

## Glossary for Annual Report

**ADSL:** Asymmetric Digital Subscriber Line. Technology that allows high volume data transmission (broadband) over traditional phone lines

**Annual General Shareholder's Assembly:** This is required to be held each year, within six months from the end of the financial year, in order to approve annual financial statements

**ARPU:** Average Revenue per User is calculated as total revenue divided by average number of subscribers during the year.

**BSC:** Base Station Controller

**BTS:** Base Transceiver Station

**Capex:** Capital Expenditure. Investments in tangible and intangible assets.

**Carrier's carrier:** A network operator who provides network services to other telecommunications companies

**CASE (Cairo and Alexandra Stock Exchange):** Egypt's Stock Exchange is comprised of two exchanges, Cairo and Alexandria, both of which are governed by the same board of directors and share the same trading, clearing and settlement systems.

**Cash Flow:** The difference between cash inflows and cash outflows for a specific period

**CDMA:** Code Division Multiple Access. Wireless interface technology for mobile networks based on spectral spreading of the radio signal and channel division by code domain.

**Customer Centricity:** Comprehensive customer orientation – ie. gearing actions to customers and their various needs when designing products and developing services, and also in sales, public relations and all market communications. The opposite would be product centricity, where a company focuses primarily on its products

**Customer Segmentation:** Division of customers into homogenous groups (segments) in order to consistently gear the portfolio of products and services, but also sales and public relations etc. to their various needs, and to deal with each customer segment on a differentiated basis

**EBITDA:** Earnings Before Interest, Taxes, Depreciation and Amortisation.  $EBITDA = \text{Income} + \text{Depreciation} + \text{Amortisation}$ .

**EBITDA Margin:**  $EBITDA / \text{Operating Revenues}$

**EPS:** Earnings per Share

**Free Cash Flow:**  $\text{Free Cash Flow} = \text{Operating Cash Flow} \pm \text{Acquisitions/Sales of Financial Investments} \pm \text{Net Interest Paid} - \text{Payments related with PRBs} - \text{Income Taxes Paid} \pm \text{Dividends Paid/Received} \pm \text{Other Cash Movements}$

**GAAP:** Generally Accepted Accounting Principal

**GDP:** Gross Domestic Product

**Gearing Ratio:**  $\text{Gearing Ratio} = \frac{\text{Net Debt}}{\text{Net Debt} + \text{Equity} + \text{Minority Interests}}$

**Goodwill:** The excess amount that results if an acquisition cost is higher than the book value of the acquired company

**GPRS:** General Packet Radio Service. Technology that allows for higher data transmission rates in GSM networks

**GSM:** Global System for Mobile Communications

**IFRS:** International Financial Reporting Services. The new international accounting standards introduced as of 1 January 2005

**Internet:** A worldwide IP-based computer network that has no central network management

**IP:** Internet Protocol. Standard that specifies the exact format of packets of data as they are transmitted through and Internet network

**ISDN:** Integrated Services Digital Network

**ISP:** Internet Service Provider. Company that provides access to the Internet

**LSE:** London Stock Exchange

**MCIT:** Egyptian Ministry of Communication, Information and Technology

**MOU:** Minutes of Usage. Monthly average of outgoing and incoming traffic in minutes per average number of users in the period

**MSC:** Mobile Switching Centre

**NTRA:** Egyptian National Telecommunications Regulatory Authority

**SAC:** Subscriber Acquisition Cost.

**SME:** Small Medium Enterprise

**Teledensity:** Telecommunications penetration expressed as a percentage of population

**VOIP:** Voice Over Internet Protocol