



February 13, 2014

The Egyptian Company for Mobile Services S.A.E (Mobinil)
Board of Directors' Report
For the Company's activity from January 1, 2013 till December 31, 2013
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, 2013.

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

First the separate financial statements

- Total revenues for the year ended December 31, 2013 reached 9,995 MEGP, compared to 9,832 MEGP over 2012, with an increase of 1.7%.
- EBITDA (earnings before interest, taxes, depreciation, and amortization) for the financial year ended December 31, 2013 reached 3,012 MEGP, compared to 3,258 MEGP for the financial year ended December 31, 2012, with a decrease of 7.6%.
- 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, 2013 reached 653 MEGP, compared to 745 MEGP for the financial year ended December 31, 2012.

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.

Major transactions details are described in note (15) of the notes to the financial Statements.





Second the consolidated financial statements

- Total revenues for the year ended December 31, 2013 reached 10,585 MEGP, compared to 10,340 MEGP for the financial year ended December 31, 2012, with an increase of 2.4%.
- EBITDA (earnings before interest, taxes, depreciation, and amortization) for the year ended December 31, 2013 was at 3,058 MEGP, compared to 3,285 MEGP for the financial year ended December 31, 2012, with a decrease of 6.9%.
- 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, 2013 reached 507 MEGP, compared to 610 MEGP for the financial year ended December 31, 2012.



A handwritten signature in black ink, appearing to be "Alex Shalaby".

Alex Shalaby
Chairman