



20 February 2018

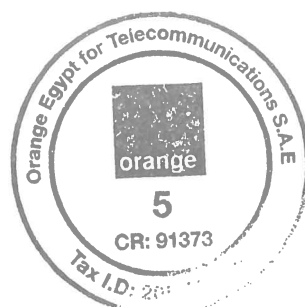
**Orange Egypt for Telecommunications (S.A.E)**  
**Board of Directors' Report**  
**For the Company's activity from 1 of January 2017 till the 31 of December 2017**  
**On the separate and the consolidated financial statements**

Orange Egypt for Telecommunications (S.A.E) (the "Company") Board of Directors is pleased to announce the Company's results to its shareholders for the year ended 31 December 2017.

**1- The separate financial statements**

- Revenues amounted to EGP 11 970 M in 31 December 2017 vs EGP 11 219 M in 31 December 2016 reflecting a growth of 6.69%.
- Gross margin amounted to EGP 9 333 M in 31 December 2017 vs EGP 8 754 M in 31 December 2016 reflecting a growth of 6.61%.
- Net operating profit amounted to EGP 1 274 M in 31 December 2017 vs EGP 541 M in December 2016 reflecting a growth of 135.49%.
- Net loss amounted to EGP 1 488 M in 31 December 2017 vs EGP 2 860 M in December 2016 reflecting a decrease of 47.97%.
- Transactions with related parties during the year ended 31 December 2017 are done on the same basis with non-related entities. These transactions represent:
  1. Technical and accounting assistance to support network operation and maintenance.
  2. Subordinated loan from the major shareholder.
  3. Payment and collection of roaming revenues with related parties.
  4. Computer supplies, internet services, advertising campaigns, sales, purchases, commissions, training and advisory services.


Total transactions with related parties during the year ended 31 December 2017 reached 314 MEGP credit transactions and 6 513 MEGP debit transactions, compared to 505 MEGP and 8 194 MEGP respectively for the year ended 31 December 2016.





## **2- The consolidated financial statements**

- Consolidated revenues amounted to EGP 12 677 M in 31 December 2017 vs EGP 11 791 M in 31 December 2016 reflecting a growth of 7.51%.
- Consolidated gross margin amounted to EGP 9 715 M in 31 December 2017 vs EGP 9 038 M in 31 December 2016 reflecting a growth of 7.49%.
- Consolidated net operating profit amounted to EGP 1 107 M in 31 December 2017 vs EGP 66 M in December 2016 reflecting a growth of 1 577.27%.
- Consolidated net loss amounted to EGP 1 646 M in 31 December 2017 vs EGP 2 554 M in December 2016 reflecting a decrease of 35.52%.
- Transactions with related parties during the year ended 31 December 2017 are done on the same basis with non-related entities. Total transactions with related parties during the year ended 31 December 2017 amounted to 98 MEGP credit transactions and 6 326 MEGP debit transactions, compared to 271 MEGP and 7 915 MEGP respectively for the year ended 31 December 2016.

  
**Bruno Mettling**  
**Chairman**

