



Orascom Telecom Holding S.A.E

Condensed Consolidated Interim Financial Information

**Nine months ended
September 30, 2009
(US\$)**



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 September 2009 and the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine-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 (23) "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.



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- 2- Some subsidiaries received tax assessments from the tax authorities in the territories in which they operate. Management believes that these assessments are arbitrary and technically unfounded, and intends to challenge the assessments through the proper legal channels. Therefore, management of these subsidiaries made no provision for most of the mentioned tax claims.


KPMG Hazem Hassan

Cairo, 18 November, 2009

Condensed consolidated interim balance sheet

(in million of US\$)	Note	September 30, 2009	December 31, 2008
Assets			
Property and equipment	16	5,012	5,053
Intangible assets	16	2,304	2,383
Other non-current financial assets	20	817	639
Deferred tax assets		129	88
Total non-current assets		8,262	8,163
Inventories		92	106
Trade receivables		363	328
Other current financial assets		182	277
Current income tax receivables		64	75
Other current assets		286	247
Cash and cash equivalents	19	749	652
Assets held for sale	6	111	80
Total current assets		1,847	1,765
Total assets		10,109	9,928
Equity and liabilities			
Share capital		261	261
Reserves		(314)	(329)
Retained earnings		1,373	1,148
Equity attributable to equity holders of the Company		1,320	1,080
Non-controlling interest		142	121
Total equity	17	1,462	1,201
Liabilities			
Non-current borrowings	18	5,089	5,205
Other non-current liabilities		130	220
Provisions		4	3
Non-current income tax liabilities		-	43
Deferred tax liabilities		191	257
Total non-current liabilities		5,414	5,728
Current borrowings	18	869	530
Trade payables		1,071	1,186
Other current liabilities		987	856
Income tax liabilities		195	341
Provisions		55	61
Liabilities held for sale	6	56	25
Total current liabilities		3,233	2,999
Total liabilities		8,647	8,727
Total equity and liabilities		10,109	9,928

Group CFO
Aldo Mareuse

Chairman & Managing Director
Naguib Onsi Sawiris

Review report "attached"

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

Condensed consolidated interim income statement

	Note	Nine months ended		Three months ended	
		September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
(in million of US\$)					
Revenue	7	3,769	4,022	1,291	1,370
Other income		23	32	7	11
Purchases and services	8	(1,732)	(1,923)	(591)	(643)
Other expenses	9	(138)	(127)	(47)	(47)
Personnel cost	10	(246)	(232)	(83)	(80)
Depreciation and amortization	11	(730)	(687)	(249)	(235)
Impairment charges	12	(23)	(38)	(7)	(2)
Disposal of non current assets		35	-	-	-
Operating income		958	1,047	321	374
Financial expense	13	(381)	(372)	(119)	(121)
Financial income	13	95	43	14	(4)
Foreign exchange gain/ (loss)	13	12	(79)	78	(69)
Net financing costs		(274)	(408)	(27)	(194)
		684	639	294	180
Share of loss of associates	14	(21)	-	(10)	-
Gains on disposal of associates	14	-	27	-	-
Profit before income tax		663	666	284	180
Income tax expense	15	(250)	(269)	(84)	(90)
Profit for the period		413	397	200	90
Attributable to:					
Equity holders of the company		364	345	182	69
Non-controlling interest		49	52	18	21
Profit for the period		413	397	200	90
Basic and diluted Earnings per share - (US\$)	21	0.42	0.36	0.21	0.08

(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

<i>(in million of US\$)</i>	Nine months ended		Three months ended	
	September 30, 2009	September 30, 2008	Q3 2009	Q3 2008
Change in fair value of available-for-sale financial assets	-	(2)	-	(1)
Change in cash flow hedges, net of tax	17	(9)	(4)	(8)
Currency translation differences	(69)	52	(34)	13
Share of profit recognized directly in equity of associates	-	4	-	(1)
Other comprehensive income for the period	(52)	45	(38)	3
Profit for the period	413	397	200	90
Total comprehensive income for the period	361	442	162	93
Attributable to:				
- Equity holders of the Company	318	387	143	73
- Non-controlling interest	43	55	19	20
Total comprehensive income for the period	361	442	162	93

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

Condensed consolidated interim statement of changes in equity

(in million of US\$)	Attributable to the equity holders of the Company				Total	Non controlling Interest	Total equity
	Share capital	Treasury shares	Other reserves	Retained earnings			
As of January 1, 2008	316	(892)	210	3,515	3,149	93	3,242
Change in fair value gains/(loss), net of tax:							
- available for-sale financial assets	-	-	(2)	-	(2)	-	(2)
- cash flow hedges	-	-	(9)	-	(9)	-	(9)
Currency translation differences	-	-	49	-	49	3	52
Share of profit recognized directly in equity of associates	-	-	4	-	4	-	4
Other comprehensive income for the period ended September 30,2008	-	-	42	-	42	3	45
Profit for the period	-	-	-	345	345	52	397
Total comprehensive income for the period ended September 30,2008	-	-	42	345	387	55	442
Dividends to equity holders	-	-	-	(157)	(157)	(50)	(207)
Cancellation of shares	(55)	2,833	(124)	(2,654)	-	-	-
Purchase of treasury shares	-	(2,083)	-	-	(2,083)	-	(2,083)
Sale of treasury Shares	-	79	-	-	79	-	79
Others	-	-	(16)	-	(16)	6	(10)
Total transactions with owners	(55)	829	(140)	(2,811)	(2,177)	(44)	(2,221)
As of September 30, 2008	261	(63)	112	1,049	1,359	104	1,463

(in million of US\$)	Attributable the equity holders of the Company				Total	Non controlling Interest	Total equity
	Share capital	Treasury shares	Other reserves	Retained earnings			
As of January 1, 2009	261	(190)	(139)	1,148	1,080	121	1,201
Change in fair value gains/(loss), net of tax:							
- cash flow hedges	-	-	17	-	17	-	17
Currency translation differences	-	-	(63)	-	(63)	(6)	(69)
Other comprehensive income for the period ended September 30,2009	-	-	(46)	-	(46)	(6)	(52)
Profit for the period	-	-	-	364	364	49	413
Total comprehensive income for the period ended September 30,2009	-	-	(46)	364	318	43	361
Issuance of shares	-	-	-	-	-	2	2
Dividends to equity holders	-	-	-	(139)	(139)	(24)	(163)
Share based payment transaction	-	5	(3)	-	2	-	2
Purchase of treasury shares	-	(33)	-	-	(33)	-	(33)
Sale of treasury shares	-	20	6	-	26	-	26
Shares distributed as dividends	-	55	11	-	66	-	66
Total transactions with owners	-	47	14	(139)	(78)	(22)	(100)
As of September 30, 2009	261	(143)	(171)	1,373	1,320	142	1,462

(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

<i>(in million of US\$)</i>	Nine months ended	
	September 30, 2009	September 30, 2008
Profit for the period	413	397
Adjustments for:		
Depreciation, amortization and impairment of non current assets	753	725
Income tax expense	250	269
Share-based compensation	11	5
Net financial charges	286	329
Unrealized foreign exchange difference	(17)	40
(Gain) from sale of subsidiaries and financial assets	(35)	-
Share loss of associates accounted for using the equity method	21	-
Gain from sale of associates	-	(27)
Change in assets carried as working capital	(100)	(145)
Change in provisions and allowances	37	24
Change in other liabilities carried as working capital	133	90
Income tax paid	(520)	(377)
Interest expense paid	(363)	(319)
Net cash generated by operating activities	869	1,011
Net Cash outflow for investments in:		
- Property and equipment	(833)	(1,159)
- Intangible assets	(121)	(152)
- Financial assets	(73)	(119)
- Consolidated subsidiaries	(30)	-
Net Proceeds from disposals of:		
- Property and equipment	6	5
-Subsidiaries	77	-
-Associates	-	956
-Financial assets	75	1,049
Net (payments) from current financial assets	(32)	-
Advances and loans made to associate and other parties	(62)	(464)
Dividends and interest received	20	26
Net cash (used in) / generated by investing activities	(973)	142
Proceeds from non-current borrowings	637	2,331
Repayment of non-current borrowings	(535)	(1,831)
Net proceeds from current financial liabilities	166	51
Net change in cash collateral	76	-
Dividend payments	(91)	(167)
Net (payments) for treasury shares	(7)	(2,082)
Change in non-controlling interest interest	(28)	(47)
Net cash generated by/(used in) financing activities	218	(1,745)
Net increase/(decrease) in cash and cash equivalents	114	(592)
Cash included in assets held for sale	(13)	(19)
Effect of exchange rate changes on cash and cash equivalents	(4)	19
Cash and cash equivalents at the beginning of the period	652	1,239
Cash and cash equivalents at the end of the period	749	647

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

ORASCOM TELECOM HOLDING (S.A.E)

Nine months financial information ended September 30, 2009

Notes to the condensed consolidated interim financial information

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 nine months ended September 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 November 12th, 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.

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.

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Nine months financial information ended September 30, 2009

Notes to the condensed consolidated interim financial information

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. Therefore, it 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 non-controlling interest).

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 nine months ended 30 September 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)

Nine months financial information ended September 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.

- 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
Nine Months 2009											
Nine Months 2008											
Total segment revenue - current period	1,421	790	696	264	259	58	18	260	3,766	-	3,766
Total segment revenue - previous period	1,568	953	659	280	208	13	-	622	4,303	-	4,303
(Inter-segment revenue - current period)	-	(2)	-	-	-	-	-	(37)	(39)	42	3
(Inter-segment revenue - previous period)	(36)	(18)	-	(28)	-	-	-	(199)	(281)	-	(281)
Total revenue from external customers - current period	1,421	788	696	264	259	58	18	223	3,727	42	3,769
Total revenue from external customers - previous period	1,532	935	659	252	208	13	-	423	4,022	-	4,022
Other Income - current period	1	-	-	-	-	2	-	2	5	18	23
Other Income - previous period	1	4	-	-	-	-	-	12	17	15	32
Purchases and services - current period	(520)	(465)	(290)	(94)	(156)	(40)	(7)	(194)	(1,766)	34	(1,732)
Purchases and services - previous period	(549)	(555)	(292)	(80)	(207)	(7)	-	(344)	(2,034)	111	(1,923)
Other expenses - current period	(42)	(14)	(51)	(10)	(5)	(6)	-	(10)	(138)	-	(138)
Other expenses - previous period	(25)	(21)	(41)	(10)	(5)	(2)	-	(17)	(121)	(6)	(127)
Personnel Cost - current period	(53)	(45)	(27)	(15)	(14)	(12)	(1)	(29)	(196)	(50)	(246)
Personnel Cost - previous period	(57)	(49)	(26)	(15)	(13)	(2)	-	(43)	(205)	(27)	(232)
EBITDA - current period	807	264	328	145	84	2	10	(8)	1,632	44	1,676
EBITDA - previous period	902	314	300	147	(17)	2	-	31	1,679	93	1,772
Depreciation and amortization - current period	(248)	(181)	(125)	(41)	(91)	(19)	(6)	(17)	(728)	(2)	(730)
Depreciation and amortization - previous period	(262)	(188)	(105)	(43)	(64)	(2)	-	(21)	(685)	(2)	(687)
Impairment Charges - current period	-	(18)	-	-	-	-	-	(5)	(23)	-	(23)
Impairment Charges - previous period	-	(6)	-	-	-	-	-	(32)	(38)	-	(38)
Disposal of non current assets - current period	-	1	(1)	-	-	-	-	31	31	4	35
Disposal of non current assets - previous period	-	-	-	-	-	-	-	-	-	-	-
Financial Income - current period	2	32	3	2	1	1	-	1	42	53	95
Financial Income - previous period	3	6	3	1	1	-	-	2	16	27	43
Financial expense - current period	(7)	(94)	(50)	(4)	(21)	(11)	(1)	(7)	(195)	(186)	(381)
Financial expense - previous period	(12)	(112)	(41)	(9)	(18)	(1)	-	(7)	(200)	(172)	(372)
Share of profit (losses) of associates - current period	-	-	-	-	-	-	-	-	-	(21)	(21)
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	16	(2)	7	8	1	12	-	1	43	4	47
Foreign exchange gain - previous period	25	-	1	5	3	-	-	16	50	4	54
Foreign exchange (losses) - current period	(19)	(63)	(6)	(10)	1	(11)	-	(2)	(110)	75	(35)
Foreign exchange (losses) - previous period	(11)	(107)	(5)	(3)	-	-	-	(4)	(130)	(3)	(133)
Profit (loss) before income tax - current period	551	(61)	156	100	(25)	(26)	3	(6)	692	(29)	663
Profit (loss) before income tax - previous period	645	(93)	153	98	(95)	(1)	-	(15)	692	(26)	666
Total assets - current period	2,523	2,427	1,424	492	951	350	114	548	8,829	1,280	10,109
Total assets - previous period	2,420	2,764	1,367	466	961	181	127	642	8,928	1,000	9,928

ORASCOM TELECOM HOLDING (S.A.E)

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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 OTH and non operation holding companies)	Consolidated
Q3 2009											
Q3 2008											
Total segment revenue - current period	479	259	245	100	89	21	6	84	1,283	-	1,283
Total segment revenue - previous period	556	269	240	104	76	13	-	209	1,467	-	1,467
(Inter-segment revenue - current period)	-	-	-	-	-	-	-	(10)	(10)	18	8
(Inter-segment revenue - previous period)	(12)	(8)	-	(12)	-	-	-	(65)	(97)	-	(97)
Total revenue from external customers - current period	479	259	245	100	89	21	6	74	1,273	18	1,291
Total revenue from external customers - previous period	544	261	240	92	76	13	-	144	1,370	-	1,370
Other income - current period	-	-	-	-	-	2	-	(1)	1	6	7
Other income - previous period	-	3	-	-	-	-	-	2	5	6	11
Purchases and services - current period	(182)	(162)	(105)	(35)	(51)	(13)	2	(62)	(608)	17	(591)
Purchases and services - previous period	(186)	(173)	(102)	(28)	(69)	(7)	-	(116)	(681)	38	(643)
Other expenses - current period	(11)	(5)	(20)	(4)	(1)	(2)	-	(2)	(45)	(2)	(47)
Other expenses - previous period	(8)	(7)	(17)	(4)	(2)	(2)	-	(5)	(45)	(2)	(47)
Personnel Cost - current period	(18)	(15)	(7)	(5)	(5)	(5)	-	(8)	(63)	(20)	(83)
Personnel Cost - previous period	(21)	(15)	(11)	(5)	(5)	(2)	-	(14)	(73)	(7)	(80)
EBITDA - current period	268	77	113	56	32	3	8	1	558	19	577
EBITDA - previous period	329	69	110	55	-	2	-	11	576	35	611
Depreciation and amortization - current period	(86)	(60)	(41)	(14)	(28)	(11)	(2)	(5)	(247)	(2)	(249)
Depreciation and amortization - previous period	(91)	(58)	(38)	(15)	(24)	(2)	-	(7)	(235)	-	(235)
Impairment Charges - current period	-	(4)	-	-	-	-	-	(3)	(7)	-	(7)
Impairment Charges - previous period	-	(1)	-	-	-	-	-	(1)	(2)	-	(2)
Disposal of non current assets - current period	-	-	-	-	-	-	-	-	-	-	-
Disposal of non current assets - previous period	-	-	-	-	-	-	-	-	-	-	-
Financial income - current period	-	(10)	1	1	-	-	-	-	(8)	22	14
Financial income - previous period	1	2	1	-	-	-	-	1	5	(9)	(4)
Financial expense - current period	(3)	(26)	(16)	(1)	(7)	(3)	-	(2)	(58)	(61)	(119)
Financial expense - previous period	(4)	(37)	(15)	(3)	(7)	(1)	-	(2)	(69)	(52)	(121)
Share of profit (losses) of associates - current period	-	-	-	-	-	-	-	-	-	(10)	(10)
Share of profit (losses) of associates - previous period	-	-	-	-	-	-	-	-	-	-	-
Gain on disposal of associates- current period	-	-	-	-	-	-	-	-	-	-	-
Gain on disposal of associates- previous period	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange gain - current period	4	-	1	2	-	7	-	1	15	1	16
Foreign exchange gain - previous period	13	-	1	4	3	-	-	5	26	(2)	24
Foreign exchange (losses) - current period	(4)	-	(1)	(2)	1	(3)	-	-	(9)	71	62
Foreign exchange (losses) - previous period	(2)	(52)	(2)	(1)	1	-	-	(2)	(58)	(35)	(93)
Profit (loss) before income tax - current period	179	(13)	57	42	(2)	(7)	6	(8)	244	40	284
Profit (loss) before income tax - previous period	246	(77)	57	40	(27)	(1)	-	5	243	(63)	180

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6. Assets classified as held for sale.

(in million of US\$)	Link Egypt	Linkdot Net	Oracap	Total
Current assets	1	29	3	33
Non-current assets	26	52	-	78
Total assets held for sale	27	81	3	111
Current liabilities	6	23	-	29
Non-current liabilities	-	27	-	27
Total liabilities held for sale	6	50	-	56

Assets held for sale include the following:

**Link Egypt and Link Dot Net*

Orascom Telecom stated that there are 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.

**Oracap Far East Ltd*

The assets and liabilities of this company (mainly relating to US\$ 3 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\$ 136 million

Sale of M-link

On January 13th, 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. (see note 26 related parties transactions)

7. Revenue

(in million of US\$)	Nine months ended		Three months ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
Revenues from services				
Telephony services	3,064	3,025	1,052	1,035
Interconnection traffic	433	650	142	220
International and national roaming	99	124	40	46
Other services	3	10	1	3
Total revenues from services	3,599	3,809	1,235	1,304
Revenues from sale of goods				
Handset sales and other GSM equipment	170	213	56	66
Total revenues from sales of goods	170	213	56	66
Total	3,769	4,022	1,291	1,370

- Total revenues from services decreased in the nine month of 2009 mainly due to the depreciation of local currencies against US Dollar, moreover due to decrease in calling rates to cope with the tough competition with other cellular providers.
- Interconnection traffic decreased due to the sale of the gateway carrier company (M-Link) during January 2009.
- International and national roaming decreased mainly due to the performing discounts agreements with many operators and low prices offered to compete with the market during 2009.
- Total revenues from sale of goods decreased in the nine month of 2009 due to decrease in handsets sales in Ring Egypt and Ring Tunisia as a result of existence of other competitive distributors.

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- Total revenues from sale of goods decreased in the nine month of 2009 due to decrease in handsets sales in Ring Egypt and Ring Tunisia as a result of existence of other competitive distributors.

8. Purchases and services

(in million of US\$)	Nine months ended		Three months ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
Interconnection traffic and roaming	442	543	153	176
Cost of handsets, scratch cards, sim cards, bundle cost	220	241	74	70
Advertising and promotional services	130	207	48	64
Internet and fixed line costs	184	192	65	64
Customer acquisition costs	168	169	60	72
Maintenance costs	170	144	55	49
Utilities	103	96	35	38
Rental of network	53	66	16	23
Other leases and rentals	54	57	18	20
Rental of civil and technical sites	57	53	19	17
Consulting and professional services	43	40	11	10
Consumable materials, equipment and goods	15	35	5	14
Cost for security service	26	28	9	10
Cost for printing & collection services	15	16	5	6
Other service expenses	52	36	18	10
Total	1,732	1,923	591	643

- Purchases and services costs decreased in the nine month of 2009 primarily due to the depreciation of local currencies against US Dollars. As a percentage of revenues, purchases and service costs decreased from 48% in the nine month of 2008 to 46% in the nine month of 2009.
- Cost of handsets, scratch cards, SIM cards and bundle costs decreased in the nine month of 2009 compared to the same period in 2008 as a result of the decrease in the operating activities in Ring Egypt and Ring Tunisia.
- Advertising and promotional cost decreased in the nine month of 2009 compared to the same period in 2008 mainly due to a reduction in marketing and advertising activities during 2009
- Maintenance costs increased in the nine month of 2009 due to significant investments in the Group's telecommunication network as well as increased fuel and energy prices.
- Interconnection cost decreased due to sale of international gateway company M-Link in January 2009.

9. Other expenses

(in million of US\$)	Nine months ended		Three months ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
License costs	42	40	14	14
Travel costs	11	16	3	5
Accruals for provisions	8	10	3	6
Allowance for doubtful receivables	28	12	8	4
Taxes (other than income tax)	2	10	-	2
Training expenses	5	8	2	3
Other operating expenses	42	31	17	13
Total	138	127	47	47

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The increase in other expenses was primarily attributable to the increase in allowance for doubtful receivables and other operating expenses during the nine months of 2009.

10. Personnel costs

(in million of US\$)	Nine months ended		Three months ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
Wages and salaries	154	149	54	50
Bonuses given to management and employees	56	48	23	22
Social security	12	12	4	4
Pension costs	7	6	2	2
Other personnel costs	14	17	(1)	2
Board of Directors remuneration	3	-	1	-
Total	246	232	83	80

11. Depreciation and amortization

(in million of US\$)	Nine months ended		Three months ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
Depreciation of plant and equipment:				
-Cell sites	554	512	185	176
-Computers, fixtures and other equipment	44	48	15	16
-Buildings	18	17	6	6
Amortization of intangible assets				
-Licences	86	83	28	29
-Computer software	17	23	6	8
-Permits, trademarks and other similar rights	9	4	7	-
-Other intangible assets	2	-	2	-
Total	730	687	249	235

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\$ 23 million in September 2009 is mainly related to the impairment of property and equipment in Pakistan and in Algeria (CAT). In September 2008 impairment charges amounted to US\$ 38 million mainly related to the impairment of a telecommunication license in Algeria and impairments of property and equipment in Pakistan.

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13. Net financing cost

(in million of US\$)	Nine months ended		Three months ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
Financial income				
Interest bearing receivables	8	-	2	-
Discounting of non-interest bearing receivables	-	14	-	(10)
Interest income	18	25	6	9
Dividends	-	2	-	-
Fair value changes of derivatives (other than hedge accounting)	1	-	1	-
Other financial income	68	2	5	(3)
Financial income	95	43	14	(4)
Financial expense				
Interest expense on other borrowings	(259)	(276)	(75)	(93)
Bond interest	(81)	(77)	(26)	(25)
Impairment of financial assets	-	-	-	4
Other financial expenses	(41)	(19)	(18)	(7)
Financial Expense	(381)	(372)	(119)	(121)
Foreign exchange gain/ (loss)	12	(79)	78	(69)
Net financing cost	(274)	(408)	(27)	(194)

Financial income

Other financial income in the nine month of 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 gain/ (loss)

The increases in the foreign currency gain during the nine month of 2009 are mainly related to the depreciation of USD rates against the Pakistani Rupee and Egyptian Pound and appreciation of Canadian Dollars against the Egyptian Pound .

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

In July 2008, OTHCML - 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 Wind Mobile (previously Globalive Wireless Management Corp. GWMC) was officially granted its spectrum license. Wind Mobile participated in Canada's advanced wireless services spectrum auction in May 2008, purchasing CDN\$442 million in provisional spectrum. Following a standard review period, Wind Mobile has been granted its license, having met the eligibility requirements specified by Industry Canada to become a spectrum licensee, (see note 27 subsequent events).

(in million of US\$)

	September 30, 2009	December 31, 2008
Current assets	441	373
Non-current assets	174	2
Current liabilities	100	405
Non-current liabilities	560	-
Revenue	32	-
Net loss	(46)	(29)
% shareholding	65.4%	65.4%
proportional share of net loss	(30)	(19)
Amortization expense of identifiable assets	(2)	-
Elimination of proportional share of intra group interest expense	11	16
Share of loss in associate	(21)	(3)

15. Income tax expense

(in million of US\$)	Nine months ended		Three months ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
Current income tax expense	(328)	(339)	(88)	(84)
Deferred taxes	78	70	4	(6)
Income tax expense	(250)	(269)	(84)	(90)

The Group's effective tax rate decreased to 38% in the nine months of 2009 compared to 40% in the nine months of 2008.

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16. Property and equipment and intangible assets

(in million of US\$)	<u>Property and equipment</u>	<u>Intangible assets</u>
Opening net book value as of January 1, 2008	4,803	2,225
Additions	1,148	264
Disposals	(9)	-
Depreciation and amortization	(577)	(110)
Impairment	(7)	(31)
Currency translation differences	(290)	24
Change in the scope of consolidation	41	103
Reclassification to assets held for sale	(24)	(1)
Other movements	9	2
Closing net book value as of September 30, 2008	5,094	2,476
Opening net book value as of January 1, 2009	5,053	2,383
Additions	688	27
Disposals	(4)	-
Depreciation and amortization	(616)	(114)
Impairment	(13)	(10)
Currency translation differences	(79)	(4)
Change in scope of consolidation	30	36
Reclassification to assets held for sale	(47)	(14)
Closing net book value as of September 30, 2009	5,012	2,304

Additions to property and equipment in the nine 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), Mobinil, Bangladesh (PVT Limited) and Algeria (OTA). 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:

(In million of USD)	September 30, 2009			September 30, 2008		
	Property & equipment	Assets under construction	Total	Property & equipment	Assets under construction	Total
Mobinil-ECMS	-	5	5	7	4	11
Banglalink-Bangaldish	1	-	1	2	4	6
Mobilink-Pakistan	16	1	17	21	3	24
Menacable	-	9	9	-	-	-
Total	17	15	32	30	11	41

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17. Share capital

Authorized and issued share capital

As of September 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 in the form of cash and/or shares. The Company received from the Egyptian Stock Exchange requests for dividend payment in shares for a total number of 8,764,923 local shares and from the London Stock Exchange for a total number of 71,463,505 GDRs (equivalent to 357,317,525 local shares). Based on the announced distribution ratio of 36:1; the Company distributed 243,470 shares to the local shareholders and 1,985,097 shares to the GDR holders (equivalent to 9,925,487 local shares).

Consequently, the Company distributed in cash an amount of EGP 180 million equivalent to US\$ 32 million for a total number of local shares of 180,111,604 (EGP 1/share) and an amount of US\$ 60 for a total number of 66,337,438 GDRs (equivalent to 331,687,192 local shares) (around US\$ 0.9022/GDR).

Treasury shares

As at September 30, 2009 the Company holds 10,302,673 shares as treasury shares. The fair market value of the treasury shares as at September 30, 2009 is US\$ 65 million

During nine month ended September 2009 the company purchased from the market 1,100,000 shares and 1,228,062 million GDR's to be held as treasury shares for a total cost of US\$ 25,5 million and sold 890,076 GDR's with a book value of US\$ 19,5 million for proceeds of US\$ 26 million, recognizing a surplus of US\$ 6.6 million.

And as mentioned previously the Company distributed 243,470 shares to the local shareholders and 1,985,097 GDR's to the GDR holders. The distributed treasury had a book value of US\$ 55 million was valued to US\$ 65 million based on declared weighted average of three business days, recognizing a surplus of US\$ 10 million.

Employee share option plan

During the nine months of 2009 the Group acquired 1,235,735 of its own shares for the purposes of the employee share option scheme. Options exercised during nine months of 2009 resulted in 755,450 shares being transferred.

As a result of the above transactions, as at September 30, 2009 the Company had 4,142,070 shares held as treasury shares and employee share option plan with a fair market value of US\$ 26 million.

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18. Borrowings

(in million of US\$)	2009	2008
Opening balance January 1	5,735	5,219
of which current portion	530	1,840
Movements in current borrowings	(436)	(1,774)
New borrowings	681	2,375
Held for sale	(25)	-
Change in scope of consolidation	31	2
Exchange rate differences	(7)	(102)
Fair value adjustments of derivative instruments	(21)	26
Closing balance September 30	5,958	5,746
of which current portion	869	662

- Major transaction during the nine months of 2009 are mainly:

Orascom Telecom Ocor

Issued an 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\$2.5 billion senior secured credit facility with accession to the security pool under the Security Share Agreement. 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.

Pakistan Mobile Communication Limited

PMCL entered into a syndicate loan agreement with Pakistani banks for a facility amounting to PKR 5.1 billion equivalent to US\$ 61.4 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.

In addition, PMCL completed a tender offer to repurchase a portion of its Senior Notes amounting to 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.

In addition, during the third quarter 2009, OTH and some of its subsidiaries obtained new short term facilities. As in OTH obtained a nominal of US\$ 100 million, OTA obtained a nominal of US\$ 168 and not fully utilized and Orascom Telecom Minimax a nominal of US\$ 50 million and was 50% partially paid during the period.

- New derivatives during the nine months of 2009 are mainly:

Orascom Telecom Holding

During September, 2009 the company entered into switchable interest rate SWAP with HSBC bank to rationalize the cost of borrowings on syndication loan (Revolver) for US\$ 500 million out of US \$ 1 billion with a maturity date March 23, 2013.

In this agreement OTH will benefit from 25 bps positive carry for the first 1 year. At the end of the first year ended on 23, September 2010 HSBC will have the right either to switch to fix rate swap where OTH will be paying fixed and receiving floating, or switch to CAP where OTH will be protected against floating relate above the CAP strike. According to the structure on 23 September 2010 the bank has two options.

- Switched to a Vanilla swap with fixed rate 2.7652 %.
- Switched to a Vanilla CAP with CAP strike 4.15 %.

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

	Current	Non-current	Total	Currency	Nominal	Line of credit	Maturity	Securities
	Millions of USD				currency			
Orascom Telecom Holding S.A.E.								
NATIONAL SOCIETE GENERALE BANK	50	-	50	USD	50	50	18/02/2010	Unsecured
Fortis Banque	6	-	6	EURO	4	20	14/06/2010	Unsecured
NSGB-Car Loan	-	2	2	EGP	12	15	02/02/2013	Unsecured
NSGB-Car Loan	-	1	1	EGP	6	6	08/03/2014	Unsecured
A1 Term Loan Supplement	55	909	964	USD	987	987	17/04/2013	Secured
A2 Term Loan Supplement	28	475	503	USD	513	513	17/04/2013	Secured
Revolving Credit Supplement	2	1,000	1,002	USD	1,000	1,000	17/04/2013	Secured
Audi Bank	38	-	38	USD	38	50	28/12/2009	Unsecured
	179	2,387	2,566					
Pakistan Mobile Communications Limited								
Citibank N.A. - Islamabad - Pakistan	4	4	8	PKR	633	1,740	02/07/2011	Secured
Royal Bank of Scotland (Formerly ABN AMRO Bank)- Islamabad- Pakistan	2	42	44	PKR	3,548	3,548	18/12/2012	Secured
Habib Bank Limited - Islamabad - Pakistan (2007)	1	36	37	PKR	3,000	3,000	18/12/2013	Secured
Royal Bank of Scotland, London - Citibank London - ECGD - ECA	7	10	17	USD	17	48	28/02/2012	Secured
Royal Bank of Scotland, London - Citibank London - COFACE Loan - ECA	31	41	72	EUR	50	125	30/12/2011	Secured
Royal Bank of Scotland, London - AB Svensk ExportKredit - Sweeden - Hermes - ECA	11	5	16	EUR	12	46	29/03/2011	Secured
Royal Bank of Scotland, London - The OPEC Fund for international Development - ECA	4	5	9	EUR	6	10	15/12/2011	Secured
Royal Bank of Scotland, London; Citibank International plc; Sumitomo Mitsui Banking Corporation Europe Limited - ECGD - ECA Round II	11	36	47	USD	51	70	28/02/2014	Secured
Royal Bank of Scotland London; Citibank International plc; Sumitomo Mitsui Banking Corporation Europe Limited - Coface - ECA Round II	22	60	82	EUR	58	85	31/12/2013	Secured
Royal Bank of Scotland, London; Citibank International plc; Sumitomo Mitsui Banking Corporation Europe Limited - Hermes - ECA Round II	26	45	71	EUR	50	110	16/03/2012	Secured
DEG - Germany	7	22	29	EUR	20	20	15/08/2013	Secured
FMO - Netherlands	7	22	29	EUR	20	20	15/08/2013	Secured
MCB Bank Limited (PKR 22.060 Billion) - Islamabad - Pakistan	9	265	274	PKR	22,060	22,060	04/01/2014	Secured
SCB Bank Limited STFA (PKR 5.1 Billion) - Islamabad Pakistan	4	61	65	PKR	5,100	5,100	09/05/2013	Secured
Dubai Islamic Bank (Pakistan) Ltd Ijara Facility PKR 700 Million	1	8	9	PKR	700	700	09/05/2012	Secured
PAK Kuwait Investment Company Limited - Karachi - Pakistan	4	-	4	PKR	300	300	08/07/2010	Secured
	151	642	813					
Egyptian Company for Mobile Services								
Misr/CB/BE (Syndicated loans)	41	79	120	EGP	638	878	30/04/2013	Unsecured
Misr/CB/NSGB/HSBC (Syndicated loans)	1	123	124	EGP	667	1,121	14/08/2014	Unsecured
Misr/CB/NSGB/HSBC (Syndicated loans)	7	193	200	EGP	1,073	1,073	26/02/2015	Unsecured
	49	395	444					
Orascom Telecom Bangladesh Limited								
Hermes Facility	17	59	76	USD	83	83	01/07/2014	Secured
USD Commercial Facility	34	94	128	USD	130	130	01/08/2013	Secured
DFI Facility	2	27	29	USD	30	30	15/06/2014	Secured
BDT A Facility	9	15	24	BDT	1,733	1,733	30/06/2012	Secured
BDT B Facility	3	11	14	BDT	969	969	30/06/2014	Secured
Commercial Bank of Ceylon	1	-	1	BDT	100	100	28/10/2009	Unsecured
Citibank, N.A.	9	-	9	BDT	620	620	05/11/2009	Unsecured
Standard Chartered Bank	3	-	3	BDT	240	240	07/10/2009	Unsecured
Standard Chartered Bank	5	-	5	BDT	380	380	01/10/2009	Unsecured
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
BRAC Bank Ltd.	4	-	4	BDT	300	300	21/11/2009	Unsecured
BRAC Bank Ltd.	3	-	3	BDT	220	220	26/12/2009	Unsecured
BRAC Bank Ltd.	1	-	1	BDT	50	50	01/10/2009	Unsecured
Eastern Bank Ltd	2	-	2	BDT	160	160	09/05/2010	Unsecured
Eastern Bank Ltd	4	-	4	BDT	280	292	25/06/2010	Unsecured
Eastern Bank Ltd	3	-	3	BDT	200	200	31/05/2010	Unsecured
The City Bank	4	-	4	BDT	240	390	04/02/2010	Unsecured
One Bank Limited	5	-	5	BDT	350	350	25/12/2009	Unsecured
	121	296	327					

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19. Cash and cash equivalent

As of September 30, 2009, Cash and cash equivalent includes an amount of DZD 18,983 million equivalent to \$262 million representing the agreed amount not to be repatriated to Orascom Telecom Algeria non-resident shareholders (OTH and certain of its fully owned subsidiaries; Moga Holding Ltd and Oratel International Ltd). Until the Direction Des Grandes Entreprises (Tax Department for Large- Scale Companies) in Algeria issues a clearance certificate in relation to the tax position of OTA. The aforementioned amount is the remaining 50% of OTA 2008 dividends. OTH management is expediting the process to come up with the clearance certificate within a reasonable time.

20. Other non-current financial assets

Other non-current financial assets mainly include financial receivables due from the associate Wind Mobile (previously Globalive Wireless Management Corp. GWMC) which amounted to US\$ 578 million as of September 30, 2009 (US\$ 401 million as of December 31, 2008) and a receivable of US\$ 20 million due from Ryng Young Tower in North Korea.

21. Earnings per share

	Nine months ended		Three months ended	
	September 2009	September 2008	September 2009	September 2008
Attributable to the equity holders of the Company:				
- Profit for the period	364	345	182	69
Weighted average number of shares	875	957	879	893
Earnings per share - basic and diluted	0.42	0.36	0.21	0.08

22. Business combinations

During the nine months ended September 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\$ 9.4 million and net Loss of US\$ 9.4 million to the Group.

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

	Provisional fair value (*)
	P-COM
Cash and cash equivalents	-
Property and equipment	33
Intangible assets	6
Deferred tax assets	18
Inventories	1
Trade receivables	1
Other current assets	1
Non-current borrowings	(33)
Other non-current liabilities	(2)
Trade payables	(13)
Net identifiable assets acquired	12
Provisional goodwill	47
Cash consideration	59
Cash and cash equivalents in subsidiary acquired	-
Cash outflow on acquisition	59

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

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In the third quarter of 2009, the purchase price allocation for U-com Burundi SA and Telecel Centra Afrique SA acquired in July 2008 was finalized. The comparative figures are restated as the following:

Item	December 31, 2008 as reported	Fair value adjustment	December 31, 2008 as reclassified
(in million of US\$)			
Property and equipment	5,057	(4)	5,053
Intangible assets	2,371	12	2,383
Deferred tax liabilities	249	8	257

23. 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 2007 that the tax authorities either framed or assessed. 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 1,892 million equivalent US\$ 23 million .The company has provide a provision for such assessments with an amount of Rs 1,115 million equivalent US\$ 13 million.
- OTA has received a final tax assessment relating to 2004 tax year amounted to DZD 3,942 million equivalent to US\$ 54 million .The Company field a claim against the tax authority after the payment of 20% of final tax assessment and a provision with an amount of DZD 709 million equivalent to US\$ 9.8 million was accounted for, considering that most of the tax assessment is excessive.
- On November 16th 2009, OTA has received the final official tax notification from the Algerian Direction des Grands Enterprises (Tax Department for Lager-Scale Companies) (the "DGE") in respect of the years 2005, 2006 and 2007, in which the DGE has assessed taxes and penalties alleged to be owing by OTA in the amount of DZD 43.9 billion (approximately USD 596.6 million). No provision has been booked by OTA in consideration of the fact that most of the tax assessment is deemed arbitrary and technically unfounded and related to exempted periods and also violates the Algerian investment law, the tax exemptions and protections granted under an Investment Agreement dated August 5th, 2001 signed by Algeria with OTH and Oratel International Inc. (now a fully owned subsidiary of OTH) acting for and on behalf of OTA and also the 1997 Treaty for the Mutual Promotion an Protection of Investments between Algeria and Egypt. The board of directors has approved the inclusion of this disclosure subsequent to the date of approval of this condensed consolidation financial statement (note2).
- 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. ECMS informed the NTRA for objection and rejection of the decision as it has no legal or contractual basis and that ECMS intend to bring the matter to the courts in order to protect its interest. On November 01, 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. On September 3, 2009 and based on the interconnect agreement (article (25) first paragraph) the Company filed an arbitration against Telecom Egypt according to the rules of The Cairo Regional Center for International Commercial Arbitration in order to settle the existing dispute between the two parties. On October 9, 2009 Telecom Egypt sent an initial response and a counterparty claim related to the arbitration notification filed against it. In case 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 91 million equivalent US\$ 16.2 million and less interconnect cost by L.E 24 million equivalent US\$ 4.3 million for the financial period from January 1, 2009 to September 30, 2009.

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- Intouch group received a tax claim including penalties and default interest amounting to DZD 204 million (equivalent to US\$ 2.8 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\$ 70 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\$ 1.8 million.
- 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. These is represent the uncovered amounts of letters of guarantee.
- Letters of guarantee provided by Ring Egypt represent uncovered portion with an amount of L.E 65.6 million equivalents to US\$ 11.8 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.
- Letters of guarantees provided by Orascom Telecom Bangladesh with an amount of BDT 94 million equivalent US\$ 1.4 million in a favor of third parties.
- OTH guarantee the obligation of Mena Cable with Gulf ridge International Inc.(GBI) under the Fiber Pair Agreement with a maximum liability of US\$ 97 million., knowing that the outstanding liability as of September 30, 2009 is nil.

24. Commitments

In millions of US\$	30 September 2009	31 December 2008
Intangible assets	151	138
Tangible assets	220	338
Repairs and maintenance	-	-
Financial assets	6	109
Total	377	585

- Intangible assets

Commitments for the purchase of intangible assets mainly relate to additional spectrum of the licenses of Egyptian Company for Mobile Services for the activation of 3G technology with an amount of US\$ 108 million.

Commitments amounted to US\$ 22 million to renovate and obtain the right of use of RYUG YOUNG Tower in North Korea. In addition to US\$ 18 million relates to the investments in North Korea.

Orascom Telecom Bangladesh has capital commitments amounting to US\$ 3 million.

-Tangible assets

Commitments to purchase property and equipment mainly relating to cell sites of PMCL amounting to US\$ 39 million, ECMS amounting to US\$ 88 million and Banglalink amounting to US\$ 1 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\$ 92 million .

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-Financial Assets

Commitments for financial assets mainly relates to forward exchange contracts by Mobilink to purchase Euro at a future price of PKR 481 million equivalents to US\$ 6 million .

25. 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 non-controlling 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 ECMS shareholders. Simultaneously with the execution of the sale of OTH's stake in Mobinil at the same price.

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

26. Related party transactions

Transactions with 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 nine months of 2009 (refer to note 6 Assets held for sale)

As of September 30, 2009 the Group had receivables due from Weather Investments Group of US\$ 34 million (US\$ 20 million as of December 31, 2008) and payables due to Weather Investments Group of US\$ 27 million (US\$ 5 million as of December 31, 2008). During the nine months of 2009, transactions with Weather Investments Group generated revenues of US\$ 64 million and costs of US\$ 48 million.

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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 September 30, 2009 the Group had receivables due from joint ventures amounting to US\$ 17 million (US\$ 7 million as of December 31, 2008) and payables due to joint ventures of US\$ 5 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 \$ 614 million equivalent to US\$ 578 million as at September 30, 2009 by way of a secured Non-Revolving term loan to fund the acquisition of spectrum licenses ("spectrum") and related costs.

27. Subsequent events

Sale and lease back agreement

The company has concluded a sale lease back agreement with Corplease company for financial lease dated October 4th 2009 according to the contract clauses the company (lessee) sale its premises which located on Nile City Towers with a net book value as of September 30th, 2009 amounting US\$ 13 million to the Corplease (lessor) for selling price amounting US\$ 36 million, where the total rent value is US\$ 52 million less US\$ 9 million will be paid as advance payment, while at the maturity date the remaining amount will be US\$ 19 million.

Cancellation of treasury shares

On October 22nd, 2009 the company held an extra ordinary general assembly meeting which approved the cancellation of total shares of 10,302,767 (being local shares 856,624 and GDR's 1,889,229) with a total cost of LE 423 million.

Wind Mobile Canada CRTC decision

On October 29th, 2009 the Canadian Radio-Television and Telecommunications Commission (CRTC) decided that WIND Mobile (previously Globalive Wireless) is currently not in compliance with the Canadian ownership and control rules, and is therefore not eligible to operate at this time.

Industry Canada had previously ruled that WIND Mobile was in compliance with the Canadian ownership and control rules and granted WIND Mobile spectrum licenses on March 16, 2009. The CRTC decision does not affect WIND Mobile's ownership of the spectrum licenses granted by Industry Canada.

OTH's position remains that it does not control WIND Mobile and will continue to address all avenues to resolve this issue and obtain the CRTC's clearance to operate in Canada and launch operations at the earliest possible time.

28. Cash flow statements

During the three months ended September 30, 2009 the company has reclassified the advances and loans made to associates and third parties from the "financing activities" to the "investing activities" caption. The reclassification was adopted in order to adhere to IAS7 par. 16 (e). Hence, the previous classification for the periods/years ended December 2008, March 2009 and June 2009 shall be reclassified accordingly.
