



Orange Egypt for Telecommunications (S.A.E)

The Company's financial results for the period ended 30 June 2018

Summary of the separate financial results for the period ended 30 June 2018:

- Revenues amounted to EGP 6 255 M on end of June 2018 vs EGP 5 774 M end of June 2017 reflecting a growth of 8.3%.
- Gross margin amounted to EGP 4 858 M on end of June 2018 vs EGP 4 470 M end of June 2017 reflecting a growth of 8.7%.
- Net loss amounted to EGP 264 M on end of June 2018 vs net loss of EGP 1 013 M end of June 2017 reflecting a decrease of 73.9%.

Summary of the consolidated financial results for the period ended 30 June 2018:

- Consolidated revenues amounted to EGP 6 609 M on end of June 2018 vs EGP 6 124 M end of June 2017 reflecting a growth of 7.92%.
- Consolidated gross margin amounted to EGP 5 053 M on end of June 2018 vs EGP 4 659 M end of June 2017 reflecting a growth of 8.45%.
- Consolidated net loss amounted to EGP 253 M on end of June 2018 vs net loss of EGP 1 104 M end of June 2017 reflecting a decrease of 77.12%.

The major reasons for the reported losses:

- Increase in inflation rates, which led to an increase in the Company's operating costs for instance the increase in the rates of fuel and electricity.
- Significant increase in the Company's costs as the basic components of the network are imported from abroad.
- The Company still incurs high borrowing cost.

Financial ratios

a) Separate statement of income for the period ended 30 June 2018

	30/06/2018	30/06/2017	% change
Revenues / sales	6 255 295 394	5 774 311 163	8.33%
Gross Profit	4 858 418 673	4 469 611 988	8.70%
% of gross profit to revenues / sales	77.67%	77.41%	0.34%
Net (loss) before taxes from continued operations	(381 928 596)	(869 821 086)	(56.09)%
Net profit (loss) before taxes from discontinued operations (if any)	-	-	-
Net (loss) after taxes	(264 275 033)	(1 012 667 483)	(73.90)%
(Losses) per share	(0.16)	(10.13)	(98.40)%
Diluted profits (losses) per share (if any)	-	-	-

b) Separate financial position as of 30 June 2018

	30/06/2018	31/12/2017	% change
Working capital	(2 668 572 986)	(4 738 696 590)	(43.69)%
Total Equity	12 449 049 595	12 633 718 930	(1.46)%
Paid up capital	16 320 723 540	1 000 000 000	1 532.07%
Amounts paid in respect of capital increase	-	15 231 260 800	(100%)
Reserves	200 000 000	200 000 000	-
Issuance fees of capital increase shares	5 374 219	15 231 261	(64.72)%
Carry forward losses	(3 795 619 761)	(2 307 542 793)	64.49%
(Losses) for the period / year	(264 275 033)	(1 488 076 968)	(82.24)%
Others	(17 153 370)	(17 153 370)	-



c) Separate statement of cash flows for the period ended 30 June 2018

	30/06/2018	30/06/2017	% change
Net cash flows provided from operating activities	91 911 340	1 376 513 074	(93.32)%
Net cash flows (used in) investing activities	(2 011 945 846)	(2 237 735 506)	(10.09)%
Net cash flows provided from (used in) financing activities	1 603 711 552	(1 249 649 556)	(228.33)%

The consolidated results for the period ended 30 June 2018

Financial ratios

a) Consolidated statement of income for the period ended 30 June 2018

	30/06/2018	30/06/2017	% change
Revenues / sales	6 609 139 364	6 124 174 027	7.92%
Gross Profit	5 053 001 784	4 659 291 113	8.45%
% of gross profit to revenue / sales	76.45%	76.08%	0.49%
Net (loss) before taxes from continued operations	(368 284 832)	(965 625 777)	(61.86)%
Net profit (loss) before taxes from discontinued operations (if any)	-	-	-
Net (loss) after taxes	(252 555 796)	(1 103 648 335)	(77.12)%
(Losses) per share	(0.15)	(11.05)	(98.60)%
Diluted profits (losses) per share (if any)	-	-	-

b) Consolidated financial position as of 30 June 2018

	30/06/2018	31/12/2017	% change
Working capital	(2 978 728 144)	(5 062 494 421)	(41.16)%
Total Equity	12 252 829 834	12 425 779 932	(1.39)%
Paid up capital	16 320 723 540	1 000 000 000	1 532.07%
Amounts paid in respect of capital increase	-	15 231 260 800	(100%)
Reserves	200 000 000	200 000 000	-
Issuance fees of capital increase shares	5 374 219	15 231 261	(64.72)%
Carry forward losses	(4 040 543 857)	(2 394 057 052)	68.77%
(Losses) for the period / year	(252 555 796)	(1 646 486 805)	(84.66)%
Others	42 210 596	42 210 596	-
Treasury stocks	(22 378 868)	(22 378 868)	-



c) Consolidated statement of cash flows for the period ended 30 June 2018

	30/06/2018	30/06/2017	% change
Net cash flows provided from operating activities	24 201 617	1 394 888 041	(98.26)%
Net cash flows (used in) investing activities	(1 872 842 635)	(2 203 359 977)	(15)%
Net cash flows provided from (used in) financing activities	1 603 711 552	(1 249 649 556)	(228.33)%