

ECMS Audit Committee

2009 Annual Activities Report



Audit Committee report for Year End 2009

ECMS Audit Committee (AC) main purpose is to meet the highest standards of corporate governance with respect to internal control and financial reliability. It is doing so through assisting the Board in the oversight of financial statements integrity, Company's compliance with legal requirements, the integrity of the Company's management and its policies, the auditor's qualifications and independence and finally the performance of the Company's internal audit function.

By invitation of AC Chairman, ECMS Chairman, the Chief Executive Officer, the Chief Financial Officer, the Financial Controller, the Head of Internal Audit department and the external auditors also attended Audit Committee meetings/conference calls throughout 2009.

Moreover, some executives were invited to attend certain meetings to present sessions on issues designed to enhance the Audit Committee's awareness of key issues and developments in the business which are relevant to the Audit Committee performance of its role.

Audit Committee Composition

ECMS Board Audit Committee is comprised of four Non-Executive board members who collectively possess the expertise and experience in accounting, auditing, and financial reporting needed to understand and resolve concerns raised by External and/or Internal Auditors.

Claude Benmussa

Senior Advisor PricewaterhouseCoopers (PwC)
France Telecom Group Representative

Chairman

Ahmed Bardai

Chief Executive Officer – REEFY
Public Shareholders Representative

Member

Aldo Mareuse

Group Chief Financial Officer, Orascom Telecom Holding
Orascom Telecom Holding Representative

Member

Bertrand Du Boucher

International Chief Financial Officer, Orange Group.
France Telecom Group Representative

Member

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Audit Committee Meetings

- ECMS Board Audit Committee meets at least eight times per year (at least twice each quarter), physically or via conference call, on a schedule adopted by the Committee and as many additional times as it deemed necessary.
- During 2009, AC held 10 meetings/conference calls. Also, it held one closed meeting with the external auditors without management.

No.	Audit Committee Members	Attendance
1	Claude Benmussa (Chairman)	10/10
2	Ahmed Bardai	10/10
3	Aldo Mareuse	10/10
4	Bertrand Du Boucher	10/10

During the year ended December 31, 2009, the principal activities of the Audit Committee were as follows:

Financial reporting

The Audit Committee reviewed and discussed with management and the external auditors the Company's annual and quarterly audited financial statements and its related documents. They also reviewed and discussed the integration of financial accounting principles, the quarterly and annual provisions, the significant findings by the external/internal auditors, the disclosure, and the steps that the management takes to monitor, control, and report the financial risk exposures.

Risk management and internal control

The Audit Committee reviewed the effectiveness of the Company's internal control function and risk management systems. It has assessed the annual internal control plan, the annual risk map, and its related mitigation plans. It was also responsible to oversee the Company's compliance in relation to the Sarbanes-Oxley Act.

Moreover, AC has reviewed the performance of the Company revenue assurance and has closely followed the implementation of Disaster Recovery and Business Continuity Plan and its related budget.

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Internal Audit

The Audit Committee monitored and reviewed the qualifications and performance of the Internal Audit function. It has approved the 2009 Internal Audit charter and has regularly assessed the reports presented by Head of Internal Audit on the department's activity, its annual plan and its budget. On regular basis, AC reviewed any fraud and/or misconduct cases identified through whistle-blowing system or through regular internal audit assessments.

It has also examined the internal audit reports on findings, activities and achievements against the Company audit plan. It has monitored the management's responsiveness to the findings and recommendations of the Internal Auditor. AC has also reviewed the internal resources needed to ensure the effectiveness of the Internal Audit function.

External Auditors

The Audit Committee monitored the independence and performance of the external auditors and recommended their engagement terms and fees for the annual audit and non-audit services.

They also reviewed the external auditor's plan and judgment about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.

The Committee has met with the external auditors, separately from management, to discuss their remit and/or any issues arising from the audit.

Financing requirements and dividend distribution

The Audit Committee was mandated by the Board to review Mobinil financing needs and cash position based on which it has made its recommendation concerning the distribution of dividends payout.

The Committee has closely and successfully reviewed the process and documents related to the issuance of local Bond amounted to EGP 1.5Bn.

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The logo for Mobinil, consisting of the word "mobinil" in a lowercase, sans-serif font, enclosed within a dark grey rounded rectangular border.

Related Parties Transactions

The Audit Committee played a considerable role in the process of Related Parties Transactions (RPT). It has reviewed the new requirements stipulated by the Egyptian Financial Supervisory Authority (EFSA) with regard to RPT approval and thus recommended modifications on the Company RPT policy in compliance with EFSA requirements.

The Audit Committee has reviewed all transactions exceeding one million Egyptian pounds before submitting its recommendation to the Board, in this regard.

Reporting responsibilities

The Audit Committee has regularly reported its activities to the Board. Annual and periodic formal reports of Audit Committee activities were presented to the Board on key decisions and significant findings within its duties and responsibilities.