



2009 Annual Report

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• The **Vision & Mission**

Vision To be part of people's daily lives by providing reliable and simple products and services that help people interact and communate better.

Mission To maintain our position as the leading mobile service provider in Egypt 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 off our community.

- From the **Chairman**



Alex (I.N) Shalaby

“The toughest thing about success is that you've got to keep on being a success.” Irving Berlin

At times of difficulty, it's essential to remain focused on the future. The year 2009 was full of challenges primarily driven by the global economic crisis and an unprecedented aggressive competitive environment.

Mobinil could not avoid the adverse impact that the economic crisis had on most world markets.

Although, luckily, the worst effects of the global financial crisis bypassed Egypt for the most part, we still felt the impact in the drop of GDP levels. In light of this rapid economic decline, Mobinil responded to the pressure on enterprise and consumer markets with value propositions designed to address customers needs, maintaining our commitment to invest in Egypt and to invest in growth, with a focus on people, technology, and market positioning.

Despite the challenges we faced in 2009, Mobinil managed to maintain its leadership in the Egyptian telecommunications market and maintained its position as the largest mobile operator in the MENA region in terms of subscribers, serving over 25 million customers.

It has performed quite well financially, delivering net revenues of EGP 10,807M, and an increase of 8% over 2008. Our full year EBITDA reached EGP 5,122M representing an increase of 9% over 2008 and the full year net income reached EGP 2,038M representing an increase of 3% over 2008.

We have maintained our commitment to our shareholders by maximizing earnings and securing a strong financial position. The Board has recommended a final dividend of EGP 750,000,000 to reach a total of

EGP 9.5 in cash distributions per share for the year.

Moreover, Mobinil adopted a prudent approach in terms of capital and operating expenditure aiming to secure strong cash generation and sound liquidity, while improving the overall customer experience and satisfaction at all levels as well as strong investor confidence.

I am delighted to see the level of growth achieved given the tough conditions we operated under throughout most of the year. This could not have been achieved without the trust of our customers in the quality and innovation of our services, and the dedication of our talented team members.

As a responsible corporate citizen, Mobinil contributed and supported the community through a variety of societal initiatives and programs, including awareness campaigns and training opportunities for university students and young graduates.

We will pursue our journey towards excellence and continue to meet the challenges head on, while remaining committed to our strategy. We shall remain true to our unwavering promise to increase value for all our stakeholders without compromising on the quality of our services, which we have become known for over the years.

• FromtheCEO



Hassan Kabbani

Looking back at 2009, I feel proud of the results Mobinil has achieved despite the aggressive competition and the challenging economic environment.

The Egyptian telecom sector proved more resilient to the economic downturn of 2009. Mobinil continued its growth, offering choice and flexibility to meet the different needs of our customers, enhancing the mobile experience and making communication services even more accessible and enjoyable to all.

Mobinil managed to achieve good growth in revenue and profitability despite the global economic turmoil, reaching 8% in revenue, 9% in EBITDA and 3% in net profit.

With the Internet and broadband growing increasingly, Mobinil took the lead in offering Prepaid Internet for the first time in Egypt. We are continuing to expand the reach of the mobile internet, offering unlimited connectivity, device financing, and USB bundles to boost demand and usage.

We revamped the Star Awards loyalty program and launched Star 1000 Unlimited, offering our post-paid customers free unlimited calls.

Mobinil led the enterprise market by re-launching the Corporate Buckets, and introducing the Prepaid Business Tariff, allowing greater control along with more benefits and value to the business community.

Management efforts focused on reinforcing Mobinil's capabilities through operational efficiency, infrastructure upgrades, and quality enhancements.

In 2009, we pursued our aggressive investment plan, continuing our 3G rollout to provide the best possible quality of mobile services in the market. We strengthened our network quality and enhanced the mobile broadband experience as we rolled out more than 1,130 high-performance HSPA sites since our 3G network was launched.

By the end of 2009, Mobinil had 4,300 2G and 1,457 3G cell sites, and we are still growing to cater to the growing subscribers base. Network modernization has continued in 2009 with the introduction of first IP Backbone in Egypt and the migration to NGN networks.

We take pride in more than 3,350 dedicated, hard-working talented employees. We are truly proud to be a part of our active contribution to the development of our country and the success of our social responsibility projects.

Mobinil's mission towards the prosperity of Egypt was evident in our 2009 CSR activities, which included our commitment to education and sustainability, topped by our nationwide solidarity initiative: the campaign provided customers the opportunity to give back as Mobinil deducted an amount from its revenue from every transaction, collecting EGP 24M for a network of micro-finance charities.

Our objective in 2010 is to reaffirm our leadership position, as we capitalize on our competitive advantage, bringing the very best for our customers, shareholders, community, and for the Mobinil family.

Our 2010 strategy will focus on consolidation, value and leadership protection and enhancing our operational efficiency to achieve these priorities:

- Maintaining market share leadership
- Optimizing profitability
- Bringing new revenue streams
- Enhancing quality and efficiency
- Building our smart capabilities for an open environment
- Working more on profiling and segmentation

Being the operator of choice, being simply Mobinil, is the principle that shall continue to drive our success throughout 2010 and beyond.

On behalf of Mobinil, I would like to thank our customers, partners, employees, and shareholders for their continued confidence and support.

We look forward to making the coming year equally successful.

• Corporate Governance



The Shareholders

We are committed to:

- Maximize the earnings to shareholders and to build value for a long-term success.
- Maintaining a strong financial position by providing the best possible service to our customers.
- Protect all assets and resources.
- Safeguard Mobinil intellectual property and know-how.
- Properly accounting for all assets, liabilities, revenues, and expenses.
- Preparing financial statements that honestly and accurately reflect our financial position.
- Comply with Egyptian Financial Supervisory Authority (EFSA) and the Egyptian Exchange (EGX) rules and regulations.
- Comply with all Corporate Governance and internal control rules as well as all legal obligations.

Orascom Telecom



Orascom Telecom Holding S.A.E or "OTH" established in 1998 and has grown to become a major player in the global telecommunications market. OTH is considered among the largest and most diversified network operators in the Middle East, Africa, and Asia, having a population under license of approximately 510 million with an average mobile telephony penetration of approximately 47% as of September 30, 2009.

Orascom Telecom operates GSM networks in Algeria ("OTA"), Pakistan ("Mobilink"), Egypt ("Mobinil"), Tunisia ("Tunisia"), Bangladesh ("banglalink"), North Korea ("koryolink") and Canada ("WIND Mobile") through its indirect equity shareholding in Globalive Wireless. In addition it has an indirect equity ownership in Telecom Zimbabwe (Zimbabwe) and through its

subsidiary Telecel Globe; OTH also operates in Burundi, the Central African Republic, and Namibia.

In 2009, the company was also awarded the management contract of one of the two Lebanese mobile telecommunications operators ("Alfa") from the government of the Republic of Lebanon.

Orascom Telecom had over 89 million subscribers as of September 30, 2009.

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 Executive Chairman, Mr. Naguib Sawiris, was selected to join the GSM Association's CEO Board in 2003.

OTH is traded on the Egyptian Exchange under the symbol (ORTE.CA, ORAT.EY), and on the London Stock Exchange its GDR is traded under the symbol (ORTEq.L, OTLD.LI)

France Telecom, one of the world's leading telecommunications operators, had in 2009 total sales of 50.9 billion euros, including its activities in the United Kingdom, and, at 31 December 2009, a customer base of almost 193 million customers in 32 countries. Orange, the Group's single brand for internet, television and mobile services in the majority of countries where the company operates, now covers 131.8 million customers. At 31 December 2009, the Group had 132.6 million mobile customers and 13.5 million broadband internet (ADSL) customers worldwide. Orange is the number three mobile operator and the number two provider of broadband internet services in Europe and, under the brand Orange Business Services, is one of the world leaders in providing telecommunication services to multinational companies.

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The Group's strategy, which is characterized by a strong focus on innovation, convergence and effective cost management, aims to establish Orange as an integrated operator and benchmark for new telecommunications services in Europe. Today the Group remains focused on its core activities as a network operator, while working to develop its position in new growth activities. To meet customer expectations, the Group strives to provide products and services that are simple and user-friendly, while maintaining a sustainable and responsible business model that can be adapted to the requirements of a fast-paced and changing eco-system.

France Telecom (NYSE:FTE) is listed on Euronext Paris (compartment A) and on the New York Stock Exchange. For more information (on the internet and on your mobile): www.orange.com, www.orange-business.com, www.orange-innovation.tv





- **ECMS Board of Directors**



I.N (Alex) Shalaby

Chairman,
The Egyptian Company for Mobile Services (Mobinil)
Mobinil for Telecommunications S.A.E Representative
Executive Member

(Please see full biography on www.mobinil.com)



Hassan Kabbani

Chief Executive Officer,
The Egyptian Company for Mobile Services (Mobinil)
Executive Expert Member

(Please see full biography on www.mobinil.com)



Ahmed El Bardai

CEO REEFY Company
Public Shareholders Representative
Non-Executive Member

(Please see full biography on www.mobinil.com)



Aldo Mareuse

Group CFO, Orascom Telecom Holding
Orascom Telecom Holding S.A.E Representative
Non-Executive Member

(Please see full biography on www.mobinil.com)



Bertrand du Boucher

VP Finance and Strategy for Europe
and Middle East –France Telecom Group
Mobinil for Telecommunications S.A.E Representative
Non-Executive Member

(Please see full biography on www.mobinil.com)



Claude Benmussa

Senior Advisor PricewaterhouseCoopers (PwC)
Mobinil for Telecommunications S.A.E Representative
Non-Executive Member

(Please see full biography on www.mobinil.com)

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David Hobley

Managing Director, Deutsche Bank AG, London
Mobinil for Telecommunications S.A.E Representative
Non-Executive Member

(Please see full biography on www.mobinil.com)



Fahd El Shobokshi

Chairman, Nile City Investment
Public Shareholders Representative
Non-Executive Member

(Please see full biography on www.mobinil.com)



Isabelle Hautot

General Counsel, International Affairs of France Telecom
Mobinil for Telecommunications S.A.E Representative
Non-Executive Member

(Please see full biography on www.mobinil.com)



Nadia Makram Ebeid

Executive Director, Center for Environment and Development
for the Arab Region and Europe
Public Shareholders Representative
Non-Executive Member

(Please see full biography on www.mobinil.com)



Naguib Sawiris

Executive Chairman, Orascom Telecom Holding
Mobinil for Telecommunications S.A.E Representative
Non-Executive Member

(Please see full biography on www.mobinil.com)



Olaf Swantee

Senior Executive VP, Personal Communication Services, and UK/EME Operations
France Telecom Group
Mobinil for Telecommunications S.A.E Representative
Non-Executive Member

(Please see full biography on www.mobinil.com)



Onsi Sawiris

Chairman, Orascom Group of Companies
Honorary Chairman
Non-Executive Member

(Please see full biography on www.mobinil.com)

The Organization



Hassan Kabbani
Chief Executive Officer



Audette Hanna
VP, Human
Resources



Khalid Ellaicy
VP, Finance



Magdy Gabra
VP, Enterprise
Market



Marwan Hayek
VP, Technology

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Mohamed Nabih
VP, Corporate Strategy
and Business Development



Rana Abbadi
VP, Quality and
Corporate Support



Yasser Radwan
VP, Commercial
Market



Governance Guidelines

- Promote and strengthen transparency, accuracy and efficiency as the governing control point of the company, consistent with the rule of law and where the division of responsibilities among different supervisory, regulatory and enforcement authorities is clearly articulated.
- Protect and facilitate the exercise of shareholder rights.
- Ensure the equitable treatment of all shareholders.
- Recognize the rights of stakeholders established by law or through mutual agreement.
- Encourage active co-operation between ECMS and its stakeholders in creating wealth, jobs, and the sustainability of financially sound and profitable enterprise.
- Ensure that timely and accurate disclosure is made on all material matters regarding ECMS, including the financial situation, performance, ownership, and governance.
- Ensure strategic guidance of ECMS, the effective monitoring of management by the board and the board's accountability to the company and its shareholders.

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The General Assembly

The final decision-making control of ECMS was exercised at the assembly of ECMS shareholders during their general meetings. During 2009, ECMS held 2 ordinary General Assembly Meetings and 2 Extraordinary Meetings.

No.	Description	Date	Attendance percentage
1	ECMS Ordinary General Assembly	March 19, 2009	71.43%
2	ECMS Extra ordinary General Assembly	March 19, 2009	71.55%
3	ECMS Ordinary General Assembly	October 1, 2009	74.05%
4	ECMS Extra ordinary General Assembly	December 3, 2009	71.36%

The Ordinary General Assembly Meetings covered:

- Considering of accounts, balance sheet, BoD report, and External Auditors report.
- Declaring dividend recommended by the Board.
- Discharging the Directors from their responsibility with regard to the activities undertaken during the previous year and determining their remuneration and allowances for 2009.
- Re-appointing External Auditors and determining their fees.
- Overseeing the BoD's activities and its compliance with its obligations.

The Extra-ordinary General Assembly covered:

- Creating local Bond issuance.
- Determining and approving modifications related to Article (26) of ECMS by-laws.

The Board of Directors (BoD)

ECMS Corporate Governance serves as the secretariat of the BoD; a collegial body representing all shareholders collectively and who acts at all times in the best interests of ECMS.

Composition

- Comprised of 13 members, a majority of whom were non- executive directors who met the requirements of the Egyptian Financial Supervisory Authority (EFSA) and the rules of Egyptian Exchange (EGX).
- Composed of representatives nominated from various shareholders.
- Whenever a member of the Board was designated, he/she considered him/herself as a representative of all shareholders and was obliged to act in the best interests of ECMS and all its shareholders.
- The shareholders' representation and the formation of the BoD were according to their capital ownership structure:
 - 1 Non-Executive Member as Honorary Chairman

- 7 Members representing Mobinil Telecommunications (51% of ECMS shares)
 - 1 Executive Member (Chairman), 6 Non-executive Members
- 1 Expert Executive Member (The CEO)
- 1 Non-Executive Member representing Orascom Telecom Holding (20% of ECMS shares)
- 3 Non-Executive Members representing public shareholders (29% of ECMS shares)
 - The current ECMS BoD was elected in March 2007 for a three-year term.

Meeting Frequency

- ECMS Board meets at least four times per year (at least once each quarter) on a schedule adopted by the Board members.
- Throughout 2009, the BoD held Ten meetings (in person and via conference calls).

No.	Board Members names	Attendance
1	Onsi Sawiris (Honorary Chairman)	8/10
2	Alex Shalaby (Chairman)	10/10
3	Naguib Sawiris	10/10
4	Hassan Kabbani (CEO)	10/10
5	Olaf Swantee	10/10
6	David Hobley	10/10
7	Claude Benmussa	10/10
8	Bertrand Du Boucher	10/10
9	Aldo Mareuse	10/10
10	Pierre Charreton (resigned on 28-Oct-09 and was replaced by Isabelle Hautot)	6/10
	Isabelle Hautot (joined Mobinil 28-Oct-09, replacing Pierre Charreton)	4/10
11	Sheikh Fahd Shobokshi	10/10
12	Nadia Makram Ebeid	10/10
13	Ahmed El Bardai	10/10

Board remuneration

The remuneration of the Board is determined annually at the General Assembly level. At the beginning of 2009, ECMS General Assembly approved the BoD remuneration and compensation package for 2009.

No.	Board Meetings remuneration throughout 2009	Description
1	Annual Compensation to ECMS Chairman	EGP 500,000
2	Annual Compensation to Board Members	EGP 75,000
3	Board Attendance fee per member	EGP 10,000
4	Profit Share remuneration limit per member	EGP 350,000

Board Committees

Audit Committee

The ECMS Board of Directors has established the Audit Committee to assist the Board in the oversight of both the internal and external audit functions in accordance with the rules and regulations of Egyptian Financial Supervisory Authority (EFSA) and the Egyptian Stock Exchange.

Audit Committee Composition

- **Claude Benmussa (Chairman)**
Senior Advisor Pricewaterhouse Coopers (PwC)
Mobinil Telecom Representative
- **Ahmed El Bardai (Member)**
Chief Executive Officer – REEFY
Public Shareholders Representative
- **Aldo Mareuse (Member)**
Group Chief Financial Officer, Orascom Telecom Holding
Orascom Telecom Holding Representative

- **Bertrand Du Boucher** (Member)
VP Finance and Strategy for Europe and Middle East-France Telecom Group
Mobinil Telecom Representative

Audit Committee Meetings

- ECMS Board Audit Committee meets at least eight times per year (at least twice each quarter), physically or via conference call, on a schedule adopted by the Committee and as many additional times as it deemed necessary.
- During 2009, AC held Ten meetings/ conference calls. Also, it held one closed meeting with the external auditors without management.

No.	Board Members names	Attendance
1	Claude Benmussa	10/10
2	Ahmed El Bardai	10/10
3	Aldo Mareuse	10/10
4	Bertrand Du Boucher	10/10

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Audit Committee remuneration

ECMS Audit Committee haven't got remuneration plan. However, the General Assembly has approved an attendance fee.

No.	Audit Committee remuneration throughout 2009	Description
1	Attendance fee for Chairman	EGP 15,000
2	Attendance fee per member	EGP 10,000

Compensation Committee

The ECMS Board has established the Compensation Committee to, among others; benchmark Mobinil as an employer against other companies in the Egyptian market. It Oversees the Company's compensation and benefit programs and establishes the overall philosophy and policies governing these programs.

Compensation Committee Composition

- **Olaf Swantee** (Chairman)
Sr. EVP, Personal Communication Services and UK/EME Operations - France Telecom
Mobinil Telecom Representative
- **Naguib Sawiris** (Member)
Executive Chairman - OTH
Mobinil Telecom Representative

Compensation Committee Meetings

The Committee meets at least two times per year, on a schedule adopted by the Committee, and as many additional times as the Committee deems necessary.

Related Parties Transactions

According to the mandate given by the shareholders and in light of the standard governance practices and procedures, ECMS followed the frame and methodology through which the BoD agree on reviewing, approving or ratifying any Related Parties Transactions where the amount included exceeds

EGP 1 Million.

Conflicted board members did not participate in discussions on transactions in which they were a conflicted party and abstained from voting on such issues. The board decided on the approval of any related party transaction involving a director in the absence of that director.

Insider transactions

The BoD and/or Permanent Insiders have registered any ECMS shares they held at the time of their appointment, as well as any shares acquired during their tenure as Board Members.

- The BoD and/or Permanent Insiders were prohibited to perform transactions on the Company shares during "blackout" periods (prior to quarterly, half-year, and yearly earnings releases or prior the announcement of material information that might have an impact on the share price).

- The Corporate Secretary confirmed the start and end dates of “blackout” periods and notified the BoD and/or Permanent insiders in timely fashion.

External auditors

The principle role of the external auditors is to report that the financial accounts, produced by the directors for the shareholders, truly reflect the state of the company finances.

KPMG (Hazem Hassan)

- KPMG Hazem Hassan Public Accountants and Consultants are the leading Provider of services which include Audit, Tax, Legal and Financial advisory.
- Principal Activities: Accounting and auditing, tax, management consultancy, and legal and corporate financial advisory services.
- Annual Fees: EGP 200K

Ernst and Young

- They provide global services in four main areas: Assurance, Tax, Transactions, and Advisory. Through these services, they can help in retaining the confidence of investors, manage risk, strengthen controls, and achieve their potential.
- Principal Activities: Accountancy, auditing, tax advice, and management consulting; investment banking services including corporate finance and advisory services on merges and acquisitions.
- Annual Fees: EGP 200K

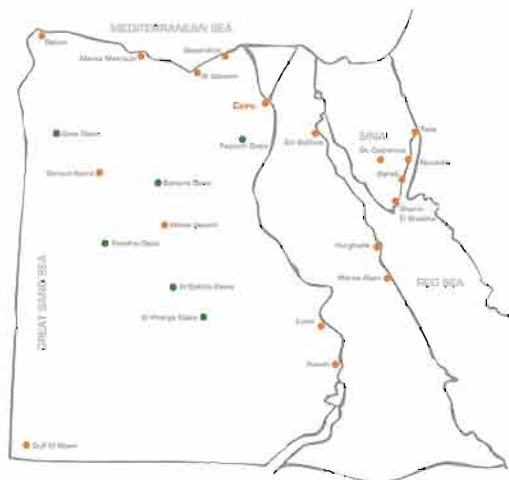


- **Business Overview**

Performance at a glance

- Population: 77.6
- 43% urban; 57% rural
- 58% < 25 year of age
- Literacy rate: 57%
- Area: 997,739 Km²
- 97% of inhabit. live on 4% of land
- 2009 GDP Est.: \$163 Bn EGP.
- GDP Est.: \$ 163 Bn EGP.
GDP per capita (09 Est.): \$ 2,450

Sources: World Bank, Oct 09



Mobile market is still booming

Subscribers	+60M
Penetration	78%

Increase in Internet users

Users	17M
Penetration	21%

Sources: Mobile company reports, MCIT & NTRA Q4 2009 reports

Fixed line on the defense

Subscribers	10M
Penetration	13%

Broadband is the future

Users	1M
Penetration	1%

Egypt is one of the most rapidly growing mobile markets in Africa

Growth opportunities have not been exhausted, but maintaining current growth trends will increasingly pressure operator margins. Unlike more advanced markets revenue growth is still on upward trend although continuing price cuts and discounts are not compensated by volume increase.

Voice is still core business

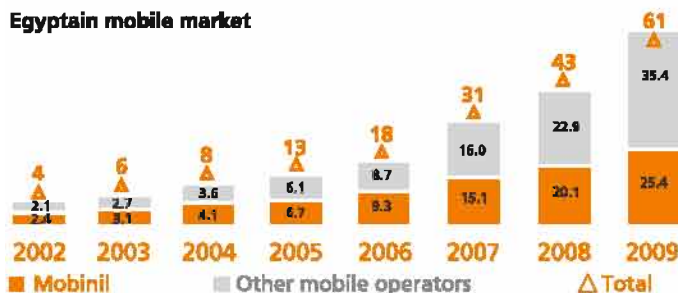
- Voice is where the money still is \approx 90% of revenues
- Data (mostly SMS) still constitutes a minor revenue stream, but great potential if adoption barriers could be overcome (handset availability, Arabic content, relevant applications, etc...)
- Also need to expand into new business areas: outsourcing, offshore, retail, advertising, content

Egypt is a prepaid market

- Over 97% of existing subs prefer prepaid tariff plans.
- High Value Customers (HVC) are still a vital segment: despite being less than 3% of subscribers.

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Egyptain mobile market



Mobile success story – market still not saturated

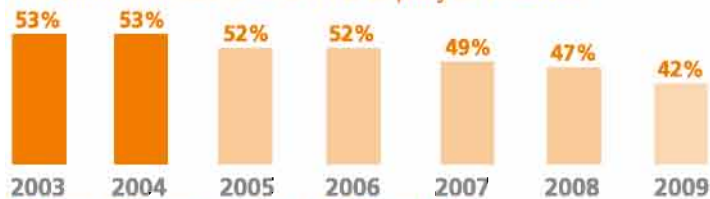
- Huge uptake mostly of traditional voice services.
- Great potential for further expansion – particularly in MBB.
- Mobile operators pushing data usage (USBs, dongles, laptop bundles).
- Price war all operators play on-net card – significant price reductions.
- Multi-SIM proliferation hikes penetration rate.

Fixed line monopoly has been hit by popularity of mobile – but still controls broadband infrastructure

- TE protective retail moves – slashing connection fees, encouraging 2nd line adoption and, reducing fixed mobile rates.
- 2Q-09 TE-more stringent retail service policy eliminating +1M subs
- Focus on wholesale bandwidth services and internet services.

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Mobinil market share in a 3 player market



More Internet users than fixed line

- Egyptians love the Internet – keen on social networking sites.
- Facebook is now one of the 10 most-visited websites in the Arab world: in Egypt, it ranks third, after Google and Yahoo.
- By November 2009, there were 2.15M Egyptian Facebook subscribers.
- In March 2009, Facebook introduced Arabic.

Key Strengths

- 1- Leading mobile operator in Egypt with around 42% market share

- 2- Strong majority shareholders (France Telecom and Orascom Telecom)
- 3- GSM market penetration still has room for expanding
- 4- Favorable market demographics-young population (60% under 25 years of age)
- 5- Significant unrealized spending Power
- 6- Significant bias to a pre-paid subscriber model – low doubtful receivables
- 7- Cost of customer acquisition is low as there are limited handset subsidies
- 8- Low leverage
- 9- Healthy EBITDA level
- 10- Focus on the Egyptian mobile market – not participating in regional expansio

Operating Environment and Strategic Pillars of Mobinil

- Invest on gathering and structuring the information
- Acquire maximum market share profitability
- Sustain future growth by expanding in new territories and new industries
- Apply a segmented approach in everything we do to meet dynamic market needs – customer centric
- Maintain competitive advantage of being the operator of choice for all Egyptian – customer intimacy
- Enhance quality and standards
- Improve efficiency to become more agile
- Belong proudly to Mobinil
- Base management

Strategic Challenges in 2009

- Managing smartly the impact of the global financial crisis
Maintaining leadership position by:
- Driving the market
 - Looking for new sources of value creation
 - Building the right capabilities by modernizing and enhancing infrastructure and systems
 - Improving and optimizing organization efficiently

Market close-up

Our ultimate aim is not only to increase revenues, but also to build long-term relationships and create a bond of loyalty with our customers, in order to sustain our success in the future. To do so, we provide customers with accurate, truthful, complete, and consistent information concerning our products and services. During 2009, our marketing strategy focused on:

- Securing market share and increasing value share.
- Adopting segmentation approach in tailoring market offerings.
- Optimizing stakeholder value.

2009 stands out as a fiercely year due to key milestones



Steady Growth, 1H-09

A series of successful promotions secured Mobinil market leadership across all KPIs with significant growth during 1H-09 compared to 1H-08

Paradigm Shift May-09

The cross-net door opened “unconditional” to the masses with the launch of Etisalat aggressive tariff plan changing market parameters.



Introduced Prepaid Mobile Broadband to the Egyptian market, 1Q-09

Mobinil launched a variety of Mobile Broadband offers to suit different customer segments and address their various needs:

- First to launch prepaid MBB Feb-09.
- Launched Student's offer with a dedicated tariff plan in Mar-09.
- Launched limited 1.5GB new tariff plan in Jun-09 for medium to high usage customers



On the promotions side, Mobinil launched an educational campaign promoting prepaid MBB in May-09 addressing the easiness of prepaid MBB use.

Further, Mobinil launched an aggressive series of Internet promotions “عيش ع النت” as follows:

07-Jun-09

Offered ultra-portable HP mini netbook + free Mobinil Internet line + free 3G USB modem

17-Dec-09

MBB Unlimited, a unique market offering that received widespread acclaim



Pricing Moves, 3Q-09

Mobinil introduced innovative and aggressive pricing moves in the market



Launch of El Masry at EGP 0.08; the lowest prepaid rate per minute in the Egyptian market (4Q-09)

- EGP 0.08/minute on-net EGP 0.19/minute cross-net.
- EGP 0.10 call set-up fee.



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Mobinil Grand Trivia: interactive SMS and IVR game

Customers accumulated points by answering general knowledge questions, with opportunities to win EGP 10,000 to EGP 1,000,000.



Star tariff revamp: Extra benefits to High Value Customers (HVC)

Star free favorite number: enables customers to choose a favorite number to call for free anytime, anywhere. Star unlimited Mobinil: enables customers to call other Mobinil numbers for free through a high number of inclusive minutes. Star Unlimited: enables customers to call any mobile or fixed number in Egypt for free through a high number of inclusive minutes. Plans included SMS and mobile internet usage.

Star 100 (L.E. 25)	Star 500 L.E. (125)	Star 1000 (L.E. 250)
100 minutes	500 minutes	1000 minutes
Free group service L.E. (150)	Free number The group service L.E. (75)	Free group or Free time or Free number Free SMS to any Mobinil number

Star Awards Enhancement

Expanded enhanced gift catalog giving customers a wider gift choice.

Enterprise Market

- Office Anywhere service using the Flybox – offering WiFi coverage.
- Prepaid business tariff plans.
- Closed User Group (CUG) service granting same company employees exclusive call rates
- BlackBerry services for the Enterprise market.
- Business handsets at exclusive prices.



Better efficiency and improved quality of service

- Customer Refund Cycle Enhancement
- Online info database made available through the Intranet to ensure consistency of information given to customers.
- Apply "Log Me In" Service to enable remote access to customers' devices in order to resolve their problems.
- Launch of "Voice Recording and Monitoring System Customer Data Cleansing project
- "Last Agent Strategy" for routing customers to the same agent who answered his / her last call

Wider distribution

Increased sales coverage in year 2009 reflecting wider and more specialized distribution, increased retail coverage, as well as development of partnerships and alliances.

- 100 owned shops milestone reached, target set with the future vision of having the strongest and largest "specialized" telcos retail chain in Egypt.
- Active point of sales grew by 15%.
- Controlled outlets increased by over 30% in 2009.
- Increasing controlled outlets in clubs, universities, underground and ports to over 100 kiosks, focusing on adding value to the supply chains in areas such as IT and mobile broadband.
- Location based execution strategies reflected in the success of road shows in the north coast, clubs and universities.

Strategic retail business alliances

Several alliances were developed and others were introduced in order to maximize our market penetration:

- Khadamaty, developed by the Complementary Sales in conjunction with the Cairo Chamber of Commerce, not only increased in number by tenfold in Cairo, but also extended to include the same model in another two key governorates.
- The Social Fund for Development (SFD), the Sales Distribution has appointed newly established point of sales to be exclusively selling Mobinil products all over Egypt.

Quality is a key success driver

"Quality is never an accident; it is always the result of high intention, sincere effort, intelligent direction, and skillful execution; it represents the wise choice of many alternatives."

William A. Foster

Strategic plans for Quality

- Regard customers at the heart of each process
- Eliminate processes' wastes for faster execution of plans.
- Address quality problems intelligently to magnify value in the short and mid terms.
- Nurture a culture of quality over time.

The way to stay ahead in an aggressive competition is to enhance the quality because simply put, quality returns satisfaction

Major improvements have been witnessed through Six Sigma initiatives defined for 2009 that address strategic and corporate priorities.

Programs deployed	Performance
Network Unavailability Rate (NUR) in high traffic areas	+75%
Call Success Rate (CSR) in the Delta region	+27%
Network Complaint Handling process	+57%

The Six Sigma program relied completely on internal resources, with more than 35 Master Black Belts, Black Belts, and Green Belts trained and certified on Six Sigma methodology (1% from the total organization as a start). Mobinil has established the mechanism to manage more projects in 2010 that address both strategy and quality related issues.

Processes revamped to serve Mobinil customers better

- Revamped all customer-related processes.
- 40% improvement in Time To Market (TTM).
- 30% average improvement in the Time to serve related processes.

- 40% improvement in the procurement cycle.
- Eliminated most of the processes wasted and automated key workflows that led to faster execution of internal operations.

The only way to continue to grow efficiently and improve profitability

- Integrate customer needs with feedback.
- Eliminate process wastes.
- Develop internal resources to analyze problems and deploy improvement actions.
- Adopt an effective Quality Assurance governance to guarantee sustainability.

Technology

Enabling market and commercial plans

- Enhancement of Time to Market (TTM) by 24% YoY to support revenue generation and be more competitive.
- Development and management of more than 96 commercial products, promotions, and offers.
- Development of the data charging capabilities / capacity to support 3G and data services as well as the growth of broadband.
- Development and management of more than 37 commercial promotions and products.
- Technology supported the rollout of 7 new shops, 8 relocations and renovated shops and 20 franchises by managing the technical infrastructure, connectivity, irrelevant tools. This year's number overlooks the cumulative number of shops in the last years and highest number ever in Mobinil history.
- Availing more than 26M+ network capacity in BSS, NSS, and IN to cater for commercial growth and ensure flexibility and secure margins to any market activities.
- Tariff cleansing and optimization as part of the billing migration in agreement with commercial that will potentially reduce the number of tariffs used by 60% and foster

simplicity and friendliness of our offerings.

- Availing services over IP/ MPLS backbone for 3G traffic, E// and IN prepaid, e-Top Up, USSD RBT services, and soft switches voice and control traffic.
- Tele-presence powered by CISCO supports Mobinil with the latest and state-of-the-art technological environment; saving on travel and commutes whilst having the same face-to-face meetings experience.
- Internet link capacity was upgraded by 400% to cater for increasing demand for 3G and data usage across the network and to provide better customers experience.
- Prompt response to customer complaints regarding Technical issues with 98% resolved within SLA that enabled Customer Service Reps to better react and manage customers' complaints.



Cost Optimization

This year has been a milestone in changing the main paradigm and cascading a cost-sensitive culture at all levels. Key initiatives have actively contributed to optimize costs including:

- EGP 52.8M in site sharing; more than 150 shared sites
- EGP 60M in route optimization and ADMs; the re-design of transmission to cater for releasing of STM1s and/ or E1s to have a simpler architecture and enhance routing index.
- EGP 11M in SLA's review and optimization; reviewing key vendors SLAs and contract values to ensure maximum gain for Mobinil.

- Process re-engineering; changed the control and invoicing process of Technology subcontractors.
- IT and request management automation has added a lot of flexibility and standard handling across the organization.
- EGP 60M in IT business; due to the implementation of Revenue Assurance and Fraud Systems; modernizing legacy applications such as DWH and Vantive; and the implementation of Infrastructure virtualization.
- EGP 20M by inauguration of operations in-sourcing program of IN, data network and access engineering resources to save more than EGP 72M over three years and limit the reliance on outsourcing of specific skills in the network.
- Transit layer to improve the overall architecture and saving on the main cost-elements.
- EGP 10M estimated savings through the re-use of generator sets initiative by maintenance teams.
- EGP 60 M direct and indirect savings in Network and IT initiated by VM and Operations and IT teams to optimize cost through negotiations, changing of SLA and/ or services scope, terminating services that are not deemed necessary and revamping legacy applications.

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Key Projects and rollout implementation

- IP backbone migration of FERMA, STPs, soft switches, IN, GPRS/3G, 25 HLRS, 500 network elements and other services
- Implementation of Intrusion Prevention System (IPS) phase I in 11 nodes to block/ quarantine traffic from offending sources beyond the normal limit
- Implementation of PMO Project Server to enable standard delivery of projects implementation and reporting
- IT and OSS Infrastructure virtualization that allowed sharing of physical resources of multiple machines across the entire infrastructure.
- Capital and operational costs were lowered; operational efficiency and flexibility was improved. Corporate automation programs (workflow automation, HRMS, Oracle Fin new

modules) which contributed to corporate efficiency and reduced SLAs while catering for a paperless organization.

- CRM – Wave 1 (replacement of Vantive Call Center) successful implementation.
- DWH – Teradata implementation phase I.
- Billing IX migration – ALU selected as integrator and testing in progress to launch within 1Q-2010.
- Rollout of key network elements to cater for the commercial requirements as per the table below:

Network elements	
2G Net sites	570
3G Net sites	712
BSCs	74
MSCs	2
RNC	5
Installed TRXs	14,776
GWs	2
NgHLR	8 MSubs

The rollout across months was properly managed according to market and commercial priorities.

New Network Operations Center @ SV

Tuesday July 14, 2009 witnessed the inauguration of Mobinil's new Network Operations Center [NOC] at Smart Village premises. OTH Chairman Naguib Sawiris, France Telecom Senior EVP France Telecom Group, Olaf Swantee along with Mobinil's Chairman, CEO, and VP Technology as well as top management participated.



Quality, performance, and improvement

- 75% improvement in the VIP NUR from 1.3 Sigma to 5.4 Sigma; this is estimated to have EGP 7M indirect savings
 - Maintenance cycle of high priority cases improving by 60%.
 - Transmission NUR improving by 45%.
 - Repetitive Site NUR improving by 43%.
 - VIP Trouble Tickets cycle improving by 40%.
 - 22% cases meeting the SLA in Network Customers Complaints improved from 49% to 60%; hence, leveraging customers' satisfaction and internal respect to incident resolutions.
 - 50% estimated CSR improvement by stabilizing the end-to-end quality experience and minimizing the site intervention negative impact.
- NTRA confirmed an improvement in technical KPIs during 2009, which paved the way towards a better customer experience and increased confidence in network performance.

KPI	Mobinil	Vodafone, Egypt	Etisalat, Egypt
Call Block Rate	0.75%	0.88%	1.05%
Call Drop Rate	0.54%	0.60%	0.56%
BVQR	1.16%	0.76%	0.52%

- Improved and stable QoS and strong KPI's that were highlighted in NTRA reports across the year.
- Increased roaming subscribers per day by +29%, leveraged 3G data volume by 75% for the Downlink (DL).
- Estimated EGP +9.2M increase in revenue as a result of improving data throughput and customer experience for GPRS through the reliability class change on 2G network.
- 3G traffic reached 10.1% from total traffic and on-net traffic consumed \approx 69% of total radio traffic.
- More than 39,000 actions have been handled through the Service Interruptions Center (SIC) with a huge increase of

243% YoY through services automation and coordination with all teams.

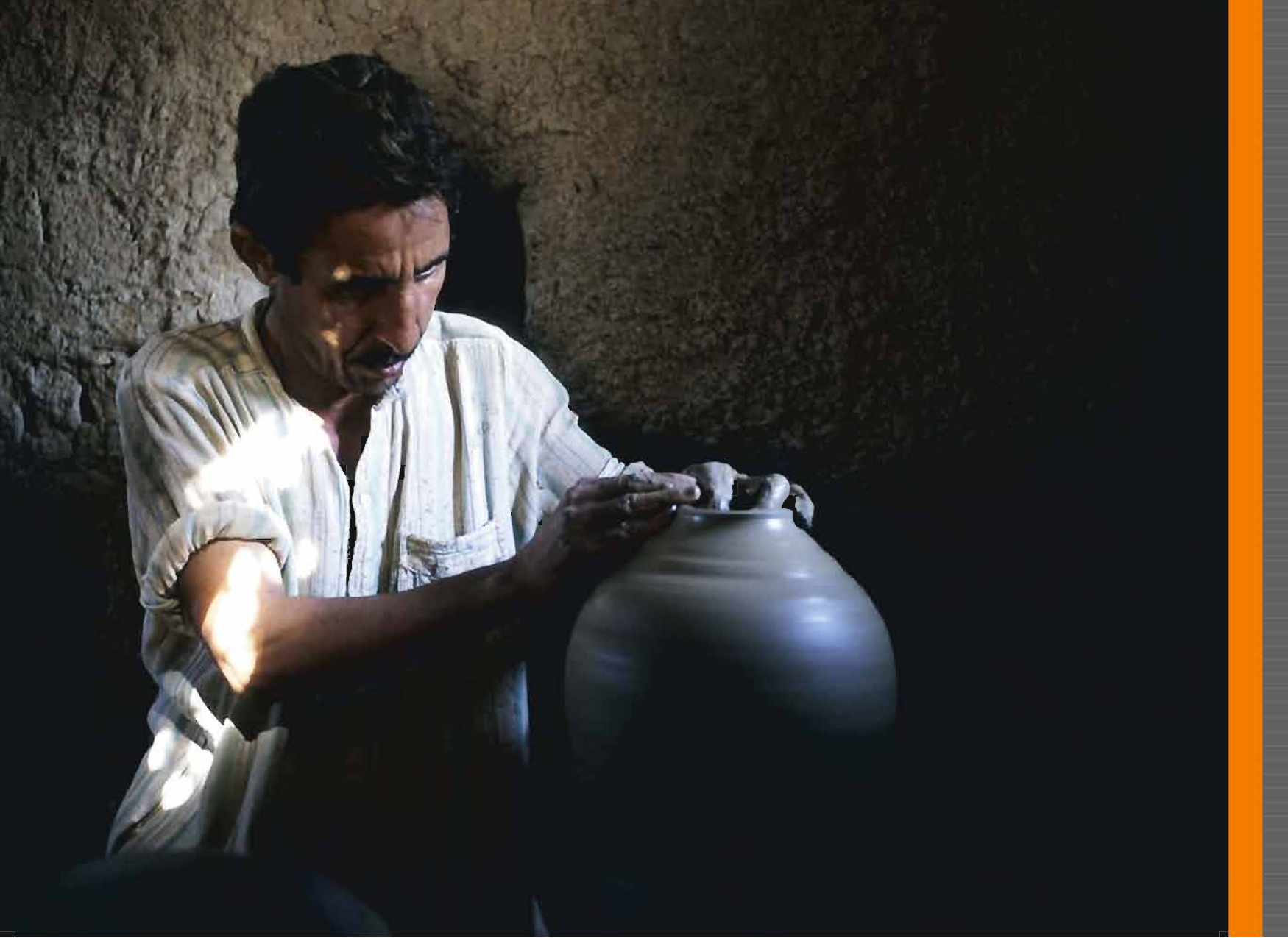
- Initiation of a focused-coverage plan in Delta to accommodate for the commercial gap and to improve the corporate competitive edge.

Technology Governance and Information Security

In 2009, the Information Security Department was setup to lead the implementation of policies and security standards across the organization in addition to developing and implementing network and infrastructure security regulations.



• Our Talent



More than 3,350 people call Mobinil their second home

Our employees are our most valued asset. Our ability to succeed depends on the integrity, knowledge, skills, diversity, and competent teamwork of our employees. We are shaping a challenging, fair, firm, and productive work environment, which emphasizes mutual respect and teamwork. We strive to reward high performance and we promise to be responsive to the needs of our employees. The Company is committed to providing equitable compensation, excellent working conditions, and a fair atmosphere with great opportunities for professional growth. We are committed to providing a safe and healthy work environment for the purpose of protecting the health and safety of our employees.



Equal Employment Opportunity (EEO)

Mobinil is an equal opportunity employer and we pride ourselves with the Equal Employment Opportunity policy (EEO). All employment applications are considered without regard to age, gender, religion, disability, or marital status.

Tolerance and diversity

We respect others, tolerate our differences, and believe in the power of diversity. We strive to create a culture where tolerance and respect exist between employees. The diversity of people brings strength to our Mobinil team. Regardless of our differences in backgrounds, roles, age, gender, religion, or physical ability we all bring value to our company through our work. We shall tolerate and respect our differences and treat each other fairly.

Respect for people

We respect each and every person we interact with during our business dealings including customers, employees, suppliers, and all parties that have a business relationship with the company. We consistently treat others with the respect and dignity which we desire for ourselves.

Training and Development

Average training hours per trained employee	55 hours
Percentage of trained employees	93%



Strategic Managerial Leadership Program (SML):

Mobinil has a management development process that caters to all the management layers starting from Team Leaders up to Executives. Initiated in 2007 to promote continuous development at all levels, SML's objectives are to:

- Bring managers together towards a common understanding of Mobinil priorities and future.
- Prepare a second line of individuals capable of handling management responsibilities once needed.
- Ensure consistent and fair management practices.

Total trained since program start-up: 605 employees Educational Assistance Program

Mobinil sponsors post graduate studies for its full time employees, including MBAs, diplomas, certificates and software tracks. According to the Educational Assistance Policy, Mobinil covers 80% of all expenses and the employee bears 20%.

Number of rounds since inception	14
Number of employees who successfully completed their programs	105
Number of employees still engaged in their studies until the end of 2009	158

Internal vacancies and transfer

To promote a dynamic culture and encourage employees at all levels to be exposed to the various facets of the business, Mobinil offers horizontal job opportunities.

Employees who successfully transferred* to other departments	335	10%
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*Transfers include moves resulting from internal job posting, headcount re-allocations and departmental re-structures.



Diversity

Percentage of female employees from the total workforce	31.5%
Percentage of female employees who are members of Mobinil's Executive Team and Senior Management	22%

*Above the national average of about 24% (according to the Business Solutions for Human Development Report 2007)



Work environment and Job satisfaction Recognition Program

Our employee recognition program is active year-round to promote the continuous motivation of our people and maintain our workforce commitment and vibrancy.

The program is designed to recognize employees for diligence and dedication, superior performance, exemplary behavior and distinctive job accomplishments. The Recognition Program offers a delightful stream of rewards. Hundreds of our employees have been awarded recognition vouchers.

2009 Employee Opinion Survey

To promote an open and transparent culture, Mobinil encourages the active participation of its employees in voicing their perception of the company in the annual Employee Opinion Survey. Areas of improvement are identified and recommendations are presented to management for further consideration.

Survey highlights

80.52%	Participated in the Annual Employee Opinion Survey
75.36%	Agree that their work environment helps them deliver excellent performance
89.42%	Would recommend Mobinil as a good place to work
94.86%	Are proud to be part of Mobinil
93.94%	Are willing to work beyond their job requirements

People Share

People Share is an employee engagement and communication tool to receive and channel employees' perceptions or ideas about Mobinil's image, ethical concerns, work systems and processes, policies, HR issues, management practices, physical work environment, and individual grievances. It could also be used as a whistle-blowing channel as it allows senders to remain anonymous if they desire to.

In 2009, 439 People Share messages were sent via this Intranet-based tool.

Health and Wellness

A flu vaccination campaign was launched in October 2009 to protect against the Human Influenza Virus. The vaccination took place in various Mobinil premises, Nile City, Smart Village, Agouza Call Center and the World Trade Center.

Number of employees who received the vaccine	1,647
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Extra vials purchased for employees' families	2,430
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38 In addition, a special awareness campaign was launched in May 2009 to provide tips and guidelines for all employees against the H1N1 (Swine Flu) virus.

Smart Environment

Offering more automation through Self-Services.

To gain more efficiency and enhance internal processes, Mobinil launched the employees Self-Services applications based on the Human Resources Information Management System (HRMIS) in 2008. The Self-Services applications improved operational standards, saved time and cost while eliminating waste. More than 3,350 employees are able to view their pay-slips, submit annual leave requests and apply for training courses without having to print a single sheet. More employee services are expected to be introduced soon to further expand this service. In addition, the on-going Corporate Forms Automation project (launched in 2009) is helping Mobinil reduce costs, increase efficiency, enhance employees experience and help the environment while reflecting directly on our operational expense.





Corporate Social Responsibilities

Mobinil Academy

Job Shadowing

As part of our genuine belief in the values of workplace diversity and gender equality, Mobinil held its first Job Shadowing Day under the slogan "Today's Shadow, Tomorrow's Sunshine." On Sunday December 6, 2009, a group of female students from a number of Egypt's top international schools were warmly welcomed by the Technology senior executive team, and our employees at the Smart Village.



Students in Free Enterprise Egypt (SIFE)

Mobinil was recognized as the gold sponsor of the 2009 SIFE Egypt "Environmental Sustainability" Topic Competition in the Students in Free Enterprise (SIFE) National Competition held in July 2009. SIFE prepares the next generation of entrepreneurs to create a better world for everyone. SIFE students develop community outreach projects to solve real problems that impact many people.



Community

Ramadan Solidarity Campaign

In Ramadan 2009, Mobinil led a nationwide solidarity initiative to contribute to the development of the Egyptian community through giving 24 million Mobinil customers the opportunity to give back to the community. Mobinil donated to charity a portion of its revenue generated out of each transaction during Ramadan. Mobinil's donation of 24 MEGP was distributed to a network of micro-finance charities to help disadvantaged families, youth, and women entrepreneurs that need support to start small projects.



Promoting the Spirit of Volunteerism

Mobinil Chairman, VP Finance, VP Technology, and many employees joined efforts with Habitat for Humanity Egypt in building and restoring houses for the underprivileged in Minya, Upper Egypt.



AUEED

In 2009, Mobinil supported the Association of Upper Egypt for Education and Development (AUEED) by funding a number of illiteracy classes with the aim of providing 350 females in Sohag with basic reading, writing and arithmetic skills.



Environment

Regulatory compliance of cellular network

All our new and existing sites are inspected to ensure compliance with the Egyptian protocols. EMF emission levels are also measured under governmental supervision and are certified accordingly. In 2009, we inspected over 1000 sites all of which were 100% compliant to the EMF emission levels.

Electronic waste management

First regional conference on e-waste

Mobinil was a partner in the conference organized by the Center of Environmental Development in Arab Region and Europe; under the auspices of UN Basel Convention and the Ministry of Environmental Affairs.



Bridging the digital divide and managing E-waste

Outdated IT parts that were no longer to be used by Mobinil were used to build 60 fully functional PCs that were donated to elementary schools and charitable organizations

Alexandria Governorate battery collection and safe dumping

Mobinil conducted awareness campaigns in 63 schools to educate students about preserving the environment, safe disposal of used batteries and the impact of radio waves on human health. A total of 1500 students participated in

this project and were each rewarded a small tree shrub as a token of appreciation from Mobinil and the governorate.



E-waste educational centre

Participated in establishing a learning center for garbage collectors' community, to provide e-waste sorting techniques. The initiative was done in collaboration with Community and Institutional Development (CID), a leading NGO in waste collection, sorting and recycling.

Renewable energies and carbon emissions

Solar power in cellular network

Mobinil has been using photovoltaic cells in off-grid and eco sensitive areas since 2002. Last year, the generated power from renewable sources exceeded 360 MW, up 60% from the year before with similar plans for the future.



Voluntary emission reductions

Another effective method in reducing our carbon footprint. Equivalent CO₂ in 2008-2009 were 1500 tons which offsets a substantial portion of our operational emissions.

• Aspirations for 2010

Following a flagship 2009, the company hopes to continue to remain the mobile operator of choice for Egyptians. It aspires to continue to offer its state-of-the-art communication experience to more and more Egyptians making mobile communication a more integral part of their daily lives.

The focus of the company will lie in its Mobile Broadband initiatives as well as offering a wider range of products and services that are both useful and relevant to the Egyptian consumer. Through its ongoing flow of propositions to the consumer and the enterprise markets, Mobinil is confident of maintaining its leadership position in the market relying on its tailor-made offers to a market with varying social segments and communication needs. The Company will continue to play a fundamental role in the Egyptian economy and community lending a hand to its adopted charitable and developmental initiatives as well as adopting new ones that will improve the overall lives of Egyptians. Mobinil will always be a company that places its consumer at the heart of its operation to maintain a high level of trust and credibility with its consumers and to welcome more and more Egyptians into its large family of supporters.





- Financial **Highlights**



Statement by CFO

Khalid Ellaicy

Dear Shareholders,
2009 was a difficult year, with the global economic and financial crisis affecting the availability of financing and reducing the discretionary spending of individuals and corporations.

Despite these tough times, we were able to continue growing our business, achieving 8% revenue growth, 9% EBITDA growth and 3% net income growth.

These excellent financial results were a result of our continuing focus on both our top line, on net/off net mix and our cost optimization initiatives.

In a time when cash and liquidity strength are major areas of focus from everyone, we are proud that our 2009 free cash flow (EBITDA – CAPEX) stood at EGP 1.7Bn.

Our results and cash generation capabilities were key in the success of our bond issue of EGP1.5Bn that was initiated in December of this year and finalized in January 2010.

2010 will also be a challenging year with continuation of the affects of the financial crisis and increased competition. We look forward to meeting your expectations in 2010.

Ernst & Young
Allied for Accounting & Auditing
37 El Abrar St., Mobica Tower
Mohandessca

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.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of The Egyptian Company For Mobile Services S.A.E and its subsidiaries, which comprise the consolidated balance sheet as at December 31, 2009, and the consolidated income statement, statement of changes in equity and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

These consolidated financial statements are the responsibility of Company's management. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Egyptian Accounting Standards and applicable Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and applicable Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Egyptian Company For Mobile Services S.A.E. and its subsidiaries as at December 31, 2009, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these consolidated financial statements.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note (29) to the consolidated financial statements, the Company 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 costs from and to Telecom Egypt based on the existing agreement.

Ernst & Young
Allied for Accounting & Auditing



Cairo February 4, 2010

Hazem Hassan

KPMG Hazem Hassan

KPMG Hazem Hassan
Public Accountants and Consultants

Consolidated Balance sheet as at December 31, 2009

	Note	31/12/2009	31/12/2008
	No.	EGP	EGP
Long Term Assets			
Fixed assets (net)	(2d,3)	8 911 008 001	7 870 040 512
Assets under construction	(5)	889 390 580	1 000 281 022
Licenses fees (net)	(2f,4,21)	2 956 458 180	3 186 777 098
Investments available for sale	(2g,6)	—	900 000
Rent deposits		13 451 756	12 139 002
Total long term assets		12 770 308 517	12 070 137 634
Current assets			
Inventory	(2h,7)	124 594 349	165 702 590
Accounts receivable	(8)	302 894 574	253 020 551
Other debit balances	(9)	449 904 071	366 807 636
Prepaid expenses		178 105 847	151 855 089
Cash at banks and on hand	(10)	813 855 274	650 488 088
Total current assets		1 869 354 115	1 587 873 954
Current Liabilities			
Provisions	(2n,11)	403 227 134	465 448 942
Banks facilities	(12)	559 360 750	374 807 029
Short term loans	(16)	407 200 000	327 200 000
Creditors	(13)	2 521 367 976	2 086 538 006
Other credit balances	(14)	1 115 666 579	947 409 600
Dividends payable		—	353 499 577
Accrued expenses		993 377 938	873 849 539
Total current liabilities		6 000 200 377	5 428 752 693
Excess of current liabilities over current assets		(4 130 846 262)	(3 840 878 739)
Net investments		8 639 462 255	8 229 258 895
Financed as follows:			
Equity			
Paid up capital	(17)	1 000 000 000	1 000 000 000
Treasury shares	(24)	(3 453 803)	(11 354 972)
Reserve (gains from Treasury Shares)		51 643 352	84 894 960
Legal reserve		200 000 000	200 000 000
Equity settled share based payments	(2m,24)	(6 682 871)	8 089 061
Retained earnings		622 740 738	59 243 697
Net profit for the year (equity holders of the Company)		2 037 984 372	1 970 229 270
Interim distribution		(222 599 482)	(1 071 473 607)
Total equity attributable to equity holders of the Company		3 679 632 306	2 239 628 409
Minority interest		(1 036 088)	2 532 243
Total equity		3 678 596 218	2 242 160 652
Long Term Liabilities			
Long term creditors-Licenses fees	(27)	—	633 139 883
Long term payable		408 573 326	125 260 675
Long term loans	(2L,16)	4 013 377 301	4 848 069 871
Deferred tax liabilities	(2K,19)	538 915 410	380 627 814
Total long term liabilities		4 960 866 037	5 987 098 243
Total equity & long term liabilities		8 639 462 255	8 229 258 895

The accompanying notes form an integral part of these financial statements and are to be read therewith.

Vice President, Finance
Khalid Ellaicy

Chief Executive Officer
Hassan Kabbani

Chairman
Iskander Shalaby

Auditors' report "Attached"

Ernst & Young
Allied for Accounting & Auditing

KPMG Hazem
Hassan

**Consolidated Income statement for the financial year ended
December 31, 2009**

	Note	Financial year ended 31/12/2009	Financial year ended 31/12/2008
	No.	EGP	EGP
Operating revenue	(2e)	10 806 854 831	10 014 950 989
Expenses & cost of operation			
Cost of services (excluding depreciation & amortization)		(2 038 710 092)	(2 069 593 665)
Other operating cost		(1 776 166 582)	(1 360 597 338)
Depreciation & amortization		(1 907 145 792)	(1 659 572 182)
Selling, general and administrative expenses		(1 722 405 058)	(1 692 868 422)
Remuneration, allowances and salaries of board members		(9 396 279)	(4 963 665)
Impairment losses of accounts receivable		(35 149 127)	(50 315 445)
Provisions	(2n,11)	(190 239 393)	(252 018 137)
Provisions no longer required	(2n,11)	86 799 993	160 816 985
Total operating costs		(7 592 412 330)	(6 929 111 869)
Net operating profit		3 214 442 501	3 085 839 120
Add/(Less):			
Impairment losses of investment		(900 000)	—
Interest income		35 566 623	40 366 164
Other income		15 276 398	3 774 347
Interest expense		(723 608 820)	(586 575 098)
Capital loss		(5 951 990)	(20 796 233)
Net foreign currencies exchange differences	(2c)	38 328 202	(54 599 306)
Net profit for the year before income tax		2 573 152 914	2 468 008 994
Current tax	(2k)	(377 313 773)	(354 733 457)
Deferred tax	(2k,19)	(158 287 596)	(144 220 698)
Income tax	(18)	(535 601 369)	(498 954 155)
Net profit for the year after income tax		2 037 551 545	1 969 054 839
Attributable to:			
Equity holders of the Company		2 037 984 372	1 970 229 270
Minority interest		(432 827)	(1 174 431)
Net profit for the year		2 037 551 545	1 969 054 839
Earnings per share	(20)	20.27	18.16

The accompanying notes form an integral part of these financial statements and are to be read therewith.

**Consolidated cash flows statement for the financial year ended
December 31, 2009**

	Note	Financial year ended 31/12/2009	Financial year ended 31/12/2008
	No.	EGP	EGP
Cash flows from operating activities			
Net profit for the year before income tax		2 573 152 914	2 468 008 994
Adjustments to reconcile net profit to cash flows from operating activities			
Depreciation & amortization		1 907 145 792	1 659 572 182
Net change in provisions	(2n,11)	(62 221 808)	(81 943 827)
Write-off of accounts receivable		(25 403 192)	(32 656 517)
Impairment losses of accounts receivable		35 149 127	50 315 445
Write-down of inventory		2 772 665	227 580
Interest income		(35 566 623)	(40 366 164)
Interest expense		723 608 820	586 575 098
Impairment losses of investment		900 000	—
Capital loss		5 951 990	20 796 233
Equity settled share based payments transactions		10 791 468	26 648 168
Income tax paid		(330 858 455)	(562 269 594)
Changes in working capital			
Rent deposits		(1 312 754)	(4 479 588)
Inventory		38 335 576	(49 555 504)
Accounts receivable		(59 619 958)	(6 985 408)
Other debit balances		(83 456 830)	59 630 956
Prepaid expenses		(26 250 758)	(26 056 639)
Creditors		(202 656 670)	(6 339 818)
Other credit balances		91 052 345	(141 072 600)
Accrued expenses		167 620 565	126 651 629
Interest paid		(686 766 868)	(490 800 873)
Net cash provided from operating activities		4 042 367 346	3 555 899 753
Cash flows from investing activities			
Payments for the purchase of fixed assets and assets under construction	(28)	(2 240 960 225)	(2 670 671 742)
Payments for licenses		(160 000 000)	(910 000 000)
Proceeds from sale of fixed assets and fixed assets under construction		3 337 032	8 198 107
Payments to minority shareholders in subsidiary undertakings		(3 135 504)	—
Interest received		36 188 561	40 633 989
Net cash used in investing activities		(2 364 570 136)	(3 531 839 646)
Cash flows from financing activities			
Proceeds from loans		750 000 000	1 820 200 000
Payments of loans		(1 517 200 000)	(417 200 000)
Dividends paid		(931 783 745)	(1 196 827 028)
Net cash (used in) / provided from financing activities		(1 698 983 745)	206 172 972
Net change in cash and cash equivalents			
Cash and cash equivalents at beginning of the year		275 681 059	45 447 980
Cash and cash equivalents at end of the year	(2q,10)	254 494 524	275 681 059

Consolidated Statement of changes in Equity for the financial year ended December 31, 2009

	Capital	Treasury Shares	Reserve of gains from treasury shares	Legal reserve	Equity settled share based payments	Retained earnings	Net profit for the year (Equity holders of the Company)	Interim Distribution	Total	Minority Interest	Total equity
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as at 31/12/2007	1 000 000 000	(26 556 368)	50 913 839	200 000 000	30 623 410	47 706 759	1 823 784 804	(1 374 900 307)	42 066	3 706 674	3 748 740
Profit of 2007 transferred to retained earnings	-	-	-	-	-	448 884 497	(1 823 784 804)	1 374 900 307	-	-	-
Dividends during 2008	-	-	-	-	-	(437 347 559)	-	-	(437 347 559)	-	(437 347 559)
Equity settled share based payments	-	15 201 396	33 981 121	-	(22 534 349)	-	-	-	26 648 168	-	26 648 168
Interim dividends according to ordinary general assembly resolution on August 31, 2008	-	-	-	-	-	-	-	(668 309 177)	(668 309 177)	-	(668 309 177)
Interim dividends according to ordinary general assembly resolution on December 21, 2008	-	-	-	-	-	-	-	(403 164 430)	(403 164 430)	-	(403 164 430)
Net profit for the financial year ended December 31, 2008	-	-	-	-	-	-	1 970 229 270	-	1 970 229 270	(1 174 431)	1 969 054 839
Balance as at 31/12/2008	1 000 000 000	(11 354 972)	84 894 960	200 000 000	8 089 061	59 243 697	1 970 229 270	(1 071 473 607)	488 098 338	2 532 243	490 630 581
Balance as at 31/12/2008	1 000 000 000	(11 354 972)	84 894 960	200 000 000	8 089 061	59 243 697	1 970 229 270	(1 071 473 607)	2 239 628 409	2 532 243	2 242 160 652
Profit of 2008 transferred to retained earnings	-	-	-	-	-	898 755 663	(1 970 229 270)	1 071 473 607	-	-	-
Dividends during 2009	-	-	-	-	-	(355 684 686)	-	-	(355 684 686)	-	(355 684 686)
Transfer of treasury shares gain	-	-	(50 913 839)	-	-	50 913 839	-	-	-	-	-
Equity settled share based payments	-	7 901 169	17 662 231	-	(14 771 932)	-	-	-	10 791 468	-	10 791 468
Mobiniil for importing	-	-	-	-	-	-	-	-	-	2 500	2 500
Mobiniil invest liquidation	-	-	-	-	-	(30 487 775)	-	-	(30 487 775)	(3 138 004)	(33 625 779)
Interim dividends according to ordinary general assembly resolution on October 1, 2009	-	-	-	-	-	-	-	(222 599 482)	(222 599 482)	-	(222 599 482)
Net profit for the financial year ended December 31, 2009	-	-	-	-	-	-	2 037 984 372	-	2 037 984 372	(432 827)	2 037 551 545
Balance as at 31/12/2009	1 000 000 000	(3 453 803)	51 643 352	200 000 000	(6 682 871)	622 740 738	2 037 984 372	(222 599 482)	3 679 632 306	(1 036 088)	3 678 596 218

The accompanying notes form an integral part of these financial statements and are to be read therewith.



Notes to the Consolidated Financial Statements for the Financial Year Ended December 31, 2009

1- Company's Background

The Egyptian Company for Mobile Services S.A.E. is an Egyptian Joint Stock Company, established under the Investment Incentives and Guarantees Law No. 8 of 1997 and was registered in the commercial registry under No.312032 on 4/3/1998 which was later modified to No. 2231 on 14/1/1999. The purpose of the company is to execute, manage, operate, develop, maintain a digital cellular mobile telecommunication system (G.S.M), selling and distributing mobile lines, scratch cards, mobile equipments and mobile maintenance and accessories. The company provides its services to subscribers inside and outside the Arab Republic of Egypt. The company's duration is 25 years starting from the date of registration in the commercial registry. The company started its operation on May 21, 1998.

2- Significant Accounting Policies

a) Basis of financial statements preparation

The consolidated financial statements are prepared in accordance with Egyptian Accounting Standards (E.A.S) and related Egyptian laws and regulations.

b) Basis of consolidation

The accompanying consolidated financial statements include the assets, liabilities and results of operation of the Company (The Egyptian Company for Mobile Services) and its subsidiaries (thereafter referred to as "the Group") which are controlled by the Company. The basis of the consolidation are as follows:

- All intra-group balances and transactions have been eliminated.
- Minority interest in the equity and results of operation of the subsidiaries controlled by the Company is shown as a separate item in the consolidated financial statements and is calculated based on their share in the assets and liabilities of the subsidiaries.

- There was no goodwill arising from the acquisition of the subsidiaries as the Company is the founder of the subsidiaries.

As at December 31, 2009, the company directly owns the following consolidated subsidiaries:

	Ownership
* Mobinil Services (Egyptian Joint Stock Company)	96%
* Mobinil for Importing (Egyptian Joint Stock Company)	98%
** Employees share plan (Trust)	Controlled

* Mobinil Telecom the principal shareholder of the company owns 2% in Mobinil Services and 1% in Mobinil for Importing. Mobinil Services owns 1% in Mobinil for Importing.

** The Trust established for the employees share plan of the company.

c) Foreign currency translation

The group maintains its books of accounts in Egyptian Pounds. Transactions denominated in foreign currencies are recorded at the prevailing exchange rates at the date of transactions, while balances of monetary assets and liabilities denominated in foreign currencies at the consolidated balance sheet date are retranslated at the prevailing exchange rates at that date. Exchange differences are recorded in the income statement.

d) Fixed assets and depreciation

- Fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. The assets are depreciated using the straight-line method over the estimated useful lives of each type of assets.
- The estimated useful lives are as follows:

Buildings	50 years
Network equipment	5-15 years
Computers	2-5 years
Office equipment	5 years
Furniture & fixtures	10 years
Vehicles	5 years
Leasehold improvements	5 years

e) Revenue recognition

Revenue from the sale of goods or services rendered in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

Revenue recognition for major revenue streams are as follows:

1- Airtime, SMS and other value added services are recognized when services are rendered.

- For postpaid subscribers revenue is recorded based on billed services, and an accrual is recorded for services rendered and unbilled at period end.

- For prepaid subscribers initial sale of scratch cards is recorded as deferred revenue, revenue is recorded based on usage of Airtime and other services.

2- Interconnect and roaming revenue is recognized based on the terms and conditions agreed with other operators and when services are rendered and billed. Accruals are recorded for unbilled revenue resulting from services rendered until the period end.

3- Handsets and accessories revenue is recognized upon delivery and when persuasive evidence exists, in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, there is no continuing management involvement with the goods, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and the amount of revenue can be measured reliably.

4- Connection fees are recognized based on activation.

f) Licenses fees

The existing licenses fees are accounted for as follows:

a- The license fee is recorded at cost and amortized over the period of license.

b- The fees to access the 7.5 MHz of the 1 800 MHz spectrum are recorded at the cash price using its net present value and amortized over the period of the access agreement.

c- The fees to acquire the 3G license and the 5 MHz of the 2 GHz spectrum is recorded at cash price of the license

agreement and amortized over the period of the license agreement.

d- All licenses agreements are extended to October 2022.

e- Amortization commencing at the commercial launch date.

g) Investments available for sale

Investments available for sale are stated at fair value (except investments in unquoted equity securities), with any resultant gain or loss being recognized directly in equity, except for impairment losses. When these investments are derecognized, the cumulative gain or loss previously recognized in equity is recognized in income statement. Investments in unquoted equity securities are stated at cost less impairment losses (2j).

h) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the weighted average method.

i) Capitalization of borrowing cost

The company capitalizes the borrowing costs related to the acquisition or establishment of an eligible asset.

j) Impairment

- The carrying amounts of the company's assets - other than (inventory 2h) and (deferred tax assets 2k) - are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.
- An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the income statement.
- An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

k) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income

statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is measured using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

l) Loans and borrowings

Interest-bearing borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

m) Share based payments

The Company has equity settled share based compensation plan. Equity settled share based payments are measured at fair value determined at the grant of the equity settled share based payments. The fair value of the share based payment is charged over the vesting period based on the company's estimate of awards that will eventually vest.

n) Provisions

Provisions are recognized when the company has a legal or constructive obligation as a result of past events, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows. Provisions are reviewed at the balance sheet date and amended (when necessary) to reflect the best current estimate.

o) Employee pension plan

The Company operates a defined contribution pension plan for its employees, in addition to the statutory social insurance scheme required by law. Employees who choose to subscribe to this plan pay 3% of their basic salary into the plan. The Company will then contribute an amount equal to 10% of that employee's basic salary to the plan.

The Company has no liability or commitment to the plan beyond its defined contribution. Employees who leave through resignation or retirement receive their entitlements for the pension plan according to its terms based on years of service.

p) Operating lease and capital lease

Lease payments under operating lease or capital lease are charged to the income statement on a straight-line basis over the period of the lease, commencing the date of the lease.

q) Cash and cash equivalent

Cash and cash equivalents comprise cash balances and deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

r) Cash flows statement

Cash flows statement is prepared using the indirect method.

3- Fixed assets (net)

	Land	Buildings	Network Equipments	Computers	Office Equipments	Furniture & Fixtures	Vehicles	Leasehold Improvements	Total
Cost	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost as at 1/1/2009	*11 634 043	**490 519 711	12 264 888 842	887 695 704	68 097 799	76 684 010	53 532 168	128 770 518	13 981 822 795
Additions for the year	4 075 634	27 309 710	2 479 392 422	160 367 468	5 583 824	8 343 133	21 825 190	20 186 004	2 727 083 385
Disposals	-	-	(35 281 838)	(8 898 108)	(126 210)	(50 830)	(2 639 085)	(1 758)	(46 997 829)
Total cost as at 31/12/2009	15 709 677	517 829 421	14 708 999 426	1 039 165 064	73 555 413	84 976 313	72 718 273	148 954 764	16 661 908 351
Accumulated depreciation									
Accumulated depreciation as at 1/1/2009	-	22 328 384	5 389 150 483	511 069 681	38 168 144	38 476 636	21 739 573	90 849 382	6 111 782 283
Depreciation for the year	-	10 139 866	1 512 051 784	114 301 537	9 207 712	7 278 602	11 914 600	11 932 773	1 676 826 874
Accumulated depreciation of disposals	-	-	(26 987 186)	(8 166 195)	(125 920)	(49 586)	(2 378 162)	(1 758)	(37 708 807)
Accumulated depreciation as at 31/12/2009	-	32 468 250	6 874 215 081	617 205 023	47 249 936	45 705 652	31 276 011	102 780 397	7 750 900 350
Net book value as at 31/12/2009	15 709 677	485 361 171	7 834 784 345	421 960 041	26 305 477	39 270 661	41 442 262	46 174 367	8 911 008 001
Net book value as at 31/12/2008	11 634 043	468 191 327	6 875 738 359	376 626 023	29 929 655	38 207 374	31 792 595	37 921 136	7 870 040 512

* This item includes :

1- An amount of L.E 3 250 000 which is represented in the purchase price of a piece of land (2 500 square meters) in the Smart Village according to a preliminary contract. The registration in the notarization office is in process .

2- An amount of L.E 1 374 720 represents the purchase price of a piece of land (2 345 square meters) from 6 th of October Development Agency according to an assigned contract on 6/2/2005 which has not yet been registered in the notarization office.

3- An amount of L.E 2 995 468 represents the purchase price of a piece of land (3 098 square meters) in El Obour City according to a preliminary contract which has not yet been registered in the notarization office.

** This item includes :

1- An amount of L.E 190 335 404 which is represented in the purchase price of the administrative offices in the Nile City building acquired through exercising the lease contract purchase option as at July 1, 2005. The registration at the notarization office.

2- An amount of L.E 90 378 272 which is represented in the purchase price of an additional 4 floors in the Nile City building which has not yet been registered in the notarization office.

4- Licenses fees (net)

	fees to access the 7.5 MHz of the 1800 MHz spectrum		Fees of the 3G license and access the 5 MHz of the 2 GHZ spectrum		Total license fees
	Licence fee				
	EGP	EGP	EGP	EGP	
Cost as at 1/1/2009	1755 000 000	643 101 265	2240 000 000	4638 101 265	
Less					
Accumulated amortization as at 1/1/2009	1 152 868 340	245 749 945	52 705 882	1 451 324 167	
Amortization for the year	43 654 839	28 546 432	158 117 647	230 318 918	
Accumulated amortization as at 31/12/2009	1 196 523 179	274 296 377	210 823 529	1 681 643 085	
Balance as at 31/12/2009	558 476 821	368 804 888	2 029 176 471	2 956 458 180	
Balance as at 31/12/2008	602 131 660	397 351 320	2 187 294 118	3 186 777 098	

5- Assets under construction

This item includes network equipments, letters of credit, advance payments related to assets and the capitalized borrowing cost directly related to the acquisition of the fixed assets amounting to EGP 75 601 033 (EGP 70 706 811 during 2008) as stated in note (2-i, 28). The average borrowing rate for the company which is used to capitalize interest is 11.084 % during the financial year ended December 31, 2009. (10.485 % during 2008).

6- Investments available for sale

This item represents the cost of investment in The Egyptian French Company for Finance Lease – Liquidated (percentage shareholding 14.17%).

7- Inventory

Inventory is represented in postpaid and prepaid SIMs and scratch cards in addition to other cell phone sets and telecommunication equipment

8- Accounts receivable

	31/12/2009 EGP	31/12/2008 EGP
Postpaid receivables	172 266 222	173 166 481
Roaming receivables	28 347 810	40 567 580
National roaming receivables	25 535 995	29 589 209
Interconnect receivables	76 681 358	9 253 584
Installment receivables	6 237	6 050
Other receivables	56 952	437 647
	302 894 574	253 020 551

9- Other debit balances

	31/12/2009 EGP	31/12/2008 EGP
Suppliers - advanced payments	15 160 396	14 784 203
Advanced payments to employees	77 991 683	-
Deposits with others	1 511 925	498 996
Accrued revenues	309 558 450	278 699 858
Mobinil For Telecommunication	332 500	667 957
* Forward receivable	694 950	-
Others	44 654 167	72 156 622
	449 904 071	366 807 636

*The company entered into some forward and other hedging transactions during the financial year ended December 31, 2009, to manage foreign currencies exposure. These transactions resulted in foreign currency gains by an amount equal to EGP 21 743 875. The forward receivable balance represents the reevaluation of the outstanding forward contract as at December 31, 2009 for the purchase of 40 MEuro to be exchanged into US dollars at the forward rate of 1.4344 on January 21, 2010.

10- Cash at banks and on hand

	31/12/2009 EGP	31/12/2008 EGP
a- Cash on hand	1 225 102	345 132
b- Cash in banks		
Current accounts	812 592 993	515 627 285
Cheques under collection	37 179	45 821
Time deposits	-	134 469 850
	813 855 274	650 488 088

Cash and cash equivalent

	31/12/2009 EGP	31/12/2008 EGP
Cash at banks	813 855 274	650 488 088
Less:		
Banks facilities	(559 360 750)	(374 807 029)
	254 494 524	275 681 059

11- Provisions

Description	Balance as at 1/1/2009	Formed	Provision no longer required	Used	Balance as at 31/12/2009
	EGP	EGP	EGP	EGP	EGP
Provisions	465 448 942	190 239 393	(86 799 993)	(165 661 208)	403 227 134

The Company has not disclosed some of the information required by the Egyptian Accounting Standard No.28 (Provisions, Contingent Liabilities and Contingent Assets), as the Company believes that it can prejudice seriously the position of the Company in disputes with other parties on the subject matter of the provisions.

12- Banks facilities

As at December 31, 2009 the company has short term bank facilities, all of which are in Egyptian pounds with various local banks amounting to EGP 859 810 000 of which utilized as at December 31, 2009 is EGP 559 360 750.

13- Creditors

	31/12/2009 EGP	31/12/2008 EGP
Fixed assets suppliers	825 298 662	912 647 247
Licenses' fees liability (note 27)	1 500 000 000	908 805 058
Trade suppliers	164 431 210	193 493 961
Creditors – Roaming	4 466 731	3 801 126
Orange Group	11 834 174	36 770 085
Orascom Telecom companies	12 181 672	27 840 415
Others	3 155 527	3 180 114
	2 521 367 976	2 086 538 006

14- Other credit balances

	31/12/2009 EGP	31/12/2008 EGP
Taxes and Stamps	371 470 499	290 827 616
Deposits from customers	46 698 070	43 527 507
Deferred revenue	499 571 085	486 503 133
Income tax	185 835 838	114 047 531
Others	12 091 087	12 503 813
	1 115 666 579	947 409 600

15- Related party transactions

Transactions with related parties during the year were similar to non related entities on an arm's length basis. These transactions are represented in buying network equipments, providing technical and accounting assistance for network operation and maintenance, network equipments construction activities, supplying computers to the company, providing advertising campaigns, paying and collecting the roaming revenues on behalf of related parties, sales, purchases and commission.

The following is a summary of the related parties, the type and amount of transactions with the company and their outstanding balances at the end of the year.

Description	Transaction type	Total transactions during the financial year ended	
		31/12/2009 EGP	31/12/2008 EGP
Orascom Telecom companies	Management fees / Roaming Services / Sales/ Purchases / Commission	890 436 091	785 070 269
Rest of Orascom Group	All abovementioned transactions	248 188 240	250 479 987
Orange Group	Management fees / Technical assistance/ Roaming Services	234 393 610	202 344 376
Nile City Investment Rent	Rent	12 393 463	7 599 325
Mobinil for Telecommunication	Payments on behalf of the company	510 278	361 923

The outstanding balances as at 31/12/2009 are as follows:

Balance type	Description	31/12/2009 EGP	31/12/2008 EGP
Orascom Telecom companies	Creditors / Accounts receivable	11 638 575	15 732 723
Rest of Orascom Group	Creditors / Suppliers-advance payments	11 502 140	16 893 281
Orange Group	Creditors / Suppliers-advance payments	9 466 015	3 713 313
Nile City Investment	Suppliers-advance payments	115 000	115 000
Mobinil for Telecommunication	Other debit balances	332 500	667 957

Summary of major related party contracts:

Management fee agreements:

The management fees related to the services provided by each of Orascom Telecom and Orange to the company in accordance with the contracts effective since July 1, 2002, for a

consideration of 0.75% of the company's gross service revenue (excluding sales tax) payable to each of Orange and Orascom Telecom. Such fees are invoiced and paid on a monthly basis. The contracts have been automatically renewed since their entry into force and therefore are long term, continuing and on-going contractual arrangements.

Distribution Service contract:

The company has a distribution agreement with Multimedia Mega Stores a subsidiary of Orascom Telecom by which the related party distributes the company's products in return for commissions. The commissions received are based on the same formula as other non related distributors.

Roaming agreements:

The company has roaming agreements with Orange and Orascom Telecom groups.

The amounts due on these contracts are previously included in this note.

The nature of the relationships is as follows:

- **Mobinil for Telecommunication**
Direct shareholder with 51.03% in the company.
- **Orascom Telecom**
Direct shareholder with 20% and holds 28.75% in Mobinil for Telecommunication the principal shareholder in the company.
- **Orange**
Principal shareholder with 71.25 % in Mobinil for Telecommunication the principal shareholder in the company.
- **France Telecom**
The principal shareholder in Orange.
- **Orascom Group**
Sister companies to Orascom Telecom as some of its shareholders are members of the board of directors of the company.
- **Nile City Investment**
Sister company as some of its shareholders are members of the board of directors of the company.

16- Loans

The company has unsecured loans, all of which are in Egyptian pounds, to finance its capital expenditure, 3G license fees and general purposes. These loans are all from local banks, the terms and details of the loans are summarized as follows:

Contract date	Grace period	Initial agreement amount	Carrying amount	Short term loans portion	Long term loans due 2011/2015	Maturity Date	Interest payment	Terms of Payment	Interest Rate Factors
April 17, 2005	3 years	1 800 000 000	1 140 005 970	327 200 000	812 805 970	30/4/2013	Semi-annually	11 semi-annual installments start after the grace period and due on April 30 & October 30 every year.	CBE Discount Rate (CDR). The corporate time deposit rate. CBE Mid Corridor rate. Margin.
August 15, 2007	5 years	2 300 000 000	1 093 980 680	—	1 093 980 680	14/8/2014	Semi-annually	<ul style="list-style-type: none"> • 20 % of the facility (460 million Egyptian Pounds) at the end of fifth year • 30 % of the facility (690 million Egyptian Pounds) at the end of sixth year • 50 % of the facility (1 150 million Egyptian Pounds) at the end of seventh year 	
February 27, 2008	2.5 years	2 200 000 000	2 186 590 651	80 000 000	2 106 590 651	3/3/2015	Semi-annually	<ul style="list-style-type: none"> • 80 million Egyptian Pounds at the first business day after expiry of the grace period that expires on September 2, 2010. • 2 120 million Egyptian Pounds over 9 semi-annual installments due on March 3 & September 3 every year. 	
April 23, 2009	2 years	610 000 000	Unused	—	—	22/4/2014	Semi-annually	6 semi-annual installments start after 6 months from the expiry of the grace period and due on October 22 & April 22 every year.	
			4 420 577 301	407 200 000	4 013 377 301				

17- Capital

The company's authorized share capital amounts to 1500 MEGP divided into 150 million shares with a nominal value EGP10 each. The company's issued and fully paid up capital amounts to 1000 MEGP. On October 12, 2003, the Company's Extraordinary General Assembly approved the increase of the authorized capital to 3 000 MEGP.

This increase was recorded in the commercial registry on February 23, 2004.

18- Reconciliation of effective tax rate

		31/12/2009 EGP		31/12/2008 EGP
Net profit for the year before income tax		2 573 152 914		2 468 008 994
Income tax using the domestic corporation tax rate	20 %	514 630 583	20 %	493 601 799
Non- deductible expenses		22 213 290		32 162 585
Tax exemption		(1 573 300)		(532 800)
Effect of tax rate in Mobinil invest		-		1 951 538
Under / (Over) provided in prior periods		330 796		(28 228 967)
	20.81%	535 601 369	20.22 %	498 954 155

19- Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	31/12/2009 EGP	31/12/2008 EGP	31/12/2009 EGP	31/12/2008 EGP
Property, plant and equipment	-	-	433 199 663	321 383 509
Employee share plan	541 383	2 762 301	-	-
Intangible assets	-	-	117 558 436	70 748 382
Provisions	11 301 306	8 741 776	-	-
Total deferred tax asset / liability	11 842 689	11 504 077	550 758 099	392 131 891
Net deferred tax liabilities			538 915 410	380 627 814

Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following item:

	31/12/2009 EGP	31/12/2008 EGP
Deductible temporary differences	10 019 533	11 741 665

Deferred tax assets have not been recognized in respect of this item because of the uncertainty associated with the recoverability of this deferred tax asset.

20- Earnings per share

	Financial year ended 31/12/2009	Financial year ended 31/12/2008
Net profit for the year attributable to equity holders of the company	2 037 984 372	1 970 229 270
Less		
Employees dividends	(22 222 222)	(155 584 026)
Board of directors remuneration	(420 000)	(3 966 666)
	2 015 342 150	1 810 678 578
Weighted average number of shares	99 433 574	99 698 553
Earnings per share	*20.27	**18.16

* Earnings per share were calculated after deducting the employees share and board of directors remuneration for the first half of the financial year only after being approved by the general assembly meeting.
**Earnings per share were calculated after deducting the employees' share and board of directors' remuneration for the financial year ended December 31, 2008 according to the ordinary general assembly resolutions on August 31, December 21, 2008 and March 19, 2009

21- License Agreements

a- License agreement

A license agreement was signed between the company and National Telecommunication Regulatory Authority. This agreement gives the company the right to establish and operate a digital cellular Mobile Telephone network in Egypt, for a duration of 15 years starting from May 21, 1998 subject to renewal. The company paid 1755 MEGP as a license fee for this agreement for the 15 years period. In addition, the company is liable to pay annual fees to the National Telecommunication Regulatory Authority.

b- License agreement appendix no. (2)

- The Company signed an agreement with both Vodafone Egypt and Telecom Egypt. Based on this agreement, the company and Vodafone Egypt have committed to make total

payments of 1 240 MEGP each over 4 years to the National Telecommunication Regulatory Authority (NTRA). Accordingly, each company was granted access to 7.5 MHz of the 1800 MHz spectrum that will be supplied by Telecom Egypt, which surrendered its 1800 MHz GSM license.

The fees to access the 7.5 MHz of the 1800 MHz spectrum are recorded at the cash price using its net present value.

c- License agreement appendix no. (4)

- On October 17, 2007, the company has signed an agreement with National Telecommunication Regulatory Authority (NTRA) to acquire the 3G license, 10 MHz spectrum and extension of the old licenses for a new 15 years starting from the date of signature against 3668 MEGP and a charge of 2.4% of mobile revenue. An amount of 318 MEGP was paid on the date of signature and the remaining amount will be paid on installments until the end of December 2010. Accordingly, the company has revised the useful life of old licenses to end October 2022.
- The 3G license fees are recorded at the cash price of the license agreement due to receiving the first 5 MHz of the 2 GHz spectrum during March 2008.

22- Capital Commitments

Capital commitments represent the fixed assets and intangible assets contracts entered into and not yet executed at the balance sheet date which amounts to 1899 MEGP as at December 31, 2009 (2210 MEGP as at December 31, 2008).

23- Contingent Liabilities

Contingent liabilities amount to 111 MEGP as at December 31, 2009. These contingent liabilities represent the uncovered amounts of letters of guarantee issued for the benefit of third parties as at December 31, 2009. The company is a party in a number of legal cases which resulted from carrying out its activities. Based on the legal advice obtained, the company's management believes that the outcome of these lawsuits individually or in aggregate - would not be material to the groups results.

24- Employees Share Plan (Treasury Shares)

The Extraordinary General Assembly meeting of the Company held on March 11, 2007 approved the establishment of the employee share plan (ESP) as per the corporate law by granting the employees free shares of the company. This plan will be applied to the company's employees, managers and executive members of the company's board that qualified according to certain conditions regarding their performance, position, years of experience at the company and anticipated accomplishments.

The Company's Board of Directors approved the allocation of 409 000 shares owned by Mobinil invest in the company in order to proceed with the employee share plan. Furthermore, the extraordinary general assembly meeting of the company held on September 3, 2007 approved the increase of allocated shares to 450 000 shares by purchasing the required share from the stock market.

The plan can be summarized as follows:

1. The plans beneficiaries will be granted free shares that will be allocated over a number of years. Furthermore, supervising committee will nominate the beneficiaries, according to the plans criteria, the number and dates of granted shares.
2. During the vesting period the ESPs' shares will be in the custody of the trustee. Thus, the beneficial employee has no right to attend or vote in the Company's Ordinary and Extraordinary General Assembly meetings. Hence, the beneficial employee cannot exercise his rights till the date of transferring shares' ownership. However, the beneficial employee will have the right of profit distributed on his allocated shares from the granting date.

The granted shares according to the plan are as following:

	31/12/2009	31/12/2008
	Shares	Shares
Allocated Shares at the beginning of the plan	409 000	409 000
Granted shares balance	(36 155)	(178 749)
Purchased & allocated shares to the plan	41 000	41 000
Exercised	(391 475)	(257 589)
Available shares	22 370	13 662

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3. According to the plan the currently allocated 36 155 shares will be transferred to employees on the following dates:

	Shares
December 31, 2007 (Exercised)	126 384
December 31, 2008 (Exercised)	131 205
December 31, 2009 (Exercised)	133 886
December 31, 2010	23 765
December 31, 2011	12 390

The income statement has been charged with EGP 10 791 468 representing the employee share plan expenses for the financial year ended December 31, 2009.

25- Financial Instruments and Management of Related Risks

The financial instruments of the company are represented in the financial assets, (cash at banks and on hand, accounts receivable, some of the accounts in debtors and other debit balances), the financial liabilities (loans, banks facilities, some of the suppliers balances, some of the accounts in creditors and other credit balances).

a. Credit risk

This risk is represented in the inability of customers to pay their debts. The group retains deposits from them and may suspend services for delinquent customers.

b. Foreign currencies exchange risk

The foreign currencies risk is represented in the fluctuations in exchange rates, which in turn affect the company's cash inflows and outflows as well as the value of its foreign currency assets and liabilities. As at the date of the balance sheet the company has foreign currency assets and liabilities equivalent to EGP 74 219 321 and EGP 738 162 114 respectively. The company's net exposure in foreign currencies is as follows:

	Short
U.S Dollars	18 875 416
Euro	70 653 021
GBP	63 120

As disclosed in note (2-c) the company has used the prevailing exchange rates at the balance sheet date to retranslate monetary assets and liabilities.

c. Interest rate risk

The interest rate risk is represented in the fluctuations in the interest rates which in turn affects the related monetary assets and liabilities.

d. Fair value

Based on the valuation basis used for the group's assets and liabilities described earlier, the fair value of the financial instruments does not materially differ from the book value as at the balance sheet date.

26- Tax Status

The Egyptian Company for Mobile Services

a. Corporate tax

The company was exempted from corporate tax for a period of 5 years ended 31/12/2003.

From inception till 2004	Tax inspection was performed for this period and all disputes have been finalized according to the internal committees decisions and settlement of liabilities resulted from this inspection is currently in process.
Years 2005 and 2006	The company is currently being inspected
Years 2007 and 2008	These years have not yet been inspected.

b. Payroll tax

From Inception till 2000	A tax inspection was performed for this period and the resulting differences were paid according to the resolution of the appealing committee except certain items which were transferred to the appealing.
Years 2001 to 2004	These years have been inspected and settled with tax authority.
Years 2005 to 2006	These years have been inspected and the resulting disputes are currently being discussed in the internal committee.
Years 2007 and 2008	These years have not yet been inspected.

c. Stamp tax

From Inception till 2006	A tax inspection was performed and disputes were settled except for tax on ALO connection fees and in-kind tax which were transferred to the preliminary court but not yet resolved for the period from inception till 2001 and to the appealing committee for years 2002 to 2006.
Years 2007 and 2008	These years have not yet been inspected.

d. Sales tax

From Inception till 2004	This period has been inspected and differences were paid.
Years 2005 to 2006	These years have been inspected and the company has been informed by the results.
Years 2007 and 2008	These years have not yet been inspected.

e. Withholding tax

From inception till 2003	A tax inspection was performed and the company received a preliminary claim from the central collection department. The resulting disputes are currently being discussed with the responsible tax department in the tax authority.
Years 2004 to 2008	These years have not yet been inspected. There is a dispute regarding withholding taxes enforced on the rent payments, settlement with the concerned tax authority is in process.

Mobinil Services (a subsidiary)

a. Corporate tax

From inception till 2003	Tax inspection was performed and a corporate tax form no. (19) was received and the dispute has not yet been discussed at the internal committee.
Years 2004 to 2008	The Company has not been inspected by the Tax authority.

b. Sales tax

From July 1, 2001 till December 31, 2004	These periods had been inspected and settled with tax authority.
Year 2005 to 2008	These years have not yet been inspected.

c. Stamp tax

From inception till July 31, 2005	A tax inspection was performed for this period and the resulting differences were paid according to the resolution of the internal committee.
From August 1, 2005 till December 31, 2008	This period has not yet been inspected.

d. Withholding tax

From inception till 2002	A tax inspection was performed and differences were paid according to claim from the central collection department.
Year 2003 to 2008	These years have not yet been inspected.

27- Licenses' fees liability

This item represents the liability of the 3G license fees to access the first 5 MHz of the 3G spectrum.

The classification of the license fees balance according to the years of repayment is as follows:

	Short term		
	During the year 2009	During the year 2010	Total
	EGP	EGP	EGP
Liability balance	*750 000 000	750 000 000	1 500 000 000

*Based on correspondence with NTRA, this amount which was due on January 2009 has been postponed until receiving the additional 2.5 MHz of the 1800 MHz spectrum.

The income statement has been charged with EGP 118 055 060 representing the amortized discount on the license fees payable based on an imputed interest rate.

28- Payments for the purchases of fixed assets and fixed assets under construction

For the purpose of the preparation of the cash flows statement, the fixed assets additions and net movement of fixed assets under construction are reconciled to the cash outflow resulting from these transactions as follows:

Description	EGP
Fixed assets additions during the year	2 727 083 385
Net movement of fixed assets under construction	(110 890 442)
Non cash reconciliations	
Interest capitalized during the year on fixed assets under construction	(75 601 033)
Fixed assets and fixed assets under construction suppliers	(299 631 685)
Payments for the purchase of fixed assets and fixed assets under construction	2 240 960 225

29- Interconnect dispute

Telecom Egypt filed a complaint with the dispute resolution committee of the National Telecommunication Regulatory Authority (NTRA), with the purpose of changing its interconnect prices with the mobile operators, with which it has existing contracts. We responded to the complaint in front of the committee asking to honor the existing effective contract between the Company and Telecom Egypt.

The NTRA issued a ruling on the dispute on September 3, 2008 in favor of Telecom Egypt by changing the interconnect prices between the fixed and mobile networks to be effective from that date. We informed the NTRA of our objection and rejection of the decision as it has no legal or contractual basis and that we intend to bring the matter to the courts in order to protect our 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.

On January 5, 2010 a letter from NTRA was received with the purpose of making new changes in the interconnect prices between the different operators to be applied retroactively from September 1, 2009. The letter was based on the September 03, 2008 decision. On January 14, 2010 the Company sent a letter to NTRA refusing this decision. The Company and its external legal counsel believe that the Company has a strong legal position as the NTRA's decision does not have legal or contractual ground, hence we continue to record interconnect revenue and costs based on the existing agreement with Telecom Egypt and other mobile operators.

Had we applied these decisions we would have recorded less interconnect revenue by EGP 100 482 767, less interconnect cost by EGP 34 413 465 for the financial year ended December 31, 2008 and less interconnect revenue by EGP 344 197 578 and less interconnect cost by EGP 83 745 442 for the financial year ended December 31, 2009.

30- Bonds

The Company's Extraordinary General Assembly approved on December 3, 2009, bonds issue in the form of 15 million bonds, at face value of EGP 100 and for a total amount of EGP 1 500M. The public subscription notice was approved by The Egyptian Financial Supervisory Authority on December 30, 2009 and it was published in two official newspapers on December 31, 2009.

The main terms and conditions of the bonds are as follows:

Type of issuance	Par value bonds (second issuance) with a fixed interest rate, marketable but non-convertible into shares.
Interest rate	12.25% fixed annual interest rate due every 6 months.
Issuance price	100% of bonds par value, which amounts to EGP 100 each.
Opening and closing date of public offering	Public offering started on January 15, 2010 till January 24, 2010
Payment	The bonds will be repaid in one installment at the final maturity date of the bonds after 5 years from the closing date of the public offering and the issuer has the right to repay the bonds before their final maturity date.

31- Comparative figures

Some of the comparative figures in the consolidated financial statements have been reclassified to be consistent with the classification of the consolidated financial statements as at December 31, 2009.



Results of Operations

Subscribers, ARPU and Operating Revenue

Total subscribers for the year ended 31 December 2009 grew by 26% to reach 25.4 Million compared to 20.1 Million for the year ended 31 December 2008 showing a continuation of the high growth trend that started in 2006.

Blended ARPU for the year ended 31 December 2009 declined 16% to reach 39 EGP compared to 46 EGP for the year ended 31 December 2008 that was heavily impacted by the severe competition.

Operating net revenue from mobile operations for the year ended 31 December 2009 increased by 7.9% to EGP 10,807 Million compared to EGP 10,015 Million for the year ended 31 December 2008. The main drivers for this revenue growth are the increase of the prepaid active base but that effect was partially diluted by the ARPU decline.

Expenses and Cost of Operation

Total operating costs increased by 9.6% to EGP 7,592 Million in the year ended 31 December 2009 compared to EGP 6,929 Million in the year ended 31 December 2008. This increase was primarily attributable to the increase of the cost components which is related to the increases in revenues and capital expenditures (mainly other operating cost and depreciation and amortisation).

Cost of services decreased by 1.5% to EGP 2,038 Million in the year ended 31 December 2009 compared to EGP 2,069 Million in the year ended 31 December 2008. This decrease was driven from the decrease in the interconnect cost and roaming charges driven by the higher customer tendency towards on-net usage as a result of the competitive on-net tariffs.

Other operating costs increased by 30.5% to EGP 1,776 Million in the year ended 31 December 2009 compared to EGP 1,361 Million in the year ended 31 December 2008. This increase was mainly due to the increase in transmission cost, network maintenance and cell site rent as a result from

network expansion and starting to charge universal services 0.5% revenue share during 2009 and charge the 2.4% revenue share for a full year in 2009 compared to 4 months in 2008. Depreciation and amortisation increased by 14.9% to EGP 1,907 Million in the year ended 31 December 2009 compared to EGP 1,660 Million in the year ended 31 December 2008. This increase was driven from the increase in network equipment depreciation as a result of the new capital expenditures, in additions to the network structure, charging the amortization of the new 3G licenses for the full year of 2009 compared to 4 months during 2008.

Selling, general and administrative expenses increased by 1.7% to EGP 1,722 Million in the year ended 31 December 2009, compared to EGP 1,693 Million in the year ended 31 December 2008. This increase was at a much lower rate compared to increase in revenues driven by effectively applied cost optimization methods.

Impairment losses of accounts receivable decreased by 30.2% to EGP 35 Million in the year ended 31 December 2009 compared to EGP 50 Million in the year ended 31 December 2008. This decrease was primarily due to enhancing the control activities over the collection process during 2009.

Provisions decreased by 24.5% to EGP 190 Million in the year ended 31 December 2009 compared to EGP 252 Million in the year ended 31 December 2008. This decrease was primarily due to the decrease in provision made for sales tax as the Company finalized the issues which were provisioned for during 2008 with the tax authority.

Net Operating Profit

Mobinil's net operating profit increased by 4.2% To EGP 3,214 Million in the year ended 31 December 2009 compared to EGP 3,086 Million in the year ended 31 December 2008. This increase is primarily attributable to revenue growth and the cost optimization process applied by the Company's management during 2009.

Interest Income

Interest income decreased by 11.9%, to EGP 36 Million in the year ended 31 December 2009 compared to EGP 40 Million in the year ended 31 December 2008. This decrease was primarily due to the decrease in the banks deposit interest rates applied during 2009 compared to 2008.

Other Income

Other income increased by 304.7% to EGP 15 Million in the year ended 31 December 2009 compared to EGP 4 Million in the year ended 31 December 2008 due to non-recurring sales of scrapped/obsolete inventory and compensation received from insurance companies mainly against the fire occurred in the Company premises at Al-Agouza call center.

Interest Expense

Interest expense increased by 23.4% to EGP 724 Million in the year ended 31 December 2009 compared to EGP 587 Million in the year ended 31 December 2008. This increase was primarily due to the reduction in the capitalized interest during 2009 compared to 2008.

Capital Loss

Capital loss decreased by 71 % to a loss of EGP 6 Million in the year ended 31 December 2009 compared to a loss of EGP 21 Million in the year ended 31 December 2008. This decrease was due to the decrease of the fixed assets retired during 2009 compared to 2008.

Net Foreign Currencies Exchange Differences

Net foreign currencies exchange differences gain of EGP 38 Million in the year ended 31 December 2009 compared to a loss of EGP 55 Million in the year ended 31 December 2008. This difference was attributable to the effective management of the currency fluctuation through forward deals executed during 2009.

Provisions no Longer Required

Provisions no longer required decreased by 46% to EGP 87 Million in the year ended 31 December 2009 compared to EGP 161 Million in the year ended 31 December 2008 because year 2008 reflected the settlement of certain tax issues related to prior years.

Net Profit for the Year

Net profit for the year increased by 3.4% to EGP 2,038 Million in the year ended 31 December 2009 compared to EGP 1,970 Million in the year ended 31 December 2008. This increase was at a lower rate than revenue increase mainly driven by the increase in interest expenses.

Growth story

Subscribers' figures

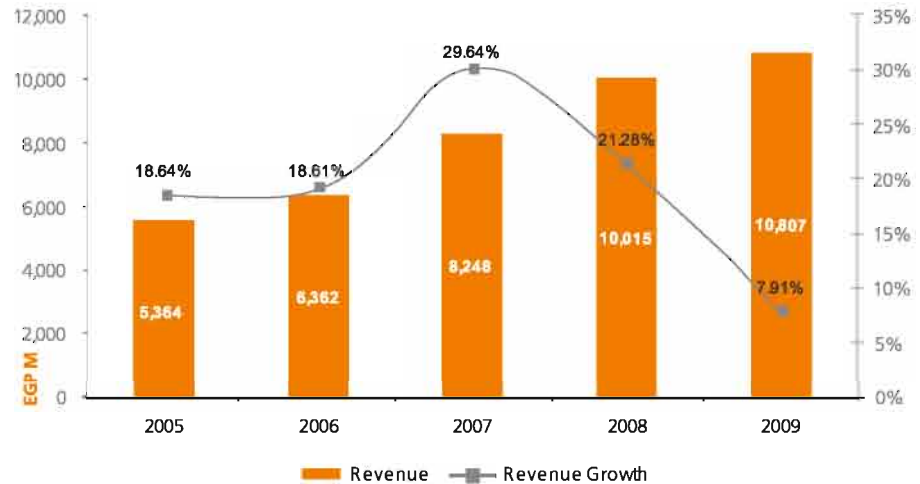
- Mobinil leads second growth phase in the Egyptian Telecom market starting 2007.



Financial performance

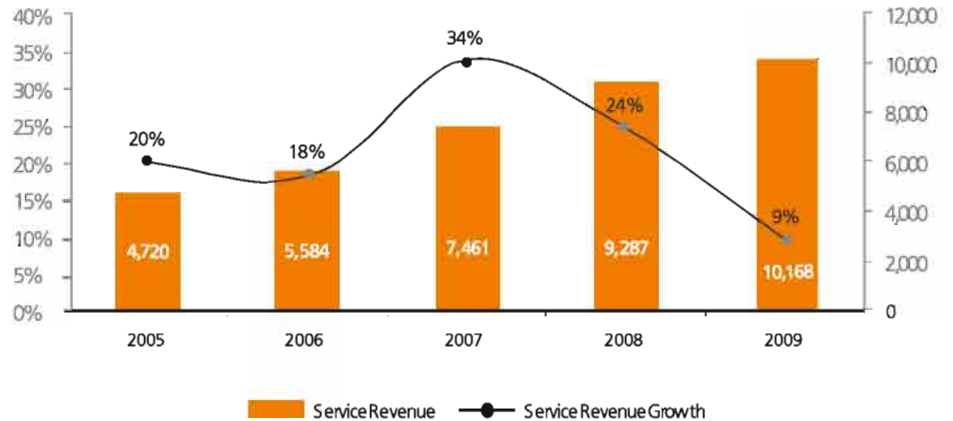
Revenue evolution

- Revenue 5 year CAGR of 15%, a continuation of strong revenue growth
- Revenue growth is at a declining rate driven by severe competition in the market.



Service revenue

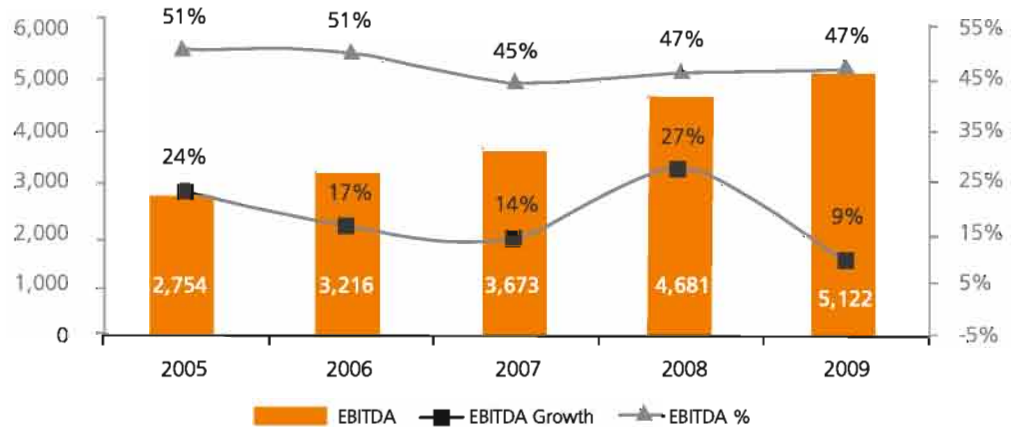
- Service revenue growth is the main indicator of subscriber base revenue generation.



70

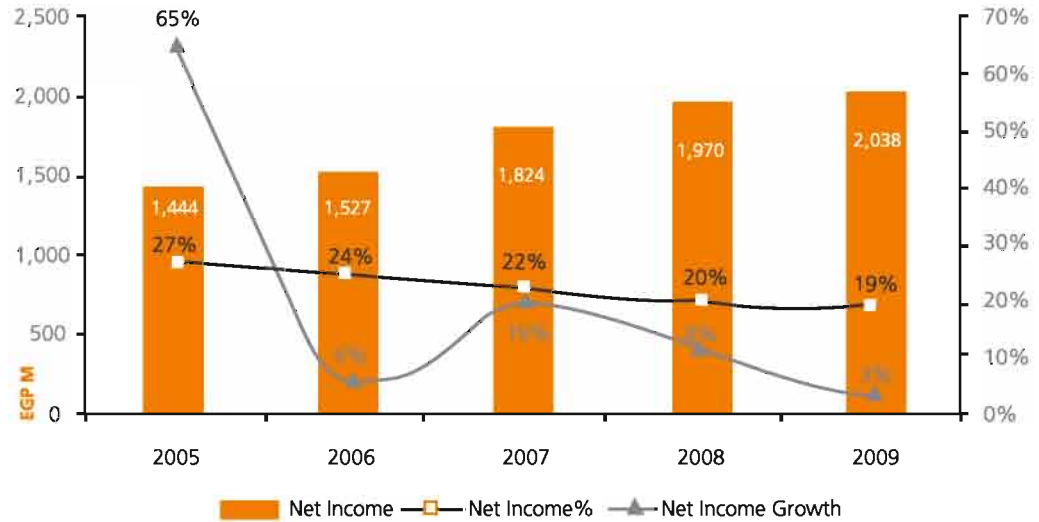
EBITDA evolution

- EBITDA 5 year CAGR of 13% following the Revenue growth.
- 2009 witnessed an improvement in EBITDA margin driven by the subscribers shift toward on net and applying prudent cost control measures.

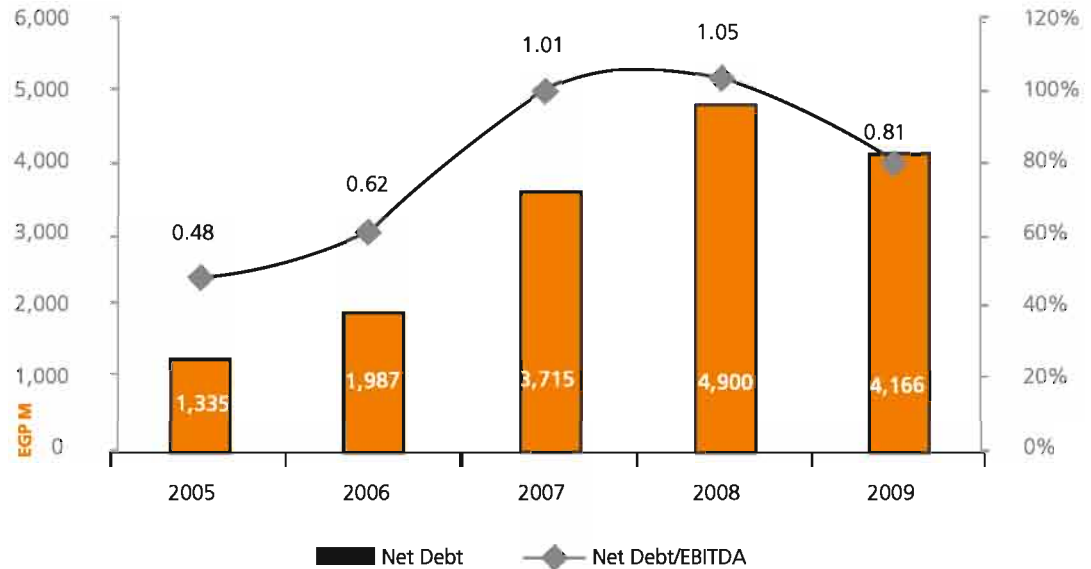


Net Income Evolution

- Net profit growth rate declined in 2009 driven by higher costs associated to new long term investments.

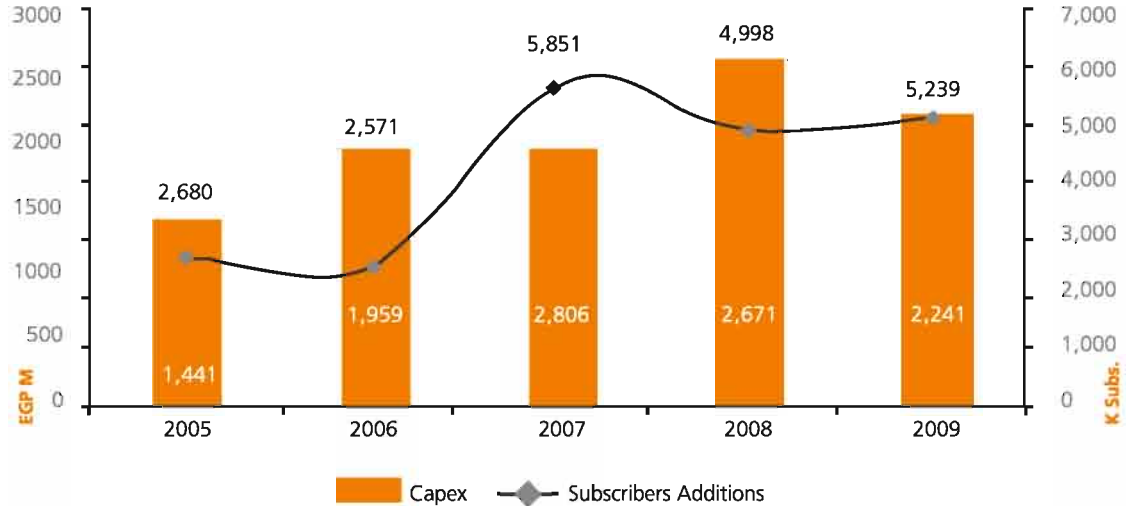


Net Debt

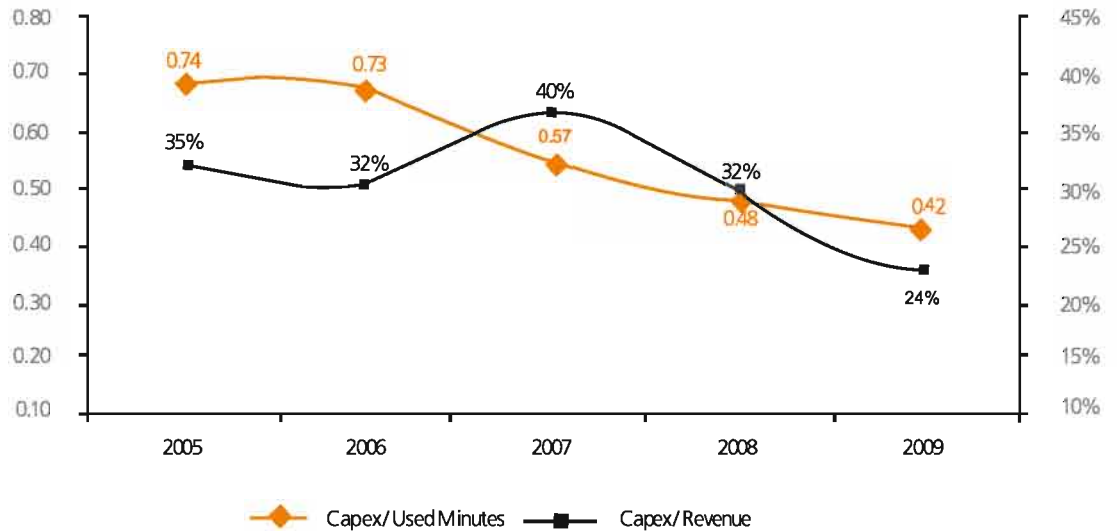


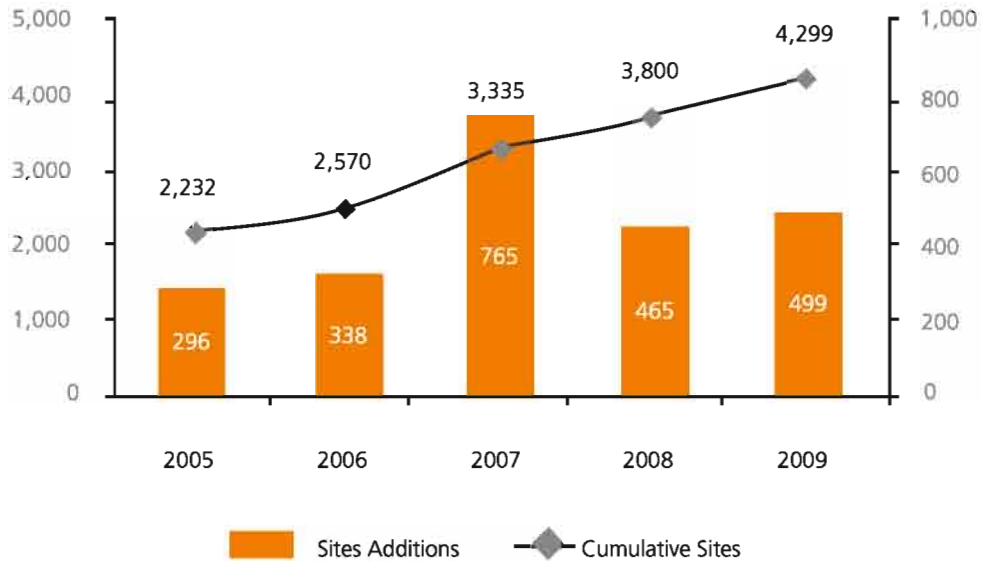
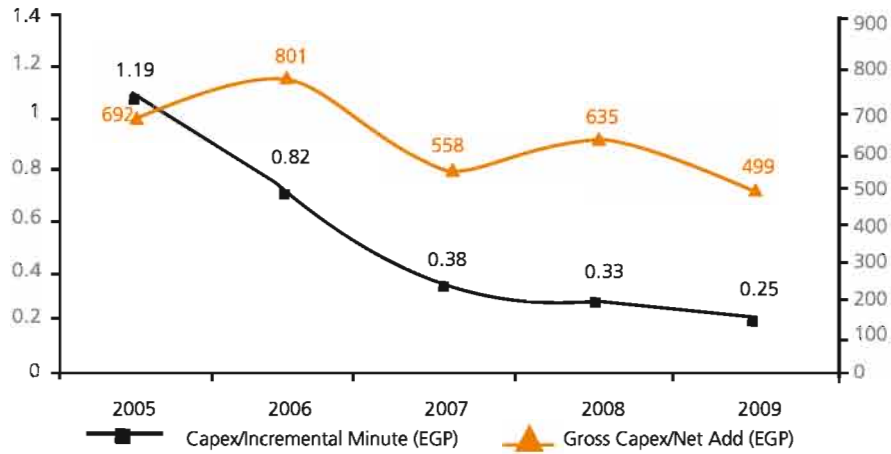
CAPEX

- Starting 2005, Mobinil adopted a balanced investment strategy to cope with the consecutive growth phases.
- CAPEX KPIs have been reflecting efficiency improvements throughout the growth phases.

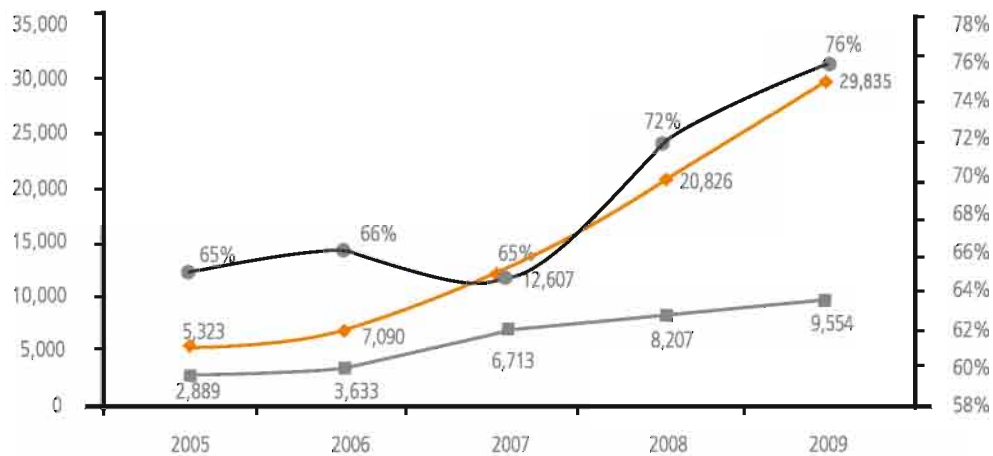


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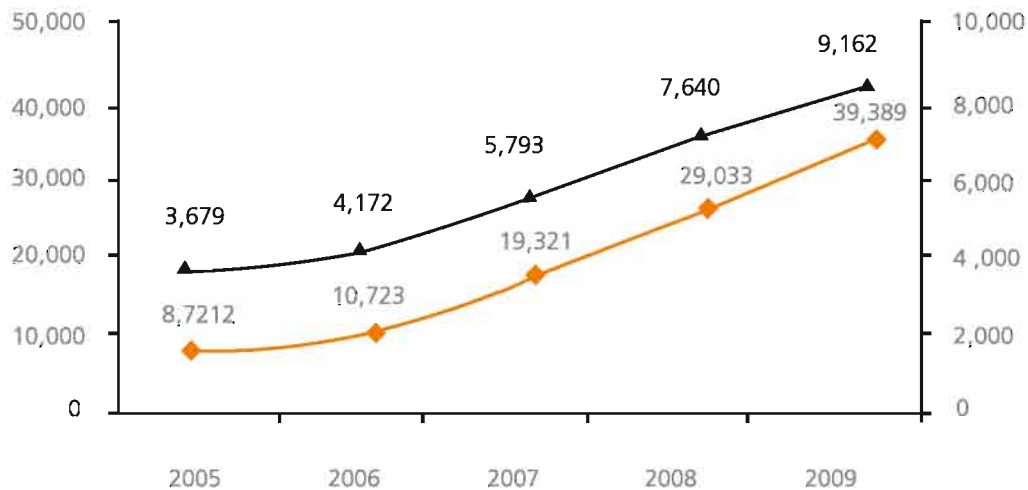


Traffic



◆ Outgoing Traffic (Mminutes)
 ■ Incoming Traffic (Mminutes)
 ● Outgoing % of Total Traffic

74

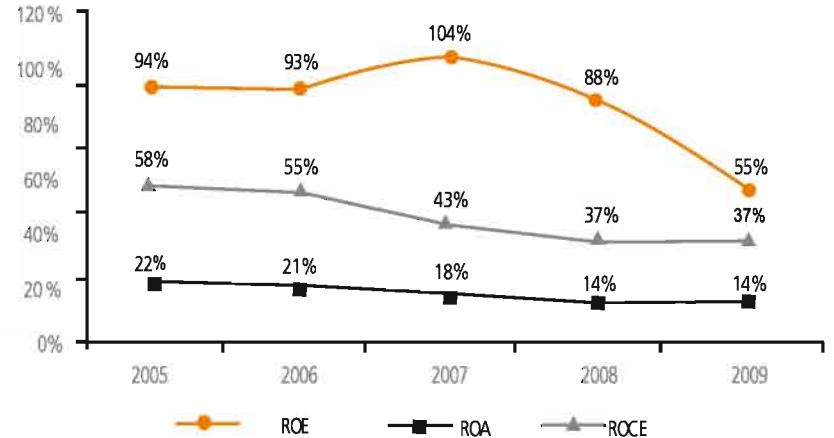
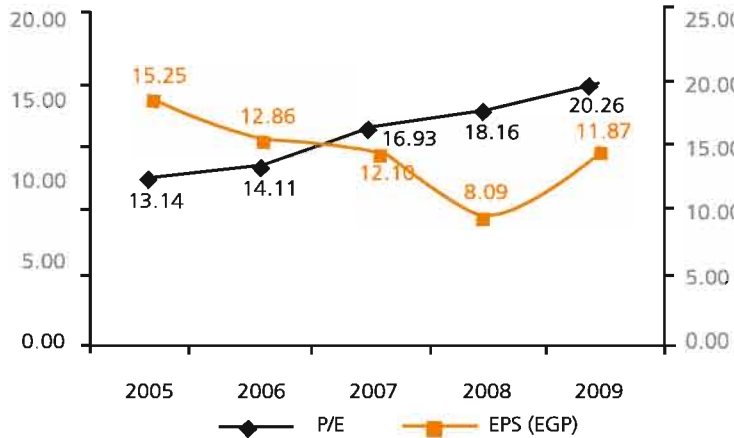


◆ Global Used Minutes (Mminutes)
 ▲ Avg minutes/site (kminute)

■ Stock performance



75







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