The Egyptian Company for Mobile Services (Mobinil)

Nile City Building 2005C

North Tower, Corniche El Nil, Ramlet Bolaq

Cairo, Egypt

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April 23, 2013

The Egyptian Company for Mobile Services S.A.E (Mobinil)
Board of Directors Report
On the separate and the consolidated financial statements
For the period Started January 1, 2013 ended March 31, 2013

The Egyptian Company for Mobile Services S.A.E. (the "Company" or "ECMS") Board of Directors has the honor to announce the Company results to its shareholders for the period ended March 31, 2013.

It is Company policy to develop the mobile market through the introduction of new offers that cater to the needs of all the mobile market segments in the Egyptian market.

## First the separate financial statements

- Total revenues for the period ended March 31, 2013 reached 2,424 MEGP, compared to 2,409 MEGP over the same period last year, with an increase of 0.6%.
- EBITDA (Earnings before interest, taxes, depreciation, and amortization) for the period ended March 31, 2013 were 724 MEGP, compared to 821 MEGP during the same period last year, with a decrease of 11.8%.
- Transactions with related parties during the period were similar to non-related entities on an arm's length basis. These transactions correspond to: purchase of network equipment, provision of technical and accounting assistance for different periods, 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, sponsorship, training, advisory services and hotel services. Total transactions with related parties during the period ended March 31, 2013 reached 125 MEGP, compared to 189 MEGP over the same period last year.

## Management fee agreements:

The AGM dated March 10, 2013 approved the following:

- The related parties' transactions that took place during the financial year 2012.
- Signing an Advisory service Agreement with OTMT, by which OTMT shall provide ECMS with the consulting
  and advisory services for a consideration of twelve million Egyptian Pounds per annum (excluding taxes),
  agreement will be effective form the date ECMS AGM approved it.

Major transaction details are described in note (15) of Notes to the financial Statements.

Net debts as of March 31, 2013 reached 7,214 MEGP compared to net debts of 7,108 MEGP at December 31, 2012, with an increase of 1.3%.



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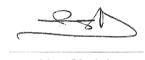
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## Second the consolidated financial statements

- Total revenues for the period ended March 31, 2013 reached 2,562 MEGP, compared to 2,525 MEGP over the same period last year, with an increase of 1.5%.
- EBITDA (Earnings before interest, taxes, depreciation, and amortization) for the period ended March 31, 2013 were 735 MEGP, compared to 825 MEGP during the same period last year, with a decrease of 10.9%.
- Transactions with related parties during the year were similar to non-related entities on an arm's length basis as stated in the consolidated financial statements. Total transactions with related parties during the period ended March 31, 2013 reached 108 MEGP, compared to 174 MEGP over the same period last year.
- Net debts as of March 31, 2013 reached 7,189 MEGP compared to net debts of 7,090 MEGP at December 31, 2012, with an increase of 1.4%.





Alex Shalaby Chairman