



Over 15 Million Egyptians Communicate from the Heart

2007 Annual Report

**mobinil**





The Egyptian Company for Mobile Services (Mobinil)  
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خروج



## ► From the Chairman



Sincerely,  
Naguib Sawiris

A handwritten signature in black ink, consisting of a stylized 'N' followed by a long, sweeping horizontal line.

Looking at Mobinil's results in 2007, I am not only proud of the 15 million subscribers milestone, but I am also truly proud to see Mobinil fulfill its promises while actively leading on growth and change in the Egyptian mobile market.

This year has witnessed many firsts for Mobinil, marked consistently by innovative offerings and competitive services that were repeatedly followed by competition.

I am also proud to support Mobinil as it takes on serious investment decisions that will help realize its strategic plans and pave the way towards a promising future for all Egyptians. Together, we will continue to be the leading mobile operator in Egypt with a sustained vision to help customers achieve more in life with our simple, yet innovative offerings through state-of-the-art technology, which caters to their evolving needs.

Looking forward to a prosperous new year with more and more milestones to celebrate.

## ► Our Vision

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







## ► From the President and CEO



Sincerely,  
Alex Shalaby

A handwritten signature in black ink, appearing to be 'A. Shalaby', written over a horizontal line.

2007 was definitely a remarkable year for Mobinil. I am pleased to see Mobinil cross the 10 and 15 million subscriber milestones in one year with the highest level of net additions of almost 6 million subscribers; a figure that was beyond all market expectations.

We succeeded in maintaining our market leadership by offering innovative services and competitive offers tailored to meet the needs of our subscribers. This success is due to our focused attention on strategic goals to increase subscribers' loyalty by simplifying tariffs, stimulating usage, and a determined effort to reinforce our customer intimacy leadership.

This success is a result of a series of consecutive offers made throughout the past two years and continued in 2007: Lifetime Validity, Alohat "version II", Ahsan Nas, mobile TV, unlimited calls, high-end handset offers, exclusive offer to the graduating high-school class of 2007 [Thanaweya Amma], new scratch cards, and the holiday season "stop the clock promotion."

These offers resulted in increasing the full year average usage per user [AUPU] to reach 132 minutes/month, representing an increase of 11% over the same period last year.

Capital expenditure reached its peak at EGP 3,264 million during the year representing the highest level of investment in a single year since Mobinil's inception.

We have also started implementing an optimistic plan to modernize our infrastructure on both Network and IT by transforming architecture from traditional legacy to NGN and IP core in addition to the deployment of state-of-the-art charging platforms and 3G.

As Mobinil gets ready in 2008 to celebrate its tenth year as market leader, I am looking forward to the exciting challenges lying ahead next year and beyond. I am confident in our ability to continue to thrive as market leader in the Egyptian telecommunications market and our exceptional talent in keeping customers at the heart of our operations, by tailoring technology that suits their changing needs.

I thank you for your continued support and trust.

### ► Our Mission Statement

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 of our community.











# About Mobinil

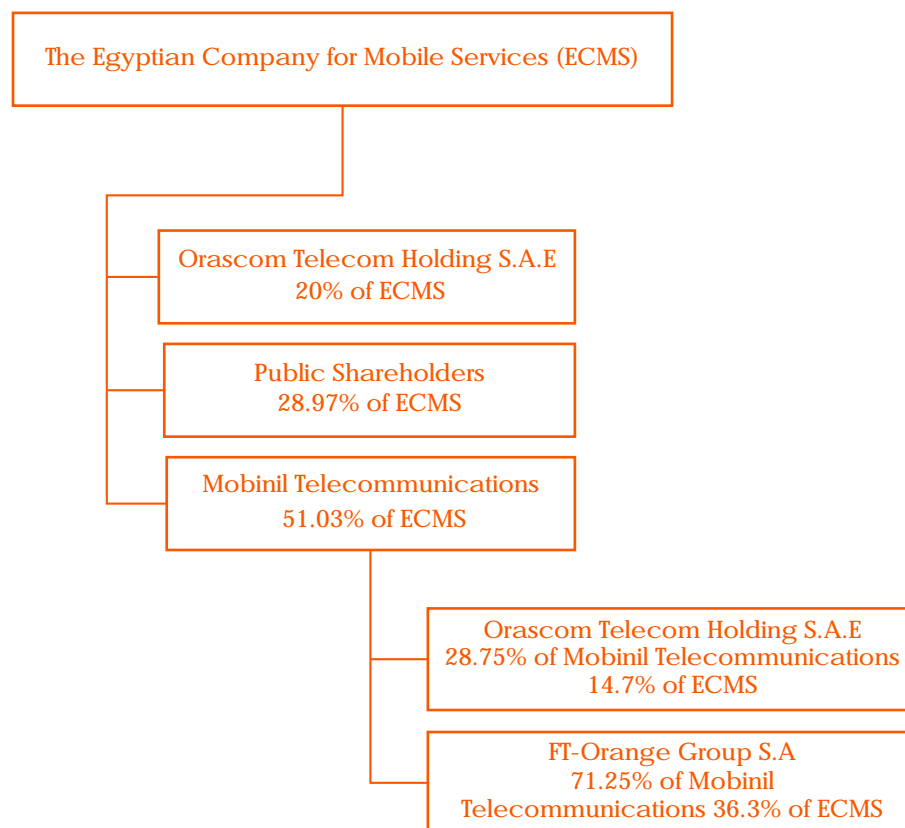




## ► Our Shareholders

### ECMS Ownership Structure

ECMS major shareholders, FT – Orange Group S.A. and Orascom Telecom Holding S.A.E, are both international telecommunication leaders.











Giving the World a Voice

## Orascom Telecom Holding S.A.E.

Orascom Telecom Holding S.A.E. ("OTH" or "Orascom Telecom") is a leading international telecommunications company operating GSM networks in six high growth markets in the Middle East, Africa and South Asia, having a total population under license of approximately 430 million with an average mobile telephony penetration of approximately 40% as at December 31st 2007. Orascom Telecom operates GSM networks in Algeria ("Djezzy"), Pakistan ("Mobilink"), Egypt ("Mobinil"), Tunisia ("Tunisiana"), Bangladesh ("Banglalink"), and Zimbabwe ("Telecel Zimbabwe"). Orascom Telecom served a total of more than 70 million subscribers as of December 2007.

Orascom Telecom's operation in Pakistan, Mobilink, originally started in 1994, and until early 2001 it served around 125 thousand subscribers. In April 2001, OTH took over management control of the company, and as at December 2007, Mobilink now served over 30 million subscribers, representing a market share of approximately 40% competing against 5 other mobile operators in Pakistan.

Orascom Telecom's North African success continued in Algeria and Tunisia as well. Djezzy; OTH's network in Algeria, was granted a license in July 2001 to operate a nationwide GSM network to provide a range of mobile services in Algeria. Djezzy's network serves over 13 million subscribers, as at December 2007, representing a market share of 62.4% of total mobile subscribers in Algeria. Djezzy was the second GSM telecommunications network to operate in Algeria and grew to become the market leader in terms of both subscriber number as well as the quality of telecommunications services provided.

Orascom Telecom's operation in Tunisia, Tunisiana was granted a license in May 2002. Tunisiana exceeded 3.6 million

subscribers, representing a market share of 47.7% of total mobile subscribers in Tunisia, as at December 2007. Banglalink was added to OTH's GSM family when Orascom Telecom acquired 100% of the shares of Sheba Telecom in Bangladesh in September 2004. Orascom Telecom re-branded and launched its services under "Banglalink" in February 2005. Immediately after the launch, OTH started its aggressive plans to develop into a major player in the mobile sector. Banglalink rapidly expanded its GSM network to provide high quality communications services at affordable prices reaching a market share of 20.6% of the total mobile subscribers in Bangladesh with over 7 million subscribers as at December 2007.

OTH has positioned itself as a leader in the region for its diverse GSM operations with various GSM support and Internet operations. One of Orascom Telecom's main strategies is to create its own non-GSM subsidiaries to act as a support for its regional GSM operations. OTH has achieved this by dedicating financial, technical, and management resources for its subsidiaries. This includes network support and installation of GSM operations, equipment procurement, handset procurement and distribution companies, Value Added Services and Internet operations. OTH is dedicated to providing the best quality services to its customers, value to shareholders, and a dynamic working environment for its around 20,000 employees. OTH established a strong presence in the GSM Association (the world's leading wireless industry representative body), only five years after its inception. OTH's Chairman and CEO, Naguib Sawiris, was selected to join the GSM Association's CEO Board in 2002.

Orascom Telecom is traded on the Cairo & Alexandria Stock Exchange under the symbol (ORTE.CA, ORAT.EY), and on the London Stock Exchange its GDR is traded under the symbol (ORTEq.L, OTLD.L).

► Orascom Telecom reached approximately 70 million subscribers as of December 2007.





## FT - Orange Group S.A.

Orange is the key brand of France Telecom, one of the world's leading telecommunications operators.

France Telecom serves more than 170 million customers in five continents as of December 31, 2007, of which two thirds are Orange customers. The group had consolidated sales of  $\approx$  52.9 billion in 2007. As of December 31, 2007, the group had 109.7 million mobile customers and 11.7 million broadband internet (ADSL) customers.

The group's strategy is founded on a pioneering model of an integrated operator offering its customers a new generation of telecommunications services. The NExT program (New Experience in Telecommunications), launched in June 2005, will enable the group to pursue its transformation as an integrated operator and make France Telecom the benchmark for new telecommunications services in Europe.

In 2006, Orange became the group's single brand for internet, television, and mobile services in the majority of countries where the company operates, and Orange Business Services the name for services offered to businesses worldwide. (France Telecom is the number three mobile operator and the number one provider of broadband Internet services in Europe and one of the world leaders in providing telecommunication services to multinational companies.)

In 2007, the group met or exceeded all of its operational and financial objectives. Consolidated revenues rose to  $\approx$  52.959 billion at 31 December 2007, growth of 2.8% on a comparable basis. Growth was particularly strong in the fourth quarter of 2007 (+3.6% on a comparable basis). In 2007, the group met or exceeded all of its operational and

financial objectives.

- Gross Operating Margin (GOM) of  $\approx$  19.1 billion, up 3.4% on a comparable basis.
- GOM rate (GOM/revenues) of 36.1%, stabilized compared with 2006 (+0.2 points).
- Organic cash flow of  $\approx$  7.8 billion, above the objective of  $\approx$  7.5 billion.
- Capital expenditure (CAPEX) of  $\approx$  7.0 billion, with an investment rate (CAPEX/revenues) of 13.2%, in line with the stated objective of about 13% of revenues.
- Group share of net income of  $\approx$  6.3 billion, compared with  $\approx$  4.1 billion in 2006.
- On a comparable basis, after adjusting for the main non-recurring items, it was  $\approx$  4.6 billion in 2007, up from  $\approx$  3.7 billion in 2006.
- Net debt to GOM ratio of 1.99 and net debt at year-end of  $\approx$  38.0 billion. The 2008 objective was therefore met one year early.
- A dividend of  $\approx$  1.30 per share for 2007 will be proposed to the Annual General Meeting of Shareholders of May 27, 2008 and payable in June 2008.

### 2008 objectives

- Organic cash flow of more than  $\approx$  7.8 billion based on:
  - 1- The stability of the GOM rate.
  - 2- Maintaining the investment rate (CAPEX /revenues) at about 13% of revenues.

These objectives are set in the context of moderate growth of the main Western European markets, continued development of new services, and the continuation of a favorable trend in markets with high growth potential. France Telecom (NYSE:FTE) is listed on Euronext Paris Eurolist market and on the New York Stock Exchange.

- As of December 31, 2007, the group had 109.7 million mobile customers and 11.7 million broadband Internet (ADSL) customers.



## ► The ECMS Board of Directors



Naguib Sawiris



I.N. (Alex) Shalaby



Olaf Swantee



Pierre Charreton



Claude Benmussa



David Hobley

### Naguib Sawiris

Chairman, the Egyptian Company for Mobile Services (Mobinil)  
Chairman, Orascom Telecom Holding S.A.E.  
Representing Mobinil Telecommunications in the ECMS Board of Directors

### I.N. (Alex) Shalaby

President and Chief Executive Officer, the Egyptian Company for Mobile Services (Mobinil)  
Representing Mobinil Telecommunications in the ECMS Board of Directors

### Olaf Swantee

Senior Executive Vice President, Personal Communication Services & UK/EME Operations  
Representing Mobinil Telecommunications in the ECMS Board of Directors

### Pierre Charreton

Group General Counsel - France Telecom  
Representing Mobinil Telecommunications in the ECMS Board of Directors

### Claude Benmussa

Senior Advisor PricewaterhouseCoopers (PwC) – Paris  
Representing Mobinil Telecommunications in the ECMS Board of Directors

### David Hobley

Managing Director, Deutsche Bank AG, London  
Representing Mobinil Telecommunications in the ECMS Board of Directors



Bertrand du Boucher



Onsi Sawiris



Aldo Mareuse



Nadia Makram Ebeid



Sheikh Fahd El Shobokshi



Ahmed ElBardai

#### Bertrand du Boucher

International Chief Financial Officer, Orange Group S.A.  
Representing Mobinil Telecommunications in the ECMS  
Board of Directors

#### Onsi Sawiris

Chairman, Orascom Group of Companies and Honorary  
Chairman in ECMS

#### Aldo Mareuse

Group Chief Financial Officer (CFO), Orascom Telecom  
Holding S.A.E.  
Representing Orascom Telecom Holding S.A.E. in the ECMS  
Board of Directors

#### Nadia Makram Ebeid

Executive Director, Center for Environment and Develop-  
ment for the Arab Region and Europe  
Former Egyptian Minister of Environment  
Representing Public Shareholders on the ECMS Board of  
Directors

#### Sheikh Fahd El Shobokshi

Chairman of Nile City  
Representing Public Shareholders on the ECMS Board of  
Directors

#### Ahmed ElBardai

Chief Executive Officer - REEFY Company - the first and only  
commercial privately owned microfinance services company  
Representing Public Shareholders on the ECMS Board of  
Directors





► Naguib Sawiris  
Mobinil Telecommunications S.A.E.

Naguib Sawiris is Chairman of the Egyptian Company for Mobile Services (Mobinil). He is also Chairman and Chief Executive Officer of Orascom Telecom Holding (OTH), Mobinil's shareholder, and one of the leading international players in telecommunications, GSM operations, Internet services, satellite and related communication services.

As Chairman of OTH, Sawiris has led the growth of the company in a dynamic pace, now operating GSM networks in various countries in the Middle East, Africa, and the Indian Subcontinent, in addition to a number of Internet Service Providers and Satellite Service Providers serving approximately 500 million people around the globe. In May 2005, Sawiris also acquired "Wind Telecommunications", the third

largest mobile operator and second largest fixed line operator "Infostrada" in Italy.

Naguib Sawiris is a member of both the Board of Trustees and the Board of Directors of the Arab Thought Foundation, a Board of Trustees' member and Head of the Financial Committee of the French University in Cairo, a Board Member of the Egyptian Counsel for Foreign Affairs, the Consumer Rights Protection Association and the Cancer Society of Egypt. He holds a Bachelor of Science degree in Mechanical Engineering with a Master's in Technical Administration from the Swiss Institute of Technology, ETH Switzerland and a Diploma from the German Evangelical School, Cairo, Egypt.



► I.N. (Alex) Shalaby  
Mobinil Telecommunications S.A.E.

In November 2005, Alex Shalaby stepped up from Chief Regulatory Affairs Officer to become President and CEO of Mobinil.

Shalaby lived and worked in Washington DC from 1995 to 1998 and was Director of Government Affairs at AT&T, one of the world's largest telecommunications companies. He was part of the Law and Government Affairs team responsible for lobbying the different branches of the US government for telecom reforms in the developing markets of the Middle East, Africa, Central Asia, and Eastern Europe.

Shalaby was AT&T's Regional Director for International Public Affairs in Egypt from 1993 to 1995, where he was the principal interface with key agencies within governments in the region on matters impacting AT&T operations.

He established first presence for AT&T in a number of countries of the Middle East as well as in South Africa. It was during

these years that he served on the boards of the American Chamber of Commerce, as its president, (AmCham 1991 - 1992), Seeds of Peace, and the bi-national Fulbright Commission, as his AT&T responsibilities shifted from local to regional, with particular focus on North Africa and the Levant.

Shalaby was Managing Director of AT&T, Egypt and General Manager for the Middle East and North Africa region until 1993. He held a variety of technical and managerial positions and was involved with AT&T start-ups in the Gulf (1977-1980). In 1977, he helped launch the first AT&T microwave project in Saudi Arabia before moving on to Kuwait and the UAE.

Shalaby graduated with a Bachelor of Science degree in Electrical Engineering from Alexandria University's Faculty of Engineering (1966) and holds a Master of Science degree in Electrical Engineering and Computer Science from San Jose State University, California (1974).



► Olaf Swantee  
Mobinil Telecommunications S.A.E.

Senior Executive Vice President, Personal Communication Services & UK/EME Operations\*, Olaf Swantee is in charge of France Telecom's mobile businesses worldwide. These serve 100 million customers and include Orange-branded operations in 16 countries.

Swantee is a member of the Group Management Committee, the Executive Board of the France Telecom Group. Before joining the company in August 2007, Swantee was Senior VP at Hewlett-Packard, responsible for enterprise sales and software in Europe, the Middle East and Africa (EMEA).

Swantee has 17 years of international experience. He began his career with Compaq in Germany as a Product Manager, joining the Digital Equipment Corporation as the Marketing Director of its European PC Division. From Hewlett-Packard's acquisition of Compaq in 2002, Swantee moved up to management to be promoted to Senior VP Technology Solutions Group Sales and Software for EMEA in 2005.

Swantee holds a Bachelor of Arts in Economics and received his European MBA from the Ecole Européenne des Affaires in Paris in 1989.

\*The Europe & Middle East region includes France Telecom operations, Belgium, Moldova, Romania, Slovakia, Switzerland, Egypt, and the Dominican Republic.



► Pierre Charreton  
Mobinil Telecommunications S.A.E.

Pierre Charreton joined France Telecom as Group General Counsel in the beginning of 2005. He manages a team of more than 450 lawyers throughout 30 countries.

Charreton brought to the FT Group his experience as an In-house General Counsel Manager, skills that he had the opportunity to develop within two international groups, THALES and FRAMATOME (nowadays AREVA), of which he successively was General Counsel.

During that time, Charreton was mainly involved in negotiating major contracts all over the world and was Board Member of different subsidiaries in the USA as well as in Europe.

He also practiced in a Paris law firm at FIDAL and in the United States at Fried, Frank, Harris, Shriver & Jacobson LLP, in their Washington - DC office (1984-1985).

Pierre Charreton is currently Honorary President of the French In-house Counsel Association (AFJE) which he presided from 1992 until 1997. He is also Board Member of the National Federation of Business Law (FNDE).

Charreton is also a Guest Lecturer at the Montpellier Law School and at the EM-Lyon. He is an Orléans Law School Graduate and has obtained the CPA (Paris).





► Claude Benmussa  
Mobinil Telecommunications S.A.E.

Claude Benmussa started his career as an Auditor at Coopers & Lybrand. Later he worked as a Financial Director in a subsidiary of Thomson CSF.

His career in France Telecom Group started in 1991, as a Financial Director at France Telecom EGT. He is currently Senior Advisor at PricewaterhouseCoopers (PwC) Paris.

From 1994 to June 1996, Benmussa was Deputy General Manager at France Telecom Mobile Services, in charge of Finance and International Development.

At the same time, he remained a Director of EGT with a

consulting role at the side of the President for Financial Control and Legal Affairs.

At the beginning of 2007, Benmussa resigned from his position in France Telecom Group as Senior Vice President & Deputy CFO in charge of Controlling in order to assume a Senior Advisor position at PwC, Paris.

Benmussa was Board Member in several telecommunication companies (TPSA in Poland, Telmex in Mexico, and Transpac in France). He is currently a Board Member of Orange France, Bull, and the Chairman of the Audit Committee of ECMS-Mobinil.



► David Hobley  
Mobinil Telecommunications S.A.E.

David Hobley is Chairman, Central Europe, covering Eastern and Central Europe for Deutsche Bank's investment banking business.

Hobley has 35 years of investment banking experience, first at SG Warburg & Co. /SBC Warburg (now UBS) and Deutsche Bank.

He has substantial experience in all types of investment

banking - equity capital markets, debt capital markets, government and corporate advisory, and over 25 privatizations.

Hobley was on the board of Orange SA in Paris for four years. He still serves as an independent director on the boards of several Orange Group companies as well as some other European listed companies.



► Bertrand du Boucher  
Mobinil Telecommunications S.A.E.

Bertrand du Boucher is Chief Financial Officer of Orange International since September 2000.

Before joining Orange, du Boucher was at France Telecom Mobiles Services, a holding company dedicated to developing France Telecom service provider activity through Europe. He was appointed Director of Information Technology and member of the Executive Committee of the company. In 1998, du Boucher was appointed Director

of Information Technology of FTMI, a holding company dedicated to developing France Telecom's activities in the wire-free sector outside France.

Du Boucher began his career in 1979 at Unilog Group, a French company providing consultancy services for the integration of information technologies. He graduated from the Institute Supérieur du Commerce de Paris.



► Onsi Sawiris  
Honorary Chairman

Onsi Sawiris is Chairman of Orascom Construction Industries (OCI), and Board Member of Orascom for Hotels and Development (OHD), Orascom Technology Systems, Orascom Trading Co., the Egyptian Cement Co. (ECC) and Orascom Telecom Holding (OTH).

He founded Orascom in 1976 as a general contracting and trading company. By the early 1990s, Sawiris had established Orascom as a leading private sector contractor by working in partnership with international companies pursuing projects

in Egypt. He then diversified the business by venturing into Telecom and Tourism. Now the Orascom Conglomerate has transpired into three major groups OCI, OT and OHD.

Sawiris is Chairman of the Board of Directors for Misr Exterior Bank, Pharaonic AIG Insurance Co and YMCA in Cairo. He holds a Bachelor of Science degree in Engineering from Cairo University.





► Aldo Mareuse  
Orascom Telecom Holding S.A.E.

Aldo Mareuse is Group Chief Financial Officer of Orascom Telecom Holding S.A.E., a position he has held since 2002.

He is a member of the Board of Directors of OTA (Algeria), ECMS (Egypt), Mobilink (Pakistan) and OTT (Tunisia) all Orascom Telecom GSM subsidiaries among others, a member of the Board of Directors of Wind (Italy) and of Hutchison Telecom International Ltd, an emerging market mobile and fixed telecommunication operator headquartered in Hong Kong.

Prior to joining Orascom Telecom, he worked from 1990 to 2002 in various positions and locations in the investment banking division of Credit Suisse First Boston "CSFB." His last position within CSFB was Managing Director in the Investment Banking Division, Telecommunications Group. He holds an Engineering degree from Ecole Centrale de Lyon (France).



► Nadia Makram Ebeid  
Public Shareholder

Nadia Makram Ebeid is the Executive Director of the Center for Environment and Development of the Arab Region and Europe (CEDARE), an international diplomatic position she assumed in January 2004. Previously, as the first Special Peace Envoy of the Secretary General of the Arab League to Sudan (2002-2003), her efforts contributed to the signature of Sudan's subsequent Peace Agreement.

Ebeid was formerly Egypt's first Minister of the Environment to head the newly created Ministry in 1997, for a period of five years, and the first female minister to hold this position

in the Arab world. One of her most noticeable achievements was the initiation of a \$100 million River Nile Pollution Prevention Program. As a result, and for the first time, she declared the River Nile free from polluted industrial waste-water discharge.

Ebeid also has a long-standing professional record with the United Nations System in the field of international development cooperation. She also has academic pursuits, as she was a visiting professor at George Washington University, USA.



► Fahd El Shobokshi  
Public Shareholder

Fahd El Shobokshi is Chairman of Nile City Investments. The company is the owner of the Nile City Project, one of the most ambitious urban development projects ever undertaken in Egypt, combining a business address, shopping venue, hotel, and residence.

El Shobokshi sits on the Board of numerous companies, such as South Valley Cement Company, of which he is Vice

Chairman and CEO. He is also Chairman of El Shams Pyramids Company for Hotels & Touristic Projects. The company is the owner of Le Meridien Pyramids Hotel in Cairo.

He holds a Bachelor of Arts in Business and a Master's degree in Economics from Whittier College, California.



► Ahmed ElBardai  
Public Shareholder

Ahmed ElBardai is an international executive with over 30 years of financial sector experience in the Middle East and North America. He started his career in 1974 as a consultant for Price Waterhouse, later moving to Crocker National Bank in San Francisco, U.S.A. In 1986 he was recruited by Citibank in Athens, Greece, as their Financial Controller for the Middle East and North Africa.

During his tenure with Citibank, ElBardai held several positions, culminating with the position of Citibank Regional Head for North Africa. He moved to Arab African International Bank in 1996, where he held the position of Vice-Chairman and Managing Director for three years. In 2000, he was appointed Chairman of Banque du Caire - Egypt's third largest public sector bank, becoming the first ever private sector banker

to hold such a position. ElBardai played a pivotal role in establishing the Middle East region's first and only commercial privately-owned microfinance service company, REEFY, and is the company's Chief Executive Officer.

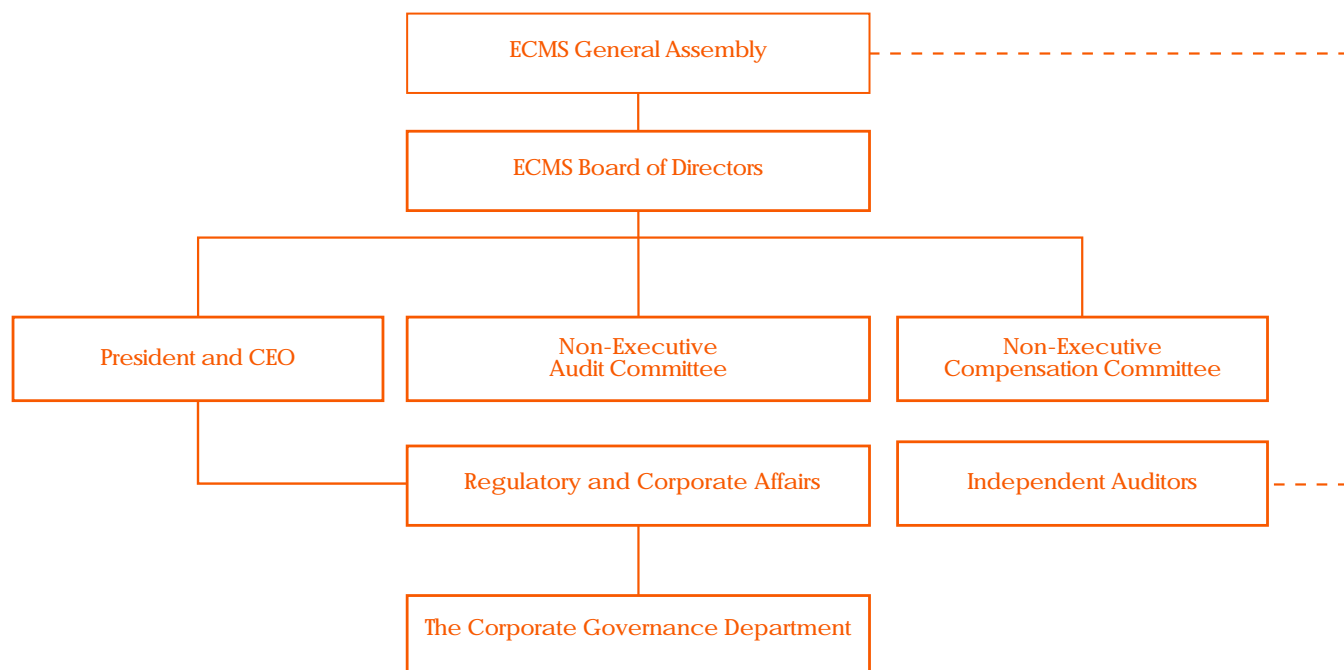
ElBardai was head of the Egyptian Bankers Association from 2001 to 2005, and was a Board Member of the institute of International Finance, UBAF in Paris, New York and Hong Kong, and is currently a member of the Board of Egypt Air.

ElBardai received a Bachelor of Arts in Business Administration from Cairo University in 1974, and a Master of Arts in International Management from Thunderbird, Arizona in 1977.



## ► Corporate Governance

### The ECMS Corporate Governance Structure



## The Corporate Governance Department

The Corporate Governance Department is responsible for achieving ECMS corporate governance mission which is attaining the highest levels of transparency, accountability, and integrity. This objective extends, not merely to meet with statutory requirements, but also to go beyond them, by putting into place procedures and systems which are in accordance with best practices of governance.

Corporate governance serves as the secretariat of the Board of Directors; it includes the relationships among the principal stakeholders such as shareholders, Board of Directors, and management. Other stakeholders include employees, suppliers, customers, banks, and governmental entities, Capital Market Authority (CMA), Cairo and Alexandria Stock Exchange (CASE), and Misr for Clearing, Settlement, and Central Depository (MCSD).

The corporate governance framework protects and facilitates the exercise of shareholders' rights as established by law, and provides equitable treatment for them including minorities and foreigners.

The corporate governance framework finally ensures timely and accurate disclosure of all material matters regarding the company.

The department is the main communication channel between the company and shareholders. It organizes ECMS assembly meetings, supports ECMS and Mobinil board secretary, and ensures proper cascading of board decisions and requests to company management.

## 2007 Highlights

### 1-Responsibilities

- ✦ Ensuring compliance of cooperation with governing legislation and by-laws and that all disclosures do abide by corporate governance procedures
- ✦ Educating employees and other parties of interest about the role and importance of Corporate Governance
- ✦ Facilitating and following up EXCOM [Executive committee] meetings
- ✦ Developing, reviewing, and updating policies

### 2-Executive Meetings

- ✦ 3 ECMS General Assembly and 9 ECMS board meetings
- ✦ 3 Mobinil Telecom General Assembly meetings and 8 board meetings
- ✦ 9 Audit Committee meetings
- ✦ 12 ExCom meetings

### 3-New Policies Developed

- ✦ Delegation of Authority – frame and methodology for personnel to delegate some powers to others in cases of unavailability
- ✦ Related party transaction–methodology where the board of directors approves key guiding principles
- ✦ Permanent insiders – identify, control, and monitor ECMS stock trading activities by employees who may have early access to information

## Corporate Governance Principles

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

The General Assembly of Shareholders elects a Board of Directors of 12 members representing shareholders as follows:

- ✦ 7 members representing Mobinil Telecommunications S.A.E



- ❧ 1 member representing Orascom Telecom Holding
- ❧ 3 members representing Public Shareholders
- ❧ 1 member as Honorary Chairman

The BoD has a majority of non-executive and independent members. Currently, the Board has only one executive member, Alex Shalaby, ECMS President and CEO.

The Board should at least hold four meetings per year and they are responsible to:

- ❧ Provide entrepreneurial leadership to the company within a framework of prudent and effective controls.
- ❧ Ensure that the necessary financial and human resources are in place to meet the anticipated objectives.
- ❧ Review management performance.
- ❧ Set the company's values and standards and ensure that its obligations to its stakeholders are understood and met.

The current ECMS BoD was elected in March 2007 for a term of three years.

For the sake of governance best practices, the Board has formed two committees: the Audit Committee and the Compensation Committee. Each committee is composed of non-executive directors and is chaired by an elected chairperson.

### The Audit Committee

The ECMS Audit Committee is composed of:

Chairman: Claude Benmussa  
Members: Ahmed ElBardai, Aldo Mareuse and Bertrand du Boucher.

The Audit Committee is mandated by the Board to approve quarterly financial statements and Earnings Releases. This approval is, however, subject to ratification by the BoD.

The Committee also has other responsibilities, such as the bi-annual risk review, approval and follow up of internal audit plan implementation, review of external auditors' reports and internal control findings and plans.

The Audit Committee holds at least four meetings and four conference calls per year. In addition, the AC holds executive meetings with external auditors at least once a year. The Audit Committee approves the external auditors' engagement terms and fees which are presented to the General Assembly for ratification.

The Committee appoints and/or removes the head of Internal Audit who reports to it on all issues related to its activities.

### The Compensation Committee

The ECMS Compensation Committee is composed of:

Chairman: Olaf Swantee  
Member: Naguib Sawiris

The Compensation Committee judges where to position ECMS compared to other companies in the Egyptian Market. It reviews and updates, on a periodical basis, the employees' benefits schemes and stock option plan. It is also responsible for developing formal and transparent procedures for fixing the remuneration packages of individual directors.

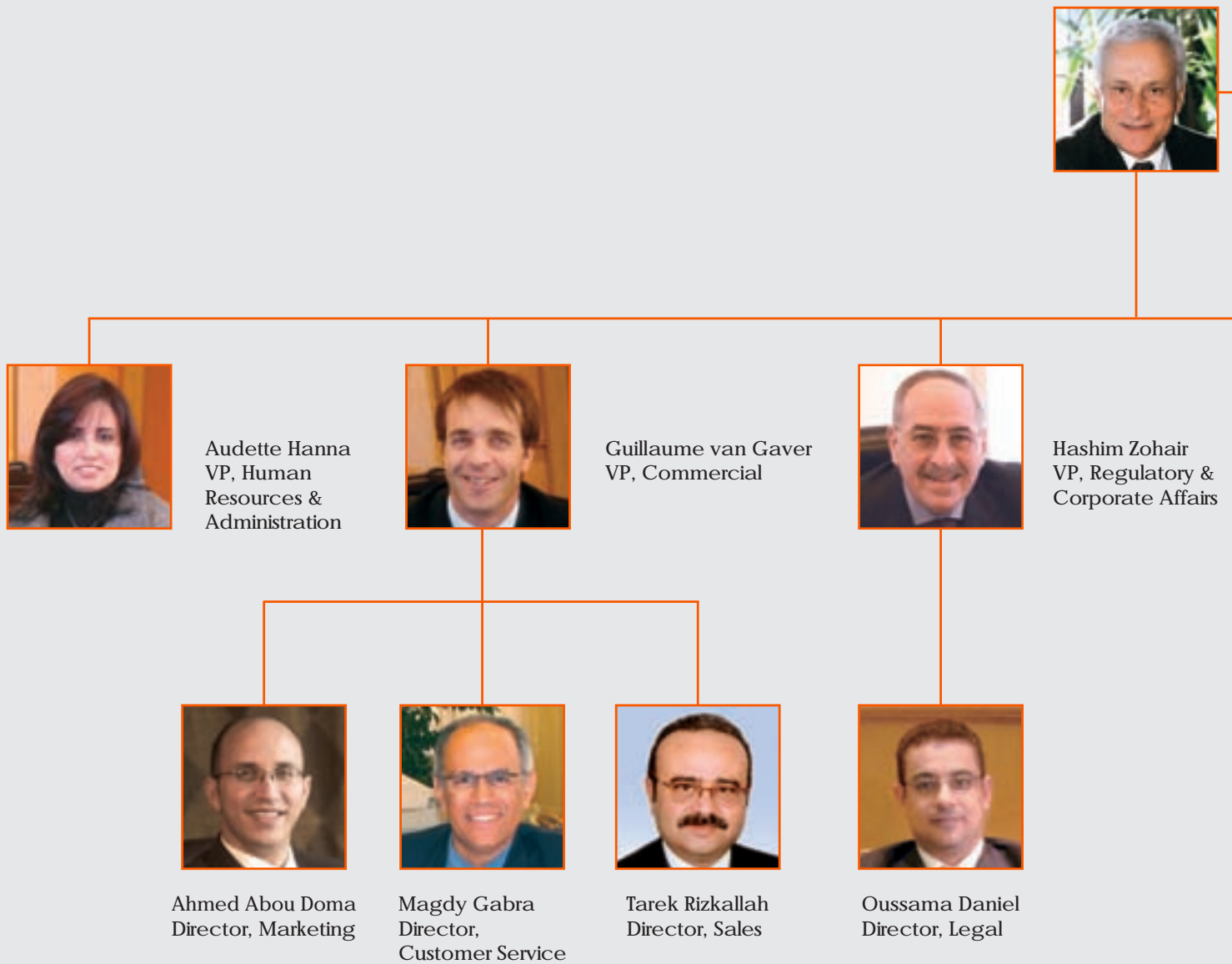
### ► 2008 ECMS Calendar

	Board Meeting	General Assembly
Q1 2008	March 19 (Cairo, Egypt)	March / April (Cairo, Egypt)
Q2 2008	July 8 (Paris, France)	
Q3 2008	September 9 (Cairo, Egypt)	August / September (Cairo, Egypt)
Q4 2008	December 2 (Paris, France)	





## ► The Corporate Organization



I.N. (Alex) Shalaby  
President & CEO



Khalid Ellaicy  
VP, Finance



Marwan Hayek  
VP, Technology



Rana Abbadi  
VP, Transformation



Hany El Kafrawy  
Director, IT



Mohamed Nabih  
Director, Corporate  
Strategy & Business  
Development



## ► I.N. (Alex) Shalaby

President and Chief Executive Officer

On November 1<sup>st</sup>, 2005, Alex Shalaby stepped up to become second President and CEO of Mobinil.

Shalaby had himself fixed on a set goal right from the start: to keep the human face on Mobinil while making certain it maintained its leadership position despite the fierce competition that has existed in a rapidly changing market.

Mobinil has yet to become more than just a large commercial entity traded on the stock exchange, an objective that has already come a long way through Shalaby's participation and support for many social and philanthropic responsibilities.

As former Executive Vice President of Oascom Telecom Holding (OTH) and continuing to be one of its Board Members, Shalaby's regional experience proved invaluable as OTH expands its global footprint. In addition to its public shareholders, Mobinil is also partly owned by OTH and France Telecom - Orange, a balancing challenge for Shalaby in order to keep the trust and confidence of these two major shareholders as well as the thousands of public shareholders.

Alex Shalaby was Chief Officer of Regulatory Affairs for Mobinil from 1998 to 2005 and was responsible for the licensing and regulations required for setting up Mobinil as the first mobile operator in Egypt.

Between 1993 and 1995, Shalaby was Regional Director for International Public Affairs for AT&T, based in Cairo, Egypt, where he was the principal interface with key agencies within the governments in the region on matters impacting AT&T's operations.

He established first presence for AT&T, one of the largest telecommunication companies in a number of countries in the Middle East as well as in South Africa. It was during

these years that he served on the Boards of the American Chamber of Commerce, as its President (AmCham 1991 - 1992), Seeds of Peace and the bi-national Fulbright Commission, as his AT&T responsibilities shifted from local to regional, with particular focus on North Africa and the Levant.

Shalaby started his career with AT&T in data communications, moving between posts in California and New Jersey, where he worked with Bell Labs. Shalaby was Managing Director for AT&T in Egypt, and General Manager for the Middle East and North Africa region until 1993. Shalaby held a variety of technical and managerial positions and was involved with AT&T start-ups in the Gulf (1977-1980). In 1977, Shalaby moved to Saudi Arabia to help launch the first AT&T microwave project before moving on to Kuwait and the UAE. Once again, during this period he established and secured a solid position for AT&T in the Gulf region.

Shalaby graduated with a Bachelor of Science degree in Electrical Engineering from Alexandria University's Faculty of Engineering (1966) and started his professional career with Egypt Air as a Radio and Radar Engineer for two years before immigrating to the United States in 1969, where he had a brief stint with United Airlines in San Francisco, California, before moving on for a 28-year career with AT&T starting with Pacific Telephone in San Jose, California. He also holds a Master of Science degree in Electrical Engineering and Computer Science, San Jose State University (1974).

Shalaby lived and worked in Washington DC from 1995 to 1998 and was Director of Government Affairs at AT&T. He was part of the Law and Government Affairs team responsible for lobbying the different branches of the US government for telecom reforms in the developing markets of the Middle East, Africa, Central Asia, and Eastern Europe.

### ► Audette Hanna

VP, Human Resources and Administration

Audette Hanna was appointed as VP, Human Resources and Administration in May, 2006. Hanna joined Mobinil as Human Resources Director in October 1998. Since then, she has made quite many accomplishments in the fields of recruitment and selection, compensation and benefits, training and development, employee relations, and medical benefits.

Audette Hanna was appointed Human Resources Director in June 1999. She has over 15 years of intercultural experience in the fields of recruitment and selection, compensation and benefits, training and development, and employee relations; she joined the Orascom Group as a Human Resources Manager responsible for building up the HR infrastructure of 43 member companies with 16,000 employees. Hanna holds a Bachelor's degree in Commerce and several postgraduate diplomas in Human Resources and Personnel Management.

### ► Guillaume van Gaver

VP, Commercial

Guillaume van Gaver is Commercial VP, and is in charge of Marketing, Sales and Customer Service. He has worked for more than 16 years in Marketing and Sales in the telecommunications industry.

Guillaume van Gaver has been appointed Commercial Vice President in August 2006. Before joining Mobinil, his last position was Director of Direct Sales in Orange, UK. He started his career back in 1993 with Arianespace, Washington DC, USA, as Marketing Analyst. In 1995, he joined France Telecom Mobile Business Unit as Large Account Sales Manager and then became Business to Business Senior Manager. He then joined Orange France as Distribution Sales Director followed by a three-year role as Business Development Director. Guillaume van Gaver holds a Management Degree in Finance from Institut Supérieur du Commerce de Paris. He also received Erasmus Certificate at University of Hertfordshire (Courses in International Marketing) and graduated from IEP, Insead, 2003.

### ► Hashem Zohair

VP, Regulatory and Corporate Affairs

Mohamed Hashem Zohair was appointed VP, Regulatory and Corporate Affairs in May 2006. Back in 2000, Zohair joined the Mobinil family as Director of the Government Affairs Department.

Zohair has been developing and implementing Business Management Techniques in the Information Technology and Telecommunications fields for 34 years. He was appointed Government Affairs and Telecom Authorities Director in August 2000.

Prior to Mobinil, he spent 20 years at NCR – Egypt, holding various positions including Managing Director, General Manager, Sales and Marketing Director, and System Services Director for the Near East Area. He also led several national projects, one of which was for Telecom Egypt. Zohair holds a Bachelor's degree in Electronics Telecommunications.

### ► Khalid Ellaicy

VP, Finance

Khalid Ellaicy has been appointed as VP, Finance on January 1<sup>st</sup>, 2007. Ellaicy has over 21 years of experience in finance, auditing, and accounting. His last position before joining Mobinil was Group Director of Finance at the Mobile Telecommunications Company - Kuwait [Zain]. Before joining MTC, Ellaicy achieved the level of "Partner" at KPMG Cairo, becoming the youngest partner in the history of the Egypt practice. At KPMG, Ellaicy was in charge of auditing major clients operating in a broad spectrum of business industries and he also led teams in providing other services such as Due Diligence Reviews and Privatizations.

Prior to that, Ellaicy was Regional Finance Director at Pepsi Cola International, Egypt, where he was in charge of the local and consolidated accounting and reporting requirements for three countries. Ellaicy's experience included significant international exposure mainly in the USA. He is a Certified Public Accountant (CPA). He currently maintains professional memberships at the American Institute of Certified Public Accountants and the Egyptian Society of Accountants and Auditors.



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► **Marwan Hayek**  
VP, Technology

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Marwan Hayek was appointed VP, Technology in September 2007, whereby he shared with his predecessor Hervé Suquet, a transitional period until January 1<sup>st</sup>, 2008.

From 2003 to 2007, Hayek was Chief Technical Officer of Mobinilink, Pakistan's leading mobile service provider and an OTH subsidiary. Marwan made Mobinilink's network quality jump to top position in a six-operator market, introducing technologies such as NGN [New Generation Networks], soft switches, ngHLR, and WiMAX broadband network, 6000 km of optical fiber backbone, and extensive rural coverage. Before joining Mobinilink, Hayek was Group Technical Director at OTH where he established extensive experience in North Africa and Asia, where he led the deployment of new networks and the expansion of others within the OTH group.

Marwan graduated from Athénée Royale de Mons in Belgium in 1990. He has a Master's degree in Electrical Engineering and Telecommunications from Faculté Polytechnique de Mons, Belgium.

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► **Rana Abbadi**  
VP, Transformation

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Rana Abbadi is an experienced Finance and Operations professional with over 17 years of intercultural experience. She has been working with Mobinil since June 1998, where she became Finance and Administration Director in May 2000, and VP and Chief Financial Officer in May 2006 prior to her current post. Effective January 1<sup>st</sup>, 2007, Abbadi was appointed VP, Transformation.

Throughout her career Abbadi held different management positions in Jordan's Fastlink and the Welfare Association and Deloitte and Touche to name a few. Abbadi joined Mobinil in June 1998 as Financial Controller then moved to Finance and Administration Director in May 2000. She then joined Orascom Telecom Holding SAE in June 2000 and returned to Mobinil in June 2001 as Finance Director. She holds a Bachelor's degree in Accounting from the University of Jordan.

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► **Ahmed Abou Doma**  
Director, Marketing

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

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► **Hany El Kafrawy**  
Director, Information Technology

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Hany El Kafrawy was appointed Director of Technology Management in July 2000. He has over 22 years of global experience in the fields of Information Systems and Technologies. He joined Mobinil in October 1998 as Senior Manager of Information Technology Services. Prior to working with Mobinil, El Kafrawy has been working for IBM World Trade Corporation at several locations around the world. He holds an Honors Bachelor's degree in Electronics and Electrical Engineering from Manchester University, UK.

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► **Magdy Gabra**  
Director, Customer Service

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Magdy Gabra was appointed Customer Service Director in May 2003. Gabra has over 25 years of multinational experience in the fields of Marketing, Sales and Customer Service. He joined Mobinil in January of 2002 as the National Sales Senior Manager. In May 1978, Gabra joined Trans World Airlines Inc. (TWA) in the Customer Service Department and held various managerial positions in the Middle East and Europe responsible for Sales, Marketing, and Operational activities. Gabra holds a Bachelor's degree in Pure Mathematics and Mathematical Statistics.

### ► Mohamed Nabih

Director, Corporate Strategy and Business Development

Mohamed Nabih joined the Mobinil family in August 1999 as Senior Manager for the Commercial Strategy Department, now called Corporate Strategy and Business Development. He was appointed Corporate Strategy Director in October 2005. Nabih has over 13 years of experience in business development and strategy in the telecommunications industry. He studied Economics in Sweden. In 1993, he received his Master of Science in Economics from the Stockholm School of Economics, Sweden. He received his PhD in Economics from the Catholic University of Tilburg, Netherlands.

### ► Oussama Daniel

Director, Legal

Oussama Daniel has been appointed Legal Director at the Regulatory and Corporate Affairs Department, effective August 1<sup>st</sup>, 2007. Daniel has more than 15 years experience in legal affairs in Egypt and the Middle East. Prior to joining Mobinil, he was the Head of the Legal and Compliance Department for Egypt and the United Arab Emirates in Barclays Bank. Prior to that, he assumed the position of Corporate Lawyer for Orascom Telecom Holding for two years.

Daniel also has experience in legal management in the Gulf region, as he was the Legal Advisor of Almana Group of Companies.

Daniel graduated with honors from the Faculty of Law of Alexandria University in 1991. He holds a Masters degree of International Business Law from the Institut de Droit des Affaires Internationales, Faculty of Law from Cairo University and University of Paris Dauphine, France (1994).

### ► Tarek Rizkallah

Director, Sales

Tarek Rizkallah joined Mobinil in May, 2007 as Sales Director. Rizkallah has over 21 years of experience in the telecommunications industry with various Orascom subsidiaries. His last position was Chief Executive Officer of Ring Distribution. He also held the position of General Manager, Orascom Distribution, where he setup and managed a world class information technology distribution company for dealers' sales channels, and analyzed the cost factors and conducted cost reduction and control.

Rizkallah has extensive experience with Orascom in the Computer Division as he was Personal Computer Products and Peripherals Business Manager (1993 -1997) then held the position of Computer Division HP Personal Computer Products and Peripherals Sales Manager (1989 -1992) and HP Personal Computer Products and Peripherals Product Manager (1986 -1988).

Tarek Rizkallah holds a degree in Electrical Engineering, Computer Systems and Automatic Control from Ain Shams University (1985) and a Master of Business Administration, from Ashford University, London (1997).









## ► Commitment to our Customers and Employees



Mobinil Team in Business Football Tournament

### Commitment to our Customers

Our business objective is to maintain our leadership in providing the best quality service and best value for money to our customers. We are committed to the highest levels of customer satisfaction by meeting our customers' needs, providing superior network quality and the widest network coverage, and offering a great customer service experience.

#### Being Customer Oriented

Our ultimate aim is not only to increase revenues but also to build long-term relationships and 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.

#### Protecting Customer Information

Customer information is strictly confidential. We safeguard customer information stored in our records and information systems in compliance with the Telecom-

munication Law no (10) for the year 2003.

### Commitment to our Employees

Our employees are our most valued asset. Our ability to succeed depends on the integrity, knowledge, skills, diversity, and 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.

#### Equal Employment Opportunity

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.

► Our ultimate aim is not only to increase revenues, but also to build long-term relationships and loyalty with our customers.



## ► Commitment to our Shareholders



Signing of 3G License

### 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 diversity and differences and treat each other fairly.

### Respect for People

We should 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 should consistently treat others with the respect and dignity which we desire for ourselves.

### Commitment to our Shareholders

Our commitment to our shareholders is

to maximize our earnings and build long-term success responsibly. Maintaining a strong financial position depends on providing the best service to our customers. It is our responsibility to provide our shareholders with honest and accurate information about our financial position based on Egyptian Stock Exchange laws and regulations. All of us, as Mobinil employees, are committed to preserving our company's assets, information and resources.

### Protecting Company Resources and Assets

We should treat and handle all of our assets and resources with extreme care as if they were our own. We are all expected to make every effort to ensure that intellectual property and Mobinil's know-how and projects are protected. We are accountable to our shareholders for safeguarding our company's assets.

### Accurate Financial Reporting

As part of our commitment to having accuracy in communication, we record

## ► Commitment to our Community



Mobinil Blood Donation Campaign

all financial transactions according to the proper accounting rules and standards as required by Egyptian laws and regulations. All of our financial books and records properly account for all assets, liabilities, revenues, and expenses. Our financial statements reflect our financial position accurately and honestly. Mobinil complies with the rules and regulations of the Capital Market Authority and the Egyptian Stock Exchange.

**Complying with Laws and Regulations**  
Mobinil is committed to adhering to the highest standards of business practices, and abiding by all laws and regulations that we are subject to. Mobinil is also committed to complying with all corporate governance and internal control rules that we are subject to as well as all legal obligations as required by our shareholders.

### Commitment to our Community

We are a responsible corporate citizen

not only in creating job opportunities, and contributing to the growth of the national economy, but also by adhering to the highest standards of business practices, and abiding by all laws and regulations in Egypt. We believe, Mobinil plays a leadership role in our community by acting as a role model in its commitment to excellent customer service, and to a comfortable and healthy work environment. In addition, we are committed to following all Egyptian safety and environmental standards, which are set in accordance with international standards, to guarantee the health and safety of our community. We are certified as an ISO 14001 company that is committed to providing maximum environmental protection to the local community. Mobinil promises that it will remain active in supporting many social and cultural activities in the Egyptian society.

#### Community Activities

Mobinil plays a leadership role in serving the community in which it operates. We have sponsored many charitable events

- Mobinil promises that it will remain active in supporting many social and cultural activities in the Egyptian society.



## ► Commitment to our Suppliers



Mobinil Concert

to aid the disabled and disadvantaged, and funded a number of social activities including sports events to support public interest. We will continue to make contributions toward development programs in Egypt.

### Environment

We are committed to producing high quality and safe services that comply with Egyptian regulations as well as international telecommunication standards. We will work to understand people's concerns about the environment and health. We are committed to responsibly managing and minimizing our impact on the environment. We are committed to the ISO 14001 standards by establishing, implementing, and maintaining an environmental management system that complies with its requirements. We are keen to provide maximum environmental protection for the local community and we consider it one of our main responsibilities.

### Commitment to our Suppliers

We are committed to following the highest standards of purchasing and contracting practices that are based on quality, service, timeliness, and cost when selecting our suppliers, contractors, agencies, and consultants. The purchase of supplies, materials, and services must preserve the integrity of Mobinil's procurement process. We adopt no favoritism when selecting a vendor or any third party with whom we establish a business relationship.

## ► A Promise of Prosperity to Egypt

### Education

#### Thanaweya Amma Top Students

As part of its annual tradition, Mobinil honored top Thanaweya Amma students at a special ceremony for the ninth consecutive year.

Mobinil President and CEO Alex Shalaby led an engaging open discussion with the students, particularly focusing on Mobinil's role in the community as well as our state-of-the-art technology in the telecommunications field.

Students also toured the Agouza Call Center, where they were introduced to Mobinil's latest technologies in the field of customer service.

In addition, Mobinil sponsored the students' overseas trip to Europe, where they got a chance to visit major international companies and got exposed to the latest trends and technologies as they mingled with people from different cultures.

#### Injaz Egypt Program

Mobinil, in collaboration with Injaz Egypt, one of the most well-known non-profit child-assistance organizations, announced the commencement of the first round of the Injaz program for the year 2007 in February.

Volunteering for Injaz is the best way to bring employees' practical business and personal experiences along with great enthusiasm into classrooms throughout Egypt during the school year, investing time and talent into building the leaders of tomorrow.

The Success Skills Curriculum aims to develop students' interpersonal effectiveness through self-assessment of personal strengths and to examine how such skills match careers of interest while at the same time teach personal marketing methods.

#### First Injaz Egypt Company Competition

Injaz Egypt held an event to announce the "Student Company Competition" winners of Injaz Program in May 2007. Mobinil President and CEO attended the event as Chairman of Injaz Egypt, also acting as jury member. The winning teams have expressed their deep appreciation for Injaz Program and its supporters from the private sector, as it enriches their knowledge and helps them set goals and aspire for a brighter future.

The Company Competition aims to create a mutual focus for participating countries from all over the Arab world. These events are a crucial part of what sustains the Injaz network in the Middle East and North Africa network, maintains program quality, and assures growth. They are also a powerful way to motivate teachers, staff, and volunteers.

#### Students in Free Enterprise (SIFE)

SIFE is a global non-profit organization that mobilizes university students to create economic opportunities for others while discovering their own potential. SIFE students form teams on their university campuses and develop outreach projects that center on entrepreneurship, market economics, business ethics, success skills, and finance in their communities. The SIFE program concentrates on five areas: entrepreneurship, market economics, success skills, financial literacy, and business ethics.

The official name of SIFE's Success Skills topic in Egypt is now "The Mobinil Success Skills SIFE Topic Competition." Mobinil is being recognized as the national sponsor of SIFE's Success Skills program, as SIFE teams used this official name when making reference to their success skills SIFE activities throughout the year. The 2007 SIFE Egypt National Competition was held

► Volunteering for Injaz is the best way to bring employees' practical business and personal experiences along with great enthusiasm into classrooms throughout Egypt during the school year, investing time and talent into building the leaders of tomorrow.





Mobinil Honoring Top Students

in July 2007 featuring 11 competing universities from all over Egypt.

Mobinil executives evaluated the overall effectiveness and impact of each team's success skills initiatives according to strict judging criteria, giving out cash awards and trophies.

## Health

**Pro-Peace Physicians in Remote Areas**  
More than 30,000 Egyptian patients residing in Southern Egypt and desert areas benefited from this initiative led by Mobinil and Orascom Telecom Holding (OTH) to fight the spread of disease.

"Pro-Peace Physicians" medical caravan is a year-round program, launched as part of the leading efforts by Mobinil and OTH for the development of our community through leading corporate responsibility programs.

**Give Blood, Give Life**  
Every five minutes, someone in Egypt

needs a life-saving blood transfusion. Mobinil was proud to offer all its employees the opportunity to donate blood to help save lives in a major blood drive in February 2007.

This blood donation campaign was carried out in coordination with the National Blood Transfusion Services under the auspices of the Egyptian Ministry of Health and Population. The "National Blood Transfusion Services" aims to provide one million blood units annually to fulfill the needs of all Egyptian patients that require nearly 320,000 regular blood donors.

Mobinil's Blood Donation Drive was also available at Modern Academy University in Kattameya in collaboration with the National Democratic Party.

**World Blood Donor Day**  
World Blood Donor Day is an annual event held on June 14, which is the birthday anniversary of Dr. Karl Landsteiner, who discovered the ABO blood group and was awarded the Nobel Prize for his important discovery.

▶ Mobinil was proud to offer all its employees the opportunity to donate blood to help save lives in a major blood drive in February 2007.



UNICEF Campaign to Support Children

World Blood Donor Day is globally celebrated to give recognition to voluntary blood donors. Mobinil hosted a special celebration to thank and recognize voluntary blood donors and launch donor recruitment programs on the national level. The event also promoted the National Blood Transfusion Services of Egypt as a nationwide service with a key role in the community at large.

### Community

#### Collaborating with UNICEF to Support Children at Risk

In Ramadan 2007, in an effort to bring the dreams of millions of Egyptian children to life, Mobinil joined forces with the UNICEF to donate a share of the revenue of every phone call made during the month of Ramadan to help support the underprivileged children in Egypt. The amount raised from this campaign will be used on a variety of "Children Aid" projects. With the credibility and assistance of the UNICEF, the donation will be directed to programs in the following areas: children

at risk, child labor, children's media, and young child survival and development.

#### El Gomhoureya Newspaper Charity Hotline 139

This is a year-round program carried out for the second year in cooperation with El Gomhoureya newspaper, in which Mobinil sponsors the human cases with monetary donations throughout 12 months. Donations are given based on merit, and each case is evaluated individually by El Gomhoureya newspaper.

#### Support for Children with Autism "Listen to their Silence"

Throughout April, which is the month recognized worldwide to activate autism initiatives, Mobinil cooperated with a non-governmental organization, Advance, to sponsor a variety of events in support of autism including a sports fun day at Wadi Degla Club, an art exhibition, and a one-day conference entitled "Medical & Educational Innovations in the Field of Autism" in Mansoura.





Mobinil Puts a Smile on Children's Faces

Autism is a life-long developmental disability that prevents individuals from properly understanding what they see, hear, and otherwise sense. It occurs in approximately one out of every 500 births and is four times more common in boys than girls.

Autism is found throughout the world in families of all racial, ethnic, and social backgrounds. Although there is no definite statistical figure to indicate the number of autistic children in Egypt, it is confirmed that the condition is quite widespread, and much support is needed to facilitate diagnosis, treatment, and resources to improve the quality of life of those affected.

#### Egypt Orphans Tour

For three consecutive years, Mobinil has been hosting a special celebration in April to bring a little cheer to over 30,000 of Egypt's orphans. More than 50 Mobinil employees volunteered in this event to brighten the children's day. In 2007, the week-long Orphans Tour kicked off in Southern Egypt Governorates targeting over 250 orphans in each city. The Tour

featured live entertainment, competitions, and giveaways.

#### Put a Smile on a Child's Face

During the holy month of Ramadan (September - October 2007), Mobinil cooperated with more than 30 charity associations and the Cairo Sheraton Hotel to host daily Ramadan Iftars (breakfasts) featuring entertainment programs to bring smiles to thousands of deprived children.

#### Back-to-School Packages

Every school year for the last three years, Mobinil has been giving away essential school supplies to thousands of deprived children in Egyptian public schools.

In support of this enormous project, Mobinil employees volunteered to help in the distribution of packages to 50,000 children since its inception. Mobinil invested more than EGP 1 million to make this project a true success to benefit the community.

## Environmet

### World Environment Day

Mobinil was one of the sponsors of the World Environment Day (WED) celebration, under the auspices of H.E. Dr. Maged George, Minister of State for Environmental Affairs, and coordinated by the British Council in Egypt and Wadi Environmental Sci-ence Center, an Egyptian non-governmental organization working in the field of environmental protection.

The slogan for the WED 2007 was "Melting Ice - a Hot Topic", and the selected theme focused on the effects that climate change is having on polar ecosystems and communities and its consequences around the world. The event was attended by over 3000 people.

### The OHSAS 18001 Certificate

Mobinil was awarded the Occupational Health and Safety Assessment Series (OHSAS) 18001 certificate in 2007. OHSAS 18000 is an international occupational health and safety management system that allows organizations to control related risks and improve overall performance.

As usual, Mobinil was a pioneer in receiving such certification among telecom companies operating in the region, and has been first to reap its benefits, including:

- ♣ Reduced work-related accidents, illnesses, and their relevant cost
- ♣ Compliance to local legislations
- ♣ Reduced risk of citation or penalties
- ♣ Reinforced company image and honoring of its role as a good corporate citizen

## Entertainment

### Mobinil Music Awards 2007

For the first time in Egypt, Mobinil launched "Mobinil Music Awards 2007" based exclusively on customers' choice for their favorite male singer, female singer, best song, and best video clip. Mobinil customers voted by calling 1119, and results appeared instantly on Mazzika TV and Mobinil.com

On Wednesday November 7, 2007, Mobinil hosted an exclusive entertainment event to celebrate the first Mobinil Music Awards 2007 with a large number of Mobinil customers. The concert took place at the Hockey court at Cairo Stadium featuring live performances by Nancy Agram, Tamer Hosny, and Mahmoud El Esseily, and Mobinil presented the awards to the winning artists.

### Cairo International Film Festival

As part of Mobinil's continuous efforts to enrich arts and culture in Egypt and in continuation of our strong entertainment platform in the Egyptian community, Mobinil and Orascom Telecom Holding (OTH) sponsored the 31<sup>st</sup> Cairo International Film Festival for the second consecutive year.

### The Wonders of Disney on Ice

Mobinil was proud to bring "The Wonders of Disney on Ice" live performances at the Covered Hall - Cairo Stadium from July 3 - 29, 2007.

### Shakira Live in Concert

To celebrate the milestone of 10 million subscribers, Mobinil hosted an exclusive event on March 28, 2007 at the Pyramids Plateau. Pop music sensation Shakira performed live for the first time in Egypt at the magnificent Giza pyramids as part of her world tour.

Shakira is one of the most sensational pop and rock superstars on the international scene, with over 30 million records sold.





Mobinil Booth during ICT

## Industry

### Technology Meets Your Needs

On February 4, 2007, Cairo ICT' 07 opened its doors to visitors to experience the latest in the world of technology. Mobinil presented its latest products and services and demonstrated its active role in providing state-of-the-art technologies that meet the needs of the Egyptian society.

For over eight years, Mobinil has maintained its leading position as Egypt's number one mobile operator, the vision that we had in 1998 - "a mobile in every hand" - is now a reality. Today, we continuously thrive to provide our customers with cutting edge technology that meets their changing lifestyle needs.

## Sports

### Mobinil Business Football Tournament

For the fourth consecutive year, Mobinil hosted the Mobinil Business Football Tournament last Ramadan. Thirty-two of Egypt's largest companies were part of this exciting annual event, making it a tough yet much anticipated competition.

# mobinil

Technology  
meets  
your needs.







## ► The Egyptian Market

### Competitive Environment

As one of the markets with the highest growth rates and growth potential, the Egyptian telecommunications scene has witnessed fierce competition, both among existing and new players, in 2007. The telecommunications market has been increasing in terms of number of players within each of its industries, mainly the mobile market which witnessed the entrance of the third player, Etisalat Egypt, putting an end to a duopolistic market.

The mobile industry has been facing competition on both direct fronts like fixed lines and payphones, and on indirect fronts such as Internet connectivity.

However, several elements are acting in favor of the mobile industry and are placing both direct and indirect fronts' competition at a competitive disadvantage:

- ❧ Increasing customer attraction to Value Added Services (VAS)
- ❧ More convenience for the customer
- ❧ More efficient penetration and coverage of remote areas
- ❧ Relatively low cost of acquiring a mobile line

Facts require no explanation.

Mobinil is enforcing its leadership with six million additional subscribers to the leading network in Egypt during 2007.

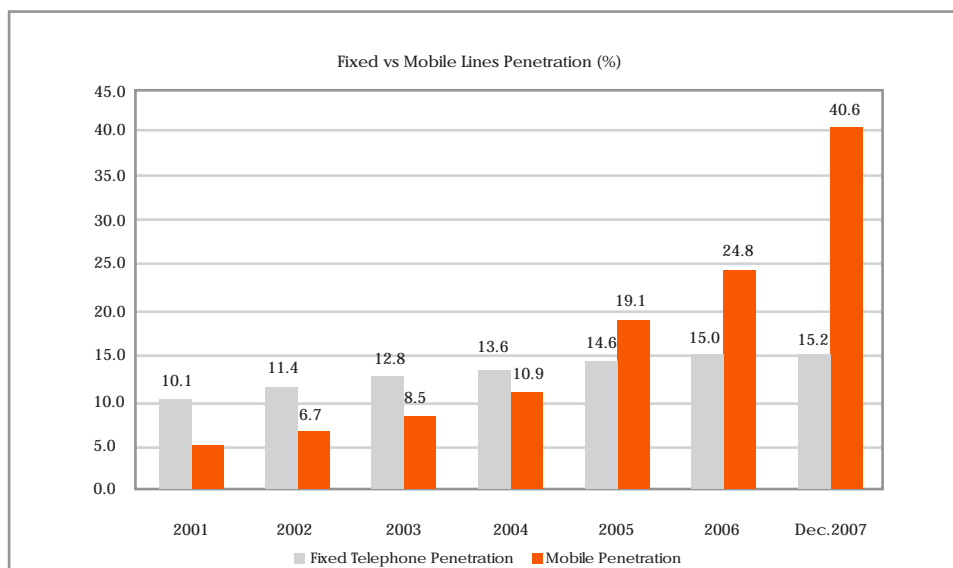
The mobile industry in Egypt is growing at increased rates. The overall penetration rate reached approximately 41%\* at the end of 2007, up from a low of 1.3% in 1999.

There are currently around 11 million fixed lines in Egypt, representing only 15.2% penetration rate\*\*. They are served by Telecom Egypt.

Over 57,000 payphones, offered by three different service providers, have been installed throughout Egypt over the past few years, offering voice connectivity and Pre-paid cards services. Growth rate, however, has slowed down significantly in recent years in favor of mobile operators.

Further indirect competition for the mobile industry, though not licensed to consumers, stems from fixed Internet connectivity to homes and businesses, as it gives users access to Voice over IP services. Currently, there are four class A, eight class B, and over 208 class C ISP licenses in the Egyptian market, with all

- Mobinil is enforcing its leadership with six million additional subscribers to the leading network in Egypt during 2007.



\* According to the Egyptian Ministry of IT and Telecom, February 2008.

\*\* According to the Egyptian Ministry of IT and Telecom, February 2008.





providers serving a total of 8.6 million users\*.

In addition, different voice and data providers have developed and enhanced their services by offering VAS, the most popular of which include Interactive Voice Response systems (IVR), Ring Back Tones, e-Billing, and e-Payment.

Thus, the Egyptian market witnessed noticeable progress in the telecommunications industry over the past few years.

✚ Vodafone Egypt was the second entrant to the mobile market following Mobinil and the second operator to launch the 3G services in 2007 after Etisalat Egypt. In 2006, Vodafone changed the structure of its ownership and acquired 51% of Raya Telecom, which specializes in providing business solutions as well as Internet connectivity. The newly formed structure is as follows:

✚ Vodafone International	54.9%
✚ Telecom Egypt	44.7%
✚ Free Float	0.4%

✚ Duopoly in the mobile market ended in May 2007, when Etisalat started its operation using the 2G and 3G license that it acquired from the National Telecommunication Regulatory Authority (NTRA) for EGP 16.7 billion (\$ 2.9 billion). Etisalat's launch focused on the personal market both Post-paid and Pre-paid. Etisalat Misr consortium represents a joint partnership structured as follows:

✚ Etisalat UAE	66%
✚ Egypt Post	20%
✚ National Bank of Egypt	10%
✚ Commercial International Bank	4%

✚ A monopoly on fixed lines remains with Telecom Egypt as the sole provider, which is still a public entity despite its partial liberalization at the end of 2005. However, the monopoly experienced by Telecom Egypt on international gateway had reached an end, when Etisalat acquired the second international gateway license. Currently, discussions and an initial framework are being set up for a second fixed line operator license which is expected to be operational in 2009.

\*According to the Egyptian Ministry of IT and Telecom, February 2008

## The Regulatory Environment

The NTRA [National Telecom Regulatory Authority] is the entity specialized in regulating the telecommunications sector in Egypt, while keeping with latest technologies and satisfying users' needs with the most suitable prices.

NTRA ensures that this is achieved within an atmosphere of free and impartial competition so as to encourage national and international investment in the telecommunications sector.

The NTRA guarantees that all services rendered to customers comply with the key principles of the Telecommunications Law no (10) for the year 2003, which are:

- ⌘ Publicity of information
- ⌘ Protection of free competition
- ⌘ Protection of users' rights
- ⌘ Provision of universal services by ensuring that all citizens have access to basic telecom services at affordable prices

## Regulatory Highlights in 2007

### 1-Main Agreements Concluded

- ⌘ National Roaming – with Etisalat, the third mobile operator in Egypt. Mobinil will charge reasonable, yet profitable rates when Etisalat customers send or receive communications in areas where their operator does not provide coverage.
- ⌘ Interconnect Agreement – also with Etisalat, and similar to other operators; allowing exchange of traffic between both operators.
- ⌘ 3G License Acquisition – Mobinil will be entitled to 10 MHz of additional band in 3G range, enabling the company to offer its customers the latest technologies as well as accommodating the expected subscriber growth for years to come.

### 2-Commercial Achievements

- ⌘ Settling all NTRA financial claims.
- ⌘ Approvals for 36 new products and offers.
- ⌘ Acquiring a new – 10 million dials – network code, in addition to having seven new dial ranges in the existing 018 Network Dial Code [NDC].
- ⌘ Frame agreements for site installations and sales outlets with National Post Office Authority.
- ⌘ Several sales related agreements with Telecom Egypt.





## ► Developing the Egyptian Market

The Egyptian Company for Mobile Services (ECMS) - Mobinil continues to lead the mobile telecommunications industry in Egypt, following the thrive to fulfill one of its key reasons for existence, which is ensuring that every resident in Egypt can obtain a mobile line. Accordingly, the number of Mobinil subscribers increased to over 15 million, with 5.85 million additions, representing an increase of 63% over the same period last year.

The rapid growth in the market in the last few years is attributed to ECMS' strategic decisions in aggressive market expansion, observing the value dimension, which were soon emulated by the competition.

ECMS has revolutionized and influenced telecommunications in Egypt. The network capacity has expanded through 900 and 1800 MHz frequencies. The network coverage has also significantly improved with the continuous investment in building more base stations (BTS), resulting in a total coverage increase reaching 99.7% of total populated areas\*.

The most remote regions are now connected, and all socio-economic classes in Egypt are served. Hence, the market has not only developed and grown, but was in fact transformed through softening entry barriers, providing new Value Added Services (VAS), diversifying tariff plans to suit all needs and budgets, and more importantly, making a real difference in people's daily lives.

Since the commencement of its operations, ECMS has maintained leadership of the Egyptian telecommunications market. As of December 31, 2007, ECMS' market share reached a leading share of 49.5% in a competitively aggressive market with three powerful players.

ECMS was able to maintain its market leadership by dedicated and focused attention on strategic goals to increase subscribers' loyalty through:

- ✦ Competitive, segmented offers and promotions tailored to meet the needs of different subscribers' profiles, both consumer and corporate.
- ✦ Development of innovative service offerings to include bouquets and bundles of different mobile services to satisfy customers' various needs.
- ✦ Constant expansion and enhancement of network quality and coverage.
- ✦ Upgrading and diversifying customer contact points.

ECMS' sincere dedication to offer world class services to all Egyptians has been a major driving force to invest more than EGP 5 billion into (3G) services in 2007.

ECMS continues to offer a large array of diversified services to the Egyptian mobile user using different technologies. Services offered range from local voice connectivity to international data roaming on GPRS networks to 2.5G technology and soon to 3.75G.

An ongoing interactive study of customer needs and behavior over the years has allowed ECMS to develop and fulfill the wants and needs of the truly diversified Egyptian customer base. This is done through the features offered and the ways in which they are offered, both to corporate and to personal customers

- The most remote regions are now connected, and all socio-economic classes in Egypt are served.

\* See coverage map on page 58





## ► 2007 Overview

In 2007, and in keeping with our strategy in the Egyptian market over the years, Mobinil managed to accomplish several achievements on the market front, maintaining its leadership in Egypt following the entrance of a third mobile operator in May 2007.

2007 witnessed several unique market propositions on all fronts and for all consumers in the various market segments whether Pre-paid, Post-paid or Business, in addition to a range of Value Added Services and several offers and promotions.

In light of the new competitive environment in 2007, Mobinil ventured in several initiatives that continued to provide the best value for money, to create more tailored solutions, and to meet the real needs of the Egyptian consumer.

2007 represents a year of new and innovative market offerings for the Pre-paid market, a year of special propositions for the Post-paid market, and a year of creative solutions for the Business market, in addition to a wider range of Value Added Services for consumers at large.

### Consumer Market

#### ALO (Pre-paid)

Pre-paid consumers continue to form the vast majority of mobile users in Egypt. In 2007, Mobinil capitalized on this fact by focusing on introducing propositions that offer them more value for money.

Mobinil's Pre-paid customers enjoyed an unprecedented number of bundles (handset + Pre-paid line) at a variety of reasonable prices, offers, and promotions that coincided with social occasions throughout the year, in addition to the ability of being charged per second.

The most outstanding proposition was the introduction of lifetime validity for the first time in Egypt, enabling Pre-paid users to enjoy unlimited validity as long as they made only one minute of outgoing calls

every three months. This initiative created a stir in the Egyptian market leading to competition later following suit.

The introduction of services like "Ahsan Nas", where Pre-paid users can select up to three frequently-called numbers and call them at a lower rate, was also a proposition that set Mobinil apart from the competition. Such propositions enabled Mobinil to build on the loyalty of existing customers and enhance their customer experience. Also, as part of our keen efforts to serve the community through our products and services, Mobinil partnered with the Ministry of Administrative Development to introduce the "Thanaweya Amma" project, which placed a Pre-paid line and a very unique offer in the hands of almost half a million Egyptian high school graduates.

Other initiatives included the removal of sales tax on all scratch cards and e-Recharge options, a true and tangible benefit to the customer. A wider range of e-Recharge denominations was also introduced in 2007, starting from as little as EGP 1 and reaching up to EGP 500.

Primo, an innovative yearly subscription line that offers the benefit of controlled customer spending coupled with low minute rates, also continued to provide a desired option for consumers throughout 2007, meeting the needs of those who want the benefits of Post-paid lines coupled with the ease and control of Pre-paid. Building on the success of this line, Mobinil introduced an extensive re-pricing scheme leading to the availability of 1, 2 and 4 year lines at even more reasonable prices and renewal options.

#### Star (Post-paid)

Following a successful re-branding of Mobinil's Post-paid brand into "Star", the brand became synonymous with high value, tailored pricing structure, and tangible benefits that the consumer can truly enjoy.



2007 marked the introduction of the full range of “Star” buckets; which are pricing plans that offer the Post-paid consumer FREE inclusive minutes, SMS, MMS, and GPRS usage in exchange for a set monthly fee. It is up to the consumer to select the plan that best meets his/her usage pattern and lifestyle.

Star customers also enjoyed an expansion in the range of rewards offered as part of the “Star Awards” loyalty and retention program, offering them more tangible gifts that they can redeem with their accumulated points.

Because Star customers are keen on handsets, Mobinil offered them the opportunity to acquire high-end handsets at great discounts through special vouchers and special promotions on a range of high quality devices. In order to meet the demand for Star, Mobinil made Star lines and Star buckets available at Points of Sale as opposed to being only available at Mobinil customer centers.

## Business Market

### Mobinil Business

The Business consumer also received a wide range of pricing plans, corporate solutions, and services in 2007. Mobinil introduced seven different Business buckets that offer the business market greater flexibility according to their varying communication budgets.

Mobinil Business consumers enjoyed more convenience through the expansion of payment collection options, the ability to separate their business and personal calls with ease through budget master enhancement and split billing, and the option of getting the latest range of business handsets at the best market prices.

The introduction of the Blackberry® Pearl was a major highlight in 2007, followed by the corporate e-mail solutions, which enable users to have their e-mail in the

palm of their hands anytime, anywhere. Business consumers were also treated to services like “Mini Business”, which enables them to create a group of up to five users within their organization and call each other at a lower minute rate.

Mobinil also provided a range of seven high-end business handsets to the Business market in order to provide Business consumers with communication tools that can positively enhance their day-to-day lives.

### Mobinil 8000

Mobinil 8000 continues to be the leading directory assistance service in Egypt, expanding its services even further through a wide range of features that meet customers’ needs and exceed their expectations. Mobinil 8000 offers everything from street directions, to cinema ticket bookings, to restaurant reservations, as well as prices of cars and mobiles and much more.

### Mobinil Life

Mobinil Life, a bouquet of information sources offered through a WAP portal for GPRS users, also continues to become an integral part of the consumer’s communication experience. Year after year, Mobinil Life expands the range of its features in order to bring closer a wealth of knowledge and information to the consumer. Mobinil Life now offers 3D games, music shop, dictionary and thesaurus, news, schedules for events, in addition to Facebook, Google, and Yahoo.

Because the needs of the Egyptian consumer are ever changing, Mobinil Life now also offers mobile TV, where consumers can catch their favorite TV programs, music video, and news on their mobile screens on demand through a number of television and radio stations.



#### International Roaming

2007 was the year when Mobinil further elaborated on its “Global Rates”, offering customers reliable roaming service for a flat rate. Global Rates were also extended to Pre-paid customers in order for them to take advantage of this valuable proposition. Mobinil Global Rate divides the world into five zones, each with a defined flat rate. Roaming is no longer dreaded by customers, since they head to their destinations knowing exactly how much the service will cost them while abroad.

#### Value Added Services

Every year witnesses a considerable expansion in the range of Value Added Services offered to the Egyptian consumer, and 2007 was no exception. Mobinil introduced new services and enhanced several of its existing services to offer a new level of convenience to customers.

The major highlight of 2007, in terms of Value Added Services, was the introduction of Mobinil WiFi (wireless fidelity) offering free high speed local area

network to Internet users in Egypt through a wide network of over 200 hotspots throughout Cairo, Alexandria, Hurghada, El Gouna, and Sharm El Sheikh, including prominent hotels and cafés.

In 2007, Mobinil also introduced the emergency SIM card, which enables customers to back up their contacts on another SIM card, and use it when necessary.

In terms of enhancement, Mobinil increased capacity to accommodate for the huge demand on its Ring Back Tone service “Call Tone”, a service where individuals calling Mobinil customers can enjoy an alternative Ring Back Tone from a song or a play instead of the standard tone. New features were also added to its voice SMS service, and Mobinil offered more features in its Mobilist, a unique service that allows customers to utilize many services by clicking a few simple codes even when they are out of credit, including recharging a line, recharging another line, sending an SMS asking another customer to call you... etc.

► Mobinil Global Rate divides the world into five zones, each with a defined flat rate.





#### Getting Bigger and Better

Mobinil's coverage was strong and stable throughout 2007, giving consumers the chance to communicate anytime anywhere. Mobinil also acquired its 3G license in 2007, putting it on equal footing with other competitors in the market and enabling it to offer more high-end services as well as expanding its capacity to take on more subscribers. Mobinil now proudly serves 15 million customers through a network operated by over 3000 highly dedicated and well trained employees, proud to call Mobinil their home.

Mobinil is proud to close 2007 with 348 international roaming partners, up from 298 partners in 2006, and offer international roaming in 135 countries, up from 120 in 2006.

Mobinil continues to offer its 15 million subscribers services 24 hours a day, 7 days a week through its state-of-the-art call center. It now serves its customers through 33 shops, many of which are already boasting a new contemporary shop concept that truly reflects the

identity of Mobinil; friendly, dynamic, humane, simple, and seeking excellence. Mobinil now also offers services to the Egyptian market through 15,915 Points of Sale, in addition to alternative and creative sales channels, like 46 kiosks located in subway stations (29 kiosks), ports (3 kiosks), and universities (14 kiosks), to bring its services even closer to the consumer.

► Mobinil now proudly serves 15 million customers through a network operated by over 3000 highly dedicated and well trained employees, proud to call Mobinil their home.



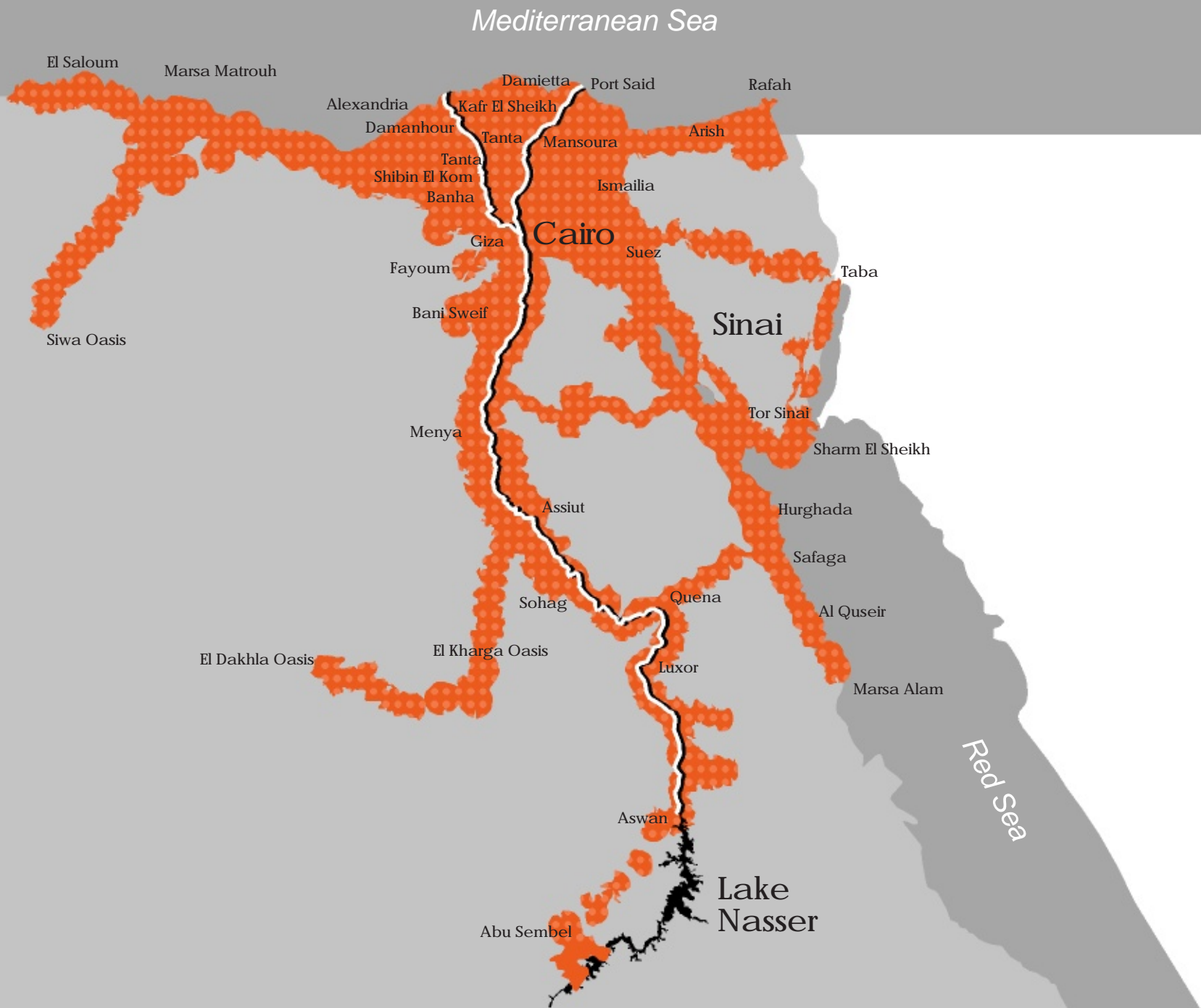








## ► Network Coverage



	Covered Population
2006	99.05%
2007	99.66%
% increased	0.61%

	Area Covered
2006	17.45%
2007	22.15%
% increased	27%



## Facts and Figures

- Mobinil provides exclusive coverage to major oil fields in Egypt
- Mobinil provides exclusive coverage to agricultural farms in remote areas
- Mobinil's coverage extends to reach 22.15 % of Egypt's surface area (Up from 17.45% in 2006)
- Mobinil covers 99.66% of the Egyptian population (Up from 99.05 % in 2006)
- Mobinil added 765 sites during 2007  
Total sites in 2007: 3335  
Total sites in 2006: 2570
- Mobinil has added 855 Km to its covered roads and highways



## Coverage 2007

	Number of Sites
2006	2,570
2007	3,335
% increased	29.77%

## ► 2007 Advertising Campaigns



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### January

#### 1-Post-paid

##### Star Buckets

Mobinil customers can choose from several plans that include free minutes, SMS, MMS, and MB for browsing.

#### 2-Pre-paid

##### Re-pricing of Alohats

Mobinil modified minute rate for Alohats as well as offering:

- Calls are charged per second
- Minimum call charge of EGP 0.20 on all calls remains unchanged
- Monthly fee of EGP 5 remains unchanged

#### 3-VAS

##### Emergency SIM card and copier

In case of loss or damage to the current SIM card, the emergency SIM card could replace it. SIM copier allows customers to copy data from one SIM to another. Entire pack is offered for EGP 45.

### February

#### 4-All Mobinil Customers

##### Valentine's Day "Pay the first minute"

On February 14<sup>th</sup> and 15<sup>th</sup>, all Mobinil customers are charged for only the first minute no matter how long the call lasts (applicable on all calls from Mobinil to any mobile).

#### 5-Pre-paid

##### ALO and Nokia Valentine's Day offer

Exclusive offer on ALO line + Nokia 1110i for only EGP 260 instead of EGP 320.

#### 6-Pre-paid

##### Launch of "Lifetime Validity"

All Pre-paid customers can enjoy ongoing validity for their lines provided they make one charged call within three months.

#### 7-Business

##### Launch of Business Buckets

Business customers can choose from seven plans 100, 250, 500, 1000, 1500, 2000, and 4000, each with a number of free minutes, SMS, MMS, and MB for browsing.

#### 8-VAS

##### Launch of short number 16110

Short number to the Mobinil personal market call center is launched to replace the long fixed number.





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## 9-VAS

Celebrate Valentine's Day with Mobinil 8000

Customers can make restaurant reservations at a selection of high-end restaurants and cinemas through 8000.

## March

### 10-Post-paid

Mother's day Primo bundles

Exclusive to Mobinil customers:

- Nokia 1110i + Primo 1 year line with Ring warranty for the price of EGP 399 instead of EGP 625
- Samsung X160 + Primo 1 year line with Connect warranty for the price of EGP 599 instead of EGP 855

## 11-All Mobinil Customers

New Mobinil scratch cards

New scratch cards clearly marked to indicate inclusion of sales tax. Denominations are: EGP 10, 25, 50, and 100.

### 12-VAS

Mobile e-mail@link.net

Mobinil personal and business customers who have LINKdotNET e-mail accounts can access their mail from their mobiles and enjoy free mobile e-mail service free of monthly subscription for a limited time.

### 13-VAS

Celebrate Mother's day with Mobinil 8000

Exclusive discounts at

www.megamartmobinil8000.com by calling Mobinil 8000 to order gifts and send gifts for free + two free cinema tickets.

## 14-Roaming

Mobinil Global Rate extended to Pre-paid customers

All Pre-paid customers can enjoy Mobinil Global Rates in Bahrain, Belgium, France, Germany, Greece, Hungary, India, Italy, Netherlands, Poland, KSA, Spain, Switzerland, Tunisia, Turkey, UAE and UK.

## April

### 15-Post-paid

Siemens Primo bundle

Exclusive bundle including:

- Siemens A75 + 1 year Primo line
- Price is EGP 599 (tax inclusive)

### 16-Pre-paid

Launch of Motorola new bundle

New bundle with Motorola C139 + ALO line for the price of EGP 199.



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## 17-Business

Launch of corporate cash collection service  
Corporate accounts can pay their monthly bills in cash to be collected from their premise on a monthly basis.

## May

### 18-Post-paid

“Free handset program” loyalty initiatives  
Exclusive offer for select Post-paid customers to choose from six high-end handsets:

- Nokia N73
- Nokia E65
- HTC VOX (HTC 710)
- Samsung D900
- Motorola KRAZR
- Sony Ericsson W880i

### 19-Pre-paid

ALO Magic bundle

New bundle with Nokia 1600 + ALO Magic line for the price of EGP 329. Bundle offers

a monthly bonus of EGP 10 for one year to all new customers.

### 20-Pre-paid

Alohats stronger and better

Launch of weekend tariff allowing customers to talk to any mobile on Fridays and Saturdays for only EGP 0.20 per minute during off peak hours and week-nights from 1 a.m. to 8 a.m.

## June

### 21-Post-paid

Star Awards extended to more Star high value customers

34,000 new high value Star customers included in the loyalty program in addition to existing 25,000. Subscribers accumulate points and redeem them for a wide range of gifts.

### 22-Post-paid

Primo yearly subscription reviewed

Primo pricing campaign as follows:

- 1 year: EGP 210 and 400 inclusive minutes
- 2 years: EGP 350 and 800 inclusive minutes
- 4 years: EGP 555 and 1200 inclusive minutes

### 23-Pre-paid

Launch of 4 new ALO bundles

Four new bundles with ALO lines. Choice between:

- Alcatel E100 + ALO line for EGP 199
- Motorola C123 + ALO line for EGP 199
- Sagem My100X + ALO line for EGP 179
- Bird S198 + ALO line for EGP 169

### 24-Business

New mobile e-mail solution

Joint promotion with HTC handsets to promote push e-mail technology, bundled with a high-end, modern handset as well as other benefits from LINKdotNET.





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## 25-Corporate Communication

Network coverage campaign  
Enjoy the best network coverage with the leading mobile operator in Egypt.

## July

### 26-All Mobinil Customers

Launch of Ahsan Nas  
Ahsan Nas service allows customers to choose 3 preferred numbers to call at a discounted minute rate. Service is available for all ALO, Star, Business and Primo customers for a monthly subscription of EGP 3 (free for the first month only).

### 27-Pre-paid

"Class 2007 line" high school graduates offer

In collaboration with the Ministry of Administrative Development, a special offer for all high school graduates with their e-registration service. The line offers:

- Alohat tariff with all its benefits
- Free Alohat monthly subscription for 1 year
- Free 100 SMS per month for 1 year

### 28-Business

Launch of BlackBerry® Pearl  
Launch of the BlackBerry® Pearl for a special price of EGP 2,999.

### 29-VAS

Launch of Mobinil WiFi  
Introducing free high speed Internet access in more than 200 hotspots in major cafés and hotels nationwide and at Cairo airport.

### 30-VAS

Mobinil WiFi competition  
Mobinil launches the WiFi 50-day competition accessible to anyone visiting the Mobinil website from Mobinil hotspots to answer daily questions for a chance to win a Nokia E65 handset.

## August

### 31-Pre-paid

Buy an ALO line and get Hakim's latest album for free  
Any customer buying a new ALO line gets a free Hakim tape exclusively available with ALO lines.

### 32-Pre-paid

Ahsan Nas summer promotion  
All customers subscribed to Ahsan Nas can call their three chosen numbers for free everyday from 2:00 a.m. to 8:00 a.m. during the promotion period.



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### 33-Business

#### Launch of Mini Business

Mini Business enables customers to form groups of up to five users within the same organization and make unlimited calls to each other for free. Monthly subscription amount depends on the number of users in the group. Calls outside the groups are charged normally.

### 34-Roaming

#### New Mobinil roaming global rates

More elaboration on the global rates where customers pay fixed flat rates according to the zone of the destination country.

### 35-Roaming

#### Mobinil launches Omra promotion

From August 31 to October 10, all eligible outbound roamers to Saudi Arabia can activate roaming service for free. EGP 25 credit is granted to all customers roaming in Saudi Arabia during Ramadan.

## October

### 36-Post-paid

Celebrating Mobinil customers' birthdays Mobinil Star customers receive a greeting pack including a card and a designer key chain on their birthdays.

### 37-Business

Free handset for Mobinil Business customers

High-value Business customers are offered a choice from seven high end business handsets at a 50% discount and is refunded to them on equal monthly discounts off their invoice over 12 months.

### 38-Business

New Mobinil TV campaign – Angah Nas A new concept TV teaser campaign highlighting three propositions:

- Business Annual

- Closed User Group (CUG)
- Split Billing

### 39-VAS

Exclusive on Mobinil Life

The popular Ramadan song "El Tareek El Sah" by Mahmoud El Esseily was exclusively available and promoted on Mobinil Life.

### 40-Roaming

Launch of exclusive roaming promotion during Hajj

All Mobinil customers roaming in Saudi Arabia during Hajj season will enjoy one outgoing minute free for every five minutes of outgoing calls they make to Egypt.





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## November

### 41-Post-paid

Exclusive handset offer with new Star lines  
Star customers can choose from five select handsets with new Star lines at a 50% discount off the market price redeemed to them in equal monthly discounts on their bills over 12 months.

### 42-Business

#### Mobinil Business Annual

Business customers can buy or migrate to the new Business Annual profile allowing them to pay all their monthly subscription once every year or two years or three years. Calls can be charged using recharge cards or via a monthly billing.

### 43-Business

#### CUG promotion

Closed User Group promotion offers business customers in the same company the

cheapest minute rate at only EGP 0.20 and a monthly subscription fee of EGP 5.

### 44-Business

Now split billing for Business customers  
Business customers can separate personal and business calls by dialing 1010 before initiating personal calls and it will be deducted from the recharge value. Business calls are charged in monthly billing.

### 45-VAS

#### Call Tone

Customers can activate their Ring Back Tone service by calling 9999 and selecting the tone of their choice.

### 46-All Mobinil Customers

#### Mobinil Music Awards

For the first time in Egypt, Mobinil hosted an exclusive event celebrating Mobinil Music Awards 2007 featuring live perform-

ances by Nancy Agram, Tamer Hosny, and Mahmoud El Esseily along with the awards ceremony in various categories based on customer votes.

## December

### 47-All Mobinil Customers

#### The more you talk, the less you pay

For all Mobinil to Mobinil calls, first minute of the call is charged at full rate, second minute at 50% off, and any extra minute at 75% off for a limited time.

### 48-VAS

#### Celebrate Eid El Adha with Mobinil 8000 promotion

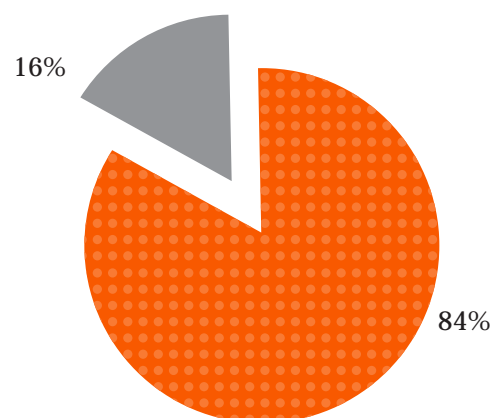
All Mobinil customers making cinema reservations through Mobinil 8000 get free popcorn or soft drink on every ticket booked.

## ► Customer Centers

Cairo	Regions	Mobinil Ring
<b>City Stars</b> Address: Omar Ebn El Khattab Street	<b>Alexandria Roushdy</b> Address: 21B Syria Street	<b>Ring Assiut</b> Address: 4 El Gomhoureya Street - next to Ideal Standard
<b>Dandy Mall</b> Address: Carrefour Mall, Cairo-Alexandria Road	<b>Alexandria San Stefano</b> Address: San Stefano Mall	<b>Ring El Merghany</b> Address: 70 El Merghany Street
<b>Haram</b> Address: 363 El Haram Road, Akhnaton Mall	<b>Alexandria Smouha</b> Address: 14 <sup>th</sup> of May Road	<b>Ring Ismailia</b> Address: 26 El Thawra Street
<b>Heliopolis</b> Address: 110 El Merghany Street	<b>Aswan</b> Address: 97 Cornich El Nil	<b>Ring Shoubra</b> Address: 28 Shoubra Street - beside Shoubra Tunnel
<b>Hyper One</b> Address: 6th October City, Hyper One Mall	<b>Damanhour</b> Address: 18 Gomhoureya Street	<b>Carrefour Alexandria</b> Address: Carrefour Alexandria Mall
<b>Maadi</b> Address: 49 El Laselky Street	<b>Damietta</b> Address: 173 Cornich El Nil, El Refaee Sons Building	
<b>Messaha</b> Address: 16 El Messaha Square	<b>Hurghada</b> Address: Sheraton El Arousa Square/Pin Code	
<b>Mohandessin</b> Address: 39 Shehab Street	<b>Mahalla</b> Address: 13 Shokry El Kawatly Street	
<b>Nasr City</b> Address: 80 Abbas El Akkad Street	<b>Mansoura</b> Address: Gomhoureya Street - next to Moamen restaurant - in front of Mansoura University main gate	
<b>Nile City</b> Address: Nile City, North Tower	<b>Marina</b> Address: 14 A Champs-Élysées, behind Zahran Market	
<b>Zamalek</b> Address: 6b Brazil Street	<b>Porto Marina</b> Address: 64 Porto Marina, gate 4	
	<b>Port Said</b> Address: 16 El Gomhoureya Street	
	<b>Sharm El Sheikh Mercato Mall</b> Address: El Mercato Mall, Hadabet Om El Seed	
	<b>Sharm El Sheikh Neama Bay</b> Address: Mina Mall Neama Bay, El Amir Center	
	<b>Suez</b> Address: 1 El Galaa Street	
	<b>Tanta</b> Address: 59 Saied Moatassem Street	



## ► 2007 Growth



- Customer Centers before 2007
- Customer Centers added during 2007

	Before 2007	Added during 2007	Total during 2007
Customer Centers	18	5	23
Shop-in-Shop	5	0	5
Customer Centers in POS	4	0	4
Total	27	5	32

## ► Roadmap

Up until the late 1990s, Egypt lay on the wrong side of the world digital divide, lagging even behind other countries in the region. Fixed line penetration was low. Service quality was poor. The internet and mobile phones were non-existent. Over the last decade and a half, the situation has been radically transformed. Egypt is well on the way to becoming a regional telecommunications hub - aided by government action, market liberalization, foreign and local investment, and consumer adoption.

The mobile telecommunications revolution in particular has been spectacular, accompanied by fundamental changes in the way we communicate in our personal and business lives. Mobinil has played a crucial role in this transformation. During 2007, Mobinil was the first operator to hit both the 10 million and 15 million subscriber marks, adding nearly 5 million subscribers over the course of the year, and easily maintaining its perennial market share leadership.

By the end of 2007, there were over 30 million mobile subscribers shared between the three operators, a growth rate of 73% in 2007, compared to a 24% growth rate in 2006. While this growth has been aided by the entry of a new, third operator, the driver has been Mobinil's commitment to reaching out to all Egyptians by focusing on accessibility and affordability.

Mobinil has a specific vision of and commitment to the development of mobile telecommunications in Egypt. This vision includes creating and sustaining a unique Mobinil community of users, who enjoy the most competitive rates and the best services. Elements of our vision include:

- ❖ Implementing and continuing to refine a dual market strategy to meet the different needs and desires of both our

high-end customers and our mass market base

- ❖ Offering state-of-the-art products, services, solutions, and applications to meet the specific needs of different customer segments, including youth, families, high net worth individuals, large and small companies, etc.
- ❖ Continuing rational investment in our network to provide the technologies and services suited to the Egyptian context at the highest levels of quality (including, but not limited to 3G services, mobile TV, mobile advertising, m-wallet and convergent services, ... etc.)

In the coming years, we will continue to focus on:

- ❖ maintaining our market share leadership and protecting value share
- ❖ improving our efficiency and productivity measurably
- ❖ focusing on creating value for both customers and shareholders
- ❖ providing the best and most suitable technologies and services to our subscribers
- ❖ reducing subscriber churn and improving retention
- ❖ expanding the mobile user community creatively
- ❖ reaching out to wider segments of society by tailoring products that are accessible, affordable, and relevant
- ❖ building on our strong brand equity and our uniquely Egyptian identity
- ❖ capitalizing on our large subscriber base to provide the most competitive prices and charges for our mobile community

► Perception is strong and sight weak. In strategy, it is important to see distant things as if they were close and to take a distanced view of close things.  
*Miyamoto Musashi  
1584-1645, legendary  
Japanese swordsman*









# 63% *growth* in

By John Smith

Net Revenues of EGP 8.2 billion  
Net Profit of EGP 1.824 billion, with





**Mobinil's** subscriber base during 2007.

on, with an increase of 29%.

th an increase of 20% over 2006 figures.

## ► From the CFO



I assumed responsibility as VP, Finance and CFO on January 1<sup>st</sup>, 2007. It has been a challenging and very successful year for the company. In spite of the introduction of a third player in the market, Mobinil has achieved excellent growth, while maintaining market share leadership.

As evident in the financial section of the report, Mobinil has increased shareholder value over 2006. Our subscriber base grew by 63% over 2006, leading to a 29% revenue growth and more important 33% service revenue growth; this gives a CAGR of 22%. Our EBITDA grew by 15% giving a CAGR of 18%. Our EBITDA margin has dropped to 45.10% from 50.5% reflecting the cost of the growth.

These results and our strong financial position have enabled us to continue to give high returns to our shareholders, while not impacting our investment in growth. We have been successful in obtaining our financing needs from the local market. We look forward to another successful year of growth for the company in the market while increasing shareholder value.

Sincerely,  
Khalid Ellaicy

A handwritten signature in black ink, appearing to read 'Khalid Ellaicy'.



**Ernst & Young**  
**Allied for Accounting & Auditing**  
37 El Ahrar St., Mobica Tower  
Mohandeseen

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

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

We have audited the consolidated financial statements of The Egyptian Company For Mobile Services S.A.E. and its subsidiaries represented in the consolidated balance sheet as at December 31, 2007, the consolidated statements of income, cash flows and changes in equity for the financial year then ended. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

In our opinion, the consolidated financial statements referred to above together with the notes attached thereto present fairly, in all material respects, the consolidated financial position of the company as at December 31, 2007, the consolidated results of its operation and its consolidated cash flows for the financial year then ended, in accordance with Egyptian Accounting Standards and in compliance with the related Egyptian laws and regulations.



*Hazem Hassan*

**KPMG Hazem Hassan**



Cairo January 29, 2008

## ► Consolidated Balance Sheet as at December 31, 2007

	Note No.	31/12/2007 EGP	31/12/2006 EGP
<b>Long Term Assets</b>			
Fixed assets (net)	(2d,3)	6 060 309 327	4 036 599 529
Assets under construction	(5)	1 565 688 675	1 123 627 154
Licenses fees (net)	(2f,4,22)	1 071 684 252	1 241 298 740
Investments available for sale	(2g,6)	900 000	900 000
Rent deposits		7 659 414	5 208 754
<b>Total long term assets</b>		<b>8 706 241 668</b>	<b>6 407 634 177</b>
<b>Current Assets</b>			
Inventory	(2h,7)	116 094 437	55 229 993
Accounts receivable	(8)	263 694 071	232 412 695
Other debit balances	(9)	426 706 420	316 697 030
Pre-paid expenses		125 798 450	82 460 383
Cash at banks and on hand	(10)	414 916 423	281 524 098
<b>Total current assets</b>		<b>1 347 209 801</b>	<b>968 324 199</b>
<b>Current Liabilities</b>			
Provisions	(11)	547 392 769	492 098 417
Banks facilities	(12)	369 468 443	152 812 627
Short term loans	(16a)	327 200 000	-
Creditors	(13)	1 270 776 150	1 052 786 371
Other credit balances	(14)	1 296 018 340	1 075 300 662
Dividends payable		41 505 439	86 789 779
Accrued expenses		632 093 666	382 515 765
Bonds	(17)	-	340 000 000
<b>Total current liabilities</b>		<b>4 484 454 807</b>	<b>3 582 303 621</b>
<b>Excess of current liabilities over current assets</b>		<b>(3 137 245 006)</b>	<b>(2 613 979 422)</b>
<b>Net Investments</b>		<b>5 568 996 662</b>	<b>3 793 654 755</b>
<b>Financed as follows:</b>			
<b>Equity</b>			
Paid up capital	(18)	1 000 000 000	1 000 000 000
Treasury shares	(25)	(26 556 368)	(18 959 534)
Reserve (gains from Treasury Shares)		50 913 839	50 913 839
Legal reserve		200 000 000	200 000 000
Equity settled share based payments	(2m,25)	30 623 410	-
Retained earnings		47 706 759	36 292 189
Net profit for the year (equity holders of the Company)		1 823 784 804	1 525 889 998
Interim distribution		(1 374 900 307)	(1 163 614 309)
<b>Total equity attributable to equity holders of the Company</b>		<b>1 751 572 137</b>	<b>1 630 522 183</b>
<b>Minority Interest</b>		<b>3 706 674</b>	<b>2 092 100</b>
<b>Total equity</b>		<b>1 755 278 811</b>	<b>1 632 614 283</b>
<b>Long Term Liabilities</b>			
long term creditors-License fees	(28)	144 511 030	269 133 659
Long term loan	(2L,16b)	3 432 799 705	1 775 575 704
Deferred tax liabilities	(2k,20)	236 407 116	116 331 109
<b>Total long term liabilities</b>		<b>3 813 717 851</b>	<b>2 161 040 472</b>
<b>Total equity &amp; long term liabilities</b>		<b>5 568 996 662</b>	<b>3 793 654 755</b>

*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  
Iskander Shalaby

Chairman  
Naguib Sawiris

Ernst & Young  
Allied for Accounting & Auditing

Auditors' report "Attached"

KPMG Hazem Hassan



## ► Consolidated Income Statement for the Financial Year Ended December 31, 2007

	Note No.	Financial year ended 31/12/2007 EGP	Financial year ended 31/12/2006 EGP
Operating Revenue	(2e)	8 200 479 770	6 362 100 725
Expenses & cost of operation			
Cost of services (excluding depreciation & amortization )		(1 655 775 692)	(1 208 350 529)
Other operating cost		(1 032 074 606)	(686 050 477)
Depreciation & amortization		(1 285 873 077)	(1 113 934 326)
Selling, general and administrative expenses		(1 649 760 143)	(1 093 128 052)
Remuneration, allowances and salaries of board members		(3 653 518)	(3 184 287)
Impairment losses of accounts receivable		(47 284 809)	(45 583 738)
Provisions	(11)	(144 130 824)	(110 191 727)
Total operating costs		(5 818 552 669)	(4 260 423 136)
<b>Net operating profit</b>		<b>2 381 927 101</b>	<b>2 101 677 589</b>
Add/(Less):			
Interest income		29 556 921	34 738 444
Other income		3 210 015	-
Interest expense		(123 994 426)	(165 927 885)
Capital gain / (loss)		2 550 924	(1 462 807)
Net foreign currencies exchange differences	(2c)	(3 365 054)	(4 841 621)
Provisions no longer required		31 887 694	-
<b>Net profit for the year before income tax</b>		<b>2 321 773 175</b>	<b>1 964 183 720</b>
Current tax	(2k)	(376 297 790)	(381 051 542)
Deferred tax	(2k,20)	(120 076 007)	(55 896 634)
<b>Income tax</b>	<b>(19)</b>	<b>(496 373 797)</b>	<b>(436 948 176)</b>
<b>Net profit for the year</b>		<b>1 825 399 378</b>	<b>1 527 235 544</b>
Attributable to:			
Equity holders of the Company		1 823 784 804	1 525 889 998
Minority interest		1 614 574	1 345 546
<b>Net profit for the year</b>		<b>1 825 399 378</b>	<b>1 527 235 544</b>
<b>Earnings per share</b>	<b>(21)</b>	<b>16.96</b>	<b>14.11</b>

*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, 2007

	Note No.	Financial year ended 31/12/2007 EGP	Financial year ended 31/12/2006 EGP
Cash flows from operating activities			
Net profit for the year before income tax		2 320 158 601	1 962 838 174
Adjustments to reconcile net profit to cash flows from operating activities			
Depreciation & amortization		1 285 873 077	1 113 934 326
Net change in provisions	(11)	55 294 352	102 940 032
Write-off of accounts receivable		(44 083 093)	(47 669 381)
Impairment losses of accounts receivable		47 284 809	45 583 738
Write-down of inventory		1 257 276	1 508 734
Interest income		(29 556 921)	(34 738 444)
Interest expense		123 994 426	165 927 885
Capital gain / (loss)		(2 550 924)	1 462 807
Equity settled share based payments transactions		30 623 410	-
Changes in working capital			
Rent deposits		(2 450 660)	(437 475)
Inventory		(62 121 720)	(14 001 615)
Accounts receivable		(34 483 092)	(53 757 844)
Other debit balances		(109 357 497)	(121 627 883)
Pre-paid expenses		(43 338 067)	(13 398 221)
Creditors		20 148 603	246 300 395
Other credit balances		194 148 421	92 937 728
Accrued expenses		202 211 176	(42 221 114)
Interest paid		(305 504 785)	(259 790 914)
Income tax paid		(338 379 755)	(283 772 472)
<b>Net cash provided from operating activities</b>		<b>3 309 167 637</b>	<b>2 862 018 456</b>
Cash flows from investing activities			
Payments for the purchase of fixed assets and assets under construction	(30)	(2 805 641 056)	(1 959 494 256)
Payments for licenses		(478 000 000)	(160 000 000)
Proceeds from sale of fixed assets and fixed assets under construction		2 769 989	2 292 405
Interest received		28 467 965	34 706 272
<b>Net cash used in investing activities</b>		<b>(3 252 403 102)</b>	<b>(2 082 495 579)</b>
Cash flows from financing activities			
Proceeds from loans		2 677 000 000	789 800 000
Payments of loans		(700 000 000)	(408 491 962)
Payment of bonds		(340 000 000)	-
Proceeds from sale of treasury shares		-	73 674 550
Payments for the purchase of treasury shares		(7 596 834)	-
Dividends paid		(1 771 045 766)	(1 501 263 800)
Minority interest		1 614 574	1 345 546
<b>Net cash used in financing activities</b>		<b>( 140 028 026)</b>	<b>(1 044 935 666)</b>
Net changes in cash and cash equivalents		(83 263 491)	(265 412 789)
Cash and cash equivalents at beginning of the year		128 711 471	394 124 260
<b>Cash and cash equivalents at end of the year</b>	<b>(10)</b>	<b>45 447 980</b>	<b>128 711 471</b>

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



## Consolidated Statement of Changes in Equity for the Financial Year Ended December 31, 2007

	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 31/12/2005	1 000 000 000	(41 720 245)	-	197 080 781	-	24 260 280	1 443 696 042	(1 087 090 470)	1 536 226 388	746 554	1 536 972 942
Profit of 2005 transferred to retained earnings	-	-	-	-	-	356 605 572	(1 443 696 042)	1 087 090 470	-	-	-
Amount transferred to legal reserve	-	-	-	2 919 219	-	(2 919 219)	-	-	-	-	-
Dividends during 2006	-	-	-	-	-	(341 654 444)	-	-	(341 654 444)	-	(341 654 444)
Net profit for the financial year ended December 31, 2006	-	-	-	-	-	-	1 525 889 998	-	1 525 889 998	1 345 546	1 527 235 544
Interim dividends according to ordinary general assembly resolution on August 27, 2006	-	-	-	-	-	-	-	(650 245 556)	(650 245 556)	-	(650 245 556)
Interim dividends according to ordinary general assembly resolution on December 13, 2006	-	-	-	-	-	-	-	(513 368 753)	(513 368 753)	-	(513 368 753)
Sale of treasury shares	-	22 760 711	50 913 839	-	-	-	-	-	73 674 550	-	73 674 550
<b>Balance as at 31/12/2006</b>	<b>1 000 000 000</b>	<b>(18 959 534)</b>	<b>50 913 839</b>	<b>200 000 000</b>	<b>-</b>	<b>36 292 189</b>	<b>1 525 889 998</b>	<b>(1 163 614 309)</b>	<b>1 630 522 183</b>	<b>2 092 100</b>	<b>1 632 614 283</b>
Balance as at 31/12/2006	1 000 000 000	(18 959 534)	50 913 839	200 000 000	-	36 292 189	1 525 889 998	(1 163 614 309)	1 630 522 183	2 092 100	1 632 614 283
Profit of 2006 transferred to retained earnings	-	-	-	-	-	362 275 689	(1 525 889 998)	1 163 614 309	-	-	-
Dividends during 2007	-	-	-	-	-	(350 861 119)	-	-	(350 861 119)	-	(350 861 119)
Purchase of treasury shares	-	(7 596 834)	-	-	-	-	-	-	(7 596 834)	-	(7 596 834)
Equity settled share based payments	-	-	-	-	30 623 410	-	-	-	30 623 410	-	30 623 410
Net profit for the financial year ended December 31, 2007	-	-	-	-	-	-	1 823 784 804	-	1 823 784 804	1 614 574	1 825 399 378
Interim dividends according to ordinary general assembly resolution on September 3, 2007	-	-	-	-	-	-	-	(681 439 925)	(681 439 925)	-	(681 439 925)
Interim dividends according to ordinary general assembly resolution on December 17, 2007	-	-	-	-	-	-	-	(693 460 382)	(693 460 382)	-	(693 460 382)
<b>Balance as at 31/12/2007</b>	<b>1 000 000 000</b>	<b>(26 556 368)</b>	<b>50 913 839</b>	<b>200 000 000</b>	<b>30 623 410</b>	<b>47 706 759</b>	<b>1 823 784 804</b>	<b>(1 374 900 307)</b>	<b>1 751 572 137</b>	<b>3 706 674</b>	<b>1 755 278 811</b>

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, 2007

### 1- Company 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 and maintain a digital cellular mobile telecommunication system (G.S.M). The company provides its services to subscribers inside and outside 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 (Egyptian Company for Mobile Services) and its subsidiaries (hereafter 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, 2007, the company directly owns the following consolidated subsidiaries:

	Ownership
* Mobinil Services (Egyptian Joint Stock Company)	96%
* Mobinil Invest (Belgian Company)	98%
** Employees share option plan (Trust)	Controlled
* Mobinil Telecom the principal shareholder of the company owns 2% in Mobinil Invest and Mobinil Services.	
** The Trust established for the employees share option 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.
- During the financial year ended December 31, 2007 the company conducted an operational efficiency review of its fixed assets (network equipment), which resulted in changes in the expected useful lives of certain items. The carrying amounts of network equipments categories that their useful lives have been changed are depreciated over the remaining period of the new useful lives.
- The estimated useful lives are as follows:

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



#### e) Revenue Recognition

In general revenue is recognized when services are rendered or products are delivered.

Revenue recognition for major revenue streams are as follows:

- 1- Airtime, SMS and other value added services are recognized when services are rendered.
  - For Post-paid subscribers, revenue is recorded based on billed services, and an accrual is recorded for services rendered and unbilled at period end date.
  - For Pre-paid 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 also recorded for unbilled revenue resulting from services rendered until the period end date.
- 3- Handsets revenue is recognized upon delivery.
- 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 fee to access the 7.5 MHz of the 1 800 MHz spectrum is recorded at the cash price using its net present value and amortized over the period of the access agreement.

#### g) Investments Available for Sale

Investments available for sale are generally 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) Operating Lease**

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

**o) 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
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost									
Cost as at 1/1/2007	* 9 671 848	** 382 421 002	6 692 531 344	503 530 810	38 151 735	57 151 919	38 218 929	85 382 868	7 807 060 455
Additions for the year	-	52 040 423	2 672 385 077	203 987 461	8 928 529	8 979 760	3 906 445	17 451 884	2 967 679 579
Capitalized interest during the year	-	3 204 720	168 866 091	-	-	-	-	-	172 070 811
Disposals	-	-	-	(2 451 209)	(18 392)	-	(2 450 883)	-	(4 920 484)
<b>Total cost as at 31/12/2007</b>	<b>9 671 848</b>	<b>437 666 145</b>	<b>9 533 782 512</b>	<b>705 067 062</b>	<b>47 061 872</b>	<b>66 131 679</b>	<b>39 674 491</b>	<b>102 834 752</b>	<b>10 941 890 361</b>
Accumulated Depreciation									
Accumulated depreciation as at 1/1/2007	-	9 090 172	3 289 727 042	325 071 002	27 213 309	25 849 091	11 381 340	82 128 970	3 770 460 926
Depreciation for the year	-	7 795 797	99 989 273 720	99 088 347	4 153 730	5 983 370	6 500 904	3 025 659	1 115 821 527
Accumulated depreciation of disposals	-	-	-	(2 232 144)	(18 392)	-	(2 450 883)	-	(4 701 419)
<b>Accumulated depreciation as at 31/12/2007</b>	<b>-</b>	<b>16 885 969</b>	<b>4 279 000 762</b>	<b>421 927 205</b>	<b>31 348 647</b>	<b>31 832 461</b>	<b>15 431 361</b>	<b>85 154 629</b>	<b>4 881 581 034</b>
<b>Net book value as at 31/12/2007</b>	<b>9 671 848</b>	<b>420 780 176</b>	<b>5 254 781 750</b>	<b>283 139 857</b>	<b>15 713 225</b>	<b>34 299 218</b>	<b>24 243 130</b>	<b>17 680 123</b>	<b>6 060 309 327</b>
<b>Net book value as at 31/12/2006</b>	<b>9 671 848</b>	<b>373 330 830</b>	<b>3 402 804 302</b>	<b>178 459 808</b>	<b>10 938 426</b>	<b>31 302 828</b>	<b>26 837 589</b>	<b>3 253 898</b>	<b>4 036 599 529</b>

\* This item includes :

- 1- An amount of EGP 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 EGP 1 374 720 represents the purchase price of a piece of land (2 345 square meters) from 6<sup>th</sup> 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 EGP 2 995 468 represents the purchase price of a piece of land (3 098 meters square) 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 EGP 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 is in process.
- 2- An amount of EGP 51 233 312 which is represented in the purchase price of an additional two floors in the Nile City building which has not yet been registered in the notarization office.

# The change of useful lives of certain network equipments categories has resulted in a decrease of the depreciation charge with the amount of EGP 103 million.

### Capitalized Borrowing Costs

The company capitalized EGP 172 070 811 in fixed assets during the financial year ended December 31, 2007. (EGP 82 534 735 during 2006).

The average borrowing rate for the company which is used to capitalize interest is 10.177 % during the financial year ended December 31, 2007. (11.235 % during 2006).

### Change of Estimate

The change of useful lives of certain network equipments categories has resulted in a decrease of the depreciation charge with the amount of EGP 103 million.

#### 4- Licenses Fees (net)

	License fee EGP	Fees to access the 7.5 MHz of the 1800 MHz spectrum EGP	Total licenses fees EGP
Cost as at 1/1/2007	1 755 000 000	643 101 265	2 398 101 265
Less:			
Accumulated amortization as at 1/1/2007	1 007 395 161	149 407 364	1 156 802 525
Amortization for the year	101 818 340	67 796 148	169 614 488
Accumulated amortization as at 31/12/2007	1 109 213 501	217 203 512	1 326 417 013
Balance as at 31/12/2007	645 786 499	425 897 753	1 071 684 252
Balance as at 31/12/2006	747 604 839	493 693 901	1 241 298 740

#### 5- Assets under Construction

This item includes network equipments, letters of credit, advance payments related to licenses and fixed assets and the capitalized borrowing cost directly related to the acquisition of these fixed assets amounting to EGP 84 477 923 (EGP 61 004 767 during 2006) as stated in note (2-i, 30).

#### 6- Investments Available for Sale

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

#### 7- Inventory

Inventory is represented in Post-paid and Pre-paid SIMs and scratch cards in addition to other cell phone sets and telecommunication equipments.

#### 8- Accounts Receivable

	31/12/2007 EGP	31/12/2006 EGP
Post-paid receivables	169 671 549	172 118 372
Roaming receivables	48 551 077	52 217 030
National roaming receivables	25 887 073	-
Installment receivables	18 366 237	6 962 355
Other receivables	1 218 135	1 114 938
	263 694 071	232 412 695



## 9- Other Debit Balances

	31/12/2007 EGP	31/12/2006 EGP
Suppliers - advance payments	31 699 769	11 868 057
Deposits with others	1 116 865	3 802 419
Accrued revenues	262 393 518	226 735 720
Mobinil For Telecommunication	305 035	-
Others	131 191 233	74 290 834
	<b>426 706 420</b>	<b>316 697 030</b>

## 10- Cash at Banks and on Hand

	31/12/2007 EGP	31/12/2006 EGP
a- Cash on hand	3 000	136 508
b- Cash at banks		
Current accounts	413 788 014	197 615 728
Cheques under collection	924 739	55 451 431
Time deposits	200 670	28 320 431
	<b>414 916 423</b>	<b>281 524 098</b>

## Cash and Cash Equivalent

	31/12/2007 EGP	31/12/2006 EGP
Cash at banks	414 916 423	281 524 098
Less:		
Bank facilities	(369 468 443)	(152 812 627)
	<b>45 447 980</b>	<b>128 711 471</b>

## 11- Provisions

Description	Balance as at 1/1/2007 EGP	Formed EGP	Provision no longer required EGP	Used EGP	Balance as at 31/12/2007 EGP
Provisions	492 098 417	144 130 824	(31 887 694)	(56 948 778)	547 392 769

## 12- Banks facilities

Bank	Facility amount EGP	Currency	Contract duration	Interest	Balance used as at 31/12/2007
Banque Misr	25 000 000	EGP	One year starting from 14/10/2007	9.75% including highest over drawn balance commission	131 827 986
Credit Agricole Bank	110 000 000	EGP	One year starting from 30/5/2007	9.75% including highest over drawn balance commission	55 793 299
National Societe General Bank	60 000 000	EGP	8 months starting from 1/9/2007	9.75% including highest over drawn balance commission	54 898 666
HSBC	85 000 000	EGP	One year starting from 16/5/2007	9.75% including highest over drawn balance commission	78 738 929
BNB Paribas	50 000 000	EGP	One year starting from 31/7/2007	9.75% including highest over drawn balance commission	48 209 563
					<b>369 468 443</b>

### 13- Creditors

	31/12/2007 EGP	31/12/2006 EGP
Fixed assets suppliers	674 118 418	485 630 986
Trade suppliers *	496 719 915	497 959 345
Creditors - Roaming	1 982 413	1 396 615
Orange Group	25 454 684	22 328 867
Orascom Telecom companies	69 827 085	42 176 502
Others	2 673 635	3 294 056
	<b>1 270 776 150</b>	<b>1 052 786 371</b>

\* Trade suppliers include EGP 158 364 972 representing the short term part of the amortized cost for license fees installments to access the 7.5 MHz of the 1 800 MHz spectrum (Note 28).

### 14- Other Credit Balances

	31/12/2007 EGP	31/12/2006 EGP
Taxes and Stamps	351 260 641	180 047 718
Deposits from customers	40 842 995	40 154 117
Deferred revenue	496 368 887	446 301 510
Interest payable on bonds	-	10 383 972
Income tax	371 976 386	381 846 412
Others	35 569 431	16 566 933
	<b>1 296 018 340</b>	<b>1 075 300 662</b>

### 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.

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	
		31/12/2007 EGP	31/12/2006 EGP
Orascom Telecom companies	Management fees / Roaming collection	610 214 765	487 976 476
Rest of Orascom Group	All abovementioned transactions	330 170 557	281 478 434
Orange Group	Management fees / Technical assistance	108 761 752	84 895 991
Nile City Investment	Rent	4 109 666	6 527 670
Mobinil For Telecommunication	Payments on behalf of the company	305 035	12 539

The outstanding balances as at 31/12/2007 are as follows:

Description	Balance type	31/12/2007 EGP	31/12/2006 EGP
Orascom Telecom companies	Creditors / Other debit balances / Fixed assets	60 195 552	27 167 830
	under construction - advance payments		
Rest of Orascom Group	Suppliers-advance payments /Fixed assets	71 200	27 855 825
	under construction - advance payments		
Orange Group	Creditors / Accounts receivable	25 385 737	22 181 229
Nile City Investment	Suppliers-advance payments	115 000	115 000
Mobinil For Telecommunication	Other debit balances	305 035	12 539

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 was granted loans to finance its capital expenditure and working capital. The terms of the loans are summarized as follows.

### Loan agreements conducted in 2005

On April 17, 2005, an agreement with a group of local banks was signed to underwrite an amount of EGP 1 800 million as a medium term loan and/or bonds for a period of 8 years which will be used within 2 years. The final payment is due on April 30, 2013. The loan is divided into 4 tranches and will be paid over 11 semi-annual installments. The first installment will be due upon the end of the grace period that expires on April 30, 2008. The tranches of the loan are as follows:

Tranch	Type of Finance	Million EGP
First	Medium Term Loan	800
Second	Medium Term Loan	400
Third	Medium Term Loan	300
Fourth	Medium Term Loan	300

The interest and the payment method for the Medium Term Loan is summarized as follows:

<b>Interest</b>	<p>Interest on 50% of each facility tranche will be fixed at 11.5% for the first 5 years and 11.75% for the next 3 years.</p> <p>Interest on the remaining 50% in each facility will be calculated based on a margin of 1.4% over the Central Bank of Egypt prevailing discount rate which is 2 business days prior to the interest period.</p> <p>In October 2007 the company agreed with the banks to amend the interest rate starting from October 31, 2007 to be calculated based on the following elements:</p> <ul style="list-style-type: none"> <li>• CBE Discount Rate (CDR)</li> <li>• The company's time deposit return rate</li> <li>• CBE Mid Corridor rate</li> </ul>
<b>Interest payment</b>	Interest is paid every six months starting from the date of the first withdrawal and is due on April 30 and October 30 every year.
<b>Payment of Installments</b>	A semi-annual installment that starts after the grace period and due on April 30 and October 30 every year.



### Loan agreements conducted in 2007

- On March 19, 2007, an agreement with a local bank was signed to underwrite an amount of EGP 450 million as a bridge loan for a period of 6 months that shall be used for financing the capital expenditures needed to expand the network as well as the short term financial requirements. On May 8, 2007, the local bank agreed to increase the bridge loan by EGP 250 million to be EGP 700 million. This loan has been fully settled during August 2007.
- On August 15, 2007, an agreement with a group of local banks was signed to underwrite revolving credit facility up to and not exceeding EGP 2.3 billion for 7 years. The final maturity date will be the last day of the 84<sup>th</sup> month from the date of signing the facility agreement.

The main terms of the loan agreement are as follows:

<b>Repayment of the facility</b>	<ul style="list-style-type: none"> <li>• 20 % of the facility (EGP 460 million) at the end of fifth year</li> <li>• 30 % of the facility (EGP 690 million) at the end of sixth year</li> <li>• 50 % of the facility (EGP 1150 million) at the end of seventh year</li> </ul>
<b>Interest</b>	<p>The interest rate shall be calculated based on following elements :</p> <ul style="list-style-type: none"> <li>• CBE Discount Rate (CDR)</li> <li>• The company's time deposit return rate</li> <li>• CBE Mid Corridor rate</li> </ul>
<b>Interest payment</b>	Interest is paid every 6 months

The classification of the loans balances according to the years of repayment is as follows:

#### a- Short term loans

Year	Currency	Amount
2008 Current portion of long term loan	EGP	327 200 000

#### b- Long term loan

Year	Currency	Amount
2009 / 2014	EGP	3 432 799 705

### 17- Bonds

According to the Company's Extraordinary General Assembly approval dated February 21, 1999, 3.4 million bonds, with an amount of EGP 340 million, were issued. The bonds prospectus specifies the following:

<b>Type of issuance:</b>	Par value bonds (first issuance) with a fixed interest rate, marketable but non-convertible into shares.
<b>Interest rate:</b>	12.25% fixed annual interest rate due every six months.
<b>Purpose of issuance:</b>	Financing company's expansions and the investments required to increase the company's network capabilities.
<b>Issuance price:</b>	100% of bonds par value, which amounts to EGP 100 each.
<b>Payment:</b>	The bonds will be repaid in one installment at the final maturity date of the bonds (October 1, 2007). The issuer has the right to repay the bonds before their final maturity date.

- These bonds have been fully repaid during 2007.

### 18- Capital

The company's authorized share capital amounts to EGP 1500 million divided into 150 million shares with a nominal value EGP 10 each. The company's issued and fully paid up capital amounts to EGP 1000 million. On October 12, 2003, the company's Extraordinary General Assembly approved the increase of the authorized capital to EGP 3 000 million. This increase was recorded in the commercial registry on February 23, 2004.

## 19- Reconciliation of Effective Tax Rate

		31/12/2007 EGP		31/12/2006 EGP
Net profit for the year before income tax		2 321 773 175		1 964 183 720
Income tax using the domestic corporation tax rate	20%	464 354 635	20%	392 836 744
Non- deductible expenses		31 953 754		47 392 671
Tax exemption		-		(2 972 704)
Effect of tax rate in Mobinil Invest		65 408		(308 535)
	21.38%	496 373 797	22.25%	436 948 176

## 20- Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	31/12/2007 EGP	31/12/2006 EGP	31/12/2007 EGP	31/12/2006 EGP
Property, plant and equipment	3 775 501	-	213 798 533	102 391 756
Intangible assets	-	-	33 281 705	19 242 578
Provisions	6 897 621	5 303 225	-	-
Total deferred tax asset / liability	10 673 122	5 303 225	247 080 238	121 634 334
<b>Net deferred tax liabilities</b>			<b>236 407 116</b>	<b>116 331 109</b>

### Unrecognized Deferred Tax Assets

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

	31/12/2007 EGP	31/12/2006 EGP
Deductible temporary differences	8 144 301	7 569 655

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.

## 21- Earnings per Share

	Financial year ended 31/12/2007	Financial year ended 31/12/2006
Net profit for the year attributable to equity holders of the company	1 823 784 804	1 525 889 998
Less:		
Employees dividends	(137 222 222)	(122 236 058)
Board of directors remuneration	(2 887 500)	(3 850 000)
	1 683 675 082	1 399 803 940
Weighted average number of shares	99 248 797	99 238 556
<b>Earnings per share</b>	<b>* 16.96</b>	<b>** 14.11</b>

\* Earnings per share were calculated after deducting the employees' share and board of directors' remuneration for the first nine months of the financial year only after being approved by the general assembly meetings.

\*\* Earnings per share were calculated after deducting the employees' share and board of directors' remuneration for the financial year ended December 31, 2006 according to the ordinary general assembly resolutions on August 27, December 13, 2006 and March 11, 2007.

## 22- 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 EGP1755 million 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.
- See note 28 and 29 for details of the license agreement of the 7.5 MHz of the 1800 MHz spectrum.
- 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 EGP 3 668 million and a charge of 2.4% of mobile revenue. An amount of EGP 318 million was paid in 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 live of old licenses to be ended on October 2022 and this has resulted in a decrease of the amortization charge with the amount of EGP25 million.

## 23- 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 EGP 4 311 million as at December 31, 2007, (EGP 715 million as at December 31, 2006).

## 24- Contingent Liabilities

Contingent liabilities amount to EGP 178 million as at December 31, 2007. These contingent liabilities represent the uncovered amounts of letters of guarantee issued for the benefit of third parties as at December 31, 2007. 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 group's results.

## 25- Employees Share Plan (Treasury Stock)

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 from the stock market.

The plan can be summarized as follows:

- 1- The plan's 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 plan's criteria, the number and dates of granted shares.
  - 2- During the vesting period the ESP's 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 & extraordinary general assembly meetings. Hence, the beneficial employee can not 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:

	Shares
Allocated shares at the beginning of the plan	409 000
Granted during the year	(417 000)
Purchased & allocated shares to the plan	41 000
Available shares as at 31/12/2007	33 000



3- According to the plan the currently allocated 417000 shares will be transferred to employees on the following dates:

	Shares
December 31, 2007	126 375
December 31, 2008	139 000
December 31, 2009	139 000
December 31, 2010	12 625

- Due to certain legal procedures with governmental authorities the execution of the first wave was delayed to January 3, 2008.
- The income statement has been charged with EGP 30 623 410 representing the employee share plan expenses for the financial year ended December 31, 2007.

## 26- 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, bonds, 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 75 292 366 and EGP 509 403 576 respectively. The company's net exposure in foreign currencies is as follows:

	Short
U.S Dollars	30 179 206
Euro	33 026 240
GBP	92 760

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.

## 27- 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 until 2002**  
Based on a tax inspection, a corporate tax forms no. (19) was received and the dispute was settled without any differences according to the internal committee decision.

- **Years 2003 and 2004**  
These years have been inspected and the company has not yet been informed by the results.
- **Years 2005 and 2006**  
These years have not yet been inspected

#### b- Payroll Tax

- **From inception until 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 and 2002**  
A tax inspection was performed for these years and resulted in differences which are currently being discussed at the internal committee.
- **Years 2003 and 2004**  
These years have been inspected and settled with tax authority.
- **Years 2005 and 2006**  
These years have not yet been inspected.

#### c- Stamp Tax

- **From inception until 2001**  
A tax inspection was performed and disputes were settled in the internal committee and differences were paid except for tax on Alo connection fees and in-kind tax which were transferred to the preliminary court but not yet resolved.
- **Years 2002 and 2003**  
Based on a tax inspection, a stamp tax form no. (3) was received and most of disputes were settled in the internal committee except for tax on Alo connection fees and in-kind tax and the dispute was transferred to the appealing committee.
- **From January 1, 2004 until July 31, 2006**  
This period has been inspected and the company has not yet been informed by the results.
- There is a dispute on the unpaid stamp tax for prizes that have been distributed during the period from 2000 to 2006, settlement with the concerned tax authority is currently in process.

#### d- Sales Tax

- **From inception until 2004**  
This period has been inspected and differences were paid.
- **Years 2005 and 2006**  
These years have not yet been inspected.

#### e- Withholding Tax

- **From inception until 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.
  - There is a dispute regarding withholding taxes enforced on the rent payments, settlement with the concerned tax authority is in process.
  - **Years 2004 to 2006**  
These years have not yet been inspected.
- Mobinil Services (a subsidiary)

#### a- Corporate Tax

- **From inception until 2003**  
Tax inspection was performed and a corporate tax form no. (19) was received and the dispute is currently being discussed at the internal committee.
- **Years 2004 to 2006**  
The Company has not been inspected by the Tax authority.

#### b- Stamp Tax

- **From inception until August 31, 2002**  
This period has been inspected and settled with tax authority.
- **From September 1, 2002 until July 31, 2005**  
This period has been inspected and the dispute was settled according to the internal committee decision.
- **From August 1, 2005 until December 31, 2006**  
The company has not been inspected by the Tax Authority.

#### c- Sales Tax

- **From July 1, 2001 until December 31, 2002**  
The company was subject to sales tax laws during the second and third stage of implementation of sales tax laws.  
Therefore, the company is obligated to collect sales tax and transfer it to the responsible tax department starting from July 1, 2001, the first day of implementing second and third stage of sales tax laws.  
A tax inspection was performed for these periods and sales tax form no. (15) was received and disputes were settled.
- **Years 2003 and 2004**  
These periods had been inspected and settled with Tax Authority.
- **Year 2005**  
This year has not yet been inspected.

#### d- Withholding Tax

- **From inception until 2002**  
The company was inspected and settled with the Tax Authority.
  - **Years 2003 to 2006**  
The company has not yet been inspected by the Tax Authority.
- **Mobinil Invest - Belgium Company - (a subsidiary)**  
Subject to Belgium laws. The financial periods since inception till the given date have not yet been inspected.

#### 28- Long Term Creditors - License Fees

This item is represented in the amortized cost of the license fees installments to access the 7.5 MHz of the 1800 MHz spectrum. The classification of the license fees balance according to the years of repayment is as follows:

	Short term During the year 2008 EGP	Long term During the year 2009 EGP	Total EGP
Liability balance	160 000 000	160 000 000	320 000 000
Less:			
Unamortized discount	1 635 028	15 488 970	17 123 998
<b>Balance as at 31/12/2007</b>	<b>158 364 972</b>	<b>144 511 030</b>	<b>302 876 002</b>

The income statement has been charged with EGP 35 498 711, the amortized discount from the principal liability of license fees based on the imputed interest rate for the financial year ended December 31, 2007.

#### 29- Agreement with Telecom Egypt

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 EGP 1 240 million each over 4 Periods 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.



In addition, various changes to the commercial terms between the companies and NTRA have been agreed with the objective of a broader development of the entire telecommunication industry in Egypt

On January 27, 2005, the appendices related to the above mentioned agreement were signed which includes the following:

- Amendments of the interconnection agreement between the company and Telecom Egypt.
- Special settlement agreement of the method of calculation for international calls between the company and Telecom Egypt.
- Telecom Egypt hereby unconditionally and irrevocably undertakes not to establish, operate or provide, whether directly or indirectly, fully mobile cellular telephony services in Egypt up to November 30, 2007. This restriction does not limit Telecom Egypt from providing any services currently supplied by Telecom Egypt and any form of third generation. However, Telecom Egypt may continue to be engaged in the field of mobile telephony business in Egypt through its acquisition of shareholding in the incumbent Egyptian mobile operators whether directly or indirectly.
- Special settlement agreement of microwave unit fees between the company and the NTRA.
- Telecom Egypt waived its right to obtain telecommunication license from the NTRA up to November 30, 2007.
- License agreement between the company and NTRA through allocation GSM frequency of 1800 MHZ.

### 30- Payments for the Purchases of Fixed Assets and Assets under Construction

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

Description	EGP
Fixed assets additions during the year	2 967 679 579
Net movement of assets under construction excluding payments for licenses	124 061 521
Non cash reconciliations	
Interest capitalized during the year on assets under construction	(84 477 923)
Fixed assets and assets under construction suppliers	(202 586 923)
Sales tax on fixed assets	964 802
<b>Payments for the purchase of fixed assets and assets under construction</b>	<b>2 805 641 056</b>

### 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, 2007.

## ► Management Discussion & Analysis

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### Market Outlook:

Mobinil is the leading mobile operator in the Egyptian market enjoying around 50% market share in a market that is characterized by a relatively low penetration rate (~41%) by the end of 2007, compared to countries with similar GDP/Capita and other countries in the region.

This, in addition to Egypt's demographic distribution of 60% of the population located in regional areas versus 40% in suburban areas with relatively lower penetration rate than the country's average penetration rate, and a very young population where the number of people under 25 years of age is approximately 60% of the total population, which represents a solid foundation for future growth.

However, income disparities and rising inflation rates remain major obstacles in the face of future growth, which mandates adopting a dual market strategy to address both niche and mass markets.

Mobinil adopted this strategy starting with the first growth phase 2005 - 2006 to lead the growth in the Egyptian market. In 2007, along with the entrance of the third mobile operator, Mobinil followed the same strategy in its second growth phase to secure about 50% of the markets' net additions, allowing for high subscriber growth by adding almost 6 million subscribers in one year, representing 63% YoY growth, in a year that witnessed crossing both the 10 and 15 million subscribers milestones.

### Operational Performance:

#### Revenue

Global Revenue increased by 29% YoY, yet Service Revenues outperformed the global performance, as it increased by 33% YoY. Roaming Revenues have flattened out at EGP 497 million to represent 6% of global revenue, down from 7.8% in 2006.

Connection fees have declined by 17% YoY in spite of the +63% increase in subscribers base as the company records the net market price of the lines sold.

Data Revenues have increased to 4.2% of Global Revenue, up from 3.8% in 2006. Yet Data Revenue contribution to total revenues is relatively small.

#### Usage

Usage volume has significantly increased starting with the second growth phase (2007) as network minutes reached 19.3 billion minutes, up from 10.7 billion in 2006, representing 80% growth over 2006, which accordingly has pushed the global Average Usage Per User (AUPU) to 132 minutes per month (+11%) in spite of the 63% increase in subscriber base. Yet, and due to the significant difference between both Post-paid and Pre-paid market behaviors, segmented analysis better reflects market developments as global KPIs do not tell the full story.

Pre-paid subscribers, who are becoming the pre-dominant profile, have witnessed 43% increase in AUPU, reflecting +1 elasticity with regards to effective price per minute drop during the year, unlike during the first growth phase where no significant price elasticity was realized.

Post-paid, which, might appear to be a diminishing profile, as it reached 3.6% of total base, has also witnessed increase in AUPU by 13% with similar +1 elasticity with regards to effective price per minute drop. Yet the continuous decline in the Post/Pre-paid EPPM has triggered internal migration waves that peaked in 2007 as the price differentiator diminished to EGP 0.05 /minute, down from EGP 1.2 /minute early in 2005.

#### ARPU

Pre-paid ARPU has stabilized in 2007 at EGP 38 per subscriber per month, same as 2006.

Post-paid ARPU has increased to EGP 289 per subscriber per month, up 4.6% from 2006 as a result of the continuous usage stimulation efforts.

#### Gross Profit Margin

Gross Profit has increased by 27% YoY, representing a margin of 80%, with a slight decline from 81% in 2006. This can be attributed to increased outgoing traffic at a decreased per minute rate with relatively flat interconnection rate.

### EBITDA

EBITDA has increased by 15% YoY with a margin of 45.1% declining from 50.5% in 2006.

Operating expenses excluding depreciation & amortization have increased by 47% YoY, mainly driven by the increase in selling, general and administrative expenses by 51% as a result of the rapid increase in subscribers base of 63%. Other operating expenses (network & connectivity) have increased by 50% YoY as a result of the rapid increase in traffic by 80%. Both major operating expense categories have reflected efficiency with regards to their cost drivers.

### Depreciation & Amortization

Depreciation charges have increased by 21.8% YoY as a result of the aggressive growth strategy that the company is undertaking. Gross fixed assets have increased by 29% in 2006 followed by an additional increase of 40% in 2007.

A change in the useful life of certain network components has resulted in a decrease of the depreciation charge with an amount of EGP103 million.

### Net Income

Net Income increased by 20% YoY, representing a margin of 22.2%, with a slight decline from 24% in 2006 as a result of the increased cost of growth on the EBITDA level.

### Financial Leverage

Net Debt increased to EGP 3.8 billion, representing an increase of 112% YoY as a result of acquiring a new long-term revolving credit facility with an amount of EGP 2.3 billion in 2007, from which the company has withdrawn EGP 2.0 billion by the end of 2007.

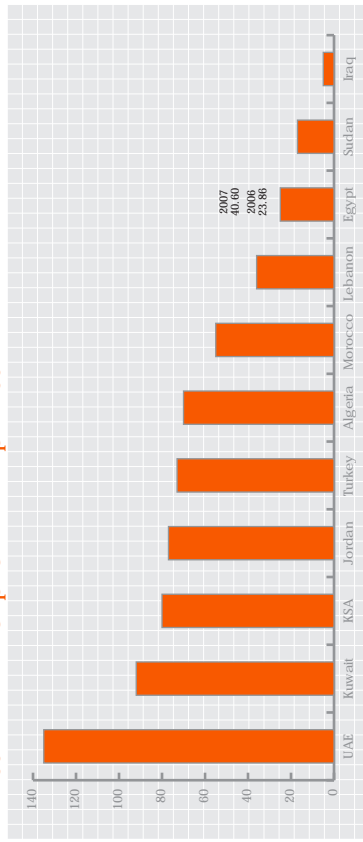
Net Debt to EBITDA was equivalent to 1.0 multiple, which indicates a relatively low leverage rate in companies undergoing similar growth rates that entail large capital investment decisions.



## ► Finanial Analysis

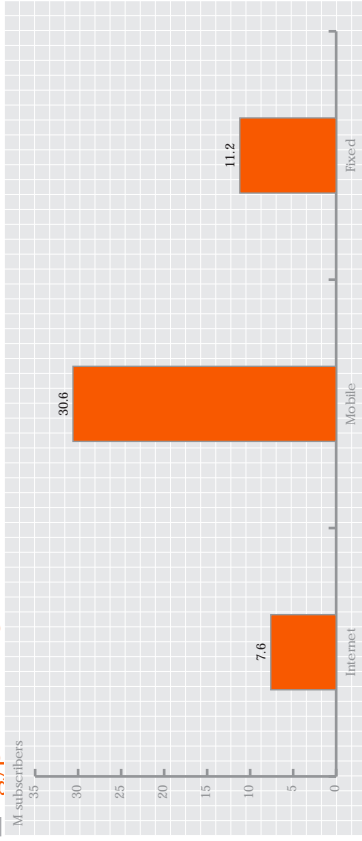
### Current Status of the Telecom Market

■ Y 2006 number of phone users per 100 inhabitants



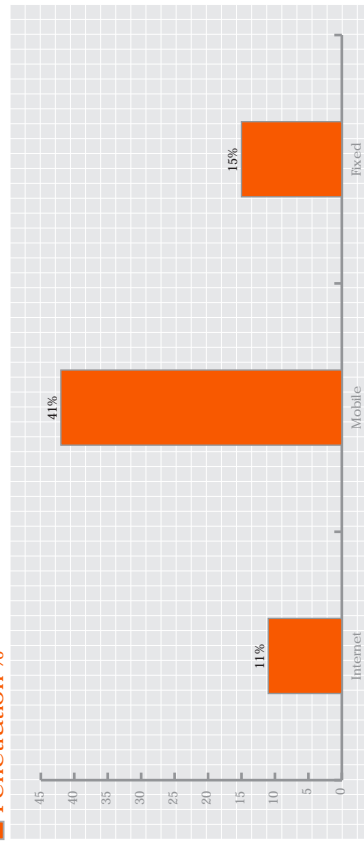
Source: ITU <http://www.itu.int/ITU-D/statistics/index.html>

■ Egyptian Telecom Market Subscribers

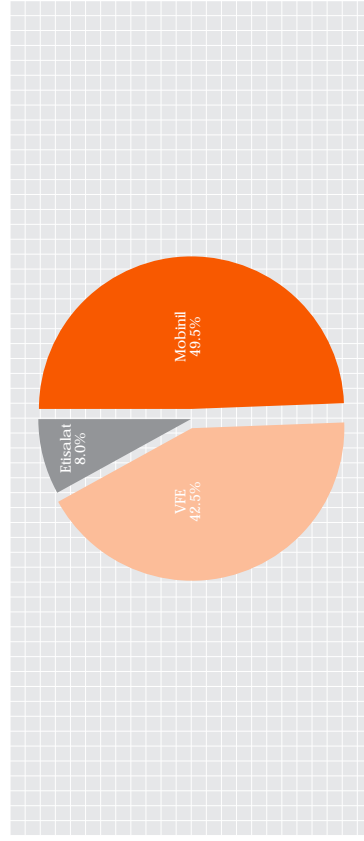


Source: Companies' data; NTRA as of 3Q-07

■ Penetration %



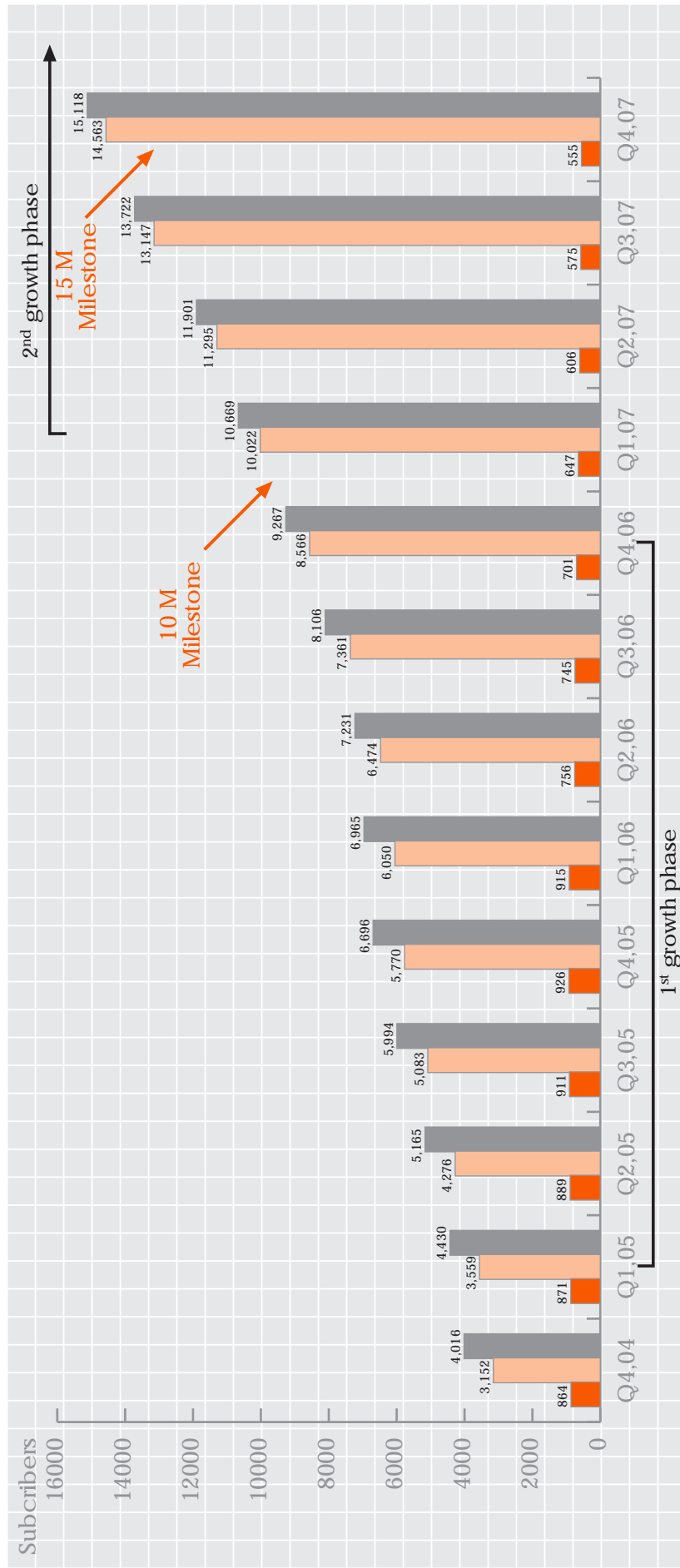
Source: Companies' data; NTRA as of 3Q-07



Source: Companies' data; NTRA as of 3Q-07

## Growth Story continued

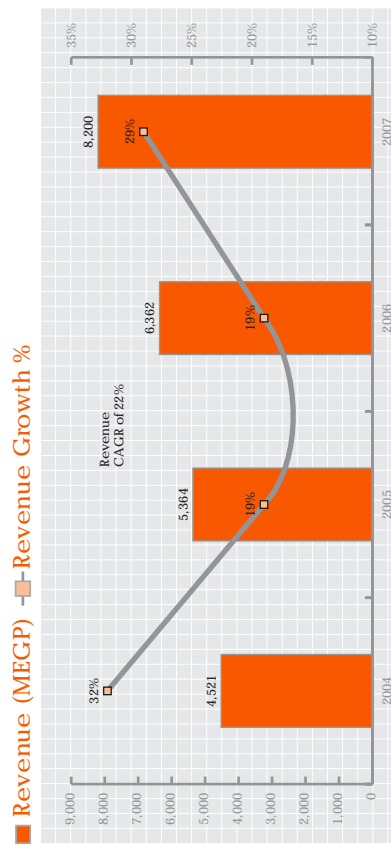
■ Post-paid (ksubs) ■ Pre-paid (ksubs) ■ Global Subs (ksubs)



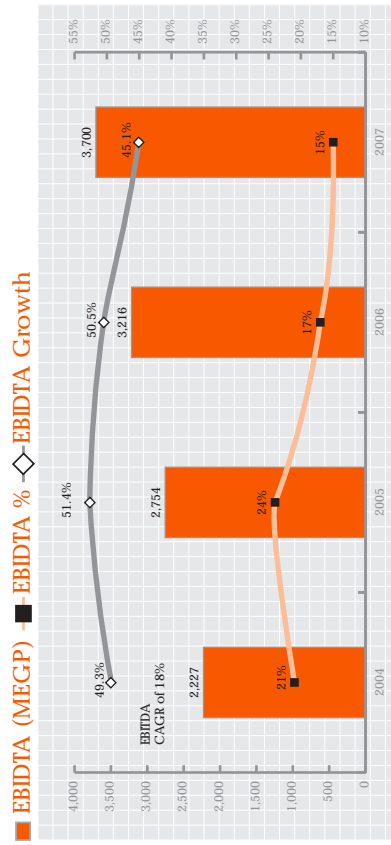
- Mobinil leads 2<sup>nd</sup> growth phase in Egyptian telecom market starting 2007.
- Global subscriber base increased by 5.25 million, CAGR of 52% during the first phase of growth 05 – 06.
- 2007 witnessed the beginning of the 2<sup>nd</sup> phase of growth by adding 5.85 million subs with 63% increase on subscriber base.

## Financial Performance

- Revenue CAGR of 22%, yet revenues growth rate declined during the 1<sup>st</sup> growth phase (2005-2006) as usage elasticity factor was 0.3.
- Starting 2007 revenue growth rebounded as usage elasticity factor increased to 1.



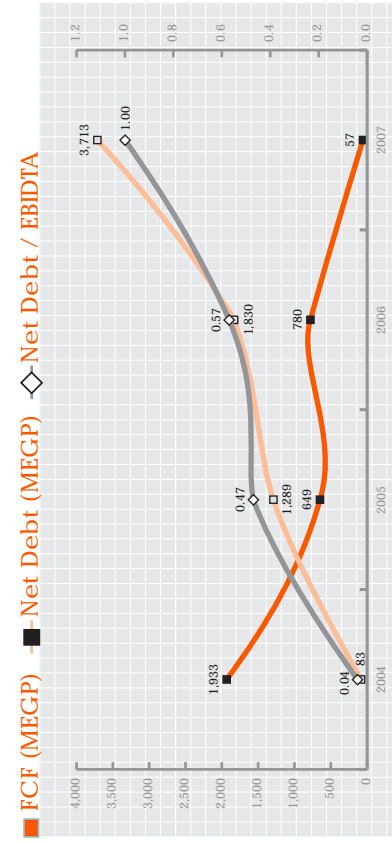
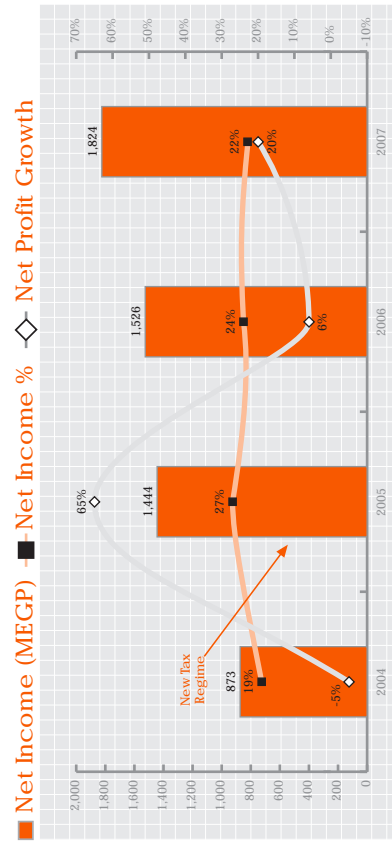
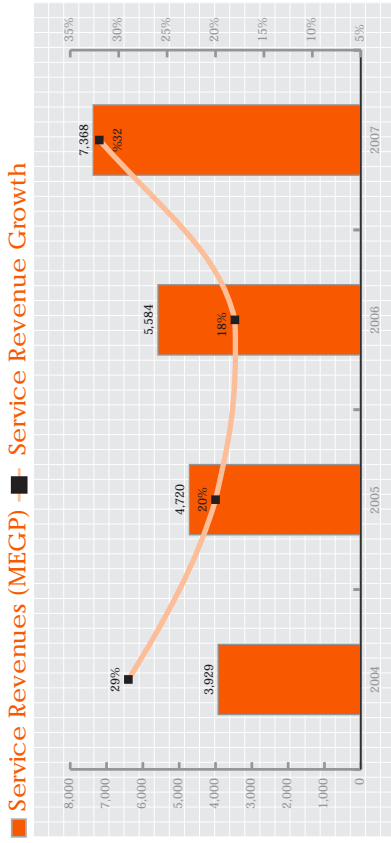
- EBITDA CAGR of 18%, following the revenue growth, impacted by the cost of growth and future investments.





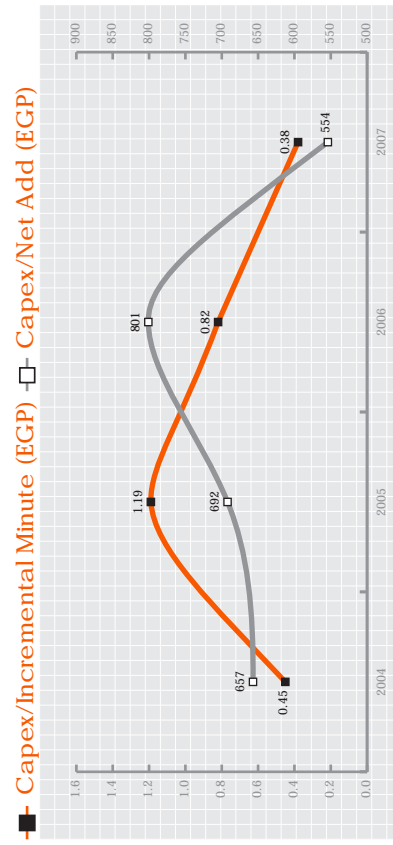
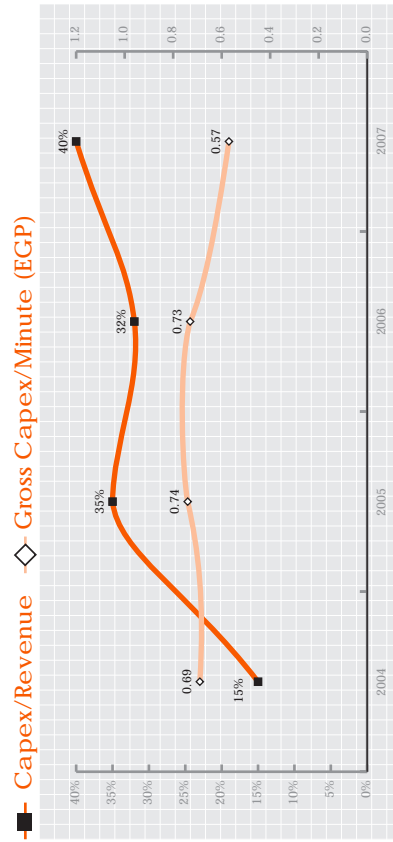
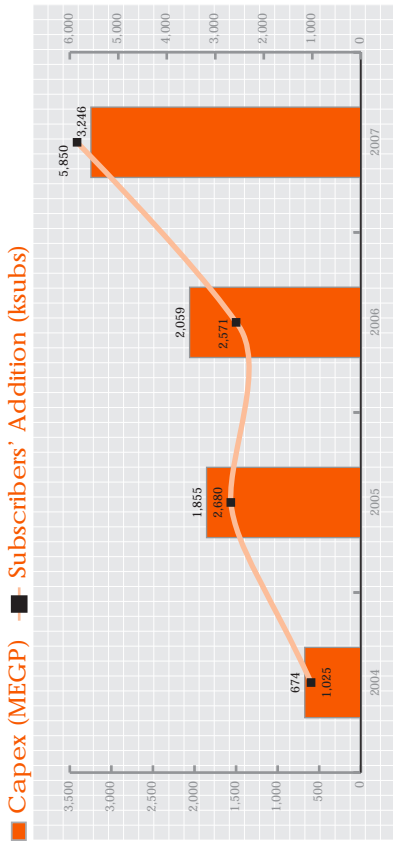
## Financial Performance

- Service revenues growth is the main indicator of subscriber base revenue generation.
- Net profit growth rebounded in 2007 reflecting increasing revenue growth rate.
- Net debt increased to EGP 3.7 billion as a result of decline in FCF due to exponential increase in future investments.



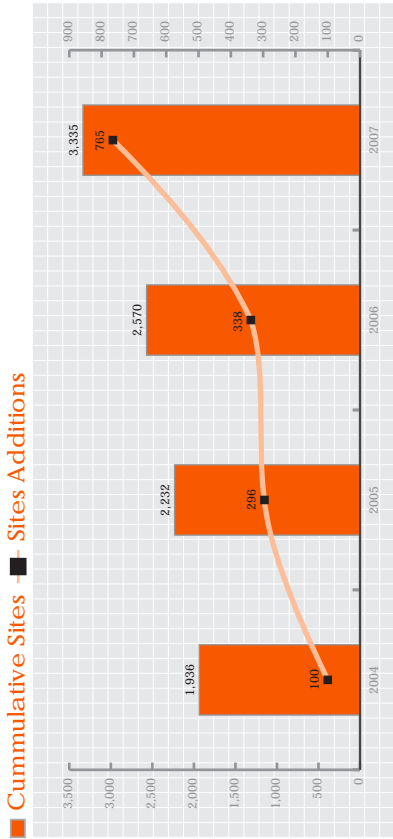
## Investing into the Future

- 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 with reference to their alternate drivers, subscribers and traffic.

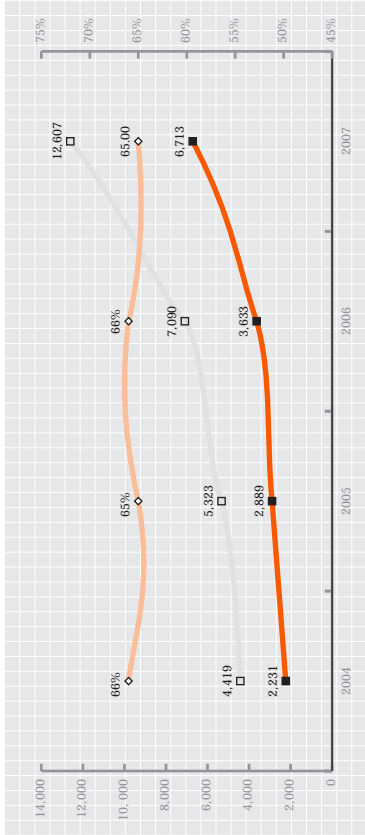


Investing into the Future

- Mobinil network efficiency peaked during the 2<sup>nd</sup> growth phase as average minutes per site increased by 40% YoY in spite of the vast increase in sites +30%.



■ Incoming traffic (M minutes) ■ Outgoing traffic (M minutes)  
◇ Incoming % of total traffic ◇ Outgoing % of total traffic

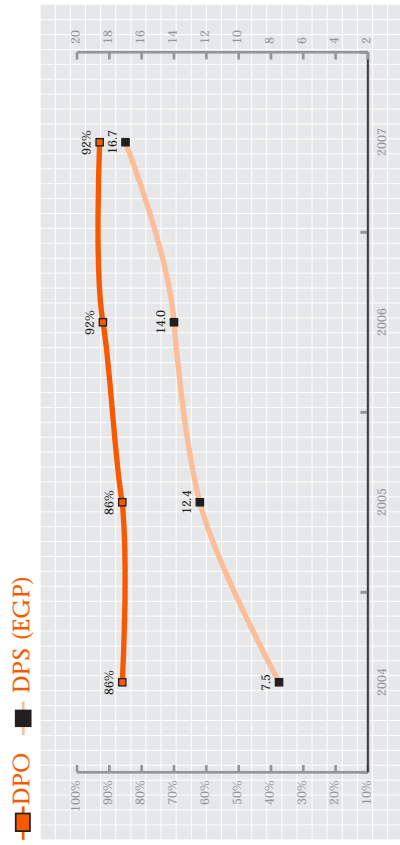
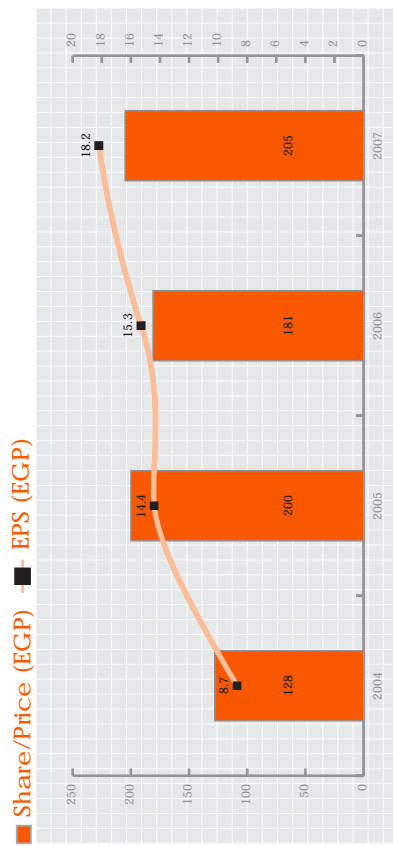


■ Global Used Minutes (M minutes) ◇ Avg minutes/site (K minutes)

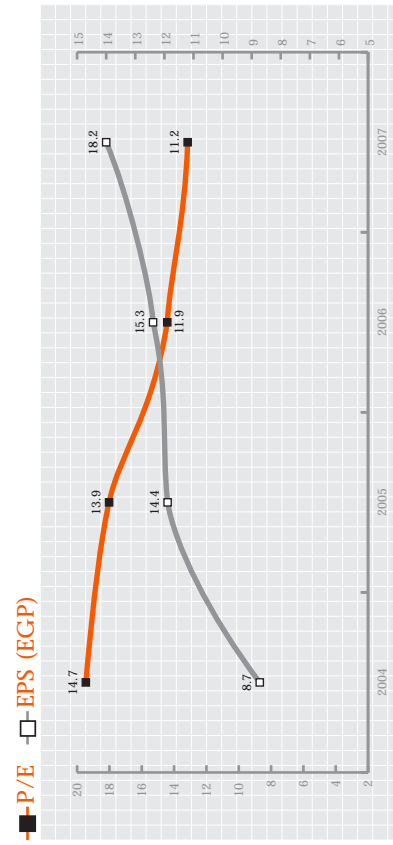
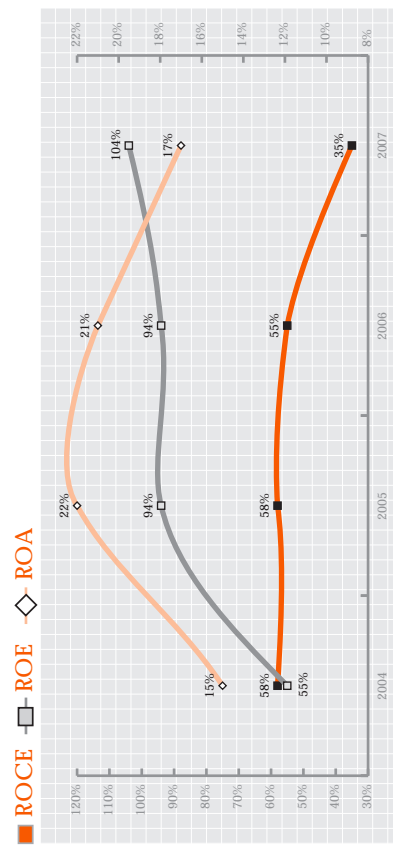




## Financial Ratios



Dividends calculation excluded Board & employees' share



## ► Glossary

► <b>3G</b>	Third Generation (The next generation of wireless network technology). These networks deliver voice, data, and multimedia content at rates as high as 2 Mbps.	► <b>DPO</b>	Days Payable Outstanding. A company's average payable period.
► <b>ARPU</b>	Average Revenue Per User. This is the average monthly recurrent revenue per customer excluding visitors roaming revenue and connection fee; this includes airtime revenue national and international, as well as, monthly subscription fee, SMS, GPRS and data revenue.	► <b>DPS</b>	Dividend Per Share. A distribution of a portion of a company's earnings, decided by the board of directors, to a class of its shareholders.
► <b>AUPU</b>	Average Usage Per User.	► <b>EPS</b>	Earnings Per Share. The portion of a company's profit allocated to each outstanding share of common stock.
► <b>CAGR</b>	Compound Annual Growth Rate. The year-over-year growth rate of an investment over a specified period of time.	► <b>FRY</b>	Foreign Exchange Profit or Loss
► <b>CAPEX</b>	Capital Expenditure. This is money spent to acquire or upgrade physical assets such as buildings and machinery. This tends to be a very large expense for companies with significant manufacturing facilities, and usually much less of an expense in the services sector. Also called capital spending or capital expense.	► <b>GDP</b>	Gross Domestic Product. The total market value of all the goods and services produced within the borders of a nation during a specified period.
► <b>CRM</b>	Customer Relation Management	► <b>GPRS</b>	General Packet Radio Service. A packet-switched data technology that is being primarily deployed for GSM networks.
► <b>EBITDA</b>	Earnings Before Interest, Taxes, Depreciation, and Amortization. An approximate measure of a company's operating cash flow based on data from the company's income statement.	► <b>GSM</b>	Global System for Mobile communications. GSM is used all over Europe, plus many countries in the Middle East, Asia, Africa, South America, Australia, and North America. GSM's air interface is based on narrowband TDMA technology, where available frequency bands are divided into time slots, with each user having access to one time slot at regular intervals.
► <b>EDGE</b>	Enhanced Data rate for Global Evolution. Sometimes known as 2.75G, it's a development of GSM which allows for the faster delivery of advance mobile services such as full multimedia messaging. EDGE can be up to four times the speed of GPRS.	► <b>IFRS</b>	International Financial Reporting Standard(s)
		► <b>ISP</b>	Internet Service Providers

▶ <b>IVR</b>	Interactive Voice Response. IVR is a computerized system that allows a person to select an option from a voice menu and in doing so interact with a computer system. Generally the system plays pre-recorded voice prompts to which the person presses a number on a telephone keypad to select the option chosen, or speaks simple answers such as "yes", "no", or numbers in answer to the voice prompts.
▶ <b>MCIT</b>	Ministry of Communication and Information Technology
▶ <b>MEGP</b>	Millions of Egyptian Pounds.
▶ <b>MMS</b>	Multimedia Messaging Service. A type of cellular message comprised of a combination of text, sounds, images and video. Typically, MMS can only be used with 2.5G or higher enabled phones.
▶ <b>NTRA</b>	National Telecom Regulatory Authority
▶ <b>Per Capita</b>	Average Per Person
▶ <b>ROA</b>	Return on Assets. A useful indicator of how profitable a company is relative to its total assets. It also gives an idea as to how well the company is able to use their assets to generate earnings.
▶ <b>ROCE</b>	Return on Capital Employed. A ratio that indicates the efficiency and profitability of a company's capital investments.
▶ <b>ROE</b>	Return on Equity. A measure of a corporation's profitability.
▶ <b>Streaming</b>	A technology for getting sound or pictures to your computer or cell phone through the Internet or otherwise as a continuous stream, so that you can hear the sound or see the pictures before all the information has been received by your device.

▶ <b>VoIP</b>	Voice over Internet Protocol. VoIP allows people to use the Internet as the transmission medium for telephone calls by sending voice data in packets using IP rather than by traditional circuit transmissions. One advantage of VoIP is that the telephone calls over the Internet do not incur a surcharge beyond what the user is paying for Internet access.
▶ <b>WAP</b>	Wireless Application Protocol. WAP is standard or protocol for wireless devices and the accompanying infrastructure equipment. WAP provides a standard way of linking the Internet to mobile phones, PDAs, and pagers/messaging units.
▶ <b>WiFi</b>	Wireless Fidelity. A term for certain types of wireless local area networks (WLAN...see below). WiFi has gained acceptance in many environments as an alternative to a wired LAN. Many airports, hotels, and other services offer public access to WiFi networks so people can log onto the Internet and receive e-mails on the move. These locations are known as hotspots.
▶ <b>WLAN</b>	Wireless Local Area Network; a short range radio network normally deployed in traffic hotspots such as airport lounges, hotels and restaurants. WLAN enables suitably equipped users to access the fixed network wirelessly, providing high speed access (up to 11 Mbit/s download) to distant servers.
▶ <b>YoY</b>	Year over Year. A method of evaluating two or more measured events that compares the results of measurement at one time period with those from another time period (or series of time periods), on an annualized basis.



## ► Notes

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Mobinil 2007 Annual Report

Over 15 Million Egyptians Communicate from the Heart

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2007 Annual Report

