Annual Report 2013

ooredoo

بِسْمِ اللهِ الرَّحْمٰنِ الرَّحِيمِ

In the Name of Allah Most Gracious Most Merciful

His Highness Sheikh Tamim Bin Hamad Al Thani, Emir of the State of Qatar

Ooredoo Myanmar is the Group's newest operation, having won an intensely-competitive telecommunications licence bid in June, 2013. Myanmar is considered one of the world's highest potential telecom markets.

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Our vision is to enrich people's lives as a leading international communications company.

"Everybody has the aspiration to grow, develop and live better lives. We want to deploy our resources to help people realise their ambitions. That is why we chose to become 'Ooredoo' – we enable our customers to achieve the things they want in their lives.

Our name reflects the aspirations of our customers and our core belief that what we do enriches people's lives: by connecting them with education and employment opportunities; by enabling them to stay in touch with friends and families; and by providing them with the tools for a better tomorrow."

An excerpt from the speech of H.E. Sheikh Abdullah Bin Mohammed Bin Saud Al Thani, Chairman of the Ooredoo Board, at the launch of the Ooredoo brand in Barcelona on 25 February 2013.

Dear Shareholders,

Our industry is going through a period of rapid change and evolution. The digital era is transforming the way people use communication, and expanding the impact that technology has on our working and everyday lives. Being able to stay ahead of this wave of development is the defining factor for companies like ours. We will need to change faster than our industry is changing.

I am proud to say that Ooredoo has embraced this challenge with more determination than many of our regional and global peers. We have pursued a clear-sighted strategy of transformation, which – as this report will highlight – is already delivering robust returns for our stakeholders, and which has enabled us to enhance our offering in key markets across the Middle East, North Africa, and Asia.

Last year's annual report was one of the first public documents to showcase our new Ooredoo brand. Over the course of the last year, we have brought the vision for the brand to life, expanding on our promise to support all elements of human growth throughout our markets. Our products and services have evolved, our networks have been enhanced, and we have brought a series of key initiatives to life in support of employment, education, women's access to mobile services, and entrepreneurship.

2013 was a record-setting year. Emboldened by our new brand, and working together as one company, we have maintained strong results in our core markets; launched new and vital services across our footprint, including historic 3G and 4G service roll-outs; and started a new chapter in Myanmar, our newest market and one that offers incredible potential for growth.

A record-setting year

Since 2006, Ooredoo has been the fastest-growing communications company by revenue in the world. We continued to set the pace for the industry in 2013, recording another year of revenue growth.

Our consolidated revenue increased by 1 percent to QR 33.9 billion (FY2012: QR 33.5 billion), while net profit attributable to Ooredoo shareholders went down by 12.5 percent to QR 2.6 billion (FY 2012: QR 2.9 billion).

Normalised FY2013 net profit attributable to Ooredoo shareholders (excluding currency loss, one-off tower sale gain in Indosat and start-up cost in Myanmar) stood at QR 3.3 billion, a 16 percent increase over FY2012.

Across our footprint in the Middle East, North Africa, and Southeast Asia, we serve 95.9 million consolidated customers.

Becoming "Ooredoo" – achievements of 2013

Transforming our company into Ooredoo was always about much more than simply changing our name. The transformation process was about taking our company to the next level – bringing our strategy to life with a new, dynamic brand and leveraging our combined resources to transform our customer offering.

Throughout 2013, we have delivered on this promise for our stakeholders.

The rebranding process started in earnest with our flagship market of Qatar in March 2013. A major ceremony in Doha was followed by an intensive campaign aimed at explaining our strategy for our customers, and helping them understand how the new brand would enrich their lives and support Qatar's National Strategy 2030, by contributing to education and development.

Rebranding in Qatar was followed by Tunisia, Algeria, and the Maldives, so that in one year we had successfully rebranded operations in the Middle East, North Africa, and Asia. We will continue to rebrand across our footprint throughout 2014, aiming to offer a united, global brand by the end of the year.

Each of the Ooredoo launches was matched by a parallel investment in major service enhancements and improvements. We wanted our customers to feel an immediate difference in the standard of services provided by Ooredoo, both in the quality of customer experience and in the quality of the network provided.

In Qatar in 2013, we saw the launch of commercial 4G services and the continued roll-out of nationwide Ooredoo Fibre services. We launched 4G services in Kuwait, Oman and the Maldives, and were proud to launch 3G services in Tunisia and Algeria during the year.

Other markets also saw important service upgrades as a result of our network enhancement strategy. Nawras in Oman delivered a major upgrade for its 3G+ network. Indosat became Indonesia's first communications company to operate a UMTS 900MHz network to deliver a better customer experience and conduct more cost-efficient operations.

Our philosophy has been to ensure that the full technological and human resources are in place in every market, so that we are ready to upgrade our network as soon as regulatory approval is received and the market is ready for us to launch.

For our customers, these upgrades deliver faster internet speeds, the capacity to upload and download files more easily, and a better online experience. For our shareholders, this programme of enhancements provides the reassurance that Ooredoo is investing wisely to stay ahead of customer demand for data services, which we believe is the business of the future.

Supporting our international expansion

Throughout this process of transforming our existing operations, we have continued to deliver on our strategy of evaluating opportunities as they arise within our footprint, and pursuing those we believe will add the greatest value to our portfolio.

In 2013, Myanmar became our newest market, when we defeated international competition to be awarded one of only two commercial network licences. In a challenging yet high-potential market, we are dedicated to providing a full slate of mobile communications services to improve the daily lives of Myanmar consumers and help businesses run more efficiently. Before we entered the market, there was a telecom services penetration rate of 12 percent for a population of more than 65 million people. Fewer than 400,000 had internet access. This lack of access has placed real barriers to economic development, industrial diversification, education, and social growth.

We are committed to investing in Myanmar and strongly contributing to the development of the country. For example, we intend to build tele-centres across the country to provide internet connectivity, and guarantee to offer at least one free internet access point for every public primary and secondary school and university. Such is our confidence that we can make a genuine difference, we have announced our intention to launch with 3G services, offering the people the opportunity to go online via their mobile for the first time in their lives.

Providing a firm foundation for our ambitions both at home and abroad, we continued to pursue a prudent yet far-reaching financial strategy. In 2013, we successfully issued dual tranche 15-year and 30-year bonds of USD 500 million each, secured a four-year USD 1 billion revolving credit facility, and issued our first-ever Sukuk of USD 1.25 billion with a tenure of five years. Demonstrating the strong outlook for our operations, Asiacell in Iraq posted the Middle East's largest IPO since 2008 during 2013.

A successful year of awards

The wider communications industry has noted our success, and celebrated Ooredoo's progress with a string of major international awards during the year. Indeed, 2013 has been the best year for awards and recognition in the company's history, both at a Group level and for our national operations. We have won more awards than ever before, and these awards have been more prestigious and more global than ever before.

It was fitting that we finished the year with perhaps our most significant award, being named "Best Mobile Operator of the Year" at the Annual World Communication Awards. Previous winners of this award include some of the industry's biggest international operators, reflecting our success in taking a small national operator and building it into a truly global force.

It is a source of great pride for the whole company that we have won awards for our leading "Human Growth" initiatives during the year. "Najjani Employment," our mobile service to help the young unemployed in Tunisia, and Asiacell's "Almas" ("Diamond") service for women in Iraq were both recognised at global award ceremonies.

Beyond these awards, the range of honours received by Ooredoo demonstrate the extent to which every part of our company came together and worked harder in 2013.

Our consolidated revenue increased by 1 percent to QR 33.9 billion (FY2012: QR 33.5 billion).

QR 33.9 billion

The Board is pleased to recommend the distribution of a cash dividend of 40 percent of the nominal share value.

40 percent

We launched 4G services in Qatar, Kuwait, Oman, and the Maldives, and were proud to launch 3G services in Tunisia and Algeria during the year.

4G

Our brand launch was recognised by the International Business Awards; our Nojoom loyalty programme was a winner at the Loyalty Awards; Indosat received prizes for customer service and for its network programme; our investor relations team was named as the best in the region; Nawras received a Cannes Lion for its use of digital media… the list goes on.

Of course, we could not have achieved these awards without the hard work, dedication and commitment of our people. These awards are a true celebration of the spirit of teamwork and togetherness that we see every day at Ooredoo.

Dividends

The Board of Directors is pleased to recommend to the General Assembly the distribution of a cash dividend of 40 percent of the nominal share value (QR 4), based on our continued growth and future investment.

Finally, I would like to acknowledge my sincere appreciation to His Highness Sheikh Tamim Bin Hamad Al Thani, the Emir of the State of Qatar, for his instrumental guidance, and for the support of the people and leadership of Qatar, which has enabled our growth at home and abroad as a proud Qatari company.

The Board has been essential in enabling us to set and reach our goals, and I would like to thank the members for their contributions and direction.

This was a year when we faced the challenges of our industry, and delivered an impressive response. This was the year when we transformed our operations, and delivered more and better for our customers. This was truly the year that we lived up to the values of our new Ooredoo brand.

Abdullah Bin Mohammed Bin Saud Al Thani
Chairman

4 March 2014

Group CEO's Message

Dear Shareholders,

As the Chairman outlined, 2013 was a transformative year for Ooredoo. In every aspect of our operations, we are more united, more focused and more productive, delivering enhanced results for our customers and shareholders.

Our success has come in large part from the shared vision that unites everyone in Ooredoo. From North Africa to Southeast Asia, we understand that mobile technology and internet access are key contributors to human growth. We are striving to help our customers achieve their hopes and aspirations.

I would like to outline some of the areas where our company has made significant progress, and share with you how we are positioning Ooredoo for the future, so that we can continue to deliver strong returns for our shareholders.

Ooredoo brand launch creates significant benefits

Since the launch of our global brand one year ago, we have successfully launched Ooredoo in Qatar, Tunisia, Algeria and the Maldives, and are establishing the brand in Myanmar to support our new operations there. We are ready to roll-out the Ooredoo brand across most of our footprint throughout 2014.

The launch of the Ooredoo brand has delivered a positive impact for our business, our customers, and for our employees' engagement. In Qatar, where we launched first, brand recognition and brand equity are now the highest in our history. Our recent employee engagement survey shows that 85 percent of employees feel excited about the new brand. We see similarly positive results in Tunisia, Algeria and the Maldives, and are confident that the next operations to launch the brand will enjoy a similar boost to external and internal sentiment.

Focusing on data

Our brand launches were enhanced by parallel network upgrade programmes and new service launches. For example, in Qatar we saw the launch of commercial 4G mobile internet in the weeks following the Ooredoo reveal, while Ooredoo Algeria's brand roll-out was complemented by the launch of 3G services. The popular public reaction to these initiatives boosted our customers' feelings about our new brand.

Building our data capabilities is central to our long-term vision for the company. We have known for a long time that traditional voice and SMS services are likely to come under pressure from alternatives in the market, and that data will play an increasingly important role in our business. I'm pleased to report that, in 2013, this focus on data is showing positive returns for the company.

External revenue by region, 2013

74% MENA
25% Asia Pacific
1% Subcontinent

Across our footprint, we now serve 95.9 million consolidated customers.

95.9 million

Our recent employee engagement survey shows that 85 percent of employees feel excited about the new brand.

85 percent

Data access is now the single largest contributor to revenue growth, with significant year-on-year revenue growth across the Group. This is particularly important because – in contrast to more mature markets – there is room for growth across our footprint due to the comparatively low broadband and data penetration.

In Indonesia, for example, Indosat has increased data penetration across its customer base to 46 percent, and increased data revenue by 37 percent, driven by new data bundles and a better customer experience. In Qatar, Ooredoo is the data market leader, with 26 percent year-on-year data revenue growth and 80 percent mobile broadband penetration in 2013.

Even in markets like these, where we hold a leadership position, we still see significant potential for growth. We intend to be a leader in data market share across our footprint, and we have set ourselves the target of maintaining significant year-on-year data revenue growth in the years ahead. We will drive data market expansion through enhanced networks, new services and data packages, and partnerships that will make affordable smartphones available for all.

New business-to-business opportunities

We also see major opportunities in the business-to-business sector, as a driver of economic growth. Given the dynamism of our markets, and the emergence of a rising class of small and medium enterprises, we believe we have access to significant untapped potential.

Ooredoo has invested significantly in enhancing the human and technological resources available to our business customers. Over the course of 2013, we have established a comprehensive B2B programme, including an enhanced product portfolio, world-class channels, and an increased range of enterprise solutions.

We are working to ensure that B2B services will represent an increasing proportion of Ooredoo revenue in the months and years ahead. We believe we are well-placed to achieve this goal.

Bringing our new brand to life

We developed the Ooredoo brand to reflect the aspirations of our customers. They are young, digitally-aware, and passionate about technology. They are ambitious and aspirational, actively pursuing a better life for themselves and their families. Ooredoo is a brand that matches these ambitions.

Now that we have established the brand internationally, and are well on the way to launching it in each market, we are in a strong position to leverage our capabilities and meet the needs of our customers. Our customers are looking to us to deliver new services, and to provide the networks they require to fully participate in the new digital world.

With our strategy in place, and our new brand extending across all our operations, we are very confident that we will see new opportunities for growth in the future.

I would like to thank the Board for its support of the major transformation efforts of the last year. I would also like to thank our shareholders, for the trust they have placed in the company and their continued support as we continue to evolve and develop.

Dr. Nasser Marafih

Group Chief Executive Officer

4 March 2014

H.E. Sheikh Abdullah Bin Mohammed Bin Saud Al Thani

H.E. Ali Shareef Al Emadi

H.E. Mohammed Bin Issa Al Mohannadi

Turki Mohammed Al Khater

Hareb Masoud Al Darmaki

Nasser Rashid Al-Humaidi

Omer Abdulaziz Al-Hamed Al-Marwani

Aziz Aluthman Fakhroo

Hamad Saeed Al Badi

Our Board of Directors

H.E. Sheikh Abdullah Bin Mohammed Bin Saud Al Thani
Chairman

Ooredoo's Chairman of the Board of Directors since July 2000, His Excellency has held several high profile positions in Qatar, including the Chief of the Royal Court (Amiri Diwan) from 2000 to 2005. He has a diverse background in both the Military and Aviation fields, and was previously a Member of the Planning Council in Qatar. He currently sits on the Board of a number of leading telecommunications companies around the world. His Excellency's wide experience in and knowledge of the fields of administration and government enrich the Board considerably.

H.E. Ali Shareef Al Emadi
Deputy Chairman

H.E. Mr. Al Emadi, who is the Minister of Finance for the State of Qatar, joined Ooredoo's Board of Directors in March 1999. He has held leadership positions at a number of key Qatari institutions, including his service as the Secretary-General of the Supreme Council for Economic Affairs and Investment, a member of the Supreme Committee for Delivery and Legacy, a Board member and Head of the Investment Committee at Qatar Investment Authority, and Chairman of the Board for QNB Group. Furthermore, he has a long experience in the banking sector in his service as the QNB Group CEO from 2005 to 2013. H.E. Mr. Ali Shareef Al Emadi brings significant experience and knowledge in the fields of finance and banking to Ooredoo.

H.E. Mohammed Bin Issa Al Mohannadi
Member

His Excellency joined the Board in July 2000. He currently serves on the Boards of a number of Qatari companies and has held many prominent positions, including previous roles as Chief Financial Officer of the Royal Court (Amiri Diwan) and State Minister. His Excellency's considerable experience in and knowledge of administration, finance and government are greatly beneficial to the Board.

Turki Mohammed Al Khater
Member

Mr. Al Khater, who joined the Board in 2011, is the President of General Retirement and Social Insurance Authority, Chairman of Dlala Holding, Board Member of Masraf Al Rayan, and a Board Member of Al Ahli United Bank in Bahrain. He has previously held the positions of Undersecretary of the Ministry of Public Health and Managing Director of Hamad Medical Corporation, and brings significant experience in business and finance to the Board.

Hareb Masoud Al Darmaki
Member

Mr. Al Darmaki joined the Board in March 1999. He is currently the Executive Director of Private Equity, Abu Dhabi Investment Authority; and a Board Member of several leading financial institutions in the United Arab Emirates. His strengths in the fields of economics, investment, and finance greatly augment the insights of the Board.

Nasser Rashid Al-Humaidi
Member

Mr. Nasser Rashid Al-Humaidi, who joined the Board in 2011, is Executive Director – Operations & Support of Qatar Development Bank and IT Director of Qatari Diar. Prior to his current positions, he led various management and business technologies roles in multi-industries sectors including utilities, telecom, oil & gas, real estate and banking; and contributed to national steering committees. This diverse background brings a wealth of experience that will contribute significantly to the Ooredoo Board.

Omer Abdulaziz Al-Hamed Al-Marwani
Member

Since joining the Qatar Investment Authority in 2006, Mr. Al-Marwani has served as Director of the Finance Affairs Department, and has been Acting COO since November 2012. Concurrently, Al-Marwani has served as Director of the Finance and Administration Affairs Department at the Supreme Council for Economic Affairs and Investments since 2003. He joined the Ooredoo Board in 2013.

Aziz Aluthman Fakhroo
Member

Mr. Aziz Aluthman, who joined the Board in 2011, is an Associate Director in the Mergers and Acquisitions Department of Qatar Holding LLC, the strategic and direct investments arm of the Qatar Investment Authority, where he has been instrumental in the execution of key investments. He was previously founder and CEO of Idealys, and currently represents Qatar Holding on the Boards of United Arab Shipping Company and Knowledge Universe. He brings a strong business background and deep understanding of technology to the Board.

Hamad Saeed Al Badi
Member

Mr. Al Badi joined the Board in March 2007. He holds the position of Assistant Director, International Equities, Abu Dhabi Investment Authority, and is a noted expert in the fields of finance and investment.

Operational and Financial Highlights

Ooredoo showed a solid consolidated performance throughout 2013.

Consolidated revenue increased by 1 percent to QR 33.9 billion, while net profit attributable to Ooredoo shareholders went down by 12.5 percent to QR 2.6 billion. Normalised FY2013 net profit attributable to Ooredoo shareholders, excluding currency loss, one-off tower sale gain in Indosat and start-up costs in Myanmar, stood at QR 3.3 billion, a 16 percent increase over FY2012.

In total, Ooredoo had 95.9 million consolidated customers by the year-end.

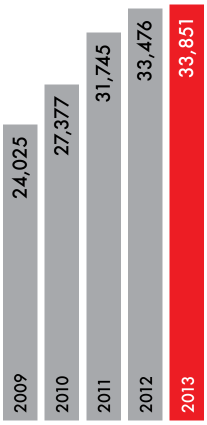
A key initiative was the roll-out of the new Ooredoo brand, first globally in February 2013, followed by Qatar, Algeria, Tunisia, and the Maldives.

Ooredoo was awarded a commercial licence for Myanmar during 2013, providing the company with access to an exciting new market with significant potential for growth.

Ooredoo became the first company to provide 4G services in three GCC markets – Qatar, Kuwait, and Oman – and launched 4G services in the Maldives. The company's network enhancement strategy also delivered significant network upgrades in Indonesia, and supported the launch of 3G services in Tunisia and Algeria.

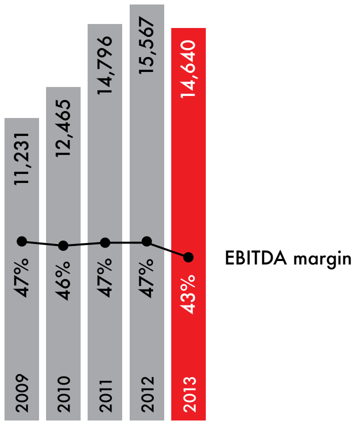
The company's focus on data services delivered a strong return during 2013, with data becoming the single largest contributor to revenue growth.

To support its long-term vision, Ooredoo issued dual tranche 15-year and 30-year bonds of USD 500 million each, secured a four-year USD 1 billion revolving credit facility, and issued its first-ever Sukuk of USD 1.25 billion with a tenure of five years. In addition, Asiacell in Iraq posted the Middle East's largest IPO since 2008 during the year.



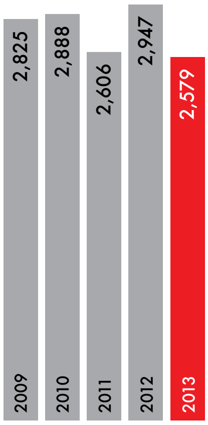
Revenue
Amount in QR millions

QR 33.9 billion



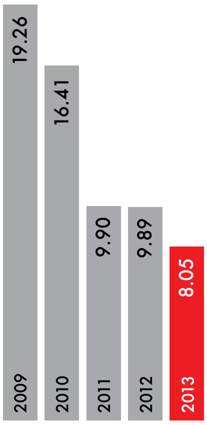
EBITDA
Amount in QR millions

QR 14.6 billion



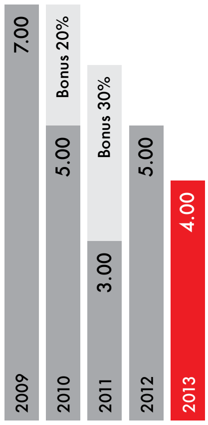
Net profit attributable to Ooredoo shareholders
Amount in QR millions

QR 2.6 billion



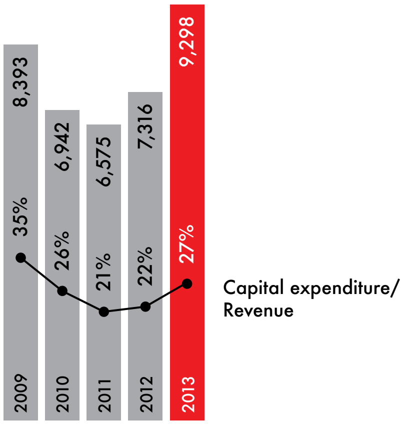
Earnings per share
Amount in QR (Note A)

QR 8.05



Cash dividends and bonus per share
Amount in QR (Note B)

QR 4.00



Capital expenditure
Amount in QR millions (Note C)

QR 9.3 billion

Note A Earnings per share have been adjusted as a result of the issuance of bonus shares in 2011 and 2012, and the right issue in 2012.
Note B 2013, recommended.
Note C Capital expenditure does not include intangibles.

Our Reach

Ooredoo is an international telecommunications company with headquarters in Qatar, and a consolidated global customer base of more than 95.9 million people as of 31 December 2013. It operates networks in Asia, Africa, and the Middle East.

Qatar

Ooredoo effective stake	100%
Country population	1.9 m
Mobile penetration	182%
Market share	67%

Indonesia

Ooredoo effective stake	65.0%
Country population	248 m
Mobile penetration	121%
Market share	20%

Kuwait

Ooredoo effective stake	92.1%
Country population	3.9 m
Mobile penetration	168%
Market share	30%

Tunisia

Ooredoo effective stake	84.1%
Country population	10.9 m
Mobile penetration	126%
Market share	53%

Palestine

Ooredoo effective stake	44.6%
Country population	4.4 m
Mobile penetration	81%
Market share	28%

The Maldives

Ooredoo effective stake	92.1%
Country population	0.3 m
Mobile penetration	133%
Market share	36%

Oman

Ooredoo effective stake	55.0%
Country population	3.2 m
Mobile penetration	143%
Market share	41%

Iraq

Ooredoo effective stake	64.1%
Country population	34.8 m
Mobile penetration	90%
Market share	34%

Algeria

Ooredoo effective stake	74.4%
Country population	38 m
Mobile penetration	71%
Market share	32%

Myanmar

Ooredoo effective stake	100%
Country population	65 m

Operation to be launched in 2014.

Pakistan

Ooredoo effective stake	86.1%
Country population	182.6 m
WiMax customers	200 k

create your own world

The Philippines

Ooredoo effective stake	40.0%
Country population	97.5 m
WiMax customers	48 k

create your own world

Singapore (Starhub)

Ooredoo effective stake	14.1%
Country population	5.3 m

Laos (LTC)

Ooredoo effective stake	6.0%
Country population	6.6 m

Our Strategy

We recognise that our industry is changing, and are prepared to face the challenges and seize the opportunities this change is creating. Our vision and the effectiveness of our performance have made us a telecommunications industry leader in terms of size, pace of growth and results, as well as market value and shareholder returns.

As we continue to grow, our ambition remains to be a leading international communications company. We also need to stay close to our customers in each market, retaining our local touch while growing globally, and ensuring that we are a community company with a drive to make a difference in the communities we work and live in.

There are three key pillars to this approach:

Differentiate on customer experience

We know our customers and they know us. We are constantly improving customer support and service, along with enhancing our understanding of customer expectations in order to meet their needs. We are engaging on the frontline to truly understand the communities in which we work. A vibrant customer-centric culture exists at every level of the organisation, and we're building that culture every day.

Strengthen our foundations

A stronger foundation gives us more confidence for future momentum, whether we are evolving as a business or planting the seeds for future success stories. We are focused on improving productivity and operational excellence – both in our day-to-day operations and in our capital investments.

It goes without saying that the engine that makes all of this happen is our people. We need to keep them happy, and are proud to maintain our reputation as an employer of choice.

Invest in new growth

Ooredoo's mission is reliant on pioneering revenue models that revolve around a new breed of telecommunication services. Our blueprint for progress includes raising the bar for mobility services, broadband solutions, digital futures and fibre technologies, and laying the groundwork for continuous improvement at every turn.

But our investment strategy is not just limited to necessary incremental tweaks, operational infrastructure ramp-ups, or business as usual. Our aim is to also innovate and introduce cutting-edge services that shake up the norm in areas like enterprise, finance services, entertainment, and education.

Awards and Industry Recognition in 2013

Our people have worked hard this year, and their dedication and commitment has been recognised by a string of national and international awards, culminating in Ooredoo being named "Best Mobile Operator" at the 15th Annual World Communication Awards. Ooredoo and its companies have received a string of prestigious industry accolades from across the globe. Here are some of the highlights:

Telecom Review Leader Merit Awards	Nawras
Global Mobile Awards	Asiacell, Almas Line: Best Mobile Product or Service for Women in Emerging Markets
Arabian Business	Dr. Nasser Marafih: The 500 Most Powerful Arabs in the World
TMT Finance Middle East Awards	Ooredoo: Best Mobile Operator Asiacell: Equity Capital Market Deal of the Year (IPO 2013)
Insights Middle East Call Centre Awards 2013	Ooredoo Qatar: Best Customer Retention Programme
EMEA Finance	Ooredoo: Borrower of the Year Ooredoo: Best M&A Deal of the Year
Loyalty Awards	Ooredoo Qatar: Loyalty Programme of the Year – Middle East and Africa
Global Telecom Business Innovation Awards (GTB)	Indosat: Wireless Network Infrastructure Tunisiana: Wireless Network Infrastructure Indosat (Usaha Wanita): Consumer Service Innovation Award Tunisiana (Naja7ni): Consumer Service Innovation Award
Cannes Lions Awards	Nawras: Best Use of Digital Media Nawras: Commercial Public Services
Arabian Business Qatar	Ooredoo Qatar: Best Communications Company
Global Telecom Business	Dr. Nasser Marafih: Power 100
Telecoms World Middle East Awards	Indosat: Best International Growth Strategy Nawras: Best Operator Network
International Business Awards	Ooredoo: Gold Award for Best Brand Experience Event. Ooredoo: Silver Award for Best Exhibition Display Tunisiana: Silver Award for Best New Product or Service of the Year – Telecommunications
Middle East Investor Relations Society Awards	Ooredoo: Leading Corporate for Investor Relations Qatar Ooredoo: Best Investor Relations Team for Corporate Access Middle East Ooredoo: Best Investor Relations Website Middle East
CommsMEA Awards 2013	Ooredoo: Best Marketing Campaign of the Year Tunisiana: Best CSR Initiative
15th Annual World Communication Awards	Ooredoo: Best Mobile Operator of the Year
Institute of Chartered Accountants in England and Wales (ICAEW) Middle East Accountancy and Finance Excellence Awards	Ooredoo: Best Finance Team of the Year

Key Moments from 2013

2013 was a landmark year for Ooredoo. As the Group transformed its identity, every one of its operating companies worked hard to reach out to customers, and to care, connect and challenge them with a broad range of activities.

January

Ooredoo successfully prices USD 1 billion bond transactions

Ooredoo successfully priced USD 1 billion worth of senior unsecured notes in January 2013. These included USD 500 million in 15-year notes, due in 2028; and USD 500 million in 30-year notes, due in 2043. The net proceeds from the sale of the notes was used for Ooredoo's general corporate purposes, including refinancing existing indebtedness.

February

Ooredoo unifies companies under new brand

At the GSMA Mobile World Congress in Barcelona, Ooredoo Chairman H.E. Sheikh Abdullah Bin Mohammed Bin Saud Al-Thani announced that all operating companies would unify under the new brand throughout 2013 and 2014, and named international football star Lionel Messi as Global Brand Ambassador. In March 2013, the flagship market of Qatar became the first operation to rebrand as Ooredoo.

Asiacell completes Middle East's largest IPO in five years

In the largest IPO in the Middle East since 2008, Asiacell successfully completed its initial share offering, raising USD 1.27 billion in February 2013. It now trades on the Iraq Stock Exchange under the ticker "TASC." Ooredoo also increased its shareholding in Asiacell from 53.9 to 64.1 percent.

March

Wataniya Telecom appoints new CEO

Wataniya Telecom appointed Abdulaziz Fakhroo as the new CEO, leading the company into an exciting new phase of development. Later in July 2013, Wataniya launched the ultrafast 4G LTE network in Kuwait, and rolled-out 4G coverage throughout the country.

Ooredoo AGM approves distributing 50 percent dividend

Ooredoo's Annual General Meeting (AGM) approved the distribution of a cash dividend of 50 percent of the nominal share value (QR 5 per share), as the company posted a 6.2 percent increase in consolidated revenue from QR 31.8 billion in 2011 to QR 33.7 billion in 2012. The AGM gave official approval for the change of the company's name to Ooredoo Q.S.C.

April

Ooredoo and CommScope launch industry leading factory-assembled tower tops

In a major technology development for the mobile industry, Ooredoo and CommScope launched a new approach to building wireless networks, aiming to improve installation quality and network performance and reduce deployment time. The world's first factory-assembled tower tops for base station remote radios are pre-assembled according to a single global design standard.

Ooredoo becomes GCC's leading provider of 4G services

Ooredoo Qatar officially launched Qatar's first 4G LTE network in April, and rolled-out coverage zone-by-zone throughout 2013 with the goal of covering all inhabited areas of Qatar by 2014. They joined Nawras, which launched Oman's first 4G LTE network in February 2013, and were followed by Wataniya Kuwait later in the year, making Ooredoo the first company to offer 4G services in three countries in the GCC.

May

Messi and Ooredoo team up on children's health

Ooredoo and the Leo Messi Foundation announced a trailblazing new initiative to support mobile health clinics around the world, with the goal of providing medical aid for two million children across Ooredoo's footprint in the Middle East, North Africa, and Southeast Asia by 2016. Ooredoo announced plans to enhance its mobile health clinic services in Indonesia and expand its wide range of mHealth services across its footprint. It was followed in July by "Play for Dreams," an online initiative to encourage young people to share their aspirations and ambitions.

June

Ooredoo announced as one of the winners of commercial licence for Myanmar

Ooredoo won one of two mobile network licences in its newest market of Myanmar, where the company is set to launch a next-generation 3G network in 2014 that will deliver mobile and internet connectivity for millions of customers for the first time. Ooredoo Myanmar will also offer a wide range of mobile communications services to improve daily life and help businesses run more efficiently – including mobile money, mHealth, and mAgriculture.

July

Business Fibre launches in some of Ooredoo's key markets

Ooredoo launched its Business Fibre broadband services in key markets including Qatar, Indonesia, Oman, and Tunisia, providing small and medium-sized businesses with fast and reliable internet connections. Ooredoo's investment in fibre has proved to be a strong asset for the company, with Qatar delivering the world's fastest rollout according to a global study based on figures from the FTTH Council.

September

Ooredoo sponsors Paris Saint-Germain

Ooredoo announced the sponsorship of the 2012/2013 Ligue 1 football champions Paris Saint-Germain. As part of the partnership, which will run through 2018, Ooredoo and Paris Saint-Germain pledged to launch a community coaching programme across Ooredoo's key markets, to create opportunities for young people in underserved communities.

September

Tunisia: Second market to adopt Ooredoo brand

Tunisia became the second of Ooredoo's markets to adopt the Ooredoo brand as "Tunisiana Ooredoo," and celebrated by announcing a sponsorship agreement with four of Tunisia's top football teams. The sponsorship is the first time that Ooredoo will use its logo across all elements of a major sponsorship programme in North Africa.

Cherie Blair Foundation for Women and Ooredoo Myanmar to train 30,000 women

Ooredoo Myanmar and the Cherie Blair Foundation for Women announced an innovative new partnership with organisations in Myanmar to train 30,000 women to become mobile retail agents by 2016, extending the benefits of mobile technology to underserved communities and supporting women's entrepreneurship in Myanmar.

Indosat launches UMTS 900 MHz network

Indosat became the first company in Indonesia to launch the new UMTS 900 MHz network, providing a faster and modernised internet experience for its customers, and increasing the cost effectiveness of its operations. The UMTS 900 MHz network was launched in the tourist hub of Bali, and will roll-out in Greater Jakarta and additional major cities on the island of Java.

October

New CEOs in Myanmar, Iraq and Oman

Driving an enhanced customer experience, Ooredoo announced appointments for new CEOs in three of its operations in October. Ross Cormack, former CEO of Nawras in Oman, was appointed to lead Ooredoo Myanmar; Greg Young took on the CEO role at Nawras; and Asiacell in Iraq selected Amer Al Sunna as its new CEO.

Ooredoo to organise ITU Telecom World 2014 in Qatar

In October, it was announced that Ooredoo will organise the prestigious ITU Telecom World 2014 on behalf of the State of Qatar, the host country. The event will provide an incredible opportunity to showcase a diverse range of Ooredoo services to an international audience.

November

One million Mobile Money customers across footprint

Ooredoo passed the milestone of serving more than one million Ooredoo Mobile Money customers across its footprint in November 2013, enhancing the lives of people and contributing to economic and social development. The service, which enables customers to use their mobile phone to access financial services, is available in Qatar, Indonesia and Tunisia.

Algeria sees launch of Ooredoo brand and 3G services

Nedjma, the Algerian operation, adopted the new Ooredoo brand in November 2013. To deliver a better customer experience, Ooredoo launched Algeria's first commercial 3G mobile broadband network in December 2013, opening the network to the public within hours of receiving the regulatory green light.

December

Ooredoo successfully closes first USD 1.25 billion Sukuk issuance

Ooredoo successfully closed its first issuance of Sukuk, worth USD 1.25 billion, which will mature in 2018. This was Ooredoo's first-ever Islamic bond and the first Sukuk issued globally in USD, using an innovative structure.

Maldives adopts Ooredoo brand and launches 4G

The Maldives operation became the first in Asia to adopt the Ooredoo brand, using the opportunity to enhance its connection with customers and showcase consumer and business services. In parallel, following an introductory phase in April 2013, Ooredoo Maldives launched the country's first ever 4G LTE network.

By the close of 2013, the Ooredoo brand is live and serving customers in the Middle East, North Africa, and Asia – an incredible achievement in just 11 months

Our Businesses

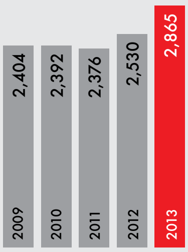
Ooredoo Qatar

Ooredoo is Qatar's leading communications company and the flagship operator of Ooredoo (Ooredoo Q.S.C.). Since 1949, the company has driven ICT innovation by providing its consumer and business customers with leading life-enhancing products and services.

Ooredoo is committed to promoting human growth and supporting Qatar's rapidly-growing knowledge-based economy, in-line with the Qatar National Vision 2030.

Ownership
Ooredoo in Qatar is 100 percent owned and managed by Ooredoo (Ooredoo Q.S.C.).

Total customers
(thousands)



Financial performance

	2009	2010	2011	2012	2013
Revenue QRm	5,686	5,597	5,704	6,220	**6,590**
EBITDA QRm	3,296	2,878	2,948	3,249	**3,273**
EBITDA margin	58%	51%	52%	52%	**50%**
Blended ARPU QR	123.2	112.6	145.2	148.7	**133.0**
Employees	2,106	2,143	2,069	1,841	**1,715**

Blended ARPU is for the three months ended 31 December.

Operator importance to Group

3% Customers

19% Revenue

22% EBITDA

8% Capex

Ooredoo marked a banner year as the country's leading communications company in 2013, becoming the first operation to adopt the new brand of Ooredoo. The year also saw the opening of a new HQ in Doha, and the launch of a suite of 4G and fibre services that would enhance its market position.

In 2013 the company posted a record revenue of QR 6.6 billion, representing 6 percent growth from 2012.

Enhancing fixed and mobile broadband services was a key priority during the year. Ooredoo commercially launched Qatar's first ultrafast 4G LTE network in April 2013, and continued to rapidly roll-out 4G coverage from the capital of Doha zone-by-zone, aiming to cover all inhabited areas of Qatar by 2014.

Fixed-line fibre optic broadband was another key area of growth. A global review by consulting firm Arthur D. Little published in 2013 stated that Qatar experienced the world's fastest rollout of a fibre optic network in 2012, driven by Ooredoo's nationwide investment, and the company continued to set the pace in 2013. The company launched Business Fibre – providing small and medium-sized enterprises (SMEs) with the same broadband capability already enjoyed by large enterprises.

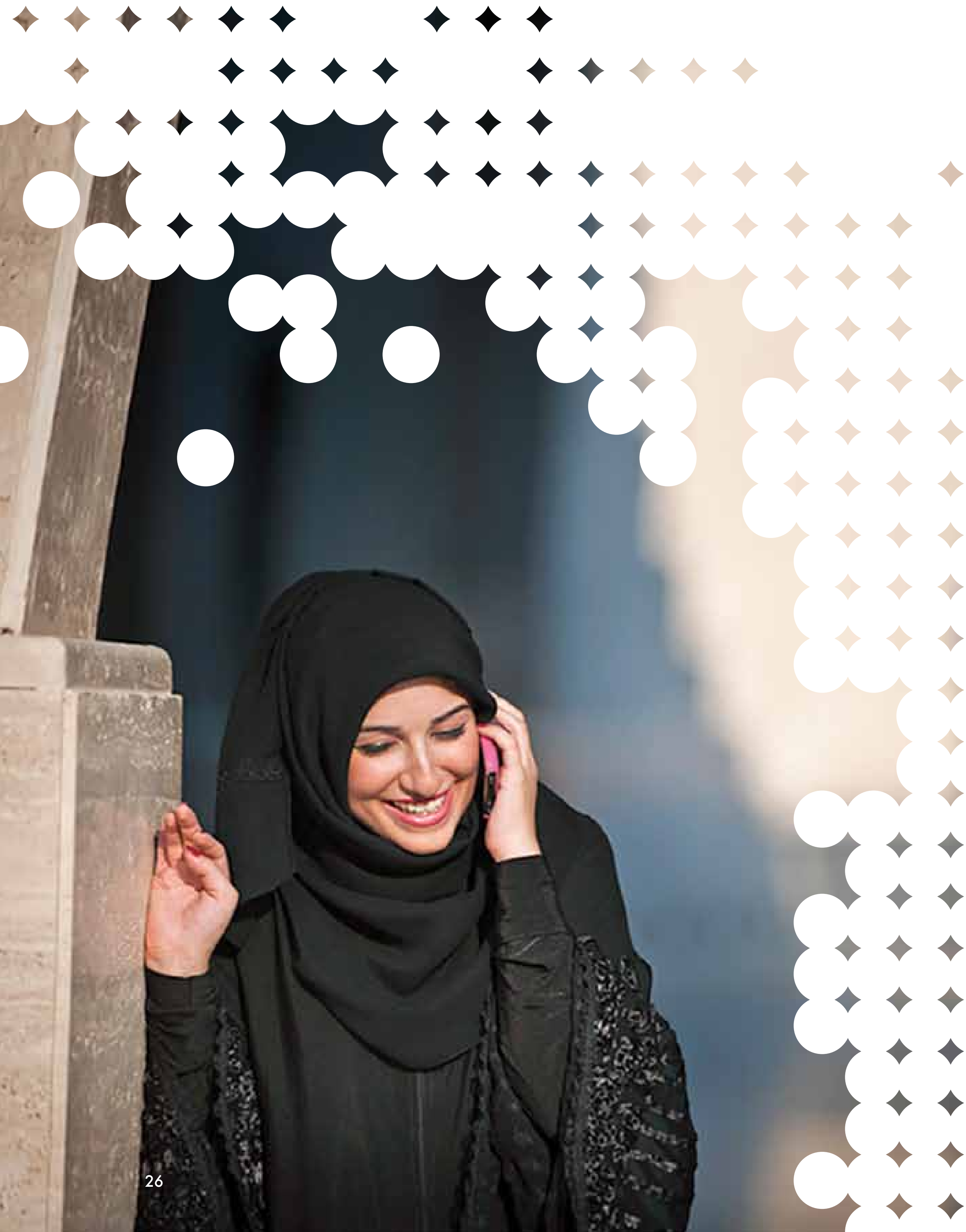
Expanding the range of services provided to the business community was a major area of focus during the year. The company partnered with Arbor Networks to introduce a new suite of network security solutions for Qatar; upgraded services such as Shahry for Business; and continued to invest in the expansion of its TETRA mobile radio network, which – with 290 customers and 27,000 users by the end of 2013 – is one of the largest commercially-available networks of its kind in the world.

In order to support the next generation of technology leaders, Ooredoo signed a number of strategic agreements on research and development during the year, including a partnership with Carnegie Mellon University in Qatar.

Ooredoo continued to take a bold and aggressive approach to competition throughout the year. The launch of mobile number portability in January 2013 was treated as an opportunity to win customers back, and the company supported a range of initiatives to make it easier for people to switch to Ooredoo, including a dedicated mobile application. This was matched by on-going enhancements to Ooredoo's entertainment portfolio, including the launch of the first entertainment application, Mozaic GO, in December 2013.

"Rebranding our operations has taken us to the next level as Qatar's leading communications company. We have become closer to our customers, and the results have paid off with another strong year of growth across the board. Looking forward, we will continue to support the country's growth through ICT, and promote human growth among our customers. This dual strategy will enhance the daily lives of Qatar's population of more than 2.1 million people. In conclusion, I'd like to sincerely thank our dedicated staff for their exemplary efforts."

Sheikh Saud Bin Nasser Al Thani
CEO, Ooredoo Qatar



Recognising that people are crucial to its success, Ooredoo in Qatar continued to invest in training, development and recruitment, aiming to maintain its status as an employer of choice. Qatarisation levels remained positive, and the company's Echo Employee Survey showed high levels of engagement across the company, with more than eight in ten employees saying they felt excited about the new brand.

The year ahead

Qatar's economy continues to be dynamic and Ooredoo sees strong potential for on-going strategic growth throughout 2014. Major projects under development for the FIFA World Cup 2022, as well as the significant expansion of Qatar's transport and logistics infrastructure, create new opportunities for network development and strong demand for Ooredoo services.

The rapid expansion of the Ooredoo Fibre and 4G networks achieved in recent years should deliver a direct impact on revenues and profitability in 2014. Increasing availability of 4G devices, along with planned enhancements of Ooredoo's data products and services, are set to boost the number of customers using 4G in Qatar.

Ooredoo will continue to invest in enhancing the customer experience in Qatar, including a push towards greater flexibility and easier access, and updates to the Ooredoo mobile application, nationwide network of self-service machines, social media and the Ooredoo customer centre.

Sport and sports sponsorship provide an important opportunity to distinguish the Ooredoo brand in a challenging market, and the company has a "Year of Sport" planned for 2014, which includes sponsorship of local sportspeople, major events and traditional sporting cultural activities.

Ooredoo will continue to support Qatar's business sector, revamping its full range of business services throughout 2014. As Qatar continues to develop, Ooredoo will continue to pursue new opportunities in fast-growing fields like healthcare and education.

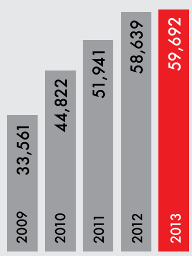
Indosat in Indonesia

Indosat is a fully integrated telecommunication network and services provider operating in Indonesia, which is the fourth most populous nation on earth. Indosat is the country's second largest mobile operator in terms of consolidated revenue and serves more than 59 million customers on its nationwide network.

As one of the operators mandated to provide national and international long-distance telecommunications services, Indosat offers a broad product suite that spans voice, internet, data, and VoIP.

Ownership
Ooredoo has a 65 percent stake in Indosat.

Total customers
(thousands)



Financial performance

	2009	2010	2011	2012	2013
Revenue QRm	6,579	7,942	8,550	8,804	8,371
EBITDA QRm	3,207	4,034	4,159	4,420	3,862
EBITDA margin	49%	51%	49%	50%	46%
Blended ARPU QR	16.4	13.4	10.2	9.9	8.8
Employees	7,135	6,694	4,461	3,827	3,956

Blended ARPU is for the three months ended 31 December.

Operator importance to Group

62% Customers

25% Revenue

26% EBITDA

30% Capex

Indosat exits 2013 having delivered upon a number of important strategic commitments. The company continued to modernise its network by adding new capacity and technologies to improve reliability and reach. New services were launched that further extend Indosat's capabilities in terms of voice and higher-value data-driven offerings. With core business commitments achieved, the Indosat team also continued to deliver on its commitment to Indonesia, playing its part in driving social and economic development.

The clearest signal of Indosat's progress came in September, when it became the first operator in Indonesia to commercially launch a UMTS 900MHz network. This milestone unlocked a new range of advanced mobile broadband services, as well as wider network coverage and faster internet speeds. New Point of Presence (PoP) technologies were unveiled in key urban areas to improve indoor coverage and several other parts of the company's fibre. Moreover, cable and satellite networks were upgraded, in line with Indosat's three-year plan to deliver the best customer experience in Indonesia.

The ever-increasing reach of the Indosat network is matched by a similar pace of change in service innovation. Indonesians then saw the launch of IM3 PLAY, which presents two package options for customers. The first is "IM3 PLAY Online," which offers free year-long internet and BlackBerry messaging, and the second is "IM3 PLAY Phone and SMS," which offers free 24-hour calls to fellow Indosat users and free SMSs to all, regardless of operator. This year also marked the launch of new mobile money services with local and international partners, which earned Indosat the award for "Best Mobile Money Services in Asia" at the 2013 Mobile Money Global Awards.

In terms of local commitment, Indosat rolled-out a number of important initiatives this year. In the field of entrepreneurship and economic development, Indosat partnered with the Founders Institute to help the most prominent local "app" developers accelerate their innovations and bring real-life digital products to market.

The year ahead

In such a dynamic country – with such a high proportion of the population below the age of thirty – one of the largest opportunities open to Indosat in 2014 is the growing demand for data services. While demand for data is speedily increasing, the overall penetration of data services remains relatively low, opening up multiple opportunities to grow for Indosat.

Digital Services such as mobile financial services, e-commerce, m-advertising, and partnership with key global Over The Top (OTT) players also represent key focus areas for the company in the year ahead.

"This year, we have aligned all of our efforts around one driving ambition: to deliver the best possible experience for our customers, at every single step in their Indosat journey. Whether joining our network for the first time, discovering and accessing new services, or simply looking for help and guidance, we have enhanced the ways in which our customers can interact with Indosat and secure the support they need. With several major network improvements achieved – and with a rapidly expanding opportunity to take advantage of growing demand for data services – we look forward to another year of innovation and excellence in 2014."

Alexander Rusli
President Director and CEO, Indosat

Wataniya Kuwait

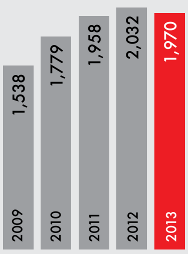
Wataniya Kuwait is the second largest mobile telecommunications operator in Kuwait, and its success lies in its commitment to deliver innovative services and an outstanding customer experience. Wataniya Kuwait provides a wide range of communication and internet services to both individuals and corporate customers. The company offers a portfolio of secure wireless internet and mobile services along with business efficiency tools for corporate customers under the WPro brand.

Wataniya has tailored offers and experiences to complement the needs of its diverse customer segments, such as The W's Plan for its most valued customers, InTouch for foreign residents living in Kuwait, and the pre-paid Xpress plan. In addition, Wataniya has introduced a range of value-added services to optimise their user experience, such as Rent-a-Number, SMS bundles, international top-up service, and a mobile self-care app.

Ownership

Ooredoo holds a 92.1 percent stake in Wataniya Telecom (NMTC), which is listed on the Kuwait Stock Exchange.
NMTC is the legal entity that owns shares in Ooredoo Maldives, Bravo, Ooredoo Tunisiana, Ooredoo Algeria, and Wataniya Mobile Palestine.

Total customers
(thousands)



Financial performance

	2009	2010	2011	2012	2013
Revenue QRm	2,580	2,827	3,223	2,880	**2,500**
EBITDA QRm	1,188	1,262	1,469	1,101	**667**
EBITDA margin	46%	45%	46%	38%	**27%**
Blended ARPU QR	137.1	131.6	118.8	96.2	**87.3**
Employees	855	1,008	1,000	1,078	**950**

Blended ARPU is for the three months ended 31 December.

Operator importance to Group

2% Customers

7% Revenue

5% EBITDA

14% Capex

During 2013, Wataniya delivered on several key commitments, each of which helped to retain its strong market position and customer trust.

2013 saw Wataniya launch Kuwait's first-ever 4G service: a proud achievement that delivers some of the world's fastest speeds to Kuwaiti consumers. In addition to this, the speed and quality of the company's entire network has been significantly enhanced, including important coverage and performance updates to the nationwide 3G and 2G network technologies. New partnerships and initiatives have also been forged, as in the case with leading vendors Huawei and Ericsson, each designed to ensure that Wataniya's service quality continually sets standards rather than following them. All of these enhancements have served to further enrich the customers' experience, whatever speed or service they choose.

The company faced a number of challenges during 2013, as a result of market conditions and rising competition. However, Wataniya Kuwait took a number of key steps to overcome these challenges.

Led by its commitment to provide customers with easy access to better meet their needs, Wataniya has launched a number of important service initiatives this year. In 2013, Wataniya became the first operator in Kuwait to launch a fully-fledged mobile compatible website. This step unlocked a wealth of new possibilities for customers, who can now carry out essential billing and service tasks on-the-go.

Since its launch, visitor traffic to the site has increased 12 percent and a new online 'live chat' service to answer customer queries has proved equally popular. An enriched online experience has been matched by parallel service enhancements in other areas. A new CRM-based point-of-sale and partner management system was launched during the year, speeding up and revolutionising service across the retail network.

With new and improved ways to access Wataniya rolled-out in the country, the company has also made further progress with its plans to add rich new services to its offering. During the year, Wataniya launched the popular messaging application, WhatsApp, across the network. Furthermore, conscious of the ever increasing popularity of mobile commerce and banking applications in Kuwait, the company entered into a strategic partnership with AIG Insurance and strengthened its banking relationships so that customers can now make debit and credit card payments on-the-go.

The year ahead

Wataniya Kuwait enters 2014 in a strong position. The landmark developments of 2013 mean that the company now has the most advanced – and fastest – network in Kuwait. The company will continue to build on the encouraging success of its e-commerce and e-service channels, both of which present multiple new opportunities for growth. 2014 will also see Wataniya take advantage of its position in 4G, driving customer adoption and capitalising on the new services and experiences 4G opens up to Kuwaiti consumers.

"Despite the challenges we have faced in 2013, I am pleased with the significant progress we have made this year – all of which has reaffirmed our reputation for service excellence and service leadership. We have placed a strong emphasis this year on enriching the service we offer to our customers, expanding the channels through which those services can be accessed, and extending the reliability of the service once chosen. The launch of 4G is a landmark for us and for Kuwait, and we look ahead to 2014 with optimism, excited by the new opportunities and challenges that our position as one of the leaders of telecommunication services in Kuwait brings."

Abdul Aziz Fakhroo
CEO, Wataniya Kuwait

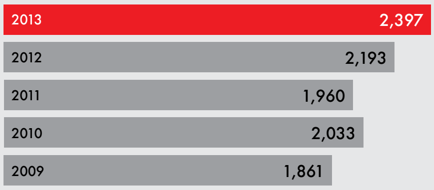
Nawras in Oman

Nawras is Oman's second full-service operator, commanding an important share of the country's mobile customers based on a strategy of service innovation, quality and reach. Nawras delivers a wide range of mobile, fixed and internet services across advanced wireless and fibre networks.

From the 2007 launch of 3G+ wireless broadband services to the award of the Sultanate's second fixed telecommunications licence in 2009, and the 2010 launch of corporate fibre and consumer broadband services, Nawras has continuously set the pace of change in Oman's telecommunications market. Today, Nawras is one of the largest companies listed on the Muscat Securities Market.

Ownership
Ooredoo holds a 55 percent effective economic stake in Nawras.

Total customers (thousands)



Financial performance

	2009	2010	2011	2012	2013
Revenue QRm	1,625	1,864	1,939	1,907	**1,990**
EBITDA QRm	827	968	979	902	**933**
EBITDA margin	51%	52%	51%	47%	**47%**
Blended ARPU QR	73.5	73.8	80.4	70.8	**63.8**
Employees	743	898	1,019	1,027	**1,051**

Blended ARPU is for the three months ended 31 December.

Operator importance to Group

2% Customers

6% Revenue

6% EBITDA

8% Capex

Thanks to the efforts of the past twelve months, 2013 will be looked back upon as the year in which Nawras established itself as the undisputed mobile technology leader in Oman. This year has seen the Nawras team deliver convincingly upon its commitment to 'Turbocharge' its network, opening up new services that clearly set it apart from other operators in the country.

The network enhancements made in 2013 add up to a long and impressive list. Nawras has invested in WiMAX broadband, remaining well positioned to capitalise on the rapidly growing appetite for broadband and data services. The company has comprehensively upgraded its important backbone of base stations, with over 220 3G sites upgraded during the course of the year and a new fibre ring activated in the south of the country, enhancing speeds and reliability. To further improve user experience, in May the company activated its third 3G data carrier: a development which dramatically improves indoor coverage for 3G customers. Perhaps most importantly of all, however, was the switch-on in February of cutting-edge 4G LTE services in Muscat and Al Batinah, which uniquely positioned Nawras as the only operator in Oman to offer such superfast services – and indeed one of only 80 4G-enabled countries worldwide.

2013 has not been solely about network improvement. Service excellence has also featured heavily in Nawras' strategic planning. Certain developments are designed to answer a specific customer need, such as the introduction of real-time charging for post-paid customers and new roaming solutions: two popular initiatives that enable customers to accurately monitor their usage and expenditure. Other developments have been more revolutionary, such as the introduction of new "Smart Services" which aim to detect a customer issue and provide a suitable solution long before the customer has detected it. In recognition that a customer's experience is directly linked to the company's own operational excellence, a new Network Operation Centre was opened in December in Bausher, enabling sophisticated monitoring and centralised control of the entire nationwide network.

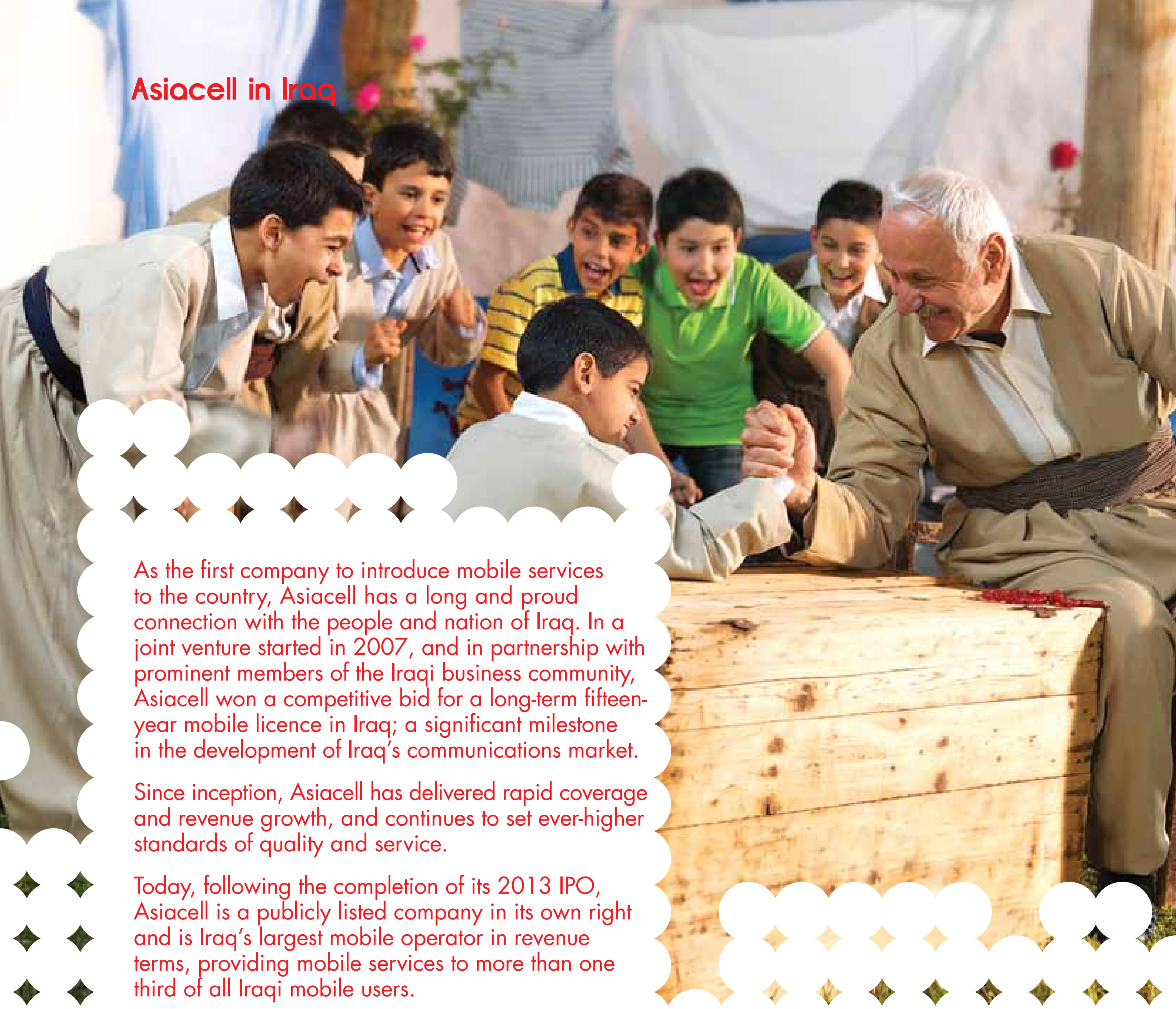
The year ahead

In the year ahead Nawras will work hard to deliver on the multiple new opportunities that its 'Turbocharge' efforts have opened up. Building upon its clear technological lead, the company will continue to stay ahead of the development curve and provide an unrivalled data-led user experience. These efforts, coupled with an ongoing focus on relevant new services such as home and mobile broadband, should continue to drive customer acquisition and retention across all user groups and all value segments.

"As we enter this new and exciting year, Nawras is without question the strongest, most innovative and most forward-thinking operator in Oman. Our network leadership is undisputed – and with the switch-on of 4G services this year, Nawras joins the ranks of a still small number of operators around the world to offer such high speeds. When we innovate and when we strive to reach new highs, our customers benefit. With such a strong technology backbone now in place, we look forward to extending those benefits to even more customers nationwide in 2014."

Greg Young
CEO, Nawras

Asiacell in Iraq



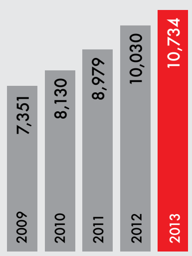
As the first company to introduce mobile services to the country, Asiacell has a long and proud connection with the people and nation of Iraq. In a joint venture started in 2007, and in partnership with prominent members of the Iraqi business community, Asiacell won a competitive bid for a long-term fifteen-year mobile licence in Iraq; a significant milestone in the development of Iraq's communications market.

Since inception, Asiacell has delivered rapid coverage and revenue growth, and continues to set ever-higher standards of quality and service.

Today, following the completion of its 2013 IPO, Asiacell is a publicly listed company in its own right and is Iraq's largest mobile operator in revenue terms, providing mobile services to more than one third of all Iraqi mobile users.

Ownership
Ooredoo has a 64.1 percent effective economic stake in Asiacell.

Total customers
(thousands)



Financial performance

	2009	2010	2011	2012	2013
Revenue QRm	3,998	5,054	5,934	6,878	**7,071**
EBITDA QRm	2,162	2,621	3,233	3,689	**3,629**
EBITDA margin	54%	52%	54%	54%	**51%**
Blended ARPU QR	52.1	56.0	60.1	61.6	**54.8**
Employees	2,158	2,170	2,821	2,906	**2,811**

Blended ARPU is for the three months ended 31 December.

Operator importance to Group

11% Customers

21% Revenue

25% EBITDA

14% Capex

2013 has been a transformational year for Asiacell: one in which the company broke through the 10 million customer barrier, revitalised its service offering, and transitioned successfully to public company status. Each of these achievements has been galvanised by a strategy that prioritises customer experience and recognises the important role Asiacell plays in Iraqi society.

Asiacell's prominence increased yet again in 2013, following completion of the company's landmark IPO. The transaction, which saw Asiacell raise $1.27 billion from both international and domestic investors, is the largest ever IPO to take place in Iraq. The significance of this achievement has been recognised by a number of independent bodies, with the Asiacell team proud to see their work recognised as "Best Equity Capital Market Deal" of the year during the TMT Finance MENA 2013 Conference in Dubai.

During the year the company launched a new customer experience programme designed to ensure that Asiacell can anticipate and surpass customer expectations now – and in the future. This programme has already delivered a positive impact on customer acquisition, retention and value, and informed the launch of five major new product and service offerings. Asiacell's services, each tailored to distinct customer groups, continue to lead the market. In February, Asiacell's popular efforts to provide tailored communications services to Iraqi women via its Almas Line offering were recognised when the company was awarded the Global Mobile Award for "Best Mobile Product or Service for Women in Emerging Markets."

The year ahead

The routes to continued success for Asiacell in 2014 are clear. First, the company will seek to consolidate its position as a trusted Iraqi company by ensuring that its service remains resilient, reliable and innovative across all regions. Secondly, in an increasingly vibrant Iraqi economy, Asiacell's B2B strategy will focus on capturing the many untapped opportunities to serve Iraqi business customers and help them realise their true potential.

"2013 has been a transformational year for Asiacell. We have made unprecedented efforts to expand our service offering and build upon the strong connection we have with our customers. Our award-winning IPO demonstrates the fundamental quality and potential of our business. The strategy that has brought us to this point will continue to carry us through in 2014. Customer experience and a passion to help fellow innovators in our economy to grow and to succeed remain our driving forces as a team."

Amer Al Sunna
CEO, Asiacell

Ooredoo Algeria

Ooredoo Algeria, formerly known as Nedjma, commenced operations in Algeria in 2004. Today, it forms an essential cornerstone of the dynamic North African mobile marketplace.

As one of the freshest and most engaging brands in the country, Ooredoo offers its Algerian customers value-for-money mobile voice, data and broadband services. These are delivered across a robust nationwide network that was the first to introduce the ground-breaking 3G services in the market this year.

Ownership
Ooredoo owns a 92.1 percent stake in Wataniya (NMTC). Ooredoo, through its own entities and indirectly through NMTC, holds an 80 percent stake in the operations of Ooredoo Algeria. This gives Ooredoo a 74.4 percent effective economic stake in Ooredoo in Algeria.

Total customers (thousands)

2013	9,492
2012	9,059
2011	8,505
2010	8,246
2009	8,033

Financial performance

	2009	2010	2011	2012	2013
Revenue QRm	1,795	2,228	2,961	3,479	**3,884**
EBITDA QRm	590	841	1,101	1,374	**1,583**
EBITDA margin	33%	38%	37%	39%	**41%**
Blended ARPU QR	21.8	24.7	30.6	33.6	**33.9**
Employees	1,838	1,929	2,360	2,485	**2,846**

Blended ARPU is for the three months ended 31 December.

Operator importance to Group

10%
Customers

11%
Revenue

11%
EBITDA

19%
Capex

During this last year, Ooredoo's Algerian team has placed significant focus on improving customer experience through network development and driven rapid awareness of the new Ooredoo brand by developing new social partnerships. These efforts have enabled Ooredoo to establish an early leadership reputation in 3G, maintain a strong market position, and make a substantial contribution to human growth among the Algerian people it serves.

2013 has been a transformational year for Ooredoo's Algerian network with every core element of the network either modernised or replaced. Following a successful participation in the landmark 3G licensing process this year, December saw Ooredoo become the first Algerian operator to launch commercial 3G operations. The arrival of 3G heralds the start of a huge technological leap forward for Ooredoo in Algeria. The team has worked hard to establish a first-mover position, deploying more than 2,200 3G-enabled base stations in just ten weeks.

Innovation has not been limited to 3G. During the year, Ooredoo completed the roll-out of a fibre-optic network across the Algiers metropolitan area, which will significantly increase transmission capacity and enhance the range of services Ooredoo can offer. In November, the company expanded its Noudjoum customer loyalty programme, which awards points not only to residential but also to corporate customers. Furthermore, it introduced a number of new options that will enhance the customer experience across its network of own-brand stores.

Recognising its responsibility as a key contributor to the Algerian economy, Ooredoo also launched a revolutionary new collaboration this year with the Ministry for Industry to help fuel growth among small and medium-sized businesses. In line with the Group's commitment to enrich the lives of its customers, particularly entrepreneurs and young people, this collaboration will see Ooredoo support innovative technological start-ups; help young developers of mobile applications and content to monetise their inventions; and increase the adoption of IT and communications services within small firms nationwide.

Illustrating their strong commitment and connection with the community, Ooredoo became the official sponsor of the Algerian National Football Team in their successful qualification campaign for the June 2014 FIFA tournament in Brazil, building on the company's previous sponsorship for the team for the 2010 World Cup.

The year ahead

Ooredoo starts 2014 with great optimism. The opportunity to expand and build upon its first-mover position in Algeria's new and emerging 3G ecosystem is large and exciting. Furthermore Ooredoo, like the Nedjma brand before it, is rapidly winning customer recognition and trust. The team aims to work hard in 2014 to leverage these clear advantages, and deliver the full benefits of 3G and dependable data services for customers across Algeria.

"2013 has been a landmark year for Ooredoo in Algeria. We start 2014 by leading the way in 3G mobile services. Our market position remains strong and our growth remains the strongest. Our network, our service offering, and our country's economic future have been transformed by 3G. The transition to the Ooredoo brand has opened up new ways for us to connect with the customers we serve. In 2014, we intend to maintain our growth and leading position in 3G and across the mobile sector by continuing to assume our role in helping Algerians to grow and thrive."

Joseph Ged
CEO, Ooredoo Algeria

Ooredoo Tunisiana in Tunisia

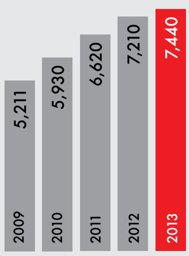
Launched in 2002 as Tunisia's first privately owned telecommunications company, Tunisiana's arrival marked a step-change in the country's communications market. Since then, Tunisiana has grown to become not only the country's number one mobile operator, but also one of the country's most trusted and recognised brands. Most recently, the company won a licence to offer fixed line communications services, providing a platform for it become a full-service telecommunications company.

Each day, Ooredoo Tunisiana's truly national network delivers a range of prepaid and postpaid voice and data services to more than seven million individual and business customers across the North African nation. The company began to use the Ooredoo Tunisiana brand in 2013.

Ownership

Ooredoo owns a 92.1 percent stake in Wataniya (NMTC). Ooredoo, through its own entities and indirectly through NMTC, holds a 90 percent stake in the operations of Ooredoo Tunisiana. This gives Ooredoo an 84.1 percent effective economic stake in Ooredoo Tunisiana.

Total customers
(thousands)



Financial performance

	2009	2010	2011	2012	2013
Revenue QRm	1,299	1,287	2,779	2,633	**2,504**
EBITDA QRm	701	713	1,573	1,350	**1,310**
EBITDA margin	54%	55%	57%	51%	**52%**
Blended ARPU QR	42.0	34.4	35.1	27.7	**26.3**
Employees	1,426	1,510	1,583	1,610	**1,690**

Blended ARPU is for the three months ended 31 December.
Year 2009 and 2010 represents 50% of the financial performance.

Operator importance to Group

8% Customers

7% Revenue

9% EBITDA

5% Capex

Despite the challenge and change Tunisia has seen this year, Ooredoo Tunisiana has continued to succeed. At the heart of its success is a strategy to deliver an exceptional customer experience to all, while enhancing loyalty among high-value, data-hungry customers. From its market-leading position, Ooredoo Tunisiana has expanded its service offering this year, anticipated and met changing consumer demands, and continued to deepen its connection with key social groups.

Ten years after the company first switched on its mobile network, 2013 saw Ooredoo Tunisiana reach a new landmark in its development, with the launch of its first fixed-line service. Alongside this fixed line launch, the company made further progress in its plan to become Tunisia's leading data provider, building on the 2012 roll-out of 3G to deploy high-speed fibre services in three key urban areas. Ooredoo Tunisiana's move from being a pure mobile operator to a full-service carrier has put the company in a strong position to generate new value from bundled offerings, in both the consumer and corporate market segments.

In addition to ensuring its network strength, Ooredoo Tunisiana is also committed to continuously improving customer service. 2013 saw the launch of a wide-ranging Customer Experience Programme that was designed to help anticipate customer demands and increase engagement. Recognising that service innovation is an important part of the overall customer experience, Ooredoo Tunisiana continued to drive adoption of some of its newest offerings, including Mobiflouss this year. This mobile payment service, which runs in partnership with the Tunisian Post Office, now has more than 200,000 active users.

Exhibiting its strong sense of corporate social responsibility, this year Ooredoo Tunisiana has worked hard to find new ways to translate its leading market position into initiatives that support human growth. Ooredoo Tunisiana's involvement in Najja7ni is just one example: a scheme offering mobile-based learning and development for young people in Tunisia, which has won a series of awards in recognition of its positive impact.

The year ahead

Tunisian consumers continue to demand and respond well to new technologies. As smartphone penetration across the country continues to increase, 3G is becoming the consumer's preferred method of internet access, presenting Ooredoo Tunisiana with a unique opportunity to drive adoption of its pioneering mobile data offering. An emphasis on delivering the best customer experience possible will continue to be the cornerstone of Ooredoo Tunisiana's strategy, and in 2014 the company plans to develop new services, create new content, and forge new partnerships that help maintain its position as Tunisia's operator of choice.

"As we exit our tenth year of operations, Ooredoo Tunisiana can proudly claim to be Tunisia's operator of choice. We offer the broadest and most relevant range of communications services available in our market. We share the same dynamic spirit as the customers we serve constantly innovating to help them to achieve their own ambitions. Furthermore, our customers' needs sit at the heart of everything we do. With our firm determination to be the best service provider for our customers, I am certain that we will continue to succeed and set the pace of change in our market."

Kenneth Campbell
CEO, Ooredoo Tunisiana

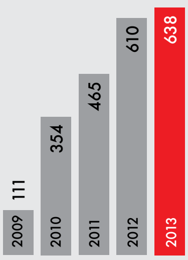
Wataniya Mobile Palestine

Wataniya Mobile Palestine is the second licensed mobile operator in Palestine and was awarded its licence in 2007. 2010 was Wataniya's first full year of commercial operations after the successful launch of services in the West Bank in 2009.

Following the highly successful completion in January 2011 of the company's initial public offering, Wataniya Mobile Palestine is today one of Palestine's largest public companies. It is a significant player in the Palestinian mobile market and is progressing with plans to expand its presence into Gaza. Through a range of services and products, the company currently offers the opportunity to enjoy a communications service based on network quality, reliability, and choice to approximately 2.8 million people in the West Bank.

Ownership
Ooredoo has a 92.1 percent stake in Wataniya (NMTC). Following the initial public offering, NMTC holds a 48.45 percent stake in the operations of Wataniya Mobile Palestine. This gives Ooredoo a 44.6 percent effective economic stake in Wataniya Mobile Palestine.

Total customers
(thousands)



Financial performance

	2009	2010	2011	2012	2013
Revenue QRm	8	140	273	306	325
EBITDA QRm	(74)	(79)	14	23	33
EBITDA margin	-	-	5%	7%	10%
Blended ARPU QR	23.9	43.0	43.9	35.4	34.7
Employees	275	355	410	418	433

Blended ARPU is for the three months ended 31 December.

Operator importance to Group

1% Customers

1% Revenue

0.2% EBITDA

0.5% Capex

Over the course of the past twelve months, the Wataniya Mobile Palestine team took steps to strengthen its existing network infrastructure; secured partnerships that embolden its service offering in key customer verticals; and pursued a strategy that will see it extend services in 2014 to the important Gaza region. Each of these initiatives has been undertaken with the aim of ensuring seamless customer service – and without a significant impact on expenditure.

During the year, Wataniya Mobile Palestine has upgraded the software across all of its key network nodes and added new radio sites to its array, extending coverage to more hard-to-reach areas and improving reliability in districts already served. The company also sharpened its focus on key customer groups, in particular the youth segment which has the potential to deliver considerable growth in the years ahead.

By signing a strategic partnership agreement with three of Palestine's major universities, and through the launch of innovative services such as "Wataniya Space" – the first telecom-sponsored social platform of its kind in Palestine – the company is well positioned to capitalise on the youth opportunity. 2013 also saw Wataniya receive the necessary permissions to enter its telecom equipment into Gaza: an exciting strategic step in the company's development.

In spite of these significant undertakings, the company has maintained firm control of its cost base. Embracing new marketing channels, particularly social media channels, has generated a 20 percent saving in marketing expenditure this year, and the company's operating and capital expenditure targets have both been achieved.

The year ahead

2014 will see Wataniya Mobile Palestine continue along its strategic path, with particular focus and energy set to be devoted to the exciting roll-out of services across Gaza. Once live, this launch will further increase the company's mobile market share across Palestine and inject a new, welcome level of competition into this key market. In addition to this Gaza roll-out, the company intends to revamp its core operating system and infrastructure in order to pave the way for the introduction of new and innovative services – for all of its customers – in the next eighteen months.

"Our entire team can be proud of the many successes they have achieved this year. The resilience of our network, its reach and the relevance of our services has each continued to grow in 2013. Our bond with our customers remains strong; and with plans to extend our reach into Gaza in 2014, we will soon begin to touch and enrich the lives of new customers of all ages."

Fayez Husseini
CEO, Wataniya Palestine

Ooredoo Maldives

From moderate beginnings in 2005, Ooredoo Maldives is today able to offer mobile and data services to more than 99 percent of the population of the Maldives. Supporting a vibrant economy centred on tourism, Ooredoo provides a range of mobile services to the Maldives' many international visitors across the 4G and LTE-ready network.

Ooredoo Maldives is pursuing a defined long-term strategy focused on increasing network coverage, expanding network reach, and the ongoing nationwide roll-out of broadband services.

Ownership
Ooredoo has a 92.1 percent stake in Wataniya (NMTC), which holds 100 percent of the operations of Ooredoo Maldives. This gives Ooredoo a 92.1 percent effective economic stake in Ooredoo Maldives.

Total customers (thousands)

2013	249
2012	176
2011	144
2010	111
2009	102

Financial performance

	2009	2010	2011	2012	2013
Revenue QRm	97	117	124	146	**166**
EBITDA QRm	5	15	22	34	**38**
EBITDA margin	6%	13%	17%	23%	**23%**
Blended ARPU QR	52.0	55.4	42.9	45.5	**41.5**
Employees	287	309	332	332	**316**

Blended ARPU is for the three months ended 31 December.

Operator importance to Group

0.3%
Customers

0.5%
Revenue

0.3%
EBITDA

0.5%
Capex

Ooredoo Maldives has made further significant strategic steps forward in 2013. During the year, the company has greatly enhanced its service offering to customers; rolled out and derived real benefit from the transition to the Ooredoo brand; and successfully launched 4G/LTE services on both mobile broadband offerings and on mobile handsets. The introduction of 4G/LTE was an important milestone in Ooredoo Maldives' development, opening up the fastest possible mobile speed to customers, and enabling swifter, more efficient broadband.

In addition to the 4G/LTE launch, 2013 saw Ooredoo Maldives complete a number of important infrastructure projects, each designed to further enhance the network. The radical modernisation of the company's Radio Access Network (RAN) was perhaps the most significant of these projects, with a new Convergent Billing in One (CBiO) system also going live during the year. Ooredoo Maldives also launched a number of new innovative services, such as emergency credit functionality and the ability to make online bill payments. Each of these exciting improvements has created a superior customer experience, to which customers are responding positively.

In addition to these developments, in 2013 Ooredoo Maldives became one of the first Wataniya properties to rebrand to the Ooredoo name. This was one of the biggest and most positive strategic achievements of the year and the response has been truly overwhelming. The company recorded more than 70,000 Facebook "likes" on its social media presence following the launch – the highest of any such page in the nation.

The year ahead

The rebrand to Ooredoo and the launch of 4G have brought immense advantages to the company in terms of brand positioning, and Ooredoo Maldives aims to build on these achievements in the year ahead. It will continue with the development of the 4G service, and focus on enhancing and modernising the 64 2G sites currently in operation, taking network reliability and reach to the next level. Rebranding also enables the company to re-examine customer service and enhance the customer experience.

"Our achievements this year have been truly monumental. We are extremely proud to have been the first operation in Asia to rebrand to the Ooredoo name. The transition was smooth, happened overnight, and created huge excitement in our marketplace. The launch of 4G and our continued drive for fresh service innovations have strengthened our market position, and enable us to continue to deliver the best possible service to our valued customers."

Haroon Shahul Hameed
CEO, Ooredoo Maldives

Ooredoo Myanmar

Ooredoo Myanmar is the newest operation within the Group. In June 2013, Ooredoo was selected as one of the two successful applicants to be awarded a telecommunication licence in the Republic of the Union of Myanmar.

Myanmar, one of the world's least developed telecom markets, will become a key market for Ooredoo as it builds out a nationwide 3G network and delivers accessible, affordable and life-enhancing services to the people of Myanmar.

Myanmar is a country full of potential. Ooredoo, along with 92 other firms that initially submitted interest applications for the licence, saw this fantastic opportunity. The Myanmar people are educated, entrepreneurial, ambitious and aspirational, yet the telecom services penetration rate is less than 12 percent. While all markets are unique, what makes Myanmar different is that parallel development opportunities are rapidly emerging at the same time, which telecommunications will have a key role in facilitating.

Ooredoo will offer a wide range of mobile communications services beyond voice and data to improve the lives of Myanmar consumers and help businesses run more efficiently. This will include the development of a comprehensive portfolio of life-enriching services, including mobile money, a range of mobile health services, and innovations to support farmers and agricultural development.

Ooredoo Myanmar will roll-out its services using a large distribution network which will quickly reach beyond Myanmar's cities into the country's rural areas. The company will leverage this network in deploying innovative solutions across 3G networks using 900 and 2100 frequencies, bringing data services where there had previously been only voice.

Ooredoo Myanmar is committed to enriching people's lives and stimulating human growth as a community-focused business. Since launching its operations, Ooredoo Myanmar has been actively involved in the community and is the Official Sponsor of the Special Olympics Myanmar and the Myanmar Football Federation.

"Ooredoo has pledged to invest heavily in the Myanmar economy and strongly contribute to the development of the country. We will be investing in developing the Myanmar ICT sector, public health sector, education sector, as well as in youth empowerment programmes, women empowerment programmes and sport. As a community-based telco, we're committed to supporting both urban and rural communities across Myanmar, in line with our vision of supporting human growth."

Ross Cormack
CEO, Ooredoo Myanmar

wi-tribe, Asia Mobile Holdings, and Other Investments

wi-tribe group was established in 2007, backed by Ooredoo's unrivalled experience and capability. wi-tribe Pakistan, which began services in 2009, is now the country's leading broadband for quality and customer satisfaction, operating in five regions: Islamabad, Rawalpindi, Lahore, Karachi and Faisalabad. In 2010 wi-tribe also launched in the Philippines and is today one of the fastest-growing 4G broadband internet services in the country.

Asia Mobile Holdings Pte. Ltd. (AMH) is a mobile communications investment company formed in 2007 to explore and invest in new mobile opportunities in the Asia Pacific region.

wi-tribe Pakistan

Ooredoo has an 86.1 percent stake in wi-tribe Limited, which owns 100 percent of wi-tribe Pakistan. With the launch of commercial-scale WiFi access 90 percent of its customer base is WiFi-enabled.

wi-tribe Philippines

Ooredoo has a 100 percent stake in wi-tribe Asia Limited, which owns 40.0 percent of Liberty Telecom. In the Philippines, wi-tribe has further exploited its WiMAX network. In addition, the company continued a number of LTE trials in cooperation with a handful of leading international telecom equipment vendors.

The Asia Mobile Holdings (AMH) Portfolio

Ooredoo owns a 25 percent stake in AMH. The remaining 75 percent stake is owned by Singapore Technologies Telemedia (STT). AMH, incorporated in Singapore, is the preferred investment vehicle for both Ooredoo and STT for investing in mobile operations in the Asia Pacific region.

AMH closed 2013 with investments in the following companies:

StarHub Ltd.

AMH has a 56.6 percent stake in StarHub Ltd. (StarHub), which equates to an Ooredoo effective stake of 14.1 percent. Launched in 2000, StarHub is a fully integrated communication company offering a full range of information, communications and entertainment services for both consumer and corporate markets.

Shenington Investments Pte. Ltd.

AMH has a 49 percent stake in Shenington Investments Pte. Ltd. (Shenington). Shenington has a 100 percent shareholding in Mfone Co Ltd., which equates to an Ooredoo effective stake of 12.2 percent. Mfone in Cambodia effectively discontinued operations in 2013. Shenington also owns a 49 percent shareholding in Lao Telecommunications Company Limited (LTC), which equates to an Ooredoo effective stake of 6.0 percent. LTC is the largest telecoms operator in Laos.

Other investments

Bravo

Bravo is a company that entered the Saudi Arabian market in 2005 as the country's first specialised push-to-talk provider (PTT). Ooredoo held an effective 92.1 percent economic stake in Bravo through its 92.1 percent stake in Wataniya (NMTC). It was announced on 31 October 2013 that, pursuant to the Group's focus on core businesses based on global technology standards, Saudi Telecom Company (STC) would acquire full ownership of Bravo from Wataniya. Three months later, on 30 January 2014, Ooredoo announced the successful completion of the divestment of Bravo to STC.

Our Social Responsibility

Our Social Responsibility

Ooredoo's vision is to enrich people's lives as a leading international communications company, and each of its operations strive to serve their communities to the best of their abilities. Where possible and useful, Ooredoo's approach is to partner with grassroots and international organisations to strengthen the impact of its corporate social responsibility initiatives. These initiatives are developed through dialogue with customers, listening to their ideas and ambitions, and working to understand where Ooredoo can have the most positive impact.

In 2013, Ooredoo launched a number of initiatives at a Group level, which were rolled-out in different markets by the national operations. In addition, there was a strong programme of national activities, with a particular focus on young people, women, and reaching out to underserved communities.

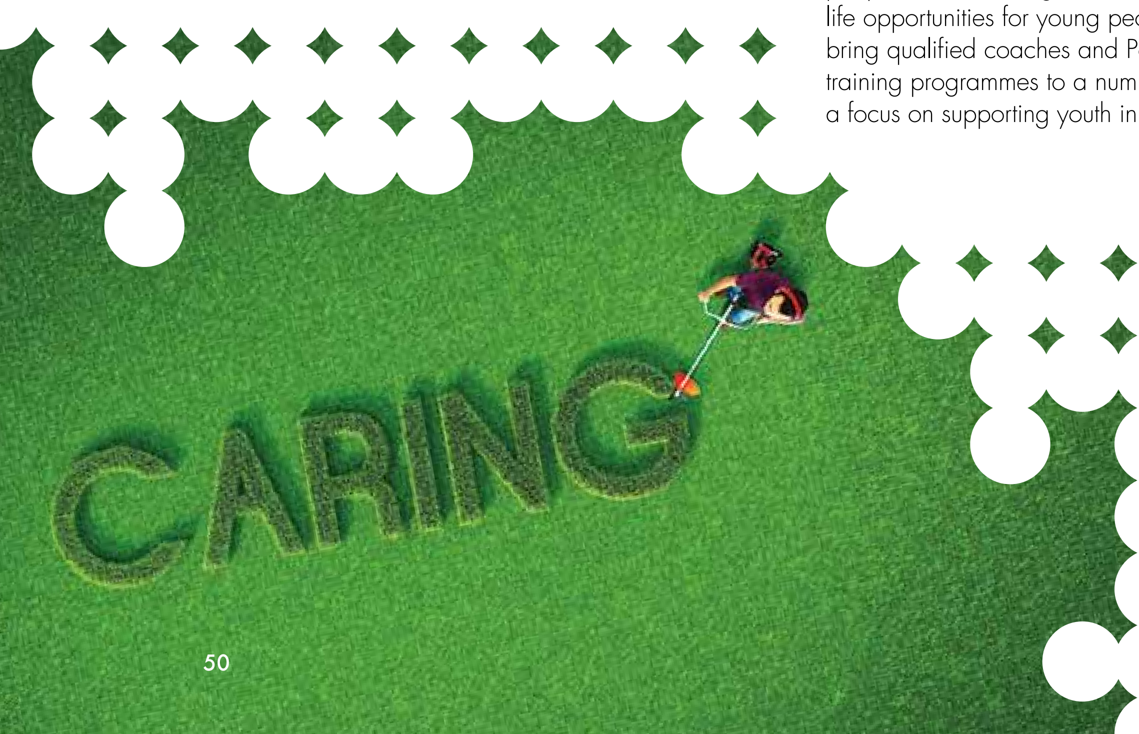
Group CSR Initiatives

In February 2013, in parallel with the launch of its new brand, Ooredoo unveiled football star Lionel "Leo" Messi as its global brand ambassador. As part of the partnership, Ooredoo agreed to work with the Leo Messi Foundation to develop and sponsor projects to stimulate human growth and development across markets in the Middle East, North Africa, and Southeast Asia.

The Leo Messi Foundation, which Messi founded in 2007, funds initiatives to help children in at-risk situations in healthcare and education. Its objectives are to ensure that all children around the world enjoy equal opportunities to make their dreams come true.

In 20 May 2013, Ooredoo brought young children from all over the world to Doha to meet their hero, Lionel Messi, in the "Play for Dreams" initiative held in Qatar. While in Doha, Messi announced that his Foundation and Ooredoo would support a mobile health clinic initiative to provide medical aid and community healthcare for children. The Mobile Clinics have been active in Indonesia throughout 2013, and there are plans in place to expand the programme in 2014.

A similar approach was taken with the sponsorship agreement with Ligue 1 Champions Paris Saint-Germain, which will see the two teams cooperate on a special community coaching programme across Ooredoo's footprint, including football clinics for young people. The coaching clinics will be designed to create life opportunities for young people, and Ooredoo will bring qualified coaches and Paris Saint-Germain training programmes to a number of key markets, with a focus on supporting youth in underserved communities.



Ooredoo in Qatar

Ooredoo continued to play a key role in the community in 2013, building on its history as one of Qatar's most active CSR supporters with a particular focus on education and health.

The year saw a number of partnerships with major academic institutions, including a partnership with Carnegie Mellon University in Qatar to support original scientific and technical research.

Following the launch of the Ooredoo brand in March 2013, one of its first major sponsorships was for Hamad Medical Corporation (HMC)'s World Kidney Day events. The week of activity included seminars and outreach activities at schools and universities, as well as a special walkathon to raise funds and awareness.

Ooredoo also launched the first Ooredoo Marathon in 2013, attracting 1,200 participants and raising a significant sum for the Qatar Red Crescent Society. The event is now planned as an annual activity, expanding to encourage more people to take part and live a healthy lifestyle.

Recognising that CSR activity has to go beyond material support, Ooredoo worked hard to engage with the community to develop meaningful programmes. For Ramadan 2013, Ooredoo launched a partnership contest with Al Rayyan TV to encourage the public to submit their ideas for life-enriching charity, community, and environmental projects, in line with Qatar National Vision 2030. Selected entrants appeared on the "Ramadan Mubarak" TV show, and the public voted by SMS for their favourite entry.

The winning idea was the "Ooredoo Technology Centre," a new facility to train young people in digital media literacy and help develop new innovations, which is under development for 2014.

To broaden the appeal of Ooredoo initiatives, and encourage more people to get involved, the company launched the Alrabaa, a group of seven engaging characters who are on a mission to spread joy. The Alrabaa participated in a wide range of community and charity initiatives, including hospital visits and children's activities, and have been warmly welcomed.

Indosat in Indonesia

Education and enhancing opportunities for young people were major areas of focus for Indosat in 2013.

The year saw the launch of "IWIC 7" (Indosat Wireless Innovation Contest 7), Indonesia's longest-running and most consistent app development challenge. Designed for young people who want to jumpstart their ideas and demonstrate prototype mobile apps, the 2013 edition saw Indosat partner with the Jakarta Founders Institute (JKTFI). A total of 667 ideas were received, and Indosat chose 20 to progress, entering their developers into its special accelerator class. The 120-day acceleration programme includes mentoring and the potential for seed funding.

Indosat also sponsored "Indonesia Mengajar" in 2013, an initiative to send Indonesia's best young students to remote and rural areas to work as elementary school teachers for one academic year. The programme not only provides life opportunities for young people, it also provides an important connection with isolated communities.

Working with the Messi Foundation, Indosat's Mobile Clinic programme was re-launched with a particular focus on children's health, sending doctors and medical supplies to remote areas and aiming to educate communities about preventable diseases.

Furthermore, to illustrate its commitment to empowering women, Indosat initiated INSPÉRA, a programme that is aimed at improving the living standards of Indonesian women through telecommunication services and continuous community programmes. Partnering with the Women Empowerment and Children Protection Ministry and several key parties, Indosat established the Indonesia Womenpreneur Competition, which is a national competition for strong-willed and entrepreneurship-minded Indonesian women to start their journey as independent businesswomen.

Wataniya Kuwait

In 2013, Wataniya Kuwait focused on youth, sport and education as key areas to reach out to the needs of the community.

In January 2013, the company sponsored a special needs baseball team that competed in a tournament organised by Kuwait Little League. The company provided training facilities and encouragement for the special-needs players, to enable them to achieve their dreams.

Wataniya Kuwait also sponsored "Annual Festivals" for Kuwaiti youth studying abroad in February 2013. The event was organised by pupils of the National Union of Kuwaiti Students and provided a vital connection for overseas students, with two events for students in the UK and USA during the month.

As part of Kuwait's National and Liberation Day celebrations, Wataniya Kuwait supported a series of visit to old people's homes and orphanages to share the joy of the event with the whole community.

Ooredoo Tunisiana

In Tunisia, there was a strong focus on CSR activities related to youth and education, employment, sport, health, and entrepreneurship in 2013.

One of the key initiatives was the continued expansion of "Naja7ni" services, a collaborative effort between Silatech and Ooredoo Tunisiana. The platform offers USSD-based mobile learning, employability and entrepreneurship support services to Tunisiana customers, free of charge.

In March 2013, "Naja7ni Employment" was launched as a training and employment platform to help young people find work. Developed by employment and education experts, the service provides up-to-date content about jobs, careers and budget management. Hundreds of thousands of young people in Tunisia accessed the service in 2013 and the service received numerous international awards during the year, including a "Silver Stevie" for "Best New Product or Service of the Year" at the International Business Awards.

These efforts were supported by the launch of a "Start-up Factory" fund for entrepreneurs. As Tunisia's first end-to-end support programme, the Start-Up Factory supports numerous active start-ups with funding, training and development.

To support health and healthy lifestyles, Ooredoo Tunisiana equipped three regional hospitals during 2013 and signed a partnership agreement with the Ministry of Sport to extend the popular Tunisiana Junior Football programme to new regions in the country.

Nawras in Oman

The ninth Nawras Goodwill Journey took place in the month of July, during Ramadan, to provide support and donations to Omani Women's Associations across the Sultanate. The mission was to advance education and computer literacy amongst Omani women, and encourage early learning and education for children in these communities.

Nawras provided the necessary tools to help with health and education needs. This included educating women in handicraft industries to improve their skills and capabilities, establishing charitable projects, and conducting awareness seminars and lectures to promote social, educational and health advances at home and in the community as a whole.

Since the first Nawras Goodwill Journey, volunteers have travelled thousands of kilometres across Oman each year to provide charitable organisations with donations, ranging from the latest technology and household appliances to vehicles and football pitches.

Members of the Nawras Goodwill Journey, who were practising the Muslim ritual of fasting, left their own families during the Holy Month of Ramadan to visit charitable and non-governmental organisations in the Sultanate. For eight consecutive years, the journey has helped more than 7,000 families in need and travelled over 48,000 kilometres across Oman to bring joy to local communities.

Wataniya Maldives

Wataniya Maldives continued to play an active role across the islands in 2013, committing and signing to be part of the local network of the United Nations Global Compact's principles in the areas of human rights, labour, environment, and anti-corruption.

It also engaged with the "Play for Dreams" campaign, sending one boy from a local orphanage to Doha to meet his hero, Leo Messi. His journey created a huge buzz in the Maldives, especially on social media, where his progress was closely followed.

The company also organised community-building activities across the Maldives throughout the year.

Asiacell in Iraq

Asiacell continued to play an active role in the community in 2013, with a particular focus on welfare efforts and community support. The company made a significant donation to support relief work for the estimated 200,000+ Syrian refugees living in the Kurdistan Region of Iraq (KRI).

As part of its education efforts, the company built a new computer laboratory for the Sulaymaniyah Computer Institute.

Asiacell's campaign for Ramadan was one of the most extensive in its history, with a special series of activities in Sulaymaniyah, Erbil, Mosul, Kirkuk, Baghdad, Karbala, and Basra.

Ooredoo Algeria

In 2013, Ooredoo Algeria and The National Agency for the Development of Small and Medium Enterprises (ANDPME) announced a new agreement to launch a pioneering public-private collaboration to address some of the key issues facing the Algerian economy. The areas targeted are the under-development of the SME sector, particularly in relation to ICT; the structural difficulties preventing people from becoming an entrepreneur; and youth unemployment.

Ooredoo Algeria launched three programmes to tackle these issues during the year. One of these was "tSTART," a programme launched in May 2013 designed to incubate innovative technological start-ups and transform good business ideas into real companies with domestic and international reach.

This was followed by iSTART, a programme that facilitates the development of mobile applications and mobile content, tailored to the Algeria market. Young developers can publish and sell their mobile apps on the Ooredoo Algeria OStore at no cost to them, allowing them to grow their app business.

The PISTE programme was launched to encourage ICT adoption in Algerian SMEs, via a special cloud platform offering basic applications for small businesses. The platform has proven to be popular with Algerian small businesses, and plans are in place to extend the range of software available in 2014.

Wataniya Palestine

Wataniya Mobile Palestine expanded its efforts to reach the community in 2013, with a particular focus on young people and children.

The company was one of the most active participants in the "Play for Dreams" initiative, bringing Palestinian children to Doha to meet Leo Messi. It also distributed "Al-noud" games (educational games) to hundreds of nursery schools in the West Bank. Wataniya sponsored entertainment activities for children in Sabasteya City, where 100 Wataniya volunteers took part in a special range of entertainment activities for young people.

Education was also a major focus, with strategic agreements with the main universities in Palestine to sponsor student activities. Wataniya also co-operated with the United Nations Relief and Works Agency (UNRWA) initiative to reach out to people in Palestinian refugee camps, even bringing "Arab Idol" winner Mohammad Assaf to entertain the people there.

Wataniya Palestine also offered material support to the Gaza Orphans Welfare (Mostakbali) project and the Palestine Children's Relief Fund (PCRF), covering travel costs for the injured children who needed treatment abroad.

Corporate Governance Report

Corporate Governance Report

"The Board of Directors and senior executives are entrusted with overseeing and managing Ooredoo Group, and this important responsibility requires commitment, objectivity, and accountability from those in leadership positions. Our role is to ensure the implementation of the highest governance principles and ethics in the company. We implement best practices in accordance with the requirements of stock markets in which Ooredoo is listed.

We assure our shareholders that the principles and policies of governance we implement are the basis for each decision we issue and procedure we implemented at Ooredoo Group level."

Abdullah Bin Mohammed Bin Saud Al Thani
Chairman of the Board

Ooredoo values and corporate governance

Ooredoo's Board and management believe that good corporate governance practices contribute to the creation, maintenance, and increase of shareholder value. Sound corporate governance principles are the foundation upon which the trust of investors is built, and are critical to growing a company's reputation for its dedication to both excellence and integrity.

As Ooredoo continues its rapid growth and global expansion, it is particularly critical to demonstrate to its new shareholders, customers, employees, and communities the same high level of commitment and good corporate citizenship that have earned it a strong reputation in Qatar.

Ooredoo aims to be a leader in corporate governance and ethical business conduct by maintaining best practices, transparency, and accountability to its stakeholders. This includes a commitment to the highest standards of corporate governance, by regularly reviewing the governance structures and practices in place to ensure their effectiveness and consistency with local and international developments.

Role of the Board of Directors

The primary role of the Board of Directors is to provide institutional leadership to the Company, within a framework of prudent and effective controls enabling risk to be assessed and managed. This role has been fully illustrated through the governance framework of the Company. In particular, the Articles of Association of the Group companies and the Corporate Governance Manual, in addition to Commercial Companies Law No. (5) for 2002 and Article 14 of the Corporate Governance Code issued by the Qatar Financial Markets Authority, which was incorporated as an annex to the Corporate Governance Manual of the Company.

The Board of Directors has the power and full authority to manage Ooredoo Qatar and the Ooredoo Group, and to pursue the primary objective of creating value for shareholders, with consideration given to the continuity of the Group's business and the achievement of corporate objectives. As Ooredoo QSC is both the parent company of the Ooredoo Group and an operating company in the State of Qatar, its Board of Directors has a dual role.

Within this framework, the Board of Directors undertakes major responsibilities and duties, including:

– Vision and strategy: determining and refining the Group vision and objectives, as well as those of Ooredoo, which are the foundation for all the actions and decisions of the Board and management.

– Management oversight: appointing the CEO, establishing his duties and powers, assessing his performance, and determining his remuneration; nominating the Chairman, the Board members, and the key officers of Ooredoo and its Group.

– Financial and investment: reviewing and approving reports and accounts and overseeing the Group and Ooredoo financial positions.

– Governance and compliance: preparing and adopting the corporate governance rules for Ooredoo and establishing guidelines for the governance of the Group.

– Communication with stakeholders: overseeing shareholder reporting and communications.

The Board of Directors is also responsible for the disclosure of information to shareholders in an accurate and timely manner. All shareholders can access information relating to the Company and its Board members and their qualifications. The Company also updates its website with all Company news from time to time, in addition to including this information in the Annual Report presented to the General Assembly.

Relevant information is also disclosed to stock markets in Qatar and Abu Dhabi where Ooredoo's stocks are listed, as well as the stock market in London where Ooredoo has Global Depositary Receipts (GDR), by means of quarterly reports and complete annual financial statements, in compliance with the terms and conditions of the applicable stock markets.

Board members

Ooredoo's Board of Directors has the following members:

H.E. Sh. Abdullah Bin Mohammed Bin Saud Al Thani	Chairman
H.E. Ali Shareef Al Emadi	Vice Chairman
H.E. Mohammed Bin Issa Al Mohannadi	Member
Mr. Aziz Aluthman Fakhroo	Member
Mr. Nasser Rashid Al-Humaidi	Member
Mr. Turki Mohammed Al Khater	Member
Mr. Omer Abdulaziz Al-Marwani	Member
Mr. Hareb Masoud Al Darmaki	Member
Mr. Hamad Saeed Al Badi	Member

Pursuant to Article 31 of the Company's Articles of Association, the Secretary of the Board is responsible for all general secretarial duties. The duties of the Board Secretary are contained in the Company's Corporate Governance Manual and the Corporate Governance Code issued by the Qatar Financial Markets Authority.

Board meetings

Board meetings are held regularly, and no fewer than six times in a financial year, in accordance with Article 27 of the Company's Articles of Association and Article (103) of Commercial Companies Law No. (5), 2002. The Board of Directors held seven (7) meetings in 2013, in addition to a Corporate Governance workshop.

In accordance with Ooredoo's Corporate Governance Manual, the Board undertakes an annual evaluation of its own performance and the performance of its committees and commissions. The Board also verifies that the Chairman and Directors of the Company are aware of their duties under the Corporate Governance Manual and the Articles of Association of the Company, the Commercial Companies Law No. (5), and the Corporate Governance Code issued by the Qatar Financial Markets Authority. It also informs them of the latest developments in the field of governance and, according to requirements or the results of the evaluation process, development programmes are tailored for each Board member. If a Board member's performance is deficient, and not resolved at the appropriate time, then the Board has the right to take appropriate action in accordance with the law and Corporate Governance Manual. In view of the above, each member signs an acknowledgement that he has perused the Corporate Governance Manual and Corporate Governance Code issued by the Qatar Financial Markets Authority, understood their content, and will adhere and comply with them while a member of the Board of Ooredoo.

For the senior executive management, evaluation is undertaken using a Target Score Card at the Company level, then at the level of the major sectors of the Company.

Composition of the Board

The Board of Directors is composed in accordance with Article 20 of the Company's Articles of Association. The Board of Directors consists of 10 non-executive members, five of whom, including the Chairman, are appointed by the State of Qatar. The other five Board members are elected by secret ballot of the General Assembly according to the applicability of the terms of the nomination. Only shareholders owning at least one percent (1%) of the Company's capital may nominate candidates for these Board positions. A Board member's term is four years and may be renewed.

Article (41) of the Articles of Association provides that shareholders holding no less than 1/10 of the capital have the right to call for a General Assembly meeting.

The Company pursues separation between positions, where H.E. Sh. Abdullah Bin Mohammed Bin Saud Al Thani is the Chairman, Sh. Saud Bin Nasser Al Thani is the CEO of Ooredoo QSC and responsible for its management, and Dr. Nasser Marafih is the CEO of Ooredoo Group and responsible for its management.

Conflicts of interest

The Company adopts a policy that ensures the accuracy and correctness of any reports of illegal actions relating to employees and general performance measures, which are clarified in Ooredoo's Code of Business Conduct and Ethics. The Code includes the expected behaviour of employees, particularly with regard to compliance with laws and regulations. Employees must avoid: conflicts of interest, particularly in commercial transactions, business administration and activities; using the Company's assets, records, and information; and relationships with related parties outside the Company. No employee may accept or request gifts or bribes, loans or bonuses, prizes or commissions.

Furthermore, the Company complies with Article 108 of the Commercial Companies Law No. (5) for 2002 that does not permit the Chairman, a Board Member or a Director to have any direct or indirect interest in contracts, projects and covenants made in favour of the Company, with the exception of contracts and public tenders where all the competitors are equally allowed to participate by their offers.

Board members' duties

The role of the Board of Directors is to lead the company in a pioneering way within the framework of effective directives that allow for risk assessment and management. The Board of Directors has authority and full power to manage the Company and continue business to fulfil the fundamental goal of upholding shareholders' rights, in addition to the following tasks:

1. Determine the terms of reference, duties, and powers of the Chief Executive Officer and assess his performance and remuneration.
2. Evaluate and exercise the powers granted to the members of the Board of Directors and Board committees.
3. Monitor the performance of the executive management; audit and manage arrangements for executive management replacement and rewards.
4. Verify the appropriateness of organisational, administrative, and accounting structures for the Company and its Group, with a focus on the internal control system.
5. Ensure adequate planning for the replacement of executive management.
6. Provide recommendations to appoint, re-appoint, or remove the auditor appointed by the shareholders on the basis of their agreement during the Annual General Meeting of the Company, as recommended by the Audit Committee.
7. Direct members of the Board of Directors and seek guidance from them during the planning of programmes and tariff guidelines. The Chairman of the Board is responsible for providing guidance programmes and guidelines to Board members, to help them perform their duties and ensure they understand ongoing developments on Company issues.
8. The Board of Directors is expected to be seriously committed to the Company, and also to develop and expand their knowledge of the Company's current operations and its main business, and to be available to contribute to the work of the Board and Committees.

9 Members of the Board of Directors and executive management will be trained according to their availability.

Chairman of the Board's role and duties

The main task of the Chairman of the Board is leadership, and to undertake his duties as required by law and the relevant legislation, in addition to the following tasks:

1. Represent the Company in court, and in its relationship with others, and to communicate with and inform the Board.
2. To chair the Board, selected committees, and Board meetings, and run discussions as openly as possible, to encourage Board members to participate effectively in discussions that serve the interests of the Company.
3. Coordinate with the Chief Executive Officer and the heads of the committees and the Secretary of the Board of Directors to determine the schedule for Board and committee meetings, and other important meetings.
4. Coordinate with the Chief Executive Officer to ensure that information is provided to the Board of Directors, so that the Board can make appropriate decisions.
5. Review the timing and quality of supporting documentation to ensure an effective flow of information to the Board of Directors.
6. Guide and enhance the effectiveness of the Board of Directors and members, and assign tasks to them as required.
7. Review monthly results for the Company's business in coordination with the Chief Executive Officer.
8. Ensure that the Company has good relations with official and non-official departments, and with various media.
9. Issue the agenda for Board meetings, taking members' suggestions into account. Assess the performance of the Board annually, and the performance of its committees and members, possibly using a third-party consultant to conduct the evaluation.

The Chairman may delegate some of these powers to another member of the Board of Directors, or the Chief Executive Officer, or the Secretary of the Board.

Qualifications of the Board Secretary

The Board of Directors has appointed Mr. Ezzedine Hamad as Secretary of the Board of Directors. Mr. Ezzedine holds a Bachelor's degree in law from the University of Khartoum (1971), and practised law in Khartoum from that time until 1984. He then practised law in the State of Kuwait from October 1984 until August 1990, when he moved to work as Ooredoo's legal counsel. He is currently in charge of the legal department and regulatory affairs of the Company.

Board activities in 2013

In 2013, Ooredoo's Board of Directors achieved a number of key governance goals and supervised the implementation of a number of key successful initiatives, including:

- Approving a number of technical decisions relating to investment opportunities.
- Approving the Company's budget for 2013.
- Adopting Ooredoo Group's 5-year strategy and budget allocation.
- Determining risk tolerance for Group companies.
- Approving the Company's capital restructuring.
- Adopting the covenants for committees of the Board of Directors.
- Adopting the statements of tenders and bids.

Board Committees

Committee	Name of Board member	Position
Executive Committee	H.E. Sh. Abdullah Bin Mohammed Bin Saud Al Thani	Chairman
	H.E. Ali Shareef Al Emadi	Vice Chairman
	H.E. Mohammed Bin Issa Al Mohannadi	Member
	Mr. Hareb Masoud Al Darmaki	Member
	Mr. Aziz Aluthman Fakhroo	Member
Audit and Risks Committee	Mr. Turki Mohammed Al Khater	Chairman
	Mr. Nasser Rashid Al-Humaidi	Vice Chairman
	Mr. Hamed Saeed Al Badi	Member
	Mr. Omer Abdulaziz Al-Hamed Al-Marwani	Member
Nomination and Remuneration Committee	H.E. Mohammed Bin Issa Al Mohannadi	Chairman
	Mr. Turki Mohammed Al Khater	Vice Chairman
	Mr. Nasser Rashid Al-Humaidi	Member
	Mr. Omer Abdulaziz Al-Hamed Al-Marwani	Member

Role of Board committees

In order to make the decision-making process more efficient and to support the vision relating to corporate governance, in 2012 the Ooredoo Board restructured its committees into three main committees: Executive Committee, Audit and Risks Committee, and Nomination and Remuneration Committee.

Each committee is composed of not less than four Board members (to be appointed by the Board), except for the Executive Committee that shall comprise five members, taking into account the experience and capabilities of each Board member participating in the committee. The Board may substitute the committee members at any time.

Each of the Board committees works in accordance with a written charter approved by the Board of Directors that clarifies its responsibilities and authorities. The charter of each committee has verified that it is in line with the Corporate Governance Code and Articles of Association of the Company and the Commercial Companies Law No. (5) for 2002, and the Corporate Governance Code of the Qatar Financial Markets Authority.

A. Executive Committee

The committee aims to ensure that decisions are made at the highest levels, to achieve the Company's objectives in a flexible and timely manner in accordance with the authority delegated to the committee by the Board of Directors.

The committee is also responsible for studying issues that need detailed and in-depth review before presenting to the Board for final decision. It also oversees Ooredoo's strategy and methods deployed for adopting financial and strategic investments.

In 2013 the committee completed a number of major projects:

- Reviewed investment opportunities and made recommendations to the Board of Directors.
- Reviewed recommendations for awarding contracts, and took appropriate decisions.
- Reviewed the conditions of Ooredoo Group companies to determine suitability and position in the markets in which it operates, and made recommendations to the Board of Directors.

- Reviewed the Company's financial portfolio.
- Reviewed the draft charter of the Executive Committee and submitted it to the Board of Directors for approval.
- The committee held five (5) meetings in 2013.

B. Audit and Risks Committee

The committee assists Ooredoo's Board in overseeing the integrity of the Company's financial statements. It also provides consultancy to the Board on the efficiency and adequacy of internal control system and arrangements for risk management. The committee is also responsible for ensuring that internal and external audit functions are independent and objective.

The committee reviews the annual internal audit and auditors' reports, and prepares reports on issues arising from auditing the Company and its subsidiaries, including management reaction; the level of cooperation and information provided during the audit process; and the usefulness of the audit report versus cost. The committee also sets up communication channels between executive management and internal and external auditors.

In 2013 the committee completed a number of major works including:

- Reviewed the annual and quarterly internal audit reports.
- Reviewed quarterly Risk Management Report regularly.
- Reviewed the annual internal audit plan.
- Reviewed all financial statements before submitting to the Board.
- Reviewed the results of the Internal Audit Quality Assurance Review for Ooredoo and Group companies.
- Reviewed the quarterly and annual Enterprise Risk Management Reports for the Company and the Group.
- Supported management in reviewing major risks and audit plans.
- Approved the top ten risks.
- Reviewed the statements of tenders and bids by the Company and submitted to the Board of Directors for approval
- Reviewed the covenants of the Auditing and Risk Committee and submitted to the Board of Directors for approval.
- The committee held eleven (11) meetings in 2013.

C. Nomination and Remuneration Committee

The committee assists the Board in executing its responsibilities in regards to nominating and appointing Board members to the Company and its affiliated companies, and determining the remuneration of the Chairman and members of the Board, and the remuneration of senior executive management and officials. The committee also takes part in assessing the performance of the Board.

In 2013, the committee completed a number of major works:

- Approved the Performance Index Card for 2013 and agreed on the performance index for 2012.
- Approved the assessment of the executive directors for 2012.
- Approved the mobility policy.
- Reviewed the Remuneration and Nomination Committee's charter and submitted it to the Board of Directors for approval.
- Approved a mechanism for early exit for the cancelled positions.
- Approved the appointment of the CEOs of Nawras and Ooredoo Myanmar.
- Reviewed the grade and pay scale and the housing mechanism, and submitted them to the Board for approval.
- The committee held six (6) meetings during 2013.

Corporate Governance Department and Governance Committee

The Corporate Governance Department was established in 2008 and is responsible for assisting the management and Board in ensuring the efficiency and implementation of corporate governance policies and practices in Ooredoo and its Group.

To ensure continuous monitoring and following up of issues and policies of corporate governance, the Corporate Governance Committee was established, headed by Ooredoo's Head of Corporate Governance, and composed of the Head of Group Corporate Affairs, the Group Financial Controller, the Group Board Secretary, the Group Legal Counsel, and the Group Chief Audit Executive. Sheikh Ali Bin Al Jabor Al Thani acts as compliance officer.

In 2013 the Corporate Governance Department completed a number of major works:

- Monitored the implementation of Corporate Governance in Ooredoo Group companies.
- Reviewed the list of Ooredoo representatives on the boards of the Group's companies.
- Adopted an employee disclosure procedure for non-Ooredoo interests.
- Monitored the publication of the Corporate Governance code in Group companies.
- Assisted the Board of Directors in the annual assessment and evaluation of adherence to the Code of Conduct.
- The committee held four (4) meetings in 2013.

Internal audit objectives and activities

Providing independent and objective consultancy services drafted in a way that contributes to adding more value and improving Ooredoo's processes. These tasks are performed under the supervision of the Audit and Risk Committee. There are clear instructions from the Board, Audit Committee, and Executive Management to all units to work in accordance with external and internal audit systems, and to respond to any issue or topic raised by auditors.

In 2013 the Internal Audit Department completed a number of major works:

- Reviewed and evaluated the internal control framework through implementing the approved internal audit plan.
- Reviewed quarterly and annual Enterprise Risk Reports of Ooredoo Qatar and the Group and assessed the effectiveness of plans to reduce these risks.
- Complied with the Internal Audit Manual based on the International Standards for the Professional Practice of Internal Auditing to provide practical guidance throughout the internal audit activity.
- Reviewed the quarterly Internal Audit reports for Group companies.
- Reviewed Internal Audit plans for Group companies.
- Coordinated between External Auditors, Audit Bureau Qatar, and management.
- Supported operating companies' internal audit functions.

To ensure transparency and credibility, an investigation is held to look into any matters that draw the attention of the internal auditor, external auditor, or finance team, based on the nature of those issues.

Supervising and controlling the Group

Monitoring and supervision at Group level has separate lines for strategy and financial control in a full review in each of the operating companies. This is done according to a regular cycle of visits and meetings of the executive management of the Group with the executive management of the operating companies, supported by a specific schedule for reports on internal performance. This detailed inspection of the performance of each operating company is considered a primary source of information, provided to shareholders through quarterly or annual reports. In addition, the Group has a vision for the decisions and actions of the Board of Directors and audit committee of each operating company.

Control and surveillance measures vary in each operating company, reflecting the delegation of powers to the Board of Directors and executive management of each of the companies, but all companies at Group level are required to issue reports according to what is expected from them. The process of unifying the Audit Committee charters will ensure that overseeing the system of internal control is delegated to audit committees in line with international best practice.

Risk management and internal control

Ooredoo has established a system for overseeing, managing, and controlling internal risks to protect the Company's investments and operations inside and outside Qatar. This system is designed to:

- Identify, assess, monitor, and manage risks; and
- Inform the Ooredoo Board of material changes to Ooredoo's risk profile.

The Board is responsible for establishing the risk management system and for reviewing the effectiveness of its implementation in Ooredoo and its Group. Management is responsible for systematically identifying, assessing, monitoring, and managing material risks throughout the organisation. This system includes the Company's internal compliance and control systems.

In addition, the Company has tight controls and well-established systems that control its transactions and relationships with related parties.

Ooredoo Group implements a risk management policy at Group level, where it states that the Group's Board of Directors, supported by Audit Committee and Internal Audit Department, will annually review all risks that Ooredoo and its subsidiaries might face. Identifying risks that might face any of the operating companies is the responsibility of its executive management and employees. The Group's Risk Management examines the risk ratings determined, and the action plans to address these risks.

In undertaking the above, Internal Audit provides support to risk management in the Group. The risk-pooling and actions planned to be taken to mitigate the effects of risks are set out in the existing procedures for the annual strategic planning of the Group. Measures for identifying and managing risks vary between operating companies, but they are now being standardised, starting with reviewing and amending Audit Committee charters in operating companies to ensure that audit committees are permanently assigned to oversee risk management in Ooredoo's subsidiaries.

High-level financial measurements are collected at Group level according to recurring timetables, monthly, quarterly, or yearly depending on the details required. These measurements provide an indication of the risks faced by each operating company, with special attention to issues of cash and funding needs, as well as preparedness to deal with the unexpected. The Company is currently updating its methods so it can collect more detailed data about risk management. The Company has already started to study offers from developers of automated systems that can be used at Group level to collect and manage risk databases that have been identified, and procedures to address them. The Department works on analysing risk management efficiency in Ooredoo, in addition to internal compliance and control systems and their efficiency.

Company's adherence to internal and external audit systems

The Company has appointed an external auditor and is working on adherence to internal and external audit systems. There are decisions and clear instructions from the Board of Directors, Audit Committee, and senior executive management that emphasise the necessity for all sectors and departments of the Company to adhere to internal and external audit, and deal with all cases identified by the auditors.

With regard to technical and accounting reports, some observations are contained in the reports of the Internal Auditor, External Auditor, and the Audit Bureau. These are being dealt with as appropriate.

Also, the Company has a policy to ensure staff protection and confidentiality in the event of informing them of any suspicious transactions. This policy has been included as part of the Code of Ethics and Business Conduct.

Availability of information

The Company guarantees for all shareholders the right to review all relevant information and disclosures through its website and annual reports that are made available to all shareholders. Shareholders can access all information relating to Board members and their qualifications, including the number of shares they own in the Company, their presidencies or membership on the boards of directors of other companies, as well as information on executive management of the Company. All shareholders are entitled to access to all relevant information.

In Article (48) of the Company's Articles of Association, the rights of minority shareholders have been implicitly provided for: "resolutions of the General Assembly issued in accordance with the Company's Articles shall be binding to all including the absent ones, offenders in the opinion, incompetent or under-capacity".

Dividend policy

Profits are distributed upon a recommendation by the Board of Directors and a decision of the General Assembly of the Company in its ordinary annual meeting, in compliance with Article 53 of the Articles of Association of the Company.

Shareholder records

Subject to the provisions of Article 10 of the Company's Articles of Association, Article 159 of the Commercial Companies Law No. (5) for 2002, and Article 10 of the Corporate Governance Code issued by the Qatar Financial Markets Authority and at the direction of Qatar Exchange, the Company keeps true, accurate, and up-to-date records of the Company's shareholders via the central system for shareholders, run by the Stock Exchange.

Any shareholder or any related parties can look at the shareholders' register, and obtain all relevant information.

Major shareholders

	Country	Number of shares	Percentage
Qatar Holding Company	Qatar	165,580,842	51.7%
General Retirement and Social Insurance Authority	Qatar	40,062,110	12.5%
Abu Dhabi Investment Council	United Arab Emirates	32,031,994	10.0%
General Military Retirement and Social Insurance Authority	Qatar	5,119,892	1.6%

Shares held by members of the Board

Board member name	Country	Number of shares	Beneficiary name
Hamad Saeed Al Badi	United Arab Emirates	12,012	Hamad Saeed Al Badi
Hareb Masoud Al Darmaki	United Arab Emirates	16,013	Hareb Masoud Al Darmaki

Fair treatment of shareholders and voting rights

According to the provisions of Article 16 of the Company's Articles of Association, which states that "each share shall give its holder equal proprietary rights as other shareholders, without any discrimination, in the Company's assets and equal rights to receive dividends as herein-after provided", the dividend will be distributed to the shareholders.

According to the provisions of Article 38 of the Company's Articles of Association, each shareholder has the right to attend the General Assembly, either personally or by proxy.

Employees of the Company

The human resources policy adopted and applied by the Company is prepared in accordance with the provisions of the Labour Law No. 14 of 2004, and related ministerial decisions which serve the interests of the Company and its employees, and takes into account at the same time the principles of justice, equality, and non-discrimination on the basis of sex, race, or religion.

The Company's achievements

During 2013, the Company launched various initiatives to deepen its relation with customers and create new ways to provide customers with benefits, experiences, and new services in their daily life, wherever they are.

Among the Company's other major achievements was the rapid progress in launching its new brand: "Ooredoo". The brand was launched in February 2013 during the Mobile World Congress, held in Barcelona.

Ooredoo had the centre stage during 2013 in providing state-of-the-art telecommunication networks. It was the first company to provide 4G communications in three markets in the Middle East, North Africa: Qatar, Kuwait, and Oman.

Providing 4G services has made it possible for our clients to use mobile broadband wherever they are, which significantly improves the way they can take advantage of mobile services to enrich their lives.

The Company also launched 4G services in the Maldives, and in Indonesia, where Ooredoo company Indosat became the first telecom operator in Indonesia to operate a UMTS 900 MHz network during 2013. As part of its strategy to develop and modernise its networks, Ooredoo extended its 3G telecommunication network in Tunisia this year, in addition to launching 3G services in Algeria in December 2013.

As part of the Company's expansion, 2013 witnessed Ooredoo winning one of two mobile services operator licences in Myanmar, following fierce competition on a governmental offer. Myanmar is a country with one of lowest the rates of mobile penetration in the world. Ooredoo is paving the way for building a new network of next-generation networks for mobile communication in Myanmar. Ooredoo will provide easy and user-friendly telecommunications services to customers for a population of more than 65 million people.

In Iraq, Ooredoo subsidiary Asiacell put forward a primary offering of its shares in the Iraq stock market in Baghdad, which gave Iraqi nationals the opportunity to benefit from holding Asiacell shares.

Furthermore, in January the Company issued bond offerings for 15 years and 30 years (worth $1 billion), and in December issued its first Sukuk as Islamic instruments worth $1.25 billion. Ooredoo's issuance of those bonds and instruments means that the Company continues to enjoy a well-funded position, which enables it to continue to implement its growth strategy in the various international assets it owns in the telecommunications sector.

Financial Review

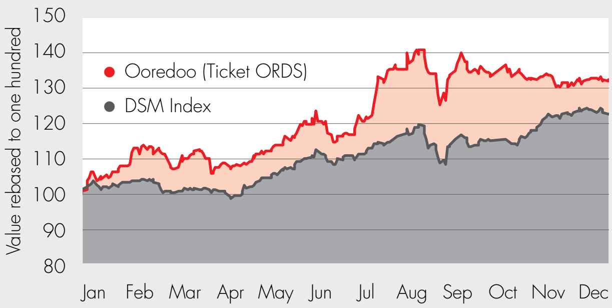
Financial Review

2013 financial and operating highlights

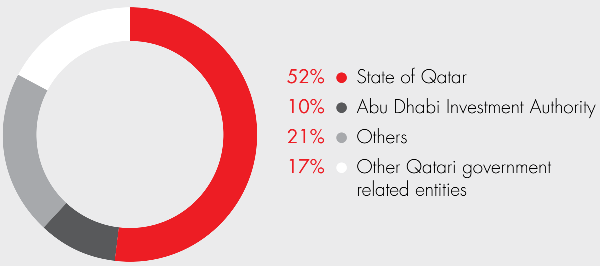
		2013	2012	% change 2012 to 2013	2011	% change 2011 to 2013
Operations						
Revenue	QR millions	**33,851**	33,476	1%	31,745	7%
EBITDA	QR millions	**14,640**	15,567	-6%	14,796	-1%
EBITDA margin	Percentage	**43%**	47%		47%	
Net profit attributable to Ooredoo shareholders	QR millions	**2,579**	2,947	-12%	2,606	-1%
Earnings per share (EPS) – basic and diluted	QR	**8.05**	9.89		9.90	
Cash dividend declared per share	QR	**4.00**	5.00		3.00	
Cash dividend payout ratio (Note A)	Percentage	**50%**	54%		20%	
Operational cash flow	QR millions	**11,535**	11,817	-2%	7,910	46%
Capital expenditure	QR millions	**9,298**	7,316	27%	6,575	41%
Employees	Number	**16,971**	17,130	-1%	16,657	2%
Financial position						
Total net assets	QR millions	**32,427**	36,732	-12%	39,393	-18%
Net debt (Note B)	QR millions	**28,784**	28,401	1%	27,268	6%
Net debt to EBITDA	Multiples	**2.1**	1.9		1.9	
Free cash flow (Note C)	QR millions	**1,658**	4,951	-67%	4,869	-66%
Market capitalisation	QR millions	**43,948**	33,313	32%	24,781	77%
Customers						
Wireless postpaid (incl. wireless broadband)	Thousands	**3,809**	3,489	9%	2,957	29%
Wireless prepaid	Thousands	**91,310**	88,591	3%	79,584	15%
Fixed line (incl. fixed wireless)	Thousands	**782**	848	-8%	811	-4%
Total customers	Thousands	**95,901**	92,928	3%	83,352	15%

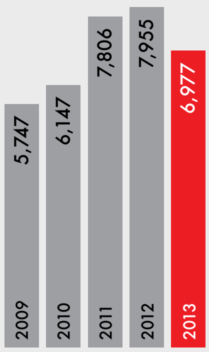
Share price performance

1 January 2012 – 31 December 2013



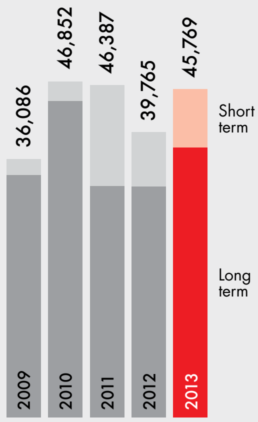
Company ownership profile





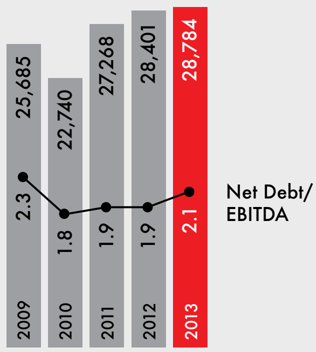
EBIT

Amount in QR millions



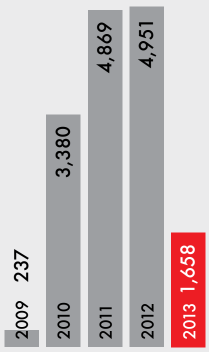
Total group debt

Amount in QR millions
(Note D)



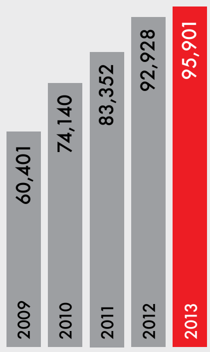
Net debt

Amount in QR millions
(Note B)



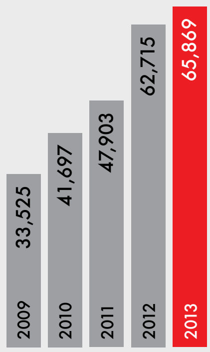
Free cash flow

Amount in QR millions
(Note C)



Total customers

Thousands



Proportional customers

Thousands
(Note E)

Investor relations

Ooredoo's investor relations activities are intended to promote understanding of the company by its shareholders, investors and other market participants, encourage them to properly assess the company's value, and provide feedback on market opinions to the management of Ooredoo.

Key areas of focus:

- The delivery of timely and accurate information;
- Ensuring disclosure, transparency and governance practices continue to be enhanced and region leading; and
- Proactive investor outreach and management access via conferences, roadshows, calls, and regular meetings.

Dividend policy

Ooredoo Q.S.C. has a stated strategy of expanding organically and inorganically within key geographies and strategic lines of business. A key tenet of this strategy is ensuring flexibility for the company in declaring dividend distributions. This flexibility allows Ooredoo to balance the demands of its growth strategy while still maintaining sufficient reserves and liquidity to address operational and financial needs. As a result, dividends will vary from year to year.

Note A Dividend payout ratio = cash dividend / net profit due to Ooredoo shareholders. In addition, a 30 percent bonus was issued in 2011.

Note B Net debt = total loans and borrowings + contingent liabilities (letters of guarantee + letters of credit + finance lease + vendor financing) less cash (net of restricted cash and cash held in banks below BBB+ rating).

Note C Free cash flow = net profit plus depreciation and amortisation less capex; net profit adjusted for extraordinary items.

Note D Short term debt includes debt with a maturity of less than twelve months.

Note E Proportional customers represent the customers for each operating company, multiplied by the effective stake in that operating company.

Consolidated Financial Statements

Consolidated Financial Statements

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Independent Auditors' Report

KPMG
Audit

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To
The shareholders
Ooredoo Q.S.C. (formerly known as Qatar Telecom (Qtel) Q.S.C.)
Doha, State of Qatar

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Ooredoo Q.S.C. (formerly known as Qatar Telecom (Qtel) Q.S.C.) ("the Company") and its subsidiaries (together referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2013, the consolidated statements of profit or loss, comprehensive income, cash flows and changes in equity for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

Directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2013, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 33 (c) to the consolidated financial statements, which describes the nature of an ongoing lawsuit relating to a subsidiary of the Group. Legal proceedings related to the lawsuit are in progress and the ultimate outcome of the matter cannot presently be determined.

Report on other legal requirements

We have obtained all the information and explanation which we considered necessary for the purpose of our audit. The Group has maintained proper accounting records and the consolidated financial statements are in agreement therewith. A physical count of inventory has been conducted in accordance with the established principles. We have reviewed the accompanying report of the Board of Directors and confirm that the financial information contained thereon is consistent with the books and records of the Group. We are not aware of any violations of the provisions of Qatar Commercial Companies Law No 5 of 2002 or the terms of Company's Articles of Association having occurred during the year which might have had a material adverse effect on the business of the Company or consolidated financial position of the Group as of 31 December 2013.

4 March 2014
Doha, State of Qatar

Gopal Balasubramaniam
KPMG
Qatar Auditors Registration No. 251

Consolidated Statement of Profit or Loss

Year ended 31 December 2013

	Note	2013 QR'000	2012 QR'000 (Restated)
Continuing operations			
Revenue	5	33,851,340	33,475,609
Operating expenses	6	(11,084,389)	(10,363,051)
Selling, general and administrative expenses	7	(8,225,083)	(7,579,728)
Depreciation and amortisation	8	(7,662,849)	(7,612,457)
Net finance costs	9	(2,020,882)	(1,921,006)
Impairment of financial assets	14(ii)	(41,638)	(427,465)
Other (expense)/income – net	10	(684,748)	522,152
Share of results of associates – net of tax	16	97,869	34,621
Royalties and fees	11	(334,474)	(315,995)
Profit before income taxes		3,895,146	5,812,680
Income tax	19	(611,889)	(977,154)
Profit from continuing operations		3,283,257	4,835,526
Discontinued operation			
Profit/(loss) from discontinued operation – net of tax	41	10,073	(181,038)
Profit for the year		3,293,330	4,654,488
Profit attributable to:			
Shareholders of the parent		2,578,657	2,946,567
Non-controlling interests		714,673	1,707,921
		3,293,330	4,654,488
Basic and diluted earnings per share			
(Attributable to shareholders of the parent) (Expressed in QR per share)	12	8.05	9.89

The attached notes 1 to 43 form part of these consolidated financial statements

Consolidated Statement of Comprehensive Income

Year ended 31 December 2013

	Note	2013 QR'000	2012 QR'000 (Restated)
Profit for the year		3,293,330	4,654,488
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net change in fair value of available-for-sale investments	25	231,204	135,013
Effective portion of changes in fair value of cash flow hedges	25	903	326,528
Net changes in fair value of employee benefit reserve	25	237,111	(92,616)
Share of other comprehensive income of associates	25	2,843	1,443
Foreign currency translation differences	25	(3,097,213)	(1,343,894)
Other comprehensive income for the year – net of tax		(2,625,152)	(973,526)
Total comprehensive income for the year		668,178	3,680,962
Total comprehensive income attributable to:			
Shareholders of the parent		552,327	2,470,591
Non-controlling interests		115,851	1,210,371
		668,178	3,680,962

The attached notes 1 to 43 form part of these consolidated financial statements

Consolidated Statement of Financial Position

At 31 December 2013

	Note	2013 QR'000	2012 QR'000 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	13	32,315,832	32,436,114
Intangible assets and goodwill	14	31,473,769	34,746,171
Investment property	15	60,363	66,459
Investment in associates	16	1,752,172	1,873,384
Available-for-sale investments	17	2,704,493	2,633,650
Other non-current assets	18	697,244	908,160
Deferred tax assets	19	50,703	74,581
Total non-current assets		69,054,576	72,738,519
Current assets			
Inventories	20	537,311	358,767
Trade and other receivables	21	7,144,061	6,095,508
Bank balances and cash	22	20,304,571	15,006,026
Assets held for distribution	41	375,136	6,504
Total current assets		28,361,079	21,466,805
TOTAL ASSETS		97,415,655	94,205,324
EQUITY			
Share capital	23	3,203,200	3,203,200
Legal reserve	24 (a)	12,434,282	12,434,282
Fair value reserve	24 (b)	1,326,369	1,084,494
Employment benefit reserve	24 (c)	43,165	(110,958)
Translation reserve	24 (d)	(1,665,232)	757,096
Other statutory reserves	24 (e)	980,788	825,245
Retained earnings		8,645,312	9,442,505
Equity attributable to shareholders of the parent		24,967,884	27,635,864
Non-controlling interests		7,459,448	9,095,772
Total equity		32,427,332	36,731,636

The attached notes 1 to 43 form part of these consolidated financial statements

	Note	2013 QR'000	2012 QR'000 (Restated)
LIABILITIES			
Non-current liabilities			
Loans and borrowings	26	37,254,452	32,018,641
Employees benefits	27	696,964	928,385
Deferred tax liabilities	19	879,216	1,370,136
Other non-current liabilities	28	2,625,857	2,676,470
Total non-current liabilities		41,456,489	36,993,632
Current liabilities			
Loans and borrowings	26	8,057,873	7,307,914
Trade and other payables	29	12,673,203	10,971,994
Deferred income		1,739,333	1,658,471
Income tax payable		561,122	505,019
Liabilities held for distribution	41	500,303	36,658
Total current liabilities		23,531,834	20,480,056
Total liabilities		64,988,323	57,473,688
TOTAL EQUITY AND LIABILITIES		97,415,655	94,205,324

Abdullah Bin Mohamed Bin Saud Al-Thani
Chairman

Ali Shareef Al-Emadi
Deputy Chairman

The attached notes 1 to 43 form part of these consolidated financial statements

Consolidated Statement of Cash Flows

Year ended 31 December 2013

	Note	2013 QR'000	2012 QR'000 (Restated)
OPERATING ACTIVITIES			
Profit before income taxes		3,895,146	5,812,680
Profit/(loss) from discontinued operation	41	10,073	(181,038)
Adjustments for:			
Depreciation and amortization		7,750,832	7,784,235
Dividend income	10	(43,851)	(84,141)
Impairment of financial assets	14(ii)	41,638	427,465
(Gain)/loss on disposal of available-for-sale investments	10	(84,065)	2,068
Gain on disposal of property, plant and equipment		(64,527)	(468,399)
Loss on sale of a subsidiary	41	1,071	–
Net finance costs		2,021,028	1,923,093
Provision for employees' benefits		299,392	110,585
Provision for trade receivables		209,589	213,088
Share of results of associates – net of tax	16	(97,869)	(34,621)
Operating profit before working capital changes		13,938,457	15,505,015
Working capital changes:			
Change in inventories		(184,580)	(5,705)
Change in trade and other receivables		(1,169,385)	(491,012)
Change in trade and other payables		2,027,835	139,576
Cash from operations		14,612,327	15,147,874
Finance costs paid		(2,088,862)	(2,379,098)
Employees' benefits paid	27	(129,884)	(139,100)
Income taxes paid		(858,947)	(812,858)
Net cash from operating activities		11,534,634	11,816,818

The attached notes 1 to 43 form part of these consolidated financial statements

	Note	2013 QR'000	2012 QR'000 (Restated)
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	13	(9,297,933)	(7,315,716)
Acquisition of intangible assets	14	(493,731)	(941,395)
Net cash outflows from acquisition of a subsidiary		–	(111,932)
Additional investment in an associate		–	(377)
Acquisition of available-for-sale investments		(18,601)	(126,768)
Proceeds from disposal of property, plant and equipment		517,520	852,405
Proceeds from disposal of available-for-sale investments		183,594	140,120
Proceeds from disposal of a subsidiary		510	–
Movement in restricted deposits		(90,626)	(10,843)
Movement in other non-current assets		98,861	(26,753)
Dividend received		70,223	84,141
Interest received		282,908	503,488
Net cash used in investing activities		(8,747,275)	(6,953,630)
FINANCING ACTIVITIES			
Proceeds from right shares issued		–	6,855,345
Proceeds from loans and borrowings		16,141,243	9,784,683
Repayment of loans and borrowings		(9,010,541)	(16,084,719)
Acquisition of non-controlling interest		(2,185,257)	(11,804,684)
Additions to deferred financing costs	26	(156,063)	(138,141)
Dividend paid to shareholders of the parent		(1,601,600)	(528,000)
Dividend paid to non-controlling interests		(1,160,762)	(738,335)
Movement in other non-current liabilities		(10,195)	1,351,185
Net cash from/(used in) financing activities		2,016,825	(11,302,666)
Net Change in Cash and Cash Equivalents		4,804,184	(6,439,478)
Effect of exchange rate fluctuations		598,553	189,672
Cash and cash equivalents at 1 January		14,801,082	21,050,888
Cash and Cash Equivalents at 31 December	22	20,203,819	14,801,082

The attached notes 1 to 43 form part of these consolidated financial statements

Consolidated Statement of Changes in Equity

Year ended 31 December 2013

	Note	Share capital	Legal reserve	Fair value reserve	Employee benefit reserve	Translation reserve	Other statutory reserves	Retained earnings	Total	Non-controlling interests	Total equity
		Attributable to shareholders of the parent								QR'000	QR'000
		QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000		
At 1 January 2013 (Restated)		3,203,200	12,434,282	1,084,494	(110,958)	757,096	825,245	9,442,505	27,635,864	9,095,772	36,731,636
Profit for the year		–	–	–	–	–	–	2,578,657	2,578,657	714,673	3,293,330
Other comprehensive income		–	–	241,875	154,123	(2,422,328)	–	–	(2,026,330)	(598,822)	(2,625,152)
Total comprehensive income for the year		–	–	241,875	154,123	(2,422,328)	–	2,578,657	552,327	115,851	668,178
Transactions with shareholders of the Parent, recognised directly in equity											
Dividend for 2012	30	–	–	–	–	–	–	(1,601,600)	(1,601,600)	–	(1,601,600)
Transfer to other statutory reserves		–	–	–	–	–	155,543	(155,543)	–	–	–
Transactions with non-controlling interest, recognised directly in equity											
Acquisition of non-controlling interests	4.1	–	–	–	–	–	–	(1,590,459)	(1,590,459)	(592,669)	(2,183,128)
Acquisition of non-controlling interests		–	–	–	–	–	–	(3,385)	(3,385)	1,256	(2,129)
Dilution of ownership interest		–	–	–	–	–	–	9,375	9,375	–	9,375
Dividend paid		–	–	–	–	–	–	–	–	(1,160,762)	(1,160,762)
Transactions with non-owners of the Group											
Transfer to social and sports fund		–	–	–	–	–	–	(34,238)	(34,238)	–	(34,238)
At 31 December 2013		3,203,200	12,434,282	1,326,369	43,165	(1,665,232)	980,788	8,645,312	24,967,884	7,459,448	32,427,332

The attached notes 1 to 43 form part of these consolidated financial statements

	Note	Share capital	Legal reserve	Fair value reserve	Employee benefit reserve	Translation reserve	Other statutory reserves	Retained earnings	Total	Non-controlling interests	Total equity
		Attributable to shareholders of the parent								QR'000	QR'000
		QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000		
At 1 January 2012		1,760,000	6,494,137	672,843	–	1,586,124	706,036	9,836,707	21,055,847	18,336,947	39,392,794
Impact of change in IAS 19	42	–	–	–	(52,359)	–	–	7,903	(44,456)	(25,772)	(70,228)
Recognition of non-controlling interest	42	–	–	–	–	–	–	(88,869)	(88,869)	88,869	–
At 1 January 2012 (Restated)		1,760,000	6,494,137	672,843	(52,359)	1,586,124	706,036	9,755,741	20,922,522	18,400,044	39,322,566
Profit for the year		–	–	–	–	–	–	2,946,567	2,946,567	1,707,921	4,654,488
Other comprehensive income		–	–	411,651	(58,599)	(829,028)	–	–	(475,976)	(497,550)	(973,526)
Total comprehensive income for the year (Restated)		–	–	411,651	(58,599)	(829,028)	–	2,946,567	2,470,591	1,210,371	3,680,962
Transactions with shareholders of the Parent, recognised directly in equity											
Dividend for 2011	30	–	–	–	–	–	–	(528,000)	(528,000)	–	(528,000)
Rights shares issued		915,200	5,940,145	–	–	–	–	–	6,855,345	–	6,855,345
Bonus shares issued	30	528,000	–	–	–	–	–	(528,000)	–	–	–
Transfer to other statutory reserves		–	–	–	–	–	119,209	(119,209)	–	–	–
Transactions with non-controlling interest, recognised directly in equity											
Recognition of non-controlling interests		–	–	–	–	–	–	–	–	6,974	6,974
Acquisition of non-controlling interests	4.2	–	–	–	–	–	–	(2,046,475)	(2,046,475)	(9,759,698)	(11,806,173)
Dividend paid		–	–	–	–	–	–	–	–	(738,335)	(738,335)
Other movements		–	–	–	–	–	–	–	–	(23,584)	(23,584)
Transactions with non-owners of the Group											
Transfer to social and sports fund		–	–	–	–	–	–	(38,119)	(38,119)	–	(38,119)
At 31 December 2012 (Restated)		3,203,200	12,434,282	1,084,494	(110,958)	757,096	825,245	9,442,505	27,635,864	9,095,772	36,731,636

The attached notes 1 to 43 form part of these consolidated financial statements

1 REPORTING ENTITY

Qatar Public Telecommunications Corporation (the "Corporation") was formed on 29 June 1987 domiciled in the State of Qatar by Law No. 13 of 1987 to provide domestic and international telecommunication services within the State of Qatar. The Company's registered office is located at 100 Westbay Tower, Doha, State of Qatar.

The Corporation was transformed into a Qatari Shareholding Company under the name of Qatar Telecom (Qtel) Q.S.C. (the "Company") on 25 November 1998, pursuant to Law No. 21 of 1998.

In June 2013, the legal name of the Company was changed to Ooredoo Q.S.C. This change had been duly approved by the shareholders at the Company's extraordinary general assembly meeting held on 31 March 2013 and the required legal and regulatory approvals have been obtained during the current year.

The Company is the telecommunications service provider licensed by the Supreme Council of Information and Communication Technology (ictQATAR) to provide both fixed and mobile telecommunications services in the state of Qatar. As a licensed service provider, the conduct and activities of the Company are regulated by ictQATAR pursuant to Law No. 34 of 2006 (Telecommunications Law) and the Applicable Regulatory Framework.

The Company and its subsidiaries (together referred to as the "Group") provides domestic and international telecommunication services in Qatar and elsewhere in the Asia and MENA region. Qatar Holding L.L.C is the ultimate Parent Company of the Group.

2 BASIS OF PREPARATION

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements of the Group for the year ended 31 December 2013 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 4 March 2014.

b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except for the following:

- Financial instruments at fair value through profit or loss are measured at fair value;
- Available-for-sale investments are measured at fair value;
- Derivative financial instruments are measured at fair value; and
- Liabilities for cash-settled share-based payment arrangements are measured at fair value through profit or loss;

The methods used to measure fair values are discussed further in note 35.

c) Functional and presentation currency

These consolidated financial statements are presented in Qatari Riyals, which is the Company's functional currency. All the financial information presented in Qatari Riyals has been rounded off to the nearest thousand (QR'000) except where otherwise indicated.

d) Use of estimates and judgments

The preparation of consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in note 37.

3 SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements comprise the financial statements of Ooredoo Q.S.C (formerly known as Qatar Telecom (Qtel) Q.S.C.) and its subsidiaries (together referred to as the "Group"). The accounting policies set out below have been applied consistently to all the periods presented in these consolidated financial statements, and have been applied consistently by the Group entities, where necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with those used by the Group.

Certain comparative amounts in the consolidated financial statements have been reclassified to conform with the current year's presentation (see note 42). In addition, the comparative consolidated statement of profit or loss and statement of cash flow has been re-presented as if an operation discontinued during the current year had been discontinued from the start of the comparative year (see note 41).

3.1 BASIS OF CONSOLIDATION

a) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see note 3.4). Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

b) Non-controlling interests ("NCI")

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

d) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(e) Interests in associates

Associates are those entities in which the Group has significant influence, but not control or joint control.

Interests in associates are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of associates, until the date on which significant influence ceases.

f) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee.Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 BASIS OF CONSOLIDATION (CONTINUED)

The principal subsidiaries of the Group, incorporated in the consolidated financial statements of Ooredoo Q.S.C. are as follows:

Name of subsidiary	Country of incorporation	Group effective shareholding percentage	
		2013	2012
Qtel Investment Holdings S.P.C	Bahrain	100%	100%
Qtel International Investments L.L.C.	Qatar	100%	100%
Ooredoo Group L.L.C. (formerly known as Qtel Group L.L.C.)	Qatar	100%	100%
Qtel South East Asia Holding S.P.C	Bahrain	100%	100%
Qtel West Bay Holding S.P.C	Bahrain	100%	100%
Ooredo Asian Investments Pte. Ltd. (formerly known as "Qatar Telecom (Asia) Pte. Ltd.")	Singapore	100%	100%
Qtel Al Dafna Holding S.P.C	Bahrain	100%	100%
Qtel Al Khore Holding S.P.C	Bahrain	100%	100%
IP Holdings Limited	Cayman Islands	100%	100%
Qtel Gharafa Holdings Limited	Cayman Islands	100%	100%
wi-tribe Asia Limited	Cayman Islands	100%	100%
Ooredoo Asia Pte. Ltd. (formerly known as "Qatar Telecom (Qtel Asia) Pte. Ltd.")	Singapore	100%	100%
Indonesia Communications Limited	Mauritius	100%	100%
QTEL International Finance Limited	Bermuda	100%	100%
Qtel MENA Investcom S.P.C	Bahrain	100%	100%
Omani Qatari Telecommunications Company S.A.O.G. ("NAWRAS")	Oman	55.0%	55.0%
Starlink W.L.L.	Qatar	72.5%	72.5%
National Mobile Telecommunications Company K.S.C. ("Wataniya Telecom")	Kuwait	92.1%	92.1%
Wataniya International FZ – L.L.C.	United Arab Emirates	92.1%	92.1%
Al-Bahar United Company W.L.L. ("Fono")	Kuwait	92.1%	92.1%
Al Wataniya Gulf Telecommunications Holding Company S.P.C	Bahrain	92.1%	92.1%
Al-Wataniya International for Intellectual Properties S.P.C	Bahrain	92.1%	92.1%
Ooredoo Maldives Pvt. Ltd.	Maldives	92.1%	92.1%
WARF Telecom International Private Limited	Maldives	59.9%	59.9%
Wataniya Telecom Algerie S.P.A.	Algeria	74.4%	74.4%
Carthage Consortium Ltd.	Malta	92.1%	92.1%
Qtel Tunisia Holding Company Ltd.	Malta	92.1%	92.1%
Qtel Malta Holding Company Ltd.	Malta	100.0%	100.0%
Tunisiana S.A	Tunisia	84.1%	84.1%
Tunisia Network S.A	Tunisia	84.1%	41.2%
Public Telecommunication Company Ltd.	Saudi Arabia	92.1%	92.1%
Wataniya Palestine Mobile Telecommunications Public Shareholding Company (i)	Palestine	45.8%	45.8%
Raywood Inc. ("Raywood")	Cayman Islands	100.0%	100.0%
Newood Inc.	Cayman Islands	100.0%	100.0%
Midya Telecom Company Limited ("Fanoos") (ii)	Iraq	49.0%	49.0%

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 BASIS OF CONSOLIDATION (CONTINUED)

Name of subsidiary	Country of incorporation	Group effective shareholding percentage	
		2013	2012
Al-Rowad General Services Limited	Iraq	100.0%	100.0%
Asiacell Communications PJSC	Iraq	64.1%	53.9%
Wi-tribe Limited	Cayman Islands	86.1%	86.1%
Wi-tribe Limited – Jordan P.S.C.	Jordan	–	86.1%
Wi-tribe Pakistan Limited	Pakistan	86.1%	86.1%
Barzan Holding Company S.P.C.	Bahrain	100%	100%
Laffan Holding Company S.P.C.	Bahrain	100%	100%
Zekreet Holding Company S.P.C.	Bahrain	100%	100%
Philippines Multitech Pte. Ltd.	Singapore	100%	100%
Bow Arken Pte. Ltd.	Singapore	100%	100%
Ooredoo Myanmar Limited	Myanmar	100%	–
Al Wokaer Holding S.P.C.	Bahrain	100%	–
Al Wakrah Holding S.P.C.	Bahrain	100%	–
Ooredoo Tamweel Limited	Cayman Islands	100%	–
Ooredoo IP L.L.C	Qatar	100%	–
PT. Indosat Tbk	Indonesia	65.0%	65.0%
Indosat Finance Company B.V.	Netherlands	–	65.0%
Indosat International Finance Company B.V.	Netherlands	–	65.0%
Indosat Singapore Pte. Ltd.	Singapore	65.0%	65.0%
PT Indosat Mega Media	Indonesia	64.9%	64.9%
PT Starone Mitra Telekomunikasi	Indonesia	54.7%	47.2%
PT Aplikanusa Lintasarta ("Lintasarta") (iii)	Indonesia	47.0%	47.0%
PT Artajasa Pembayaran Elektronis (iii)	Indonesia	25.9%	25.9%
Indosat Palapa Company B.V.	Netherlands	65.0%	65.0%
Indosat Mentari Company B.V.	Netherlands	65.0%	65.0%
PT Lintas Media Danawa (iii)	Indonesia	32.9%	32.9%
PT Interactive Vision Media	Indonesia	64.9%	64.9%

(i) The Group has the power, indirectly through Wataniya Telecom by virtue of Wataniya Telecom having more than 51% of the voting interests in Wataniya Palestine Mobile Telecommunications Public Shareholding Company ("WPT"), which exposes the Group to variable return from its investment and gives ability to affect those returns through its power over WPT, hence, WPT has been considered as a subsidiary of the Group.

(ii) The Group incorporated Raywood Inc ("Raywood"), a special purpose entity registered in Cayman Islands with 100% (2012: 100%) voting interest held by the Group to carry out investment activities in Iraq. Raywood acquired 49% voting interest of Midya Telecom Company Limited ("MTCL") in Iraq. The group is exposed to variable return from its investment and gives ability to affect those returns through its power over MTCL, Iraq by virtue of the shareholders' agreement entered into between Raywood and MTCL, Iraq, hence, MTCL, Iraq has been considered as a subsidiary of the Group.

(iii) The Group has the power, indirectly through PT Indosat Tbk ("Indosat ") by virtue of Indosat having more than 51% of the voting interest or control in these companies, to which exposes the Group to variable return from its investment and gives ability to affect those returns through its power over them, hence, these companies have been considered as subsidiaries of the Group.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted are consistent with those of the previous financial year, except for the new and amended IAS, IFRS and IFRIC interpretations effective as of 1 January 2013. The following standards, amendments and interpretations, which became effective 1 January 2013, are relevant to the Group:

Standard/Interpretation	Content
IAS 1 (amendment)	Presentation of items of other comprehensive income
IAS 28	Investment in Associates and Joint Ventures
IAS 19 (amendment)	Employee benefits (2011)
IFRS 7 (amendment)	Disclosures – Offsetting Financial Assets and Financial Liabilities
IFRS 10 & IAS 27	Consolidated financial statements and Separate Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of interests in other entities
IFRS 13	Fair Value measurement

a) IAS 1 (amendment) – Presentation of items of other comprehensive income

The amendments to IAS 1 require that an entity present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The amendment is effective for annual periods beginning after 1 July 2012 with an option of early application.

The Group does not expect to have a significant impact on the consolidated financial statements on adoption of this amendments.

b) IAS 28 (2011) – Investment in Associates and Joint Ventures

- *Associates held for sale:* IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* applies to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale. For any retained portion of the investment that has not been classified as held for sale, the entity applies the equity method until disposal of the portion held for sale. After disposal, any retained interest is accounted for using the equity method if the retained interest continues to be an associate or a joint venture, and
- On cessation of significant influence or joint control, even if an investment in an associate becomes an investment in a joint venture or vice versa, the entity does not re-measure the retained interest.

The Group does not expect to have a significant impact on the consolidated financial statements on adoption of this amendments.

c) IAS 19 – Employee benefits (2011) (amendment)

IAS 19 (2011) changes the definition of short-term and other long-term employee benefits to clarify the distinction between the two.

The Group does not expect to have a significant impact on the consolidated financial statements on adoption of this amendment.

d) IFRS 7 (amendment) – Disclosures – Offsetting financial assets and financial liabilities (2011)

IFRS 7 introduces disclosures about the impact of netting arrangements on an entity's financial position. Based on the new disclosure requirements the Group will have to provide information about what amounts have been offset in the statement of financial position and the nature and extent of rights of set off under master netting arrangements or similar arrangements.

The Group does not expect to have a significant impact on the consolidated financial statements on adoption of this amendment.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

e) IFRS 10 – Consolidated financial statements and IAS 27 Separate Financial Statements (2011)

IFRS 10 introduces a single control model to determine whether an investee should be consolidated. IFRS 10 replaces the parts of previously existing IAS 27 Consolidated and Separate Financial Statements that dealt with consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities. This new control model focuses on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns.

In accordance with the transitional provisions of IFRS 10 (2011), the Group has amended its accounting policy on consolidation in line with requirements of IFRS 10 and has re-assessed its consolidation conclusion. (See note 3.1).

f) IFRS 11 – Joint Arrangements

IFRS 11 replaces the parts of previously existing IAS 31 Interests in Joint Ventures that dealt with joint ventures. IFRS 11 requires that interests in joint arrangements be classified as either joint operations (if the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement) or joint ventures (if the Group has rights only to the net assets of an arrangement. When making this assessment, the Group has to consider the structure of the arrangements and other facts and circumstances.

The Group is not expecting a significant impact from the adoption of this standard.

g) IFRS 12 – Disclosures of interests in other entities

IFRS 12 brings together into a single standard all the disclosure requirements about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. It requires the disclosure of information about the nature, risks and financial effects of these interests.

As a result of IFRS 12, the Group has expanded its disclosures about its interests in subsidiaries and other structured entities. Refer to note 38.

h) IFRS 13 Fair Value Measurement

IFRS 13 provides a single source of guidance on how fair value is measured, and replaces the fair value measurement guidance that is currently dispersed throughout IFRS. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7.

As a result, the Group has included additional disclosures in this regard. Please refer to note 35. In accordance with the transitional provisions of IFRS 13, the Group has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of the Group's assets and liabilities.

The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Group, however, requires specific disclosures on fair values which has been disclosed by the Group in the note.

i) Improvements to IFRS (2011)

Improvements to IFRS issued in 2011 contained numerous amendments to IFRS that the IASB considers non-urgent but necessary. 'Improvements to IFRS' comprise amendments that result in accounting changes to presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. There were no significant changes to the current accounting policies of the Company as a result of these amendments.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 IASB STANDARDS AND INTERPRETATIONS ISSUED NOT YET EFFECTIVE

The following standards and interpretations have been issued and are expected to be relevant to the Group in future periods, with effective dates on or after 1 January 2014:

Standard/Interpretation	Content	Effective date
IFRS 9	Financial Instruments	Not specified
IAS 19R (amendment)	Employee Benefits	1 January 2014
IAS 32 (amendment)	Offsetting financial assets and financial liabilities (2011)	1 January 2014
IAS 39 (amendment)	Novation of Derivatives and Continuation of Hedge Accounting (2013)	1 January 2014
IAS 36 (amendment)	Recoverable amount disclosures for non-financial assets	1 January 2014
IFRIC 21	Levies	1 January 2014

New standards, amendments and interpretations issued but not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2014, and have not been applied in preparing these consolidated financial statements. Those which are relevant to the Group are set out below. The Group does not plan to early adopt these standards.

a) IFRS 9 – Financial Instruments

The IFRS 9 (2009) requirements represent a significant change from the existing requirements in IAS 39 in respect of financial assets. The standard contains two primary measurement categories for financial assets: amortised cost and fair value. A financial asset would be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. The standard eliminates the existing IAS 39 categories of held to maturity, available-for-sale and loans and receivables.

For an investment in an equity instrument which is not held for trading, the standard permits an irrevocable election, on initial recognition, on an individual share-by-share basis, to present all fair value changes from the investment in other comprehensive income. No amount recognised in other comprehensive income would ever be reclassified to profit or loss at a later date. However, dividends on such investments are recognised in profit or loss, rather than other comprehensive income unless they clearly represent a partial recovery of the cost of the investment. Investments in equity instruments in respect of which an entity does not elect to present fair value changes in other comprehensive income would be measured at fair value with changes in fair value recognised in profit or loss.

The standard requires that derivatives embedded in contracts with a host that is a financial asset within the scope of the standard are not separated; instead the hybrid financial instrument is assessed in its entirety as to whether it should be measured at amortised cost or fair value.

IFRS 9 (2010) introduces a new requirement in respect of financial liabilities designated under the fair value option to generally present fair value changes that are attributable to the liability's credit risk in other comprehensive income rather than in profit or loss. Apart from this change, IFRS 9 (2010) largely carries forward without substantive amendment the guidance on classification and measurement of financial liabilities from IAS 39.

IFRS 9 (2013) introduces a new general hedge accounting standard which would align hedge accounting more closely with risk management. The requirements also establish a more principles-based approach to hedge accounting and address inconsistencies and weaknesses in the hedge accounting model in IAS 39. The new standard does not fundamentally change the types of hedging relationships or the requirements to measure and recognize ineffectiveness; however, more judgement would be required to assess the effectiveness of a hedging relationship under the new standard.

The mandatory effective date of IFRS 9 is not specified but will be determined when the outstanding phases are finalised. However, application of IFRS 9 is permitted.. The IASB decided to consider making limited amendments to IFRS 9 to address practice and other issues. The Group has commenced the process of evaluating the potential effect of this standard but is awaiting finalisation of the limited amendments before the evaluation can be completed.

Given the nature of the Group's operations, this standard is not expected to have a significant impact on the Group's financial statements.

3.3 IASB STANDARDS AND INTERPRETATIONS ISSUED NOT YET EFFECTIVE (CONTINUED)

b) Amendments to IAS 32 on offsetting financial assets and financial liabilities (2011)

Offsetting Financial Assets and Financial Liabilities (amendments to IAS 32) clarify the offsetting criteria IAS 32 by explaining when an entity currently has a legally enforceable right to set off and when gross settlement is equivalent to net settlement.

The amendments are effective for annual periods beginning on or after 1 January 2014 and interim periods within those annual periods. Earlier application is permitted.

The Group is not expecting a significant impact from the adoption of these amendments.

c) Novation of derivatives and continuation of hedge accounting (2013)

Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39 provides relief from discontinuing hedge accounting if certain criteria are met

The amendments are effective for annual periods beginning on or after 1 January 2014. Early application is permitted. Although the amendments are applied retrospectively, if an entity had previously discontinued hedge accounting as a result of a novation, the previous hedge accounting (pre-novation) for that relationship cannot be reinstated.

The Group is not expecting a significant impact from the adoption of these amendments.

d) Amendments to IAS 36 on recoverable amount disclosures for non-financial assets

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36) have expanded disclosures of recoverable amounts when the amounts are based on fair value less costs of disposals and impairment is recognized.

The amendments are effective for annual periods beginning on or after 1 January 2014. Earlier application is permitted. An entity shall not apply those amendments in periods (including comparative periods) in which it does not also apply IFRS 13.

The Group is not expecting a significant impact from the adoption of these amendments.

e) IFRIC 21 on levies

IFRIC 21 on Levies (amendments to IAS 32) provide guidance on the accounting for levies in the financial statements of the entity that is paying the levy.

The Interpretation is effective for annual periods beginning on or after 1 January 2014 and is applied retrospectively. Earlier application is permitted.

The Group is not expecting a significant impact from the adoption of these amendments.

3.4 SUMMARY OF6 SIGNIFICANT ACCOUNTING POLICIES

Revenue

Revenue represents the fair value of consideration received or receivable for communication services and equipment sales net of discounts and sales taxes. Revenue from rendering of services and sale of equipment is recognised when it is probable that the economic benefits associated with the transaction shall flow to the Group and the amount of revenue and the associated costs can be measured reliably.

The Group principally obtains revenue from providing telecommunication services comprising access charges, airtime usage, messaging, interconnect fee, data services and infrastructure provision, connection fees, equipment sales and other related services.The specific revenue recognition criteria applied to significant elements of revenue are set out below:

Revenue from rendering of services

Revenue for access charges, airtime usage and messaging by contract customers is recognised as revenue as services are performed with unbilled revenue resulting from services already provided accrued at the end of each period and unearned revenue from services to be provided in future periods deferred. Subscription fee is recognised as revenue as the services are provided.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue (continued)

Interconnection revenue

Revenues from network interconnection with other domestic and international telecommunications carriers are recognised based on the actual recorded traffic minutes.

Sales of prepaid cards

Sale of prepaid cards is recognised as revenue based on the actual utilisation of the prepaid cards sold. Sales relating to unutilised prepaid cards are accounted as deferred income. Deferred income related to unused prepaid cards is recognised as revenue when utilised by the customer or upon termination of the customer relationship.

Third party projects

Network infrastructure projects undertaken on behalf of third parties is measured at costs incurred plus profits recognized to date less progress billings and recognized losses.

In the statement of financial position, projects in progress for which costs incurred plus recognized profits exceed progress billings and recognized losses are presented as trade and other receivables. Advances received from customers are presented as deferred income/revenue.

Sales of equipment

Revenue from sales of peripheral and other equipment is recognised when the significant risks and rewards of ownership are transferred to the buyer which is normally when the equipment is delivered and 'accepted by the customer.

Loyalty program

The group has a customer loyalty programme whereby customers are awarded credits ("Points") based on the usage of products and services, entitling customers to the right to redeem the accumulated points via specified means. The fair value of the consideration received or receivable in respect of the initial sale is allocated between the Points and the other components of sale. The amount allocated to Points is estimated by reference to the fair value of the right to redeem it at a discount for the products of the Group or for products or services provided by third parties. The fair value of the right to redeem is estimated based on the amount of discount, adjusted to take into account the expected forfeiture rate. The amount allocated to Points is deferred and included in deferred revenue. Revenue is recognised when these Points are redeemed and the Group has fulfilled its obligations to the customer. The amount of revenue recognised in those circumstances is based on the number of Points that have been redeemed, relative to the total number of Points that is expected to be redeemed. Deferred revenue is also released to revenue when it is no longer considered probable that the Points will be redeemed.

Investment property rental income

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Rental income from other property is recognised as other income. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Licence and spectrum fees

Amortisation periods for licence and spectrum fees are determined primarily by reference to the unexpired licence period, the conditions for licence renewal and whether licences are dependent on specific technologies.

Amortisation is charged to the statement of profit or loss on a straight-line basis over the estimated useful lives from the commencement of service of the network.

The Group is dependent on the licenses that each operating company holds to provide their telecommunications services.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

The amounts due from lessees under finance leases are recorded as receivables at the amount of Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of leases.

Revenues from the sale of transmission capacity on terrestrial and submarine cables are recognized on a straight-line basis over the life of the contract. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

The Group as lessee

Rentals payable under operating leases are charged to the consolidated statement of profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Sale and leaseback transactions – where the Group is the lessee

A sale and leaseback transaction involves the sale of an asset by the Group and the leasing of the same asset back to the Group. The lease payments and the sale price are usually interdependent as they are negotiated as a package. The accounting treatment of a sale and leaseback transaction depends upon the type of lease involved and the economic and commercial substance of the whole arrangement.

(a) Finance leases

Sale and leaseback arrangements that result in the Group retaining the majority of the risks and rewards of ownership of assets are accounted for as finance leases. Any excess of sales proceeds over the carrying amount is deferred and amortised over the lease term.

(b) Operating leases

Sale and leaseback arrangements that result in substantially all of the risks and rewards of ownership of assets being transferred to the lessor are accounted for as operating leases. Any excess of sales proceeds over the carrying amount is recognised in the statement of profit or loss as gain on disposal.

Other income

Other income represents income generated by the Group that arises from activities outside of the provision for communication services and equipment sales. Key components of other income are recognised as follows:

Dividend income

Dividend income is recognised when the Group's right to receive the dividend is established.

Commission income

When the Group acts in the capacity of an agent rather than as the principal in the transaction, the revenue recognised is the net amount of commission made by the Group.

Taxation

Some of the subsidiaries and the joint venture are subject to taxes on income in various foreign jurisdictions. Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

Current income tax assets and liabilities for the current year and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities.

The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the financial reporting year and any adjustment to tax payable in respect of previous years.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the end of the financial reporting year between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unutilised tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unutlised tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each end of the financial reporting year and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each end of the financial reporting year and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the financial reporting year.

Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit or loss.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Tax exposure

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgments regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held-for-sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss or other comprehensive income is represented as if the operation had been discontinued from the start of the comparative year.

Finance income and finance cost

Finance income comprises interest income on funds invested, fair value gains on financial assets at fair value through profit or loss, gains on the remeasurement to fair value of any pre-existing interest in an acquire in a business combination, gains on hedging instruments that are recognised in profit or loss and reclassifications of net gains previously recognised in other comprehensive income. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, fair value losses on financial assets at fair value through profit or loss, losses on hedging instruments that are recognised in profit or loss and reclassifications of net losses previously recognised in other comprehensive income.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

Property, plant and equipment

Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Assets in the course of construction are carried at cost, less any impairment.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The costs of self constructed assets include the following:

- The cost of materials and direct labour;
- Any other costs directly attributable to bringing the assets to a working condition for their intended use;
- When the group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- Capitalized borrowing costs

Cost also includes transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (continued)

Transfer to investment property

When the use of property changes from owner-occupied to investment property, the property is reclassified accordingly at the carrying amount on the date of transfer in accordance with cost model specified under IAS 40.

Expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the consolidated statement of profit or loss as incurred.

Depreciation

Items of property, plant and equipment are depreciated on a straight line basis in profit or loss over the estimated useful lives of each component. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Depreciation of these assets commences from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use. The estimated useful lives of the property, plant and equipment are as follows:

Land lease rights under finance lease	50 years
Buildings	5 – 40 years
Exchange and networks assets	5 – 25 years
Subscriber apparatus and other equipment	1 – 8 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the consolidated statement of profit or loss in the year the asset is derecognised. The asset's residual values, useful lives and method of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed as incurred. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

Government grants

Government grants relating to non-monetary assets are recognised at nominal value. Grants that compensate the Group for expenses are recognised in the consolidated statement of profit or loss on a systematic basis in the same period in which the expenses are recognised. Grants that compensate the Group for the cost of an asset are recognised in the consolidated statement of profit or loss on a systematic basis over the expected useful life of the related asset upon capitalisation.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets and goodwill

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the consolidated statement of profit or loss in the year in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss in the expense category consistent with the nature of the intangible asset.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognized in profit or loss as incurred. Capitalised development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Indefeasible rights of use ("IRU")

IRUs correspond to the right to use a portion of the capacity of a terrestrial or submarine transmission cable granted for a fixed period. IRUs are recognised at cost as an asset when the Group has the specific indefeasible right to use an identified portion of the underlying asset, generally optical fibres or dedicated wavelength bandwidth, and the duration of the right is for the major part of the underlying asset's economic life. They are amortised on a straight line basis over the shorter of the expected period of use and the life of the contract which ranges between 10 to 15 years.

The useful lives of intangible assets are assessed to be either finite or indefinite.

A summary of the useful lives and amortisation methods of Group's intangible assets other than goodwill are as follows:

	License costs	Customer contracts and related customer relationship	Brand/Trade names	Concession intangible assets	IRU, software and other intangibles
Useful lives	Finite (10 – 50 years)	Finite (2 – 8 years)	Finite (6-25 years)	Finite (15 years)	Finite (3-15 years)
Amortisation method used:	Amortised on a straight line basis over the periods of availability	Amortised on a straight line basis over the periods of availability	Amortised on a straight line basis over the periods of availability	Amortised on a straight line basis over the periods of availability	Amortised on a straight line basis over the periods of availability
Internally generated or acquired	Acquired	Acquired	Acquired	Acquired	Acquired

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Service concession arrangements

The Group accounts for service concession arrangements where it is an operator in accordance with IFRIC 12 "Service concession arrangements". Infrastructure within the scope of this interpretation is not recognised as property, plant and equipment of the Group as the contractual service arrangement does not convey the right to control the use of the public service infrastructure to the Group. Accordingly, the Group recognises such assets as "Concession intangible assets". The Group recognises these intangible assets at cost in accordance with IAS 38. These intangible assets are amortised over the period in which it is expected to be available for use by the Group.

The Group recognises contract revenue and costs in accordance with IAS 11, Construction Contracts. The costs of each activity, namely construction, operation and maintenance are recognised as expenses by reference to the stage of completion of the related activity. Contract revenue, if any, i.e. the fair value of the amount due from the grantor for the activity undertaken, is recognised at the same time. The amount due from the grantor meets the definition of a receivable in IAS 39 Financial Instruments: Recognition and Measurement. The receivable is measured initially at fair value. It is subsequently measured at amortised cost.

The Group accounts for revenue and costs relating to the services in accordance with IAS 18 as described in the accounting policy for revenue recognition. Borrowing costs attributable to the arrangement are recognised as an expense in the period in which they are incurred, unless the Group has a contractual right to receive an intangible asset (a right to charge user of the public service). If the Group has a contractual right to receive an intangible asset, borrowing costs attributable to the arrangement are capitalised during the construction phase of the arrangement.

Investment property

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

When the use of a property changes such that it is reclassified as property and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Investment properties are depreciated on straight line basis using estimated useful life of 20 years.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of retirement or disposal.

Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial instruments (continued)

(i) Non-derivative financial assets (continued)

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale investments.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise bank balances and cash and trade receivables and prepayments.

Bank balances and cash

Bank balances and cash comprise cash on hand, call deposits and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash on hand, call deposits and demand deposits with original maturity of less than three months.

Trade and other receivable

Trade receivables and prepayments that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method less impairment.

Appropriate allowances for estimated irrecoverable amounts are recognized in the consolidated statement of profit or loss where there is objective evidence that the asset is impaired. The allowance recognized is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Available-for-sale investments are recognised initially at fair value plus directly attributable transaction costs. After initial recognition, available for sale investments are subsequently remeasured at fair value, with any resultant gain or loss directly recognised as a separate component of equity as fair value reserve under other comprehensive income until the investment is sold, collected, or the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the consolidated statement of profit or loss for the year. Interest earned on the investments is reported as interest income using the effective interest rate. Dividend earned on investments are recognised in the consolidated statement of profit or loss as "Dividend income" when the right to receive dividend has been established. All regular way purchases and sales of investment are recognised on the trade date when the Group becomes or cease to be a party to contractual provisions of the instrument.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

(i) Non-derivative financial assets (continued)

Available-for-sale investments (continued)

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the end of the financial reporting year. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to current market value of another instrument which is substantially the same, discounted cash flow analysis or other valuation models. For investment in funds, fair value is determined by reference to net asset values provided by the fund administrators.

Due to the uncertain nature of cash flows arising from certain unquoted equity investments of the Group, the fair value of these investments cannot be reliably measured. Consequently, these investments are carried at cost, less any impairment losses.

If an available-for-sale investment is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognised in the consolidated statement of profit or loss, is transferred from equity to the consolidated statement of profit or loss. Impairment losses on equity instruments recognised in the consolidated statement of profit or loss are not subsequently reversed. Reversals of impairment losses on debt instruments are reversed through the consolidated statement of profit or loss; if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in the consolidated statement of profit or loss.

When the investment is disposed off, the cumulative gain or loss previously recorded in equity is recognised in the consolidated statement of profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the contractual rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment and uncollectibility of financial assets

An assessment is made at each end of the reporting period to determine whether there is objective evidence that a specific financial asset may be impaired. If any such evidence exists, impairment loss is recognised in the consolidated statement of profit or loss. Impairment is determined as follows:

(a) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the consolidated statement of profit or loss;

(b) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;

(c) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

(ii) Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

Non derivative financial liabilities include loans and borrowings and trade payables and accruals.

Loans and borrowings

Loans and borrowings are recognised initially at fair value of the consideration received, less directly attributable transaction costs. Subsequent to initial recognition, loans and borrowings are measured at amortised cost using the effective interest method. Instalments due within one year at amortised cost are shown as a current liability.

Gains or losses are recognised in the consolidated statement of profit or loss when the liabilities are derecognised as well as through the amortisation process. Interest costs are recognised as an expense when incurred except those qualify for capitalisation.

Trade and other payables

Liabilities are recognised for amounts to be paid in the future for services received or when the risks and rewards associated with goods are transferred to the Group, whether billed by the supplier or not.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated statement or profit or loss.

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. The bonus shares and rights issued during the year are shown as an addition to the share capital. Issue of bonus shares are deducted from the accumulated retained earnings of the Group. Any share premium on rights issue are accounted in compliance with local statutory requirements.

Dividend on ordinary share capital

Dividend distributions to the Group's shareholders are recognized as a liability in the consolidated financial statements in the period in which the dividend are approved by the shareholders. Dividend for the year that are approved after the statement of financial position date are dealt with as an event after balance sheet date.

(iv) Derivative financial instruments and hedge accounting

Derivative financial instruments are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in described below for those derivative instruments designated for hedging cash flows, while changes in the fair value of derivative instruments not designated for cash flow hedges are charged directly to profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or unrecognised firm commitment (except for foreign currency risk); or
- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

(iv) Derivative financial instruments and hedge accounting (continued)

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting change in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods of which they were designated.

Hedges which meet the criteria for hedge accounting are accounted for as follows:

Fair value hedges

The change in the fair value of a hedging derivative is recognised in the consolidated statement of profit or loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying value of the hedged item and is also recognised in consolidated statement of profit or loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised as other comprehensive income and is taken directly to equity, while any ineffective portion is recognised immediately in the consolidated statement of profit or loss.

The Group uses interest rate swap contracts to hedge its risk associated primarily with interest rate fluctuations relating to the interest charged on its loans and borrowings. These are included in the consolidated statement of financial position at fair value and any resultant gain or loss on interest rate swaps contracts that qualify for hedge accounting is recognised as other comprehensive income and subsequently recognised in the consolidated statement of profit or loss when the hedged transaction affects profit or loss.

The Group uses cross currency swap contracts and forward currency contracts to hedge its risks associated with foreign exchange rate fluctuations. Further, the Group also have an interest rate swap which is not designated as a hedge. These cross currency swaps, forward currency contracts and the interest rate swaps which is not designated as hedge are included in the consolidated statement of financial position at fair value and any subsequent resultant gain or loss in the fair value is recognised in the consolidated statement of profit or loss.

The fair value of cross currency swaps and forward currency contracts is calculated by reference to respective instrument current exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is calculated by reference to the market valuation of the swap contracts.

Embedded derivative is presented with the host contract on the consolidated statement of financial position which represents an appropriate presentation of overall future cash flows for the instrument taken as a whole.

(v) Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into a current and non-current portion based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows).

- where the Group will hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the reporting date, the derivative is classified as non-current (or separated into current and non-current portions) consistent with the classification of the underlying item.
- embedded derivates that are not closely related to the host contract are classified consistent with the cash flows of the host contract.
- derivative instruments that are designated as, and are effective hedging instruments, are classified consistent with the classification of the underlying hedged item. The derivative instrument is separated into a current portion and non-current portion only if a reliable allocation can be made.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

(vi) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined with reference to quoted market prices or dealer price quotations, without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models. An analysis of fair values of financial instruments and further details as to how they are measured are provided in note 35.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees, if any.

Inventories

Inventories are stated at the lower of cost and net realisable value.

The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition

Net realisable value is based on estimated selling price less any further costs expected to be incurred on completion and disposal.

Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured as a best estimate of the expenditure required to settle the obligation at the statement of financial position date, and are discounted to present value where the effect is material.

Employee benefits

End of service benefits

The Group provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period, calculated under the provisions of the Labour Law and is payable upon resignation or termination of the employee. The expected costs of these benefits are accrued over the period of employment.

Pensions and other post employment benefits

Pension costs under the Group's defined benefit pension plans are determined by periodic actuarial calculation using the projected-unit-credit method and applying the assumptions on discount rate, expected return on plan assets and annual rate of increase in compensation. Actuarial gains or losses are recognised as income or expense when the net cumulative unrecognised actuarial gains or losses for each individual plan at the end of the previous reporting year exceed 10% of the present value of the defined benefit obligation or fair value of plan assets, whichever is greater, at that date. These gains or losses in excess of the 10% corridor are recognised on a straight-line basis over the expected average remaining working lives of the employees. Past service cost is recognised over the estimated average remaining service periods of the employees.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefits (continued)

Pensions and other post employment benefits (continued)

The defined benefit asset or liability comprises the present value of the defined benefit obligation less past service cost not yet recognised and less the fair value of plan assets out of which the obligations are to be settled directly. The value of any asset is restricted to the sum of any past service cost not yet recognised and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

With respect to the Qatari nationals, the Company makes contributions to Qatar Retirement and Pension Authority as a percentage of the employees' salaries in accordance with the requirements of respective local laws pertaining to retirement and pensions. The Company's share of contributions to these schemes, which are defined contribution schemes under International Accounting Standard (IAS) – 19 Employee Benefits are charged to the consolidated statement of profit or loss.

Cash settled share-based payment transactions

The Group provides long term incentives in the form of shadow shares ("the benefit") to its employees. The entitlement to these benefits is based on individual performance and overall performance of the Group, subject to fulfilling certain conditions ("vesting conditions") under documented plan and is payable upon end of the vesting period ("the exercise date"). The benefit is linked to the share price of the Group, and the Group proportionately recognise the liability against these benefits over the vesting period through the consolidated statement of profit or loss, until the employees become unconditionally entitled to the benefit.

The fair value of the liability is reassessed on each reporting date and any changes in the fair value of the benefit are recognized through the consolidated statement of profit or loss.

Once the benefit is settled in cash at the exercise date, the liability is derecognised. The amount of cash settlement is determined based on the share price of the Group at the exercise date. On breach of the vesting conditions, the liability is derecognised through the consolidated statement of profit or loss.

Foreign currency

Foreign currency transactions

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the end of the financial reporting year.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity investments which are recognised in other comprehensive income.

Translation of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Qatari riyals at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Qatari Riyals at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to consolidated statement of profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to consolidated statement of profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency (continued)

Translation of foreign operations (continued)

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the translation reserve in equity.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the consolidated statement of profit or loss.

Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Events after the reporting date

The consolidated financial statements are adjusted to reflect events that occurred between the reporting date and the date when the consolidated financial statements are authorised for issue, provided they give evidence of conditions that existed at the reporting date.

4 BUSINESS COMBINATIONS AND CHANGES IN NON-CONTROLLING INTERESTS

4.1 ACQUISITION OF NON-CONTROLLING INTERESTS IN 2013

Acquisition of non-controlling interest of Asiacell Communication PJSC ("Asiacell")

In February 2013, on conclusion of an Initial Public Offer (IPO) made by one of the Group subsidiaries Asiacell, the Group acquired an additional stake of 10.16%. With this, the Group's effective interest in Asiacell has increased from 53.90% to 64.06%.

As a result of this change in ownership interest, the Group recognised a decrease in non-controlling interest amounting to QR 592,669 thousands and a decrease in retained earnings amounting to QR 1,590,459 thousands.

The consideration paid and effects of change in ownership interest were as follows:

	QR'000
Consideration paid for additional 10.16% interest	2,183,128
Less: share of net assets acquired	(592,669)
Consideration paid in excess of additional interest in carrying value of net assets	**1,590,459**

4 BUSINESS COMBINATIONS AND CHANGES IN NON-CONTROLLING INTERESTS (CONTINUED)

4.2 ACQUISITION OF NON-CONTROLLING INTERESTS IN 2012

The following acquisition of non-controlling interests in 2012, resulted in change in retained earnings, non-controlling interests and total equity as depicted below:

	Retained earnings QR'000	Non-controlling interests QR'000	Total Equity QR'000
Change in non controlling interests in			
Public Telecommunication Company Limited	(118,755)	118,755	–
Asiacell Communication PJSC	(2,634,604)	(1,077,706)	(3,712,310)
Starlink W.L.L.	(4,981)	(1,209)	(6,190)
National Mobile Telecommunications Co. K.S.C.	1,612,054	(8,372,773)	(6,760,719)
Tunisiana S.A	(884,937)	(426,004)	(1,310,941)
Wataniya Palestine Mobile Telecommunication Limited P.S.C. ("WPT")	(9,685)	(4,839)	(14,524)
Midya Telecom Company Limited	(4,078)	4,078	–
Asia Mobile Holdings Pte. Ltd. (AMH)	(1,489)	–	(1,489)
Refer to consolidated statement of changes in equity	**(2,046,475)**	**(9,759,698)**	**(11,806,173)**

5 REVENUE

	2013 QR'000	2012 QR'000
Revenue from rendering of services	**32,941,756**	32,848,578
Sale of telecommunications equipment	**675,203**	421,185
Revenue from use of assets by others	**234,381**	205,846
	33,851,340	33,475,609

6 OPERATING EXPENSES

	2013 QR'000	2012 QR'000
Outpayments and interconnect charges	**3,660,046**	3,601,601
Regulatory and related fees	**2,429,761**	2,218,282
Rentals and utilities – network	**1,274,566**	1,155,035
Network operation and maintenance	**1,805,328**	1,767,158
Cost of equipment sold and other services	**1,907,117**	1,614,630
Provision for obsolete and slow moving inventories	**7,571**	6,345
	11,084,389	10,363,051

7 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	2013 QR'000	2012 QR'000 (Restated)
Employee salaries and associated costs	3,575,764	3,143,518
Marketing costs and sponsorship	1,288,219	1,176,040
Legal and professional fees	432,771	341,376
Commission on cards	1,216,627	1,177,315
Allowance for impairment of trade receivables	209,589	189,707
Rental and utilities	458,626	436,418
Repairs and maintenance	91,744	98,623
Other expenses	951,743	1,016,731
	8,225,083	7,579,728

8 DEPRECIATION AND AMORTISATION

	2013 QR'000	2012 QR'000
Depreciation of property, plant and equipment and investment property	6,095,116	5,931,363
Amortisation of intangible assets	1,567,733	1,681,094
	7,662,849	7,612,457

9 NET FINANCE COSTS

	2013 QR'000	2012 QR'000
Finance cost		
Interest expenses	2,092,748	2,206,914
Profit element of islamic financing obligation	69,678	54,154
Amortisation of deferred financing costs (note 26)	122,787	155,764
Other finance charges	18,577	7,338
Ineffective portion of cash flow hedges transferred	–	282
	2,303,790	2,424,452
Finance income		
Interest income	(282,908)	(503,446)
Net finance costs	2,020,882	1,921,006

10 OTHER (EXPENSE)/INCOME – NET

	2013 QR'000	2012 QR'000
Foreign currency losses – net	(1,015,340)	(369,783)
Gain/(loss) on disposal of available-for-sale investments	84,065	(2,068)
Gain on disposal of property, plant and equipment	64,527	468,516
Dividend income	43,851	84,141
Rental income	21,034	17,828
Change in fair value of derivatives – net	90,430	(2,332)
Miscellaneous income	26,685	325,850
	(684,748)	522,152

In 2012, profit on disposal of property, plant and equipment includes a gain of QR 430.0 million recognized in August 2012 related to sale and lease back transaction by one of the Group's subsidiaries PT Indosat TBK ("Indosat").

11 ROYALTIES AND FEES

	Note	2013 QR'000	2012 QR'000
Royalty	(i)	130,763	125,119
Industry fees	(ii)	167,327	159,354
Other statutory fees	(iii)	36,384	31,522
		334,474	315,995

(i) Royalty is payable to the Government of the Sultanate of Oman based on 7% of the net of predefined sources of revenue and operating expenses.

(ii) The Group provides for a 12.5% industry fee on profits generated from the Group's operations in Qatar.

(iii) Contributions by National Mobile Telecommunications Company K.S.C to Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST") and Zakat are included under other statutory fees.

12 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year attributable to shareholders of the parent by the weighted average number of shares outstanding during the year.

There were no potentially dilutive shares outstanding at any time during the year and therefore, the diluted earnings per share is equal to the basic earnings per share.

	2013			2012		
	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total
Profit for the year attributable to shareholders of the parent (QR'000)	2,569,402	9,255	2,578,657	3,073,374	(126,807)	2,946,567
Weighted average number of shares (in '000)	320,320	–	320,320	297,815	–	297,815
Basic and diluted earnings per share (QR)	8.02	–	8.05	10.32	–	9.89

12 BASIC AND DILUTED EARNINGS PER SHARE (CONTINUED)

The weighted average number of shares has been calculated as follows:

	2013 No of shares '000	2012 No of shares '000
Qualifying shares at 1 January	320,320	176,000
Effect of bonus share issue	–	52,800
Effect of right share issue	–	69,015
Weighted average number of shares	320,320	297,815

13 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings QR'000	Exchange and networks assets QR'000	Subscriber apparatus and other equipment QR'000	Capital work in progress QR'000	Total QR'000
Cost					
At 1 January 2012	6,955,588	43,969,476	4,658,733	4,153,159	59,736,956
Reclassification to investment property (note 42 (i))	(105,018)	–	–	–	(105,018)
At 1 January 2012 (Restated)	6,850,570	43,969,476	4,658,733	4,153,159	59,631,938
Acquisition of subsidiary	7,053	126,761	4,957	–	138,771
Additions	1,424,707	1,070,182	81,337	4,739,490	7,315,716
Transfers	452,949	3,552,310	344,362	(4,349,621)	–
Disposals	(963,858)	(653,226)	(47,498)	(2,071)	(1,666,653)
Reclassification	3,391	415,883	27,659	(429,631)	17,302
Discontinued operation	(1,617)	(60,305)	(39,147)	–	(101,069)
Exchange adjustment	(345,464)	(1,751,641)	(144,295)	(108,009)	(2,349,409)
At 31 December 2012	7,427,731	46,669,440	4,886,108	4,003,317	62,986,596
Additions	246,875	2,218,891	276,326	6,555,841	9,297,933
Transfers	439,667	3,132,486	358,759	(3,930,912)	–
Disposals	(40,979)	(1,721,469)	(62,627)	(3,001)	(1,828,076)
Reclassification	1,394	572,831	13,848	(573,921)	14,152
Discontinued operation	(5,603)	–	(29,036)	–	(34,639)
Exchange adjustment	(1,202,014)	(5,245,010)	(399,435)	(246,362)	(7,092,821)
At 31 December 2013	6,867,071	45,627,169	5,043,943	5,804,962	63,343,145

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land and buildings QR'000	Exchange and networks assets QR'000	Subscriber apparatus and other equipment QR'000	Capital work in progress QR'000	Total QR'000
Accumulated depreciation and impairment losses					
At 1 January 2012	3,011,035	20,245,730	3,415,093	–	26,671,858
Reclassification to investment property (note 42 (i))	(33,194)	–	–	–	(33,194)
At 1 January 2012 (Restated)	2,977,841	20,245,730	3,415,093	–	26,638,664
Acquisition of subsidiary	410	25,251	1,112	–	26,773
Provided during the year	488,679	4,979,671	513,058	–	5,981,408
Impairment losses	–	102,144	–	–	102,144
Disposals	(378,871)	(491,591)	(44,552)	–	(915,014)
Reclassification	240	28,722	(29,413)	–	(451)
Discontinued operation	(1,571)	(60,305)	(38,680)	–	(100,556)
Exchange adjustment	(163,096)	(902,935)	(116,455)	–	(1,182,486)
At 31 December 2012	2,923,632	23,926,687	3,700,163	–	30,550,482
Provided during the year	533,411	5,034,342	524,925	–	6,092,678
Relating to disposals	(39,810)	(1,280,416)	(55,167)	–	(1,375,393)
Reclassification	(12)	12	–	–	–
Related to discontinued operation	(5,049)	–	(24,632)	–	(29,681)
Exchange adjustment	(544,110)	(3,320,195)	(346,468)	–	(4,210,773)
At 31 December 2013	2,868,062	24,360,430	3,798,821	–	31,027,313
Carrying value					
At 31 December 2013	3,999,009	21,266,739	1,245,122	5,804,962	32,315,832
At 31 December 2012 (Restated)	4,504,099	22,742,753	1,185,945	4,003,317	32,436,114

i) Exchange and network assets include finance lease assets recognized on account of sale and lease back transaction of one of the Group subsidiaries' Indosat.

ii) As at 1 January 2012, one of its subsidiaries, PT Indosat TBK, reassessed the useful life of its tower and fencing assets from 15 years to 25 years and 10 years, respectively, its buildings from 20 years to 40 years, and its fixed wireless access technical equipment from 10 years to 7 years. In addition, following proposals to upgrade its network in order to fully utilise its 900 MHz frequency channel for 3G services, as at 1 September 2012, Indosat reassessed the useful life of its cellular technical equipment from 10 years to 8 years. This change was treated as change in estimate and resultant increase in depreciation expense by QR 516,266 thousands was prospectively accounted in last year's consolidated financial statements.

14 INTANGIBLE ASSETS AND GOODWILL

	Goodwill QR'000	License costs QR'000	Customer contracts and related customer relationship QR'000	Brand/Trade names QR'000	Concessions intangible assets QR'000	IRU, software and other intangibles QR'000	Total QR'000
Cost							
At 1 January 2012	13,118,115	24,825,158	970,340	3,672,340	794,415	1,894,820	45,275,188
Acquisition of subsidiary	114,635	25,882	–	–	–	407	140,924
Additions	–	485,854	–	–	1,775	453,766	941,395
Disposals	–	–	–	–	(1,052)	(1,335)	(2,387)
Reclassification	–	–	–	–	–	(17,302)	(17,302)
Discontinued operation	–	(37,450)	–	–	–	(12,433)	(49,883)
Exchange adjustment	(503,550)	(440,845)	(54,114)	(173,085)	(2,546)	(37,622)	(1,211,762)
At 31 December 2012	12,729,200	24,858,599	916,226	3,499,255	792,592	2,280,301	45,076,173
Additions	–	242,225	–	–	4,932	246,574	493,731
Disposals	–	–	–	–	(1,019)	–	(1,019)
Reclassification	–	–	–	–	–	(14,152)	(14,152)
Discontinued operation	–	–	–	–	(796,505)	(49,465)	(845,970)
Exchange adjustment	(1,235,697)	(606,311)	(160,219)	(503,758)	–	(56,384)	(2,562,369)
At 31 December 2013	11,493,503	24,494,513	756,007	2,995,497	–	2,406,874	42,146,394
Accumulated amortisation and impairment losses							
At 1 January 2012	394,633	4,985,193	815,862	948,980	320,587	1,068,856	8,534,111
Acquisition of subsidiary	–	7,042	–	–	–	18	7,060
Amortisation during the year	–	1,130,685	70,626	293,278	81,193	221,680	1,797,462
Impairment losses	25,536	23,383	–	–	234,057	–	282,976
Disposals	–	–	–	–	(565)	(1,429)	(1,994)
Reclassification	–	–	–	–	–	451	451
Discontinued operation	–	(37,450)	–	–	–	(12,433)	(49,883)
Exchange adjustment	(23,590)	(105,038)	(48,797)	(33,239)	(1,013)	(28,504)	(240,181)
At 31 December 2012	396,579	6,003,815	837,691	1,209,019	634,259	1,248,639	10,330,002
Amortisation during the year	–	1,098,598	55,133	167,581	80,141	250,559	1,652,012
Impairment losses	1,707	–	–	–	–	–	1,707
Disposals	–	–	–	–	(670)	(39)	(709)
Discontinued operation	–	–	–	–	(713,068)	(29,620)	(742,688)
Exchange adjustment	(73,001)	(176,401)	(157,234)	(109,056)	(662)	(51,345)	(567,699)
At 31 December 2013	325,285	6,926,012	735,590	1,267,544	–	1,418,194	10,672,625
Carrying value							
At 31 December 2013	11,168,218	17,568,501	20,417	1,727,953	–	988,680	31,473,769
At 31 December 2012	12,332,621	18,854,784	78,535	2,290,236	158,333	1,031,662	34,746,171

14 INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

i. Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to individual cash generating units (CGUs) for impairment testing as follows:

Cash generating units	2013 Carrying value QR'000	2012 Carrying value QR'000
Wataniya, Kuwait	606,122	608,241
Wataniya, Algeria	2,282,330	2,290,297
Tunisiana S.A., Tunisia	4,169,216	4,393,212
Indosat, Indonesia	3,597,895	4,528,065
Asiacell, Iraq	353,408	353,408
Others	159,247	159,398
	11,168,218	12,332,621

Goodwill was tested for impairment as at 31 December 2013. The recoverable amount of the CGUs was determined based on value in use calculated using cash flows projections by the management covering a period of ten years.

Key Assumptions used in value in use calculations

Key Assumptions

The principal assumptions used in the projections relate to the number of subscribers, in roaming revenue, average revenues per user, operating costs, taxes and EBITDA. The assumptions are constructed based upon historic experience and management's best estimate of future trends and performance and take into account anticipated efficiency improvements over the forecasted period.

Discount rates

Discount rates reflect management's estimate of the risks specific to each unit. Discount rates are based on a weighted average cost of capital for each CGU. In determining the appropriate discount rates for each unit, the yield on a ten-year US Treasury bond and specific risk factors for each country has been taken into consideration.

Growth rate estimates

For the periods beyond that covered by the projections, long-term growth rates are based on management's best estimates of the growth rates relevant to telecommunications industry in the particular country.

	(Expressed in percentage)			
	Discount rate		Terminal value growth rate	
Cash generating units	2013	2012	2013	2012
Wataniya, Kuwait	9.4%	9.5%	2.75%	2.75%
Wataniya, Algeria	10.5%	10.6%	2.75%	2.75%
Tunisiana S.A., Tunisia	11.0%	10.6%	2.75%	2.75%
Indosat, Indonesia	11.8%	12.0%	2.75%	2.75%
Asiacell, Iraq	16.2%	15.8%	2.75%	2.75%

14 INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

i. Impairment testing of goodwill (continued)

Management considers that changes to the discount rate could cause the carrying value of the following CGUs to exceed their recoverable amount. If the discount rate is increased by the percentages as mentioned below, the recoverable amount equals the carrying value:

	2013	2012
Wataniya, Kuwait	1.5%	11.4%
Wataniya, Algeria	7.3%	14.6%
Tunisiana S.A., Tunisia	1.4%	2.1%
Indosat, Indonesia	2.2%	1.9%
Asiacell, Iraq	44.2%	18.9%

ii. Impairment of financial assets

	2013 QR'000	2012 QR'000
Impairment of available-for-sale investments (note 17)	3,228	42,345
Impairment of assets	38,410	385,120
	41,638	427,465

15 INVESTMENT PROPERTY

	2013 QR'000	2012 QR'000 (Restated)
Cost		
At 1 January	105,018	105,018
At 31 December	105,018	105,018
Accumulated depreciation		
At 1 January	38,559	33,194
Provided during the year	6,096	5,365
At 31 December 2013	44,655	38,559
Carrying value		
At 31 December	60,363	66,459

Investment property comprises of the portion of the Group's head quarter building rented to an external party. As per valuation performed by external valuers, the fair value of Investment property is QR 63,000 thousands (2012:QR 63,000 thousands) which approximates the carrying amount as at 31 December 2013.

16 INVESTMENT IN ASSOCIATES

The Group has the following investment in associates

Associate companies	Principal activity	Country of incorporation	Effective ownership 2013	Effective ownership 2012
Navlink, Inc.,	Managed Service Provider delivering technology solutions in the enterprise data market	United State of America	38%	38%
Asia Mobile Holdings Pte Ltd ("AMH")	Holding company	Singapore	25%	25%
PT Multi Media Asia Indonesia	Satellite based telecommunication services	Indonesia	17%	17%
Liberty Telecoms Holdings Inc. ("LTHI")	Telecommunication services	Philippines	40%	40%
MEEZA QSTP LLC	Information technology services	Qatar	20%	20%
PT Citra Bakti, Indonesia	Product certification and testing	Indonesia	9%	9%

The following table is the summarised financial information of the Group's investments in the associates.

	2013 QR'000	2012 QR'000
Group's share of associates' statement of financial position:		
Current assets	868,974	920,834
Non-current assets	2,386,069	2,495,777
Current liabilities	(925,498)	(905,549)
Non-current liabilities	(1,868,586)	(1,970,060)
Net assets	460,959	541,002
Goodwill	1,291,213	1,332,382
Carrying amount of the investment	1,752,172	1,873,384
Group's share of associates' revenues and results:		
Revenues	1,813,684	1,861,675
Results – net of tax	97,869	34,621

During the year management has performed impairment test and based on the currently available information, there is no evidence of impairment in the value of investment in associates.

17 AVAILABLE-FOR-SALE INVESTMENTS

	2013 QR'000	2012 QR'000
Quoted equity investments	988,248	1,057,084
Unquoted equity investments	666,847	637,494
Unquoted debt securities	113,505	126,717
Investments in funds	935,893	812,355
	2,704,493	2,633,650

17 AVAILABLE-FOR-SALE INVESTMENTS (CONTINUED)

At 31 December 2013, certain unquoted equity investments amounting to QR 62,727 thousands (2012: QR 146,426 thousands) are carried at cost less impairment due to non-availability of quoted market prices or other reliable measures of their fair value.

During the year, the Group has recorded an impairment loss of QR 3,228 thousands (2012: QR 42,345 thousands) on certain available-for-sale investments. In the opinion of the management, based on the currently available information, there is no evidence of further impairment in the value of available-for-sale investments.

18 OTHER NON-CURRENT ASSETS

	2013 QR'000	2012 QR'000 (Restated)
Prepaid rentals	242,473	284,405
Other long term receivables	355,213	415,218
Long term loans	–	149,956
Others	99,558	58,581
	697,244	908,160

19 INCOME TAX

Income tax represents amounts recognised by subsidiary companies. The major components of income tax expense for the years 2013 and 2012 are:

	2013 QR'000	2012 QR'000 (Restated)
Current income tax		
Current income tax charge	760,368	849,904
Adjustments in respect of previous years' income tax	154,682	42,752
Deferred income tax		
Relating to origination and reversal of temporary differences	(303,161)	84,498
Income tax included in the consolidated statement of profit or loss	611,889	977,154

The Parent company is not subject to income tax in the State of Qatar. The tax rate applicable to the taxable subsidiaries which is in the range of 10% to 35% (2012: 10% to 35%). For the purpose of determining the taxable results for the year, the accounting profit of the companies were adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense.

The adjustments are based on the current understanding of the existing laws, regulations and practices of each subsidiaries jurisdiction. In view of the operations of the Group being subject to various tax jurisdictions and regulations, it is not practical to provide a detailed reconciliation between accounting and taxable profits together with the details of the effective tax rates. As a result, the reconciliation includes only the identifiable major reconciling items.

19 INCOME TAX (CONTINUED)

The tax reconciliation is presented as follows:

	2013 QR'000	2012 QR'000 (Restated)
Profit before tax	3,895,146	5,812,680
Profit of parent and subsidiaries not subject to corporate income tax	(1,132,819)	(1,557,679)
Profit of parent and subsidiaries subject to corporate income tax	2,762,327	4,255,001
Add:		
Allowances, accruals and other temporary differences	708,050	(77,752)
Expenses and income that are not subject to corporate tax	(161,324)	162,320
Less:		
Depreciation – net of accounting and tax	571,561	517,243
Unutilised tax losses brought forward	–	(601,855)
Taxable profit of subsidiaries and associates that are subject to corporate income tax	3,880,614	4,254,957
Income tax charge at the effective income tax rate of 20% (2012: 20%)	760,368	849,904

	Consolidated statement of financial position		Consolidated statement of profit or loss	
	2013 QR'000	2012 QR'000 (Restated)	2013 QR'000	2012 QR'000 (Restated)
Accelerated depreciation for tax purposes	(410,222)	(778,052)	237,160	131,117
Losses available to offset against future taxable income	60,325	85,798	(34,470)	(227,325)
Allowances, accruals and other temporary differences	49,384	98,757	65,260	(31,023)
Deferred tax origination on purchase price allocation	(528,000)	(702,058)	35,211	42,733
Deferred tax liability/Deferred tax expense (income) – net	(828,513)	(1,295,555)	303,161	(84,498)

Reflected in the consolidated statement of financial position as follows:

	2013 QR'000	2012 QR'000 (Restated)
Deferred tax asset	50,703	74,581
Deferred tax liability	(879,216)	(1,370,136)
	(828,513)	(1,295,555)

Movement of deferred tax liability – net

	2013 QR'000	2012 QR'000 (Restated)
At 1 January	1,295,555	1,327,664
Tax (income)/expense during the year	(303,161)	84,498
Tax on other comprehensive income	68,388	6,428
Exchange adjustment	(232,269)	(123,035)
At 31 December	828,513	1,295,555

19 INCOME TAX (CONTINUED)

Unrecognised deferred tax assets

At 31 December 2013, deferred tax assets of QR 110,837 thousands (2012: QR 111,920 thousands) for temporary differences of QR 353,859 thousands (2012: QR 346,147 thousands) related to investments in subsidiaries were not recognised because the subsidiaries were unable to assess with reasonable certainty that sufficient taxable profit would be available to recover the asset in the foreseeable future.

During 2012, management of one of the subsidiaries of the Group, Wi-Tribe Pakistan Limited ("wi-tribe Pakistan") had reassessed the recoverability of the wi-tribe Pakistan's deferred tax asset along with the envisaged time frame in which the deductible timing difference were expected to be adjusted against future taxable profits.

On the basis of its reassessment, management of the Wi-tribe Pakistan believes that expected time lines for the adjustment of deductible taxable differences were delayed than envisaged earlier. Taking cognizance of this increased uncertainty, deferred tax asset already recognized up to 31 December 2011 of QR 86.1 million was reversed and charged to the consolidated statement of profit or loss account as a tax expense.

20 INVENTORIES

	2013 QR'000	2012 QR'000
Subscribers' equipment	**215,090**	190,093
Other equipment	**267,443**	144,057
Cables and transmission equipment	**93,870**	66,786
	576,403	400,936
Less: Provision for obsolete and slow moving inventories	**(39,092)**	(42,169)
	537,311	358,767

Inventories consumed are recognised as expense during the year and included as a part of cost of equipment sold and other services under operating expenses, amounting to QR 1,389,107 thousands (2012: QR 1,150,220 thousands). Movement in the provision for obsolete and slow moving inventories is as follows:

	2013 QR'000	2012 QR'000
At 1 January	**42,169**	45,699
Provided during the year	**9,733**	9,279
Amounts written off	**(3,089)**	(12,343)
Related to discontinued operation	**(7,831)**	–
Exchange adjustment	**(1,890)**	(466)
At 31 December	**39,092**	42,169

21 TRADE AND OTHER RECEIVABLES

	2013 QR'000	2012 QR'000
Trade receivables – net of impairment allowances	**2,728,082**	2,932,428
Other receivables and prepayments	**3,003,276**	2,590,525
Unbilled subscriber revenue	**715,054**	317,984
Amounts due from international carriers	**558,029**	223,386
Positive fair value of derivatives contracts	**138,471**	30,637
Net prepaid pension costs	**1,149**	548
	7,144,061	6,095,508

21 TRADE AND OTHER RECEIVABLES (CONTINUED)

At 31 December, trade receivables amounting to QR 1,010,951 thousands (2012: QR 1,007,404 thousands) were impaired and fully provided for.

Movement in the allowance for impairment of trade receivables is as follows:

	2013 QR'000	2012 QR'000
At 1 January	1,007,404	893,416
Charge for the year	230,117	213,088
Amounts written off	(90,807)	(78,828)
Related to discontinued operation	(91,636)	(1,052)
Exchange adjustment	(44,127)	(19,220)
At 31 December	1,010,951	1,007,404

At 31 December 2013, the ageing of unimpaired trade receivables is as follows:

	Total QR '000	Neither past due nor impaired QR '000	Past due not impaired			
			< 30days QR '000	30 – 60 Days QR '000	60 – 90 Days QR '000	> 90 days QR '000
2013	2,728,082	942,910	446,975	333,720	213,154	791,323
2012	2,932,428	1,228,234	354,549	233,322	157,636	958,687

Unimpaired receivables are expected on the basis of past experience to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables and the vast majorities are therefore, unsecured.

22 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following items:

	Note	2013 QR'000	2012 QR'000
Bank balances and cash	(i)	20,304,571	15,006,026
Less:			
Restricted deposits		(300,413)	(209,787)
Cash and cash equivalents of continuing operation		20,004,158	14,796,239
Cash and cash equivalents of discontinued operation	41	199,661	4,843
Cash and cash equivalents as per consolidated statement of cash flows at 31 December		20,203,819	14,801,082

(i) Bank balances and cash equivalents include fixed deposits maturing after three months amounting to QR 8,321,931 thousands (2012: QR4,648,116 thousands). The management is of the opinion that these fixed deposits are readily convertible to cash and is held to meet short-term commitments.

(ii) Short term deposits are made for varying periods depending on the immediate cash requirements of the Group and the interest on the respective short term deposit rates range from 0.25% to 11.00% (2012: 0.50% to 9.50%).

23 SHARE CAPITAL

	2013		2012	
	No of shares (000)	QR'000	No of shares (000)	QR'000
Authorised				
Ordinary shares of QR 10 each				
At 1 January	500,000	5,000,000	200,000	2,000,000
Increase in authorised share capital	–	–	300,000	3,000,000
At 31 December	500,000	5,000,000	500,000	5,000,000
Issued and fully paid up				
Ordinary shares of QR 10 each				
At 1 January	320,320	3,203,200	176,000	1,760,000
Bonus shares issued	–	–	52,800	528,000
Right shares issued	–	–	91,520	915,200
At 31 December	320,320	3,203,200	320,320	3,203,200

Authorised share capital

The shareholders resolved at the Annual General Meeting held on 25 March 2012 to increase the authorised share capital by QR 3,000,000 thousands by the creation of 300,000,000 ordinary shares of QR 10 each.

Bonus shares

During 2012, the Group issued bonus shares of 30% of the share capital as at 31 December 2011 amounting to QR 528,000 thousands.

Right shares

In 2012, Company called for a rights issue of 91,520 thousand shares in the ratio of two shares for every five shares held. The shares were offered at a premium of QR 65 per share on 13 May 2012 and the allotment was made on 24 June 2012. The share premium arising out of the rights issue, net of rights issue expenses amounting to QR 5,940,145 thousands is included in the legal reserve as required by Article 154 of Qatar Commercial Companies Law No: 5 of 2002.

24 RESERVES

a) Legal reserve

In accordance with Qatar Commercial Companies' Law No. 5 of 2002 and the Company's Articles of Association, 10% of the profit of the Company for the year should be transferred to the legal reserve until such reserves reach 50% of the issued share capital. During 2008, an amount of QR 5,494,137 thousands, being the net share premium amount arising out of the rights issue was transferred to legal reserve. During 2012, an amount of QR 5,940,145 thousands, being the net share premium amount arising out of the rights issue was transferred to legal reserve.

The reserve is not available for distribution except in the circumstances stipulated in the Companies' law and the Company's Articles of Association.

b) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale investments and effective portion of qualifying cash flow hedges.

	2013 QR'000	2012 QR'000
Fair value reserve of available for sale investments	1,316,087	1,077,551
Cash flow hedge reserve	10,282	6,943
	1,326,369	1,084,494

24 RESERVES (CONTINUED)

c) Employee benefit reserve

Employment benefit reserve is created on account of adoption of revised IAS – 19 "Employee benefits". Employee benefit reserve comprises actuarial gains/(losses) pertaining to defined benefit plans.

d) Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Group's net investment in a foreign operation.

e) Other statutory reserves

In accordance with the statutory regulations of the various subsidiaries, a share of their respective annual profits should be transferred to a non-distributable statutory reserve.

25 COMPONENTS OF OTHER COMPREHENSIVE INCOME

	2013 QR'000	2012 QR'000
Available-for-sale investments:		
Gain arising during the year	312,041	165,890
Reclassification adjustments included in the consolidated statement of profit or loss	(84,065)	2,068
Transfer to consolidated statement of profit or loss on impairment	3,228	3,745
Deferred tax effect	–	(36,690)
	231,204	135,013
Cash flow hedges:		
Gain arising during the year	1,026	326,620
Deferred tax effect	(123)	(374)
Ineffective portion of cash flow hedges transferred to consolidated statement of profit or loss	–	282
	903	326,528
Employee benefit reserve:		
Net movement in employee benefit reserve	304,827	(123,493)
Deferred tax effect	(67,716)	30,877
	237,111	(92,616)
Associates:		
Share of changes in fair value of cash flow hedges	2,843	1,443
Translation reserves:		
Foreign currency translation differences – foreign operations	(3,096,664)	(1,343,653)
Deferred tax effect	(549)	(241)
	(3,097,213)	(1,343,894)
Other comprehensive income for the year – net of tax	(2,625,152)	(973,526)

26 LOANS AND BORROWINGS

The loans and borrowings presented in the consolidated statement of financial position consist of the following:

	2013 QR'000	2012 QR'000
Parent company's loans	8,193,375	9,233,248
Subsidiaries' loans		
Qtel International Finance Limited	22,759,384	19,117,883
Ooredoo Tamweel Limited	4,551,877	–
Omani Qatari Telecommunications Company S.A.O.G.	369,868	269,616
National Mobile Telecommunications Company K.S.C. and its subsidiaries	1,919,073	1,443,823
Asiacell Communications P.J.S.C.	719,422	1,137,726
PT Indosat Tbk and its subsidiaries	7,214,733	8,368,881
Others	41,513	194,053
	45,769,245	39,765,230
Less: Deferred financing costs	(456,920)	(438,675)
	45,312,325	39,326,555

Presented in the consolidated statement of financial position as:

	2013			2012		
	Principal repayment amount QR'000	Deferred financing costs QR'000	Net QR'000	Principal repayment amount QR'000	Deferred financing costs QR'000	Net QR'000
Current portion	8,126,487	(68,614)	8,057,873	7,373,112	(65,198)	7,307,914
Non-current portion	37,642,758	(388,306)	37,254,452	32,392,118	(373,477)	32,018,641
	45,769,245	(456,920)	45,312,325	39,765,230	(438,675)	39,326,555

The deferred financing costs consist of arrangement and commitment fees. Movement in deferred financing costs was as follows:

	2013 QR'000	2012 QR'000
At 1 January	438,675	463,364
Additions during the year	156,063	138,141
Amortised during the year (note 9)	(122,787)	(155,764)
Exchange adjustment	(15,031)	(7,066)
At 31 December	456,920	438,675

26 LOANS AND BORROWINGS (CONTINUED)

The Company's loans (Parent)

Sl. No.	Facility outstanding amount as at 2013 QR'000	Facility outstanding amount as at 2012 QR'000	Maturity	Collateral	Interest rate/ profit element	Purpose of the facility	Facility details
1	**2,731,125**	2,731,125	May 2015	Unsecured	LIBOR *plus* 1.45%	For general corporate purposes	USD 750 million Revolving Credit Facility (RCF) – tranche of the USD 2 billion entered in 2010.
2	–	4,551,875	May 2013	Unsecured	LIBOR *plus* 1.15%	For general corporate purposes	USD 1250 million RCF – tranche of the USD 2 billion entered in 2010.
3	**3,641,500**	–	March 2017	Unsecured	LIBOR *plus* 0.85%	For general corporate purposes	Syndicated RCF entered into in April 2013.
4	**1,820,750**	1,820,750	May 2014	Unsecured	LIBOR *plus* 0.95% profit rate	For general corporate purposes	Islamic financing facility based on the principle of commodity Murabaha.
5	–	129,498	March 2013	Unsecured	Central bank of Kuwait discount rate *plus* margin	For increase in stake in NMTC	Short term loan was fully repaid in March 2013.
Total	**8,193,375**	9,233,248					

Qtel International Finance Limited

Sl. No.	Facility outstanding amount as at 2013 QR'000	Facility outstanding amount as at 2012 QR'000	Maturity	Collateral	Interest rate/ profit element	Purpose of the facility	Facility details
1	**3,277,351**	3,277,351	June 2014	Unconditionally and irrevocably guaranteed by Ooredoo (Parent)	6.50%	For general corporate purposes	USD 5.0 billion Global Medium Term Note Programme ("Notes") listed on London Stock Exchange. First tranche covering Loans 1 and 2 amounting to USD 1500 million issued on June 2009.
2	**2,184,901**	2,184,901	June 2019		7.88%		
3	**3,641,501**	3,641,501	October 2016		3.38%		The second tranche covering Loans 3, 4 and 5 amounting to USD 2.75 billion was issued on October 2010.
4	**3,641,501**	3,641,501	February 2021		4.75%		
5	**2,731,127**	2,731,127	October 2025		5.00%		
6	**3,641,501**	3,641,502	February 2023		3.25%		New USD 3.0 billion Global Medium Term Note Programme ("Notes") listed on Irish Stock Exchange. First tranche under this programme Loan 6 amounting to USD 1.0 billion was issued in Dec 2012.
7	**1,820,751**	–	January 2028		3.88%		A further dual tranche issuance was made in Jan 2013 covering Loan 7 and 8 of USD 500 million each.
8	**1,820,751**	–	January 2043		4.50%		
Total	**22,759,384**	19,117,883					

26 LOANS AND BORROWINGS (CONTINUED)

Ooredoo Tamweel Limited

Sl. No.	Facility outstanding amount as at		Maturity	Collateral	Interest rate/ profit element	Purpose of the facility	Facility details
	2013 QR'000	2012 QR'000					
1	4,551,877	–	December 2018	Unsecured	3.04% (profit element)	For general corporate purposes	New Sukuk Trust Programme of USD 2.0 billion listed on the Irish Stock Exchange. In December 2013, a 5 year note of USD 1.25 billion was issued.

Omani Qatari Telecommunications Company S.A.O.G. (Nawras)

Sl. No.	Facility outstanding amount as at		Maturity	Collateral	Interest rate/ profit element	Purpose of the facility	Facility details
	2013 QR'000	2012 QR'000					
1	205,968	269,616	February 2017	Unsecured	LIBOR *plus* 2%	For general corporate purposes	Syndicated Loan Facility of USD 87 million signed in February 2012 for 5 years.
2	163,900	–	January 2018	Unsecured	1.8%	For general corporate purposes	Syndicated Loan Facility of USD 104 million was signed in January 2013 for 5 years.
Total	369,868	269,616					

National Mobile Telecommunications Company K.S.C. and subsidiaries (NMTC)

Sl. No.	Facility outstanding amount as at		Maturity	Collateral	Interest rate/ profit element	Purpose of the facility	Facility details
	2013 QR'000	2012 QR'000					
1	–	858,976	This facility was repaid in December 2013	These loans are secured by pledges on the respective subsidiaries assets.	Algerian Repo rate *plus* 1.3% to 3.4% per annum and LIBOR *plus* 1.25% to 4.15% per annum	For general corporate purposes	Wataniya Algeria – This loan facility is repayable in instalments over a period from December 2005 to March 2015.
2	326,325	325,850	June 2019	Unsecured	LIBOR *plus* 5.0% to 5.85% per annum	For general corporate purposes	Wataniya Palestine: Syndicated loan facility to finance the build out and the expansion of its existing network.
3	–	258,997	December 2013	Unsecured	1% per annum over the Central Bank of Kuwait discount rate	For general corporate purposes	Wataniya Kuwait: Repayable in instalments or at maturity by December 2013.
4	487,539	–	June 2018	Unsecured	TMM Rate *plus* 1.1%	For general corporate purposes	Tunisiana: Syndicated Loan facility of TND 220 million (approx USD 135 million) was signed in September 2013 for 5 years
5	7,647	–	August 2015	Cash Collateral	LIBOR *plus* 3%	For general corporate purposes	Wataniya Maldives: Loan Facilities of USD 3mn and USD 4mn were signed in February and September 2013 respectively.
6	12,624	–	February 2016	Cash Collateral	LIBOR *plus* 5.5%	For general corporate purposes	

26 LOANS AND BORROWINGS (CONTINUED)

National Mobile Telecommunications Company K.S.C. and subsidiaries (NMTC) (continued)

Sl. No.	Facility outstanding amount as at 2013 QR'000	2012 QR'000	Maturity	Collateral	Interest rate/ profit element	Purpose of the facility	Facility details
7	613,332	–	December 2016	Unsecured	5%	For general corporate purposes	Wataniya Algeria: – Loan facility of DZD 13.4 billion (approx USD 172 million) was signed in December 2013 for 3 years.
8	133,123	–	November 2014	Unsecured	Algerian repo rate +1.3%	For general corporate purposes	Wataniya Algeria: – A loan facility of DZD 3 billion (approx USD 38 million) was signed in August 2010 for 4 years.
9	53,602	–	March 2014	Unsecured	4.5%	For general corporate purposes	Wataniya Algeria: – A loan facility of DZD 1.5 billion (approx USD 17.8 million) was signed in March 2013 for 1 year.
10	52,596	–	September 2014	Unsecured	4.95%	For general corporate purposes	Wataniya Algeria: – A loan facility of DZD 1.125 billion (approx USD 19 million) was signed in October 2012 for 2 years.
11	232,285	–	October 2016	Unsecured	CBK	For general corporate purposes	Wataniya Kuwait: – A new loan of KD 33mn was signed in October 2013 for 3 years.
Total	1,919,073	1,443,823					

Asiacell

Sl. No.	Facility outstanding amount as at 2013 QR'000	2012 QR'000	Maturity	Collateral	Interest rate/ profit element	Purpose of the facility	Facility details
1	412,703	728,302	June 2015	Guaranteed by Ooredoo Q,S.C (Parent)	LIBOR *plus* 1.75%	For general corporate purposes	QNB Loan – This loan entered in June 2012 is repayable in 30 equal monthly instalments.
2	254,905	364,148	November 2015	Guaranteed by Ooredoo Q,S.C (Parent)	LIBOR *plus* 1.40%	For general corporate purposes	HSBC Facility – This loan entered in October 2012 is repayable in 30 equal monthly instalments.
3	51,814	45,276	December 2015	Unsecured	LIBOR *plus* 2.50%	For purchase of network equipment	HSBC – Hermes facility signed in August 2011, for US$ 23.3 million. The loan is repayable in 6 equal semi–annual instalments starting from 31 May 2013.
Total	719,422	1,137,726					

26 LOANS AND BORROWINGS (CONTINUED)

PT Indosat Tbk and its subsidiaries

Sl. No.	Facility outstanding amount as at 2013 QR'000	2012 QR'000	Maturity	Collateral	Interest rate/ profit element	Purpose of the facility	Facility details
1	–	573,536	June 2013	Unsecured	US Dollar LIBOR *plus* 1.9% p.a. for onshore and 1.85% p.a. for offshore lenders	To finance capital expenditure, refinancing and general working capital requirements.	The Syndicated US dollar loan facility was signed in June 2008 and is repayable semi–annually over a period of 4 to 5 years. The facility has been fully repaid in June 2013.
2	343,973	400,677	September 2019	Assets as pari-passu security	5.69% p.a.	To finance 85% of the French content under the Palapa D Satellite and 100% of the COFACE premium	12 years HSBC – COFACE term facility Payable in twenty semi–annual instalments.
3	96,723	112,668	September 2019	Unsecured	USD LIBOR + 0.35% p.a.	To finance 85% of the launch service contract under the Palapa D Satellite	12 years HSBC – SINOSURE term facility Payable in twenty semi–annual instalments.
4	448,829	112,973	June 2014	Unsecured	1-month JIBOR *plus* 1.25% payable monthly	To finance working capital, capital expenditure and/or refinancing requirements	MANDIRI Revolving loan facility agreement entered in June 2011. Based on the facility agreement, the Company is required to comply with certain covenants such as maintaining financial ratios.
5	448,829	376,577	February 2014	Unsecured	JIBOR + 1.75% p.a payable monthly	For general corporate purposes	BCA Revolving time loan had an initial maximum amount of IDR 1,000 billion which was amended to increase the amount up to IDR 1,500 billion.
6	537,960	700,988	Facility A: May 2016 Facility B: February 2017 Facility C: November 2017	Unsecured	Facility A: 6 Month LIBOR *Plus* 2.87% Facility B: Commercial Interest Reference Rate ("CIRR") *Plus* 1.66% Facility C: CIRR *Plus* 1.64% – payable semi-annually.	Purchase of telecommunication equipments	AB Svensk Export credit facilities consisting of facilities A,B and C with maximum amounts of US $100 million, USD 155 million and USD 60 million respectively.
7	777,970	979,100	Series A: May 2014 Series B: May 2017	Unsecured	Series A 10.2% and Series B 10.65% – payable quarterly	For capital expenditure purposes	Fifth Indosat bonds – issued in May 2007 in 2 series: Series A amounting to IDR 1,230 billion Series B amounting to IDR 1,370 billion.

26 LOANS AND BORROWINGS (CONTINUED)

PT Indosat Tbk and its subsidiaries (continued)

Sl. No.	Facility outstanding amount as at 2013 QR'000	2012 QR'000	Maturity	Collateral	Interest rate/ profit element	Purpose of the facility	Facility details
8	95,750	406,704	April 2015	Unsecured	Series A 10.25% and Series B 10.80% – payable quarterly	For capital expenditure purposes	Sixth Indosat bonds – issued in April 2008 in 2 series: Series A amounting to IDR 760 billion Series B amounting to IDR 320 billion The subsidiary is required to maintain certain financial ratios as required by the loan agreement.
9	388,985	489,550	Series A: December 2014 Series B: December 2016 – payable quarterly	Unsecured	Series A 11.25% and Series B 11.75%	Repayment of Satelindo's debt and guaranteed floating rate bond.	Seventh Indosat bonds – issued in December 2009 in 2 series: Series A amounting to IDR 700 billion Series B amounting to IDR 600 billion. The subsidiary is required to maintain certain financial ratios as required by the loan agreement.
10	2,370,670	2,370,670	July 2020	Unconditionally and irrevocably guaranteed	7.375% Payable semi-annually	For purchase of Guarantee notes maturing in 2010 and 2012 and for refinancing part of the existing facilities	Guaranteed Notes ("GN") 2020 was issued at 99.478% of their principal amount with interest payable. The notes will be redeemable at the option of the issuer in whole or in part, at any time on or after 29 July 2015. Certain financial ratios to be maintained as part of the covenants.
11	–	182,075	May 2013	Unsecured	6.45% per annum	Purchase of telecommunication equipments.	This facility has been fully repaid in May 2013. (Goldman Sachs International)
12	119,689	150,631	May 2014	Unsecured	IDR 10.3 billion annual fixed Ijarah return	For capital expenditure purposes	Sukuk Ijarah II bonds issued on May 2007. Certain financial ratios need to be maintained as part of the covenants.
13	–	214,649	April 2013	Unsecured	IDR 58.425 billion annual fixed Ijarah costs	For capital expenditure purposes	Sukuk Ijarah III bonds has been fully repaid in April 2013.
14	59,845	75,315	Series A: December 2014 Series B: December 2016	Unsecured	Annual fixed Ijarah return. Series A bonds IDR 3.15 billion and Series B bonds IDR 20.21 billion	For the purchase of Base Station Subsystem to expand the subsidiary's cellular network.	Sukuk Ijarah IV bonds issued in year 2009 Series A bonds amounting to IDR 28 billion Series B bonds amounting to IDR 172 billion

26 LOANS AND BORROWINGS (CONTINUED)

PT Indosat Tbk and its subsidiaries (continued)

Sl. No.	Facility outstanding amount as at 2013 QR'000	2012 QR'000	Maturity	Collateral	Interest rate/ profit element	Purpose of the facility	Facility details
15	**359,063**	451,892	June 2019	Unsecured	Fixed rate of 8.625% p.a. payable quarterly	For general corporate purposes	Eighth Indosat Bond Series A Notes (fixed rate bonds) of IDR 1,200 billion.
16	**448,829**	564,866	June 2022	Unsecured	Fixed rate of 8.875% p.a. payable quarterly	For general corporate purposes	Eighth Indosat Bond Series B Notes (fixed rate bonds) of IDR 1,500 billion.
17	**89,766**	112,973	June 2019	Unsecured	Annual Ijarah payment of IDR25.875 billion	For general corporate purposes	Sukuk Ijarah V bonds issued in 2012, IDR 300 billion.
18	**44,374**	55,378	November 2016	Assets as Pari-passu security	6 month LIBOR *plus* 1.45%	To finance 85% of the launch service contract under the Palapa D Satellite	9 years HSBC – commercial facility. Payable in fifteen semi-annual instalments.
19	**89,766**	–	October 2016	Unsecured	3 months Jibor + 2.25%	For general corporate purposes	A revolving loan facility of IDR 750 billion (Approx. USD 24mn) was signed in October 2013 for 3 years from IIF and SMI.
20	**299,219**	–	December 2018	Unsecured	9.25% payable quarterly	For capital expenditure and debt refinancing	BCA loan facility of IDR 1,000 billion was signed in July 2013 for 5 years.
21	**194,493**	37,659	December 2015	Unsecured	1month Jibor + 1.25%	For general corporate purposes	In Dec 2012, the company entered into a new loan of IDR 650 billion with a tenor of 3 years with BSMI.
Total	7,214,733	8,368,881					

Others

Sl. No.	Facility outstanding amount as at 2013 QR'000	2012 QR'000	Maturity	Collateral	Interest rate/ profit element	Purpose of the facility	Facility details
1	**41,513**	44,108	On demand	Unsecured	NIL	For general corporate purposes	Share holder loan payable on demand.
2	–	149,945	November 2016	Unsecured	1%	For general corporate purposes	Loan received from Associate – this has been repaid in full in 2013.
Total	**41,513**	194,053					

Others represent facilities of Midya Telecom Company Limited and Qtel Investment Holdings S.P.C.

27 EMPLOYEE BENEFITS

	2013 QR'000	2012 QR'000 (Restated)
Employees' end of service benefits	337,388	316,980
Post-retirement health care plan	140,552	377,523
Cash settled share based payments	256,344	162,414
Defined benefit pension plan/Labour Law No. 13/2003	71,657	136,518
Other employee benefits	11,299	16,636
Total employee benefits	817,240	1,010,071
Current portion of cash settled share based payments (note 29)	(120,276)	(81,686)
Employee benefits – non current	696,964	928,385

Movement in the provision for employee benefits are as follows:

	2013 QR'000	2012 QR'000 (Restated)
At 1 January	1,010,071	952,205
Provided during the year	299,392	110,816
Paid during the year	(129,884)	(139,100)
Other comprehensive income	(230,223)	108,549
Relating to discontinued operation	(13,408)	–
Exchange adjustment	(118,708)	(22,399)
At 31 December	817,240	1,010,071

The details of the benefit plans operated by one of the Group's subsidiaries are as follows:

Plan A – Post-retirement healthcare plan

The subsidiary provides post-retirement healthcare benefits to its employees who leave after the employees fulfil the early retirement requirement. The immediate family of employees who have been officially registered in the records of the Company are also eligible to receive benefits.

Plan B – Defined Benefit Pension Plan – Labour Law No. 13/2003

Indosat, Lintasarta and IMM also accrue benefits under Indonesian Labor Law No. 13/2003 ("Labor Law") dated 25 March 2003. Their employees will receive the benefits under this law or the defined benefit pension plan, whichever amount is higher.

Plan C – Defined Benefit Pension Plan

The subsidiaries, Indosat, Satelindo and Lintasarta provide defined benefit pension plans to their respective employees under which pension benefits to be paid upon retirement. A state-owned life insurance company, PT Asuransi Jiwasraya ("Jiwasraya") manages the plans. Pension contributions are determined by periodic actuarial calculations performed by Jiwasraya.

Based on the agreement, a participating employee will receive:

- Expiration benefit equivalent to the cash value at the normal retirement age, or
- Death benefit not due to accident equivalent to 100% of insurance money plus cash value when the employee dies not due to accident, or
- Death benefit due to accident equivalent to 200% of insurance money plus cash value when the employee dies due to accident.

27 EMPLOYEE BENEFITS (CONTINUED)

Actuarial assumptions

The actuarial valuations were prepared by an independent actuary, using the projected-unit-credit method, the following were the principal actuarial assumptions at the reporting date.

	2013			2012		
	Plan A	Plan B	Plan C	Plan A	Plan B	Plan C
Annual discount rate	9.5%	9.0 – 9.5%	9.0%	7.0%	6.0 – 6.5%	6.0%
Ultimate cost trend rate	6.0%	–	–	6.0%	–	–
Next year trend rate	8.0%	–	–	10.0%	–	–
Period to reach ultimate cost trend rate	1 Years	–	–	2 Years	–	–
Increase in compensation		7.5 – 8.5%	3.0 – 9.0%	–	7.5 – 8.5%	3.0 – 9.0%
Expected annual rate of return on plan assets	–	–	4.5 – 9.0%	–	–	4.5 – 8.0%
Mortality rate	–	–	TMI 2011	–	–	TMI 2011

Movement in net defined benefit (asset)/liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit liability (asset) and its components.

	2013			2012 (Restated)		
	Plan A QR'000	Plan B QR'000	Plan C QR'000	Plan A QR'000	Plan B QR'000	Plan C QR'000
At 1 January	383,232	138,446	(8,332)	276,200	116,913	(30,451)
Included in profit or loss						
Interest cost	25,914	8,653	(778)	25,139	10,020	(2,605)
Service cost	14,752	13,682	11,719	12,786	14,595	13,305
Curtailment gain	(7,700)	(2,537)	2,974	–	(182)	423
Immediate recognition of past service cost – vested benefit	–	266	(1,025)	–	(241)	–
	32,966	20,064	12,890	37,925	24,192	11,123
Included in other comprehensive income						
Actuarial (gain)/loss	(180,425)	(49,798)	(74,604)	98,299	10,250	14,944
Other movements						
Contribution	–	–	(3,122)	–	–	(3,968)
Benefit payment	(6,663)	(3,345)	–	(5,066)	(886)	–
Refund	–	–	469	–	–	535
Exchange adjustment	(84,728)	(32,095)	34,503	(24,126)	(12,023)	(515)
	(91,391)	(35,440)	31,850	(29,192)	(12,909)	(3,948)
At 31 December	144,382	73,272	(38,196)	383,232	138,446	(8,332)
Current portion	3,830	1,615	(1,149)	5,709	1,928	(548)
Non-current portion	140,552	71,657	(37,047)	377,523	136,518	(7,784)

27 EMPLOYEE BENEFITS (CONTINUED)

Plan assets comprises of time deposits, debt securities, long-term investment in shares of stock and property as follows:

	2013	2012
Investments in:		
– Shares of stocks and properties	45.87%	7.10%
– Mutual fund	44.20%	75.34%
– Time deposits	6.37%	12.13%
– Debt securities	3.56%	5.43%
– Others	0.00%	0.00%

28 OTHER NON-CURRENT LIABILITIES

	2013 QR'000	2012 QR'000
Ministry of Communication and Technology ('MOCIT') Indonesia	440,260	727,121
Ministry of Telecommunications and Information Technology-Palestine	197,903	197,903
Site restoration provision	61,958	47,474
Finance lease liabilities (note 32)	1,079,601	1,195,349
Deferred gain on finance leases	320,054	455,914
Others	526,081	52,709
	2,625,857	2,676,470

29 TRADE AND OTHER PAYABLES

	2013 QR'000	2012 QR'000
Trade payables	2,790,481	3,034,702
Accrued expenses	5,698,003	4,243,915
Interest payable	456,240	374,913
Profit payable on islamic financing obligation	10,757	–
Amounts due to international carriers	748,586	369,798
Negative fair value of derivatives	22,237	56,991
Finance lease liabilities (note 32)	107,318	110,322
Cash settled share based payments (note 27)	120,276	81,686
Other payables	2,719,305	2,699,667
	12,673,203	10,971,994

Included in other payables is an amount of QR 815,798 thousands (2012: QR 821,752 thousands) payable to regulators on account of regulatory fees.

30 DIVIDEND AND BONUS SHARES

Dividend paid and proposed

	2013 QR'000	2012 QR'000
Declared, accrued and paid during the year		
Final dividend for 2012, QR 5 per share (2011: QR 3 per share)	**1,601,600**	528,000
Proposed for approval at Annual General Meeting		
(not recognised as a liability as at 31 December)		
Final dividend for 2013, QR 4 per share		
(2012: QR 5 per share)	**1,281,280**	1,601,600

The proposed final dividend will be submitted for formal approval at the Annual General Meeting.

Bonus shares:

During 2012, the Group issued bonus shares of 30% of the share capital as at 31 December 2011 amounting to QR 528,000 thousands.

31 DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives not designated as hedging instruments

The Group uses cross currency swap contracts, currency forward contracts and interest rate swaps to manage some of the currency transaction exposure and interest rate exposure. These contracts are not designated as cash flow, fair value or net investment hedges and are accounted for as derivative financial instruments:

	Notional amounts	
	2013 QR'000	2012 QR'000
Cross currency swaps	–	243,981
Currency forward contracts	**888,526**	1,175,432
Interest rate swaps	**259,410**	1,224,407
Fair value hedge	**304,559**	304,559
	1,452,495	2,948,379

	Fair values			
	2013		2012	
	Positive QR'000	Negative QR'000	Positive QR'000	Negative QR'000
Cross currency swaps	–	–	11,262	–
Currency forward contracts	**58,518**	–	15,135	33
Interest rate swaps	–	**11,042**	–	30,594
Fair value hedge	**77,837**	**10,036**	4,240	26,295
	136,355	**21,078**	30,637	56,922

Cash flow hedges

The Group has several interest rates swap and basis swap agreements with a view to limit its floating interest rate exposure on its term loans. Under the interest rate swap arrangements, the Group will pay an agreed fixed interest rate and receive floating interest rates based on USD LIBOR.

The swap arrangements qualify for hedge accounting under IAS 39, the hedging relationship and objective, including details of the hedged items and hedging instruments are formally documented as the transactions are accounted as cash flow hedges.

31 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Cash flow hedges (continued)

The table below shows the positive and negative fair values of derivative financial instruments held as cash flow hedges together with the notional amounts:

	Negative fair value QR'000	Positive fair value QR'000	Notional Amounts QR'000
Interest rate swaps			
31 December 2013	**1,159**	**2,116**	**244,270**
31 December 2012	69	–	80,210

32 COMMITMENTS

Capital expenditure commitments

	2013 QR'000	2012 QR'000
Estimated capital expenditure contracted for at the end of the financial reporting year but not provided for:	**8,393,649**	4,608,619

Operating lease commitments

	2013 QR'000	2012 QR'000
Future minimum lease payments:		
Not later than one year	**203,376**	175,771
Later than one year and not later than five years	**615,681**	511,778
Later than five years	**171,165**	222,572
Total operating lease expenditure contracted for at 31 December	**990,222**	910,121

Finance lease commitments

	2013 QR'000	2012 QR'000
Amounts under finance leases		
Minimum lease payments		
Not later than one year	**235,037**	252,976
Later than one year and not later than five years	**906,231**	953,073
Later than five years	**632,179**	835,920
	1,773,447	2,041,969
Less: unearned finance income	**(586,528)**	(736,298)
Present value of minimum lease payments	**1,186,919**	1,305,671

Present value of minimum lease payments

	Note	2013 QR'000	2012 QR'000
Current potion	29	**107,318**	110,322
Non-current portion	28	**1,079,601**	1,195,349
		1,186,919	1,305,671

33 CONTINGENT LIABILITIES

	2013 QR'000	2012 QR'000
Letters of guarantees	**405,961**	308,557
Letters of credit	**139,351**	113,911
Claims against the Group not acknowledged as debts	**764**	2,675

Litigation

The Group is from time to time a party to various legal actions arising in the ordinary course of its business. The Group does not believe that the resolution of these legal actions will, individually or in the aggregate, have a material adverse effect on its financial condition or results of operations, except as noted below.

a) Proceedings against PT Indosat Mega Media relating to misuse of radio frequencies

In early 2012, the Attorney General's Office in Jakarta (the "AGO") initiated corruption proceedings against PT Indosat Mega Media ("IM2"), a 99 per cent owned subsidiary of PT Indosat TBK, a subsidiary of the Group, for unlawful use of a radio frequency band allocation that had been granted to Indosat. These proceedings were initiated pursuant to a report from the Indonesian Telecommunication Consumer Non Governmental Organisation, which alleged that IM2 had avoided paying certain spectrum fees by unlawfully using Indosat's 3G spectrum which Indosat had acquired through a tender process in 2006.

On 8 July 2013, the Indonesia Corruption Court imposed a fine of QR 477 million (USD 131 million) against IM2 in a related case against the former President Director of IM2. Both the former President Director of IM2 and the AGO lodged appeals to the Jakarta High Court. On 10 January 2014, the Jakarta High Court issued a decision in favour of IM2 and cancelled the fine of QR 477 million (USD 131 million) against IM2 for the compensation of the state loss. The AGO is currently investigating related cases against IM2, Indosat and its former CEO, and the AGO may institute fresh proceedings to the Corruption Court.

b) Tax demand notices against Asiacell

As at the reporting date, one of the Group's subsidiaries, Asiacell Communication PJSC ("ACL") was subject to tax demand notice by the General Commission for Taxes, Iraq (the "GCT") for the years 2004 to 2008 for an amount of QR 387.1 million and a further tax demand notice by the GCT for the years 2003 to 2007 for an amount of QR 84.6 million relating to employees' income tax.

Currently the ACL management is in the process of discussing the basis of each of these claims and certain amount is paid under protest to comply with the requirements of tax laws in Iraq. ACL management is of the view that ACL has strong grounds to challenge each of these claims.

c) Proceedings against Wataniya relating to misuse of network infrastructure

The Ministry of Communications ("MOC") in Kuwait initiated proceedings against one of the Group's subsidiaries, National Mobile Telecommunication Company ("NMTC") under Article 262 of the Kuwaiti Civil Code, claiming unlawful use of the Ministry's network infrastructure since 1999. As of reporting date, the proceedings were pending before the Kuwaiti Court of Appeal.

Subsequent to the reporting date, on 18 February 2014, the Kuwaiti Court of Appeal ruled in favour of the MOC. The decision was based on the claimed right of the MOC to charge fees according to Kuwaiti Law for mobile services provided via the Company's mobile network. The judgement was for an amount of QR 474.1 million (equivalent Kuwaiti Dinar 36.7 million).

As per the Kuwaiti Court rules, the management is in the process of challenging the judgment of the Court of Appeal before the Court of Cassation, hence, the outcome of the lawsuit is uncertain. The management believes that NMTC has strong grounds to challenge the judgment of the Court of Appeal, accordingly, no provision is recognised in these consolidated financial statements.

34 FINANCIAL RISK MANAGEMENT

Objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, finance leases, and trade payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade receivables, investments and cash and short-term deposits, which arise directly from its operations.

The Group also enters into derivative transactions, primarily interest rate swaps, cross currency swaps and forward currency contracts. The purpose is to manage the interest rate and currency risks arising from the Group's operations and its sources of finance.

The main risks arising from the Group's financial instruments are market risk, credit risk, liquidity risk and operational risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign currency exchange rates and equity prices will affect the Group's profit, equity or value of its holding of financial instruments. The objective of market risk management is to manage and control the market risk exposure within acceptable parameters, while optimizing return.

Interest rate risk

The Group's financial assets and liabilities that are subject to interest rate risk comprise bank deposits, loans receivable, available-for-sale debt instruments, loans and borrowings. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's financial assets and liabilities with floating interest rates and fixed interest instruments maturing within three months from the end of the financial reporting year.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Group enters into interest rate swaps, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon notional amount. The swaps are designated to hedge underlying debt obligations. At 31 December 2013, after taking into the effect of interest rate swaps, approximately 75% of the Group's borrowings are at a fixed rate of interest (2012: 66%).

The following table demonstrates the sensitivity of the consolidated statement of profit or loss and equity to reasonably possible changes in interest rates by 25 basis points, with all other variables held constant. The sensitivity of the consolidated statement of profit or loss and equity is the effect of the assumed changes in interest rates for one year, based on the floating rate financial assets and financial liabilities held at 31 December. The effect of decreases in interest rates is expected to be equal and opposite to the effect of the increases shown.

	Consolidated statement of profit or loss +25b.p QR'000	Equity +25 b. p QR'000
At 31 December 2013		
USD LIBOR	**(23,489)**	**611**
Others	**(4,754)**	**–**
At 31 December 2012		
USD LIBOR	(30,349)	201
Others	(3,206)	–

34 FINANCIAL RISK MANAGEMENT (CONTINUED)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities and the Group's net investment in foreign subsidiaries.

The Group had the following significant net exposure denominated in foreign currencies.

	2013 QR'000 Assets (Liabilities)	2012 QR'000 Assets (Liabilities)
Indonesian Rupiah (IDR)	5,402,507	4,241,922
Kuwaiti Dinar (KD)	8,342,247	7,913,787
US Dollars (USD)	(5,521,697)	(4,069,510)
Euro	(27,285)	(267,191)
Great British Pounds (GBP)	(3,095)	(4,011)
Tunisian Dinar (TND)	7,574,129	9,065,188
Algerian Dinar (DZD)	3,622,007	3,672,291
Others	(17,026)	95,423

The US Dollar denominated balances are not considered to represent a significant currency risk as Qatari Riyal is pegged to US Dollar.

The following table demonstrates the sensitivity to consolidated statement of profit or loss and equity for a reasonably possible change in the following currencies against Qatari Riyal, with all other variables held constant, of the Group's profit due to changes in the fair value of monetary assets and liabilities and the Group's equity on account of translation of foreign subsidiaries. The effect of decreases in foreign exchange rates is expected to be equal and opposite to the effect of the increases shown:

	Effect on consolidated statement of profit or loss		Effect on equity	
	2013 +10% QR'000	2012 +10% QR'000	2013 +10% QR'000	2012 +10% QR'000
Indonesian Rupiah	–	–	540,251	424,192
Kuwaiti Dinar	–	–	834,225	791,379
Tunisian Dinar	–	–	757,413	906,519
Algerian Dinar	–	–	362,201	367,229
US Dollars	(552,170)	(406,951)	–	–
Euro	(2,729)	(26,719)	–	–
Great British Pounds	(311)	(402)	–	–

34 FINANCIAL RISK MANAGEMENT (CONTINUED)

Equity price risk

The following table demonstrates the sensitivity of the fair value reserve to reasonably possible changes in quoted equity share prices, with all other variables held constant. The effect of decreases in equity prices is expected to be equal and opposite to the effect of the increases shown.

	Changes in equity indices	Effect on equity QR'000
2013		
Qatar Exchange (QE)	+10%	55,911
Kuwait Stock Exchange (KSE)	+15%	1,939
Indonesia Stock Exchange (IDX)	+10%	41,621
2012		
Qatar Exchange (QE)	+10%	51,453
Kuwait Stock Exchange (KSE)	+15%	4,166
Indonesia Stock Exchange (IDX)	+10%	51,478

The Group also has unquoted investments carried at cost where the impact of changes in equity prices will only be reflected when the investment is sold or deemed to be impaired, when the consolidated statement of profit or loss will be impacted.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group's exposure to credit risk is as indicated by the carrying amount of its assets which consist principally of trade receivables, bank balances, available-for-sale debt instruments and loans receivable and positive fair value of derivatives.

The Group provides telecommunication services to various parties. It is the Group's policy that all customers who wish to obtain on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the purchase of service limits are established for each customer, which are reviewed regularly based on the level of past transactions and settlement. The Group's maximum exposure with regard to the trade receivables net of allowance for impairment as at 31 December is as follows:

	2013 QR'000	2012 QR'000
Qatar	887,863	878,510
Other countries	1,840,219	2,053,918
	2,728,082	2,932,428

With respect to credit risk arising from the other financial assets of the Group, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments are as follows:

	2013 QR'000	2012 QR'000
Available-for-sale debt instruments	113,505	126,717
Bank balances (excluding cash)	20,228,535	14,936,469
Positive fair value of derivatives	138,471	30,637
Amounts due from international carriers	558,029	223,386
Unbilled subscriber revenue	715,054	317,984
Other non-current assets	–	149,956
	21,753,594	15,785,149

34 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

The Group reduces the exposure of credit risk arising from bank balances by maintaining bank accounts in reputed banks, 74% of bank balances represents balances maintained with local banks in Qatar with a rating of atleast BBB+. Credit risk arising from derivative financial instruments is at any time, limited to those with positive fair values, as recorded on the consolidated statement of financial position. With gross settled derivatives, the Group is also exposed to settlement risk.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of Groups own reserves and bank facilities. The Group's terms of sales require amounts to be paid within 30 days from the invoiced date. The table below summarizes the maturity profile of the Group's financial liabilities at 31 December based on contractual undiscounted payments:

	Less than 1 year QR'000	1 to 2 years QR'000	2 to 5 years QR'000	> 5 years QR'000	Total QR'000
At 31 December 2013					
Loans and borrowings	10,433,708	5,806,428	17,845,652	24,679,931	58,765,719
Trade payables	2,790,481	–	–	–	2,790,481
License costs payable	165,851	153,668	433,836	–	753,355
Finance lease liabilities	235,037	235,356	670,875	632,179	1,773,447
Other financial liabilities	891,099	198,026	–	–	1,089,125
	14,516,176	6,393,478	18,950,363	25,312,110	65,172,127

	Less than 1 year QR'000	1 to 2 years QR'000	2 to 5 years QR'000	> 5 years QR'000	Total QR'000
At 31 December 2012					
Loans and borrowings	9,290,975	9,349,494	12,166,845	19,112,391	49,919,705
Trade payables	3,034,702	–	–	–	3,034,702
License costs payable	230,869	412,956	409,780	92,638	1,146,243
Finance lease liabilities	252,976	252,976	700,097	835,920	2,041,969
Other financial liabilities	508,475	128,202	–	–	636,677
	13,317,997	10,143,628	13,276,722	20,040,949	56,779,296

Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group makes adjustments to its capital structure, in light of changes in economic and business conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31 December 2013 and 31 December 2012.

Capital includes share capital, legal reserve, other statutory reserves and retained earnings and is measured at QR 25,263,582 thousands at 31 December 2013 (2012: QR 25,905,232 thousands).

35 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair values

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are carried in the consolidated financial statements:

	Carrying amounts		Fair values	
	2013 QR'000	2012 QR'000	2013 QR'000	2012 QR'000
Financial assets				
Available-for-sale investments	2,704,493	2,633,650	2,704,493	2,633,650
Other non-current assets	–	149,956	–	149,956
Trade and other receivables	4,139,636	3,504,435	4,139,636	3,504,435
Bank balances and cash	20,304,571	15,006,026	20,304,571	15,006,026
Financial liabilities				
Loans and borrowings	45,769,245	39,765,230	44,229,359	38,833,382
Other non-current liabilities	638,163	925,024	638,163	925,024
Finance lease liabilities	1,186,919	1,305,671	1,186,919	1,305,671
Trade and other payables	6,867,882	6,617,757	6,867,882	6,617,757
Income tax payable	561,122	505,019	561,122	505,019

The following methods and assumptions were used to estimate the fair values.

- Cash and short-term deposits, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Long-term fixed-rate and variable-rate receivables are evaluated by the Group based on parameters such as interest rates, specific country risk factors, and individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. At the end of the reporting period, the carrying amounts of such receivables, net of allowances, approximate their fair values.
- Fair value of quoted investments is based on price quotations at the end of the reporting period. The fair value of unquoted investments, loans from banks and other financial indebtedness, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates applicable for similar risks and maturity profiles. Fair values of unquoted financial assets are estimated using appropriate valuation techniques.
- The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps, foreign exchange forward contracts and currency swaps. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counter parties, foreign exchange spot and forward rates and interest rate curves.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Level 1: Quoted prices (unadjusted) prices in active markets for identical assets or liabilities that the Group can access at the measurement date

Level 2: Inputs other than quoted prices included within level 1 that are observable for the assets of liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

35 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (continued)

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

Financial assets

	2013 QR'000	Level 1 QR'000	Level 2 QR'000	Level 3 QR'000
Available-for-sale investments	2,641,766	1,098,112	1,543,654	–
Derivative financial instruments	138,471	–	138,471	–
	2,780,237	1,098,112	1,682,125	–

	2012 QR'000	Level 1 QR'000	Level 2 QR'000	Level 3 QR'000
Available-for-sale investments	2,487,224	1,180,177	1,307,047	–
Derivative financial instruments	30,637	–	30,637	–
	2,517,861	1,180,177	1,337,684	–

Financial liabilities

	2013 QR'000	Level 1 QR'000	Level 2 QR'000	Level 3 QR'000
Derivative financial instruments	22,237	–	22,237	–

	2012 QR'000	Level 1 QR'000	Level 2 QR'000	Level 3 QR'000
Derivative financial instruments	56,991	–	56,991	–

36 RELATED PARTY DISCLOSURES

Related party transactions and balances

Related parties represent associated companies including Government and semi Government agencies, associates, major shareholders, directors and key management personnel of the Group, and companies of which they are principal owners. In the ordinary course of business the Group enters into transactions with related parties. Pricing policies and terms of transactions are approved by the Group's management. The Group enters into commercial transactions with Government related entities in the ordinary course of business in terms of providing telecommunication services, placement of deposits and obtaining credit facilities etc.

a) Transactions with Government and related entities

The Group enters into commercial transactions with other Government related entities in the ordinary course of business which includes providing telecommunication services, placement of deposits and obtaining credit facilities. All these transactions are at arm's length and in the normal course of business.

b) Transactions with Directors and other key management personnel

Key management personnel comprise the Board of Directors and key members of management having authority and responsibility of planning, directing and controlling the activities of the Group.

Directors' remuneration including committee fees of QR 19,480 thousands was proposed for the year ended 31 December 2013 (2012: QR 19,480 thousands). The compensation and benefits related to key management personnel amounted to QR 164,013 thousands (2012: QR 152,921 thousands) and end of service benefits amounted to QR 22,336 thousands (2012: QR 19,521 thousands). The remuneration to the Board of Directors has been included under the caption "employee salaries and associated costs" in Selling, general and administration expenses in note 7.

37 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill and other indefinite life intangibles are tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Useful lives of property, plant and equipment and investment property

The Group's management determines the estimated useful lives of its property, plant and equipment and investment property for calculating depreciation. This estimate is determined after considering the expected usage of the asset, physical wear and tear, technical or commercial obsolescence.

Useful lives of intangible assets

The Group's management determines the estimated useful lives of its intangible assets for calculating amortisation. This estimate is determined after considering the expected usage of the asset, technical or commercial obsolescence.

Classification of investment securities

On acquisition of an investment security, the Group decides whether it should be classified as "investments at fair value through consolidated statement of profit or loss" or "available-for-sale". The Group follows the guidance of IAS 39 on classifying its investments. All investments are classified as "available-for-sale".

Impairment of available-for-sale equity investments

The Group treats available-for-sale equity investments as impaired when there has been a significant or prolonged decline in fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires considerable judgment. The Group treats "significant" generally as 20 – 30% or more and 'prolonged' greater than nine (9) months. In addition, the Group evaluates other factors, including normal volatility in share price for quoted equities and the future cash flows and the discount factors for unquoted equities.

Fair value of unquoted equity investments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Impairment of inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts, this estimation is performed on an individual basis. Inventories which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

37 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Impairment of trade receivables

An estimate of the collectible amount of trade receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

Presentation: gross versus net

When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the Group and its business partners are reviewed to determine each party's respective role in the transaction.

Where the Group's role in a transaction is that of principal, revenue is recognised on a gross basis. This requires revenue to comprise the gross value of the transaction billed to the customer, after trade discounts, with any related expenditure charged as an operating cost.

Where the Group's role in a transaction is that of an agent, revenue is recognised on a net basis with revenue representing the margin earned.

Business combinations

The recognition of business combinations requires the excess of the purchase price of acquisitions over the net book value of assets acquired to be allocated to the assets and liabilities of the acquired entity.

The Group makes judgements and estimates in relation to the fair value allocation of the purchase price. If any unallocated portion is positive it is recognised as goodwill and if negative, it is recognised in the consolidated statement of profit or loss.

Licences and spectrum fees

The estimated useful life is generally the term of the licence unless there is a presumption of renewal at negligible cost. Using the licence term reflects the period over which the Group will receive economic benefit. For technology specific licences with a presumption of renewal at negligible cost, the estimated useful economic life reflects the Group's expectation of the period over which the Group will continue to receive economic benefit from the licence. The economic lives are periodically reviewed taking into consideration such factors as changes in technology. Historically any changes to economic lives have not been material following these reviews.

Revenue recognition – fair value determination for customer loyalty programmes

The Group estimates the fair value of points awarded under the customer loyalty programme estimating the weighted average cost for redemption of the points. Inputs to the models include making assumptions about expected redemption rates, the mix of products that will be available for redemption in the future and customer preferences.

Hedge effectiveness for cash flow hedges

Management reviews its hedging relationship between the interest rate swaps and the underlying loans on a regular basis. The fair values of the interest rate swaps and basis swaps are determined based on future expected LIBOR rates.

38 SUMMARISED FINANCIAL INFORMATION OF SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

The following table summarizes the information relating to each of the Group's subsidiaries that have material non-controlling interests, before any intra-group eliminations:

	Asiacel, Iraq QR'000	Wataniya, Kuwait QR'000	Ooredoo, Algeria QR'000	Ooredoo, Tunisia QR'000	Indosat, Indonesia QR'000	Nawras, Oman QR'000
31 December 2013						
Non-current assets	7,497,195	13,464,177	5,236,653	2,529,807	14,761,942	2,756,548
Current assets	1,531,124	1,396,798	1,755,141	807,228	2,148,818	461,103
Non-current liabilities	(731,005)	(287,856)	(1,400,018)	(457,638)	(7,936,158)	(319,984)
Current liabilities	(2,510,133)	(2,455,322)	(3,240,244)	(1,443,387)	(4,014,315)	(1,112,603)
Net assets	5,787,181	12,117,797	2,351,532	1,436,010	4,960,287	1,785,064
Carrying amount of NCI	2,079,963	955,449	601,948	228,520	1,914,230	803,279
Revenue	7,070,682	2,481,286	3,883,810	2,504,151	8,371,003	1,990,126
Profit/(loss)	1,733,666	179,561	733,393	479,149	(849,760)	313,722
Profit/(loss) allocated to NCI	642,987	14,158	187,735	76,249	(270,301)	141,175

	Asiacel, Iraq QR'000	Wataniya, Kuwait QR'000	Ooredoo, Algeria QR'000	Ooredoo, Tunisia QR'000	Indosat, Indonesia QR'000	Nawras, Oman QR'000
31 December 2012						
Non-current assets	7,290,135	12,793,592	3,809,105	2,654,314	18,546,237	2,397,266
Current assets	1,330,025	986,589	1,124,561	1,278,141	3,048,664	528,449
Non-current liabilities	(729,856)	(47,800)	(1,532,687)	(26,235)	(10,299,219)	(239,942)
Current liabilities	(2,253,463)	(1,740,612)	(1,815,452)	(1,226,291)	(4,066,770)	(981,148)
Net assets	5,636,841	11,991,769	1,585,527	2,679,929	7,228,912	1,704,625
Carrying amount of NCI	2,598,706	945,512	405,865	426,471	2,730,013	767,081
Revenue	6,878,111	2,853,844	3,478,938	2,633,221	8,803,980	1,907,140
Profit	1,968,403	590,270	359,000	610,283	218,410	350,068
Profit allocated to NCI	1,108,496	255,922	150,080	353,935	104,344	157,530

39 SEGMENT INFORMATION

Information regarding the Group's reportable segments is set out below in accordance with "IFRS 8 Operating Segments". IFRS 8 requires reportable segments to be identified on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker ("CODM") and used to allocate resources to the segments and to assess their performance.

The Group is engaged in a single line of business, being the supply of telecommunications services and related products. The majority of the Group's revenues, profits and assets relate to its operations in the MENA. Outside of Qatar, the Group operates through its subsidiaries and associates and major operations that are reported to the Group's CODM are considered by the Group to be reportable segment. Revenue is attributed to reportable segments based on the location of the Group companies. Inter-segment sales are charged at arms' length prices.

For management reporting purposes, the Group is organised into business units based on their geographical area covered, and has six reportable segments as follows:

1. *Ooredoo Qatar (formerly "Qtel")* is a provider of domestic and international telecommunication services within the State of Qatar;
2. *Asiacell* is a provider of mobile telecommunication services in Iraq;
3. *Wataniya* is a provider of mobile telecommunication services in Kuwait and elsewhere in the Middle East and North African (MENA) region;
4. *Indosat* is a provider of telecommunication services such as cellular services, fixed telecommunications, multimedia, data communication and internet services in Indonesia;
5. *Nawras* is a provider of mobile and fixed telecommunication services in Oman; and
6. Others include some of the Group's subsidiaries which are providers of wireless and telecommunication services.

Management monitors the operating results of its operating subsidiaries separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss of these reportable segments. Transfer pricing between reportable segments are on an arm's length basis in a manner similar to transactions with third parties.

Notes to the Consolidated Financial Statements

Year ended 31 December 2013

39 SEGMENT INFORMATION (CONTINUED)

Operating segments

The following tables' present revenue and profit information regarding the Group's operating segments for the year ended 31 December 2013 and 2012:

Year ended 31 December 2013

	Ooredoo Qatar QR'000	Asiacell QR'000	Wataniya QR'000	Indosat QR'000	Nawras QR'000	Others QR'000	Adjustments and eliminations QR'000		Total QR'000
Revenue									
Third party	6,527,293	7,044,480	9,286,904	8,328,871	1,981,430	682,362	–		33,851,340
Inter-segment	62,695	26,202	91,496	42,132	8,696	103,415	(334,636)	(i)	–
Total revenue	6,589,988	7,070,682	9,378,400	8,371,003	1,990,126	785,777	(334,636)		33,851,340
Results									
Segment profit/(loss) before tax	1,501,318	2,423,173	1,884,378	(1,077,590)	412,527	(703,075)	(545,585)	(ii)	3,895,146
Depreciation and amortisation	712,942	1,047,103	1,604,857	3,275,197	374,088	103,077	545,585	(iii)	7,662,849
Net finance costs	1,125,479	17,480	69,158	794,428	20,430	(6,093)	–		2,020,882

Year ended 31 December 2012

	Ooredoo Qatar QR'000	Asiacell QR'000	Wataniya QR'000	Indosat QR'000	Nawras QR'000	Others QR'000	Adjustments and eliminations QR'000		Total QR'000
Revenue									
Third party	6,126,045	6,807,962	9,304,656	8,777,513	1,899,583	559,850	–		33,475,609
Inter-segment	94,052	70,149	140,216	26,467	7,557	117,179	(455,620)	(i)	–
Total revenue	6,220,097	6,878,111	9,444,872	8,803,980	1,907,140	677,029	(455,620)		33,475,609
Results									
Segment profit/(loss) before tax	1,711,049	2,493,623	1,988,343	235,235	454,060	(330,562)	(739,068)	(ii)	5,812,680
Depreciation and amortisation	681,992	942,979	1,540,649	3,339,677	310,240	106,771	690,149	(iii)	7,612,457
Net finance costs	933,175	49,499	60,916	887,368	12,795	(22,747)	–		1,921,006

(i) Inter-segment revenues are eliminated on consolidation.

(ii) Segment profit before tax does not include the following:

	2013 QR'000	2012 QR'000
Amortization of intangibles	(545,585)	(690,149)
Impairment of intangibles	–	(48,919)
	(545,585)	(739,068)

(iii) Amortisation relating to additional intangibles identified from business combination was not considered as part of segment expense.

The following table presents segment assets of the Group's operating segments as at 31 December 2013 and 2012.

	Ooredoo Qatar QR'000	Asiacell QR'000	Wataniya QR'000	Indosat QR'000	Nawras QR'000	Others QR'000	Adjustments and eliminations QR'000	Total QR'000
Segment assets (i)								
At 31 December 2013	24,493,227	8,857,432	27,743,561	18,201,410	3,217,092	3,734,715	11,168,218	97,415,655
At 31 December 2012 (Restated)	18,192,813	8,432,088	25,917,717	23,278,311	2,924,356	3,127,418	12,332,621	94,205,324
Capital expenditure (ii)								
At 31 December 2013	830,876	1,339,812	4,030,160	2,787,936	736,826	66,054	–	9,791,664
At 31 December 2012	764,022	815,869	2,447,310	3,568,059	585,134	76,717	–	8,257,111

(i) Goodwill amounting to QR 11,168,218 thousands (31 December 2012: QR 12,332,621 thousands) was not considered as part of segment assets as goodwill is not used by the Chief Decision Making officers for strategic decision making purposes.

(ii) Capital expenditure consists of additions to property, plant and equipment and intangibles excluding goodwill and assets from business combinations.

40 CONTRIBUTION TO SOCIAL AND SPORTS FUND

According to Qatari Law No. 13 for the year 2008 and the related clarifications issued in January 2010, the group is required to contribute 2.5% of its annual net profits to the state social and sports fund. The clarification relating to Law No. 13 requires the payable amount to be recognised as a distribution of income. Hence, this is recognised in statement of changes in equity.

During the year, the Group appropriated an amount of QR 34,238 thousands (2012: QR 38,119 thousands) representing 2.5% of the net profit generated from Qatar Operations.

41 DISCONTINUED OPERATION

In December 2012, one of the Group's subsidiaries wi-tribe Limited – Jordan P.S.C.("Jordan") ceased its operations and accordingly this had been classified as a discontinued operation in accordance with IFRS 5.

As of 31 December 2013, the management of the Group has committed to a plan to sell all the equity interest in one of the Group's subsidiaries, Public Telecommunications Company Ltd. ("PTC"). As at 31 December 2013, final negotiations for the sale were in progress. As a result, PTC has been reclassified as a disposal group held for sale and disclosed as a discontinued operation as per IFRS 5.

The consolidated statement of profit or loss and statement of cash flow for the comparative year have been represented to disclose the discontinued operation separately from continuing operations.

Results of discontinued operations

	2013 Jordon QR'000	2013 PTC QR'000	2013 Total QR'000	2012 QR'000
Revenue	–	237,927	237,927	238,602
Operating expenses	855	(45,874)	(45,019)	(145,663)
Selling, general and administrative expenses	49	(96,064)	(96,015)	(107,779)
Depreciation and amortization	(46)	(87,937)	(87,983)	(89,738)
Net finance costs	(203)	57	(146)	48
Other income (expense) – net	805	9,466	10,271	3,516
Royalties and fees	–	(7,891)	(7,891)	(11,855)
Results from operating activities	1,460	9,684	11,144	(112,869)
Loss on sale of a discontinued operation	(1,071)	–	(1,071)	–
Results from operating activities – Jordon	–	–	–	(68,169)
Profit/(loss) for the year	389	9,684	10,073	(181,038)

In May 2013, the Group disposed wi-tribe Limited – Jordan P.S.C. for a net consideration of QR 510 thousands and derecognised net assets amounting to QR 1,581 thousands on the date of disposal. As a result, the Group has recognized a loss of QR 1,071 thousands on disposal of this subsidiary.

Cash flows from (used in) discontinued operations

	2013 QR'000	2012 QR'000
Net cash from/(used in) operating activities	123,236	(2,595)
Net cash used in investing activities	(5,745)	(8,881)
Net cash from financing activities	–	68,291
Net cash flows for the year	117,491	56,815

41 DISCONTINUED OPERATION (CONTINUED)

Financial position of discontinued operation

	2013 QR'000	2012 QR'000
Assets		
Property, plant and equipment	4,958	513
Intangible assets	103,282	–
Inventories	6,036	–
Trade and other receivables	62,759	1,148
Cash and cash equivalents	199,661	4,843
	376,696	6,504
Less: Assets of subsidiary disposed	(1,560)	–
Assets held for distribution	375,136	6,504
Liabilities		
Employees benefits	(13,408)	–
Other non-current liabilities	(40,418)	–
Trade and other payables	(425,092)	(30,882)
Deferred income	(21,364)	(5,776)
	(500,282)	(36,658)
Less: Liabilities of subsidiary disposed	(21)	–
Liabilities held for distribution	(500,303)	(36,658)
Net liabilities	(125,167)	(30,154)

42 COMPARATIVE INFORMATION

(i) Restatement of comparative information

Restatement on account of revision to "IAS 19 – Employee Benefits"

The Group has adopted the amendments to "IAS 19 – Employee Benefits" from 1 January 2013 with retrospective effect. Previously, the Group used to recognise actuarial gains and losses on a deferred basis under the corridor method on their defined benefit plans (allowed under IAS 19 before amendments).

As a result of new amendment, previously deferred actuarial gains and losses pertaining to defined benefit plans of one of the Group's subsidiaries PT Indosat Tbk have been recognized through other comprehensive income. Accordingly, the previously reported numbers for 2012 have been restated as follows:

	Note	As reported QR'000	Restatement impact QR'000	As restated QR'000
Consolidated financial statements				
Other non-current assets		936,991	(28,831)	908,160
Deferred tax assets		69,455	5,126	74,581
Employee benefit reserve	(a)	–	(110,958)	(110,958)
Retained earnings	(a)	9,585,735	10,756	9,596,491
Non-controlling interests	(a)	8,999,618	(57,832)	8,941,786
Employees benefits		746,503	181,882	928,385
Deferred tax liabilities		1,417,689	(47,553)	1,370,136

(a) These numbers have been retrospectively restated for all prior periods.

42 COMPARATIVE INFORMATION (CONTINUED)

(i) Restatement of comparative information (continued)

Restatement on account of reclassification of property, plant and equipment to investment property

During the year, the Group has reassessed usage of its head quarter building for both the years 2012 and 2013 since a portion of the building is being rented to an external party. In accordance with the criteria under IAS 40 "Investment property", the management has reclassified net book value amounting to QR 66,459 thousands from property, plant and equipment to investment property.

Accordingly, the previously reported numbers of property, plant and equipment for 2012 have been restated and reclassified to investment property. However, such reclassification does not result in any change in total non-current assets reported in 2012. The management has adopted the "cost model" under IAS 40 to account for its investment property and there is no change in accounting treatment and method of depreciation previously used while it was treated as property, plant and equipment with an exception of separate presentation in the financial statements.

Restatement on account of acquisition of non-controlling interest

In September 2013, net assets of Tunisia pertaining to December 2012 acquisition of 15% non-controlling interest in Tunisiana S.A was adjusted from QR 3,274,142 thousands to QR 2,840,027 thousands. As a result, the excess of cash consideration over carrying values of net assets acquired of QR 819,820 thousands ,originally charged to retained earnings, has been restated by adjusting retained earnings downwards and non-controlling interests upwards by QR 65,117 thousands in order to reflect the correct position at the time of acquisition of non-controlling interests in December 2012.

Restatement on account of disposal of non-controlling interest

In 2013, net assets pertaining to the earlier disposal of an effective 0.55% stake in Nawras (one of the Group's subsidiaries) through an initial public offering ("IPO") was adjusted by QR 88,869 thousands. As a result, the excess of IPO proceeds received over the carrying value of net assets disposed previously credited to retained earnings has been restated by adjusting retained earnings downwards and non-controlling interest upwards by QR 88,869 thousands to reflect the correct position of the disposal of stake.

(ii) Reclassification of comparative information

Corresponding figures for 2012 have been reclassified in order to conform with the presentation for the current year. Such reclassifications were made to improve the quality of presentation and do not affect previously reported profit or shareholder's equity.

43 EVENTS AFTER THE REPORTING DATE

Disposal of PTC

On 31st January 2014, the Group completed the legal formalities relating to the disposal of one of its subsidiaries PTC. In 2013 PTC has been reflected as a discontinued operation as explained further in note 41. With this disposal, PTC is no longer subsidiary of the Group and will be derecognised in 2014.

Myanmar License

One of the subsidiaries of the Group, Ooredoo Myanmar Limited (OML) was awarded a 15 year nationwide telecommunication license and associated spectrum license by Myanmar Post and Telecommunications Department, Ministry of Information and Technology with an effective date of 5 February 2014.

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