-	-	-	-	-	9	9	11	20
Purchases and services - current period	(337)	(302)	(184)	(59)	(105)	(27)	(9)	(131)	(1,154)	12	(1,142)
Purchases and services - previous period	(363)	(382)	(190)	(52)	(138)	-	-	(229)	(1,354)	74	(1,280)
Other expenses - current period	(30)	(9)	(31)	(6)	(4)	(4)	-	(7)	(91)	-	(91)
Other expenses - previous period	(17)	(14)	(24)	(6)	(3)	-	(1)	(12)	(77)	(3)	(80)
Personnel Cost - current period	(35)	(30)	(19)	(10)	(9)	(7)	(1)	(21)	(132)	(31)	(163)
Personnel Cost - previous period	(36)	(34)	(15)	(9)	(9)	-	-	(29)	(132)	(20)	(152)
EBITDA - current period	541	188	218	89	52	(1)	2	(7)	1,082	16	1,098
EBITDA - previous period	572	244	190	93	(18)	-	(1)	18	1,098	62	1,160
Depreciation and amortization - current period	(163)	(121)	(84)	(27)	(63)	(8)	(4)	(11)	(481)	-	(481)
Depreciation and amortization - previous period	(171)	(130)	(67)	(29)	(40)	-	-	(14)	(451)	(1)	(452)
Impairment Charges - current period	-	(14)	-	-	-	-	-	(2)	(16)	-	(16)
Impairment Charges - previous period	-	(5)	-	-	-	-	-	(31)	(36)	-	(36)
Disposal of non current assets - current period	-	1	(1)	-	-	1	-	30	31	5	36
Disposal of non current assets - previous period	-	-	-	-	-	-	-	-	-	-	-
Financial income - current period	2	42	2	1	-	1	-	1	49	33	82
Financial income - previous period	2	3	1	1	1	-	-	1	9	38	47
Financial expense - current period	(4)	(69)	(34)	(3)	(14)	(8)	-	(5)	(137)	(125)	(262)
Financial expense - previous period	(8)	(75)	(26)	(6)	(12)	-	-	(6)	(133)	(118)	(251)
Share of profit (losses) of associates - current period	-	-	-	-	-	-	-	-	-	(11)	(11)
Share of profit (losses) of associates - previous period	-	-	-	-	-	-	-	-	-	-	-
Gain on disposal of associates - current period	-	-	-	-	-	-	-	-	-	-	-
Gain on disposal of associates - previous period	-	-	-	-	-	-	-	-	-	27	27
Foreign exchange gain - current period	12	(2)	6	6	1	5	-	-	28	3	31
Foreign exchange gain - previous period	11	-	1	1	-	-	-	11	24	7	31
Foreign exchange (losses) - current period	(15)	(63)	(5)	(8)	-	(8)	-	(2)	(101)	4	(97)
Foreign exchange (losses) - previous period	(9)	(55)	(3)	(3)	(1)	-	-	(2)	(73)	32	(41)
Profit (loss) before income tax - current period	373	(38)	102	58	(24)	(18)	(2)	4	455	(75)	380
Profit (loss) before income tax - previous period	397	(18)	96	57	(70)	-	(1)	(23)	438	47	485
Total assets - current period	2,433	2,475	1,351	463	949	323	99	590	8,683	1,007	9,690
Total assets - previous period	2,420	2,764	1,367	466	961	173	127	642	8,920	1,000	9,920

# ORASCOM TELECOM HOLDING (S.A.E)

Half year financial information ended June 30, 2009

## Notes to the condensed consolidated interim financial information

	Algeria	Pakistan	Egypt	Tunisia	Bangladesh	Central and South Africa	North Korea	Other Telecom services (Non GSM)	Total	Holdings & Others (including OIH and non operation holding companies)	Consolidated
<b>Q2 2009</b>											
<b>Q2 2008</b>											
Total segment revenue - current period	479	268	236	88	87	21	8	96	1,283	(8)	1,275
Total segment revenue - previous period	513	343	220	95	64	-	-	222	1,457	(1)	1,456
(Inter-segment revenue - current period)	-	-	-	-	-	-	-	(16)	(16)	21	5
(Inter-segment revenue - previous period)	(11)	(7)	-	(9)	-	-	-	(73)	(100)	-	(100)
<b>Total revenue from external customers - current period</b>	<b>479</b>	<b>268</b>	<b>236</b>	<b>88</b>	<b>87</b>	<b>21</b>	<b>8</b>	<b>80</b>	<b>1,267</b>	<b>13</b>	<b>1,280</b>
Total revenue from external customers - previous period	502	336	220	86	64	-	-	149	1,357	(1)	1,356
Other income - current period	-	-	-	-	-	-	-	2	2	6	8
Other income - previous period	-	-	-	-	-	-	-	2	2	6	8
Purchases and services - current period	(170)	(136)	(95)	(91)	(45)	(14)	(5)	(72)	(568)	(12)	(580)
Purchases and services - previous period	(187)	(203)	(102)	(27)	(76)	-	-	(121)	(716)	40	(676)
Other expenses - current period	(18)	(5)	(18)	(3)	(1)	(2)	-	(4)	(52)	3	(49)
Other expenses - previous period	(10)	(8)	(9)	(4)	(1)	-	(1)	(5)	(38)	(2)	(40)
Personnel Cost - current period	(17)	(15)	(8)	(5)	(5)	(4)	-	(10)	(64)	(23)	(87)
Personnel Cost - previous period	(18)	(17)	(7)	(5)	(5)	-	-	(16)	(68)	(7)	(75)
<b>EBITDA - current period</b>	<b>274</b>	<b>112</b>	<b>115</b>	<b>49</b>	<b>35</b>	<b>1</b>	<b>3</b>	<b>(4)</b>	<b>585</b>	<b>(13)</b>	<b>572</b>
EBITDA - previous period	287	108	102	50	(18)	-	(1)	9	537	36	573
Depreciation and amortization - current period	(82)	(61)	(41)	(14)	(34)	(4)	(2)	(5)	(243)	(1)	(244)
Depreciation and amortization - previous period	(88)	(67)	(36)	(14)	(21)	-	-	(8)	(234)	(2)	(236)
Impairment Charges - current period	-	(11)	-	-	-	-	-	(2)	(13)	-	(13)
Impairment Charges - previous period	-	(2)	-	-	-	-	-	(31)	(33)	-	(33)
<b>Financial Income - current period</b>	<b>1</b>	<b>39</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41</b>	<b>19</b>	<b>60</b>
Financial Income - previous period	1	2	1	0	0	0	0	1	5	15	20
<b>Financial expense - current period</b>	<b>(2)</b>	<b>(34)</b>	<b>(18)</b>	<b>(1)</b>	<b>(7)</b>	<b>(4)</b>	<b>-</b>	<b>(2)</b>	<b>(68)</b>	<b>(71)</b>	<b>(139)</b>
Financial expense - previous period	(3)	(35)	(18)	(3)	(6)	-	-	(3)	(68)	(73)	(141)
Share of profit (losses) of associates - current period	-	-	-	-	-	-	-	-	-	(8)	(8)
Share of profit (losses) of associates - previous period	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange gain - current period	6	(2)	3	2	-	5	-	-	13	(1)	12
Foreign exchange gain - previous period	10	-	1	(1)	-	-	-	2	12	5	17
Foreign exchange (losses) - current period	(6)	(38)	(3)	(5)	1	(3)	-	(1)	(55)	45	(10)
Foreign exchange (losses) - previous period	(4)	(41)	(1)	(1)	(1)	-	-	5	(43)	11	(32)
<b>Profit (loss) before income tax - current period</b>	<b>191</b>	<b>5</b>	<b>56</b>	<b>31</b>	<b>(5)</b>	<b>(5)</b>	<b>1</b>	<b>(14)</b>	<b>260</b>	<b>(30)</b>	<b>230</b>
Profit (loss) before income tax - previous period	203	(35)	49	31	(46)	-	(1)	(25)	176	(8)	168

## ORASCOM TELECOM HOLDING (S.A.E)

Half year financial information ended June 30, 2009

### Notes to the condensed consolidated interim financial information

#### 6. Assets classified as held for sale.

	Link Egypt	Link dot Net	Oracap	Total
Current Assets	1	16	1	18
Non-Current Assets	23	46	1	70
<b>Total assets held for sale</b>	<b>24</b>	<b>62</b>	<b>2</b>	<b>88</b>
Current Liabilities	1	9	-	10
Non-Current Liabilities	4	28	-	32
<b>Total liabilities held for sale</b>	<b>5</b>	<b>37</b>	<b>-</b>	<b>42</b>

Assets held for sale include the following:

#### *Link Egypt and Link Dot Net*

Orascom Telecom stated that there are five offers to buy OTH's fully owned subsidiary LINKdotNet. The deal will be concluded in favor of the best bidder according to the financial advisor terms.

It is notable that the five offers are submitted by Mobinil, Vodafone, Telecom Egypt and two financial organizations.

#### *Oracap Far East Ltd*

The assets and liabilities of this company (mainly relating to US\$ 1 million license to operate a bank and US\$ 1 million cash) have been presented as held for sale, following OTH managements' decision to dispose of the assets. Oracap Far East Ltd had a capital commitment amounting to approximately US\$ 135 million

#### *Sale of M-link*

On January 13<sup>th</sup>, 2009 Orascom Telecom Holding S.A.E. announced the sale of 100% of M-link S.a.r.l (Luxemburg) to TLC SERVIZI S.p.A (now renamed Wind International Services S.p.A.), a wholly owned subsidiary of Wind Telecomunicazioni S.p.A., for a total consideration of approximately US\$ 78 million in cash. (Refer to note 24. Related parties transactions)

#### 7. Revenue

(in million of US\$)

	H1 2009	H1 2008	Q2 2009	Q2 2008
<b>Revenues from services</b>				
Telephony services and Interconnection traffic	2,325	2,446	1,197	1,248
International and national roaming	37	52	19	30
Other services	2	7	-	3
<b>Total revenues from services</b>	<b>2,364</b>	<b>2,505</b>	<b>1,216</b>	<b>1,281</b>
<b>Revenues from sale of goods</b>				
Handset sales and other GSM equipment	114	147	64	75
<b>Total revenues from sales of goods</b>	<b>114</b>	<b>147</b>	<b>64</b>	<b>75</b>
<b>Total</b>	<b>2,478</b>	<b>2,652</b>	<b>1,280</b>	<b>1,356</b>

Total revenues from services decreased in H1 2009 mainly due to the decrease in revenues from interconnection traffic following the sale of the gateway carrier company (M-Link) during January 2009. International and national roaming decreased mainly due to the reduction in inbound roaming in Pakistan during 2009.

Total revenues from sale of goods decreased in H1 2009 mainly as a result of the decrease in sales of goods in Ring Egypt and Ring Algeria during 2009.

**ORASCOM TELECOM HOLDING (S.A.E)**  
**Half year financial information ended June 30, 2009**  
**Notes to the condensed consolidated interim financial information**

**8. Purchases and services**

(in million of US\$)	H1 2009	H1 2008	Q2 2009	Q2 2008
Interconnection traffic and roaming	289	368	144	197
Cost of handsets, scratch cards, sim cards, bundle cost	148	171	81	87
Advertising and promotional services	83	143	40	77
Internet and fixed line costs	118	127	63	68
Customer acquisition costs	108	97	56	47
Maintenance costs	115	94	56	47
Utilities	68	58	35	33
Rental of network	37	44	18	22
Other leases and rentals	36	37	16	21
Rental of civil and technical sites	38	36	19	18
Consulting and professional services	32	30	16	16
Consumable materials, equipment and goods	10	21	5	13
Cost for security service	18	18	9	10
Cost for printing & collection services	10	10	5	6
Other service expenses	32	26	17	14
<b>Total</b>	<b>1,142</b>	<b>1,280</b>	<b>580</b>	<b>676</b>

Purchases and services costs decreased in H1 2009 primarily due to the decrease in market share. As a percentage of revenues, purchases and service costs decreased from 48% in H1 2008 to 46% in H1 2009.

Cost of handsets, scratch cards, SIM cards and bundle costs decreased in H1 2009 compared to the same period in 2008 as a result of the decrease of operating activities in Ring Egypt and Ring Algeria.

Advertising and promotional cost decreased in H1 2009 compared to the same period in 2008 mainly due to a reduction in marketing and advertising activities during 2009

Maintenance costs and utilities increased in H1 2009 due to significant investments in the Group's telecommunication network as well as increased fuel and energy prices.

**9. Other expenses**

(in million of US\$)	H1 2009	H1 2008	Q2 2009	Q2 2008
License costs	28	26	14	14
Travel costs	8	11	4	6
Accruals for provisions	5	5	4	-
Allowance for doubtful receivables	21	8	11	5
Taxes (other than income tax)	2	8	1	4
Training expenses	4	5	2	3
Other operating expenses	23	17	13	8
<b>Total</b>	<b>91</b>	<b>80</b>	<b>49</b>	<b>40</b>

The increase in other expenses was primarily attributable to the increase in allowance for doubtful receivables during the first six months of 2009.

## ORASCOM TELECOM HOLDING (S.A.E)

Half year financial information ended June 30, 2009

Notes to the condensed consolidated interim financial information

### 10. Personnel costs

(in million of US\$)

	H1 2009	H1 2008	Q2 2009	Q2 2008
Wages and salaries	99	99	50	50
Bonuses given to management and employees	40	30	23	13
Social security	8	8	4	4
Pension costs	5	4	2	2
Board of Directors remuneration	2	-	2	-
Other personnel costs	9	11	6	6
<b>Total</b>	<b>163</b>	<b>152</b>	<b>87</b>	<b>75</b>

### 11. Depreciation and amortization

(in million of US\$)

	H1 2009	H1 2008	Q2 2009	Q2 2008
<b>Depreciation of plant and equipment:</b>				
-Cell sites	369	337	188	175
-Computers, fixtures and other equipment	30	32	15	19
-Buildings	12	11	6	6
<b>Amortization of intangible assets</b>				
-Licenses	56	55	28	28
-Computer software	11	15	6	7
-Permits, trademarks and other similar rights	3	2	1	1
<b>Total</b>	<b>481</b>	<b>452</b>	<b>244</b>	<b>236</b>

Depreciation increased as a result of the increase in cell sites depreciation which is primarily driven by the increase in investments in 2009

### 12. Impairment charges

Impairment charges amounted to US\$ 16 million in H1 2009 and mainly related to the impairment of property and equipment and goodwill in Algeria (CAT) and in Pakistan. In H1 2008 impairment charges amounted to US\$ 36 million mainly related to the impairment of a telecommunication license in Algeria and impairments of property and equipment in Pakistan.

**ORASCOM TELECOM HOLDING (S.A.E)**

Half year financial information ended June 30, 2009

Notes to the condensed consolidated interim financial information

**13. Net financing cost**

(in million of US\$)	H1 2009	H1 2008	Q2 2009	Q2 2008
<b>Financial income</b>				
Interest bearing receivables	6	-	3	-
Discounting of non-interest bearing receivables	-	24	-	8
Interest income	12	16	6	6
Dividends	-	2	-	1
Fair value changes of derivatives (other than hedge accounting)	14	-	8	-
Other financial income	50	5	43	5
<b>Financial Income</b>	<b>82</b>	<b>47</b>	<b>60</b>	<b>20</b>
<b>Financial expense</b>				
Interest expense on other borrowings	(183)	(183)	(100)	(105)
Bond interest	(56)	(53)	(26)	(26)
Impairment of financial assets	-	(4)	-	(4)
Other financial expenses	(23)	(11)	(13)	(6)
<b>Financial Expense</b>	<b>(262)</b>	<b>(251)</b>	<b>(139)</b>	<b>(141)</b>
Foreign exchange (loss) gain	(66)	(10)	2	(15)
<b>Net Financing costs</b>	<b>(246)</b>	<b>(214)</b>	<b>(77)</b>	<b>(136)</b>

**Financial income**

Other financial income in H1 2009 increased compared to the same period in 2008 mainly due to the tender offer by Pakistan Mobile Communications Limited ("PMCL") which was completed in May 2009 to repurchase a portion of its senior notes. As a result of this tender offer, PMCL repurchased the notes at a repurchase price of US\$730 per US\$1,000 of principal amount. As a result of the transaction PMCL cancelled debt of approximately US\$ 138 million for cash consideration of US\$ 101 million. The difference between the repurchase price and carrying value of the debt was recorded in other financial income.

**Foreign exchange (loss) gain**

The increase in the foreign currency losses during H1 2009 are mainly related to the increase of the US Dollar rate against both the Pakistani Rupee and Egyptian Pound.

**14. Share of loss of associates and gain of disposal of associates****Orascom Telecom Holdings Canada (Malta) Limited ("OTHMCL")**

In July 2008, OTHMCL - Orascom Telecom Canada Malta Limited (100% owned subsidiary of the Group) acquired a 65.4 % economic interest in Globalive Canada Investment Holdings Corp. and Globalive Canada Holdings Corp. (collectively "Globalive").

In March 2009 Globalive Wireless Management Corp. GWMC was officially granted its spectrum license. GWMC participated in Canada's advanced wireless services spectrum auction in May 2008, purchasing CDN\$442 million in provisional spectrum. Following a standard review period, GWMC has been granted its license, having met the eligibility requirements specified by Industry Canada to become a spectrum licensee.

# ORASCOM TELECOM HOLDING (S.A.E)

Half year financial information ended June 30, 2009

Notes to the condensed consolidated interim financial information

(In millions of US\$)

	June 30, 2009	December 31, 2008
Current assets	417	373
Non-current assets	100	2
Current liabilities	67	405
Non-current liabilities	480	0
Revenue	0	0
Net loss	(31)	(29)
% shareholding	65.4%	65.4%
proportional share of net loss	(20)	(19)
Amortization expense of identifiable assets	(1)	-
Elimination of proportional share of intra group interest expense	10	16
Share of loss in associate	(11)	(3)

## 15. Income tax expense

(in million of USS)

	H1 2009	H1 2008	Q2 2009	Q2 2008
Current income tax expense	(240)	(254)	(134)	(166)
Deferred taxes	74	76	33	79
<b>Income tax expense</b>	<b>(166)</b>	<b>(178)</b>	<b>(101)</b>	<b>(87)</b>

The Group's effective tax rate increased to 44% in the six months of 2009 compared to 37% in the six months of 2008. The main increase was due to the income tax incurred by OTA during 2009 which represent part form the reassessment of the Tax control for 2004.

## 16. Property and equipment and Intangible assets

	Property and equipment	Intangible assets
<b>Opening net book value as of January 1, 2008</b>	<b>4,803</b>	<b>2,225</b>
Additions	801	229
Disposals	(4)	-
Depreciation and amortization	(380)	(72)
Impairment	(5)	(31)
Currency translation differences	(58)	64
Change in the scope of consolidation	7	2
Reclassification to assets held for sale	(10)	-
Other movements	9	(9)
<b>Closing net book value as of June 30, 2008</b>	<b>5,163</b>	<b>2,408</b>
<b>Opening net book value as of January 1, 2009</b>	<b>5,057</b>	<b>2,371</b>
Additions	458	15
Disposals	(9)	-
Depreciation and amortization	(411)	(70)
Impairment	(9)	(7)
Currency translation differences	(97)	(41)
Change in scope of consolidation	31	60
Reclassification to assets held for sale	(46)	(24)
<b>Closing net book value as of June 30, 2009</b>	<b>4,974</b>	<b>2,304</b>

Additions to property and equipment in the six months of 2009 are mainly related to cell sites investments and assets under construction relating to new base stations, predominantly in GSM companies in Pakistan (PMCL), Bangladesh (PVT Limited), Algeria (OTA) and Mena cable. These investments are mainly driven by the expansion of the business, increased capacity and the change in GSM technology.

Capitalized borrowing costs related to the acquisition of property and equipment and assets under construction are as follows:

# ORASCOM TELECOM HOLDING (S.A.E)

Half year financial information ended June 30, 2009

Notes to the condensed consolidated interim financial information

(in million of US\$)	June 30, 2009			June 30, 2008		
	Property & equipment	Assets under construction	Total	property & equipment	Assets under construction	Total
Mobinil-ECMS	-	4	4	4	3	7
Bangladesh	1	-	1	2	2	4
Mobilink-Pakistan	12	2	14	12	3	15
Menacable	-	5	5	-	-	-
Total	13	11	24	18	8	26

## 17. Share Capital

### *Authorized and Issued Share Capital*

As of June 30, 2009 the issued and paid up share capital amounted to L.E. 899 million (equivalent US\$ 261 million) comprising 899,402,874 shares of a nominal value of L.E. 1 per share (where one GDR is equivalent to 5 local shares).

### *Dividends*

The Shareholder's Meeting of the Company held on June 7, 2009 approved a dividend distribution of LE 1 per share. The dividend can be paid in the form of cash or shares and was paid on August 27, 2009. Any shares distributed have been deducted from the outstanding treasury shares held. (See note 26 subsequent events)  
The dividend distribution in 2008 amounted to US\$157 million and was paid on June 5, 2008.

### *Treasury Shares*

As at June 30, 2009 the Company holds 22 million shares as treasury shares. The fair market value of the treasury shares as at June 30, 2009 is US\$ 119 million

During H1 2009 the company purchased from the market 1.1 million shares and 1.2 million GDR's to be held as treasury shares for a total cost of US\$ 26 million and sold 0.5 million GDR's for proceeds of US\$ 14 million.

### *Employee Share Option Plan*

During the first half of 2009 the Group acquired 85,735 of its own shares for the purposes of the employee share option scheme. Options exercised during the first half of 2009 resulted in 705,020 shares being issued.

As a result of the above transactions, as at June 30, 2009 the Company had 3,042,500 shares held as treasury shares and employee share option plan with a fair market value of US\$ 16 million.

**ORASCOM TELECOM HOLDING (S.A.E)**

Half year financial information ended June 30, 2009

Notes to the condensed consolidated interim financial information

**18. Borrowings**

	<b>2009</b>	<b>2008</b>
<b>Opening balance January 1</b>	<b>5,735</b>	<b>5,218</b>
<i>of which current portion</i>	<i>530</i>	<i>1,840</i>
Repayment of borrowings and Movements in current borrowings	<b>(534)</b>	<b>(769)</b>
New borrowings	<b>709</b>	<b>1,198</b>
Change in scope of consolidation	<b>31</b>	<b>1</b>
Reclassification to liabilities held for sale	<b>(25)</b>	<b>-</b>
Exchange rate differences	<b>(27)</b>	<b>34</b>
Fair value adjustments of derivative instruments	<b>(26)</b>	<b>4</b>
<b>Closing balance June 30</b>	<b>5,863</b>	<b>5,686</b>
<i>of which current portion</i>	<i>676</i>	<i>1,319</i>

New borrowings in H1 2009 are mainly related to the issuance of equity indexed notes with a nominal amount of US\$ 230 million maturing in 2013. The issuance has been implemented in a fully subscribed private placement. The notes carry a coupon of US\$ Libor plus a margin of 500bps and rank pari-passu to the existing US\$2.5bn senior secured credit facility with accession to the security pool under the SSA. The notes have a redemption price at maturity indexed to Orascom Telecoms' GDR which may potentially allow the Group to further reduce financing costs of the notes.

Also during the same period PMCL entered into a syndicate loan agreement with Pakistani banks for a facility amounting to PKR 5.1 bn equivalent to US\$ 62.4 million dealing with standard chartered bank Pakistan as the agent, repayments of principal amount starts from November 9, 2010 and the financing period will last for 4 years .

During H1 2009 PMCL completed a tender offer to repurchase a portion of its Senior Notes amounting US \$ 250 million carrying 8.625 % interest due 2013. PMCL repurchased the notes at a repurchase price of US\$ 730 per US\$1,000 of principal amount. As a result of the transaction PMCL cancelled debt of approximately US\$ 138 million for cash consideration of US\$ 101 million.

The following tables provide details of borrowings as of June 30, 2009:

# ORASCOM TELECOM HOLDING (S.A.E)

Half year financial information ended June 30, 2009

## Notes to the condensed consolidated interim financial information

	Current	Non-current	Total	Currency	Nominal	Line of credit	Maturity	Securities
	Millions of USD			Millions of contract currency				
<b><u>1-Financing From Banks</u></b>								
<b><u>Orascom Telecom Holding S.A.E</u></b>								
A1 Term Loan Supplements	55	904	959	USD	987	987	17-4-2013	Secured
A2 Term Loan Supplements	29	472	501	USD	513	513	17-4-2013	Secured
Revolving Credit Supplements	2	1,000	1,002	USD	1,000	1,000	17-4-2013	Secured
NATIONAL SOCIETE GENERALE BAN	5	-	5	USD	5	10	30/04/2010	Unsecured
Credit Agricole Indo Suez Ban	21	-	21	USD	21	22	30-6-2010	Unsecured
Fortis Banque	5	-	5	EURO	4	20	14-6-2010	Unsecured
HSBC	14	-	14	USD	14	15	7/01/2010	Unsecured
NSGB-Car Loan	-	2	2	EGP	12	15	2-2-2013	Unsecured
NSGB-Car Loan	-	1	1	EGP	5	5	8/03/2014	Unsecured
Egyptian Gulf Bank	5	-	5	USD	5	5	31-5-2010	Unsecured
Citi bank	10	-	10	USD	10	10	With in one year	Unsecured
	<b>146</b>	<b>2,379</b>	<b>2,525</b>					
<b><u>Pakistan Mobile Communications Limited</u></b>								
Citibank N.A - Islamabad - Pakistan	5	6	11	PKR	791	1,740	02/07/2011	Secured
Royal Bank of Scotland (Formerly ABN AMRO Bank)- Islamabad- Pakistan	-	43	43	PKR	3,548	3,548	18/12/2012	Secured
Habib Bank Limited - Islamabad - Pakistan (2007)	-	37	37	PKR	3,000	3,000	18/12/2013	Secured
ABN AMRO Bank N.V., London - ECGD - ECA	7	13	20	USD	21	48	28/02/2012	Secured
ABN AMRO Bank N.V., London - COFACE Loan - ECA	29	39	68	EUR	50	125	30/12/2011	Secured
ABN AMRO Bank N.V., London - Hermes - ECA	11	10	21	EUR	15	46	29/03/2011	Secured
ABN AMRO Bank N.V., London - The OPEC Fund for international Development - ECA	4	5	9	EUR	6	10	15/12/2011	Secured
ABN AMRO Bank N.V., London - ECGD - ECA Round II	11	41	52	USD	57	70	28/02/2014	Secured
ABN AMRO Bank N.V., London - Coface - ECA Round II	19	54	73	EUR	54	85	31/12/2013	Secured
ABN AMRO Bank N.V., London - Hermes - ECA Round II	27	57	84	EUR	60	110	17/03/2012	Secured
DEG - Germany	4	24	28	EUR	20	20	15/08/2013	Secured
FMO - Netherlands	4	24	28	EUR	20	20	15/08/2013	Secured
MCB Bank Limited (PKR 22.060 Billion) - Islamabad - Pakistan	22	271	293	PKR	22,060	22,060	04/01/2014	Secured
SCB Bank Limited STFA (PKR 5.1 Billion) - Islamabad Pakistan	1	62	63	PKR	5,100	5,100	09/05/2013	Secured
Dubai Islamic Bank (Pakistan) Ltd Ijara Facility PKR 700 Million	-	8	8	PKR	700	700	09/05/2012	Secured
	<b>144</b>	<b>694</b>	<b>838</b>					
<b><u>Egyptian Company for Mobile Services</u></b>								
Misr/CIB/NBE (Syndicated loans)	31	84	115	EGP	638	878	30/04/2013	Unsecured
Misr/CIB/NSGB/HSBC (Syndicated loans1)	7	163	170	EGP	926	1,121	14/08/2014	Unsecured
Misr/CIB/NSGB/HSBC (Syndicated loans)	6	188	194	EGP	1,073	1,073	26/02/2015	Unsecured
Credit Agricole Bank	4	-	4	EGP	62	88	One year starting from 31/3/2008	Unsecured
	<b>48</b>	<b>435</b>	<b>483</b>					

# ORASCOM TELECOM HOLDING (S.A.E)

Half year financial information ended June 30, 2009

## Notes to the condensed consolidated interim financial information

	Current	Non-current	Total	Currency	Nominal	Line of credit	Maturity	Securities
	Millions of USD		Millions of contract currency		Millions of contract currency			
<b><u>Orascom Telecom Bangladesh Limited</u></b>								
Hermes Facility	11	64	75	USD	83	120	1/07/2014	Secured
USD Commercial Facility	25	104	129	USD	130	130	1/08/2013	Secured
DFI Facility	-	29	29	USD	30	30	15/06/2014	Secured
BDT A Facility	9	18	27	BDT	1,890	2,520	30/06/2012	Secured
BDT B Facility	3	11	14	BDT	1,020	1,020	30/06/2014	Secured
National Bank Limited	1	-	1	BDT	100	100	17/03/2010	Unsecured
Pubali Bank Limited	5	-	5	BDT	350	350	17/03/2010	Unsecured
Standard Bank Limited	1	-	1	BDT	100	100	17/03/2010	Unsecured
Standard Chartered Bank	5	-	5	BDT	360	360	17/03/2010	Unsecured
Commercial Bank of Ceylon	1	-	1	BDT	100	100	28/10/2009	Unsecured
Eastern Bank Limited	6	-	6	BDT	440	452	9 May 2010, 25 June 2010	Unsecured
Eastern Bank Limited	3	-	3	BDT	200	200	3/03/2010	Unsecured
Citibank NA	8	-	8	BDT	550	550	9/08/2009	Unsecured
The City Bank	6	-	6	BDT	390	390	19/07/2009	Unsecured
The City Bank	1	-	1	BDT	100	100	03 April 2010 & 24 June 2010	Unsecured
BRAC Bank	8	-	8	BDT	570	570	14 Aug-2009 & 27 Sep-2009	Unsecured
Standard Chartered Bank	4	-	4	BDT	300	300	8/08/2009	Unsecured
Standard Chartered Bank	3	-	3	BDT	233	320	22 Sep-09 & 28 Sep-09	Unsecured
One Bank Limited	5	-	5	BDT	350	350	25/12/2009	Unsecured
	<b>105</b>	<b>226</b>	<b>331</b>					
<b><u>Orascom Telecom Algeria S.P.A.</u></b>								
Hermes loan 2006	23	50	73	USD	72	86	15/11/2012	Secured
Coface Loan 2006	27	12	39	DZD	2,856	9,724	15/11/2010	Secured
	<b>50</b>	<b>62</b>	<b>112</b>					
<b><u>Orascom Telecom Tunisie S.A.</u></b>								
International refinancing	23	35	58	Euro	100	100	March-2011	Secured
Local refinancing	18	26	44	TND	105	105	March-2011	Secured
	<b>41</b>	<b>61</b>	<b>102</b>					
<b><u>Moga Holding Limited</u></b>								
CDC Mezzanine shareholder loan	4	25	29	EUR	18	18	15/8/2010	Secured
	<b>4</b>	<b>25</b>	<b>29</b>					
<b><u>Med Cable Limited</u></b>								
Export Credit Calyon	5	4	9	EUR	6	12	13/09/2011	Guaranteed
	<b>5</b>	<b>4</b>	<b>9</b>					
<b><u>Intouch for Telecommunication Services</u></b>								
Barclays	2	1	3	L.E	35	35	1/10/2010	Secured
NBAD	2	2	4	L.E	35	35	1/04/2011	Secured
Barclays	1	-	1	L.E	5	5	1/10/2010	Unsecured
	<b>5</b>	<b>3</b>	<b>8</b>					
<b><u>Telecet Globe Limited</u></b>								
Banque de developement des etats de l'Afrique Central March 2007	1	4	5	XAF	2,500	2,500	30/06/2014	Unsecured
Commercial Bank Centrafrique May 2008	1	1	2	XAF	750	750	30/06/2011	Unsecured
Commercial Bank Centrafrique September 2006	-	1	1	XAF	500	500	31/07/2012	Unsecured
Nedbank Limited and Investec Bank Limited (Payable on demand)	-	39	39	NAD	311	311	30/06/2014	Secured
	<b>2</b>	<b>45</b>	<b>47</b>					

# ORASCOM TELECOM HOLDING (S.A.E)

Half year financial information ended June 30, 2009

## Notes to the condensed consolidated interim financial information

	Current	Non-current	Total	Currency	Nominal	Line of credit	Maturity	Securities
	Millions of USD		Millions of contract currency		Millions of contract currency			
<b><u>Trans World Associates (Private) Limited</u></b>								
United Bank Limited	-	2	2	PKR	138	345	November 27, 2013	Secured
Habib Bank Limited	-	2	2	PKR	101	252	November 27, 2013	Secured
Allied Bank Limited	-	1	1	PKR	80	200	November 27, 2013	Secured
Askari Bank Limited	-	1	1	PKR	69	173	November 27, 2013	Secured
Standard Chartered Bank Pakistan Limited	-	1	1	PKR	69	173	November 27, 2013	Secured
Pak Oman Investment Company Limited	-	1	1	PKR	60	150	November 27, 2013	Secured
The Bank of Punjab	-	1	1	PKR	46	115	November 27, 2013	Secured
	-	9	9					
<b>Total financing from banks</b>	<b>550</b>	<b>3,943</b>	<b>4,493</b>					
<b><u>2- Bonds</u></b>								
<b><u>Pakistan Mobile Communications Limited</u></b>								
ABN Amro Bank Inc. and Deutsche Bank Securities Inc. (Euro Bond)	1	110	111	USD	112		13/11/2013	Unsecured
Pak Oman Investment Company Limited - Karachi - Pakistan (Trustee - Public Listed TFC)	1	40	41	PKR	3,258		31/05/2013	Secured
Allied Bank Limited - Islamabad - Pakistan (2007)	23	21	44	PKR	3,500		01/10/2010	Unsecured
Allied Bank Limited - Karachi - Pakistan (2007)	1	47	48	PKR	3,905		28/10/2013	Unsecured
<b><u>Orascom Telecom Finance SCA</u></b>								
Senior Notes OTFSCA	24	739	763	USD	750		8/02/2014	Unsecured
Orascom Telecom Oscar								
Indexed linked notes	2	244	246	USD	230		18/02/2013	Secured
<b>Total Bonds</b>	<b>52</b>	<b>1,201</b>	<b>1,253</b>					
<b>Total Financing from banks and bonds</b>	<b>602</b>	<b>5,144</b>	<b>5,746</b>					
Financing from other lenders	10	6	16					
Derivatives	64	37	101					
<b>Total Borrowings</b>	<b>676</b>	<b>5,187</b>	<b>5,863</b>					

## ORASCOM TELECOM HOLDING (S.A.E)

Half year financial information ended June 30, 2009

Notes to the condensed consolidated interim financial information

### 19. Other non-current financial assets

Other non-current financial assets mainly include financial receivables due from the associate GWMC which amounted to US\$426 million as of June 30, 2009 (US\$401 million as of December 31, 2008) and a receivable of US\$4 million due from Ryng Young Tower in North Korea.

### 20. Earnings per share

#### Average earning per share

	H1 2009	H1 2008	Q2 2009	Q2 2008
<b>Attributable to the equity holders of the Company:</b>				
- Profit from continuing operations ( in million of US\$)	184	276	112	66
Weighted average number of shares (in million)	874	989	873	960
- Earnings per share - basic and diluted (in US\$)	0.21	0.28	0.13	0.07

### 21. Business combinations

During the six months ended June 30, 2009 the group acquired:

- 100% of the share capital of Power-COM in Namibia, for a cash consideration of US\$ 59 million. The acquired business contributed revenues of US\$ 5.8 million and net Loss of US\$ 6.8 million to the Group.

The assets and liabilities arising from the acquisitions are as follows:

<i>(in million of US\$)</i>	Provisional fair value (*)
	Power-COM
Cash and cash equivalents	-
Property and equipment	30
Intangible assets	6
Deferred tax assets	17
Inventories	1
Trade receivables	1
Other current assets	1
Financial liabilities non-current	(32)
Trade payables	(15)
<b>Net identifiable assets acquired</b>	<b>9</b>
Provisional goodwill	50
<b>Cash consideration</b>	<b>59</b>
Cash and cash equivalents in subsidiary acquired	-
<b>Cash outflow on acquisition</b>	<b>59</b>

(\*) The provisional fair value is approximated with the acquirees' carrying amounts.

## ORASCOM TELECOM HOLDING (S.A.E)

Half year financial information ended June 30, 2009

### Notes to the condensed consolidated interim financial information

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#### 22. Contingent assets and liabilities.

The Group is subject to various legal proceedings and claims, which arise, in the ordinary course of business due to the nature of the operations of the Group and the nature of the markets where the Group operates.

- PMCL has a tax claims up to the year 2006, tax authorities framed /assessments; however, the company has field appeals to the appellate authorities against the re-assessment orders. The disputed demand against the assessments framed/aggregates to Rs 1, 812 million equivalent US\$ 22 million .The company has provide a provision for such assessments with an amount of Rs 1,115 million equivalent US\$ 14 million.
- OTA has received a final tax assessment relating to 2004 tax year amounted to DZD 3,948 million equivalent to US\$ 54 million .The Company field a claim against the tax authority after the payment of 20% of the reassessed amounts and a provision with an amount of DZD709 million equivalent to US\$ 9.7 million was accounted for. The competent tax authority has not yet rendered a decision on the claim. Considering that most of the tax assessment is excessive.  
OTA has submitted, in July 2009, with its local bank, a file of dividends transfer, request with the foreign exchange control regulations. The local bank has not executed the requested transfer, and requested from OTA to obtain a tax certificate from the Tax authority to proceed the transfer of dividends, according to the law. To date of issuing this financial, the Tax Authorities have not provided OTA with the requested certificate so that the company is not entitled to repatriate the dividends resulting from the US\$ 580 million of profits incurred in 2008, and put into distribution in June 2009 further to the decision of the general meeting of shareholders of OTA.
- Orascom Telecom Iraq provided warranty to the purchaser of its investment Iraqna for Mobile Services which dose not to exceed US\$ 120 million in respect of tax and claims including all legal and other professional fees and expenses payable by the company in respect of all such claims taking into consideration that payable in relation to tax covenant claim of which no more than US\$60 million shall be payable in relation to tax covenant claim.
- Telecom Egypt filed a complaint with the dispute resolution committee of the National Telecommunication Regulatory (NTRA), with the purpose of changing its interconnection prices with the mobile operators, despite the fact that there are existing contracts with the operators. In response ECMS requested the committee to respect the prices of contracts in effect. The NTRA issued a ruling on the dispute on September 3, 2008 in favor of Telecom Egypt by changing the interconnection prices between the fixed and mobile networks to be effective from that date. On November 1, 2008 a law suit against the NTRA was filed in the Administrative Court at the State Counsel asking for staying and nullifying the NTRA decision .Based on the legal advice obtained, ECMS's management believes that ECMS has a strong legal and contractual position; therefore ECMS recorded interconnection traffic with Telecom Egypt based on the existing agreement.  
If ECMS had applied this decision based on Telecom Egypt interpretation OTH proportionate share would have recorded less interconnect revenue by LE 49 million equivalent US\$ 9 million and less interconnect cost by LE 17 million equivalent US\$ 3 million for the financial year ended on 31 December 2008, and less interconnect revenue by L.E 61 million equivalent US\$ 11 million and less interconnect cost by L.E 16 million equivalent US\$ 3 million for the financial period from January 1, 2009 to June 30, 2009.
- Intouch group received a tax claim amounting to DZD 204 million in addition to penalties and default interest amounting to DZD 51 million (equivalent to US\$ 4 million). On January, 2009 the company paid 20% from total tax claim in order to be able to appeal against that claim. The management believes that the process is still in its early stages and that it isn't in a position to assess the potential liabilities in this regard at the stage.
- The Jordanian Tax Authority initiated court claims for JD 49.2 million (approximately US\$63 million) income tax payments against Pioneer Investment Ltd. in connection with the sale of Fastlink (Jordan Mobile Telecommunication Services) in 2002 to MTC by Pioneer Investment Ltd, a wholly-owned subsidiary of OTH.

The Group has provided guarantees and letters of credit in the ordinary course of business of the Group's activities. Guarantees include the following:

- Guarantee provided by PMCL- Mobilink- guaranteed Dancom Online (Private) Limited amount is PRK 148.8 million equivalent US\$ 2 million.

## ORASCOM TELECOM HOLDING (S.A.E)

Half year financial information ended June 30, 2009

### Notes to the condensed consolidated interim financial information

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- Letters of guarantee provided by ECMS to National Telecom Regulatory Authority. The Company's share in such letters of guarantee is equal to L.E 67 million equivalents to US\$ 12 million.
- Letters of guarantee provided by Ring Egypt by an amount of L.E 84 million equivalents to US\$ 15 million.
- Letter of Guarantee amounting to US\$ 1 million in favor of NTRA to guarantee MENA Cable execution of its entire obligation related to constructing, operating and renting sea cables networks and its infrastructure for international communications.
- Letter of guarantee in a favor of Lebanon Ministry of Telecommunication (ROL) to guarantee OTH in the payment of any amount due by the selected Participant to ROL amount with US\$ 30 million.
- Letter of guarantee provided by Orascom Telecom Bangladesh with an amount of BDT 11.5 million equivalent US\$ 0.17 million in a favor of third parties.

### 23. Commitments

In millions of US\$	30 June 2009	31 December 2008
Intangible assets	135	138
Tangible assets	313	338
Repairs and maintenance	-	-
Financial assets	12	109
<b>Total</b>	<b>460</b>	<b>585</b>

#### - Intangible assets

Commitments for the purchase of intangible assets mainly relate to the licenses of Egyptian Company for Mobile Services for the activation of 3G technology with an amount of US\$ 106 million.

Commitments amounted to US\$ 24 million to renovate and obtain the right of use of RYUG YOUNG Tower in North Korea.

Orascom Telecom Bangladesh has capital commitments amounting to US\$ 5 million.

#### -Tangible assets

Commitments to purchase property and equipment mainly relating to cell sites of PMCL amounting to US\$ 38 million, ECMS amounting to US\$ 109 million and Banglalink amounting to US\$ 3 million. Other purchase commitments mainly relating to the supply and installation of submarine equipment of Middle East and North Africa Submarine Cable Company S.A.E. (free zone) amounting to US\$ 97 million, Telecel Globe amounting US\$ 46 million. The commitment amounting to US\$ 20 million relates to the investments in North Korea.

#### -Financial Assets

Commitments for financial assets mainly relates to forward exchange contracts by Mobilink to purchase Euro at a future price of PKR 1,005 million to purchase Euro 8.7 million equal to US\$ 12 million.

### 24 . International Chamber of Commerce decision Concerning Mobinil Telecom

Regarding the International Chamber of Commerce's decision dated March 10,2009 (the Arbitration Award) concerning Mobinil for Telecommunications (Mobinil) (between Orascom Telecom Holding S.A.E (OTH) and France Telecom S.A. (FT) (and certain of its subsidiaries), the Capital Market Authority (CMA) on April 7th, 2009 issued its decision regarding the legal effect based on the execution of the Arbitration Award and its impact on the minority interest of ECMS (a listed company on the Egyptian Stock Exchange) which stipulated that the execution of the Arbitration Award cannot be separated from the liabilities arising from the said Award, namely, the obligation to extend a mandatory tender offer to all ECSM shareholders.

Simultaneously with the execution of the sale of OTH's stake in Mobinil at the same price. (see note 26 subsequent event)

## ORASCOM TELECOM HOLDING (S.A.E)

Half year financial information ended June 30, 2009

### Notes to the condensed consolidated interim financial information

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#### 25. Related party transactions

Transactions with subsidiaries, related parties and with the Parent Company and its subsidiaries are not considered atypical or unusual, as they fall within the Group's normal course of business and are conducted under market conditions that would be performed by independent third parties.

The main related party transactions in the period are summarized as follows:

##### Transactions with Weather Investments Group

The Group is directly controlled by Weather Investments. Transactions with Weather Investments and its subsidiaries mainly relate to management fees charged by the Company and interconnection traffic between the Group and the subsidiaries of Weather Investments, and in particular M-Link Sarl and Wind Telecomunicazioni S.p.A.

On January 31, 2009 M-Link Limited (Malta) sold its investment in M-Link S.a.r.l (Luxemburg) to TLC SERVIZI S.p.A (now Wind International Services S.p.A.), a wholly owned subsidiary of Wind Telecomunicazioni S.p.A, such a transaction resulted in a capital gain of US\$ 35 million for the six months of 2009 (refer to note 6 Assets held for sale)

As of June 30, 2009 the Group had receivables due from Weather Investments Group of US\$ 40 million (US\$ 20 million as of December 31, 2008) and payables due to Weather Investments Group of US\$ 18 million (US\$ 5 million as of December 31, 2008). During the six months of 2009, transactions with Weather Investments Group generated revenues of US\$ 42 million and costs of US\$ 29 million.

##### Transactions with Joint Ventures of the Group

Transactions with joint ventures of the Group mainly refer to transactions with ECMS, OTT and Consortium Algèrien Télécommunications S.P.A. relating to management fees, interconnection fees and dividends and the provision of financing.

As of June 30, 2009 the Group had receivables due from joint ventures amounting to US\$ 5 million (US\$ 7 million as of December 31, 2008) and payables due to joint ventures of US\$ 1 million (US\$ 6 million as of December 31, 2008).

##### Transactions with Associates of the Group

In 2008, Globalive Wireless Management Corp. "GWMC" ('Borrower and associate investment') entered into a loan agreement with the company. The outstanding balances was CAD \$ 555 million equivalent to US\$ 484 million as at June 30, 2009 by way of a secured Non-Revolver term loan to fund the acquisition of spectrum licenses ("spectrum") and related costs.

#### 26. Subsequent events

##### Dividend distribution

The company announced on August 22, 2009 to its shareholders that it will proceed to on paying declared dividend for year ended December 31, 2008 on June 7, 2009, coupon number (6) amounting L.E. 1 for each share in cash and or Shares from the company treasury shares balance as follows:-

- *First for Shareholders who wants to receive there dividend in Shares:*
  - The company declared that weighted average trading price for OTH share in the Local market during August 17, till August 20, 2009 was (L.E 36.61) per share, therefore it will distribute 1 local share for each 36 shares
  - Shares to be distributed will be ready for trade on August 27, 2009
  - Fraction for shares will be paid in cash
- *Second for Shareholders who wants to receive there dividend in cash*
  - Only Shareholders whom hold shares as of August 20, 2009 will have the right to receive dividend
  - Coupon payment will be cashed on August 27, 2009.

## **ORASCOM TELECOM HOLDING (S.A.E)**

**Half year financial information ended June 30, 2009**

**Notes to the condensed consolidated interim financial information**

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### **International Chamber of Commerce decision concerning Mobinil Telecom**

Regarding the International Chamber of Commerce's decision dated March 10, 2009 (the Arbitration Award) concerning Mobinil for Telecommunications (Mobinil) (between Orascom Telecom Holding S.A.E (OTH) and France Telecom S.A. (FT) (and certain of its subsidiaries)

- On July 5, 2009, OTH announced that the proceeding before the Economical Court, North Cairo, Circuit, against France Telecom (and some of its subsidiaries) has been discontinued. The discontinuation of the proceedings was made pursuant to the public announcements made by France Telecom, by which it confirmed that it was not its intention to extend a public offering on the same terms contained in the Award, and is therefore not in a position to conclude the sale as mandated by the ruling which was issued by the CMA.
- On July 15, 2009, FT confirmed that another (third) offer has been made to purchase all of the shares of ECMS. The third offer was rejected on July 16, 2009 by the Egyptian Financial Supervisory Authority (EFSA).
- On August 4, 2009, the complaints department of the EFSA issued its decision regarding the complaint that was submitted by FT against the EFSA for rejecting its offer on May 16, 2009. The decision of the complaints department was also to dismiss FT's complaint and confirmed the EFSA rejection to the offer.

The management of OTH, currently, cannot estimate the financial impact of this event on the financial statements of the company.

### **Globalive Wireless Management Corp**

Globalive Wireless Management Corp. (GWMC) received its spectrum licenses from Industry Canada on March 13, 2009. GWMC sought clearance on its status as a Canadian carrier from the Canadian Radio-television and Telecommunications Commission (CRTC) on April 3, 2009. The CRTC informed GWMC on July 20 that, further to Telecom Regulatory Policy CRTC 2009-428 dated 20 July 2009, an ownership and control review will be conducted and that Globalive will be invited to a public hearing on September 23 and 24, 2009. The CRTC has indicated that it will issue a decision on GWMC's status as a Canadian carrier within 30 days of the hearing.

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