



February 19, 2015

The Egyptian Company for Mobile Services S.A.E (Mobinil)
Board of Directors' Report
For the Company's activity from January 1, 2014 till December 31, 2014
On the separate and the consolidated financial statements

The Egyptian Company for Mobile Services S.A.E. (the "Company" or "ECMS") Board of Directors is pleased to announce the Company results to its shareholders for the year ended December 31, 2014.

First the separate financial statements

- Total revenues for the year ended December 31, 2014 reached 10,254 MEGP, compared to 9,932 MEGP for the financial year ended December 31, 2013, with an increase of 3.2%.
- EBITDA (earnings before interest, taxes, depreciation, and amortization) for the financial year ended December 31, 2014 reached 3,091 MEGP, compared to 3,012 MEGP for the financial year ended December 31, 2013, with an increase of 2.6%.
- Transactions with related parties during the year were in line with the ones made with non-related entities and made on an arm's length basis. These transactions correspond to: purchase of network equipment, provision of technical and accounting assistance for different periods to support network operation and maintenance, network construction activities, computer supplies, internet services, provision of advertising campaigns, payment and collection of roaming revenues on behalf of related parties, sales, purchases, commissions, training, advisory services and hotel services. Total transactions with related parties during the year ended December 31, 2014 reached 559 MEGP, compared to 653 MEGP for the financial year ended December 31, 2013.

Management fee agreements:

The AGM dated March 10, 2013 approved the following:

- The related parties' agreements that took place during the financial year ended December 31, 2012.
- Signing an Advisory service Agreement with OTMT, by which OTMT receives a consideration of twelve million Egyptian Pounds per annum (excluding taxes), such agreement being effective from the date of approval of ECMS AGM.
- According to the management agreement, the Company charges the following subsidiaries with a management fees as 1% on its total revenues:
 - Link Dot Net
 - Link Egypt for Trading and Services
 - Link One for Telecommunication Services

Major transactions details are described in note (21) of the notes to the financial Statements.



Second the consolidated financial statements

- Total revenues for the year ended December 31, 2014 reached 10,926 MEGP, compared to 10,521 MEGP for the financial year ended December 31, 2013, with an increase of 3.8%.
- EBITDA (earnings before interest, taxes, depreciation, and amortization) for the year ended December 31, 2014 was at 3,181 MEGP, compared to 3,056 MEGP for the financial year ended December 31, 2013, with an increase of 4.1%.
- Transactions with related parties during the year were in line with the ones made with non-related entities and made on an arm's length basis as stated in the consolidated financial statements. Total transactions with related parties during the year ended December 31, 2014 reached 389 MEGP, compared to 507 MEGP for the financial year ended December 31, 2013.

Alex Shalaby
Chairman