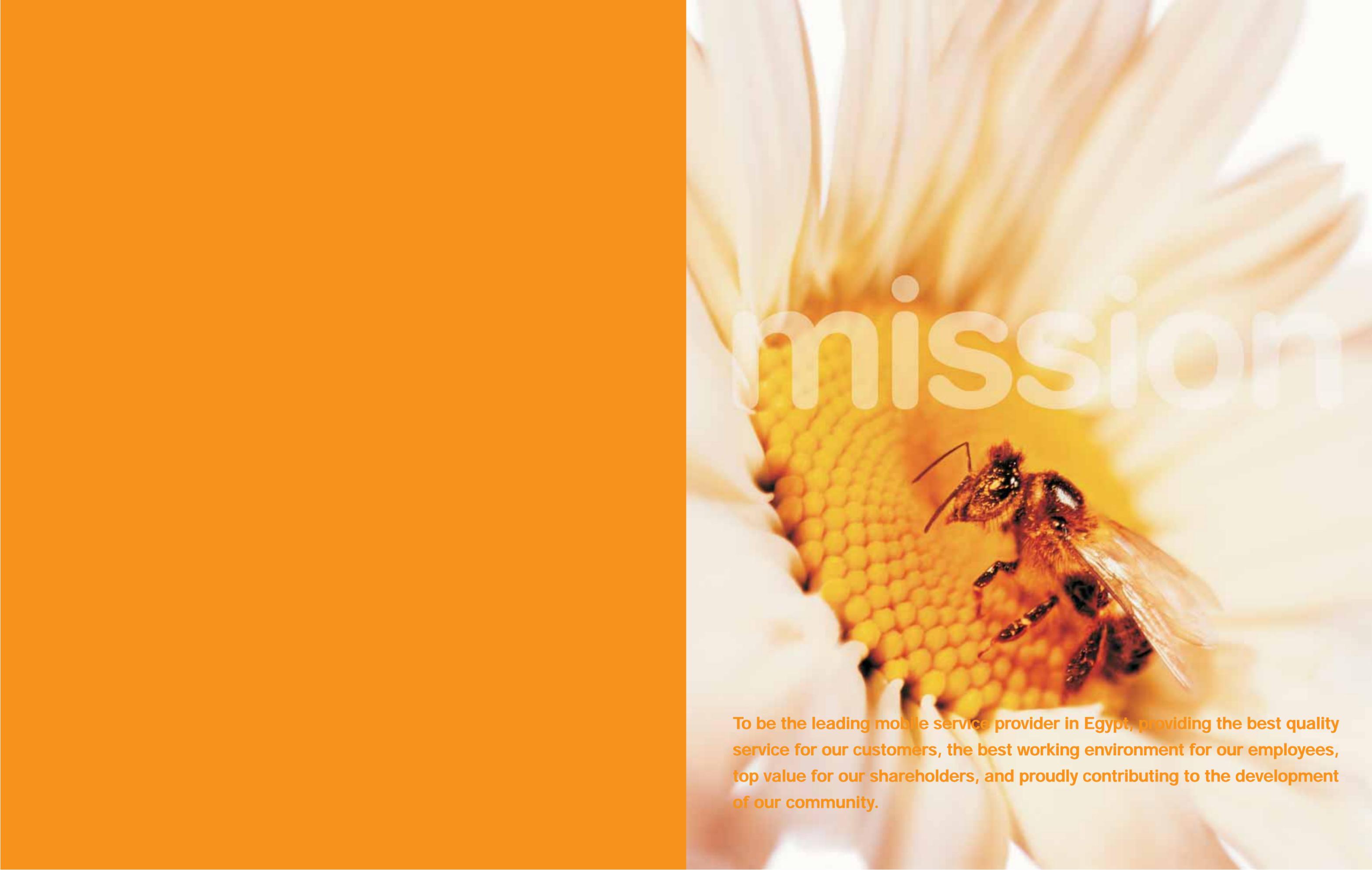**2005** Annual Report

mobinil

communicate

To be the leading mobile service provider in Egypt, providing the best quality service for our customers, the best working environment for our employees, top value for our shareholders, and proudly contributing to the development of our community.

# WHAT'S Inside

A WORD from the Chairman

Dear all,

I am very proud to welcome you to Mobinil's first Annual Report. For nearly eight years, Mobinil has strived to maintain its leadership position as Egypt's first mobile operator. Year 2005 was a very significant year in Mobinil's history, showing continued growth and achievements across all aspects of the business, including crossing the six million subscribers milestone.

Our 2005 results show continued growth as a result of our successful accelerated growth strategy. The market still holds potential and profitable segments that are to be further developed.

We further pride ourselves in having achieved these results and maintain our market leadership in the mobile telecommunications industry in Egypt.
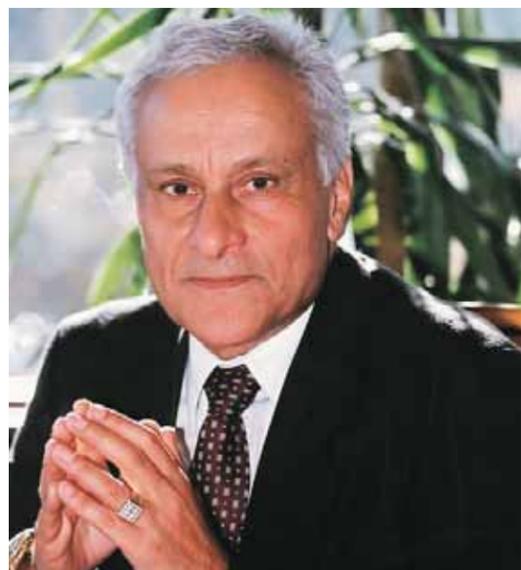
Yours truly,

Naguib Sawiris
Chairman
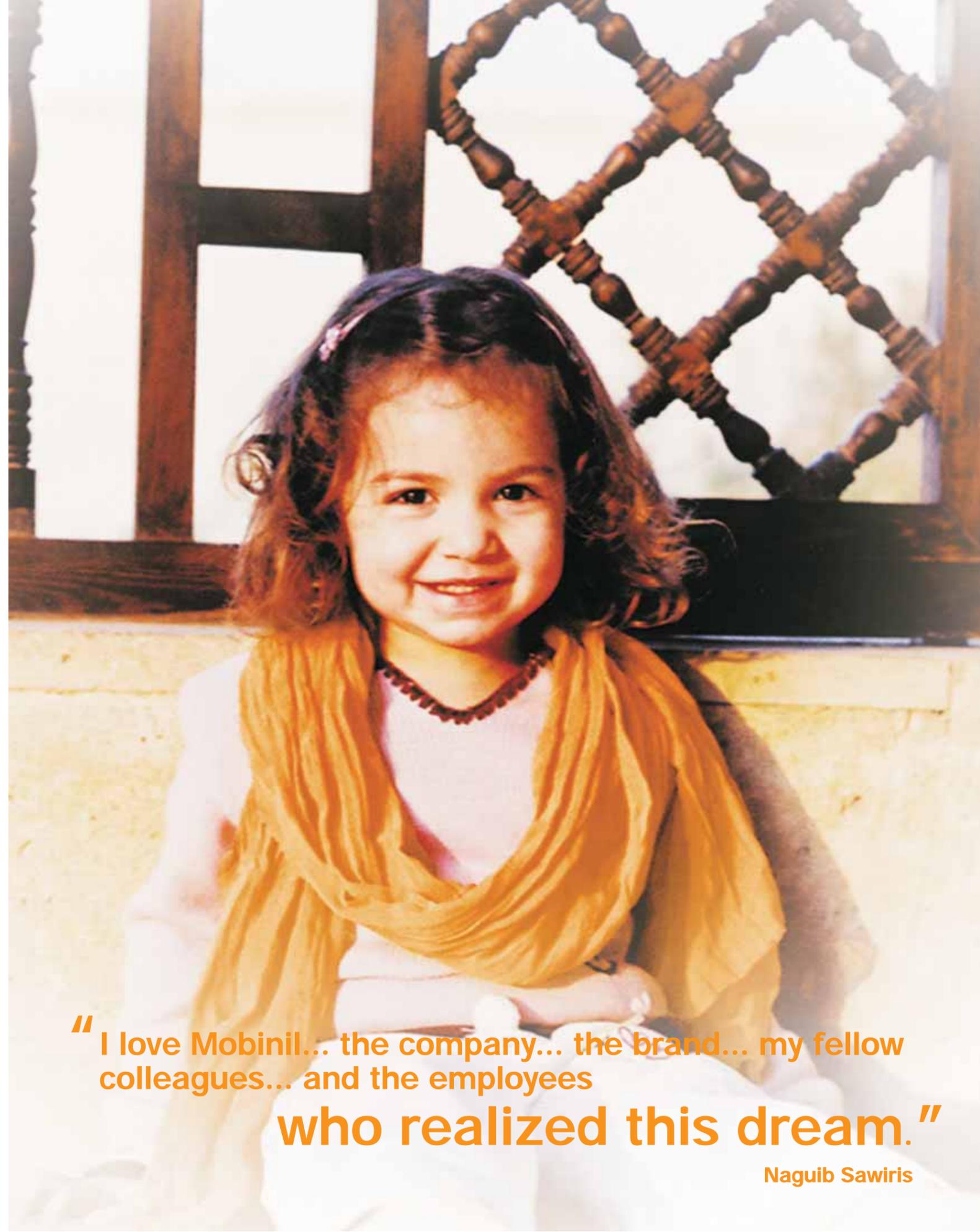
"I love Mobinil... the company... the brand... my fellow colleagues... and the employees who realized this dream."

Naguib Sawiris

A WORD from the President & CEO

Dear all,

The year 2005 was an extraordinary year for me and Mobinil. Not only did we share an outstanding success for the business, but I have also begun my new role building on the foundation established by my colleague and friend, Osman Sultan, who took on this challenge for more than seven years. My ultimate aim is to continue to fulfill our mission towards our customers, employees, shareholders and community. Our subscriber numbers for 2005 met our expectation of the Egyptian market. Revenue growth was mainly driven by airtime revenues as a result of an increasing subscriber base.

We improved our EBITDA margin compared to the year 2004 in spite of the accelerated growth strategy; this was realized by focusing on our costs. Our fixed assets additions in year 2005 exceeded EGP 1.7 billion in network and infrastructure to enhance and upgrade our network quality as part of our commitment for providing the Egyptian mobile market with the best possible experience.

I look forward to celebrating more successes as we move into a period of exciting challenges throughout 2006 and beyond.

Sincerely,

Alex Shalaby
President & CEO
November 2005 - Present
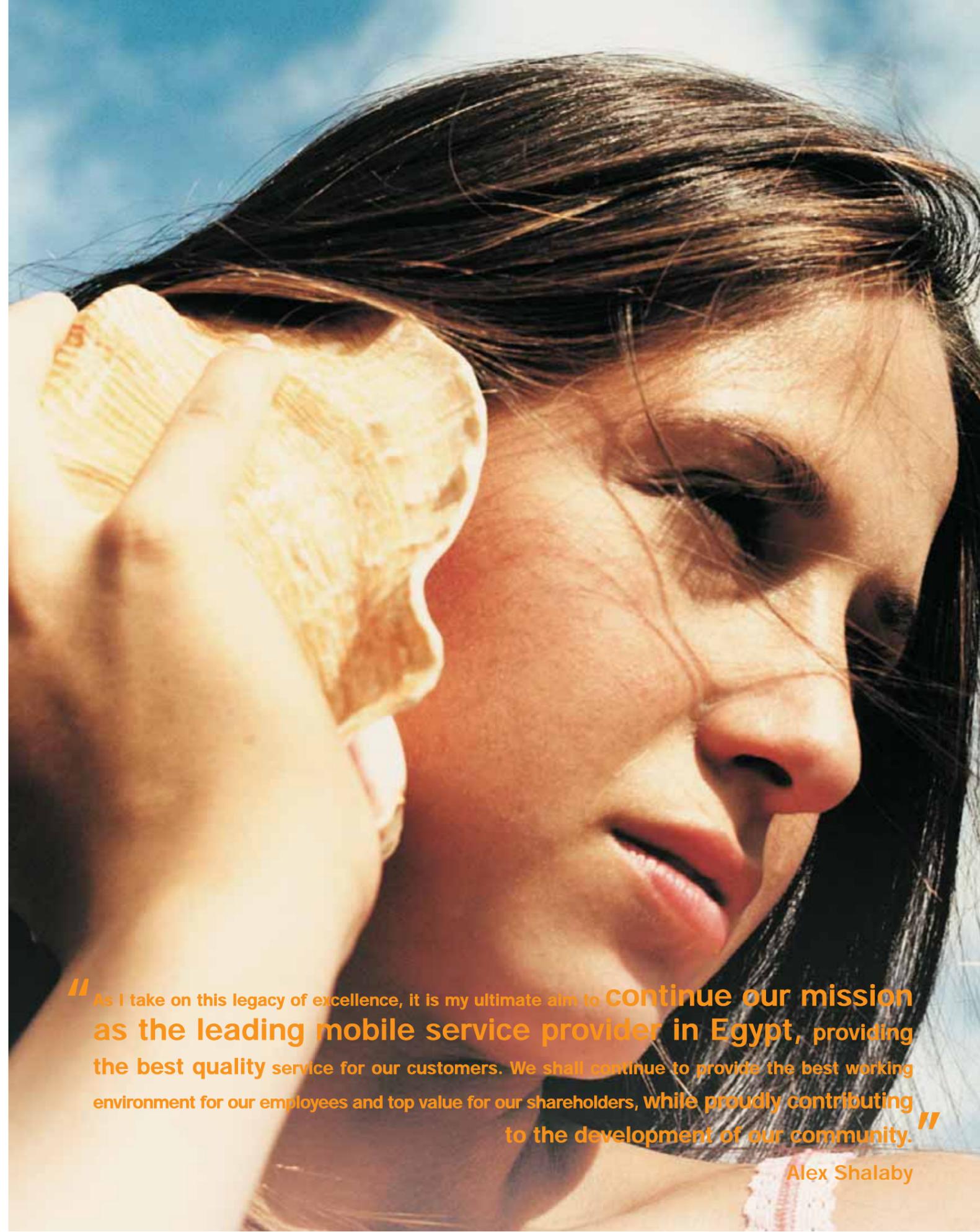
"As I take on this legacy of excellence, it is my ultimate aim to **continue our mission as the leading mobile service provider in Egypt,** providing the best quality service for our customers. We shall continue to provide the best working environment for our employees and top value for our shareholders, while proudly contributing to the development of our community."

Alex Shalaby

A WORD from Former President & CEO

Dear all,

It gives me great pleasure to address you today, as Mobinil celebrates the fruit of the years of hard work, challenges and outstanding success.

I feel proud to have been part of the Mobinil success story in its long and memorable journey towards excellence. Since the birth of the company, my successor Alex Shalaby has been an essential member on the Mobinil executive team. We have jointly worked together in building it all up. Over the past eight years, we have developed not only a professional esteem but also a strong friendship as well.

I would like to express my sincere thanks to you all for your support while I am confident that Mobinil will meet the very exciting challenges to come.

Sincerely,

Osman Sultan
Former President & CEO
May 1998-September 2005
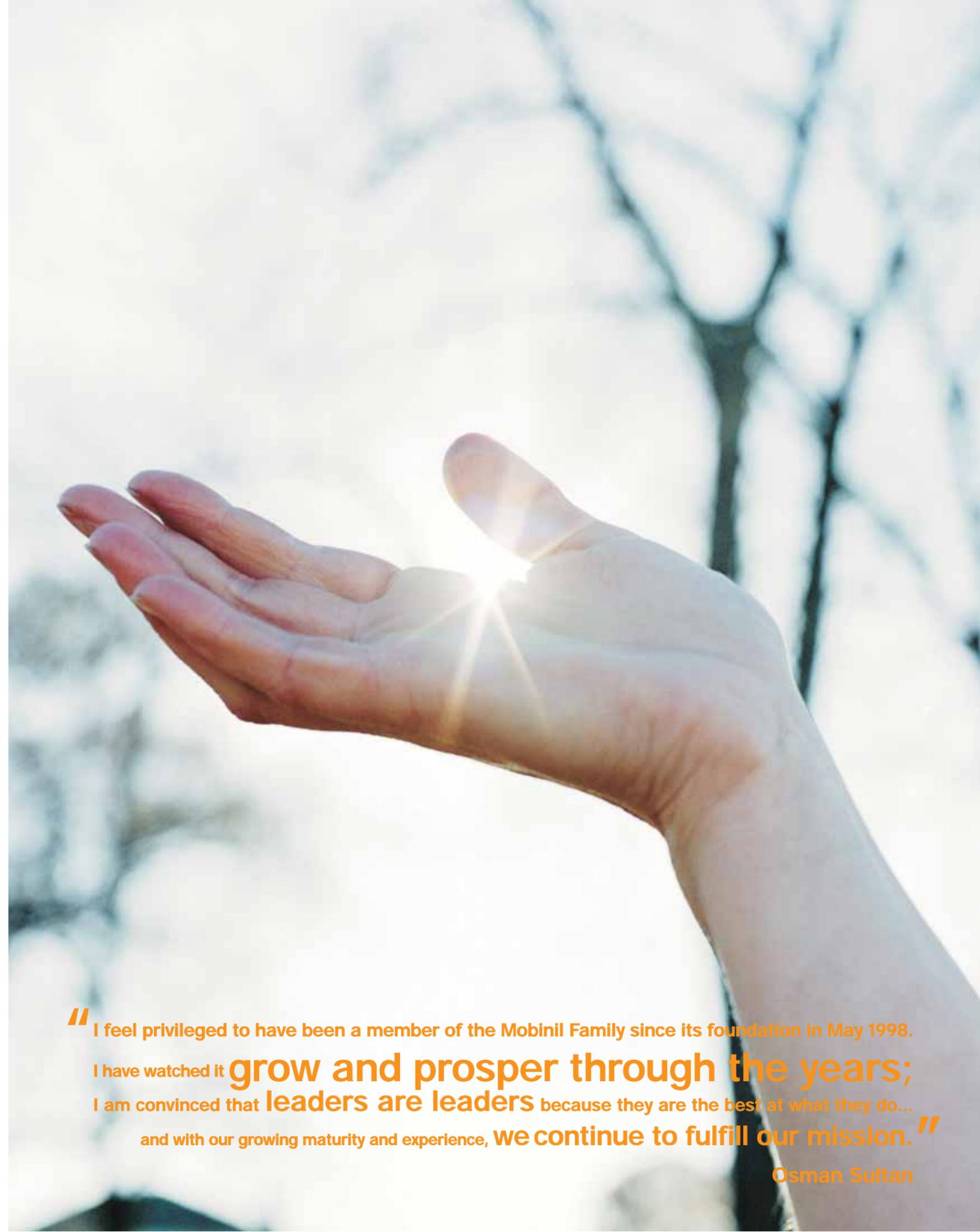
"I feel privileged to have been a member of the Mobinil Family since its foundation in May 1998. I have watched it grow and prosper through the years; I am convinced that leaders are leaders because they are the best at what they do... and with our growing maturity and experience, we continue to fulfill our mission."

Osman Sultan

THE-INSIDE-OUT

simple

We communicate with clarity and simplicity. We are always direct and easy to understand. We exert an effort to satisfy our customers in the most simple and convenient style. We say simply and clearly what we do and we ensure that we do what we say.

The Egyptian Market

The Egyptian Company for Mobile Services (Mobinil) led the industry, transforming what was a lesser market into a full-fledged one along with a wider re-awaking of this industry within our region.

- A consortium headed by France Telecom, Orascom Telecom and other shareholders through public offering owns The Egyptian Company for Mobile Services (ECMS); 51% of the shares are owned by Mobinil Telecommunications SAE (71.28% owned by France Telecom, 28.75% by Orascom Telecom), 16.6% as direct ownership by Orascom Telecom, and 32.4% by public shareholders.

- In July 2002, a transfer of ownership took place from France Telecom to its 85% owned Orange SA, now 100% owned by France Telecom.

- Vodafone Egypt is the second entrant to the mobile telecommunications market in Egypt. Vodafone Egypt is now a joint ownership between Vodafone International and Telecom Egypt. It became publicly listed in December 2003.

- The Egyptian government owns 80% of Telecom Egypt, the only fixed-line service provider in the Egyptian market, with the balance traded publicly.

- The telecommunications environment in Egypt is undergoing a steady deregulation process.

- The new Telecommunications Act of 2003 proclaimed the independence of the National Telecom Regulatory Authority (NTRA). The NTRA governs the telecommunications industry in Egypt under the supervision of The Ministry of Communication and Information Technology (MCIT).

Market Development

The Egyptian market witnessed phenomenal progress in mobile telecommunications. From a mere penetration rate of 1.3% in 1999, growing five fold to around 6.42% by the end of 2002. There were 5.7 million subscribers for cellular services in Egypt, bringing the overall penetration rate in Egypt to approximately 8% by the end of 2003, and to 11% by the end of 2004.

- However, these figures expanded by end of 2005 to reach 17.8%.
- Egyptian mobile market subscribers nearly doubled from around 7.7 million at the end of 2004, to around 13 million at the end of 2005.

The Regulatory Environment

The National Telecommunication Regulatory Authority, NTRA, guarantees the unbiased provision of high quality services to all citizens at reasonable prices, taking into consideration achieving an optimum use of national resources while protecting the national security of the state. NTRA's role ensures that all services rendered to customers shall be in compliance with the key principles stated in Law 10/2003:
- Publicity of information
- Protection of free competition
- Protection of users' rights
- Provision of universal services by ensuring that all citizens have access to basic telecom services at affordable prices

In addition to its role in monitoring the quality of services rendered by the licensed operators, NTRA is responsible for issuing the appropriate approvals for market activities:
- New services and products
- Pricing and re-pricing of existing and new services and products

The Competitive Environment

Since the start of its operations, Mobinil maintained its leadership of the duopolistic Egyptian market. As of December 31, 2005, Mobinil's market share was 52.2%. Retaining a long-term relationship with the customers is a major objective for Mobinil, and building on a brand equity gained throughout the years through a number of key strategies:
- Mobinil's comprehensive Customer Relation Management (CRM) strategy
- Constant enhancement of network coverage area and its quality
- Upgrade of all customer contact points
- Increasing the intimate bond created with the subscribers

The duopoly of the Egyptian mobile market is expected to conclude during 2007. Arrangements to the entry of a third operator started towards the end of 2005, with the actual bidding process for awarding the license expected during second half of 2006. A number of international mobile players have already started preparing for participation in the bid.

Competitive Analysis

Generally, the Telecommunications Market in Egypt is rapidly expanding in an increasingly deregulated environment.

There are around 10 million fixed line users exist in Egypt, served by Telecom Egypt, which was partially privatized at the end of 2005. The waiting list has been reduced to zero from a peak of 1.2 million in 1999. The Ministry of Communication and Information Technology (MCIT) has announced plans to add another 8 million fixed-lines over the next five years.

Value added services, including call waiting, call forwarding, caller identification, conference calls, and prepaid cards, are becoming popular.

Interactive Voice Response (IVR), e-Bill inquiries, and e-Payments have also been introduced in the Egyptian market.

The increase and spread of public payphones is another source of competition, especially in demand by lower income groups. There are around 50,000 payphones in Egypt, owned by three companies, including Telecom Egypt. These entities offer the customer voice connectivity using prepaid cards that are used in public phone booths nationwide.

Additional indirect competition stems from the various existing Internet Service Providers. A number of ISPs were granted licenses during 2005, enabling them to provide Voice over IP services for corporate clients. Limited International VoIP was also available during 2005 by Telecom Egypt for its own customers, as well as the customers of the two operators.

WHO We Are

We want to make a difference in the lives of our customers and the community at large. Our sense of confidence and optimism is highly communicable and in line with the fast-moving market and state-of-the-art technology. We are passionate about our business and we have confidence in our employees.

A Promise of Prosperity to Egypt

Thursday May 21, 1998 witnessed the birth of Mobinil, the first Global System for Mobile Communications Company in Egypt. We have stayed focused on our mission throughout the years; to be the leading mobile service provider in Egypt, providing the best quality service for our customers, the best working environment for our employees, top value for our shareholders, and proudly contributing to the development of our community.

Since its inception, Mobinil expanded its geographic coverage reaching more than 91% of the population prior to the agreed-upon time frame in the license. Mobinil has provided its services on GSM 900 MHz; and is currently utilizing a portion of the 1800 MHz band to cater to the rapid growth of the market, thus enhancing capacity to allow for network expansion while safeguarding quality standards.

Mobile services in Egypt were raised to a higher degree of advancement with the introduction of 2.5G technology and using Enhanced Data rate for Global Evolution (EDGE). EDGE technology allows for services such as video messaging, high quality multimedia and increased data capabilities, close to four times the speed of GPRS. EDGE is designed to provide services over the same GSM/GPRS infrastructure and spectrum range.

The introduction of the various tariff plans was an evolutionary step ahead providing a product that was once a prestigious commodity to a wider market. Choices of subscription plans depended on the needs of the various segments of the Egyptian market.

- Mobinil has introduced the prepaid proposition ALO in April 1999. Building on the success of this product, Mobinil re-engineered its tariff structure in August 2004 in order to capitalize on the airtime revenue stream of the prepaid base. The applied strategy has succeeded in unlocking the potential of airtime usage and increased its subscriber base.
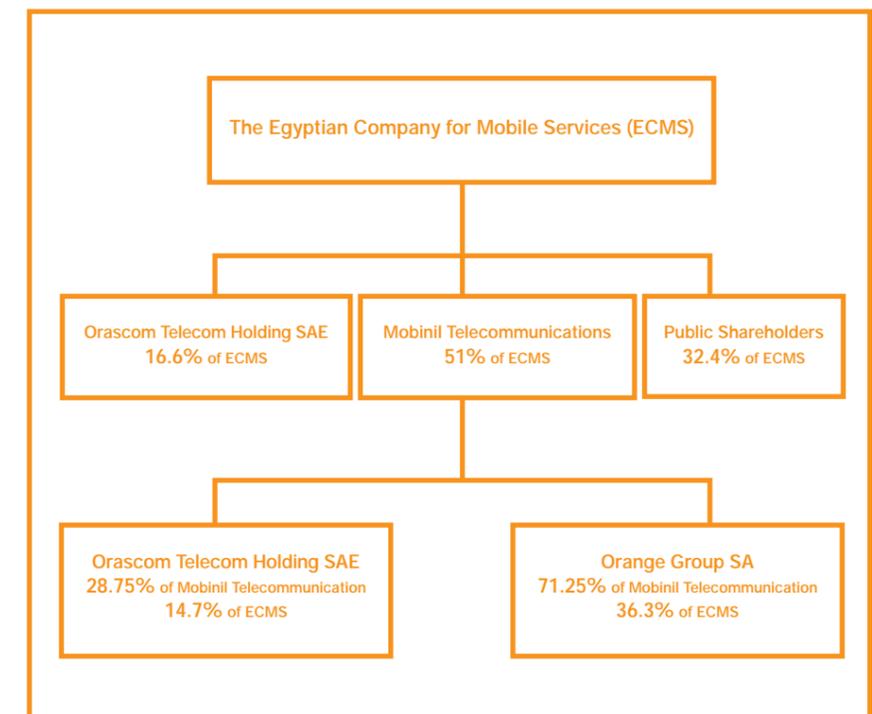
- In 2005, prepaid offerings were made to aggressively open up the Egyptian market, in line with Mobinil's growth strategy, and to simultaneously increase extraction of value from the high end prepaid customer base.

- The availability of different categories of handsets, as well as bundled product offerings, and the revisiting of Mobinil's pricing strategy were all factors in the profitable growth and expansion of 2005.

- Mobinil ventured in the business-to-business arena opening up an unknown, yet very promising market. Mobinil Business was created in May 2000, tailoring business solutions and partnering with the various Egyptian industries, thus rendering their mobile experience a simple and profitable one.

- Mobinil introduced new postpaid tariff plans during 2004 in order to cater to a wider segment of the wealthy consumer in the market. This strategy has succeeded in growing the postpaid subscriber base.

- Mobinil continues to acquire and maintain a large subscriber base which actively uses GPRS for 'Mobinil Life'. This service is being enhanced by the introduction of EDGE technology.

These strategies increased the very essential airtime revenue-based stream as compared with the connection and monthly fees revenue streams. Airtime revenues currently represent around 62% of the total revenues.

Our Shareholders

Our Shareholders, Orange Group SA and Orascom Telecom Holding SAE are both international telecommunication leaders.

ECMS Ownership Structure

The Egyptian Company for Mobile Services (ECMS)

Orascom Telecom Holding SAE **16.6%** of ECMS	Mobinil Telecommunications **51%** of ECMS	Public Shareholders **32.4%** of ECMS

Orascom Telecom Holding SAE **28.75%** of Mobinil Telecommunication **14.7%** of ECMS	Orange Group SA **71.25%** of Mobinil Telecommunication **36.3%** of ECMS

orange™ the future's bright,
the future's Orange

ORANGE GROUP SA

The Orange group, a subsidiary of France Telecom, is one of the world's largest mobile communications companies, with operations in 19 countries across Europe and beyond.

Orange launched in the UK in 1994. At that time, the UK mobile phone market was a confusing place for customers. Digital networks had just been introduced, but few people understood the benefits. Complex tariffs and high prices made cellular phones only attractive to business customers: users had to sign-up to a three-year contract, with high monthly rental fees, high call tariffs and with little flexibility over the type of services on offer.

Orange entered the UK market as the last entrant in a field of four, with an ambitious aim: to become the first choice in wire-free communications. To achieve this, Orange began building a strong, fresh, clear identity that set it apart from the clutter that characterised a market littered with high-tech jargon and complicated pricing. It was the start of a revolution. Orange innovations like simple Talk Plans that offered real value for money, per second billing, Caller ID, itemised billing free of charge, and direct customer relationships changed people's attitudes about mobile communications. Today, Orange is the UK's most popular network consistently coming first in customer satisfaction studies.

Having established a strong presence in the UK, Orange began its international expansion, and launched a service in Switzerland in 1999. In August 2000, France Telecom acquired Orange plc for a total consideration of £25.1 billion. Orange plc's wire-free interests were merged with the majority of those of France Telecom to form the new Orange S.A. group.

The Orange brand now operates in the UK, France, Switzerland, Romania, Denmark, Slovakia, Luxembourg, Thailand, the Ivory Coast, the Dominican Republic, Cameroon, the Netherlands, Botswana and Madagascar. The Orange group also has controlled operations in Belgium (Mobistar). The Orange group has a joint controlling interest in Egypt (Mobinil) and minority interests in Portugal (Optimus), Austria (ONE), and Mumbai/India (BPL Mobile). At the end of 2003, the total Orange customer base increased 10.8% since the end of 2002, to 49.1 million with over 20 million subscribers in France, 13.65 million in the UK and over 15 million in the Rest of the World, up 28.1%. Orange has a leadership position in its key markets of the UK and France and is ranked first or second in terms of market share in 10 other countries where it operates. Although Orange began as a UK business, the brand has been successfully launched in many international markets. The first of these launches was through a "brand licence" agreement with Orange's former shareholder - Hutchison. This saw the Orange brand rolled out in Hong Kong, Israel, Australia and India - important testing grounds for proving that the Orange brand could work outside the UK.

In May 2000 France Telecom acquired Orange and combined its own mobile businesses with Orange. The enlarged Orange group was floated on the French and UK stock markets in February 2001, with France Telecom retaining an 85% stake. A programme to integrate the different operations into a single group was launched at the end of 2000. This defined how the new group should work together and how benefits could be obtained from the creation of this larger group.

On September 1, 2003, France Telecom announced its intention to acquire Orange SA's ordinary shares, which it did not already own, by way of a public exchange offer for France Telecom ordinary shares. This was shortly followed by France Telecom making another announcement on October 16, 2003 to buy-back all remaining shares of the Company. Completion of the buy-back went ahead on April 23, 2004 and Orange was de-listed from the stock market. France Telecom now owns 100% of the Orange share capital.

France Telecom bought Orange because it recognized the strength and potential of the Orange brand. A re-branding programme was established to expand the Orange brand into operations across the new, enlarged footprint. To date, eight companies have re-branded to Orange - in France, Slovakia, Romania, Ivory Coast, Cameroon, Botswana, Madagascar, the Netherlands and Poland.

Important dates in 2005:

- France Telecom completed the deal to acquire an 80% stake in Spanish mobile operator Amena on November 8
- On September 19 PTK Centertel rebranded to become Orange
- On July 27 France Telecom announced its intention to acquire 80% of the third largest mobile operator in Spain - Amena
- On June 29 Didier Lombard unveiled the France Telecom NExT (new experience in telecoms services) strategy for the next three years
- On April 19 Orange announced its intention for PTK Centertel in Poland to rebrand as Orange
- Didier Lombard appointed new CEO of France Telecom on February 27

For the financial year to 31 December 2005, Orange reported total customer numbers of 71.0 million, representing pro forma growth of 13.0% compared with the previous year (62.9 million for 2004). All divisions showed strong commercial performance in Q4 exceeding end of year targets, with a total of 3.3 million customers added during the last quarter.

Giving the World a Voice

ORASCOM TELECOM HOLDING SAE

Orascom Telecom Holding SAE ("Orascom Telecom" or "OTH") was established in 1998 and has grown to become a major player in the global telecommunications market. OTH is considered amongst the largest and most diversified network operators in the Middle East, Africa, and South East Asia. It is a leading mobile telecommunications company operating in seven emerging markets having a population under license of 460 million with an average penetration of mobile telephony rate across all markets of 14%. OTH operates GSM networks in Algeria (Djezzy), Pakistan (Mobilink), Egypt (Mobinil), Tunisia (Tunisiana), Iraq (Iraqna), Bangladesh (Banglalink), and Zimbabwe (Telecel Zimbabwe). OTH's number of subscribers reached over 30 million subscribers as of December, 2005.

OTH's first operation was The Egyptian Company for Mobile Services ("Mobinil"). Launching services in 1998, Mobinil is a market leader serving over six million subscribers representing a market share of 52.2% (in December 2005). Mobinil is one of Egypt's five largest companies by market capitalization. It is also among Egypt's five most heavily traded companies by value. "Mobinil Life" was launched in September 2003 in partnership with ARPU+ and LINKdotNET (OTH's subsidiaries), which cater to value added services and internet respectively.

OTH witnessed success in North Africa as Orascom Telecom Algeria SPA ("Djezzy") launched its operations in February 2002. Djezzy grew to become the market leader in terms of both subscriber number as well as the quality of telecommunications services provided. In December 2005, Djezzy had more than seven million subscribers in its network and 66.7% market share.

In Pakistan, the Pakistan Mobile Communication (Pvt.) Ltd ("Mobilink"); started its operations in 1994, and until early 2001, had a market share of 40%. In April 2001, OTH took over management control of the company and as of December 2005; Mobilink being the market leader served more than eleven million subscribers, representing a market share of approximately 56.2%.

In December 2003, Orascom Telecom Iraq Corp. ("Iraqna") launched its initial phase of the network after being awarded the first license for the central region in Iraq. Iraqna's growth strategy of being the market leader; reach over 1.8 million subscribers on its network as of December 2005, with a market share of 40.5%.

Orascom Telecom Tunisie ("Tunisiana") launched its services in December 2002, Tunisiana has more than two million subscribers on its network with a growing market share which reached 42.8% in December 2005.

OTH purchased 100% of the shares of Sheba Telecom (Pvt.) Limited in Bangladesh in September 2004. OTH re-branded and launched its services under "Banglalink" in February 2005. Immediately after the launch, OTH started its aggressive plans to develop Banglalink into a leader in the mobile sector by rapidly expanding its GSM network to provide high quality communications services at affordable prices. Banglalink had 12.0% market share, and reached around 1.2 million subscribers in December 2005.

On December 21, 2005, Hutchison Whampoa Limited (HWL) and OTH jointly announced a comprehensive global strategic alignment of their mobile businesses in emerging markets, by OTH's acquisition of 19.3% interest in Hutchison Telecommunications International Limited ("Hutchison Telecom" or "HTIL") from HWL. The total purchase price is HK$10.1 billion (US$1.3 Billion) or the equivalent of HK$11 per Hutchison Telecom share. Hutchison Telecom has different coverage areas than OTH with operations in countries mainly in Asia including India, Indonesia, and Vietnam. OTH and Hutchison Telecom together control mobile operations in 15 countries having a population of approximately 2.0 billion people under license.

Continuing its success OTH reached over 30 million subscribers as at December 31, 2005. OTH has positioned itself as a leader in the region for its diverse GSM operations with various GSM support and internet operations. One of OTH's strategies is to create its own non-GSM subsidiaries to act as a backbone of support for its regional GSM operations. OTH has achieved this by dedicating financial, technical and management resources for subsidiaries. This includes network support and installation of GSM operations, equipment procurement, handset procurement and distribution companies, value added services, and internet operations. OTH is dedicated to provide the best quality services to its customers, value to shareholders and a dynamic working environment for its nearly 15,000 employees.

OTH established a strong presence in the GSM Association (the world's leading wireless industry representative body), only five years after its inception. OTH's Chairman and CEO, Mr. Naguib Sawiris, was selected to join the GSM Association's CEO Board in 2002.

OTH's shares are traded on the Cairo and Alexandria Stock Exchange (CASE), (under the symbol ORTE.CA, ORAT EY) and London Stock Exchange (where its GDR is traded under the symbol ORTEq.L, OTLD LI). OTH is the largest capitalized company on the Cairo and Alexandria Stock Exchange.

The Board of Directors

Naguib Sawiris
Chairman, The Egyptian Company for Mobile Service (Mobinil)
Chairman, Orascom Telecom Holding SAE

Representing Mobinil Telecommunications in the ECMS Board of Directors

Iskander Shalaby
President and Chief Executive Officer, The Egyptian Company for Mobile Service (Mobinil)

Representing Mobinil Telecommunications in the ECMS Board of Directors

Sanjiv Ahuja
Chief Executive Officer, Orange Group SA

Representing Mobinil Telecommunications in the ECMS Board of Directors

Brigitte Bourgoin
Executive Vice President International, Orange Group SA

Representing Mobinil Telecommunications in the ECMS Board of Directors

Claude Benmussa
Senior Vice President Deputy Chief Financial Officer and Controller, France Telecom Group

Representing Mobinil Telecommunications in the ECMS Board of Directors

David Hobley
Managing Director, Deutche Bank AG, London

Representing Mobinil Telecommunications in the ECMS Board of Directors

Bertrand Du Boucher
International Chief Financial Officer, Orange Group SA

Representing Mobinil Telecommunications in the ECMS Board of Directors

Onsi Sawiris
Chairman, Orascom Group of Companies

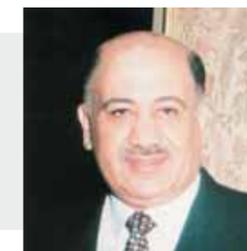*Representing Orascom Telecom Holding SAE in the ECMS Board of Directors*

Dr. Nadia Makram Ebeid
Executive Director, Center for Environment and Development for the Arab Region and Europe
Former Egyptian Minister of Environment

Representing Public Shareholders on the ECMS Board of Directors

Sheikh Fahd El Shobokshy
Chairman of Nile City

Representing Public Shareholders on the ECMS Board of Directors

Ali Moustafa Moussa
Managing Director, United Paints and Chemicals (UPC)
Chairman, Master Builders Technologies Egypt (MBT)
Board Member, SCIB Company
Representing Public Shareholders on the ECMS Board of Directors

Corporate Governance

The ECMS Corporate Governance Structure

The Egyptian Company for Mobile Services (ECMS)
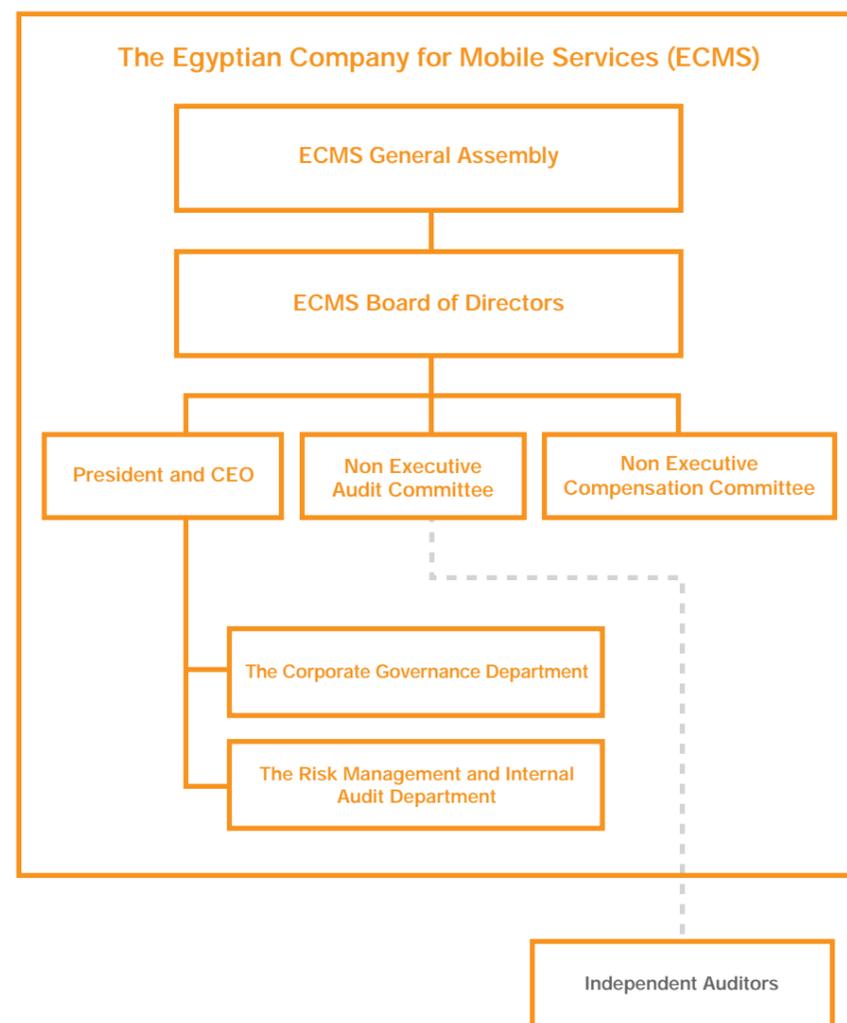
- **ECMS General Assembly**
- **ECMS Board of Directors**
  - **President and CEO**
  - **Non Executive Audit Committee**
  - **Non Executive Compensation Committee**
- **The Corporate Governance Department**
- **The Risk Management and Internal Audit Department**
- **Independent Auditors**

Corporate Governance Mission

ECMS adopts the highest standards of business conduct: delivering on our promise of providing the best quality service to our customers, the best working environment for our employees, top value for our shareholders, and proudly contributing to the development of our community, reporting results with accuracy and transparency and maintaining full compliance with the laws, regulations and rules which govern our business.

Corporate Governance Principles

ECMS is governed by its General Assembly of Shareholders. Abiding by Investment Law Number 8/1997, Capital Market Authority Law Number 95/1992, and Corporate Law Number 159/1981.

The General Assembly of Shareholders elects a Board of Directors of 11 persons representing shareholders as follows: seven members for Mobinil Telecommunications, one person representing Orascom Telecom Holding SAE, and three representing Public Shareholders. As per this composition, the ECMS Board of Directors has 10 independent members and one executive member. Its main role is to provide effective governance over the company's activities for the benefit of its shareholders and to balance the interests of its main stakeholders: customers, employees, shareholders, and the community.

Currently the ECMS Board of Directors is in its second term for three years, which started in 2004. For the purpose of good governance practices, the board has formed three sub-committees; the Audit Committee, the Compensation Committee and the Technology Committee. Each committee has at least three independent board directors (the Technology Committee includes two directors) as members with an elected chairperson. The board meets at least four times a year and the committees meet at least five times a year.

The Audit Committee

The ECMS Audit Committee is composed of:

Claude Benmussa	Chairman
Naguib Sawiris	Member
Bertrand De Boucher	Member
Onsi Sawiris	Member

The Audit Committee ensures that internal controls over the financial performance of the company are in place, reviewed and evaluated on a periodic basis. It also has a governing role over the external auditors to which they report and attend the committee meetings. The Audit Committee also approves and follows up the Internal Audit and Risk Management plans.

The Compensation Committee

The ECMS Compensation Committee is composed of:

Brigitte Bourgoin	Chairwoman
Naguib Sawiris	Member

The Compensation Committee reviews and approves all the issues related to executive's pay and bonus in addition to reviewing and updating on a periodic basis the employees' benefits schemes and Stock Option Plans.

Corporate Governance Bodies Inside ECMS

In applying good corporate governance practices, ECMS has established two important departments:

The Corporate Governance Department

The Corporate Governance Department is responsible for achieving the Corporate Governance mission of the company. It serves also as the secretariat to the Board of Directors.

The Risk Management & Internal Audit Department

This department is composed of two sub-departments which play an important role in the company's Corporate Governance framework, and have been combined under one Director in July 2005 due to the large degree of interaction between the two sub-departments and in line with international best practice.

The Internal Audit Department

Internal Audit is an independent function for assurance and consulting that aims to add value and improve the company's operations. It helps the company accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. The Mobinil Internal Audit department applies international standards for the professional practice of internal auditing.

The Risk Management Department

The overall mission of the Risk Management Department is the identification, assessment and monitoring of the risks that face the company. This overall mission involves four separate activities:
  - Crisis Management, which handles the coordination of critical incidents when they occur
  - Business Continuity Planning, to ensure that the company has adequate plans to respond to different business interruption scenarios
  - Information Security, which handles and coordinates the company's policies and procedures regarding the security of data and its integrity
  - Quality, the assurance of quality by measuring the customer experience in all customer interfacing areas

The Executive Team

Iskander N. (Alex) Shalaby President & Chief Executive Officer

Alex Shalaby was elected President and CEO of the ECMS effective November 1st, 2005. With an extensive experience of over 35 years in the telecommunication field, Shalaby joined Mobinil since its inception in 1998 as Board Member and Chief Regulatory and Legal Affairs Officer. In his position, he was involved in all operational aspects of the Company.

Prior to his appointment as Chief Regulatory and Legal Affairs Officer for ECMS, Alex Shalaby was the Director for Government Affairs for AT&T in Washington, DC. Shalaby has led several successful operations for AT&T through several managerial positions. Between 1980 to 1993; he was the Managing Director for AT&T in Egypt and General Manager for the MENA Region.

During this period, Shalaby established and secured a solid foothold for AT&T in Egypt and a number of markets in North Africa and the Gulf Region. Between 1993 & 1995, Shalaby was the Regional Director for International Public Affairs for AT&T based in Cairo, where he was responsible for the interface with key agencies within the governments in the region on matters impacting AT&T operations. This was a critical period preceding the current wave of privatization within the telecommunications sector.

Shalaby established the first presence for AT&T in South Africa, and in 1995 was appointed Regional Director of Government Affairs for the company in the Middle East. He also served on a number of boards including AmCham Egypt (where he also served as president between 1991 and 1993), the Bi-National Fulbright Commission and the National U.S.-Arab Chamber of Commerce in Washington, DC.

Alex Shalaby holds a B. SC. in Electrical Engineering from Alexandria University and a Masters Degree of Science in Electrical Engineering and Computer Science from San José State University, California.

Hervé Suquet Chief Operating Officer

Hervé Suquet has been appointed Chief Operating Officer in March 2005. Before joining Mobinil, Suquet had over 14 years of experience in the telecommunications industry with France Telecom Group. Hervé Suquet's last position was Vice President Transformation and Performance, leading the France Telecom Group IT and Network Transformation Program. In 2002, he joined Equant as Head of Access Technology & Planning where he successfully launched a new access strategy, reducing the Access Unit cost by nearly 13% while supporting over 25% activity growth. He holds a Graduate Engineering Degree from Ecole Polytechnique in Paris 1988 and a Masters of Science in Telecoms from the National Institute of Telecommunications in Paris 1990.

Rana Abbadi Chief Financial Officer

Rana Abbadi was appointed Chief Financial Officer in July 2003. Abbadi is an experienced Finance and Operations professional with over 15 years of multinational experience across various industries. Throughout her career, Abbadi held different management positions in Jordan's Fastlink and the Welfare Association, and Deloitte & Touche to name a few. Abbadi joined Mobinil in June 1998 as Financial Controller, then moved to Finance and Administration Director in May 2000. She then joined Orascom Telecom Holding SAE in June 2000, and returned to Mobinil in June 2001 as Finance Director. She holds a Bachelor's Degree in Accounting with a minor in Business Administration from the University of Jordan.

Adel Khouzam Director, Sales

Adel Khouzam was appointed Sales Director in April 2000. He has more than 30 years of domestic and international management experience in the field of sales and sales development, with telecommunication as a focal point. Prior to joining Mobinil, Khouzam was the Sales and Marketing Director in Saudi Ericsson Communications Company Ltd. (Ericsson GSM mobile phones) for the whole of the Kingdom of Saudi Arabia. He holds a Bachelor's Degree in Mechanical Engineering. Khouzam has recently been awarded membership and accredited certification by the "Who's Who" International Organization.

Ashraf Kamal Legal Director

Ashraf Kamal joined Mobinil in 1998 as Legal Director, bringing more than 30 years of experience in legal management spanning over various industries including petroleum, banking, foods, and telecommunications. He started his career as Lawyer in 1975 at Esso Standards. From 1981 to 1987, he managed the Legal Department of Kuwait Food Company Americana. He played a major role in studying banking and commercial laws and their effects on companies. Kamal holds a License of Law from the Faculty of Law at Cairo University, 1974.

Ahmed Abou Doma Director, Marketing

Ahmed Abou Doma has been appointed Marketing Director in October 2003. He has been working with Mobinil since August 1998 in the Market Development Department, then as Senior Market Planning and Development Manager in 2000, and Senior Market Strategy and Analysis Manager in 2001. Prior to Mobinil, he developed some of IBM business verticals. In 1996, he led the Business Development team in Datum IDS, establishing their Internet Business Unit. He holds a Bachelor of Science degree in Electronics and Communications Engineering from Cairo University in 1992.

Audette Hanna Director, Human Resources

Audette Hanna was appointed Human Resources Director in June 1999. She has over 13 years of intercultural experience in the fields of recruitment and selection, compensation and benefits, training and development, and employee relations; she joined Mobinil in May 1998. In 1997 she joined the Orascom Group as a Human Resources Manager responsible for building up the HR infrastructure of 43 member companies with 16,000 employees. Hanna holds a Bachelor's Degree in Commerce and several postgraduate diplomas in Human Resources and Personnel Management.

Ahmed El Beheiry Director, Products & Technology Development

Ahmed El Beheiry has been appointed Products and Technology Development Director in June 2004. Since 2001, he was Senior Manager for Engineering and Development, in charge of the Core Network, Transmission, Value Added Services Development, and Network Budgeting. Prior to Mobinil, El Beheiry was in the GSM Radio Team in Alcatel Egypt. He holds a Bachelor of Science Degree in electrical engineering from Alexandria University and a Masters of Science degree in Mobile Communications (1997). He has several research publications in IEEE for Mobile Communications.

Hany El Kafrawy Director, Technology Management

Hany El Kafrawy was appointed Director of Technology Management in July 2000. He has over 20 years of intercultural experience in the fields of Information Systems and Technologies; he has been working with Mobinil since October 1998 as Senior Manager of Information Technology Services. Prior to working with Mobinil El Kafrawy has been working for IBM world trade corporation for twenty years at several locations around the world. He holds an Honors Bachelor's Degree in Electronics and Electrical Engineering from Manchester University, UK.

Hashem Zohair Director, Government Affairs & Telecom Authorities

Mohamed Hashem Zohair was appointed Government Affairs and Telecom Authorities Director in August 2000. He has over 32 years of experience developing and implementing Business Management Techniques in the Information Technology and Telecommunications fields. Prior to Mobinil, he spent 20 years at NCR – Egypt, holding various positions including Managing Director, General Manager, Sales & Marketing Director, and System Services Director for the Near East Area. He also led several national projects, one of which was for Telecom Egypt. Zohair holds a Bachelor's Degree in Electronics Telecommunications.

Magdy Gabra Director, Customer Service

Magdy Gabra was appointed Customer Service Director in May 2003. Gabra has over 23 years of multinational experience in the fields of Marketing, Sales and Customer Service. He joined Mobinil in January of 2002 as the National Sales Senior Manager. In May 1978, Gabra joined Trans World Airlines Inc. (TWA) in the Customer Service Department and held various managerial positions in the Middle East and Europe responsible for Sales, Marketing and operational activities. Gabra holds a Bachelor's Degree in Pure Mathematics and Mathematical Statistics.

Khalid Ellaicy Director, Risk Management & Internal Audit

Khalid Khairy Ellaicy has been appointed Director of Risk Management and Internal Audit effective July 1st, 2005. He has over 17 years of business experience in the fields of Finance, Auditing, and Accounting. His last position was Director of Finance at the Mobile Telecommunications Company – Kuwait (MTC Vodafone). Ellaicy is a Certified Public Accountant (CPA) and holds a Bachelor of Commerce from Ain Shams University. He currently maintains professional memberships at the American Institute of Certified Public Accountants and the Egyptian Society of Accountants and Auditors.

Mohamed Nabih Director, Corporate Strategy

Mohamed Nabih joined the Mobinil family in August 1999 as Senior Manager for the Commercial Strategy Department, now called Corporate Strategy and Anticipation. He was appointed Corporate Strategy Director in October 2005. Nabih has over 11 years of experience in business development and strategy in the telecommunications industry. He studied Economics in Sweden. In 1993, he received his Masters of Science in Economics from the Stockholm School of Economics, Sweden. He received his PhD in Economics from the Catholic University of Tilburg, Netherlands.

Khaled Sherif Director, Corporate Affairs

Khaled Sherif was appointed Corporate Affairs Director in April 2004. He has over 10 years of multidisciplinary experience in Technology Development, Corporate Management, Corporate Governance and Marketing Management. In 1997, he joined Orascom IT group where he established two IT companies and was later assigned the management of Orascom Distribution for a turn around. He is an active member in a number of business forums, with a major focus on Corporate Governance and business development. He holds a PhD in Telecommunications and Microelectronics from Lille University in France.

seek excellence

Our passion and personality oblige us to
care for understanding our customers and
having them at the heart of our business;
offering them best quality products and
service and best value for money.

In 2005, Mobinil pursued a dual strategy combining aggressive growth with preservation of value. Profitability was attainable through high value subscribers which meant providing of tailored products and services for high end postpaid and prepaid and of differentiated tariff plans; utilization of compelling retention schemes; deployment of Customer Relationship Management Solutions.

On the other hand, the main stimulator of growth was the launch of the ALO Magic prepaid line. Designed to ideally fit the Egyptian market and suitable for both low end and high end users, ALO Magic tariff plan was launched in February 2005. For the low end it is an inexpensive obtainable prepaid line (average EGP 50) which can be maintained for only EGP 10 a month offering prepaid customers a lower average per minute rate.

ALO Magic served to decrease cost of ownership and decrease monthly commitment of subscribers and was offered both alone and as part of a bundle, and was hence the main tool of Mobinil's growth strategy. ALO Magic was further developed at the end of 2005 by removing the credit expiry feature, allowing ALO Magic subscribers to carry their credit through to the next month even if they recharge during the grace period.

On the other hand, for high end subscribers, ALO Magic is an appealing proposition as it offers them a very low per minute rate (0.50 EGP/minute). ALO Magic's success can be witnessed by the remarkable growth of the number of subscribers who have it: at launch in February 2005 there were 18,139 subscribers reaching over three million subscribers by the end of December 2005.

Mobinil also launched the Credit Transfer service, which allows ALO customers to transfer part of their credit to other ALO customers. Customers of all ALO profiles can send and receive credit through this service, (except for ALO Magic). With ALO, credit transfer offers the flexibility of transferring any amount between EGP 5 and EGP 50.

The exclusive Anonymous Recharge service was launched in May 2005, which allows anyone to recharge an ALO line from any mobile or fixed line.

Continuing its innovative approach to products and services, Mobinil launched a product tailored for those with hearing or speech impediments, Mobinil ALO SMS, the first of its kind in the country. By using a mobile line dedicated solely to receiving and sending Short Message Service (SMS) messages, people with special needs can now enjoy the latest technology available in the market.

Mobinil launched ALO Business to target high value customers who had a preference for the prepaid proposition. This was offered in April 2005 providing customers with a low per minute rate of EGP 0.35, for a commitment of only EGP 35 per month, deducted automatically from their airtime credit on monthly basis. It attracted a large amount of high value prepaid customers and resulted in a substantial addition to total revenues and a definite uplift to prepaid ARPU.

Equally important and in order to minimize entry barriers and stimulate growth, was the allowance for very low "out-of-pocket" expenses of subscribers that required this at any time. Mobinil introduced the EGP 5 recharge card which was launched in June 2005. Even though it provides only one week of validity, it was offered to help individuals with sporadic income, e.g. daily laborers, students on allowance. This captured a significant portion of the recharge cards base and stimulated usage.

Generally, looking over Mobinil's general products and services portfolio, one can easily see the customization utilized to cater to the unique needs of our Egyptian community, segmented into distinct bundles:
• Postpaid Monthly Subscription
• Mobinil Prepaid ALO
• Mobinil Business

Services offered range from local voice connectivity to international data roaming on GPRS networks. For all our customers we provide customized rate plans to suit every usage pattern and every wallet size.

Mobinil was the first to design and implement the innovative Call and Control offer, combining the best of postpaid: regular monthly fees and low per minute tariffs, with the best of prepaid: the ease, convenience and control of airtime usage through recharge cards. For the business user, we have numerous solutions and applications modified and adapted to suit businesses of every size.

Mobinil Personal Guide 8000
Mobinil Personal Guide 8000 is a service introduced in October 2004 and offers a dedicated Call Centre "8000" to answer all customers' inquiries including a telephone directory, driving directions, shopping guide, airline schedules and more. This service is available 24 hours a day, seven days a week.

Mobinil Life
- Mobinil Life service was launched in September 2003 to make life convenient, fun, and interesting by utilizing GPRS technology for high-speed transmission.

- Mobinil Life MMS service enables sending and receiving picture messages (MMS) and video messages (VMMS).

- Mobinil Life Internet service provides accessibility to browse the worldwide web in order to conveniently search for information at high speed.

- Mobinil Life service has special bouquets that suit different customer experiences and needs: Fun Life, Info Life, Sports Life and Business Life. "My Street Guide", introduced in September 2004, is an exclusive service for Mobinil Life customers under Info Life. Customers can search addresses, landmarks, districts, services and driving directions by downloading WAP pages. It is available for Greater Cairo and Alexandria.

Wherever You Are
- Mobinil network covers over 91% of the total populated area of Egypt, allowing nearly all Egyptians to stay connected virtually all over the country. Roaming on satellite operators Globalstar and El Thuraya provided further connectivity, bringing even the most remote locations within reach.

- Mobinil currently has roaming agreements with 261 operators in 112 countries, a number that is constantly growing to accommodate the changing needs of our subscribers whether at home or abroad with the best service. This is in addition to 34 data (GPRS) and 12 prepaid roaming agreements with 18 operators.

The Way You Want
- Mobinil has one of the largest call centers in the Middle East, servicing customers 24 hours a day, 7 days a week, based on advanced Customer Relationship Management technology and applications.

- Bill payment has been made within reach and maximum convenience through the introduction of home cash collection, collection by appointment at any time and any place, and through Automatic Teller Machine payment (ATM).

- Payment can also be made through some banks and by credit cards.

- There are currently more than 7600 Mobinil Points of Sale nationwide, 15 shops and 12 Shop-in-Shops in 41 cities covering Egypt from Alexandria to Aswan.

- Additionally, 8 booths started operating in the underground metro stations at the end of 2005; a concept to be expanded in 2006, besides many other planned distribution techniques.

humane

We understand our business principles clearly and we believe that part of our philosophy is the responsibility we owe our community at large. We have a responsibility to balance the needs of our stakeholders with our social, ethical and environmental obligations. This means ensuring that we have clear principles of corporate social responsibility (CSR), which should be an integral part of our strategic planning and daily activities.

Community Projects

January
Mobinil ALO SMS Product for Deaf & Mute

Tsunami IVR # 1482

Mobinil Traffic Rescue Project (Phase 3)

March
The Development & Tourism in Coastal Areas International Conference-Sharm El Sheikh

April
Orphan's Day Festival

May
Rotary International, District 2450 Conference

July
The Polio Vaccination Campaign in Coordination with the UNICEF

August
Skills Training of 100 children with special needs

Sharm El-Sheikh Challenge for Peace

September
Assala Charity Concert

October
Put a Smile on a Child's Face-Cairo Sheraton Tent

Assy El-Helany Charity Concert

Goodwill Caravan

Health and Environment Projects

January
Vaccination Campaign in coordination with the Ministry of Health

February
The 2nd Pan African & Pan Arab International Pediatric Epilepsy

March
The Breast Cancer Run for Cure

April
The National Campaign for Consumer Protection Guidance

October
Mobile Waste Battery Collection and Recycling Project

Educational Projects

July
Thanaweya Amma (Secondary Schools Top Achievers) Awards for the sixth consecutive year

October
Injaz – 3rd year

Cultural Activities

February
Sponsoring the 4th Student Fair

Sound & Light CDs

April
Eliopoulos 100 Ans

Entertainment Activities

January
Mobinil Sponsored the Mega Eid Concert

February
Mobinil Sponsored El 1st Hafla

March
Mobinil Sponsored El 2nd Hafla

April
Mobinil Sponsored El 3rd Hafla

May
Paulo Coelho's Night at Sakiet El-Sawy

June
Enrico Macias Charity Concert

Mobinil Presents "Ali Spicy" Hakim's First Movie
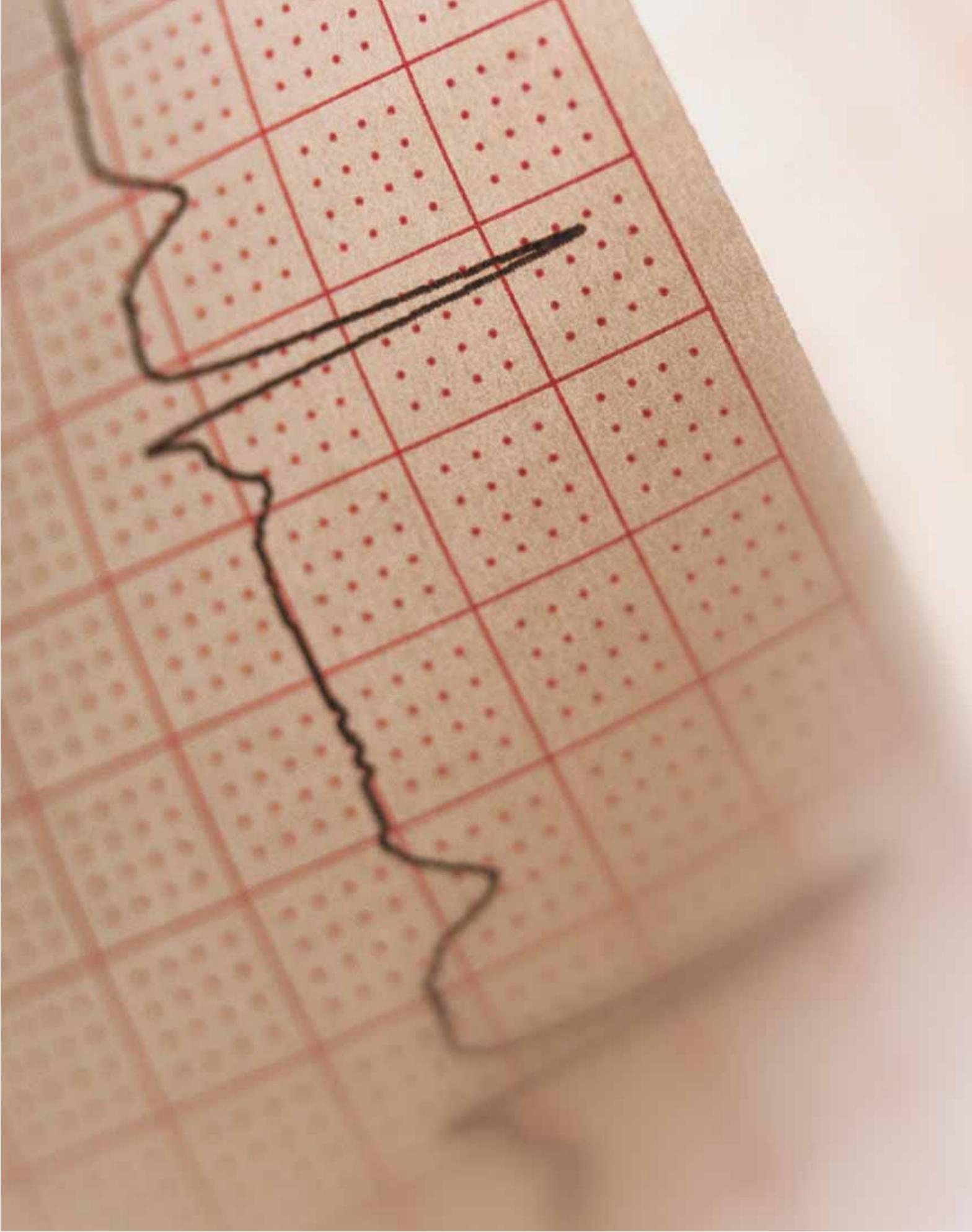
Mobinil Sponsored El 4th Hafla

September
Mobinil Sponsored Virgin Megastore

Sports Activities

January
The 19th Edition of Men's World Handball Championship Tunisia 2005

2005 Financial Highlights

A MESSAGE from the Chief Financial Officer

I am pleased to present Mobinil's annual financial report for fiscal year 2005. Throughout the year we have developed new efficient and effective ways to fulfill our mission while maintaining and protecting the integrity of the resources entrusted to us. We focused on providing quality service to our customers as well as protecting our shareholders' investment.

2005 was another year where we saw significant change in the Egyptian telecommunications industry. Despite many challenges, Mobinil was able to achieve satisfactory results, through increasing revenue growth, managing costs, and reacting rapidly to such changes.

Mobinil stock remained one of the most actively traded stocks on the Cairo & Alexandria Stock Exchanges throughout 2005. Share price in Dec-05 closed at EGP 200.23 compared to EGP 128.38 in Dec-04, reflecting an increase of 56%.

Financial Highlights
Mobinil maintains its books of accounts in accordance with Egyptian Accounting Standards and[1] continued the work to become fully compliant with Sarbanes-Oxley and IFRS to provide our shareholders and investors with the highest standards of reporting accuracy and transparency.

- Revenue growth was in line with expectations, closed at EGP 5,364 million, representing an increase of EGP 843 million over last year, 19%. Airtime revenues represent the largest single contributor to total revenues with almost 61%.

- EBITDA closed at EGP 2,754 million, with an EBITDA margin of 51.4%, representing an improvement of EGP 527 million when compared to 2004.

- Net Profit before Tax for 2005 amounted to EGP 1,812 million compared to EGP 1,265 million, for the previous year, with an increase of 43%.

- Net Profits after Corporate Tax stood at EGP 1,444 million representing a 27% margin compared to EGP 873 million in the previous year.

- Global ARPU of EGP 82 decreased by 24% over 2004 global ARPU of EGP 108, which was mainly derived by the 67% increase in active subscribers.

- During 2005 we continued to exert rigorous controls on our Capital Expenditure (CAPEX):

- Rationalizing new Capex while balancing that there is no negative impact on operational quality and performance

- Striving to maximize the value of past Capex by increasing efficiency

- Implementing strict internal controls. Our internal governance policies are designed to ensure that CAPEX initiatives are fully reviewed and justified, and that project progress is carefully monitored to ensure that we achieve the desired results

Moving Forward - 2006 Outlook
We are optimistic about the 2006 outlook, confident that we will be able to respond vigorously to external change and we will continue to sustain our position as market leaders. We ended 2005 with a good financial state of health and we are well prepared and looking forward to facing the challenges to come in 2006.

Our objective is to continue to provide higher service levels with lower cost structure. We will exert all our efforts towards balancing our revenues and subscribers' growth, maintaining market leadership, safeguarding healthy EBITDA margins and managing Free Cash Flow.

Best regards,

Rana Abbadi
Chief Financial Officer

AUDITED Financial Statements

The Egyptian Company for Mobile Services

EBITDA Margin 1999-2005
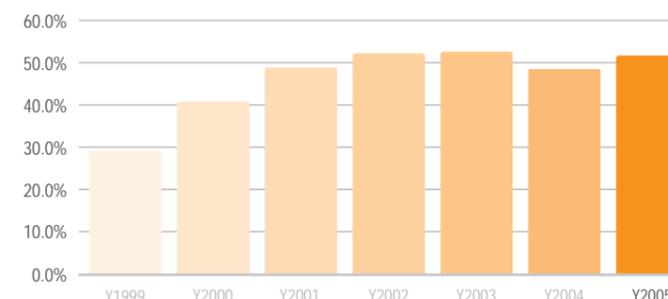
Net Income/(Loss) (MEGP) 1999-2005

Consolidated Income Statement

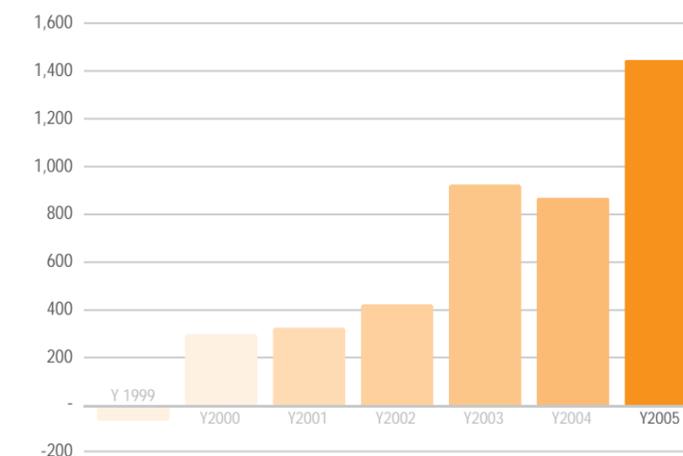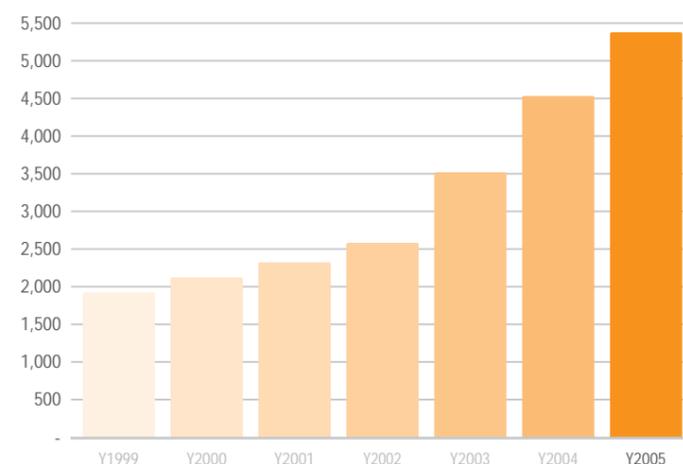| Currency: Egyptian Pounds in (000)'s	Year 1999	Year 2000	Year 2001	Year 2002	Year 2003	Year 2004	Year 2005
Revenue	1,918,088	2,117,033	2,320,183	2,575,785	3,502,144	4,520,866	5,363,766
EBITDA (W/O FRX)*	565,265	868,541	1,149,307	1,352,875	1,840,520	2,226,918	2,754,370
EBITDA %	29.5%	41.0%	49.5%	52.5%	52.6%	49.3%	51.4%
Net Income/(Loss)	(34,245)	289,129	340,760	418,195	914,920	873,127	1,443,696

*FRX: Foreign Exchange Profit or Loss

Revenues (MEGP) 1999-2005
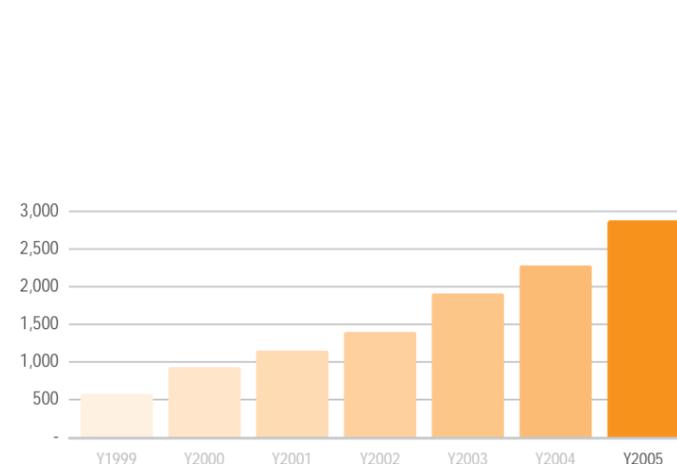

EBITDA (MEGP) 1999-2005

Consolidated Balance Sheet

Currency: Egyptian Pounds in (000)'s	31 Dec - 99	31 Dec - 00	31 Dec - 01	31 Dec - 02	31 Dec - 03	31 Dec - 04	31 Dec - 05
Assets							
Current Assets	801,892	834,086	767,263	1,144,106	1,080,440	1,883,495	979,493
Net Fixed Assets	881,683	1,851,369	2,543,579	2,580,100	2,453,224	2,385,438	3,201,623
Projects Under Construction	384,191	451,413	274,695	189,579	298,565	451,393	818,979
Other Assets	1,636,047	1,490,905	1,364,044	1,237,134	1,114,200	994,161	1,444,996
Total Assets	**3,703,813**	**4,627,774**	**4,949,581**	**5,150,919**	**4,946,430**	**5,714,487**	**6,445,091**
Liabilities & Shareholders' Equity							
Current Liabilities	657,611	1,069,053	788,498	1,127,863	1,107,741	2,729,143	2,749,664
Current Portion of Long-Term Debt	-	-	332,021	451,249	494,399	647,216	408,492
Long Term Liabilities	2,080,840	2,259,600	2,222,240	1,798,322	1,405,395	756,372	1,750,709
Total Liabilities	**2,738,451**	**3,328,653**	**3,342,759**	**3,377,434**	**3,007,535**	**4,132,731**	**4,908,865**
Shareholders' Equity							
Paid-up Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Treasury Stock	-	-	(33,059)	(41,720)	(41,720)	(41,720)	(41,720)
Legal Reserve	-	-	14,791	31,634	52,774	118,368	197,081
Retained Earnings	(34,637)	299,120	625,090	783,571	927,841	505,108	380,866
Total Shareholders' Equity	**965,363**	**1,299,120**	**1,606,822**	**1,773,485**	**1,938,895**	**1,581,756**	**1,536,226**
Total Liabilities & Shareholders' Equity	**3,703,813**	**4,627,774**	**4,949,581**	**5,150,919**	**4,946,430**	**5,714,487**	**6,445,091**

Assets (MEGP) 1999-2005

Y1999	Y2000	Y2001	Y2002	Y2003	Y2004	Y2005

(Bar chart, y-axis: 0 to 7,000 in increments of 1,000)

Liabilities (MEGP) 1999-2005

Y1999	Y2000	Y2001	Y2002	Y2003	Y2004	Y2005

(Bar chart, y-axis: 0 to 6,000 in increments of 1,000)
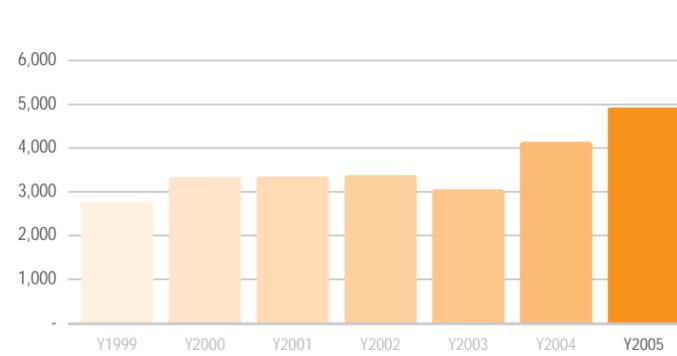
Owner's Equity (MEGP) 1999-2005

Y1999	Y2000	Y2001	Y2002	Y2003	Y2004	Y2005

(Bar chart, y-axis: 0 to 2,500 in increments of 500)
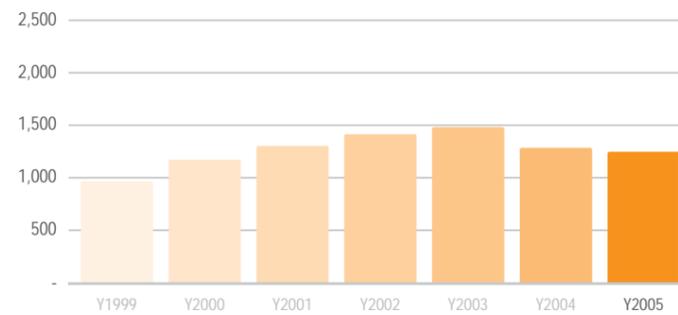
Ernst & Young
Allied for Accounting & Auditing
37 El Ahrar St., Mobica Tower
Mohandeseen

KPMG Hazem Hassan
Public Accountants & Consultants
Pyramids heights office park – Km 22
Cairo/Alex. Road

Auditors' Report To The Shareholders Of
The Egyptian Company For Mobile Services S.A.E.

We have audited the consolidated financial statements of The Egyptian Company For Mobile Services S.A.E. and its subsidiaries represented in the consolidated balance sheet as at December 31, 2005, the consolidated statements of income, cash flows and changes in shareholders' equi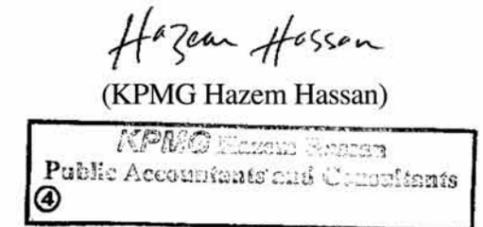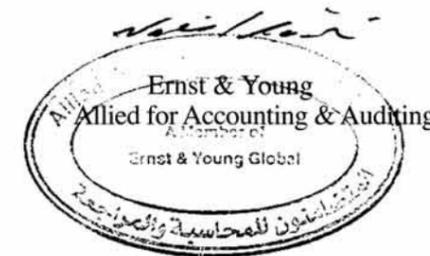ty for the year then ended. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Egyptian Standards on Auditing and in light of the provisions of applicable Egyptian laws. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall consolidated financial statements presentation. We have obtained the information and explanations, which we deemed necessary for our audit. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above together with the notes attached thereto present fairly, in all material respects, the consolidated financial position of the company as at December 31, 2005, the results of its operation and its consolidated cash flows for the financial year then ended, in accordance with Egyptian Accounting Standards and in compliance with the related Egyptian laws and regulations.
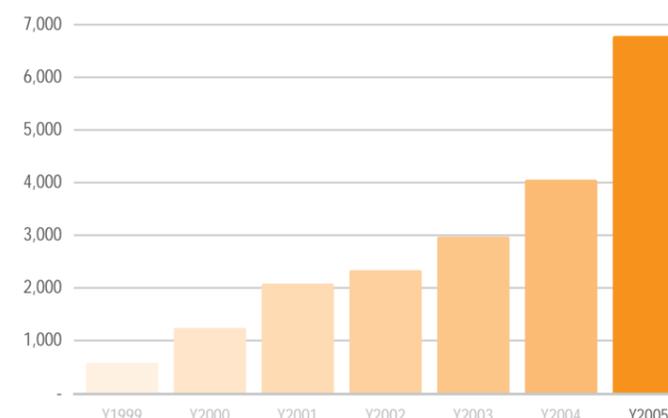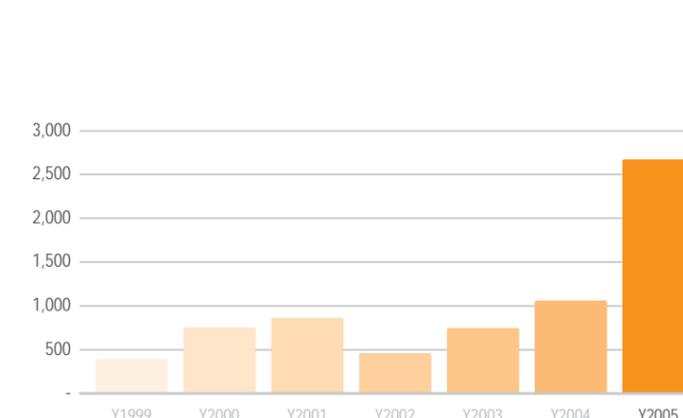
Ernst & Young
Allied for Accounting & Auditing
Ernst & Young Global

(KPMG Hazem Hassan)
KPMG Hazem Hassan
Public Accountants and Consultants

Cairo January 29, 2006

COMMERCIAL Indicators

Active Subscribers Base (K) Y1999-2005

Net Activations (K) Y1999-2005

	7 Month Rule			3 Month Rule			
	Y 1999	Y 2000	Y 2001	Y 2002	Y 2003	Y 2004	Y 2005
Active Subscribers Base	**507,032**	**1,217,820**	**2,033,684**	**2,282,476**	**2,991,214**	**4,015,948**	**6,695,993**
PostPaid	215,463	287,069	323,832	462,996	666,696	863,635	925,613
PrePaid	291,569	930,751	1,709,852	1,819,480	2,324,518	3,152,313	5,770,380
Net Activations	**346,889**	**710,788**	**815,864**	**423,506**	**708,738**	**1,024,734**	**2,680,045**
PostPaid	55,320	71,606	36,763	141,911	203,700	196,939	61,978
PrePaid	291,569	639,182	779,101	281,595	505,038	827,795	2,618,067
Gross Initialization	**365,580**	**780,446**	**1,055,597**	**806,291**	**1,132,801**	**1,552,228**	**4,019,360**
PostPaid	84,080	138,457	130,802	228,172	322,063	373,470	229,329
PrePaid	281,500	641,989	924,795	578,119	810,738	1,178,758	3,790,031
ARPU (ECMS)		**171**	**97**	**99**	**104**	**108**	**82**
PostPaid		306	282	270	289	269	254
PrePaid		88	49	47	44	46	38
AUPU (Outgoing Used)		**95**	**70**	**96**	**101**	**110**	**85**
PostPaid		280	366	450	447	423	410
PrePaid		11	8	10	9	16	18
Global Market Share	**61.0%**	**55.0%**	**53.7%**	**52.6%**	**52.7%**	**53.5%**	**53.2%**
Penetration	**1.4%**	**3.4%**	**5.2%**	**6.4%**	**8.2%**	**10.7%**	**18.4%**

Gross Adds (k) Y1999-Y2005
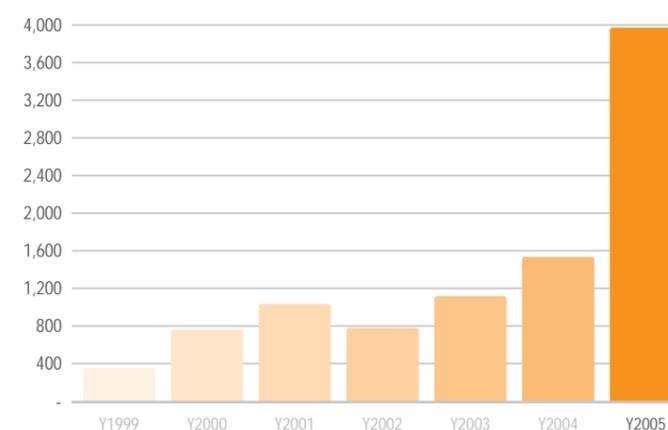
ARPU (ECMS) Y2000-2005
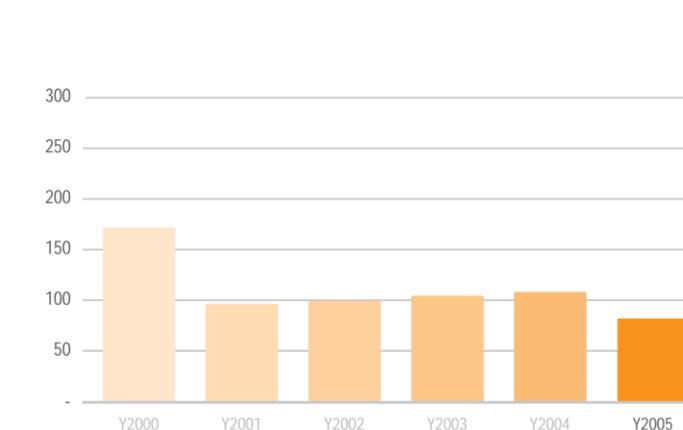
AUPU (Outgoing Used) 2000-2005
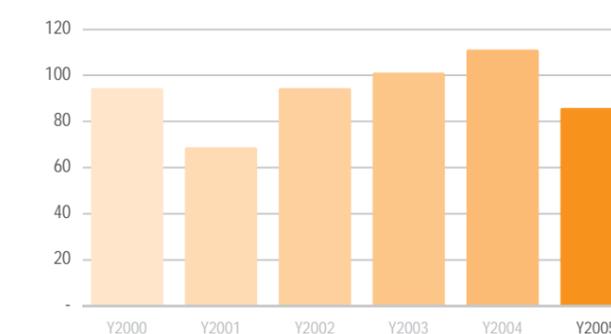
Note: Starting Y2002 we started applying the 3 Month rule (excluding the Inactive subscribers) in calculating our active subscribers base, accordingly Y2002 Net activations will not represent the difference between Y2003 and Y2002 Active subscribers base.

friendly

We enjoy working and succeeding together by building close relationships. While we have a sense of professionalism, we also have a sense of wit. We consider the needs of both our customers and our employees.

This year Mobinil celebrated both its seventh anniversary and crossing the 6 million subscriber milestone; both occasions were an opportunity for reflection on our achievements but more importantly, they were a reason for looking forward. Mobinil's first 7 years were an incredible success story, which we not only intend to sustain but to surpass.

While growing, we continue to have our customers at the heart of our operations by providing them with the finest quality and most innovative services; to place our shareholders interest first by providing them with the greatest return on their investments, to provide our employees, our greatest asset, with the best working environment while sharing our success with our community.

In our mission for excellence in everything we do, we have built up momentum by offering mobile customers a strong range of competitive voice and data products and services.

In the future we aim to maintain our market and value leadership positions by significantly continuing to improve our efficiency and productivity, continuing our focus on the value strategy and the CRM approach, adding value to the daily lives of the Egyptian customer and increasing customer intimacy, and of course to continue to deliver the best financial results.

Our strategy focuses on three key areas; improving operating performance, managing our business with holistic approach towards value and growth, and continuing to lead in voice and data services.

Mobinil has made considerable progress in all these areas but we recognize that our strategy must continue to evolve to reflect the changing nature of the market. The aim of our strategy going forward is to become an integral part of our customers' lives by knowing what is important to them and by helping them to get more out of life: customer intimacy.

To achieve this, we will continue developing our way of doing business to deliver relevant products and services in a way that is relevant to our customer. This will allow us to attract and retain higher value customers, increase ARPU, reduce churn and improve operational performance.

There are many challenges ahead. On the macro-economic level, we have to anticipate that our customers will continue to rationalize their consumption. As a result of strong competing demands, we are confident of our ability to adapt our strategies, overcome obstacles, and deliver on our commitments.

Finally, we are committed to being a significant participant in the wider Egyptian community, not only as the business leader, but also as an engaged corporate partner on the social and cultural fronts. This engagement will not be limited to sponsorship of a wide variety of social, cultural, educational, and environmental activities, but will also entail being directly involved in creating a better future for the Egyptian society. This is our vision, and we have the strategy that shall deliver on this vision.
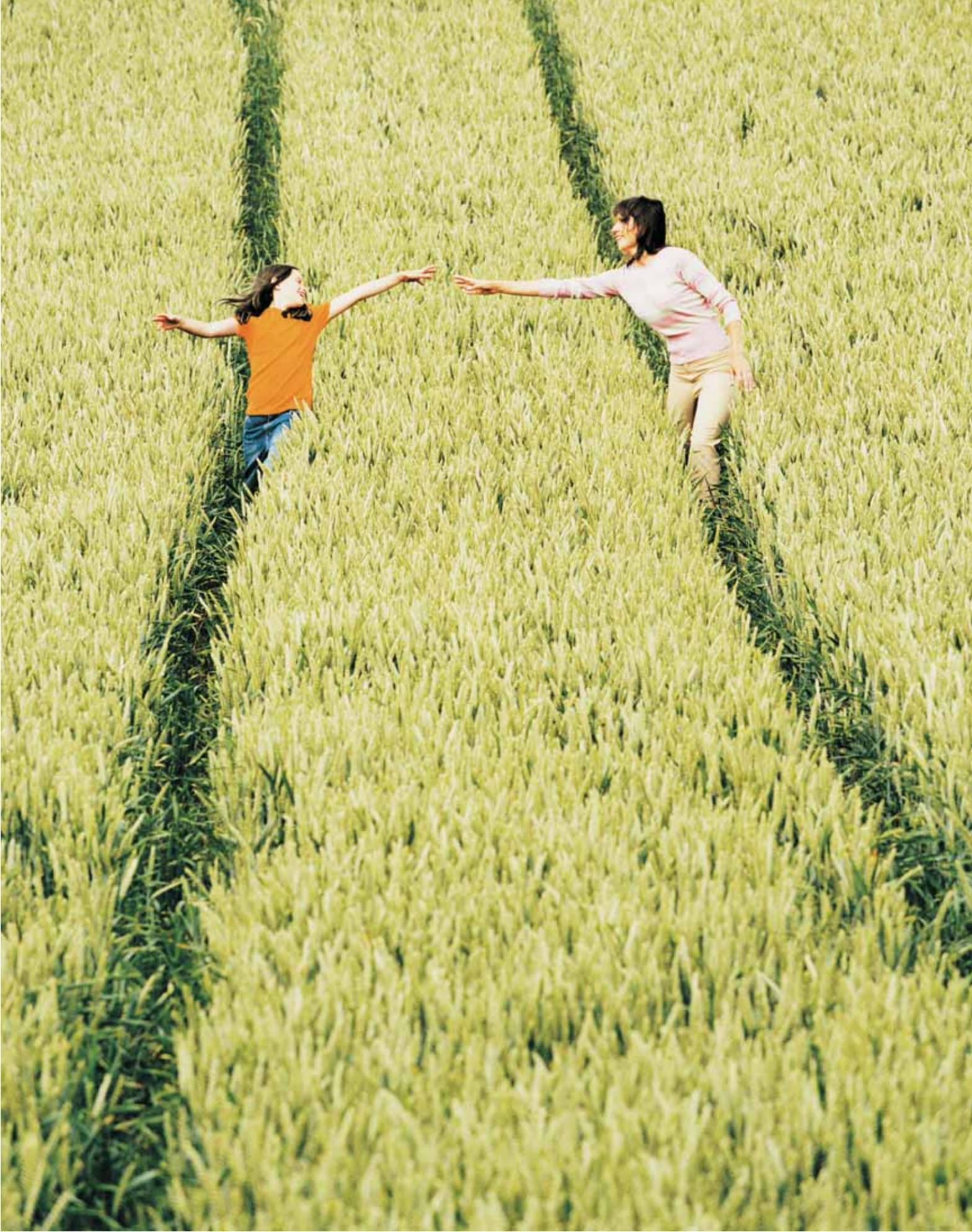
challenge

discover

improve

share

believe

learn

remember

50% Discount on Mobinil to Mobinil Calls

Wednesday
5

Mobinil Cooperates with UNICEF to Help Children in Tsunami-Hit Nations

Monday
10

5 Free Received Roaming Minutes on the Occasion of Hajj

Tuesday
11

Select Mobinil Network and Be the Luckiest Roamer!
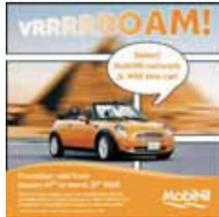
Thursday
13

Enjoy Mohamed Attia's New Album with Mobinil Life

Thursday
13

The Voice over Internet Protocol Service

Sunday
16

Changes in the Recharge Process During the Grace Period

Tuesday
18

50% Discount on All Mobinil to Mobinil Calls
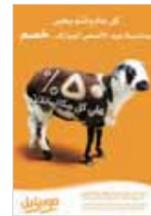
Thursday
20

Access Your Mail through Your Mobile Anytime Anywhere...

Thursday
28

Mobinil 8000 Service Soft Launch

Tuesday
31

The Mobinil Access Card Advertising Campaign

Tuesday
1

55% Discount on All Installments to ALO Takseet Subscribers

Thursday
3

The New ALO Cash Promotion in Mobinil Shops

Sunday
6

Celebrate Valentine's Day with Mobinil Life

Tuesday
8

The Primo Renewal Launch

Sunday
13

Mobinil Sponsored 2 Concerts on Valentine's Day

Monday
14

ALO Magic... A Mobinil Prepaid Line Tailored to Suit Everyone

Tuesday
20

Mobinil Launches "Al Rana Ranetak" New Service

Wednesday
23

The Primo Winter Promotion Launch

Wednesday
23

The Mobinil Personal Guide 8000 Service Re-launch

Thursday
24

March 2005

▶ Access Your E-Mail... Wherever You Go

Tuesday
1

▶ Mobinil Sponsored Run for Cure 2005

Friday
4

▶ New Browse and Save Offer

Wednesday
16

▶ Mother's Day Free Minutes and Discounts

Thursday
17

▶ New Mobinil Access Card and HP Bundle

Thursday
17

▶ The Mobinil AUC Club Launch

Monday
21

▶ Mobinil Helps Train Passengers Communicate Better and Faster

Thursday
24

April 2005

▶ Mobinil Launches Clip+ Advanced

Thursday
14

▶ Happy Easter with Mobinil Life

Sunday
17

▶ Mobinil Launches ALO Business

Wednesday
20

▶ Announcing the Mini Cooper Cabrio 2005 Winner

Tuesday
26

May 2005

▶ ALO Friendly Recharge Service

Tuesday
3

▶ Mobinil Launches ALO Handset Bundle Promotion

Wednesday
4

▶ Mobinil Officially Receives the New ISO 14001 Certificate

Monday
9

March 2005

▶ Access Your E-Mail... Wherever You Go

Tuesday **1**

▶ Mobinil Sponsored Run for Cure 2005

Friday **4**

▶ New Browse and Save Offer

Wednesday **16**

▶ Mother's Day Free Minutes and Discounts

Thursday **17**

▶ New Mobinil Access Card and HP Bundle

Thursday **17**

▶ The Mobinil AUC Club Launch

Monday **21**

▶ Mobinil Helps Train Passengers Communicate Better and Faster

Thursday **24**

April 2005

▶ Mobinil Launches Clip+ Advanced

Thursday **14**

▶ Happy Easter with Mobinil Life

Sunday **17**

▶ Mobinil Launches ALO Business

Wednesday **20**

▶ Announcing the Mini Cooper Cabrio 2005 Winner

Tuesday **26**

May 2005

▶ ALO Friendly Recharge Service

Tuesday **3**

▶ Mobinil Launches ALO Handset Bundle Promotion

Wednesday **4**

▶ Mobinil Officially Receives the New ISO 14001 Certificate

Monday **9**

May 2005

▶ Algerian Press Delegation at Mobinil's Headquarters

Monday
9

▶ The New Mobinil Billboards in Cairo

Thursday
19

▶ Discount Promotion on the Primo Lines

Monday
23

June 2005

▶ Shop and Save with Mobinil 8000 Service

Thursday
2

▶ Enjoy Shakira's New Album with Mobinil Life

Thursday
2

▶ ALO June Promotion

Thursday
2

▶ Mobinil Celebrates 7 Years of Outstanding Achievements

Thursday
9

June 2005

▶ Training Programs for Mobinil's Small and Medium Enterprises

Monday
13

▶ E-Government Service Launch

Thursday
16

▶ The International Finance Corporation Advertising Campaign

Sunday
19

▶ New EGP 5 ALO Scratch Card

Sunday
26

▶ Enjoy Mobinil Access Card 3 Months Promotion

Thursday
30

▶ Mercedes SLK Inbound Roaming Promotion

Thursday
30
to August

▶ The First Mobile Blood Donation Service by Calling Mobinil 8000 Service

Thursday
30

▶ The Primo Bundle Promotion

Monday
July

▶ Tourist Line Promotion

Monday
4

▶ Music Shop with Mobinil Life

Friday
8

▶ Home Cash Collection Summer Campaign 2005

Tuesday
12

▶ Thanawya Amma Results with Mobinil

Friday
15

▶ Credit Transfer for ALO Customers

Friday
15

▶ ALO Magic: the Best Prepaid Proposition in Egypt

Wednesday
20

▶ Reserve Your Cinema Tickets through 8000 Service

Wednesday
20

▶ Shop and Save with Mobinil 8000 Service

July and August

▶ Scratch and Win Promotion Extension

Wednesday
3

▶ Winners of the Access Card Radio Competition

Wednesday
3

▶ Nancy Agram "Ana Masry" with Mobinil Life

Thursday
4

▶ Mini Cooper Winner

Friday
5

▶ Instant Translation Service

Friday
12

▶ Scratch Cards End User Prices Campaign

Friday
19

September 2005

Mobinil Life Festival
Thursday
1

Conference Call Promotion
Sunday
11

Back to School Promotion
Monday
12

October 2005

Second Mercedes Winner
Wednesday
19

October 2005

Ramadan Omra Offer
1-31

The Lowest Per Minute Rate During Ramadan
Tuesday
4

The Mercedes Raffle Promotion
Tuesday
4

GPRS Services to ALO Customers
Monday
10

First Mercedes Winner
Wednesday
12

1010 IVR Renewal Primo Line
Wednesday
19

November 2005

Third Mercedes Winner
Tuesday
1

50% Discount on All Calls
Tuesday
1

Book and Get El-Eid Movie Tickets with Mobinil 8000
Tuesday
1

Fourth Mercedes Winner
Wednesday
2

Eid Al-Fitr Primo Bundle
Wednesday
2

Mobile Waste Battery Collection & Recycling
Saturday
12

The Free Reconnection Promotion

Wednesday
16

The Extended Validity Promotion

Thursday
17

Fifth Mercedes Winner

Thursday
17

I-Mate Mobile Phones & Latest Mobile E-Mail Solutions

Friday
18

New Training Service for Mobinil Corporate Accounts

Friday
18

The Final Mercedes Winner

Wednesday
23

Mobinil and Nokia Promotion

Thursday
22

Your Bill on CD

Thursday
22

Exclusive Feasts Promotion

Thursday
22

Mobinil 8000 Festival

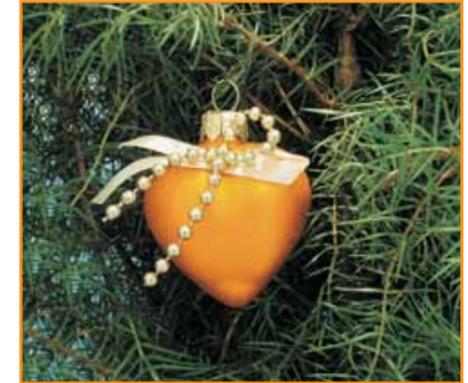
Sunday
25

Mobinil Life in Eid El-Adha

Happy Feast

Thursday
29

December 2005

EGP 20 on New ALO Magic and Cash Lines

Friday
9

Mobinil Life Christmas and New Year 2006

Thursday
15

Exclusive Promotion During Hajj Season

Monday
19

COMMUNICATE

Headquarters
The Egyptian Company for Mobile Services [Mobinil]
Nile City Towers
2005 C Corniche El Nil
Beaulac-Cairo, Egypt
Phone   +20 12 320-0000
Fax   +20 12 302-7111

The World Trade Center
1191 Corniche El Nil
Beaulac-Cairo, Egypt
Phone   +20 12 320-0000
Fax   +20 12 302-7111
Web   www.mobinil.com

Investor Relations
Asser El Shanawany
Manager, Financial Planning and Investor Relations
Phone   +20 12 320-6178
                +20 311-0141
Fax   +20 12 320-0049
email   investors@mobinil.com

Independent Auditors
KPMG [Hazem Hassan]
KPMG Building Pyramids Heights Office Park
KM 22 Cairo-Alex Road
Giza-Cairo, Egypt
Phone   +20 2 536-2200
                +20 2 536-2211
Fax   +20 2 536-2301
                +20 2 536-2305

Ernst and Young
37 El-Ahrar street
Mobica Tower PO Box 97
Dokki-Cairo, Egypt
Phone   +20 2 336-2000
Fax   +20 2 760-0813

NOTES

from the heart

rejoice friendly challenge

cherish improve

dynamic

humane discover

unwind

seek excellence believe