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21 February 2017

## Orange Egypt for Telecommunications (S.A.E)

### Board of Directors' Report

For the Company's activity from 1 of January 2016 till the 31 of December 2016

### On the separate and the consolidated financial statements

Orange Egypt for Telecommunications (S.A.E) (the "Company") Board of Directors is pleased to announce the Company's results to its shareholders for the year ended 31 December 2016.

#### 1- The separate financial statements

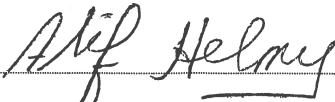
- Total revenues for the year ended 31 December 2016 reached 11 219 MEGP, compared to 10 769 MEGP for the year ended 31 December 2015, with an increase of 4.18%.
- Net Loss for the year ended 31 December 2016 reached 2 860 MEGP, compared to 50 MEGP net profit for the year ended 31 December 2015 with a decrease of 5820%.
- Transactions with related parties during the year ended 31 December 2016 are done on the same basis with non-related entities. These transactions represent:
  1. Technical and accounting assistance to support network operation and maintenance.
  2. Subordinated loan from the major shareholder.
  3. Payment and collection of roaming revenues with related parties.
  4. Computer supplies, internet services, advertising campaigns, sales, purchases, commissions, training and advisory services.

Total transactions with related parties during the year ended 31 December 2016 reached 505 MEGP credit transactions and 8 194 MEGP debit transactions, compared to 266 MEGP and 479 MEGP respectively for the year ended 31 December 2015.

#### 2- The consolidated financial statements

- Total revenues for the year ended 31 December 2016 reached 11 791 MEGP, compared to 11 380 MEGP for the year ended 31 December 2015, with an increase of 3.61%.
- Net Loss for the year ended 31 December 2016 reached 2 553 MEGP, compared to 10 MEGP net profit for the year ended 31 December 2015 with a decrease of 25630%.
- Transactions with related parties during the year ended 31 December 2016 are done on the same basis with non-related entities. Total transactions with related parties during the year ended 31 December 2016 reached 271 MEGP credit transactions and 7 915 MEGP debit transactions, compared to 71 MEGP and 278 MEGP respectively for the year ended 31 December 2015.



  
Atef Ahmed Helmy Naguib  
Chairman