Annual Report 2015

ooredoo

بسم الله الرحمن الرحيم

In the Name of Allah Most Gracious Most Merciful

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

Contents

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

"Ooredoo has always had a clear vision for growth, supported by our prudent investment and development strategy.

By surpassing our target of 100 million customers, we are demonstrating how far we have travelled over the past decade, and reinforcing the incredible impact that Ooredoo services are having around the world."

H.E. Sheikh Abdulla Bin Mohammed Bin Saud Al Thani,
speaking at a ceremony to mark 100 million customers at Mobile World Congress

4 March 2015

Securing market leadership

Dear Shareholders,

At Ooredoo, we develop our strategy to deliver long-term growth and at the same time ensure that we are agile enough to adapt to market changes.

13bn
Group EBITDA stood at QR 13 billion in 2015, an increase of 1 percent.

117m
We reached a total customer base of 117 million, representing year-on-year growth of 9 percent.

32.2bn
Group revenue reached QR 32.2 billion in 2015.

We have strived to realise the economies of scale of an international leader, while also encouraging an empowered, entrepreneurial culture, so that we retain the same level of engagement with our customers as a local business.

This is important because our industry continues to change and develop at a fast pace. Telecoms and digital services are rapidly converging, and our customers increasingly look for us to support their digital lifestyles.

When we review the past year, we can see that we have continued to effectively execute our strategy of building our data leadership across our markets and getting closer to our customers in order to ensure they can fulfil their aspirations.

We have continued to invest in our network, launching 4G and 4G+ services in multiple markets, and completed significant network optimisation initiatives. We have also extended our fibre networks, enhancing speed and coverage, and added a dynamic range of new fibre-based services for businesses and consumers.

This investment has enabled us to pursue our data strategy across our global footprint, and to grow data revenue significantly.

It also provides us with the foundation to continue to enhance the range of smart solutions we offer – dynamic Internet of Things (IoT) and Machine-to-Machine (M2M) services that deliver significant benefits for homes, businesses, stadiums, and even cities.

We also demonstrated our capacity to adapt and change during the year. We successfully completed the divestment of non-core assets, enabling us to better align our Group portfolio. We began the process of introducing leaner and more efficient business models, beginning with Group operations in our headquarters.

In the course of rolling out these initiatives, we have shown that Ooredoo is willing and able to take firm decisions that ensure we achieve our long-term goals. We will continue this robust approach into 2016 and beyond, in order to continue to deliver strong returns for our shareholders.

A positive year

Ooredoo delivered a strong performance in 2015.

We have seen healthy growth in customer numbers, adding 9.5 million new customers to reach a global total of 117 million, the highest total number of customers in our history – representing year-on-year growth of 9 percent.

Group revenue reached QR 32,161 million in 2015, supported by strong revenue growth in local currency terms in Qatar, Oman, Indonesia, Myanmar, Algeria, Kuwait and the Maldives.

Excluding Foreign Exchange translation impact, 2015 Group revenue would have increased by 4 percent year-on-year, compared to a decline of 3 percent reported (FY 2014: QR 33,207 million).

Group EBITDA increased by 1 percent, reaching QR 13,018 million in 2015 (FY 2014: QR 12,948 million) with an improved EBITDA margin of 40 percent (FY 2014: 39 percent). Excluding foreign exchange translation impact, 2015 Group EBITDA would have increased by 8 percent year-on-year, indicating a strong underlying operational performance.

Net profit attributable to Ooredoo shareholders for 2015 was QR 2,118 million (FY 2014: QR 2,134 million). Group earnings per share stood at QR 6.61 in 2015, compared to QR 6.66 in 2014.

Securing market leadership

Enhanced networks and innovative services delivered substantial growth for us across 2015. Data revenue increased to QR 12 billion in 2015 and now represents 37 percent of Group revenue compared to 25 percent in 2014, confirming the success of Ooredoo's early adoption strategy.

Most importantly, Ooredoo is realising growth in data services at every stage of market development.

The Board is pleased to recommend a cash dividend of **QR 3**

Data represents **37 percent** of Group revenue in 2015

We began the year with our Asiacell operation launching 3G services, and securing more than two million data customers within the first quarter. In November 2015, our Wataniya Palestine operation saw the long-awaited 3G mobile agreement signed, which will provide it with the necessary spectrum to bring mobile Internet to our customers in Palestine.

At the cutting edge of network technology, 2015 saw the launch of 4G+ services in Kuwait, and 4G in Indonesia. In Qatar, we launched LTE-Advanced (LTE-A) three-band carrier aggregation technology, as well as Voice over LTE (VoLTE) on the Ooredoo Supernet.

In all, we enhanced our 4G networks in Qatar, Kuwait, Oman, Indonesia and the Maldives in 2015, and boosted 3G services in Algeria, Tunisia, Myanmar and Iraq.

Each stage of network evolution enables our company to seize new opportunities. Throughout 2015, we have expanded our portfolio of mobile finance, healthcare, education, and entertainment services for our customers, enriching their lives and opening new revenue streams.

Investing in the Ooredoo brand and helping communities

Over the course of 2015, we have continued to roll out the Ooredoo brand across our international markets, with eight operations now proudly bearing the Ooredoo name following the launch of Indosat Ooredoo in November. The launch of the brand in Indonesia was one of the largest rebranding initiatives in our company's history, and the team achieved great success in ensuring that Indosat Ooredoo was seen across the country.

Deploying the strength of our shared brand, we have been able to develop a range of joint programmes, such as our "Fans Do Wonders" global advertising campaign with our partner Paris Saint-Germain, which received more than 13 million YouTube views – a new record for Ooredoo.

Importantly, alongside this growing global profile, we have continued to support a range of initiatives for the wider benefit of society. These include a significant number of national programmes, which are detailed in this report.

It has also included the expansion of our Mobile Health Clinics programme, in partnership with the Leo Messi Foundation, which saw enhanced initiatives launched in Indonesia, Myanmar, Algeria, and Tunisia.

Our efforts also include Ooredoo's support for a number of vital global programmes, including our partnership with the GSMA on its Humanitarian Connectivity Charter, as well as our work on the United Nations' Sustainable Development Goals and the World Bank Universal Financial Access programme.

Developing a culture of excellence

Throughout 2015, Ooredoo has worked to refine and evolve our strategy, recognising the importance of having the right structure and focus to respond to opportunities in the market.

We have made a number of management changes, which we believe will support our continued push for growth. These changes have included senior management changes in some of our national operations, as well as at a Group level. In November 2015, we appointed H.E. Sheikh Saud bin Nasser Al Thani (former CEO of Ooredoo Qatar) as Group CEO and Waleed Al Sayed (former COO of Ooredoo Qatar) as Deputy Group CEO and CEO of Ooredoo Qatar.

During 2015, we also appointed new CEOs for Myanmar and Tunisia.

These changes are part of a wider organisational transformation, which will make our company leaner and more agile, in addition to aligning our local strategies more closely with our global capabilities.

Having successfully established a global platform of branded network delivery for communication services, we are evolving our strategy to ensure the organisation is aligned around creating competitive and sustainable operations in a rapidly changing industry.

A major part of this process is encouraging and developing young national leaders across our workforce. I am very proud of the progress being made towards Qatarisation in our home market of Qatar in particular, and anticipate further progress in this important area.

Dividends

In line with our stated strategy, the Board of Directors is pleased to recommend to the General Assembly the distribution of a cash dividend of 30 percent of the nominal share value (QR 3).

The Board and governance

Our Board has played a key role in enabling us to set and reach our goals, and I would like to thank them for their exceptional contribution.

I would also like to thank our outgoing Group CEO, Dr. Nasser Marafih, for his major contribution to Ooredoo's success in recent years. I would like to congratulate H.E. Sheikh Saud bin Nasser Al Thani, our new Group CEO, and Waleed Al Sayed, our new Deputy Group CEO, on the immediate impact they have made on our operations.

On behalf of Ooredoo, I close by offering my sincere appreciation to His Highness Sheikh Tamim Bin Hamad Al Thani, the Emir of the State of Qatar. His Highness has encouraged the people of Qatar to strive to support their homeland, to give their very best, and to encourage and enable the next generation to achieve their goals and ambitions.

Ooredoo is working hard to fulfil the vision of our nation's leadership. We take our roles and responsibilities in these areas extremely seriously and will redouble our efforts in the years to come.

Abdulla Bin Mohammed Bin Saud Al Thani
Chairman

1 March 2016

Leading across our markets

Dear Shareholders,

Ooredoo strives to be a market leader in every market that we operate in. Taking on this leadership role requires us to be determined, committed to our customers, and agile enough to adapt to changing market dynamics.

In my new role as Group CEO, I have been inspired and impressed by Ooredoo's leadership qualities. Across our markets, from the Middle East through to Southeast Asia, I have seen our teams make every effort to transform the lives of our customers, and deliver lasting value in a digital, connected world.

In this letter, I would like to outline how Ooredoo has achieved leadership positions in the Middle East, North Africa and Southeast Asia – as well as the steps we are taking to maintain them.

Sharpening our focus

Over the recent period, we have looked to optimise our portfolio by focusing on our core businesses in order to maximise shareholder value.

To achieve this, we are pushing to deliver faster growth in our key markets by offering the services demanded by our customers first, fastest, and with the best customer experience.

We have increased our total number of customers to 117 million, seeing good growth momentum currently in Qatar, Indonesia, Myanmar, Oman, Algeria, Maldives and Palestine. Importantly, we are driving more revenue from high-value areas: share of data revenue has grown from 25 percent in 2014 to 37 percent in 2015.

This is important because our whole industry is seeing major changes, as the fields of communications and digital services converge.

With our strong data footprint and a state-of-the-art network infrastructure, supported by an ecosystem of world-class partnerships, Ooredoo is well-positioned to be a leading integrated solution provider for all our customers.

For example, across our markets, we still see huge untapped potential in the business-to-business sector. We have been able to deploy our enhanced infrastructure to sharpen our focus on the business and enterprise segments, delivering pioneering solutions to SMEs and multi-national companies.

We have expanded our portfolio of connectivity, cloud and hosting solutions, recognising the major potential for growth across our dynamic markets.

In particular, we see major opportunities emerging in the M2M and IoT sectors. The global growth of connected devices around the world is set to further stimulate market growth across a range of sectors, including banking, transportation, energy and public services.

In core markets, we are taking a lead in the "smart solutions" space. At the Mobile World Congress in Barcelona in 2015, Ooredoo showcased a range of cutting-edge solutions in areas such as Smart City, Smart Stadium and Smart Education solutions, and have since rolled out a number of these for businesses, schools and government organisations. We continue to work as a lead partner in the Smart Cities Council, helping to share knowledge and best practice in this vital area.

To capitalise on these opportunities, we launched a cloud-based M2M platform in Indonesia in March 2015, which we are also expanding to Qatar, Algeria and Tunisia.

We are also raising our profile in the e-commerce space. As smartphone penetration increases across our markets, mobile is becoming the preferred channel for e-commerce, particularly in Asia. We have a number of key initiatives in progress, which we expect to see good results from in 2016.

At the same time as focusing on key growth opportunities, we are also reducing our investment in non-core operations. We are applying efficient models across our markets, in order to drive more value for our shareholders.

Encouraging a performance culture

Ooredoo has continued to enhance its performance management and governance approach throughout 2015, and we are positioned to announce a number of significant changes in these areas.

One of our major areas of focus for 2016 is providing a common strategy with space and opportunity for localisation. We are working with our local management teams to ensure that our development models are adapted to meet the needs and requirements of their businesses.

Achieving our ambitious goals and securing our leadership positions requires our people to deliver their strongest possible performance. For this reason, Ooredoo continues to invest in recruiting, developing and retaining the strongest possible team.

We have made a number of key management changes in 2015 that we believe will contribute to a dynamic performance culture. Moving forward, we are looking to empower our management teams, so that Ooredoo benefits from faster decision-making and full accountability across our operations. We will encourage our local operations to be growth-oriented and focus on the bottom line: revenue, customers and efficiencies, to deliver stronger results.

Our efforts in this area are already being recognised across the industry, as demonstrated by the significant number of awards received in 2015. Among the highlights, Ooredoo was named as "The Most Innovative Company of the Year" by the International Business Awards, in recognition of the bold steps we are taking.

Looking ahead

Throughout our history, Ooredoo has operated successfully in challenging markets, and we can expect this to continue throughout 2016. High levels of competition, currency volatility and political instability are day-to-day realities in a number of our markets, and we will need to move quickly and decisively to manage these. In addition, the communications sector continues to evolve, and Ooredoo is working to adapt to the new cost and revenue models that this evolution necessitates.

We are confident that Ooredoo will deliver a superior performance for our stakeholders in the coming years. Our markets are still growing and our success in shifting our product mix from voice to data will position us well for the future.

With a refreshed strategy, enhanced and optimised networks and a revitalised product portfolio, Ooredoo is ready to seize the moment and build our leadership positions in the Middle East, North Africa and Southeast Asia. We will continue to develop our performance culture and competencies to ensure we deliver full value from these assets.

Most importantly of all, we will continue to share the fruits of our success with you, our shareholders, as we continue to move forward on our exciting journey.

Saud Bin Nasser Al Thani

Group CEO

1 March 2016

Our Board of Directors

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

His Excellency Sheikh Abdulla Bin Mohammed Bin Saud Al Thani has been Ooredoo's Chairman of the Board of Directors since July 2000 and CEO of Qatar Investment Authority since December 2014. His Excellency has held several high profile positions in Qatar, including the Chief of the Royal Court (Amiri Diwan) from 2000 to 2005, and was a Member of the Planning Council in Qatar. His Excellency has a diverse background in the Aviation field. His Excellency's wide experience in and knowledge of the fields of administration, government and international relations enrich the Board considerably.

H.E. Ali Shareef Al Emadi
Deputy Chairman

His Excellency Ali Shareef Al Emadi joined Ooredoo's Board of Directors in March 1999. He has served as the Minister of Finance for the State of Qatar since June 2013. He has held leadership positions at a number of key Qatari institutions, including his role as the Secretary General of the Supreme Council for Economic Affairs and Investment. H.E. 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 Mohammed Bin Issa Al Mohannadi joined Ooredoo's Board of Directors 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 for Cabinet Affairs. H.E. Mohammed Bin Issa Al Mohannadi's considerable experience in and knowledge of administration, finance and government greatly support the Ooredoo Board.

H.E. Turki Mohammed Al Khater
Member

His Excellency Turki Mohammed Al Khater, who joined the Board in 2011, is the President of General Retirement and Social Insurance Authority, Chairman of United Development Company QSC (UDC), and a Board Member of Masraf Al Rayan. He has previously held the positions of Undersecretary of the Ministry of Public Health and Managing Director of Hamad Medical Corporation. His Excellency brings significant experience in business and finance to the Ooredoo Board.

Dr. Nasser Marafih

Member

Dr. Nasser Marafih, who joined the Board in 2015, was appointed as an advisor to the Chairman of the Board. Previously, he served as the CEO of Ooredoo Group from 2006-2015 and as Ooredoo Qatar CEO from 2002 until 2011. In addition, he is President Commissioner of Indosat Ooredoo and a board member for a number of Ooredoo Group companies. He serves as Chairman of the Board of the GSMA Mobile for Development Foundation and as a member of the Board of GSMA. As advisor to the Board, he brings unmatched understanding of the communications sector and the long-term goals and vision of Ooredoo.

Nasser Rashid Al-Humaidi

Member

Mr. Nasser Rashid Al-Humaidi, who joined the Board in 2011, is the Group Chief Operating Officer for Barwa Bank Group. 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 and was an advisor in the field of ICT. He brings a wealth of business and technology experience to the Ooredoo Board.

Aziz Aluthman Fakhroo

Member

Mr. Aziz Aluthman Fakhroo, who joined the Board in 2011, is currently the Director of the Public Budget Department in the Ministry of Finance. Prior to his current position, he was an Acting Director in the Mergers and Acquisitions Department of Qatar Holding LLC, part of the Qatar Investment Authority. He was previously Founder and CEO of Idealys, and currently represents Qatar Holding on the Boards of United Arab Shipping Company, Canary Wharf Group and Chelsfield LLP. He brings a strong business background and deep understanding of technology to the Board.

Khalifa Matar Almheiri

Member

Mr. Khalifa Matar Almheiri, who joined the Board in 2015, is the Executive Director, Alternative Investments Department of the Abu Dhabi Investment Authority (ADIA), overseeing the department's investments in the hedge fund industry. He is the Vice Chairman of ADIA's Management Committee. Prior to his current position, he held a range of positions in ADIA, including Executive Director of the Information Technology Department and senior positions in the Far East and Europe divisions. He has a strong understanding of global markets and financial strategy.

Ibrahim Abdullah Al Mahmoud

Member

Mr. Ibrahim Abdullah Al Mahmoud joined Ooredoo's Board in 2014. He has held senior positions in a number of private sector companies and in academic organisations including Qatar Foundation for Education, Science and Community Development and Calgary University in Qatar.

Mohamed Ahmed Al Qamzi

Member

Mr. Mohamed Ahmed Al Qamzi, who joined the Board in 2015, is Executive Director for the Internal Equities Department of the Abu Dhabi Investment Authority (ADIA). Since joining ADIA in 1996, he has assumed different responsibilities and played an active role within the organisation. In addition, he is a member of the National Consultative Council for the emirate of Abu Dhabi, a Board member at the National Marine Dredging Company, and a Board member at the Khalidiya Co-Operative Society. He brings a strong business background to the Board.

Delivering a strong performance

Ooredoo Group delivered a strong performance in 2015, adding 9.5 million new customers and reaching a global customer base of 117 million. Despite currency volatility in emerging markets and the security situation in Iraq, Ooredoo's underlying financial and operational performance was solid in its primary markets, and continuing to roll-out the Ooredoo brand across its footprint.

Our strategy

Ooredoo's strategic priorities of being a market leader with a performance culture and efficient models provide a framework for the Group to drive growth and focus on returns, as well as maximising shareholder value.

Our strategy also provides the right ambition for Ooredoo Group companies while allowing for localisation.

32,161m

Group revenue for the year decreased by 3 percent to QR 32,161 million (FY 2014: 33,207 million).

Revenue
Amount in QR millions

2011	31,745
2012	33,476
2013	33,851
2014	33,207
2015	32,161

EBITDA
Amount in QR millions

	EBITDA margin	
2011	47%	14,796
2012	47%	15,567
2013	43%	14,640
2014	39%	12,948
2015	40%	13,018

Net profit attributable to Ooredoo shareholders
Amount in QR millions

2011	2,606
2012	2,947
2013	2,579
2014	2,134
2015	2,118

Earnings per share
Amount in QR (Note A)

2011	9.90
2012	9.89
2013	8.05
2014	6.66
2015	6.61

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

2011	3.00	30%
2012	5.00	
2013	4.00	
2014	4.00	
2015	3.00	

Capital expenditure
Amount in QR millions (Note C)

	Capital expenditure/Revenue	
2011	21%	6,575
2012	22%	7,316
2013	27%	9,298
2014	25%	8,391
2015	27%	8,762

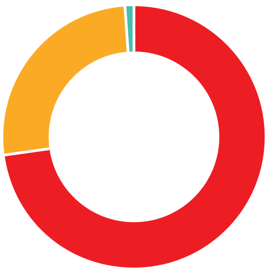
Note A Earnings per share have been adjusted as a result of the issuance of bonus shares in 2011 (for 2010 bonus) and 2012 (for 2011 bonus) and rights issue in 2012.

Note B 2015 represents proposed dividend.

Note C Capital expenditure does not include licence cost.

External revenue by region

- 73% MENA
- 26% Southeast Asia
- 1% Subcontinent



2,118m

Net Profit attributable to Ooredoo shareholders for 2015 stood at QR 2,118 million (FY 2014: QR 2,134 million).

40%

Group EBITDA increased by 1 percent to QR 13,018 million (FY 2014: QR 12,948 million) with EBITDA margin improving to 40 percent (FY 2014: 39 percent).

117m

At the end of 2015, Ooredoo Group's total customer base stood at 117 million (FY2014: 107 million), a 9% increase on 2014.

Ooredoo is a global communications company with headquarters in Qatar and a total global customer base of 117 million as of 31 December 2015. It operates networks in the Middle East, North Africa, Southeast Asia and Subcontinent.

8.8bn

The company reported revenues of USD 8.8 billion in 2015

117m

117 million customers across its footprint

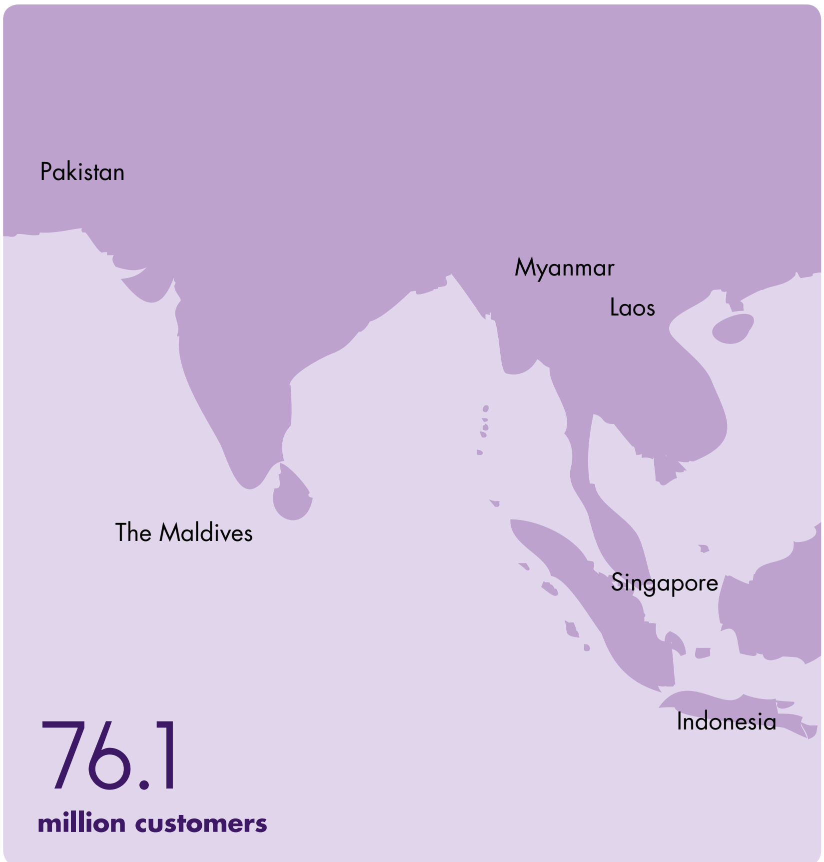
	1	2	3	4	5	6	7	8	9	10	11	12	13
Ooredoo effective stake	100%	65.0%	92.1%	55.0%	64.1%	74.4%	84.1%	100%	44.6%	92.1%	86.1%	14.1%	6.0%
Country population	2.4m	255.4m	4.2m	4.3m	37.6m	40.4m	11.2m	52.7m	4.8m	0.4m	196.1m	5.5m	7.1m
Mobile penetration	192%	139%	181%	154%	79%	103%	130%	69%	82%	176%	–	–	–
Market share	68%	26%	30%	41%	36%	32%	42%	16%	29%	48%	–	–	–

[1] Operations integrated within Ooredoo QSC; also include 72.5 percent of Starlink Qatar
[2] Operations integrated within NMTC
[3] 9 percent of Ooredoo Algeria is held directly by Ooredoo QSC
[4] 15 percent of Ooredoo Tunisia is held directly by Ooredoo QSC
[5] Holds 65 percent of WARF Telecom International Private Limited as a subsidiary

20.5
million customers

North Africa

Ooredoo's operations in North Africa include Ooredoo Algeria and Ooredoo Tunisia. Both markets delivered strong growth in mobile data in 2015, expanding 3G and data services.



76.1
million customers

20.2
million customers

Middle East

Ooredoo's operations in the Middle East include Ooredoo Qatar, Ooredoo Oman, Ooredoo Kuwait, Asiacell – Iraq, and Wataniya Palestine. Ooredoo built its data leadership by enhancing 4G+ services in Qatar, launching 4G+ in Kuwait, and reaching the majority of households in Oman with LTE in 2015. The company also launched 3G in Iraq.

Data leadership

Ooredoo's data revenues demonstrated robust growth in 2015, increasing to QR 12 billion in 2015.

37%
of group revenue

Southeast Asia and Subcontinent

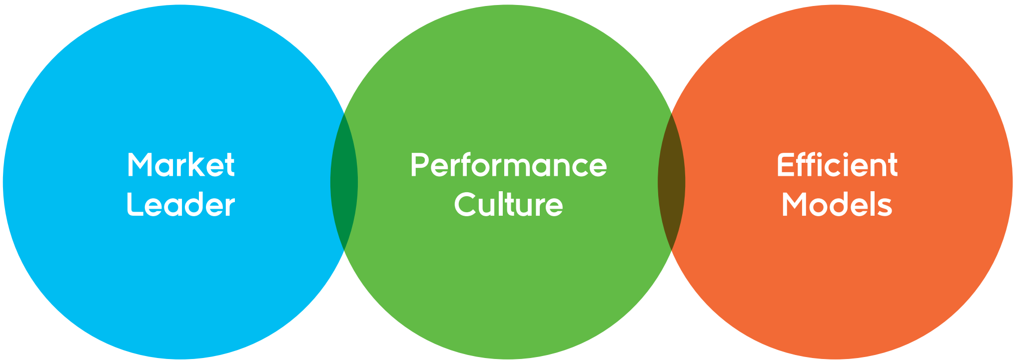
Ooredoo's operations in Southeast Asia and Subcontinent include Indosat Ooredoo in Indonesia, Ooredoo Maldives, wi-tribe Pakistan and Ooredoo Myanmar, which launched commercial operations in 2014. In these markets, Ooredoo is enhancing the network and introducing new B2B services.

Business-to-Business

5.2
billion revenue

Ooredoo continued to strengthen its presence in the B2B segment in 2015, delivering QR 5.2 billion revenue.

We recognise that our industry is changing, and we 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.



- Leading network
- Better distribution
- Smart services

- People/Skills
- Organisation
- Governance

- Asset light
- Optimised channels
- Group synergies

Growth > Market ⟵ Results ⟶ **ROCE > WACC**

▼

Value Creation
(Free Cash Flow + ROCE)

As we continue to grow, our ambition remains to be a leading international communications company, and our mission further relies on pioneering revenue models for mobility services, broadband solutions, digital futures and fibre technologies.

We have made very successful acquisitions in the past ten years, and have successfully rolled out the Ooredoo brand in the majority of our markets.

It is time to consolidate our position by focusing on operational speed, execution excellence and robust performance management.

LEAD is an evolution of our strategy which provides the right ambition for our operating companies. It also allows for localisation for each OpCo:

– **Market Leader:** We want to achieve above-market growth in our OpCo markets through leading networks, better distribution and smart services.

– **Performance Culture:** We want the best talent to take our business to the next level; empowered teams driven by excellence and focused on business results.

– **Efficient Models:** We want to be leaner and more agile, while fully leveraging all opportunities for synergies across our businesses.

LEAD and the focus it brings will ensure the organisation is aligned around creating competitive and sustainable operations while maximising our shareholder value.

2015 was another strong year for Ooredoo, with 55 awards received across the Group, surpassing the previous year's record of 42 total awards. These awards demonstrate Ooredoo's commitment to its customers, its support for the communities that use its services, and its next-generation technology. Here are some of the highlights:

Annual Global CSR Summit & Awards
Indosat Ooredoo: Women Empowerment Award 2015

TMT Finance and Investment Awards ME 2015
Ooredoo and Rocket Internet joint venture – TMT Innovation Award

GTB Innovation Awards 2015
Ooredoo Myanmar: Consumer Service Innovation
Ooredoo Myanmar: Best Community Telecom Project

Telecom Asia Awards
Indosat Ooredoo: Best Mobile Payment Service Award

International Creative Summit Awards
Ooredoo Group: Gold Summit Award

Asia Pacific Stevie Awards
Ooredoo Myanmar: Best New Service of the Year
Ooredoo Group: CSR Campaign of the Year
Ooredoo Myanmar: Best New Product of the Year
Indosat Ooredoo: Most Innovative Company of the Year
Indosat Ooredoo: Best New Product of the Year

Asia Communication Awards
Ooredoo Myanmar: Connected Asia Award
Indosat Ooredoo: Social Contribution Award
Ooredoo Myanmar: Emerging Market Initiative Award

CEO Middle East Awards
Ooredoo Group: Telecoms CEO of the Year

Telecoms World Middle East Awards
Ooredoo Group: Best Operator

Customer Experience Asia Excellence Awards
Ooredoo Myanmar: Best Contact Centre

International Business Awards
Ooredoo Group: Grand Stevie Award
Ooredoo Qatar: Best Entertainment App
Indosat Ooredoo: Best Website
Ooredoo Algeria: Communications Campaign of the Year

Global Carrier Awards
Ooredoo Global Services (OGS): Best Middle Eastern Wholesale Carrier

Qatar Enterprise Agility Awards
Ooredoo Qatar: Telecoms Innovator

CommsMEA Awards
Ooredoo Group: Overall Operator of the Year
Ooredoo Oman: Middle East Mobile Operator of the Year
Ooredoo Qatar: Converged Service Provider of the Year
Ooredoo Qatar: Network Optimisation Award

Stevie Awards for Women in Business
Ooredoo Myanmar: Smartphone or Tablet App of the Year
Indosat Ooredoo: Community Involvement Program of the Year

World Communication Awards:
Ooredoo Group: Best Brand Campaign
Ooredoo Qatar: Digital Experience Award
Ooredoo Group: Social Contribution Award

Telecom Review Summit 2015
Ooredoo Oman: Best Middle East Operator for Enterprise Services

Ooredoo's success across a wide range of awards reflects the dedication and imagination that its teams displayed throughout the year.

Our journey

1987

Qtel established

Qatar Telecom (Qtel) established under Law No. 13 of 1987

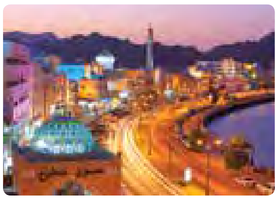
1998

Qtel was successfully launched on the Doha Securities Market (DSM)

1999

Qtel was listed on the London Stock Exchange

2005



Nawras launched in Oman

2006

Qtel signs an agreement to acquire a strategic stake in NavLink, a leading provider of managed data services to businesses in the Middle East, alongside AT&T

2007

Acquisition of 25% stake in Asia Mobile Holdings (AMH)

Successful bid for 15-year nationwide mobile licence for Asiacell

Qtel acquires 51% stake in Wataniya Group

2008

Obtained investment-grade ratings

Qtel acquires 40.8% stake in Indosat

2009

Wataniya Palestine launch of operations

Stake in Indosat increased to 65%

indosat

Launch of USD 5 billion bond programme

London Stock Exchange

2010

Nawras IPO

النورس nawras

2011

Wataniya Group gains control in Tunisia by acquiring 25% additional stake

Wataniya Palestine IPO

2012

Stake in Wataniya Group increased to 92.1%

Group stake in Tunisia increased to 90%

تونيزيانا Tunisiana

Launch of USD 3 billion bond programme

Irish Stock Exchange

2013

Ooredoo brand launched

ooredoo

Ooredoo wins licences to operate in Myanmar

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Qatar becomes first operation to rebrand

Algeria and the Maldives rebrand as Ooredoo

Launch of USD 2 billion Sukuk trust programme

Irish Stock Exchange

Asiacell IPO and stake increased to 64.1%

Asiacell

2014

Tunisia, Kuwait and Oman rebrand as Ooredoo

ooredoo

Ooredoo Myanmar begins operations

ooredoo

2015

Indosat Ooredoo is rebranded

indosat ooredoo

Ooredoo continued to enrich the lives of its customers in 2015, by pushing technological boundaries, offering a diverse range of new services, and caring for and connecting with its customers. Here are some of the highlights of an important year in its history.

January

Asiacell launches 3G services

Asiacell, part of Ooredoo, began the year with the long-awaited launch of 3G services, bringing an enhanced mobile Internet experience to the people of Iraq. Demand was strong, with more than 2.5 million customers signing up.

February

Ooredoo signs strategic partnership agreement with Telefonica

As part of the wider strategic push to optimise resources, Ooredoo signed a partnership agreement with Telefonica during Mobile World Congress 2015. The agreement saw Ooredoo join Telefonica's Partners Programme, which supports alignment on key technology projects and a shared approach to supporting multinational clients on M2M projects.

Ooredoo launches M2M platform with Ericsson

Also at Mobile World Congress, Ooredoo launched a cloud-based M2M platform with Ericsson to provide innovative solutions for businesses in the developing world.

January

3G Asiacell launches 3G services

February

4G Ooredoo launches M2M platform with Ericsson

March

Ooredoo reaches 100 million customer milestone

With Indonesia the first market to launch, Ooredoo also outlined plans to roll out the platform to Qatar, Algeria and Tunisia before being made available across the Group.

Ooredoo Algeria signs Real Madrid

In February, Ooredoo Algeria signed a new exclusive partnership with football giants Real Madrid – the first time that the club has partnered with an Algerian or an African operator. The agreement supports traditional sponsorship elements as well as a range of programmes for Algerian youth.

March

Ooredoo reaches 100 million customer milestone

In March, Ooredoo officially announced that its customer base had exceeded 100 million people across its footprint in the Middle East, North Africa and Southeast Asia, setting a new record for the company and positioning Ooredoo among an elite group of global operators.

April

Ooredoo begins "Fans Do Wonders" campaign with Paris Saint-Germain

Ooredoo launched a new global campaign with Paris Saint-Germain in April – the largest international media campaign ever executed by a Paris Saint-Germain partner. The campaign goes on to achieve more than 13 million YouTube views, setting a new record for Ooredoo.

Indosat Ooredoo and Facebook launch Internet.org in Indonesia

Indosat Ooredoo and Facebook partnered to launch Internet.org in Indonesia as part of the "Internet Tanpa Pulsa Untuk Semua" initiative for all Indonesians in April. Facebook's Internet.org makes the Internet more accessible by providing a set of basic services, including useful health, education, social media for communication and news.

May

Ooredoo supports World Bank Group's Universal Financial Access Goal

In May, Ooredoo became one of the primary supporters of the World Bank Group's efforts to promote financial inclusion and deliver universal financial access by 2020. To support the goal, Ooredoo committed to providing 17 million people with mobile financial services by 2020, across markets including Qatar, Kuwait, Oman, Indonesia, Myanmar, Algeria, Maldives and Iraq.

Ooredoo Myanmar announces partnership with StarHub

Ooredoo Myanmar announced a strategic partnership with Singapore's StarHub in May, to offer data services to companies operating from Myanmar via an international fibre gateway. The companies agreed to provide a range of international private leased line (IPLC) and managed services for businesses.

April

Ooredoo begins "Fans Do Wonders" campaign with Paris Saint-Germain

May

Ooredoo Myanmar announces partnership with StarHub

June

Qatar among top 10 countries in the world for fixed line speeds

Qatar set another benchmark in June, when an international study of global Internet speeds, the Akamai "State of the Internet" Report, named Qatar as one of the fastest-rising countries for fixed line Internet speeds in the world. The report placed Qatar at number 8 in the global top ten.

Ooredoo's Mobile Academy continues to expand

Ooredoo continued to roll out its Ooredoo Mobile Academy service in June, as demand for mobile education increased in the MENA region and Southeast Asia. More than 180,000 customers were registered for the service, in markets including Qatar, Oman, Iraq, Kuwait and Indonesia. The Ooredoo Mobile Academy offers 50 different courses on a wide variety of subjects, all available via mobile phone.

Ooredoo Kuwait announces 4G+ and LTE-advanced services

Ooredoo Kuwait formally announced the launch of its 4G+ network and LTE-advanced services in June, delivering data speeds of up to 150 Mbps. LTE-Advanced will go on to provide even faster speeds, combining 1800 MHz spectrum and 800 MHz spectrum to deliver peak speeds of more than 185 Mbps.

July

Ooredoo launches new Electronic Medical Record Service in Qatar

In July, Qatar's first cloud-based Electronic Medical Record (EMR) and Practice Management System went live with Ooredoo, supporting a wide range of automated services for primary care health facilities in Qatar. Hosted in the advanced Ooredoo Data Centre, the service enables private healthcare sector companies to manage patients' clinical information efficiently and safely.

August

Ooredoo introduces Home Broadband Superfast in Oman

Starting a new phase of its nationwide fibre rollout plan, Ooredoo introduced its new Superfast Fibre as part of its suite of Home Broadband services for Oman in August. Featuring unlimited data with download speeds reaching as high as 100 mbps, they were quickly recognised as the fastest and most powerful residential broadband packages available in the market.

September

Ooredoo tests first 4G technology in Tunisia

Ooredoo began to test its 4G mobile network in Tunisia in September, as it continued its ambitious network enhancement programme.

Ooredoo acquires more spectrum in Oman

Also in September, Ooredoo acquired new spectrum frequency (LTE 800) in Oman, to provide significant additional capacity and improved 4G coverage, as it continued to build its technology leadership in the Sultanate.

October

Ooredoo launches smart energy solutions in Qatar

As part of its "smart solutions" strategy, Ooredoo Qatar launched a new portfolio of M2M services for the energy sector, as the nation strives to enhance its approach to renewable energy, energy efficiency, and clean technology.

June

Ooredoo Kuwait announces 4G+ and LTE-advanced services

4G+

August

Ooredoo introduces Home Broadband Superfast in Oman

October

Ooredoo launches smart energy solutions in Qatar

In particular, Ooredoo showcased a range of smart metering solutions for residences and businesses, with a range of intelligent functions.

November

Indosat rebrands into Indosat Ooredoo

In November, PT Indosat Tbk rebranded itself into Indosat Ooredoo, becoming the eighth operator in the Ooredoo Group to adopt the Ooredoo brand. It also announced a three-year strategy to bring "digital to the people" and become Indonesia's leading digital telco.

Indosat Ooredoo launches 4Gplus service nationwide

In support of the major rebrand, Indosat Ooredoo launched its hi-speed 4G-LTE service, 4Gplus, on a nationwide basis. The company announced that the service, which provides faster connectivity and clearer voice quality, would be available for the same price as existing 3G services.

Ooredoo appoints Sheikh Saud bin Nasser Al Thani as Group Chief Executive Officer

As part of a significant management change in November, Ooredoo announced that Sheikh Saud bin Nasser Al Thani would become the Chief Executive Officer of Ooredoo Group, succeeding Dr. Nasser Marafih, who was named as a member of the Board of Directors. Waleed Al Sayed was named as Deputy CEO of Ooredoo Group and CEO of Ooredoo Qatar.

December

Ooredoo becomes first in the region to deploy Voice over LTE

In December, Ooredoo began the pre-commercial phase of offering Voice over LTE (VoLTE), becoming the first operator in the GCC to introduce the service across a substantial part of its network. VoLTE will enable customers to make crystal-clear HD voice calls over the 4G data network, as well as enabling them to switch between ongoing voice calls and high-quality video and browse the Internet on the 4G network while still on a call.

Ooredoo signs MoU with Qatar Airways for onboard Wi-Fi

Ooredoo and Qatar Airways signed a Memorandum of Understanding (MoU) in December, that will see Ooredoo sponsor Qatar Airways' Onboard Wi-Fi service to enhance the customer experience on Qatar Airways flights and provide unmatched connectivity in the air.

Ooredoo Algeria extends 3G services

By the end of 2015, Ooredoo Algeria had extended 3G services to cover 36 provinces, continuing to successfully build its data leadership across the country.

Ooredoo's commitment to Digital Maldives

Ooredoo Maldives partnered with Huawei Marine in December, for a USD 25 million project to deploy a nationwide fibre submarine cable, aiming to support the country's broadband policy of making Maldives the most advanced ICT country in the SAARC region.

December

Ooredoo signs MoU with Qatar Airways for onboard Wi-Fi

November

4G LTE

Indosat rebrands into Indosat Ooredoo

December

Ooredoo's commitment to Digital Maldives

Our Businesses

Maldives
We celebrated ten years in the Maldives with the #ThankYouMaldives campaign in 2015.

Palestine
With smart acquisition campaigns, Wataniya Palestine succeeded in growing its customer base by 13 percent in 2015.

Indonesia
Indosat became the eighth operator in the Group to adopt the Ooredoo brand in 2015, becoming Indosat Ooredoo.

Iraq
We launched 3G services in Iraq in 2015.

Oman
By the end of 2015, Ooredoo's LTE network covered the majority of households in Oman, with the fastest home broadband services in the country.

Tunisia
Ooredoo increased smartphone penetration to 30 percent in Tunisia by the end of 2015.

Myanmar
Ooredoo Myanmar rolled out new B2B fixed line and postpaid services in 2015, and became the first official telecom partner for Apple in the country.

Qatar
Ooredoo Qatar increased its overall market share during 2015, driven by strong revenue growth in both mobile (+11 percent) and fixed line services (+10 percent).

Algeria

13m

Ooredoo grew its customer base to 13 million at the end of 2015 – an increase of 7 percent on 2014.

Kuwait
Ooredoo Kuwait increased its revenues by 6 percent and EBITDA by 31 percent with improved margin in 2015.

Ooredoo Qatar

"Qatar is an engine of prosperity and a driver of innovation for Ooredoo. The strength of the Ooredoo Supernet, the positive response from our customers and the new opportunities for growth within the Qatari market make us confident that we will continue to see success in the coming year."

Waleed Al-Sayed
CEO, Ooredoo Qatar

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

Operator importance to Group

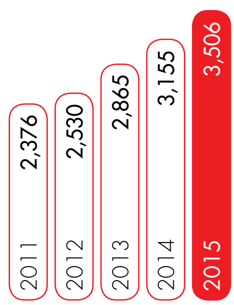
3%	25%	31%	11%
Customers	Revenue	EBITDA	Capex

Financial performance

	2011	2012	2013	2014	2015
Revenue QR millions	5,704	6,220	6,590	7,148	**7,897**
EBITDA QR millions	2,948	3,249	3,273	3,448	**3,995**
EBITDA margin	52%	52%	50%	48%	**51%**
Blended ARPU QR	145.2	148.7	133.0	128.1	**118.5**
Employees	2,069	1,841	1,715	1,614	**1,554**

Blended ARPU is for the three months ended 31 December.

Total customers
(thousands)



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 the 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.

2015 was an exceptional year for Ooredoo in Qatar. The company enhanced its network leadership, continued to grow its customer base and expanded its portfolio of services. In particular, the company benefited from a sharper focus on Qatar's business sector, launching a range of services for corporates and positioning the company as a leading integrated ICT provider.

By the end of 2015, the company had grown customer numbers by 11 percent to 3.5 million, increased revenue by 10 percent to QR 7,897 million (FY 2014: 7,148 million), and seen EBITDA rise by 16 percent to QR 3,995 million (QR 3,448 million). Higher revenue and EBITDA margin resulted in a net profit of QR 2,138 million in 2015, an increase of 11 percent year-on-year (FY 2014: QR 1,919 million).

A major feature of the year was the launch of the Ooredoo Supernet, which helped build market leadership and delivered an exceptional customer experience. Encompassing all mobile, fixed, Wi-Fi, TETRA and digital entertainment services, the Ooredoo Supernet was enhanced by a number of major optimisation and upgrade projects throughout the year.

The network optimisation programme covered Ooredoo's thousands of sites across Qatar, including outdoor sites and indoor sites that were upgraded to 4G+.

A special project focused on extending the Supernet to popular desert locations, with the addition of 12 new mobile shelters and the upgrade of 53 desert sites to 4G+ services.

Ooredoo also deployed small cells in popular network hotspots across the country, to enhance 3G and 4G networks for a better customer experience, providing advanced voice and data services to customers even in the most crowded indoor and outdoor areas.

In addition, the company achieved a number of technological breakthroughs, including a regional record-setting speed-test, which saw Ooredoo deliver a peak data rate of 600 mbps on LTE Advanced Category 11 (Cat 11), and the introduction of Voice over LTE across a substantial part of the nationwide network.

Strong growth in mobile (+11 percent) and fixed line (10 percent) in 2015.

Ooredoo Supernet launch

In 2015, Ooredoo launched the Ooredoo Supernet, the umbrella name for all Ooredoo networks and a promise of superior experience for all customers. The Ooredoo Supernet encompasses all mobile, fixed, Wi-Fi, TETRA and digital entertainment services, and the year saw a number of important technological breakthroughs, including a first-of-its-kind speed test using 4G LTE Advanced Category 11 (Cat 11), achieving a peak data rate of 600 mbps, as well as the on-going expansion of 4G+ and Fibre Services that brought higher speeds and faster coverage to Qatar.

To support the Supernet, the company also launched "Operation Desert" to significantly improve coverage in Qatar's desert locations in time for the popular camping season.

Ooredoo Qatar

continued

The company also successfully extended its nationwide Ooredoo Fibre roll-out, positioning Qatar in the top five in terms of fibre penetration world-wide. More than 260,000 homes are now connected to Ooredoo Fibre, along with commercial buildings and developments.

Reflecting its support for customers' digital lifestyles, Ooredoo launched a range of mobile apps and services in 2015, including the launch of Mozaic GO, which brought premium content to smartphones and devices, and its first dedicated desert navigation app, the Ooredoo Inland Sea app. In addition, the company launched "You Click, We Care," a concierge medical and wellness mobile service, and announced a range of partnerships with leading app-based services such as Careem and online delivery portals like Talabat.

Ooredoo also saw strong returns from the business-to-business services sector in Qatar, in particular with the launch of an enhanced portfolio of cloud-based and Internet of Things technology, including smart metering solutions for the energy sector, smart fleet management for transportations, and a range of Infrastructure-as-a-Service and Software-as-a-Service offerings providing small businesses with access to world-class solutions.

Ooredoo continued to be a pioneer in the field of smart city technology in Qatar, providing the technological foundation for a number of mega-projects, and developing a range of smart stadium solutions to support the country's vision for hosting major events such as the FIFA World Cup 2022.

Smart technology was also brought into Ooredoo's customer facing operations, with the deployment of a new app-based self-service feature for customers to book appointments at Ooredoo shops, and the introduction of a new Smart Queue Management Solution to reduce waiting time. The strategy to empower customers with more self-service options will enable Ooredoo to target its resources more effectively throughout the year.

Showing its commitment to the future leaders and development of Qatar, Ooredoo launched a partnership with Qatar Business Incubation Centre to support a "Digital and Beyond" incubator for young start-up businesses.

Outlook

Ooredoo Qatar's strength in the market starts with its network, which enables the company to offer both cutting-edge business services, as well as fast, reliable data services for consumers.

In 2016, Ooredoo will continue to drive network innovation and performance, enhancing the Ooredoo Supernet as part of the drive to help make Qatar the best-connected country in the world.

The company has plans in place to become an "IT innovation engine" for Qatar, building capabilities in-house and engaging with an ecosystem of innovative partners in order to fundamentally transform the depth and range of ICT services offered in the country.

As a pioneering operator with a global reach, Ooredoo will leverage its partnerships with the world's leading technology companies and its incredible infrastructure assets to provide a fully integrated offering for businesses across the country.

For consumers, Ooredoo is in the process of significantly upgrading its digital premium entertainment service, using the strength of Ooredoo Fibre to capitalise on Qatar's rising demand.

The company will expand its work on the "digital universe," ensuring that everyone can access a full range of services online, and enjoy smart digital solutions provided by Ooredoo Shops and service centres across the country.

Ooredoo will also continue to support Qatar's communities with a host of activities, sponsorships and events, to demonstrate its commitment and pride in the country.

Investment in its people and Qatarisation remain key priorities. The company will continue to invest in the development of a new cadre of young national leaders, focusing on training, development and support opportunities.

Bringing "Digital and Beyond" to Qatar

Ooredoo launched the state-of-the-art "Digital and Beyond" incubator with Qatar Business Incubation Centre in October 2015, to encourage the creation of a new range of start-ups in Qatar. The agreement includes a dedicated space for entrepreneurs and an evaluation process for "disruptive ideas" in the digital space, with seed-funding provided for the aspiring entrepreneurs.

The one year agreement, which includes the option to renew every year, will enable Ooredoo to contribute to the development of Qatar's economy, by supporting economic diversification, new business creation, and encouraging entrepreneurialism. It will also reduce the time to market for new digital products and services in Qatar, and open new business opportunities for Ooredoo in adjacent markets.

3.5m

Total customers increased by 11 percent to 3.5 million.

Indosat Ooredoo Indonesia

"This year, Indonesia has evolved into a digital nation. Indosat Ooredoo envisions a digital world that is accessible, affordable, and as simple as possible for everybody. We are committed to making technology available to everyone. It is this spirit that drives Indosat Ooredoo to become the country's leading digital telecommunication company."

Alexander Rusli
President Director and CEO, Indosat Ooredoo

Ooredoo has a 65 percent stake in Indosat Ooredoo.

Operator importance to Group

60% Customers

23% Revenue

25% EBITDA

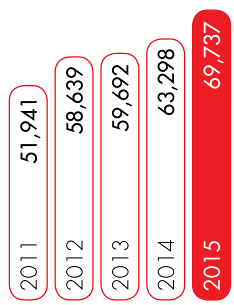
30% Capex

Financial performance

	2011	2012	2013	2014	2015
Revenue QR millions	8,550	8,804	8,371	7,395	**7,274**
EBITDA QR millions	4,159	4,420	3,862	3,279	**3,303**
EBITDA margin	49%	50%	46%	44%	**45%**
Blended ARPU QR	10.2	9.9	8.8	8.0	**7.3**
Employees	4,461	3,827	3,956	4,100	**4,320**

Blended ARPU is for the three months ended 31 December.

Total customers
(thousands)



In 2015, Indosat officially changed its name to Indosat Ooredoo, becoming the eighth operator in the Group to adopt the Ooredoo brand. The rebrand from Indosat to Indosat Ooredoo marked a significant milestone for the company and for the reach of the Ooredoo brand.

Indosat Ooredoo also announced a three-year plan to become Indonesia's top digital operator, offering digitally enhanced shops, increased online functionality and training for team-members to become digital customer service experts.

As part of this plan, Indosat Ooredoo worked with its IM3 brand and Facebook to bridge the digital divide, supporting a free Internet campaign to offer Internet access without credits. The initiative worked with IdeaBox to provide Facebook credits and a mentorship programme. Indosat Ooredoo launched a new IM3 new starter pack campaign to build the perception of IM3 as a data player, with a smart Internet package containing free Internet 24 hours a day, for 30 days. Indosat Ooredoo also completed phase two of IdeaBox, a tech business incubator for startups.

In addition, the company focused its efforts on financial inclusion initiatives, launching Domestic Money Transfer and International Money Transfer, and partnering with Smaato, a mobile advertising platform for App monetisation, to launch Indonesia's first Mobile Aid Exchange (IMX).

Indosat Ooredoo focused on improving processes with new leadership and employees, enabling faster product development with enhanced quality and better customer experiences.

The company also rolled out 4Gplus, LTE with carrier aggregation of 900+1800 MHz, giving Indosat Ooredoo a significant competitive advantage.

Indosat Ooredoo launched multiple campaigns to highlight new packages, including a programme for the population outside of Java, offering 30 minutes of free calls to any national number every day. The objective was to increase Indosat Ooredoo's market share outside of Java, with a universally appealing offer.

Indosat Ooredoo launched a Ramadan campaign aimed at providing customers with greater opportunities to connect during the Holy Month. The Matrix Max campaign offered a significant data bundle, complete with voice and SMS, for postpaid customers, and provided online registration to support ease of access.

As part of Indosat Ooredoo's commitment to corporate social responsibility, the company implemented campaigns under three pillars – Women's Empowerment, Education, and Innovation. The women's empowerment programme, INSPERA (Inspiration for Indonesian Women), continued to provide support to female "Micropreneurs," through Information and Communications Technology (ICT) and access to funding. The Indosat Ooredoo School Development Programme assisted schools to achieve The Standard of National Education from the Ministry of Education, while the Indosat Ooredoo Stock Trading Contest (ISTC), in cooperation with IDX, raised awareness about the importance of investing in capital markets.

Indosat Ooredoo hosted a competition for young people to innovate in the field of digital wireless applications, enabling them to transform their innovations into businesses.

The company also developed its Mobile Clinic programme, in cooperation with Ooredoo and the Leo Messi Foundation, which establishes mobile clinics in underserved areas.

Indosat Ooredoo faced challenges caused by the depreciation of the Rupiah in 2015, which increased the value of the USD and therefore CAPEX, impacting profitability. Indosat Ooredoo reduced the share of the USD-denominated debt in total debt in 2015 and will continue to do so in 2016.

Outlook

During 2016, Indosat Ooredoo will focus on becoming a data leader, building on the company's success in growing data revenue following the implementation of customer initiatives. Indosat Ooredoo will also impose a stronger focus on vertical solutions and the launch of new innovative solutions, particularly in the areas of Internet of Things.

Supported by the positive long-term macro outlook, the Indonesian telecom market is expected to continue to grow, offering significant opportunities. Indosat Ooredoo is well positioned to benefit from the deployment of LTE networks across the country, with its modernised LTE-ready network on the single RAN technology, and is aggressively rolling out affordable LTE services across the country. The rise of Indonesia as a digital economy is creating new opportunities for content and partnerships, such as the recently announced partnership with retailer Erajaya with a commitment to open new stores. Indosat Ooredoo also plans to reinvent its B2B portfolio, tailoring to the needs of specific customers. Most importantly, Indosat Ooredoo plans to continue to improve its service delivery for business customers through service automation and simplified processes.

Ooredoo Kuwait

"Ooredoo Kuwait is the first operator in the country to offer LTE-A and 4G+. We enhanced our customers' experience by investing in our network and developing our people, while providing the largest number of retail outlets. I am proud of our achievements during the year and look forward to continuing our digital transformation in 2016."

Mohammed bin Abdullah Al Thani
CEO, Ooredoo Kuwait

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

Operator importance to Group

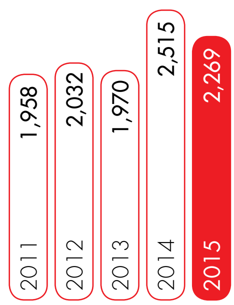
2%	7%	5%	4%
Customers	Revenue	EBITDA	Capex

Financial performance

	2011	2012	2013	2014	2015
Revenue QR millions	3,223	2,880	2,500	2,149	**2,275**
EBITDA QR millions	1,469	1,101	667	473	**620**
EBITDA margin	46%	38%	27%	22%	**27%**
Blended ARPU QR	118.8	96.2	87.3	65.6	**71.7**
Employees	1,000	1,078	950	856	**737**

Blended ARPU is for the three months ended 31 December.

Total customers
(thousands)



In 2015, Ooredoo Kuwait capitalised on the significant progress it had achieved in previous years, launching initiatives designed to increase market share in a competitive environment.

It has the largest retail telecom network in Kuwait, and rolled out LTE (4G+ Speed) to an additional 540 sites across the country.

Ooredoo Kuwait became the first telecom operator to launch LTE-A and 4G+ in the country. The company's LTE network now covers 92 percent of the population.

Ooredoo Kuwait also made significant investments in its network to improve coverage, rolling out green field sites to support data penetration. Reflecting Ooredoo's focus on data and B2B, capacity has been enhanced through carrier upgrades and sector upgrades, and a new data centre established. Capacity has also been expanded on 2G and 3G networks and the company signed a five-year contract with Huawei to streamline network planning, operations and maintenance. Cost efficiencies have been achieved through the successful trial on Active Antenna Sharing to improve site sharing ratios.

Delivering on its customer-first strategy, Ooredoo Kuwait introduced new lines of devices into the market, including wearable technology, the iPhone 6S and iPhone 6S Plus, and premium tablets, enhancing its ability to take market leadership.

To provide a better customer experience, the company deployed a rapid response and action team addressing customer feedback. It also focused on promoting its E-Bill services and other self-service initiatives to meet customers' increasing demands to manage their services at a time and place that suits them most.

Ooredoo Kuwait launched the "Walk the Talk" initiative during 2015 to support the company's cultural transformation project. As part of this project, the leadership of the company visited various customer channels, including its branches, dealers and customer care divisions, to live the experience of its frontline employees, understand challenges and demonstrate Ooredoo's core values through leadership. By doing so, leaders gained valuable insight into not only customer but also employee feedback, to enhance internal engagement, provide a better working environment and deliver better customer service.

Various training programmes for the frontline focused on topics such as selling, customer service, product knowledge and coaching skills for managers and leaders. Senior executives of the company were assessed by a leading people advisory firm to build the pipeline of future leaders, while mid-level managers were offered modular development programmes on topics such as managing conflict, delegation, performance management, and communication skills. Overall, 90 percent of employees at Ooredoo Kuwait undertook training and/or development programmes during 2015, all with the aim of providing a better experience for customers and employees.

Ooredoo Kuwait collaborated with several local and international organisations to implement corporate social responsibility initiatives. It created a youth empowerment programme, winning the recognition of the Ministry of State for Youth Affairs as the only private sector entity to support youth in the field of volunteer work.

It also supported the Qout Market, Kuwait's biggest hub for locally produced vegetables, artisanal foods and crafts, for the third consecutive year, to encourage consumption of local produce and goods. The company also supported the Jahzeen Training Programme, which empowers young graduates with the skills they require to enter the workforce.

To enhance its brand value and engage with customers, Ooredoo Kuwait organised events to launch its smartphone offerings for pre- and post-paid customers. Its Ramadan campaign and television commercial, which offered customers unlimited Internet on their smartphones throughout the Holy period for only KD 5, won the Creativity Award by the Arab Media Forum for its efforts to engage with the local community and its commitment toward preserving Kuwait's heritage and local traditions. It was also awarded the Best Customer Care Environment by Insight and Best CSR Program from Telecom Review.

Outlook

In 2016, Ooredoo Kuwait will focus on further enhancing the overall customer experience through digital transformation, capitalising on the benefits from its organisational restructuring. It will also aim to increase its share of high-value customers. In response to high demand, Ooredoo Kuwait will also refresh its popular Nojoom Loyalty Programme, which partners with premium stores to offer customers over 100 rewards and benefits by simply using their Ooredoo services.

Ooredoo Oman

"A year after completing the rebranding to Ooredoo, we were recognised as one of the top 20 performing companies for the fifth year running. Our brand equity index reached an all-time high, underlining this success – supported by improved network performance and attractive offers – and a positive indicator that our rebranding strategy has executed against plan."

Greg Young
CEO, Ooredoo Oman

Ooredoo holds a 55 percent effective economic stake in Ooredoo Oman.

Operator importance to Group

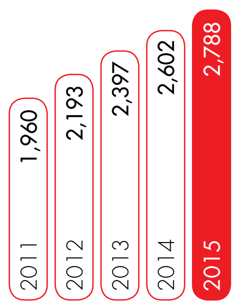
2%	8%	10%	7%
Customers	Revenue	EBITDA	Capex

Financial performance

	2011	2012	2013	2014	2015
Revenue QR millions	1,939	1,907	1,990	2,231	**2,475**
EBITDA QR millions	979	902	933	1,115	**1,302**
EBITDA margin	51%	47%	47%	50%	**53%**
Blended ARPU QR	80.4	70.8	63.8	66.8	**67.0**
Employees	1,019	1,027	1,051	1,049	**1,024**

Blended ARPU is for the three months ended 31 December.

Total customers
(thousands)



Ooredoo Oman's 10th year of operations featured a number of significant milestones, in particular the completion of its independent 5,500 km nationwide fibre backbone, which spans the length and breadth of the country to provide cutting-edge reliable services to business and consumer customers.

The company also continued the heavy investment in its network modernisation programme, acquired more broadband spectrum and achieved another record performance, both financially and operationally, including a 7 percent increase in its customer base.

Perhaps most significant of the company's milestones, however, was the explosion in the use of data services, which now accounts for 48 percent of mobile revenues. Ooredoo Oman expects further growth in data use, as customers benefit from innovative products and services. The heart of Ooredoo Oman's business is to listen to what customers want and need, and design products and services accordingly. By doing so, Ooredoo Oman has launched new offers that have proved consistently popular with customers.

The company made steady progress in its mission towards becoming the telecoms provider of choice to the government and ministries. It is now a fully integrated player in the government's broadband strategy, and plans to enhance this association by providing an array of e-government services. Oman eGovernment awarded Ooredoo Oman the building and operation of their dedicated high-speed next generation IP-VPN network.

Ooredoo Oman's strategy to be a converged operator, with a full suite of fixed and mobile products and services, gained traction during 2015. A key element of this process is an increasingly integrated sales, marketing and customer service focus, which has resulted in better alignment and coordination of Customer Experience Management (CEM).

In a first for the Middle East, Ooredoo Oman launched the Voice of the Customer programme, which aims to close the customer feedback loop by improving dialogue at every touch point. For example, every time a customer calls the Contact Centre, it triggers an SMS survey, which entails about 10,000 interactions per day.

This positive move sends out a strong signal to customers that, by actively engaging with them, Ooredoo Oman values their opinion and loyalty.

In another new Ooredoo Oman initiative, every manager, from the CEO down, should at some point participate in a front-line position to experience interacting with customers and receiving their feedback.

The Nojoom loyalty programme continued to attract new members. Ooredoo Nojoom offers unique rewards to customers through a growing number of inspiring retail, telecoms and other benefits, such as airport services.

Ooredoo Oman launched a number of innovative and exciting products for consumer and business customers. The Ooredoo Oman smartphone application was enhanced with a range of options, including checking or redeeming Nojoom points, bill payment and buying additional data packages. To date, more than 220,000 customers have downloaded the application.

Ooredoo Oman opened 14 new franchise stores in 2015, which have fast become a feature in smaller towns and cities, extending the company's footprint across the country and giving customers easier access to the brand.

In addition, a Business Corporate Care Centre was set up to focus exclusively on the needs of business customers. This demonstrates the growing importance of business customers to the industry, and Ooredoo Oman's commitment to diversifying revenue streams.

Outlook

Next year, Ooredoo Oman will see the heavy digital transformation of the company as business offerings become increasingly digitalised, falling into three distinct categories: new products and services; the use of digital to deliver an ever-improving customer experience and engagement model; and driving efficiencies, boosting productivity, and managing costs through digital systems and customer interaction.

Ooredoo Oman will continue to drive the customer experience to help differentiate itself from current and future competition. Ooredoo Oman continues to transform into a full service integrated telco, which derives 50 percent or more of its consumer revenues from data, and to adapt to new business models in the digital and Internet economy.

As the company enters its second decade of operation, a renewed emphasis on operational execution, with consistency and continuity, places it in a strong position with the confidence to address risk and the never-ending challenges of this fast-moving industry.

Asiacell Iraq

"Continuing on our commitment to provide the best services to our customers, Asiacell successfully launched 3G services during 2015. We maintained our revenue leadership in spite of the country's security challenges, aggressive competition and the implementation of sales tax. I am confident that we will continue to improve the experience of our customers and communities in 2016."

Amer Al Sunna
CEO, Asiacell

Ooredoo has a 64.1 percent effective economic stake in Asiacell.

Operator importance to Group

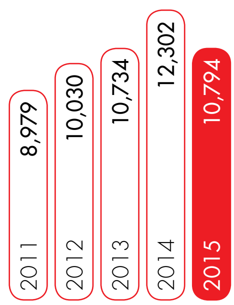
9%	15%	16%	16%
Customers	Revenue	EBITDA	Capex

Financial performance

	2011	2012	2013	2014	2015
Revenue QR millions	5,934	6,878	7,071	6,298	**4,884**
EBITDA QR millions	3,233	3,689	3,629	2,939	**2,136**
EBITDA margin	54%	54%	51%	47%	**44%**
Blended ARPU QR	60.1	61.6	54.8	40.0	**36.6**
Employees	2,821	2,906	2,811	2,771	**2,733**

Blended ARPU is for the three months ended 31 December.

Total customers
(thousands)



Asiacell achieved a significant milestone in 2015 as it successfully launched 3G operations in Iraq and took the lead in market share in data services.

During the year, Asiacell undertook various initiatives to support its 3G roll out, such as restructuring its data bundles pricing structure and various marketing campaigns, resulting in a significant increase in data revenues.

Asiacell continued to maintain its leading position among Iraqi mobile companies, while supporting the communities in which it operates in a challenging market.

Against a backdrop of ongoing security concerns, Asiacell continued to maintain its revenue-share market leadership position and now has a subscriber base of more than 10.7 million. The launch of 3G operations in 2015 attracted millions of customers and Asiacell is confident in the growth of this number in 2016.

The company also prepared for the modernisation of its backbone microwave network and various other technological initiatives to maintain a reliable network throughout the country.

In a highly competitive environment, Asiacell launched many products, including a triple play bundle promoting the use of voice, data and SMS, and a new micro recharge product to offer its customers more convenience. It also continued its cost optimisation programme, achieving savings across the business.

Shutdowns continued to impact parts of Asiacell's network during 2015. However, over the course of the year, a number of areas were also liberated. Asiacell reacted quickly, reactivating its network in cities such as Tikrit, to provide customers with a reliable service and prepare for 3G coverage.

The company played a critical role in supporting Iraqi communities, implementing corporate social responsibility initiatives to assist Internally Displaced Persons (IDPs), orphans, women and refugees. Partnering with Ericsson, Asiacell implemented a "Connect to Learn" programme, ensuring students at the Domiz refugee camp in Kurdistan could continue their studies utilising the company's 3G network. It also provided essential food items to over 100,000 persons around the country and was recognised for its CSR programme with a prestigious international Stevie Award.

Asiacell launched a campaign with leading regional celebrity Kadim Al-Sahir, an Iraqi role model and influencer. Thanks to its successful marketing activities, Asiacell increased its customer satisfaction and generated sales, while positioning itself as an integral part of the Iraqi community.

Outlook

Asiacell sees considerable potential in areas such as large screen and social media, given the high percentage of Iraq's youth population and their appetite for social media. In 2016, Asiacell will focus on increasing overall data revenue, the B2B market and further enhancing customer engagement. It will also promote the recently-approved partnership with Mobile Money, which will facilitate mobile payments.

3G

Launch of 3G in January 2015, healthy demand for data services in Iraq

+40%

Revenue market share, No.1 position

Ooredoo Algeria

"Leveraging our superior 3G value proposition, Ooredoo Algeria now has more than 5 million 3G users and an overall customer base of 13 million. We expanded into new 3G markets during 2015 and our estimated covered market potential reached 90 percent. With the support of a great team, I am confident that Ooredoo Algeria will continue to enrich people's lives."

Joseph Ged
CEO, Ooredoo Algeria

Ooredoo owns a 92.1 percent stake in Ooredoo Kuwait (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.

Operator importance to Group

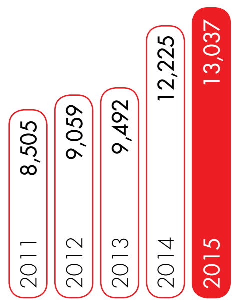
11%	13%	11%	10%
Customers	Revenue	EBITDA	Capex

Financial performance

	2011	2012	2013	2014	2015
Revenue QR millions	2,961	3,479	3,884	4,623	**4,023**
EBITDA QR millions	1,101	1,374	1,583	1,481	**1,474**
EBITDA margin	37%	39%	41%	32%	**37%**
Blended ARPU QR	30.6	33.6	33.9	29.4	**22.9**
Employees	2,360	2,485	2,846	2,895	**3,008**

Blended ARPU is for the three months ended 31 December.

Total customers
(thousands)



Ooredoo Algeria maintained its position as market leader in 3G and data services during 2015. The company commercially launched 3G in 11 additional high-growth districts.

Supporting these achievements was a thorough customer and brand analysis, as well as key technology investments both in the company's network and its service offering to appeal to customers' requirements for convenience. The company was recognised by international and regional associations, including three awards from the twelfth edition of International Business Awards and Best Employer of Choice by the American Institute and UK Career Fair.

Underpinning Ooredoo Algeria's growth during 2015 was its considerable investment in its network, as well as its focus on customers through various research initiatives.

Ooredoo Algeria's success can be partly attributed to its continuing customer focus strategy. Since 2013, the company has gathered detailed information on customer satisfaction, experience and expectations by conducting regular market surveys to guide its strategy and provide a best-in-class customer experience. During 2015, the company elevated its market research with more sophisticated technology, allowing real-time tracking of customer satisfaction.

By the end of 2015, Ooredoo Algeria had deployed 3G in an additional 11 Wilayas (districts) to cover 36 areas, up from 25 Wilayas in 2014. Despite its main competitor's presence in 39 Wilayas, Ooredoo Algeria captured 47 percent of data users and 53 percent of all data market revenues, and its customer base had reached 13 million by the end of 2015.

Ooredoo Algeria started to generate revenue beyond data traffic through revenue share agreements with key content providers. Although a nascent revenue stream at this time, Ooredoo Algeria sees potential for growth in this area.

The company's significant public-private partnership with l'Agence Nationale de Dévelopment de la Petite et Moyenne Entreprise (ANDPME) has supported the Algerian economy by addressing a range of social issues. Under the partnership, incubation facilities were set up in Oran and Constantine, to accelerate technological start-ups, and a competition was held to facilitate the development of innovative mobile applications and content.

Ooredoo Algeria's support of the local community continued with a decade-long partnership with the Algerian Red Crescent. Through its partnership with the Leo Messi Foundation, Ooredoo Algeria launched an additional three Mobile Medical Clinics in the south of the country. It also funded workshops at a literacy centre in Jijel, a province located in the East region of Algeria, and implemented several projects with the Algerian Federation of Disabled People. Ooredoo Algeria also focused on boosting the country's entrepreneurial culture, hosting workshops to teach children the basics of programming and robotics in conjunction with NGO Devox.

In February, Ooredoo Algeria signed a three-year agreement with Real Madrid Football Club. In addition to traditional sponsorships, the partnership will also implement a number of initiatives to support Algerian youth.

Ooredoo Algeria has a long history of partnering with sports teams and has become the partner of choice among football and sports associations in the country, with more than ten football clubs and eight sports federations.

The company also focused on optimising systems to increase efficiencies and enhance customer experience. Ooredoo Algeria aims to become a paperless company in the future and undertook measures to digitise processes, including digitalising customer contracts. It also invested substantially in its e-commerce platform, security operation centre, and virtualisation of its IT infrastructure.

The company continued to invest in its employees, with eligible top and middle management executives sent to prestigious business schools in France and Algeria to support their overall professional development.

Devaluation of the Algerian Dinar impacted the company's financial results in 2015. The company successfully secured loans in local currency, thus substantially reducing foreign exchange risk.

Outlook

Ooredoo Algeria aims to maintain its leading position in the 3G market and be the leading player in 4G in 2016, leveraging its superior data value proposition and customer promise. Ooredoo Algeria is well placed to continue its growth in the market in 2016, by investing in network deployment ahead of competitors and through a detailed understanding of its customers and their demand for data. The upcoming launch of LTE and digital business opportunities, such as mobile financial services, will facilitate growth for Ooredoo Algeria.

Ooredoo Tunisia

"Ooredoo Tunisia reinforced its position as the country's leading mobile telecom operator and became the leader in mobile data with a market share of over 40 percent during 2015. We also launched the first 4G technology tests, a historic event for the company and the country. Overall, we delivered a solid financial performance in 2015 and we will continue to build on our position in 2016".

Youssef El Masri
CEO, Ooredoo Tunisia

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

Operator importance to Group

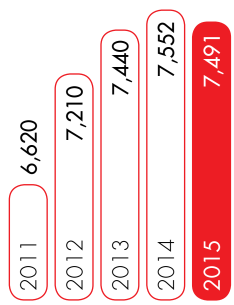
6%	6%	6%	4%
Customers	Revenue	EBITDA	Capex

Financial performance

	2011	2012	2013	2014	2015
Revenue QR millions	2,779	2,633	2,504	2,288	**1,803**
EBITDA QR millions	1,573	1,350	1,310	1,072	**746**
EBITDA margin	57%	51%	52%	47%	**41%**
Blended ARPU QR	35.1	27.7	26.3	20.7	**14.7**
Employees	1,583	1,610	1,690	1,665	**1,640**

Blended ARPU is for the three months ended 31 December.

Total customers
(thousands)



2015 was an eventful year for Tunisia, with the election of a new government and president. In October, the National Dialogue Quartet was awarded the Nobel Peace Prize for its decisive contribution to the building of a pluralistic democracy.

However, despite all efforts, the country experienced a wave of terrorist attacks, which highly impacted its economy.

In spite of the growing economic difficulties and competitive pressures, Ooredoo delivered competitive financial and operational results. It maintained its position as a leading network provider with its 7.5 million customers, including voice and data. It focused on investing in its network, building a clear differentiation in quality, and was voted by the regulator as best operator in Greater Tunis for its high-quality 3G mobile technology. These investments were supported by initiatives to increase the company's presence and proximity to customers, with 21 new points of sale launched across the country.

Its devices strategy enabled Ooredoo Tunisia to significantly enhance smartphone penetration among its customer base, reaching 30 percent by the end of 2015.

In November 2015, Youssef Al Masri, a 20-year veteran of the Ooredoo Group, was appointed as the company's new CEO to deliver the company's new strategic direction in 2016 and beyond.

Ooredoo Tunisia consolidated its position as a leader in mobile data and launched 4G technology tests, becoming the first mobile operator in Tunisia to test LTE.

In a competitive market, Ooredoo Tunisia achieved a significant increase in the business segment by strategically expanding its B2B offerings. The company launched multiple new mobile, fixed, cloud hosting and Machine to Machine (M2M) products for business customers; successfully acquired important enterprise accounts; and continued to increase B2B services with the launch of "Office in a Box," offering high-speed Internet access and shared fixed and mobile voice packages.

The company's smart devices strategy drove an increase in the use of 3G services. It also launched a new daily data bundle, designed to meet the general needs and budgets of customers. This was the key driver behind the robust growth of 3G users during the year, which led to a considerable rise in revenues. Nourished by the growing range of new 3G products and services, Mobile Broadband connections secured significant growth in 2015.

With its continuous improvement plan and efforts to diversify its revenue and maintain ongoing business models, Ooredoo Tunisia heavily invested in its network improvement and expansion. With a full year total Capital Expenditure (CAPEX) of USD97 million, Ooredoo Tunisia made substantial improvements to its 3G network capabilities, with optimisations and extensions across more than 40 percent of Tunisia's radio sites.

Ooredoo Tunisia's 3G connection increased its reach in the southern regions of the country, which subsequently raised 3G penetration to 93 percent of the total population. It also invested in rolling out new radio sites and established direct connections with Facebook and Google servers in the UK.

These initiatives allowed Ooredoo Tunisia to improve the data usage experience for its customers by providing more reliable connections, faster data speeds and greater coverage.

2015 also saw a number of CSR initiatives, such as the company's continued support to Darna, an association offering abandoned children a safe home, and Enoor, an after-school centre supervising socially vulnerable children.

Ooredoo Tunisia also partnered with IHEC University, sponsoring grants awarded to excellent students. In addition, the company successfully launched a mobile clinic project, in collaboration with the Tunisian Red Crescent, to provide free medical assistance to many rural areas.

Other CSR initiatives included the reconstruction of a primary school in the rural area of Sidi Bouzid and the launch of Zoomi, a mobile application designed to report pollution and sanitary problems, in cooperation with the Ministry of Environment.

Outlook

As Ooredoo Tunisia looks forward to 2016, it will reinforce its position in the market and build on the successes achieved during 2015. It will focus on speeding up its transition from a mobile operator to a unified communications provider by providing high-quality voice, data, business and content services, while implementing newly launched technologies to enable its customers to access data services wherever they are and on all devices.

Ooredoo Myanmar

"2015 was Ooredoo Myanmar's first full year of operations since our successful launch. During the year, we continued our rapid network roll out and we now have 5.8 million customers. Looking ahead, we will continue to invest in our network and focus on a 'mass market' approach in a country we believe is full of opportunities."

Rene Meza
CEO, Ooredoo Myanmar

Ooredoo holds a 100 percent stake in Ooredoo Myanmar.

Operator importance to Group

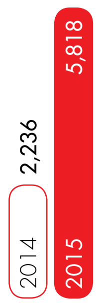
5%	3%	–1%	15%
Customers	Revenue	EBITDA	Capex

Financial performance

	2013	2014	2015
Revenue QR millions	–	189	**1,065**
EBITDA QR millions	(145)	(357)	**(76)**
EBITDA margin	–	(189%)	**(7%)**
Blended ARPU QR	–	27.2	**17.1**
Employees	156	953	**949**

Blended ARPU is for the three months ended 31 December.

Total customers
(thousands)



Ooredoo Myanmar continued the rapid roll out of its 3G-only mobile network across the country during 2015 with population coverage reaching 78 percent across 22 territories in 2014.

It launched multiple new services including B2B fixed line, postpaid, SME products and a subsidised 3G phone, while entering into critical partnerships to expand its coverage, including fibre network and tower-sharing deals.

Rene Meza, who has considerable experience in leading the growth of telecoms businesses in emerging markets, was appointed as Ooredoo Myanmar's CEO in July 2015 to deliver on the company's strategy to accelerate the reach of its world-class next generation telecommunications network for the people of Myanmar.

As part of its dedication to providing the people of Myanmar with advanced telecom services, Ooredoo Myanmar also launched various new affordable products for customers.

Ooredoo Myanmar signed partnerships throughout 2015, becoming the first official telecom partner for Apple, among other agreements. Ooredoo Myanmar also launched a subsidised 3G phone (programme Tiger – G7), supporting its strategy of providing mobile connectivity for the masses. This initiative provides lower-income groups the opportunity to purchase smartphones, with each unit costing less than USD 15. The company also introduced new data plans with attractive pricing structures, emergency credit and ATM top-up, as well as advanced airtime allowing customers to make phone calls even when they have run out of credit.

Ooredoo Myanmar focused on customer initiatives during 2015, launching a new call centre in Mandalay, simplifying the customer experience through the introduction of various products for its corporate customers, and offering services based on its customers' requirements and usage patterns.

The company also invested in training programmes for its employees, to ensure they are delivering the best customer experience, and continued its shift towards hiring locally, supporting the socio-economic development of the country.

Ooredoo Myanmar also participated in various corporate social responsibility activities. Apart from its continued support to local communities in areas that have been newly covered by Ooredoo Myanmar, the company also supported areas affected by severe flooding, initiated the Women Empowerment programme in cooperation with the Cherie Blair Foundation, and extended the mobile health clinic programme that was launched in 2014.

Supporting its commitment to delivering innovative solutions to everyone, Ooredoo Myanmar initiated a programme offering free Internet connection for educational institutions.

Ooredoo Myanmar has entered in new tower-sharing agreements to speed up its network roll out.

Outlook

During 2016, Ooredoo Myanmar will continue the rapid roll out of its 3G-only services to help the government meet its target of extending services to over 90 percent of the population within five years. It will also continue to provide affordable products and services, as well as low-cost smartphones, for low-income customers, while providing innovative digital solutions to encourage an increase in the adoption of telecom services in Myanmar.

Ooredoo Myanmar is confident that its modern network will enable more efficient evolution to faster speed 4G services in the future. It plans to further invest to expand the people of Myanmar's access to essential communication services and enrich the lives of millions more people in this key market.

78%

3G network covering 78% of the population

5.8m

Number of customers more than doubled year on year

Wataniya Palestine

"Wataniya Palestine made significant progress on all fronts in 2015. We strengthened our market position and grew our customer base by 13 percent. We continued to optimise our cost structure, achieving considerable savings across the business. In 2016, we are looking at substantial growth as we expect to expand into the Gaza Strip and launch 3G services in the West Bank."

Dr. Durgham Maraee
CEO, Wataniya Palestine

Ooredoo has a 92.1 percent stake in Ooredoo Kuwait (NMTC), which holds a 48.45 percent stake in the operations of Wataniya Palestine. This gives Ooredoo a 44.6 percent effective economic stake in Wataniya Palestine.

Operator importance to Group

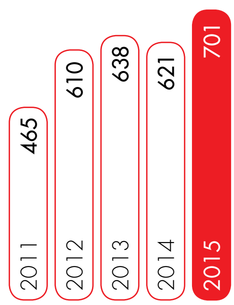
1%	1%	0.6%	0.6%
Customers	Revenue	EBITDA	Capex

Financial performance

	2011	2012	2013	2014	2015
Revenue QR millions	273	306	325	311	**303**
EBITDA QR millions	14	23	33	47	**78**
EBITDA margin	5%	7%	10%	15%	**26%**
Blended ARPU QR	43.9	35.4	34.7	32.3	**29.2**
Employees	410	418	433	427	**419**

Blended ARPU is for the three months ended 31 December.

Total customers
(thousands)



Wataniya Palestine has focused on transforming its commercial operations and strengthening its market position through revamping many of its products, enhancing its sales footprint, increasing acquisitions, reducing churn and improving its marketing activities.

This led to significant increase in acquisition and revenue. The company has made significant progress in optimising its cost structure across multiple cost categories. The company also secured an extension to its licence for five additional years and a waiver from the governmental royalty fees for a similar period. The combination of increased revenue on the one hand, and significant cost reductions on the other, has led to major improvements in EBITDA and net profits.

During 2015, Wataniya Palestine continued its advanced billing system project to replace the existing platforms (billing, Intelligent Network, Customer Relationship Management, Provisioning, etc.), where all subscribers were migrated to the new system.

As part of its dedication to providing the best network, the company deployed and activated core network redundancy nodes to improve the quality of its services.

Also, Wataniya Palestine maintained a strong focus on brand development and corporate social responsibility during 2015. Supported by Ooredoo, Wataniya Palestine signed a prime sports sponsorship agreement with the Palestinian Football Professional League, thus maximising brand awareness and affinity. The sponsorship agreement offers Wataniya Palestine the opportunity to cater to a wider audience with numerous unique customer-facing branding opportunities.

Wataniya Palestine implemented initiatives to develop and improve its customer service during 2015, with the objective of enhancing customer loyalty and boosting retention. These initiatives systematically identified customers who were at risk of discontinuing their services with the company and channelled resources to retain their business, with positive effects.

Wataniya Palestine also invested heavily in its employees, putting in place a comprehensive employee engagement strategy that is focused on enhancing the company's corporate culture, improving internal communications, and rolling out more effective performance management systems and training programmes. The company has already started to see the benefits of this investment with a positive impact on loyalty and employee job satisfaction, which boosted productivity and increased job performance remarkably.

Outlook

Wataniya Palestine sees significant growth opportunities in Palestine, as the country has lower penetration rates and a younger population compared to nearby countries. In 2016, Wataniya Palestine expects to begin the deployment of a modern 3G network in the West Bank. It also expects to expand its services to the Gaza Strip, which constitutes 40 percent of the Palestinian market. The roll out of 3G services in the West Bank and the launch of the 2G services in Gaza offer a great growth opportunity that will propel revenue in the coming years.

+13%

Increase in subscribers by 13%

+40%

Potential for increase in market size up to 40% once the company launches in Gaza

Ooredoo Maldives

"2015 was another incredible year for the Ooredoo Maldives team. With the support of a dynamic and highly engaged team, we have surpassed all our targets for the year. As the entire nation joined our tenth year celebrations in the Maldives, it was a pleasant reminder of our strong bond with the local communities as the most valued telecom operator in the country."

Vikram Sinha
CEO, Ooredoo Maldives

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

Operator importance to Group

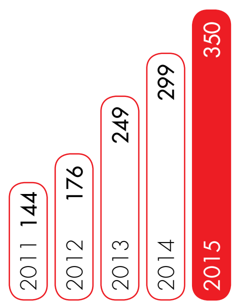
0.3%	0.9%	1.0%	0.7%
Customers	Revenue	EBITDA	Capex

Financial performance

	2011	2012	2013	2014	2015
Revenue QR millions	124	146	166	206	**288**
EBITDA QR millions	22	34	38	68	**133**
EBITDA margin	17%	23%	23%	33%	**46%**
Blended ARPU QR	42.9	45.5	41.5	46.0	**50.3**
Employees	332	332	316	313	**317**

Blended ARPU is for the three months ended 31 December.

Total customers
(thousands)



In 2015, Ooredoo Maldives continued to demonstrate its commitment to enriching the lives of its customers, with significant contributions to the country's telecommunication sector.

Its tenth year of service was a noteworthy one, as the company established itself as the market leader in mobile data, and increased its overall customer market share.

A key highlight of the year also includes Ooredoo being awarded the fixed line Internet licence in the Maldives, which will provide a platform to become a fully fledged telecommunications company.

Ooredoo Maldives became the first-ever corporate in the Maldives to launch a mobile application. The company also partnered with Dimelo to upgrade the digital customer experience by consolidating service touch points for social media, live chat and mobile app. The company also launched Club Premier – a first-class reward scheme tailored for its most valuable customers.

Ooredoo Maldives expanded its 3G+ network to cover 99 percent of the nation. The company also expanded its LTE network to cover 37 percent of the nation, operating over two different spectrums.

A USD 25 million project was kicked off to deploy a nationwide fibre optic submarine cable. Combined with an escalated network capacity for the delivery of high bandwidth services, this will provide Ooredoo Maldives with an enhanced resilient network that can fully address the country's increasing communication needs.

The company launched its "Smart City" initiative, unveiling a range of smart solutions and setting up Wi-Fi hangout areas across prime spots in the capital city. Furthermore, Ooredoo partnered with Facebook to launch free basics in the Maldives.

As a committed partner of the Connected Women programme, which works to accelerate and grow the female digital economy, Ooredoo Maldives launched the "Smart Ideas for Women" challenge to understand the key challenges being faced by women across local communities, and to create awareness about how technologies can provide smart solutions in tackling these issues.

Ooredoo Maldives donated a smartphone and a toll-free number to Child Helpline International. The company also donated six defibrillators to Indira Gandhi Memorial Hospital in Male, supporting emergency personnel in providing immediate response to emergency cases.

Ooredoo Maldives played a key role in promoting a healthy lifestyle across its communities in the Maldives. High-impact initiatives include the Paris Saint-Germain coaching clinic and "Fans Do Wonders" campaign held under Ooredoo Group's partnership with Paris Saint-Germain. Ooredoo Maldives was also the official sponsor for the largest football league in the Maldives, the Dhivehi Premier League by Football Association of Maldives.

Moving forward with its goal of becoming the employer of choice in the Maldives, Ooredoo Maldives carried out an organisation-wide structure revision to ensure maximum operational efficiency.

Outlook

In the year ahead, Ooredoo Maldives aims to become a fully fledged communications service provider with the launch and development of FTTS services. It will remain committed to its strategic priorities: a state-of-the-art network experience, an innovative product portfolio, and a differentiated customer experience.

As the company moves towards becoming the first digital company in the country, Ooredoo Maldives will work to bring the benefits of digital to all corners of the Maldives.

99%

Launched "Smart City" suite and expanded 3G+ network to cover 99% of the nation

+83%

Market leader in Mobile Data with 83% growth in Data revenue

Our Social Responsibility

THE GLOBAL GOALS
For Sustainable Development

In October 2015, Ooredoo pledged its commitment to the United Nations' Sustainable Development Goals ("Global Goals"), which aim to eradicate extreme poverty, improve the lives of people and create an all-round healthier world for tomorrow.

Ooredoo agreed to focus on **three** key areas within the Global Goals: Good Health, Gender Equality and Innovation and Infrastructure.

Goal 3

Good Health

From Mobile Clinics in Algeria, Indonesia, Myanmar and Tunisia to the specialised maternal healthcare app "MayMay" and dedicated humanitarian and disaster response initiatives, Ooredoo offers an immediate response to some of the serious health issues being faced by people in underserved communities across its global footprint.

Ooredoo actively supports the GSMA's Humanitarian Connectivity Charter as part of its commitment to support customers and first responders before and during humanitarian emergencies.

The charter is supported by the United Nations Office for the Coordination of Humanitarian Affairs, UN Emergency Telecommunications Cluster, and the International Federation of the Red Cross and Red Crescent Societies.

Goal 5

Gender Equality

The empowerment of women is a serious commitment for Ooredoo, one which sits at the heart of its corporate culture. Ooredoo's companies are proud to take the lead in providing award-winning services for women in markets ranging from Iraq to Indonesia, bringing more women online, boosting national GDP, and helping create fair and equal access.

Ooredoo is a member of the World Bank Group Advisory Council on Gender and Development, a major global body dedicated to promoting gender equality around the world. It has called for every business to engage women as both customers and key partners for success today.

Ooredoo's Chairman is on the Advisory Board of the World Economic Forum's Gender Parity Programme. The Gender Parity Programme is committed to promoting women's leadership and gender parity across the globe.

Goal 9

Innovation and Infrastructure

Through a range of smart solutions and initiatives which drive local innovation, Ooredoo is working to close the digital divide, help everyone stay connected all of the time, and power local innovation in each of its markets.

Ooredoo's smart solutions offer the potential for us to reduce energy usage, enable greater automation, and provide more people with faster access to a world of information and educational material.

Ooredoo is a community-focused business that strives to contribute to the social and economic development of the communities it operates in. Ooredoo's vision is based on a strong belief that it can help enrich people's lives and stimulate human growth.

This vision is reflected in the wide range of programmes launched and supported by Ooredoo in 2015, both at a Group level and across its operations.

Group CSR Initiatives

On a Group level, Ooredoo supported a number of key global initiatives in 2015.

In October 2015, Ooredoo pledged its commitment to the United Nations' Sustainable Development Goals ("Global Goals"), which aim to eradicate extreme poverty, improve the lives of people, and create an all-round healthier world for tomorrow. Ooredoo agreed to focus on three key areas within the Global Goals: Good Health, Gender Equality and Innovation and Infrastructure.

Ooredoo was also one of the founding operators to signal its support for the GSMA's industry-wide Humanitarian Connectivity Charter, to support customers and first responders before and during humanitarian emergencies.

Through the charter, mobile network operators will commit to a common set of principles and work to create a more coordinated and manageable response to disasters.

In addition, Ooredoo was one of the leading companies that supported the World Bank Group's efforts to promote financial inclusion and deliver universal financial access by the year 2020. To support the goal, Ooredoo has committed to providing 17 million people with mobile financial services by 2020, across diverse markets including Qatar, Kuwait, Oman, Indonesia, Myanmar, Algeria, the Maldives and Iraq.

Ooredoo is working with the GSMA and Souktel Mobile Solutions to develop new partnerships and enhance current strategies to manage disaster preparedness, as countries across the Middle East face growing humanitarian crises.

In 2015, Myanmar and Algeria were the latest Ooredoo operations to benefit from Ooredoo Mobile Health Clinics, which have helped millions of people across the company's footprint, working in partnership with the Leo Messi Foundation.

The programme, which brings healthcare to disadvantaged communities, has seen three brand-new mobile health clinics in Algeria, and has so far provided services to 73 villages in Myanmar, with 75 percent of the beneficiaries women.

Ooredoo Qatar

2015 was a busy year for Ooredoo Qatar's corporate social responsibility programmes, with the company investing heavily in sports and health initiatives, as well as community events.

Mobile clinic expansion

Continuing its work with the Leo Messi Foundation, Ooredoo expanded its Mobile Health Clinics Initiative this year, rolling out a number of medical vehicles in Myanmar and Algeria to aid underprovided communities.

Humanitarian Connectivity Charter

Ooredoo announced its support for the GSMA's Humanitarian Connectivity Charter in 2015.

As part of its efforts to encourage people to pursue healthy lifestyles, Ooredoo organised the third annual Ooredoo Marathon, bringing thousands of runners to the streets of Qatar. The Marathon has proven to be successful in motivating first-time runners, as well as committed athletes.

Ooredoo supported a comprehensive programme of events and sponsorships throughout the year, including Paris Saint-Germain coaching clinics for young people hoping to pursue their dreams of becoming professional footballers. Ooredoo continued to support its annual Free Medical Camp for low-income workers who do not have easy access to healthcare facilities in Qatar, and encouraged employees to receive free medical check-ups at the annual Ooredoo Health Day.

A major area of focus in 2015 was support for education programmes to preserve traditional Qatari culture and customs. Initiatives included direct engagement with the Hejen Camel Racing Festival and the Al-Galayel Hunting Championship in Qatar, as well as its continued support for Qatar National Day.

To reach out to young people, the company encouraged Ooredoo employees to volunteer at Injaz Qatar, which helps to prepare young people to succeed in a global economy.

During Ramadan, Ooredoo contributed to a wide range of community and charity initiatives, including hospital visits and children's activities with a host of partners, such as the Sheikh Eid Bin Mohammad Al Thani Charitable Association, Sheikh Thani Bin Abdullah Al Thani Foundation for Humanitarian Services (RAF), Qatar Red Crescent Society, Al Asmakh Charity Foundation, and the Qatar Cancer Society.

Indosat Ooredoo

As part of Indosat Ooredoo's commitment to corporate social responsibility, the company implemented campaigns under three main pillars in 2015: Women's Empowerment, Education and Innovation.

Indosat Ooredoo's women's empowerment programme, INSPERA, continued to provide support to female "Micropreneurs," offering them information on communications technology (ICT) and access to funding.

The Indosat Ooredoo School Development Programme also assisted schools in achieving the Standard of National Education determined by the Ministry of Education, while the Indosat Ooredoo Stock Trading Contest (ISTC), in cooperation with IDX, raised awareness about the importance of investing in capital markets.

Ooredoo Kuwait

Ooredoo Kuwait's corporate social responsibility plan included three main CSR programmes, as well as the creation of its youth empowerment programme, which was recognised by the Kuwait Ministry of State for Youth Affairs.

The first initiative was the Ooredoo Volunteer Programme, Ooredoo Kuwait's initiative to set up a volunteer programme for youth, which started in the summer of 2015 and coincided with the Holy Month of Ramadan. Ooredoo promoted the idea of extending donations beyond financial contributions, by inviting young people to volunteer time and effort for the betterment of their community.

Ooredoo Kuwait supported the third season of Qout Market. Ooredoo's support for the event included helping to build better kiosks for vendors, as well as a host of free giveaways, refreshments, entertainment and snacks distributed to all the market's visitors throughout the year.

The company also supported the Jahzeen Training Programme, organised by the Manpower and Government Restructuring Programme, which focuses on empowering fresh graduates with the skill sets needed before they join the workforce in the private sector. The programme accepted more than 400 students and included seminars and internship opportunities in different organisations in 2015.

Indosat Ooredoo hosted a competition to encourage young people to innovate in digital wireless applications. The competition aimed to encourage them to become entrepreneurs, and transform their innovations into businesses.

The company also expanded the work of the Indosat Ooredoo Mobile Clinic, in cooperation with Ooredoo Group and the Leo Messi Foundation, which establishes mobile health clinics that support primary healthcare and healthcare education in underserved areas.

Ooredoo Tunisia

In 2015, Ooredoo Tunisia sponsored a range of initiatives and partnerships.

Ooredoo Tunisia supported underserved communities with the Ooredoo programme, designed to reward the best social project in Tunisia. Its efforts included the reconstruction of a primary school in a rural zone. Ooredoo Tunisia also continued to support Darna, an association that offers abandoned children a safe home; and Enoor, an after-school centre that supervises high-risk and vulnerable children.

For health and social development, Ooredoo Tunisia launched the Mobile Clinic project in partnership with the Tunisian Red Crescent, Ooredoo Group and the Leo Messi Foundation. The mobile healthcare unit offers free medical assistance in many rural zones and underserved areas.

Ooredoo Oman

Ooredoo Oman continued to raise the bar with its CSR activities, by organising the eleventh annual Goodwill Journey across the Sultanate.

In 2015, the Goodwill Journey started, and kicked off the cornerstone of Ooredoo's corporate social responsibility for the Holy Month.

During the Holy Month of Ramadan, teams of volunteers visited families throughout the nation, offered donations, and delivered gifts and equipment for those in need, as part of the Journey.

Committed to driving human growth through sports, Ooredoo Oman also sponsored the Oman Equestrian Federation team at the Asian Championships in Delhi, and the Muscat Football Academy at the Dubai International Super Cup.

Ooredoo Maldives

Continuing its existing partnerships and initiatives, Ooredoo Maldives sustained its support for the International Child Helpline in 2015, donating smartphones and creating a toll-free number through which children in need can reach out to the helpline.

Contributing to the principles promoted by the Humanitarian Connectivity Charter supported by Ooredoo Group, Ooredoo Maldives also enhanced its strategy to support areas hit by major disasters. This included a system for providing free calls to people in affected areas.

The company also donated six defibrillators to Indira Gandhi Memorial Hospital in Male, to support emergency personnel in providing immediate response to emergency cases.

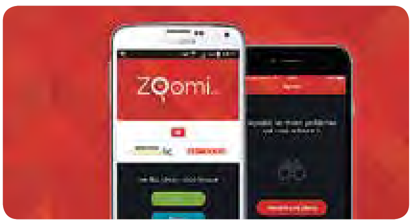
High-impact healthy lifestyle initiatives included Ooredoo Maldives' participation in the Paris Saint-Germain coaching clinic for young people from across the Maldives. In addition, Ooredoo Maldives became the official sponsor of the largest football league in the Maldives, the Dhivehi Premier League by the Football Association of Maldives.

Asiacell in Iraq

Asiacell continued to support a range of programmes designed to highlight the importance of playing an active and positive role in society, as well as helping poor families, displaced people and orphans in 2015.

Asiacell implemented a range of humanitarian projects in 2015, such as the Asiacell Charity Project to help widows and orphans, and a programme to provide food to more than 100,000 persons in different areas across Iraq.

The company, in partnership with International Rescue Committee and Ericsson, also began to implement the "Connect to Learn" project in 2015, targeting pupils at Domiz Refugee Camp in Kurdistan to help them continue their studies through using Asiacell's 3G mobile education service.



Ooredoo Tunisia launched Zoomi, a mobile application designed to report pollution and sanitary problems, in partnership with the Ministry of Environment.

Ooredoo Algeria

Ooredoo Algeria organised, sponsored and financed a range of events and programmes aimed at supporting those in need in 2015.

This included its support for local organisations and charities such as the Algerian Red Crescent, the Algerian Association for Literacy, and the Algerian Federation of Disabled People.

2015 also saw Ooredoo Algeria invest in boosting entrepreneurship culture and education in Algeria, in order to give the next generation a helping hand after school.

To achieve this goal, Ooredoo Algeria supported three main events: Devox4KIDS, DZBOT and Innovation Lab.

The Devox4KIDS event, in collaboration with the charity Devox, involved a full-day training workshop for children ranging from 8 to 14 years old, teaching them the basics of programming and robotics.

DZBOT was another full-day competition organised in collaboration with LEGO Algeria, in which robots were used by teams to take part in a range of different challenges. The main objective of this event was to provide young people interested in technology with access to robotics.

The third programme was 'Innovation Lab'. As part of the facilities of the tStart incubator, Ooredoo Algeria established a space for training and access to new technologies, for incubated start-ups, developers and students who want to learn by building creative projects. The space has been equipped with the latest technologies to boost innovation.

Wataniya Palestine

Wataniya Palestine supported a host of initiatives aiming to help those in need in 2015.

Focusing on the power of sports to bring people together, Wataniya Palestine became the lead sponsor of Palestine's two top divisions for the season 2015/2016: the Premier League and the Gaza Strip League, in partnership with the Palestine Football Association.

This agreement is seen as particularly significant, given the importance of football in the lives of many young Palestinians.

Focusing on education, Wataniya Palestine also supported the Mahmoud Abbas Foundation in 2015, to cover educational expenses for a host of Palestinian students who live in refugee camps, as well as the NETKETABi Initiative. NETKETABi, which stands for "My Netbook" in Arabic, is a multi-dimensional educational solution that aims to build the competencies of Palestinian youth.

Ooredoo Myanmar

Ooredoo Myanmar engaged in a range of activities to support the development of the community in 2015.

As well as continued support for local communities in areas newly covered by its network, the company reached out to its users and provided help during severe flooding across the country. Ooredoo supported reconstruction of educational facilities in cooperation with the Ministry of Rescue and Resettlement, with financial donations to flood-affected regions, to contribute to reconstruction efforts after the floodwaters receded.

In addition, the company launched a SMS crisis-code, "Help Myanmar," which enabled customers to donate their credit balance, or part there-of, to flood victims.

In the education sector, Ooredoo Myanmar began to provide free Internet connection for education institutions, to enable students to access the life-changing benefits of the Internet, such as education, global connectivity and financial services.

In the health space, the Ooredoo Mobile Health Clinic project focused on maternal and children's health and nutrition issues, and continued to extend its coverage across the country.

For the second year in a row, Wataniya Palestine also supported the Mustaqbali Programme to help orphaned children in Gaza have the opportunity to live a normal and fulfilling life.

For women's empowerment, Ooredoo Myanmar rolled out its first project with the Cherie Blair Foundation for Women, supporting women's entrepreneurship by developing a franchise model to enable 30,000 women in Myanmar to sell prepaid Ooredoo airtime in their communities.

Corporate Governance Report

Ooredoo's corporate governance practices provide a foundation that ensures the stability and security of the company, and ensures that the highest principles of governance and ethics are observed across the company. This section provides an overview of the policies and actions undertaken in 2015 to ensure that this tradition of solid governance continues.

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.

Abdulla Bin Mohammed Bin Saud Al Thani
Chairman of the Board

Ooredoo values and corporate governance philosophy

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 levels 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 Articles of Association of the Company and its relevant by-laws, the Commercial Companies Law No. (5) of 2002, which was replaced by Law No. (11) for 2015, 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 disclosure of information to shareholders of Ooredoo 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 information in the Annual Report presented to the General Assembly.

The Board is responsible for ensuring that Ooredoo conforms to the terms and conditions of its listings on different international stock markets, through quarterly reports and complete annual financial statements. The disclosures are made to the Qatar Stock Exchange; Abu Dhabi Securities Exchange; and the London Stock Exchange, where Ooredoo has a global depositary receipt (GDR) listing.

Board members

Ooredoo's Board of Directors has the following members:

H.E. Sh. Abdulla Bin Mohammed Bin Saud Al Thani	Chairman
H.E. Ali Shareef Al Emadi	Vice Chairman
H.E. Mohammed Bin Isa Al Mouhanadi	Member
H.E. Turki Mohammed Al Khater	Member
Mr. Aziz Aluthman Fakhroo	Member
Mr. Nasser Rashid Al Humaidi	Member
Mr. Khalifa Matar Almheiri	Member
Mr. Ibrahim Al Mahmoud	Member
Mr. Mohamed Ahmed Al Qamzi	Member
Dr. Nasser Marafih	Member

Pursuant to Article 31 of the Company's Articles of Association, the Secretary of the Board shall be responsible for all the general secretarial duties. The duties of the Board's 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 conducted regularly, given that there should be no less than 6 Board meetings in the annual financial year, in accordance with Article 27 of the Company's Articles of Association and Article 104 of Commercial Companies Law No. (11) for 2015.

It is worth mentioning in this context that the Board of Directors held eight (8) meetings in 2015, in addition to a workshop on corporate governance.

In accordance with Ooredoo's Corporate Governance Manual, the Board conducts an annual evaluation of its performance and that of its committees to investigate the familiarity of the Chairman and members of the Board with the duties as set forth in the Corporate Governance Manual and the Articles of Association of the Company, the Commercial Companies Law No. (11), and the Corporate Governance Code issued by the Qatar Financial Markets Authority, as well as to inform them of the latest developments in the field of governance, and based on some requirements or the results of the evaluation process, development programmes are built per Board member. In case of real deficiency in the performance of a Board member, which was not resolved at the appropriate time, then the Board shall have the right to take the appropriate action in accordance with Law and Corporate Governance. In this regard, each Board member signs a declaration that they are fully familiar with the Corporate Governance Manual and the Corporate Governance Code issued by the Qatar Financial Markets Authority, and that they are committed to implementing them as a board member.

For senior executive management, an annual evaluation is undertaken using 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, shall be 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 on them. 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. To maintain minority rights, 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. Abdulla Bin Mohammed Bin Saud Al Thani is the Chairman, H.E. Sh. Saud Bin Nasser Al Thani is the Group CEO of Ooredoo and responsible for its management, and Waleed Al-Sayed is the Deputy CEO of Ooredoo Group and the CEO of Ooredoo Qatar, with responsibility for its business in Qatar.

Conflict of interest

The Company adopts a policy that ensures that any reports of illegal actions by employees are handled with full confidentiality and integrity, and that its general performance measures 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 Articles 108,109,110, and 111 of the Commercial Companies Law No. (11) for 2015 that states the following:

1. The Chairman or a Board Member is not permitted be engaged in any business that competes with the Company's business, or to be involved, either on his/her own behalf or on others' behalf, in any type of business or activities in which the Company is engaged, otherwise the Company is entitled to ask him/her for compensation or take the ownership of the activities he/she is engaged in.

2. The Chairman, a Board Member, or a Director is not permitted to practise any activity that is similar to the Company's activities, or to have any direct or indirect interest in contracts, projects and covenants made in favour of the Company.

3. The Company may not offer a cash loan of any kind to any member of its Board of Directors or to guarantee any loan held by one of them with others, or make an agreement with banks or other credit companies to lend money to any of the Board Members, or open a facility or guarantee a loan with other parties beyond the terms and conditions set by the Central Bank of Qatar. Agreements beyond the provisions of this Article will be considered null and void, and the Company retains it rights to request compensation when necessary from the offending parties.

4. It is prohibited for the Chairman and the Board Members or the Company's staff to take advantage of any information delivered to his/her knowledge by virtue of his/her membership or position for the benefit of him/herself, his/her spouse, his/her children or any of his relatives to 4th degree either directly or indirectly, as a result of dealing in company securities of the Company. Nor may they have any interest, directly or indirectly, with any entity conducting operations intended to make a change in the securities prices issued by the Company, and this ban stays in effect for three years after the expiry of the person's membership of the Board of Directors or the expiry of his work in the Company.

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 the 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, withdraw and define the powers granted to the members of the Board of Directors and Board committees, and define ways of exercising the powers.

3. Monitor the performance of the senior executive management; audit and manage arrangements for the senior 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 and Risk Management Committee.

7. Direct members of the Board of Directors and seek guidance from them during the planning of the induction and guidance programmes. The Chairman of the Board is responsible for consistently providing induction and guidance programmes 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. Ali Mohammed Al Baker as Secretary of the Board of Directors. Mr. Al Baker holds a Bachelor's degree in law from the Qatar University (2002), and a Masters in Arbitration and Business Law from Gulf University Bahrain. In 2002, he became a legal researcher in the Centre of Legal and Judicial Studies at the Ministry of Justice, Qatar, and in 2003 a First Secretary in the Legal Department at the Ministry of Foreign Affairs. He began his career with the Company in 2009 as an expert Legal Advisor for the Corporate Governance office and subsequently became Group Chief Corporate Governance Officer.

Board activities in 2015

In 2015, 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 the Group's performance report for 2014;

– Approving the Group's financial consolidated statements for 2014 and submitting a recommendation to the General Assembly in this regard;

– Approving submitting a recommendation to the General Assembly regarding re-appointing KPMG as the auditors of the Company for 2015;

– Approving the Governance Report for 2015 and submitting a recommendation to the General Assembly in this regard;

– Approving distributing a cash dividend of 40 percent of the nominal share value, and submitting a recommendation to the General Assembly in this regard;

– Approving the business plan of the Group for the years 2015, 2016 and 2017, as well as the budget and finance plan for 2015;

– Approving the financial strategy of the Group;

– Approving the recommendation submitted by the Nomination and Remunerations Committee to assess the performance of Ooredoo Group CEO and Ooredoo Qatar CEO;

– Approving the contract with Starlink to provide HR-related services;

– Approving a number of technical decisions regarding investment opportunities;

– Following up on executing the Group strategy for the coming years, and providing the necessary budget;

– Determining the permitted risk margin for the Group's companies;

– Approving the capital structure of the Company;

– Approving the recommendation by the Nomination and Remuneration Committee to change annual bonuses and long-term bonuses, all linked to the performance and profits of the Company;

– Approving the contract with a liquidity provider for Ooredoo stocks in Qatar Stock Exchange in August 2015;

– Approving the recommendation by the Nomination and Remuneration Committee to amend the organisational structure of the group;

– Appointing a new CEO for Ooredoo Group, a new CEO for Ooredoo Qatar and a new COO for Ooredoo Group.

Role of Board committees

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

Each committee is composed of not fewer than three Board members (to be appointed by the Board), 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. (11) for 2015, and the Corporate Governance Code of the Qatar Financial Markets Authority.

Board committees

Committee	Name of Board Member	Position
Executive Committee	H.E. Mohammed Bin Issa Al Mohannadi	Chairman
	H.E. Turki Mohammed Al Khater	Member
	Mr. Khalifa Ahmad Al Muhairy	Member
Audit and Risks Committee	Mr. Nasser Rashid Al-Humaidi	Chairman
	Mr. Ibrahim Abdullah Al Mahmoud	Member
	Mr. Mohammed Ahmad Al Qamzi	Member
Nomination and Remuneration Committee	H.E. Turki Mohammed Al Khater	Chairman
	H.E. Mohammed Bin Issa Al Mohannadi	Member
	Mr. Aziz Aluthman Fakhroo	Member

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 2015 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 charter of the Executive Committee and submitted a recommendation to the Board of Directors regarding the revised version.

The committee held six (6) meetings in 2015.

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 systems 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. Also, the committee reviews risk management reports and notifies the Board of significant cases to act upon it. The committee strives to reduce violations committed by the Group's companies and then submit the results to the Board.

In 2015 the committee completed a number of major works including:

– Reviewed the annual and quarterly internal audit reports regularly;

– Reviewed quarterly Risk Management Report;

– 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;

– Approved the selection process of the auditors for the operating, holding and investment companies of the Group;

– Approved submitting a recommendation to the Nomination and Remuneration Committee regarding adding to the performance indicator of the departments of the Group an item assessing executive directors' success in adhering to the recommendations made by internal auditors;

– Approved the performance index of the Internal Audit Department for 2015;

– Change the mechanisms of filing internal reports to the Group and follow-up.

The committee held nine (9) meetings in 2015.

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 2015, the committee completed a number of major works:

– Approved the nomination of Ooredoo representatives on the Boards of a number of affiliated companies;

– Approved procedures for electing Board members;

– Approved to move business and innovation department from strategic department to operations department;

– Approved to restructure B2B at Ooredoo Qatar;

– Approved the Performance Index Card for 2014 and agreed on the performance index for 2015.

– Approved the assessment of the executive directors for 2014 and approved the performance indicators for executive directors for 2015;

– Approved the performance appraisal of Ooredoo Group CEO and Ooredoo Qatar CEO for 2015, and submitted a recommendation to the Board in this regard;

– Approved amending the long-term bonuses (LTIP);

– Approved amending Index card twice a year;

– Approved sales and retailers bonus plan;

– Approved rotation plan for Chief Executives;

– Approved appointment of a new Services and Sales manager.

The committee held five (5) meetings during 2015.

Corporate Governance Department

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. Sheikh Ali Bin Jaber Al Thani undertakes the role of Compliance Officer.

In 2015, 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;

– SPVs;

– Assisted the Board to conduct governance workshops.

Internal Audit Department

Providing independent and objective consultancy services drafted in a way that contributes to adding more value and improving Ooredoo's processes. This activity helps in achieving the company's goals through an organised systematic approach to assess and enhance the efficiency of Risk Management, Internal Audit and Governance. Also, the Internal Audit Department adheres to a manual designed in compliance with international standards to provide practical guidance in terms of internal audit management activities, along with planning and execution, and preparation of independent and objective reports, then putting them into action to add value and enhance Ooredoo operations.

These tasks are performed under the supervision of the Audit and Risks 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 2015, the Internal Audit Department completed a number of major works:

– Preparing risk Internal Audit plans;

– 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 Risk Internal Audit plans for Group companies;

– Follow up recommendations on quality assurance review to the Internal Audit departments in the Group;

– Coordinated between External Auditors, Audit Bureau Qatar, and management;

– Supported operating companies' internal audit functions;

– Reviewed recommended policies to provide opinion on the efficiency of internal audit procedures;

– Supported Internal Audit functions in Group companies.

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 affiliated 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 affiliated 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.

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 Committees' 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 implemented 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 this regard, the Internal Audit supports Risk Management in the Group.

Identifying risks and actions taken to reduce them are listed in the Group's quarterly risk reports, which are then submitted to Audit and Risk Committee.

The management then analyses the efficiency of risk management at Ooredoo, and the internal compliance of control systems, along with the efficiency of their application.

Measures for identifying and managing risks vary between affiliated companies. However, these measures are now being standardised, starting with reviewing and amending Audit Committee charters in affiliated companies to ensure that audit committees are permanently assigned to oversee the risk management in subsidiaries.

High-level financial measurements are collected at Group level according to the recurring timetables, which might be monthly, quarterly, or yearly, depending on the details of these measurements. These measurements provide an indication as to the risks faced by each OpCo, with special attention to issues of cash and funding needs as well as the degree of endurance to be able to deal with the unexpected.

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. (11) for 2015, 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.

The two tables below show the major shareholders and shares held by members of the Board.

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 Authority	United Arab Emirates	32,031,994	10.0%
General Military Retirement and Social Insurance Authority	Qatar	5,840,959	1.8%

Shares held by members of the Board

Board Member Name	Number of Shares	Country	Beneficiary Name
Turki Mohammed Al Khater	5,000	Qatar	Turki Mohammed Al Khater
Ibrahim Abdulla Al Mahmoud	6,200	Qatar	Ibrahim Abdulla Al Mahmoud
Mohamed Ahmed Al Qamzi	5,000	United Arab Emirates	Mohamed Ahmed Al Qamzi
Khalifa Matar Almheiri	5,000	United Arab Emirates	Khalifa Matar Almheiri
Nasser Rashid Al-Humaidi	5,000	Qatar	Nasser Rashid Al-Humaidi
Dr. Nasser Marafih	3,200	Qatar	Dr. Nasser Marafih

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 2015, the Company achieved a number of key milestones including:

– Number of customers increased from 107 million to 117 million;

– Share of data revenue increased from 25 percent to 37 percent;

– Investment in networks played a key role in Ooredoo's success. Ooredoo continued to invest in 4G networks for markets like Qatar, Kuwait, Oman, Indonesia and the Maldives, and enhanced its 3G services for Algeria, Tunisia, Myanmar, and Iraq;

– Asiacell launched its 3G service in January;

– Ooredoo Kuwait launched 4G+ in March 2015;

– Ooredoo Qatar maintained its data leadership and launched "Ooredoo Supernet" network evolution programme to support significant growth in data business;

– Showcased the Company's Smart City, M2M, Smart Education and Smart Stadium technologies at Mobile World Congress;

– Successfully signed a strategic partnership agreement with Telefónica to capture synergies in Procurement and to engage in other business areas under the scope of the Partners Programme such as alignment in key technology projects, common approach to multinational clients for M2M, managed mobility and data services, staff development and training programmes, international wholesale and various others;

– Ooredoo continued data leadership across its key markets thanks to its best-in-class telecom services;

– Successfully completed a mobile LTE trial in Algeria confirming Ooredoo Algeria's position as the leading technology operator in the country;

– Ooredoo Algeria successfully raised USD 389 million loan in Algerian Dinar to support its investment plans – local currency loan supported by Algerian and international banks;

– New USD 500 million credit facility in May to refinance an existing USD 498 million Islamic loan for the Group;

– Further alignment of Group portfolio via sale of non-core asset, successfully completed sale of non-core asset Wi-Tribe Philippines;

– Liquidity Provider programme for Ooredoo shares at the Qatar Stock Exchange started successfully in August 2015;

– Ooredoo was named "Most Innovative Company of the Year – MEA Region" at the 2015 International Business Awards;

– Ooredoo received the recognition of "Qatar's Leading Corporate for Investor Relations" at the Middle East Investor Relations Society (MEIRS) awards ceremony in September;

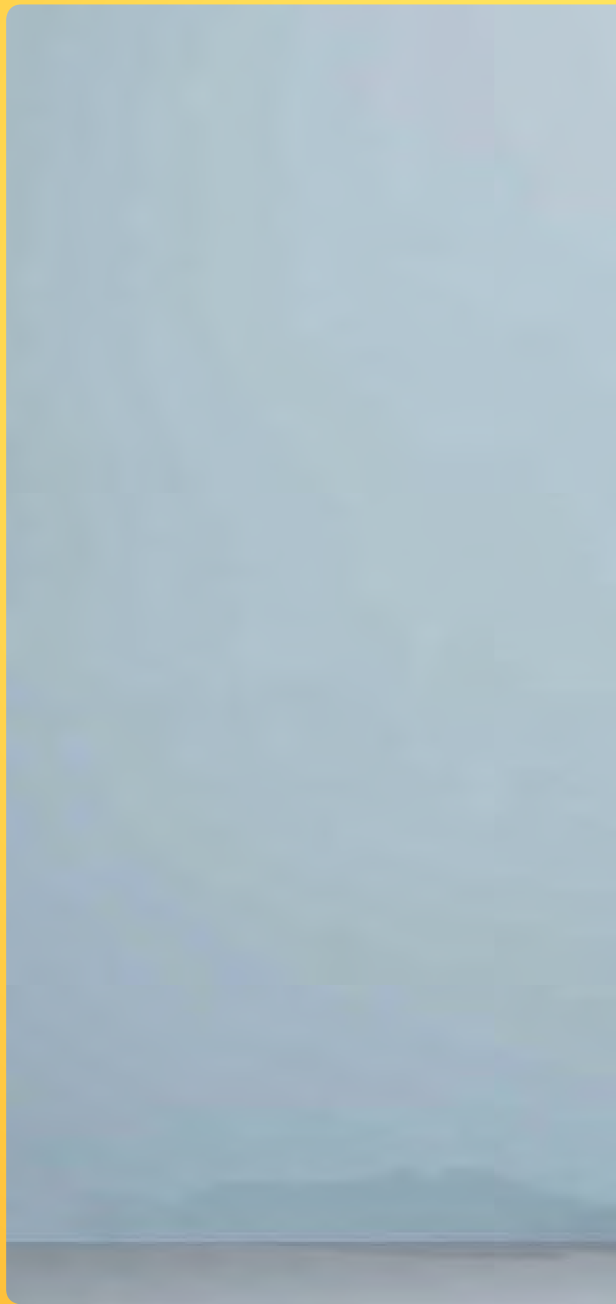
– Ooredoo Oman acquired new spectrum frequency (LTE 800) to provide additional capacity and improved 4G coverage;

– Ooredoo Myanmar continued its strong growth – 3G network coverage in constant expansion in new areas of the territory – offering high-quality data and voice services to the Myanmar population;

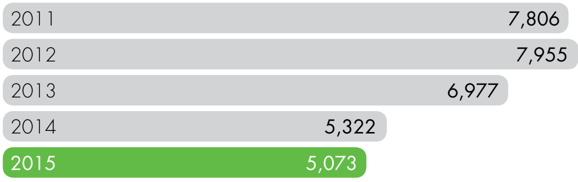
– Successfully completed Indosat Ooredoo rebranding following successful brandings in Qatar, Algeria, Maldives, Tunisia, Myanmar, Kuwait and Oman.

Financial Review

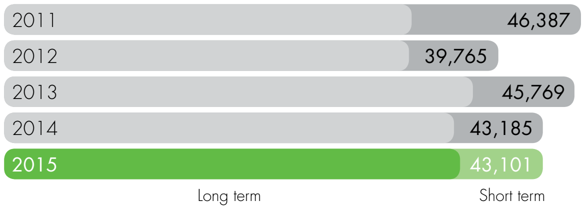
Ooredoo delivered a robust financial performance in 2015. The following section outlines its financial position, its dividend policy and its share price performance during the year.



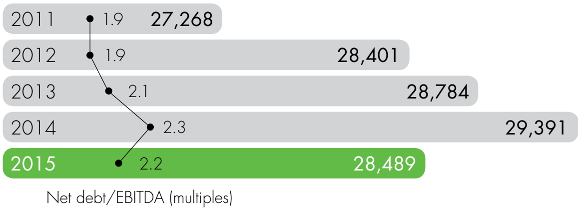
EBIT
Amount in QR millions



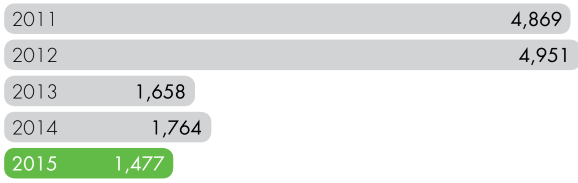
Total Group debt
Amount in QR millions (Note D)



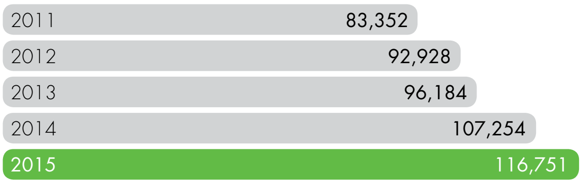
Net debt
Amount in QR millions (Note B)



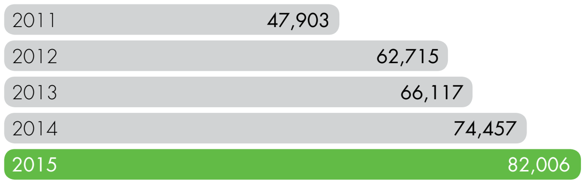
Free cash flow
Amount in QR millions (Note C)



Total customers
Thousands



Proportional customers
Thousands (Note E)



Note A Dividend payout ratio = cash dividend/net profit to Ooredoo shareholders.

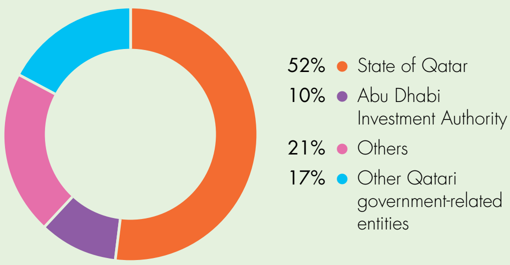
Note B Net debt = total loans and borrowings + contingent liabilities (letters of guarantee + letters of credit + finance lease + vendor financing) less cash (net of restricted cash and cash held in banks below BBB+ credit rating).

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 12 months.

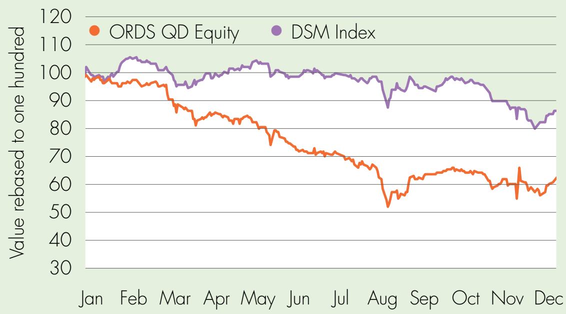
Note E Proportional customers represent the customers for each operating company, multiplied by the effective stake in that operating company.

Company ownership profile



Share price performance

1 January 2015 to 31 December 2015



2015 financial and operating highlights

		2015	2014	% change 2014 to 2015	2013	% change 2013 to 2015
Operations						
Revenue	QR millions	**32,161**	33,207	–3%	33,851	–5%
EBITDA	QR millions	**13,018**	12,948	1%	14,640	–11%
EBITDA margin	Percentage	**40%**	39%		43%	
Net profit attributable to Ooredoo shareholders	QR millions	**2,118**	2,134	–1%	2,579	–18%
Earnings per share (EPS) – basic and diluted	QR	**6.61**	6.66		8.05	
Cash Dividend declared per share	QR	**3.00**	4.00		4.00	
Dividend payout ratio (Note A)	Percentage	**45%**	60%		50%	
Operational cash flow	QR millions	**9,887**	10,754	–8%	11,535	–14%
Capital expenditure	QR millions	**8,762**	8,391	4%	9,298	–6%
Employees	Number	**17,582**	17,558	0%	16,971	4%
Financial position						
Total net assets	QR millions	**28,373**	30,469	–7%	32,427	–13%
Net debt (Note B)	QR millions	**28,489**	29,391	–3%	28,784	–1%
Net debt to EBITDA	Multiples	**2.2**	2.3		2.1	
Free cash flow (Note C)	QR millions	**1,477**	1,764	–16%	1,658	–11%
Market capitalisation	QR millions	**24,024**	39,687	–39%	43,948	–45%
Customers						
Wireless postpaid (incl. wireless broadband)	Thousands	**4,396**	4,799	–8%	3,633	21%
Wireless prepaid	Thousands	**111,606**	101,484	10%	91,311	22%
Fixed line (incl. fixed wireless)	Thousands	**749**	971	–23%	1,240	–40%
Total customers	Thousands	**116,751**	107,254	9%	96,184	21%

At the end of 2015, Ooredoo Group's consolidated customer base stood at 117 million (FY 2014: 107 million), a 9 percent increase on 2014. Group revenue for the period decreased by 3 percent to QR 32,161 million (FY 2014: 33,207 million). Group EBITDA increased by 1 percent to QR 13,018 million (FY 2014: QR 12,948 million) with EBITDA margin improving to 40 percent (FY 2014: 39 percent). Net Profit attributable to Ooredoo shareholders for 2015 stood at QR 2,118 million (FY 2014: QR 2,134 million).

Ooredoo Group's strategic priorities of being a market leader with a performance culture and efficient models provide a framework for the Group to drive growth and focus on returns as well as maximising shareholder value. It also provides the right ambition for Ooredoo Group companies while allowing for localisation.

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 may vary from year to year.

Consolidated Financial Statements

Contents

Independent Auditors' Report

KPMG

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To The shareholders of Ooredoo Q.S.C.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Ooredoo Q.S.C. ("the Company") which comprise the consolidated statement of financial position as at 31 December 2015, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the consolidated financial statements

The Board of Directors is 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 the Board of Directors 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 the Board of Directors, 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 Company as at 31 December 2015, and its consolidated financial performance and 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 12 (ii) and 12 (iii) of the consolidated financial statements, which describe:

- the effects on the property, plant and equipment of the Company's subsidiary in Iraq due to the current security situation in certain locations there; and
- certain properties received as part of the settlement arrangement agreed with one of the banks in Iraq, whose titles are yet to be transferred in the name of the Company's subsidiary in Iraq.

Report on other legal and regulatory requirements

We have obtained all the information and explanations which we considered necessary for the purposes of our audit. The Company has maintained proper accounting records and the consolidated financial statements are in agreement therewith. We confirm that physical count of inventories was carried out in accordance with established principles. We have reviewed the accompanying report of the Board of Directors and confirm that the financial information contained therein is in agreement with the books and records of the Company. We are not aware of any violations of the provisions of the Qatar Commercial Companies Law No 11 of 2015 or the terms of the Company's Articles of Association during the year which might have had a material adverse effect on the business of the Company or on its consolidated financial position as at 31 December 2015.

01 March 2016
Doha
State of Qatar

Gopal Balasubramaniam
KPMG
Qatar Auditors Registration No. 251

Consolidated Statement of Profit or Loss

Year ended 31 December 2015

	Note	2015 QR'000	2014 QR'000
Continuing operations			
Revenue	4	**32,160,855**	33,207,209
Operating expenses	5	**(11,400,368)**	(12,043,019)
Selling, general and administrative expenses	6	**(7,756,835)**	(8,305,408)
Depreciation and amortisation	7	**(7,945,360)**	(7,626,309)
Net finance costs	8	**(2,016,798)**	(2,031,844)
Impairment loss of goodwill and other assets	13(ii)	**(333,086)**	(25,963)
Other income – net	9	**310,442**	209,528
Share of results in associates and joint venture – net of tax	15	**14,677**	89,098
Royalties and fees	10	**(408,578)**	(392,834)
Profit before income taxes		**2,624,949**	3,080,458
Income tax	18	**(331,466)**	(598,796)
Profit from continuing operations		**2,293,483**	2,481,662
Discontinued operation			
Profit from discontinued operation – net of tax	40	**–**	46,725
Profit for the year		**2,293,483**	2,528,387
Profit attributable to:			
Shareholders of the parent		**2,118,278**	2,134,334
Non-controlling interests		**175,205**	394,053
		2,293,483	2,528,387
Basic and diluted earnings per share (Attributable to shareholders of the parent) (Expressed in QR per share)	11	**6.61**	6.66

The attached notes 1 to 42 form part of these consolidated financial statements

Consolidated Statement of Comprehensive Income

Year ended 31 December 2015

	Note	2015 QR'000	2014 QR'000
Profit for the year		2,293,483	2,528,387
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Net change in fair value of available-for-sale investments	24	(448,125)	(479,044)
Effective portion of changes in fair value of cash flow hedges	24	(214)	(318)
Net changes in fair value of employee's benefit reserve	24	38,918	(41,266)
Share of other comprehensive income of associates and joint venture	24	(1,932)	1,352
Foreign currency translation differences	24	(2,440,760)	(1,986,245)
Other comprehensive income for the year – net of tax		(2,852,113)	(2,505,521)
Total comprehensive income for the year		(558,630)	22,866
Total comprehensive income attributable to:			
Shareholders of the parent		(366,745)	(163,258)
Non-controlling interests		(191,885)	186,124
		(558,630)	22,866

The attached notes 1 to 42 form part of these consolidated financial statements

Consolidated Statement of Financial Position

At 31 December 2015

	Note	2015 QR'000	2014 QR'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	33,745,408	33,690,589
Intangible assets and goodwill	13	30,139,906	33,524,208
Investment property	14	49,861	55,112
Investment in associates and joint venture	15	2,296,421	2,604,367
Available-for-sale investments	16	747,196	1,627,146
Other non-current assets	17	665,115	750,626
Deferred tax assets	18	54,561	59,884
Total non-current assets		67,698,468	72,311,932
Current assets			
Inventories	19	697,069	666,670
Trade and other receivables	20	7,598,348	7,583,319
Bank balances and cash	21	18,158,180	17,437,426
Total current assets		26,453,597	25,687,415
TOTAL ASSETS		94,152,065	97,999,347
EQUITY			
Share capital	22	3,203,200	3,203,200
Legal reserve	23 (a)	12,434,282	12,434,282
Fair value reserve	23 (b)	448,184	892,562
Employees benefit reserve	23 (c)	39,102	17,659
Translation reserve	23 (d)	(5,565,599)	(3,503,511)
Other statutory reserves	23 (e)	1,094,696	1,057,820
Retained earnings		10,155,924	9,386,147
Equity attributable to shareholders of the parent		21,809,789	23,488,159
Non-controlling interests		6,563,076	6,980,354
Total equity		28,372,865	30,468,513

The attached notes 1 to 42 form part of these consolidated financial statements

	Note	2015 QR'000	2014 QR'000
LIABILITIES			
Non-current liabilities			
Loans and borrowings	25	**36,108,055**	35,641,221
Employees benefits	26	**812,142**	837,458
Deferred tax liabilities	18	**466,953**	755,494
Other non-current liabilities	27	**2,016,333**	3,658,173
Total non-current liabilities		**39,403,483**	40,892,346
Current liabilities			
Loans and borrowings	25	**6,663,787**	7,155,509
Trade and other payables	28	**17,243,549**	16,998,045
Deferred income		**1,775,181**	1,914,890
Income tax payable		**693,200**	570,044
Total current liabilities		**26,375,717**	26,638,488
Total liabilities		**65,779,200**	67,530,834
TOTAL EQUITY AND LIABILITIES		**94,152,065**	97,999,347

Abdulla Bin Mohammed Bin Saud Al-Thani
Chairman

Ali Shareef Al-Emadi
Deputy Chairman

The attached notes 1 to 42 form part of these consolidated financial statements

Consolidated Statement of Changes in Equity

Year ended 31 December 2015

	Note	Attributable to shareholders of the Parent									
		Share capital QR'000	Legal reserve QR'000	Fair value reserve QR'000	Employee benefit reserve QR'000	Translation reserve QR'000	Other statutory reserves QR'000	Retained earnings QR'000	Total QR'000	Non-controlling interests QR'000	Total equity QR'000
At 1 January 2015		3,203,200	12,434,282	892,562	17,659	(3,503,511)	1,057,820	9,386,147	23,488,159	6,980,354	30,468,513
Profit for the year		–	–	–	–	–	–	2,118,278	2,118,278	175,205	2,293,483
Other comprehensive income		–	–	(444,378)	21,443	(2,062,088)	–	–	(2,485,023)	(367,090)	(2,852,113)
Total comprehensive income for the year		–	–	(444,378)	21,443	(2,062,088)	–	2,118,278	(366,745)	(191,885)	(558,630)
Transactions with shareholders of the Parent, recognised directly in equity											
Dividend for 2014	29	–	–	–	–	–	–	(1,281,280)	(1,281,280)	–	(1,281,280)
Transfer to other statutory reserves		–	–	–	–	–	36,876	(36,876)	–	–	–
Transactions with non-controlling interest, recognised directly in equity											
Change in non-controlling interest of an associate		–	–	–	–	–	–	4,824	4,824	–	4,824
Dividend for 2014		–	–	–	–	–	–	–	–	(225,393)	(225,393)
Transactions with non-owners of the Group, recognised directly in equity											
Transfer to social and sports fund		–	–	–	–	–	–	(35,169)	(35,169)	–	(35,169)
At 31 December 2015		3,203,200	12,434,282	448,184	39,102	(5,565,599)	1,094,696	10,155,924	21,809,789	6,563,076	28,372,865

The attached notes 1 to 42 form part of these consolidated financial statements

		Attributable to shareholders of the Parent									
	Note	Share capital QR'000	Legal reserve QR'000	Fair value reserve QR'000	Employee benefit reserve QR'000	Translation reserve QR'000	Other statutory reserves QR'000	Retained earnings QR'000	Total QR'000	Non-controlling interests QR'000	Total equity QR'000
At 1 January 2014		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
Profit for the year		–	–	–	–	–	–	2,134,334	2,134,334	394,053	2,528,387
Other comprehensive income		–	–	(433,807)	(25,506)	(1,838,279)	–	–	(2,297,592)	(207,929)	(2,505,521)
Total comprehensive income for the year		–	–	(433,807)	(25,506)	(1,838,279)	–	2,134,334	(163,258)	186,124	22,866
Transactions with shareholders of the Parent, recognised directly in equity											
Dividend for 2013	29	–	–	–	–	–	–	(1,281,280)	(1,281,280)	–	(1,281,280)
Transfer to other statutory reserves		–	–	–	–	–	77,032	(77,032)	–	–	–
Transactions with non-controlling interest, recognised directly in equity											
Change in non-controlling interest of an associate		–	–	–	–	–	–	12,635	12,635	–	12,635
Dividend for 2013		–	–	–	–	–	–	–	–	(665,218)	(665,218)
Transactions with non-owners of the group, recognised directly in equity											
Transfer to social and sports fund		–	–	–	–	–	–	(47,822)	(47,822)	–	(47,822)
At 31 December 2014		3,203,200	12,434,282	892,562	17,659	(3,503,511)	1,057,820	9,386,147	23,488,159	6,980,354	30,468,513

The attached notes 1 to 42 form part of these consolidated financial statements

Consolidated Statement of Cash Flows

Year ended 31 December 2015

	Note	2015 QR'000	2014 QR'000
OPERATING ACTIVITIES			
Profit before income taxes		2,624,949	3,080,458
Profit from discontinued operation		–	46,725
Adjustments for:			
Depreciation and amortisation		7,945,360	7,633,592
Dividend income	9	(24,545)	(60,567)
Impairment loss of goodwill and other assets	13(ii)	333,086	25,963
Gain on disposal of available-for-sale investments	9	(430,487)	(703,182)
Gain on disposal of an investment in associate		(228,074)	–
Gain on disposal of property, plant and equipment		(54,995)	(18,641)
Gain on disposal of a subsidiary	40	–	(46,438)
Net finance costs		2,016,798	2,031,837
Provision for employees' benefits		191,380	276,458
Provision against doubtful debts		176,264	181,451
Share of results in associates and joint venture – net of tax	15	(14,677)	(89,098)
Operating profit before working capital changes		12,535,059	12,358,558
Working capital changes in:			
Inventories		(30,399)	(129,359)
Trade and other receivables		(420,814)	(1,021,973)
Trade and other payables		601,740	2,612,161
Cash from operations		12,685,586	13,819,387
Finance costs paid		(2,207,701)	(2,184,491)
Employees' benefits paid	26	(155,859)	(183,100)
Income taxes paid		(435,460)	(698,028)
Net cash from operating activities		9,886,566	10,753,768

The attached notes 1 to 42 form part of these consolidated financial statements

	Note	2015 QR'000	2014 QR'000
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	12	(8,536,918)	(8,391,008)
Acquisition of intangible assets		(1,796,600)	(2,346,751)
Acquisition of available-for-sale investments		–	(21,432)
Investment in an associate		(19,020)	(59,688)
Investment in a joint venture		(301,685)	(232,593)
Proceeds from disposal of property, plant and equipment		300,833	120,495
Proceeds from disposal of available-for-sale investments		819,976	1,303,201
Proceeds from disposal of an investment in associate		536,646	–
Proceeds from disposal of a subsidiary	40	–	(77,881)
Movement in restricted deposits		1,851	178,450
Movement in other non-current assets		88,857	(66,542)
Dividend received		152,362	182,654
Interest received		243,381	244,401
Net cash used in investing activities		(8,510,317)	(9,166,694)
FINANCING ACTIVITIES			
Proceeds from loans and borrowings		10,047,874	8,938,909
Repayment of loans and borrowings		(9,518,936)	(11,267,384)
Additions to deferred financing costs	25	(38,978)	(29,165)
Dividend paid to shareholders of the parent		(1,281,280)	(1,281,280)
Dividend paid to non-controlling interests		(225,393)	(665,218)
Movement in other non-current liabilities		(326,639)	(282,885)
Net cash used in financing activities		(1,343,352)	(4,587,023)
Net Change in Cash and Cash Equivalents		32,897	(2,999,949)
Effect of exchange rate fluctuations		689,708	111,593
Cash and cash equivalents at 1 January		17,315,463	20,203,819
Cash and Cash Equivalents at 31 December	21	18,038,068	17,315,463

The attached notes 1 to 42 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.

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 2015 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 01 March 2016.

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 34.

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 these consolidated financial statements 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 36.

3 SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements comprise the financial statements of Ooredoo 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 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. 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 and joint venture

Associates are those entities in which the Group has significant influence, but not control or joint control. A joint venture is a joint arrangement whereby the Group has joint control of the arrangement and has corresponding rights to the net assets of the arrangement.

Interests in associates and joint venture 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 and joint ventures less any impairment in the value of individual investments. Losses of the associates and joint ventures in excess of the Group's interest are not recognised unless the Group has incurred legal or constructive obligations. The carrying values of investments in associates and joint ventures are reviewed on a regular basis and if an impairment in the value has occurred, it is written off in the period in which those circumstances are identified.

Any excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets of the associates and joint venture at the date of acquisition is recognised as goodwill and included as part of the cost of investment. Any deficiency of the cost of acquisition below the Group's share of the fair values of the identifiable net assets of the associates and joint venture at the date of acquisition is credited to the consolidated statement of profit or loss in the year of acquisition.

3 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.1 BASIS OF CONSOLIDATION CONTINUED

e) Interests in associates and joint venture continued

The Group's share of associates' and joint ventures' results is based on the most recent financial statements or interim financial statements drawn up to the Group's reporting date.

Profits and losses resulting from upstream and downstream transactions between the Group (including its consolidated subsidiaries) and its associate or joint venture are recognised in the Group's financial statements only to the extent of unrelated group's interests in the associates or joint ventures.

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.

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 2015	2014
Ooredoo Investment Holding S.P.C. (formerly known as "Qtel Investment Holdings S.P.C.")	Bahrain	100%	100%
Qtel International Investments L.L.C.	Qatar	100%	100%
Ooredoo Group L.L.C.	Qatar	100%	100%
Ooredoo South East Asia Holding S.P.C (formerly known as "Qtel South East Asia Holding S.P.C.")	Bahrain	100%	100%
West Bay Holding S.P.C (formerly known as "Qtel West Bay Holding S.P.C.")	Bahrain	100%	100%
Ooredoo Asian Investments Pte. Ltd.	Singapore	100%	100%
Al Dafna Holding S.P.C (formerly known as "Qtel Al Dafna Holding S,P.C")	Bahrain	100%	100%
Al Khor Holding S.P.C (formerly known as "Qtel Al Khor Holding S.P.C")	Bahrain	100%	100%
IP Holdings Limited	Cayman Islands	100%	100%
Ooredoo Myanmar Tower Holding Co.	Cayman Islands	100%	100%
wi-tribe Asia Limited	Cayman Islands	100%	100%
Ooredoo Asia Pte. Ltd.	Singapore	100%	100%
Indonesia Communications Limited	Mauritius	100%	100%
Ooredoo International Finance Limited	Bermuda	100%	100%
Qtel MENA Investcom S.P.C	Bahrain	100%	100%
Omani Qatari Telecommunications Company S.A.O.G. ("Ooredoo Oman")	Oman	55.0%	55.0%
Starlink W.L.L.	Qatar	72.5%	72.5%
National Mobile Telecommunications Company K.S.C. ("Ooredoo Kuwait")	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%

3 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.1 BASIS OF CONSOLIDATION CONTINUED

Name of subsidiary	Country of incorporation	Group effective shareholding percentage	
		2015	2014
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 Pvt. Ltd.	Maldives	59.9%	59.9%
Wataniya Telecom Algerie S.P.A. ("Ooredoo Algeria")	Algeria	74.4%	74.4%
Ooredoo Consortium Ltd. (formerly known as "Carthage Consortium Ltd.")	Malta	92.1%	92.1%
Ooredoo Tunisia Holdings Ltd. (formerly known as "Qtel Tunisia Holding Company Ltd.")	Malta	92.1%	92.1%
Ooredoo Malta Holdings Ltd. (formerly known as "Qtel Malta Holding Company Ltd.")	Malta	100%	100%
Ooredoo Tunisie S.A.	Tunisia	84.1%	84.1%
Tunisia Network S.A.	Tunisia	–	84.1%
Wataniya Palestine Mobile Telecommunications Public Shareholding Company ("Wataniya Palestine") (i)	Palestine	44.6%	44.6%
Raywood Inc.	Cayman Islands	100%	100%
Newood Inc.	Cayman Islands	100%	100%
Midya Telecom Company Limited ("Fanoos") (ii)	Iraq	49.0%	49.0%
Al-Rowad General Services Limited	Iraq	100%	100%
Asiacell Communications PJSC	Iraq	64.1%	64.1%
wi-tribe Limited	Cayman Islands	86.1%	86.1%
wi-tribe Pakistan Limited	Pakistan	86.1%	86.1%
Barzan Holding S.P.C. (formerly known as "Barzan Holding Company S.P.C.")	Bahrain	100%	100%
Laffan Holding S.P.C. (formerly known as "Laffan Holding Company S.P.C.")	Bahrain	100%	100%
Zekreet Holding S.P.C. (formerly known as "Zekreet Holding Company S.P.C.")	Bahrain	100%	100%
Ideabox Investment Pte. Ltd.	Singapore	100%	100%
Ideabox Holding Pte. Ltd.	Singapore	100%	100%
Ooredoo Myanmar Ltd.	Myanmar	100%	100%
Al Wokaer Holding S.P.C.	Bahrain	100%	100%
Al Wakrah Holding S.P.C.	Bahrain	100%	100%
Ooredoo Tamweel Ltd.	Cayman Islands	100%	100%
Ooredoo IP L.L.C.	Qatar	100%	100%
Ooredoo Global Services FZ-L.L.C	United Arab Emirates	100%	100%
Seyoula International Investments S.P.C	Qatar	100%	100%
Ooredoo Innovate FZ – L.L.C	United Arab Emirates	100%	–
Duqm Data Centre SAOC (iii)	Oman	28.1%	–
Guney Telekomunikayson A.S.	Turkey	92.1%	92.1%

3 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.1 BASIS OF CONSOLIDATION CONTINUED

Name of subsidiary	Country of incorporation	Group effective shareholding percentage 2015	2014
PT. Indosat Tbk ("Indosat Ooredoo")	Indonesia	65.0%	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	64.8%	54.7%
PT Aplikanusa Lintasarta (iv)	Indonesia	47.0%	47.0%
PT Artajasa Pembayaran Elektronis (iv)	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 (iv)	Indonesia	32.9%	32.9%
PT Interactive Vision Media	Indonesia	64.9%	64.9%
PT Portal Bursa Digital (iv)	Indonesia	40.3%	–

i) The Group has the power, indirectly through National Mobile Telecommunications Company K.S.C. ("NMTC") by virtue of NMTC 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% (2014: 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 Omani Qatari Telecommunications Company S.A.O.G. ("Ooredoo Oman") by virtue of Ooredoo Oman having more than 51% of the voting interest or control in this company, to which exposes the Group to variable return from its investment and gives ability to affect those returns through its power over them, hence, this company has been considered as a subsidiary of the Group.

iv) The Group has the power, indirectly through PT Indosat Tbk ("Indosat Ooredoo") by virtue of Indosat Ooredoo 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.

3.2 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 2015. The following standards, amendments and interpretations, which became effective 1 January 2015, are relevant to the Group:

a) Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)

The amendments to IAS 19 clarify how an entity should account for contributions made by employees or third parties to define benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.

For contributions that are independent of the number of years of service, the entity may either recognize the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees periods of service using the project unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees periods of service.

The adoption of these amendments had no significant impact on the consolidated financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES CONTINUED

b) Annual Improvements to IFRSs 2010-2012 and 2011-2013 Cycles various standards

The annual improvements to IFRSs to 2010-2012 and 2011-2013 cycles include a number of amendments to various IFRSs. Most amendments will apply prospectively for annual periods beginning on or after 1 July 2014; earlier application is permitted (along with the special transitional requirement in each case), in which case the related consequential amendments to other IFRSs would also apply.

The following are the key amendments in brief:

– The amendments to IFRS 2 changes the definitions of "vesting condition" and "market condition"; and add definitions for "performance condition" and "service condition" which were previously included in the definition of vesting condition.
– The amendments to IFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 or IAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognized in profit or loss. IAS 37 Provisions, Contingent Liabilities and Contingent Assets is amended to exclude provisions related to contingent consideration. IFRS 3 is also not applicable to the accounting for the formation of all types of joint arrangements in IFRS 11 Joint Arrangements (including joint operations) in the financial statements of joint arrangements themselves.

IFRS 8 has been amended to explicitly require the disclosure of judgments made by management in applying the aggregation criteria. The disclosures include:

- a brief description of the operating segments that have been aggregated; and
- the economic indicators that have been assessed in determining that the operating segments share similar economic characteristics.

In addition, this amendment clarifies that a reconciliation of the total of the reportable segments assets to the entity's assets is required only if this information is regularly provided to the entity's chief operating decision maker.

The IASB has clarified that, in issuing IFRS 13 and making consequential amendments to IAS 39 and IFRS 9, it did not prevent entities from measuring short term receivables and payables that have no stated interest rate at their invoiced amounts without discounting, if the effect of not discounting is not material. IFRS 13 has also been amended to clarify that portfolio exception applies to contracts in the scope of IAS 39 and IFRS 9 regardless of whether they meet the definition of a financial asset or financial liability under IAS 32.

The amendments to IAS 16 and IAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses. The accumulated depreciation (amortization) is eliminated against the gross carrying amount of the asset.

The amendments to IAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required. The reporting entity will also need to disclose other transactions with the management entity under the existing disclosure requirements of IAS 24.

– IAS 40 has been amended to clarify that an entity should:

- assess whether an acquired property is an investment property under IAS 40; and
- perform a separate assessment under IFRS 3 to determine whether the acquisition of the investment property constitutes a business combination.
- Entities will still need to use judgement to determine whether the acquisition of an investment property is an acquisition of a business under IFRS 3.

The adoption of these amendments had no significant impact on the consolidated financial statements.

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 2015:

New standards, amendments and interpretations issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2015 and earlier application is permitted; however, the Group has not early adopted the following new or amended standards in preparing these consolidated financial statements.

a) IFRS 9 – Financial Instruments

IFRS 9 published in July 2014, replaces the existing IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 9.

b) IFRS 15 – Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

This will have major impact on revenue and results. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 15.

c) Accounting for Acquisitions of Interests in Joint Operations (amendments to IFRS 11)

The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 Business Combinations. The amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards should be applied.

The amendments to IFRS 11 apply prospectively for annual periods beginning on or after 1 January 2016. Early adoption is permitted.

The Group does not expect to have a significant impact from the adoption of these amendments.

d) Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38).

The amendments to IAS 16 prohibits entities from using a revenue based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted if the intangible asset is expressed as a measure of revenue or when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Early adoption is permitted.

The Group does not expect to have a significant impact from the adoption of these amendments.

e) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).

The IASB has made limited scope amendments to IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint ventures.

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment dependson whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations).

3 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.3 IASB STANDARDS AND INTERPRETATIONS ISSUED NOT YET EFFECTIVE CONTINUED

f) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's investors in the associate or joint venture.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Early adoption is permitted.

The Group does not expect to have a significant impact from the adoption of these amendments.

g) Annual Improvements to IFRSs 2012-2014 Cycle – various standards.

The annual improvements to IFRSs to 2012-2014 cycles include a number of amendments to various IFRSs. Most amendments will apply prospectively for annual periods beginning on or after 1 January 2016; earlier application is permitted (along with the special transitional requirement in each case), in which case the related consequential amendments to other IFRSs would also apply.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application.

The following are the key amendments in brief:

- IFRS 5 – when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution' or vice versa, this does not constitute a change to a plan of sale or distribution and does not have to be accounted for as such
- IFRS 7 – specific guidance for transferred financial assets to help management determine whether the terms of a servicing arrangement constitute 'continuing involvement' and, therefore, whether the asset qualifies for derecognition that the additional disclosures relating to the offsetting of financial assets and financial liabilities only need to be included in interim reports if required by IAS 34
- IAS 19 – that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise
- IAS 34 – what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report' and adds a requirement to cross-reference from the interim financial statements to the location of that information.

h) Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28).

Amendments made to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in associates and joint ventures clarify that:

- The exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities.
- An investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities.
- Entities which are not investment entities but have an interest in an associate or joint venture which is an investment entity have a policy choice when applying the equity method of accounting. The fair value measurement applied by the investment entity associate or joint venture can either be retained, or a consolidation may be performed at the level of the associate or joint venture, which would then unwind the fair value measurement.

The amendments to IFRS 10 apply prospectively for annual periods beginning on or after 1 January 2016. Early adoption is permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application.

i) Disclosure Initiative (Amendments to IAS 1).

The amendments to IAS 1 Presentation of Financial Statements are made in the context of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved. The amendments provide clarifications on a number of issues, however, these amendments will not result in material change in presentation of these consolidated financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.4 SUMMARY OF 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.

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.

Multiple element deliverables

In revenue arrangements including more than one deliverable that have value to a customer on standalone basis, the arrangement consideration is allocated to each deliverable based on the consideration received from the individual elements. The cost of elements are immediately recognised in profit or loss.

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.

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.

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.

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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.

3 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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.

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.

3.4 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.

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.

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Intangible assets and goodwill continued

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

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.

3 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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.

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.

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

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.

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.

3 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Financial instruments continued

i) Non-derivative financial assets continued

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.

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 the reporting date.

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Financial instruments continued

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.

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.

3 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Financial instruments continued

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.

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 34.

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.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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.

3 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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.

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.

3 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Non-financial assets continued

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 amortisation, if no impairment loss had been recognised.

Segment reporting

Segment results that are reported to the Group's Chief Operating Decision Maker ("CODM") 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 REVENUE

	2015 QR'000	2014 QR'000
Revenue from rendering of telecommunication services	**30,956,989**	31,947,438
Sale of telecommunications equipment	**965,383**	1,005,439
Revenue from use of assets by others	**238,483**	254,332
	32,160,855	33,207,209

5 OPERATING EXPENSES

	2015 QR'000	2014 QR'000
Outpayments and interconnect charges	**2,746,000**	3,360,152
Regulatory and related fees	**2,299,825**	2,442,612
Rentals and utilities – network	**1,648,242**	1,568,247
Network operation and maintenance	**2,045,235**	1,775,186
Cost of equipment sold and other services	**2,656,292**	2,891,943
Provision for obsolete and slow moving inventories	**4,774**	4,879
	11,400,368	12,043,019

6 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	2015 QR'000	2014 QR'000
Employee salaries and associated costs	3,606,641	3,719,530
Marketing costs and sponsorship	1,325,148	1,541,428
Commission on cards	1,064,030	1,174,715
Legal and professional fees	324,271	363,825
Rental and utilities	322,049	369,940
Allowance for impairment of trade receivables	176,264	181,451
Repairs and maintenance	89,163	78,070
Other expenses	849,269	876,449
	7,756,835	8,305,408

7 DEPRECIATION AND AMORTISATION

	2015 QR'000	2014 QR'000
Depreciation of property, plant and equipment and investment property	6,135,373	6,033,066
Amortisation of intangible assets	1,809,987	1,593,243
	7,945,360	7,626,309

8 NET FINANCE COSTS

	2015 QR'000	2014 QR'000
Finance cost		
Interest expenses	1,982,611	1,992,659
Profit element of islamic financing obligation	170,487	179,265
Amortisation of deferred financing costs (note 25)	99,539	99,069
Other finance charges	7,542	5,252
	2,260,179	2,276,245
Finance income		
Interest income	(243,381)	(244,401)
Net finance costs	2,016,798	2,031,844

9 OTHER INCOME – NET

	Note	2015 QR'000	2014 QR'000
Foreign currency losses – net		(514,186)	(235,812)
Gain on disposal of investments	(i)	658,561	703,182
Gain on disposal of property, plant and equipment		54,995	18,641
Dividend income		24,545	60,567
Rental income		27,332	28,215
Change in fair value of derivatives – net		(64,160)	(36,401)
Miscellaneous income/(expense) – net	(ii)	123,355	(328,864)
		310,442	209,528

i) Gain on disposal of investments include a profit of QR 228,074 thousand recognized on the disposal in the Company's entire stake in one of the associates, Liberty Telecommunications Holdings Inc. (LTHI) (refer note 15)

In 2014, one of the Group's subsidiaries, Indosat Ooredoo, sold its investment in shares of Tower Bersama at a consideration of Rp 5,800 per share for 239.83 million shares resulting in a profit of QR 131,800 thousand.

ii) In 2014, miscellaneous income/(expense) – net included an amount of QR 397,709 thousand towards the provision on account of litigation relating to cooperation agreement between Indosat Ooredoo and IM2 to provide 3G based broadband internet services using spectrum license to Indosat Ooredoo (Note 32(a)).

10 ROYALTIES AND FEES

	Note	2015 QR'000	2014 QR'000
Royalty	(i)	168,378	174,960
Industry fees	(ii)	225,940	191,337
Other statutory fees	(iii)	14,260	26,537
		408,578	392,834

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.

11 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.

	2015	2014
Profit for the year attributable to shareholders of the parent (QR'000)	2,118,278	2,134,334
Weighted average number of shares (in '000)	320,320	320,320
Basic and diluted earnings per share (QR)	6.61	6.66

12 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 2014	6,867,071	45,627,169	5,043,943	5,804,962	63,343,145
Additions	226,902	2,765,486	514,369	4,884,251	8,391,008
Transfers	1,057,630	5,774,163	496,764	(7,328,557)	–
Disposals	(26,539)	(425,559)	(164,063)	(144)	(616,305)
Reclassification	–	–	–	(25,231)	(25,231)
Exchange adjustment	(136,469)	(1,315,410)	(118,002)	(251,604)	(1,821,485)
At 31 December 2014	7,988,595	52,425,849	5,773,011	3,083,677	69,271,132
Additions	539,927	2,557,103	626,311	4,813,577	8,536,918
Transfers	299,977	3,503,845	416,506	(4,220,328)	–
Disposals	(34,764)	(1,322,380)	(87,030)	(8)	(1,444,182)
Reclassification	–	(9,833)	9,992	(9,807)	(9,648)
Exchange adjustment	(593,545)	(3,826,009)	(235,991)	(255,240)	(4,910,785)
At 31 December 2015	8,200,190	53,328,575	6,502,799	3,411,871	71,443,435
Accumulated depreciation					
At 1 January 2014	2,868,062	24,360,430	3,798,821	–	31,027,313
Provided during the year	512,764	4,960,512	554,539	–	6,027,815
Impairment during the year	–	23,307	–	–	23,307
Disposals	(18,523)	(367,663)	(93,262)	–	(479,448)
Reclassification	(10)	(9,162)	9,284	–	112
Exchange adjustment	(83,372)	(837,170)	(98,014)	–	(1,018,556)
At 31 December 2014	3,278,921	28,130,254	4,171,368	–	35,580,543
Provided during the year	511,040	5,010,734	608,348	–	6,130,122
Disposals	(29,688)	(1,082,502)	(86,523)	–	(1,198,713)
Reclassification	443	70,723	(71,177)	–	(11)
Exchange adjustment	(298,665)	(2,292,045)	(223,204)	–	(2,813,914)
At 31 December 2015	3,462,051	29,837,164	4,398,812	–	37,698,027
Carrying value					
At 31 December 2015	4,738,139	23,491,411	2,103,987	3,411,871	33,745,408
At 31 December 2014	4,709,674	24,295,595	1,601,643	3,083,677	33,690,589

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 Ooredoo.

ii) Uncertainty in Iraq

One of the Group's subsidiaries, Asiacell which operates in Iraq, due to the current security situation of certain locations in Iraq, Asiacell may be unable to effectively exercise control over some of its property and equipment in certain locations, with a net book value of QR 200,283 thousand as at 31 December 2015. Based on an assessment performed by Asiacell, an insignificant amount of damage has occurred which has been provided for.

iii) In 2015, one of the Group's subsidiaries, Asiacell reached a settlement agreement with one of the banks in Iraq to receive properties in certain locations in Iraq in lieu of a portion of available balance in the name of Asiacell at that bank. So far, Asiacell has received properties worth of QR 440,600 thousand under this arrangement, which is based on an independent fair valuation.

Asiacell is currently in the process of transferring legal title of these properties in its name, which is expected to be transferred in the foreseeable future.

iv) During the previous year, the Company entered into an agreement to acquire land under master development plan for which an amount of QR 378,619 thousand is paid to master developer. The company is the beneficial owner of the land and the legal ownership is expected to be transferred in the foreseeable future.

13 INTANGIBLE ASSETS AND GOODWILL

	Goodwill QR'000	License costs QR'000	Customer contracts and related customer relationship QR'000	Brand/ Trade names QR'000	IRU, software and other intangibles QR'000	Total QR'000
Cost						
At 1 January 2014	11,493,503	24,494,513	756,007	2,995,497	2,406,874	42,146,394
Additions	–	4,795,888	–	–	228,276	5,024,164
Disposals	–	–	–	–	(2,229)	(2,229)
Reclassification	–	–	–	–	25,231	25,231
Exchange adjustment	(638,014)	(996,056)	(28,678)	(118,525)	(82,388)	(1,863,661)
At 31 December 2014	10,855,489	28,294,345	727,329	2,876,972	2,575,764	45,329,899
Additions	–	93,303	–	–	224,848	318,151
Disposals	–	–	–	–	(1,814)	(1,814)
Reclassification	–	–	–	–	9,648	9,648
Exchange adjustment	(774,266)	(1,047,522)	(69,306)	(224,285)	(133,917)	(2,249,296)
At 31 December 2015	10,081,223	27,340,126	658,023	2,652,687	2,674,529	43,406,588
Accumulated amortisation and impairment losses						
At 1 January 2014	325,285	6,926,012	735,590	1,267,544	1,418,194	10,672,625
Amortisation during the year	–	1,189,497	17,961	125,714	260,071	1,593,243
Impairment during the year	–	–	–	–	1,310	1,310
Disposals	–	–	–	–	(2,176)	(2,176)
Reclassification	–	–	–	–	(112)	(112)
Exchange adjustment	(5,488)	(280,704)	(28,923)	(83,223)	(60,861)	(459,199)
At 31 December 2014	319,797	7,834,805	724,628	1,310,035	1,616,426	11,805,691
Amortisation during the year	–	1,414,761	2,701	138,067	254,458	1,809,987
Impairment during the year	332,235	–	–	–	–	332,235
Disposals	–	–	–	–	(1,445)	(1,445)
Reclassification	–	–	–	–	11	11
Exchange adjustment	(31,228)	(393,958)	(69,306)	(83,516)	(101,789)	(679,797)
At 31 December 2015	620,804	8,855,608	658,023	1,364,586	1,767,661	13,266,682
Carrying value						
At 31 December 2015	9,460,419	18,484,518	–	1,288,101	906,868	30,139,906
At 31 December 2014	10,535,692	20,459,540	2,701	1,566,937	959,338	33,524,208

13 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	2015 Carrying value QR'000	2014 Carrying value QR'000
Ooredoo, Kuwait	**563,549**	583,589
Ooredoo, Algeria	**2,122,023**	2,197,483
Ooredoo Tunisie	**3,209,869**	3,721,008
Indosat Ooredoo	**3,160,103**	3,522,496
Asiacell, Iraq	**353,408**	353,408
Others	**51,467**	157,708
	9,460,419	10,535,692

Goodwill was tested for impairment as at 31 December 2015. 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, capital expenditure, 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.

Terminal value 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.

Budgeted EBITDA growth rate

Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for the anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past years and the estimated subscribers and price growth for the forecasted period.

Budgeted Capex

The cash flow forecasts for budgeted capital expenditure are based on past experience and include the ongoing capital expenditure required to continue rolling out networks in emerging markets, providing enhanced voice and data products and services, and meeting the population coverage requirements of certain licenses of the Group. Capital expenditure includes cash outflows for the purchase of property, plant and equipment and other intangible assets.

13 INTANGIBLE ASSETS AND GOODWILL CONTINUED

i) Impairment testing of goodwill continued

Key Assumptions used in value in use calculations continued

	(Expressed in percentage)			
	Discount rate		Terminal value growth rate	
Cash generating units	2015	2014	2015	2014
Ooredoo, Kuwait	9.4%	9.0%	2.75%	2.75%
Ooredoo, Algeria	11.2%	10.5%	2.75%	2.75%
Ooredoo Tunisie	10.8%	11.1%	2.75%	2.75%
Indosat Ooredoo	11.7%	11.6%	2.75%	2.75%
Asiacell, Iraq	16.4%	16.4%	2.75%	2.75%
Ooredoo Myanmar	16.1%	15.8%	4.00%	2.75%

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:

	2015	2014
Ooredoo, Kuwait	0.7%	0.9%
Ooredoo, Algeria	7.0%	9.3%
Indosat Ooredoo	3.8%	2.3%
Asiacell, Iraq	4.8%	14.2%
Ooredoo Myanmar	1.2%	4.7%

ii) Impairment loss of goodwill and other assets

	Note	2015 QR'000	2014 QR'000
Impairment loss of goodwill	(a), (b)	332,235	–
Impairment loss of other assets		851	25,963
		333,086	25,963

a) In the case of Ooredoo Tunisie ("the CGU"), Revenue and margins have declined in recent years leading to the recoverable amount of the investment being more sensitive to an impairment loss. The CGU is witnessing competitive challenges and instability in the economic and political environment of the country. The estimated recoverable amount based on value-in-use calculations were subjected to sensitivities for certain key assumptions due to the historical underperformance against budgets. A reasonably possible change in two key assumptions i.e. Budgeted Revenue growth and budgeted EBITDA margin could cause the carrying amount to exceed the estimated recoverable amount.

Based on the above sensitivities, an impairment of QR 227,360 thousand is recorded in these consolidated financial statements. This impairment loss has been fully allocated to goodwill.

Any further adverse movements in the key assumptions would lead to additional impairment as summarised below:

	%Movement	2015 QR'000	2014 QR'000
Budgeted revenue growth	–0.5%	(33,367)	–
Budgeted EBITDA margins	–0.5%	(72,727)	–

13 INTANGIBLE ASSETS AND GOODWILL CONTINUED

ii) Impairment loss of goodwill and other assets continued

b) Revenue in one of the subsidiaries, Midya Telecom Company Limited ("Fanoos") is lower compared to historical performance due to security situation in Iraq. This has caused carrying amount of goodwill to exceed the estimated recoverable amount of the business based on value-in-use calculations. Hence, an impairment of QR 104,875 thousand is recorded in these consolidated financial statements. This impairment loss has been fully allocated to goodwill.

iii) In 2014, 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. Additions to the intangible assets include the full cost of license fees.

14 INVESTMENT PROPERTY

	2015 QR'000	2014 QR'000
Cost		
At 1 January	**105,018**	105,018
At 31 December	**105,018**	105,018
Accumulated depreciation		
At 1 January	**49,906**	44,655
Provided during the year	**5,251**	5,251
At 31 December	**55,157**	49,906
Carrying value		
At 31 December	**49,861**	55,112

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 thousand (2014: QR 63,000 thousand) which approximates the carrying amount as at 31 December 2015.

15 INVESTMENT IN ASSOCIATES AND JOINT VENTURE

The Group has the following investment in associates and joint venture

Associate/Joint Venture companies	Principal activity	Country of incorporation	Effective ownership 2015	Effective ownership 2014
Navlink, Inc., a Delaware Corporation	Managed Service Provider delivering technology solutions in the enterprise data market	United States 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%
MEEZA QSTP LLC	Information technology services	Qatar	**20%**	20%
PT Citra Bakti, Indonesia	Product certification and testing	Indonesia	**9%**	9%
Titan Bull Holdings Limited	Holding Company	Cayman Islands	**20%**	20%
Asia Internet Holding S.a r.l.,	Holding Company	Luxembourg	**50%**	50%
Sadeem Telecom	Telecommunication Services and Investment	Qatar	**50%**	50%

15 INVESTMENT IN ASSOCIATES AND JOINT VENTURE CONTINUED

The following table is the summarised financial information of the Group's investments in the associates and joint venture:

	2015 QR'000	2014 QR'000
Group's share of associates' and joint venture's statement of financial position:		
Current assets	940,942	1,131,532
Non-current assets	2,476,159	2,876,017
Current liabilities	(811,208)	(1,032,442)
Non-current liabilities	(1,577,696)	(1,730,186)
Net assets	1,028,197	1,244,921
Goodwill	1,268,224	1,359,446
Carrying amount of the investment	2,296,421	2,604,367
Group's share of associates' and joint ventures' revenues and results:		
Revenues	1,777,758	1,865,805
Share of results – net of tax	14,677	89,098

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 and joint venture.

On 16 July 2015, the Group announced the sale of its entire stake in Liberty Telecommunications Holdings, Inc ("LTHI") to Vega, Inc., a subsidiary of San Miguel Corporation ("San Miguel") and a major stockholder of Liberty which was classified as a non-current asset held for sale as at 30 June 2015.

Subsequently, on 02 September 2015, the disposal of LTHI was completed. After adjusting certain loans and advances earlier due from LTHI and taking into account the net assets on the date of its classification to non-current asset held for sale, a net gain of QR 228,074 thousand was recognised on disposal of LTHI.

During the year, the Company invested a sum of QR 301,685 thousand (2014: QR 232,593 thousand) in Asia Internet Holding (AIH), a joint venture with Rocket Internet to fund new ventures in the e-commerce sector. The Group is also committed to invest further QR 216,452 thousand in the future and the same is considered as contingent consideration and recorded as part of investment costs. The share of net assets from the joint venture after this investment have been included in the consolidated financial statements. Included within the carrying amount is goodwill amounting to QR 215,867 thousand.

16 AVAILABLE-FOR-SALE INVESTMENTS

	2015 QR'000	2014 QR'000
Quoted equity investments	17,846	13,278
Unquoted equity investments	724,791	658,172
Investments in funds	4,559	955,696
	747,196	1,627,146

At 31 December 2015, certain unquoted equity investments amounting to QR 35,504 thousand (2014: QR 36,867 thousand) 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 851 thousand (2014: QR 1,346 thousand) 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.

17 OTHER NON-CURRENT ASSETS

	2015 QR'000	2014 QR'000
Prepaid rentals	265,821	263,000
Other long term receivables	290,507	398,440
Others	108,787	89,186
	665,115	750,626

18 INCOME TAX

Income tax represents amounts recognised by subsidiary companies. The major components of income tax expense for the years 2015 and 2014 are:

	2015 QR'000	2014 QR'000
Current income tax		
Current income tax charge	339,197	541,291
Adjustments in respect of previous years' income tax	219,419	165,659
Deferred income tax		
Relating to origination and reversal of temporary differences	(227,150)	(108,154)
Income tax included in the consolidated statement of profit or loss	331,466	598,796

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% (2014: 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 allowed in accordance with respective tax laws of subsidiaries.

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. The tax reconciliation is presented as follows:

	2015 QR'000	2014 QR'000
Profit before tax	2,624,949	3,080,458
Profit of parent and subsidiaries not subject to corporate income tax	(1,715,864)	(1,766,354)
Profit of parent and subsidiaries subject to corporate income tax	909,085	1,314,104
Add/(Less):		
Allowances, accruals and other temporary differences	277,767	543,091
Expenses and income that are not subject to corporate tax	588,874	686,757
Depreciation – net of accounting and tax	445,286	269,701
Unutilised tax losses brought forward	(54,437)	–
Taxable profit of subsidiaries and associates that are subject to corporate income tax	2,166,575	2,813,653
Income tax charge at the effective income tax rate of 16% (2014: 19%)	339,197	541,291

18 INCOME TAX CONTINUED

	Consolidated statement of financial position		Consolidated statement of p rofit or loss	
	2015 QR'000	2014 QR'000	2015 QR'000	2014 QR'000
Accelerated depreciation for tax purposes	(105,229)	(346,243)	225,258	48,039
Losses available to offset against future taxable income	44,478	50,592	(1,313)	(6,452)
Allowances, accruals and other temporary differences	63,750	90,022	(21,842)	38,307
Deferred tax origination on purchase price allocation	(415,391)	(489,981)	25,047	28,260
Deferred tax liability/deferred tax expense (income) – net	(412,392)	(695,610)	227,150	108,154

Reflected in the consolidated statement of financial position as follows:

	2015 QR'000	2014 QR'000
Deferred tax asset	54,561	59,884
Deferred tax liability	(466,953)	(755,494)
	(412,392)	(695,610)

Movement of deferred tax liability – net

	2015 QR'000	2014 QR'000
At 1 January	695,610	828,513
Tax income during the year	(227,150)	(108,154)
Tax on other comprehensive income	12,909	(13,131)
Exchange adjustment	(68,977)	(11,618)
At 31 December	412,392	695,610

Unrecognised deferred tax assets

At 31 December 2015, deferred tax assets of QR 125,597 thousand (2014: QR 139,619 thousand) for temporary differences of QR 380,598 thousand (2014: QR 398,911 thousand) 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.

19 INVENTORIES

	2015 QR'000	2014 QR'000
Subscribers' equipment	348,527	288,421
Other equipment	285,679	337,053
Cables and transmission equipment	108,005	83,761
	742,211	709,235
Less: Provision for obsolete and slow moving inventories	(45,142)	(42,565)
	697,069	666,670

Inventories consumed are recognised as expense and included under operating expenses, amounting to QR 2,038,028 thousand (2014: QR 2,209,182 thousand).

19 INVENTORIES CONTINUED

Movement in the provision for obsolete and slow moving inventories is as follows:

	2015 QR'000	2014 QR'000
At 1 January	42,565	39,092
Provided during the year	4,774	4,879
Amounts written off	(1,078)	(865)
Exchange adjustment	(1,119)	(541)
At 31 December	45,142	42,565

20 TRADE AND OTHER RECEIVABLES

	2015 QR'000	2014 QR'000
Trade receivables – net of impairment allowances	2,733,964	2,428,184
Other receivables and prepayments	3,662,538	3,829,171
Unbilled subscribers revenue	661,392	347,237
Amounts due from international carriers – net	537,451	905,762
Positive fair value of derivatives contracts	2,690	72,080
Net prepaid pension costs	313	885
	7,598,348	7,583,319

At 31 December, trade receivables amounting to QR1,068,765 thousand (2014: QR 982,683 thousand) were impaired and fully provided for.

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

	2015 QR'000	2014 QR'000
At 1 January	982,683	912,443
Charge for the year	176,264	181,451
Amounts written off	(30,757)	(83,670)
Amounts recovered	(16,172)	–
Exchange adjustment	(43,253)	(27,541)
At 31 December	1,068,765	982,683

At 31 December 2015, the ageing of unimpaired trade receivables is as follows:

			Past due not impaired			
	Total QR '000	Neither past due nor impaired QR '000	< 30days QR '000	30-60 Days QR '000	60-90 Days QR '000	> 90 days QR '000
2015	2,733,964	1,039,981	402,986	246,106	167,483	877,408
2014	2,428,184	869,915	347,791	260,745	158,690	791,043

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.

21 CASH AND CASH EQUIVALENTS

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

	Note	2015 QR'000	2014 QR'000
Bank balances and cash	(i),(ii)	18,158,180	17,437,426
Less:			
Restricted deposits		(120,112)	(121,963)
Cash and cash equivalents as per consolidated statement of cash flows at 31 December		18,038,068	17,315,463

i) Bank balances and cash equivalents include fixed deposits maturing after three months amounting to QR 6,637,547 thousand (2014: QR 6,311,017 thousand). The Group 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 earn interest on the respective short term deposit rates range from 0.35% to 10.50% (2014 : 0.25% to 11.50%).

22 SHARE CAPITAL

	2015		2014	
	No of shares (000)	QR'000	No of shares (000)	QR'000
Authorised				
Ordinary shares of QR 10 each				
At 1 January/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/31 December	320,320	3,203,200	320,320	3,203,200

23 RESERVES

a) Legal reserve

In accordance with Qatar Commercial Companies' Law No. 11 of 2015 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 thousand, 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 thousand, 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.

	2015 QR'000	2014 QR'000
Fair value reserve of available for sale investments	434,894	881,103
Cash flow hedge reserve	13,290	11,459
	448,184	892,562

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.

23 RESERVES CONTINUED

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.

24 COMPONENTS OF OTHER COMPREHENSIVE INCOME

	2015 QR'000	2014 QR'000
Available-for-sale investments		
Gain arising during the year	(17,530)	207,500
Reclassification to profit or loss	(430,595)	(687,890)
Transferred to profit or loss on impairment	–	1,346
	(448,125)	(479,044)
Cash flow hedges		
Loss arising during the year	(281)	(361)
Deferred tax effect	67	43
	(214)	(318)
Employee benefit reserve		
Net movement in employee benefit reserve	51,894	(54,354)
Deferred tax effect	(12,976)	13,088
	38,918	(41,266)
Associates and joint venture		
Share of changes in fair value	1,922	1,352
Share of net movement in employment benefit reserve	(3,854)	–
	(1,932)	1,352
Translation reserves		
Foreign currency translation differences – foreign operations	(2,434,158)	(1,995,070)
Exchange differences transferred to profit or loss	(6,602)	8,825
	(2,440,760)	(1,986,245)
Other comprehensive income for the year – net of tax	(2,852,113)	(2,505,521)

25 LOANS AND BORROWINGS

Presented in the consolidated statement of financial position as:

	2015 QR'000	2014 QR'000
Non-current liabilities		
Secured loan	1,237,855	553,723
Unsecured loan	12,059,359	9,117,465
Islamic Finance	4,803,386	4,745,809
Bonds	18,285,718	21,526,815
Less: Deferred financing cost	(278,263)	(302,591)
	36,108,055	35,641,221
Current liabilities		
Secured loan	386,265	191,953
Unsecured loan	2,323,616	2,773,430
Islamic Finance	59,658	1,813,468
Bonds	3,944,785	2,462,528
Less: Deferred financing cost	(50,537)	(85,870)
	6,663,787	7,155,509
	42,771,842	42,796,730

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

	2015 QR'000	2014 QR'000
At 1 January	388,461	456,920
Additions during the year	38,978	29,165
Amortised during the year (note 8)	(99,539)	(99,069)
Exchange adjustment	900	1,445
At 31 December	328,800	388,461

25 LOANS AND BORROWINGS CONTINUED

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

	Currency	Nominal Interest/Profit rate	Year of maturity	2015 QR'000	2014 QR'000
Unsecured	USD	LIBOR + 1.15%	March 2017	3,641,500	3,641,500
Islamic Finance	USD	LIBOR + 0.95%	May 2015	–	1,813,467
Unsecured	USD	LIBOR + 1.00%	May 2019	3,641,500	3,641,500
Unsecured	USD	LIBOR+ 0.88%	May 2020	1,820,750	–
Unsecured	USD	LIBOR+ 0.90%	August 2020	546,225	–
Bonds	USD	7.88%	June 2019	2,184,901	2,184,901
Bonds	USD	3.38%	October 2016	3,641,501	3,641,501
Bonds	USD	4.75%	February 2021	3,641,501	3,641,501
Bonds	USD	5.00%	October 2025	2,731,127	2,731,127
Bonds	USD	3.25%	February 2023	3,641,501	3,641,501
Bonds	USD	3.88%	January 2028	1,820,751	1,820,751
Bonds	USD	4.50%	January 2043	1,820,751	1,820,751
Islamic Finance	USD	3.04%	December 2018	4,551,877	4,551,877
Unsecured	USD	LIBOR + 2.00%	February 2017	79,299	142,738
Unsecured	USD	LIBOR + 1.80%	January 2018	426,572	308,080
Unsecured	TND	TMM Rate + 1.10%	June 2018	245,480	375,471
Unsecured	TND	TMM Rate + 1.50%	June 2019	192,478	224,427
Unsecured	TND	TMM Rate + 1.10%	June 2020	32,136	–
Unsecured	TND	TMM Rate + 0.5%	December 2016	26,591	–
Secured	USD	LIBOR + 5.00%	June 2019	225,318	259,457
Secured	USD	LIBOR + 5.25%	December 2016	43,698	43,698
Unsecured	USD	LIBOR + 5.85%	December 2020	10,460	9,986
Secured	USD	LIBOR + 3.00%	August 2015	–	3,277
Secured	USD	LIBOR + 5.50%	February 2016	971	6,798
Secured	USD	LIBOR + 5.50%	December 2016	7,283	14,566
Secured	USD	6.00%	January 2016	455	5,917
Secured	USD	LIBOR+2.00%	December 2015	–	5,463
Secured	USD	LIBOR + 4.60%	September 2018	31,560	–
Secured	USD	6.00%	March 2017	4,853	–
Secured	USD	LIBOR + 2.00%	May 2016	1,821	–
Unsecured	DZD	5.00%	December 2015	–	319,823
Secured	DZD	5.50%	September 2020	1,308,161	–
Unsecured	DZD	6.00%	June 2016	27,200	–
Unsecured	DZD	4.50%	November 2016	4,592	125,506
Unsecured	DZD	4.50%	April 2016	34,935	61,258
Unsecured	DZD	4.50%	June 2016	47,369	62,744
Unsecured	DZD	5.00%	August 2016	37,400	122,810
Unsecured	DZD	4.90%	October 2016	43,982	75,009
Unsecured	DZD	4.90%	September 2015	–	64,880

25 LOANS AND BORROWINGS CONTINUED

	Currency	Nominal Interest/Profit rate	Year of maturity	2015 QR'000	2014 QR'000
Unsecured	DZD	4.50%	June 2016	20,833	–
Unsecured	DZD	5.50%	May 2016	17,782	–
Unsecured	KWD	CBK discount rate	October 2016	–	410,021
Unsecured	KWD	CBK + 1.00%	September 2016	–	75,792
Unsecured	USD	LIBOR + 1.75%	December 2015	121,383	145,661
Unsecured	USD	LIBOR + 1.40%	November 2015	–	121,383
Unsecured	USD	LIBOR + 2.50%	December 2015	–	29,962
Unsecured	USD	LIBOR + 2.95%	September 2019	139,834	174,792
Unsecured	USD	5.69% p.a.	September 2019	227,950	286,416
Unsecured	USD	USD LIBOR + 0.35% p.a.	September 2019	64,098	80,539
Unsecured	USD	USD LIBOR + 1.05% p.a.	May 2017	362,547	–
Unsecured	USD	USD LIBOR + 0.90% p.a.	February 2017	217,528	–
Unsecured	USD	USD LIBOR+1.20% p.a	December 2016	181,273	–
Unsecured	USD	JIBOR +2.45% p.a	December 2016	65,703	–
Unsecured	USD	USD LIBOR + 0.90% p.a.	April 2017	181,273	–
Unsecured	USD	USD LIBOR + 1.35% p.a.	February 2017	108,764	–
Unsecured	IDR	JIBOR + 2.50% p.a payable monthly	February 2016	262,811	292,949
Unsecured	IDR	JIBOR + 2.50%	August 2018	236,529	–
Bonds	USD	7.38% Payable semi-annually	July 2020	–	2,368,784
Unsecured	USD	6 month LIBOR + 1.45%	November 2016	14,703	29,559
Unsecured	USD	Facility A: 6 Month LIBOR + 2.87% Facility B: Commercial Interest Reference Rate ("CIRR") + 1.66% Facility C: CIRR + 1.64% – payable semi-annually.	Facility A: May 2016 Facility B: February 2017 Facility C: November 2017	208,464	373,539
Bonds	IDR	Series B 10.65% – payable quarterly	Series B: May 2017	360,050	401,340
Bonds (Series A) and Unsecured (Series B)	IDR	Series A 10.25% and Series B 10.80% – payable quarterly	April 2015	–	93,744
Bonds	IDR	Series B 11.75% – payable quarterly	Series B: December 2016	157,686	175,769
Islamic Finance	IDR	Series B bonds IDR 20.21 billion	Series B: December 2016	45,203	50,387
Bonds	IDR	Fixed rate of 8.63% p.a. payable quarterly	June 2019	315,372	351,538
Bonds	IDR	Fixed rate of 8.88% p.a. payable quarterly	June 2022	394,215	439,423
Islamic Finance	IDR	Annual Ijarah payment of IDR 25.875 billion	June 2019	78,843	87,885
Unsecured	IDR	3 months Jibor + 2.25%	October 2016	197,108	219,712
Unsecured	IDR	10% payable quarterly	December 2018	210,248	263,654
Unsecured	IDR	3month Jibor +1.25%	December 2016	144,546	190,416
Unsecured	IDR	Jibor +2.50%	October 2017	91,984	102,532
Unsecured	IDR	1 month Jibor +1.50%	October 2016	65,703	73,237
Unsecured	IDR	3 months Jibor +2.45%	December 2017	26,281	29,295
Unsecured	IDR	1 month Jibor +2.50%	June 2016	315,372	175,770
Bonds	IDR	10.00%	December 2017	249,670	278,301

	Currency	Nominal Interest/Profit rate	Year of maturity	2015 QR'000	2014 QR'000
Bonds	IDR	10.30%	December 2019	197,108	219,713
Bonds	IDR	10.50%	December 2021	65,703	73,237
Bonds	IDR	10.70%	December 2024	94,612	105,461
Bonds	IDR	10.00%	December 2018	52,825	–
Bonds	IDR	10.25%	December 2020	79,106	–
Bonds	IDR	10.60%	December 2022	34,165	–
Bonds	IDR	11.20%	December 2025	42,575	–
Bonds	IDR	8.55%	June 2016	145,597	–
Bonds	IDR	9.25%	June 2018	205,518	–
Bonds	IDR	10.00%	June 2020	153,481	–
Bonds	IDR	10.25%	June 2022	88,567	–
Bonds	IDR	10.40%	June 2025	112,220	–
Islamic Finance	IDR	10.00%	December 2017	16,820	18,750
Islamic Finance	IDR	10.30%	December 2019	4,205	4,687
Islamic Finance	IDR	10.50%	December 2021	28,909	32,224
Islamic Finance	IDR	10.60%	December 2022	17,083	–
Islamic Finance	IDR	11.20%	December 2025	10,775	–
Islamic Finance Obligation	IDR	8.55%	June 2016	14,454	–
Islamic Finance Obligation	IDR	9.25%	June 2018	19,974	–
Islamic Finance Obligation	IDR	10.00%	June 2020	17,608	–
Islamic Finance Obligation	IDR	10.25%	June 2022	11,301	–
Islamic Finance Obligation	IDR	10.40%	June 2025	45,992	–
Unsecured	IDR	10.50%	November 2017	–	4,614
Unsecured	IDR	2.00%	April 2018	184	205
Unsecured	IDR	2.00%	August 2018	92	102
Unsecured	USD	NIL	On demand	41,513	41,513
				43,100,642	43,185,191
Less: Deferred financing costs				(328,800)	(388,461)
				42,771,842	42,796,730

i) Loans and borrowings are availed for general corporate purposes or specific purposes which include purchase of telecommunication and related equipment, financing working capital requirements and repayment or refinancing of existing borrowing facilities.

ii) Secured loans and borrowings are secured against property plant and equipment and cash collateral.

iii) Bonds are listed on London, Irish, Singapore and Indonesia Stock Exchanges.

iv) Islamic Finance includes notes issued under Sukuk Trust Programme on the Irish and Indonesia Stock Exchange.

26 EMPLOYEE BENEFITS

	2015 QR'000	2014 QR'000
Employees' end of service benefits	**409,673**	378,068
Post-retirement health care plan	**139,156**	183,083
Cash settled share based payments	**245,990**	279,751
Defined benefit pension plan/Labour Law No. 13/2003	**88,428**	88,166
Other employee benefits	**11,268**	10,164
Total employee benefits	**894,515**	939,232
Current portion of cash settled share based payments (note 28)	**(82,373)**	(101,774)
Employee benefits – non current	**812,142**	837,458

Movement in the provision for employee benefits are as follows:

	2015 QR'000	2014 QR'000
At 1 January	**939,232**	817,240
Provided during the year	**191,380**	276,458
Paid during the year	**(155,859)**	(183,100)
Other comprehensive income	**(48,548)**	41,194
Exchange adjustment	**(31,690)**	(12,560)
At 31 December	**894,515**	939,232

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 fulfill 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 Ooredoo, 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 Ooredoo, 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.

26 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.

	2015			2014		
	Plan A	Plan B	Plan C	Plan A	Plan B	Plan C
Annual discount rate	9.5%	8.5%	9.0% –9.25%	9.0%	9 and 9.5%	8.0% –8.5%
Ultimate cost trend rate	6.0%	–	–	6.0%	–	–
Next year trend rate	16.0%	–	–	6.0%	–	–
Period to reach ultimate cost trend rate	10 Year	–	–	0 Year	–	–
Increase in compensation	–	7.5%	3.0% – 9.0%	–	7.5 and 8.5%	3.0% – 9.0%
Mortality rate	–	–	TMI 2011	–	–	TMI 2011

Movement in net defined benefit (asset)/liability

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

	2015			2014		
	Plan A	Plan B	Plan C	Plan A	Plan B	Plan C
At 1 January	187,648	90,075	(26,293)	144,382	73,272	(38,196)
Included in profit or loss						
Interest cost	15,535	7,031	(1,963)	13,896	6,999	(3,323)
Service cost	5,600	8,803	7,187	4,885	7,913	7,719
Curtailment gain	(3,565)	–	–	(3,007)	(649)	259
Immediate recognition of past service cost – vested benefit	–	2,952	1,048	–	1,944	83
Cost of employee transfer	–	–	–	153	(57)	–
	17,570	18,786	6,272	15,927	16,150	4,738
Included in other comprehensive income						
Other comprehensive income	(41,431)	(7,117)	(3,346)	35,742	5,452	13,160
Other movements						
Contribution	–	–	(338)	–	–	(3,156)
Benefit payment	(2,383)	(1,397)	–	(4,613)	(2,488)	–
Refund	–	–	147	–	–	429
Exchange adjustment	(19,859)	(9,861)	(1,564)	(3,790)	(2,311)	(3,268)
	(22,242)	(11,258)	(1,755)	(8,403)	(4,799)	(5,995)
At 31 December	141,545	90,486	(25,122)	187,648	90,075	(26,293)
Current portion	2,389	2,058	(313)	4,565	1,909	(885)
Non-current portion	139,156	88,428	(24,809)	183,083	88,166	(25,408)

26 EMPLOYEE BENEFITS CONTINUED

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

	2015	2014
Investments in:		
– Shares of stocks and properties	**30.22%**	45.90%
– Mutual fund	**44.58%**	43.92%
– Time deposits	**17.33%**	8.40%
– Debt securities	**7.66%**	1.75%
– Others	**0.21%**	0.03%

27 OTHER NON-CURRENT LIABILITIES

	2015 QR'000	2014 QR'000
Communications and Media Commission ("CMC"), Iraq	**–**	279,485
Ministry of Communication and Technology ('MOCIT'), Indonesia	**74,568**	165,993
Ministry of Telecommunications and Information Technology, Palestine	**197,903**	197,903
Post and Telecommunications Department, Ministry of Information and Technology, Myanmar	**–**	919,479
Site restoration provision	**69,721**	63,938
Finance lease liabilities (note 31)	**906,475**	1,066,404
Deferred gain on finance leases	**206,971**	272,026
Others	**560,695**	692,945
	2,016,333	3,658,173

28 TRADE AND OTHER PAYABLES

	2015 QR'000	2014 QR'000
Trade payables	**4,978,058**	4,451,146
Accrued expenses	**5,788,466**	6,335,568
Interest payable	**400,198**	448,206
Profit payable on islamic financing obligation	**12,416**	11,469
License costs payable	**1,284,734**	1,610,276
Amounts due to international carriers – net	**623,650**	605,046
Negative fair value of derivatives	**138,019**	17,075
Finance lease liabilities (note 31)	**138,590**	126,914
Cash settled share based payments (note 26)	**82,373**	101,774
Other payables	**3,797,045**	3,290,571
	17,243,549	16,998,045

29 DIVIDEND

Dividend paid and proposed

	2015 QR'000	2014 QR'000
Declared, accrued and paid during the year		
Final dividend for 2014, QR 4 per share (2013 : QR 4 per share)	1,281,280	1,281,280
Proposed for approval at Annual General Meeting (not recognised as a liability as at 31 December)		
Final dividend for 2015, QR 3 per share (2014 : QR 4 per share)	960,960	1,281,280

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

30 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	
	2015 QR'000	2014 QR'000
Currency forward contracts	1,269,225	1,582,883
Interest rate swaps	86,534	259,410
Fair value hedge	304,633	304,559
	1,660,392	2,146,852

	Fair values			
	2015		2014	
	Positive QR'000	Negative QR'000	Positive QR'000	Negative QR'000
Currency forward contracts	–	72,908	22,260	1,444
Interest rate swaps	–	4,936	–	7,909
Fair value hedge	2,246	60,046	48,354	6,852
	2,246	137,890	70,614	16,205

Cash flow hedges

At 31 December 2015, 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.

30 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 2015	**129**	**444**	**571,961**
31 December 2014	870	1,466	207,811

31 COMMITMENTS

Capital expenditure commitments

	2015 QR'000	2014 QR'000
Estimated capital expenditure contracted for at the end of the financial reporting year but not provided for:	**4,366,324**	4,803,664

Operating lease commitments

	2015 QR'000	2014 QR'000
Future minimum lease payments:		
Not later than one year	**418,559**	284,617
Later than one year and not later than five years	**1,690,402**	1,009,745
Later than five years	**2,700,587**	998,799
Total operating lease expenditure contracted for at 31 December	**4,809,548**	2,293,161

Finance lease commitments

	2015 QR'000	2014 QR'000
Amounts under finance leases		
Minimum lease payments		
Not later than one year	**245,988**	254,229
Later than one year and not later than five years	**874,853**	948,486
Later than five years	**319,034**	523,149
	1,439,875	1,725,864
Less: unearned finance income	**(394,810)**	(532,546)
Present value of minimum lease payments	**1,045,065**	1,193,318

Present value of minimum lease payments

	Note	2015 QR'000	2014 QR'000
Current portion	28	**138,590**	126,914
Non-current portion	27	**906,475**	1,066,404
		1,045,065	1,193,318

32 CONTINGENT LIABILITIES

	2015 QR'000	2014 QR'000
Letters of guarantees	**874,020**	946,070
Letters of credit	**167,801**	200,041
Claims against the Group not acknowledged as debts	**12,652**	1,647

Litigation and claims

The Group is from time to time a party to various legal actions and claims arising in the ordinary course of its business. The Group does not believe that the resolution of these legal actions and claims 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.

On 8 July 2013, the Indonesia Corruption Court imposed a fine of QR 474 million (USD 130 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. A written decision of the Supreme Court was received in January 2015 which confirmed that the Supreme Court had upheld the former President Director's of IM2 prison sentence of eight years and that the fine against IM2 of approximately USD 130 million had been reinstated.

On March 16, 2015, the former President Director's of IM2 submission of judicial review was officially registered at the Corruption Court. Since the Criminal Case Verdict and the Administrative Case Verdict were contradictory, BPKP (State Audit Bureau) filed on 16 March, 2015 a Judicial Review on the Administrative Case in order to annul the previous Administrative Case Verdict. Due to the BPKP's Judicial Review, on 13 October, 2015 the Supreme Court has issued a verdict (on Administrative Case) which stated that the BPKP audit report held by BPKP is valid.

On the Supreme Court's official website, the Supreme Court on 4 November, 2015 issued a verdict (on Criminal Case) that rejected the Judicial Review submitted by the former President Director of IM2. To date PT Indosat Tbk. has not yet received the official copy of the verdict. PT Indosat Tbk. is preparing a second judicial review for the Criminal Case.

Indosat and IM2 have constituted provisions, and Ooredoo has included a provision in its accounts.

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 2007 for an amount of QR 245.0 million and a further tax demand notice by the GCT for the years 2008, 2009-2010 for an amount of QR 141.0 million and QR 244.0 million respectively relating to corporate income tax.

Asiacell has raised an objection against each of these claims and has paid all the above amounts under protest to comply with the requirements of tax laws in Iraq.

The Group has set up adequate provision against these claims and management is of the view that ACL has strong grounds to challenge each of these claims.

c) Proceedings against Asiacell relating to regulatory fee

On 10 June 2014, the Communications and Media Commission (CMC) issued a letter notifying the Company that the structure of the Company in relation to ownership of the shares in its capital does not fulfill the License requirements as an Iraqi Company to pay 15% of its gross revenue as a regulatory fee, as per license agreement.

32 CONTINGENT LIABILITIES CONTINUED

c) *Proceedings against Asiacell relating to regulatory fee continued*

Consequently the CMC requested the Company to pay a regulatory fee of 18% of gross revenues instead of 15%. The amount requested by CMC was QR 276 million (USD 76 million) from the period that the CMC is claiming that the Iraqi ownership had changed until the end of first half of 2013. The Company has made an appeal against this claim. On 11 November 2014, the CMC issued a letter notifying the Company that they revised the claim relating to the additional 3% and that the total new amount from June 2012 to 30 June 2014 should be equal to QR 370.7 million (USD 101.8 million). The Company has a full provision against this claim amounting to QR 598.8 million (USD 164.4 million). In January 2016, the Erbil Court of Cassation has issued a final decision in favor of the company.

On 4th February 2016, the CMC sent a letter for restricted use of certain bank accounts of Asiacell, for CMC's benefit. This is against a disputed amount for which the company already has a court decision in their favor.

d) *Proceedings against Asiacell relating to frequency spectrum fee*

On 10 September 2014, the Communication and Media Commission (CMC) issued a letter notifying the Company to pay frequency spectrum usage fees of QR 239.1 million (USD 65.5 million) for the period from the date frequencies were allocated to the Company to 31 December 2013. The Company has made an appeal against this claim. The CMC has not provided the method of calculation and the Company is disputing the basis for its calculation.

On 29 January 2015, the appeal panel issued a decision in relation to the objection filed by the Company. The decision was to dismiss the claim issued by the CMC's general manager and to recalculate the frequency spectrum usage fees based on the appeal panel recommendations.

Up to the date of issuance of the Company's financial statements, the new claim amount as per the appeal panel recommendations has not yet been determined. The Company has a total provision for the period from the date frequencies were allocated to the Company to 31 December 2015 of QR 207.0 million (USD 57.0 million), which is sufficient at this current stage.

e) *Deduction disallowed in corporate income tax assessment*

On November 20, 2014, Indosat received an assessment letter of tax overpayment ("SKPLB") from the DGT where, the DGT made a correction totaling QR 88 million, which decreased the tax loss carried forward as of December 31, 2012. On February 18, 2015, Indosat submitted an objection letter to the Tax Office regarding the above correction. The tax objection was declined by the Tax Authority, however, Indosat is preparing to file an appeal with the Tax Court.

On December 27, 2013, Indosat received the assessment letter on tax underpayment ("SKPKB") from the DGT for Indosat's 2007 and 2008 corporate income tax amounting to QR 29 million and QR 25.5 million, respectively, which was paid on January 24, 2014. On March 20, 2014, Indosat submitted objection letters to the Tax Office regarding this correction on Indosat's 2007 and 2008 corporate income tax amounting to QR 32.3 million and QR 28.5 million, respectively. The tax objection was declined by the Tax Authority and Indosat has filed an appeal with the Tax Court.

f) *Withholding tax deducted by Indosat at lower rate*

On November 20, 2014, Indosat received SKPLBs from the DGT for Indosat's 2012 income tax article 26 amounting to QR 82 million (including penalties). On February 18, 2015, Indosat submitted an objection letters to the Tax Office regarding the correction that was declined by the Tax Authorities. Indosat is preparing to file an appeal with the Tax Court.

33 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 2015, after taking into the effect of interest rate swaps, approximately 66%of the Group's borrowings are at a fixed rate of interest (2014: 71%).

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 2015		
USD LIBOR	**(28,280)**	**1,430**
Others	**(8,151)**	**–**
At 31 December 2014		
USD LIBOR	(25,582)	520
Others	(5,424)	–

33 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.

	2015 QR'000 Assets (Liabilities)	2014 QR'000 Assets (Liabilities)
Indonesian Rupiah (IDR)	6,012,239	5,545,615
Kuwaiti Dinar (KD)	9,873,226	9,144,786
US Dollars (USD)	(2,512,749)	(4,210,966)
Euro (EUR)	(31,273)	154,395
Great British Pounds (GBP)	(2,984)	(7,051)
Tunisian Dinar (TND)	134,331	206,364
Algerian Dinar (DZD)	(2,201,692)	(2,414,783)
Iraqi Dinar (IQD)	(896,819)	(654,213)
Others	1,838	(4,342)

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	
	2015 + 10% QR'000	2014 +10% QR'000	2015 + 10% QR'000	2014 +10% QR'000
Indonesian Rupiah (IDR)	–	–	601,224	554,562
Kuwaiti Dinar (KD)	–	–	987,323	914,479
Tunisian Dinar (TND)	–	–	13,433	20,636
Algerian Dinar (DZD)	–	–	(220,169)	(241,478)
US Dollars (USD)	(251,275)	(421,097)	–	–
Euro (EUR)	(3,127)	15,440	–	–
Great British Pounds (GBP)	(298)	(705)	–	–
Iraqi Dinar (IQD)	(89,682)	(65,421)	–	–

33 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
2015		
Qatar Exchange (QE)	+10%	483
Kuwait Stock Exchange (KSE)	+15%	569
Indonesia Stock Exchange (IDX)	+10%	922
2014		
Qatar Exchange (QE)	+10%	921
Kuwait Stock Exchange (KSE)	+15%	611
Indonesia Stock Exchange (IDX)	+10%	–

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:

	2015 QR'000	2014 QR'000
Qatar	1,090,958	888,126
Other countries	1,643,006	1,540,058
	2,733,964	2,428,184

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:

	2015 QR'000	2014 QR'000
Bank balances (excluding cash)	18,054,582	17,280,460
Positive fair value of derivatives	2,690	72,080
Amounts due from international carriers	537,451	905,762
Unbilled subscriber revenue	661,392	347,237
	19,256,115	18,605,539

33 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, 67% 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 2015					
Loans and borrowings	8,573,202	7,780,319	18,621,429	17,460,203	52,435,153
Trade payables	4,978,058	–	–	–	4,978,058
License costs payable	1,285,213	64,135	256,694	–	1,606,042
Finance lease liabilities	245,989	244,458	874,328	75,100	1,439,875
Other financial liabilities	844,042	233,338	–	–	1,077,380
	15,926,504	8,322,250	19,752,451	17,535,303	61,536,508

	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 2014					
Loans and borrowings	9,089,483	6,376,517	20,050,643	17,605,064	53,121,707
Trade payables	4,451,146	–	–	–	4,451,146
License costs payable	1,668,689	1,297,057	341,782	–	3,307,528
Finance lease liabilities	254,229	239,095	709,391	523,149	1,725,864
Other financial liabilities	723,895	241,915	–	–	965,810
	16,187,442	8,154,584	21,101,816	18,128,213	63,572,055

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 2015 and 31 December 2014.

Capital includes share capital, legal reserve, other statutory reserves and retained earnings and is measured at QR 26,888,102 thousand at 31 December 2015 (2014: QR 26,081,449 thousand).

34 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	
	2015 QR'000	2014 QR'000	2015 QR'000	2014 QR'000
Financial assets				
Available-for-sale investments	**747,196**	1,627,146	**747,196**	1,627,146
Trade and other receivables	**3,935,497**	3,753,263	**3,935,497**	3,753,263
Bank balances and cash	**18,158,180**	17,437,426	**18,158,180**	17,437,426
Financial liabilities				
Loans and borrowings	**43,100,642**	43,185,191	**41,079,267**	40,926,677
Other non-current liabilities	**272,471**	1,562,860	**272,471**	1,562,860
Finance lease liabilities	**1,045,065**	1,193,318	**1,045,065**	1,193,318
Trade and other payables	**11,316,493**	10,535,563	**11,316,493**	10,535,563
Income tax payable	**693,200**	570,044	**693,200**	570,044

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

34 FAIR VALUES OF FINANCIAL INSTRUMENTS CONTINUED

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

Financial assets

	2015			
	QR'000	Level 1 QR'000	Level 2 QR'000	Level 3 QR'000
Available-for-sale investments	711,692	17,846	693,846	–
Derivative financial instruments	2,690	–	2,690	–
	714,382	17,846	696,536	–

	2014			
	QR'000	Level 1 QR'000	Level 2 QR'000	Level 3 QR'000
Available-for-sale investments	1,590,279	13,278	1,577,001	–
Derivative financial instruments	72,080	–	72,080	–
	1,662,359	13,278	1,649,081	–

Financial liabilities

	2015			
	QR'000	Level 1 QR'000	Level 2 QR'000	Level 3 QR'000
Derivative financial instruments	138,019	–	138,019	–

	2014			
	QR'000	Level 1 QR'000	Level 2 QR'000	Level 3 QR'000
Derivative financial instruments	17,075	–	17,075	–

35 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 17,560 thousand was proposed for the year ended 31 December 2015 (2014: QR 16,940 thousand). The compensation and benefits related to key management personnel amounted to QR 291,398 thousand (2014: QR 280,330 thousand) and end of service benefits amounted to QR 20,892 thousand (2014: QR 30,463 thousand). 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 6.

36 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".

Provision and contingent liabilities

The Group's management determines provision on best estimate of the expenditure required to settle the present obligation as a result of the past event at the reporting date.

The Group's management measures contingent liabilities as a possible obligation depending on whether some uncertain future event occurs or a present obligation but payment is not probable or the amount cannot be measured reliably.

Classification of associates, joint ventures and subsidiaries

The appropriate classification of certain investments as subsidiaries, associates and joint ventures requires significant analysis and management judgement as to whether the Group exercises control, significant influence or joint control over these investments. This may involve consideration of a number of factors, including ownership and voting rights, the extent of Board representation, contractual arrangements and indicators of de fact control.

Changes to these indicators and management's assessment of the power to control or influence may have a material impact on the classification of such investments and the Group's consolidated financial position, revenue and results.

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.

36 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES CONTINUED

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.

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.

37 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:

	Asiacell, Iraq QR'000	Ooredoo, Kuwait QR'000	Ooredoo, Algeria QR'000	Ooredoo, Tunisie QR'000	Indosat, Ooredoo QR'000	Ooredoo, Oman QR'000
31 December 2015						
Non-current assets	8,464,133	10,734,048	4,244,570	1,963,014	12,298,160	3,235,559
Current assets	2,348,369	1,558,054	1,122,592	465,979	2,564,643	664,614
Non-current liabilities	(585,228)	(61,509)	(1,034,322)	(338,923)	(6,119,600)	(317,264)
Current liabilities	(4,468,487)	(1,867,390)	(2,478,077)	(1,177,144)	(5,360,909)	(1,543,852)
Net assets	5,758,787	10,363,203	1,854,763	912,926	3,382,294	2,039,057
Carrying amount of NCI	2,069,758	817,105	474,784	145,279	1,388,357	917,576
Revenue	4,884,464	2,277,367	4,023,133	1,802,790	7,274,024	2,475,401
Profit/(loss)	159,077	212,425	244,122	146,548	(320,004)	394,164
Profit/(loss) allocated to NCI	57,174	16,749	62,491	23,321	(86,214)	177,374

	Asiacell, Iraq QR'000	Ooredoo, Kuwait QR'000	Ooredoo, Algeria QR'000	Ooredoo, Tunisie QR'000	Indosat, Ooredoo QR'000	Ooredoo, Oman QR'000
31 December 2014						
Non-current assets	8,570,389	12,157,531	5,054,767	2,204,723	13,548,019	3,084,032
Current assets	2,317,868	1,065,655	1,982,408	823,036	2,520,573	571,364
Non-current liabilities	(923,641)	(55,749)	(1,174,067)	(506,563)	(5,631,519)	(347,184)
Current liabilities	(4,364,906)	(2,519,006)	(3,579,409)	(1,432,770)	(6,331,640)	(1,428,648)
Net assets	5,599,710	10,648,431	2,283,699	1,088,426	4,105,433	1,879,564
Carrying amount of NCI	2,012,584	839,594	584,584	173,207	1,635,633	845,804
Revenue	6,297,970	2,145,940	4,623,388	2,288,286	7,394,834	2,231,254
Profit/(loss)	1,031,438	(726,424)	227,864	299,458	(563,694)	329,004
Profit/(loss) allocated to NCI	370,707	(57,276)	58,329	47,654	(171,435)	148,052

38 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* 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) *NMTC* is a provider of mobile telecommunication services in Kuwait and elsewhere in the Middle East and North African (MENA) region;
4) *Indosat Ooredoo* is a provider of telecommunication services such as cellular services, fixed telecommunications, multimedia, data communication and internet services in Indonesia;
5) *Ooredoo Oman* 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 2015

38 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 2015 and 2014:

Year ended 31 December 2015

	Ooredoo Qatar QR'000	Asiacell QR'000	NMTC QR'000	Indosat Ooredoo QR'000	Ooredoo Oman QR'000	Others QR'000	Adjustments and eliminations QR'000		Total QR'000
Revenue									
Third party	7,472,374	4,875,349	8,407,546	7,249,710	2,466,757	1,689,119	–		32,160,855
Inter-segment	425,007	9,115	284,445	24,314	8,644	166,327	(917,852)		–
Total revenue	7,897,381	4,884,464	8,691,991	7,274,024	2,475,401	1,855,446	(917,852)		32,160,855
Results									
Segment profit/(loss) before tax	2,409,885	572,681	1,022,308	(483,621)	531,591	(644,563)	(783,332)		2,624,949
Depreciation and amortisation	783,624	1,412,311	1,717,680	2,499,039	542,532	539,077	451,097		7,945,360
Net finance costs	1,010,380	51,398	148,379	785,273	23,423	(2,055)	–		2,016,798

Year ended 31 December 2014

	Ooredoo Qatar QR'000	Asiacell QR'000	NMTC QR'000	Indosat Ooredoo QR'000	Ooredoo Oman QR'000	Others QR'000	Adjustments and eliminations QR'000		Total QR'000
Revenue									
Third party	7,087,048	6,288,658	9,504,045	7,367,737	2,223,043	736,678	–		33,207,209
Inter-segment	60,994	9,312	74,163	27,097	8,211	112,373	(292,150)	(i)	–
Total revenue	7,148,042	6,297,970	9,578,208	7,394,834	2,231,254	849,051	(292,150)		33,207,209
Results									
Segment profit/(loss) before tax	2,061,281	1,553,533	1,139,112	(588,516)	443,787	(1,059,498)	(469,241)	(ii)	3,080,458
Depreciation and amortisation	748,597	1,205,656	1,838,548	2,651,605	471,678	240,984	469,241	(iii)	7,626,309
Net finance costs	1,111,876	41,157	98,400	764,600	22,879	(7,068)	–		2,031,844

i) Inter-segment revenues are eliminated on consolidation.

ii) Segment profit before tax does not include the following:

	2015 QR'000	2014 QR'000
Amortisation of intangibles	(451,097)	(469,241)
Impairment of goodwill	(332,235)	–
	(783,332)	(469,241)

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 2015 and 2014.

	Ooredoo Qatar QR'000	Asiacell QR'000	NMTC QR'000	Indosat Ooredoo QR'000	Ooredoo Oman QR'000	Others QR'000	Adjustments and eliminations QR'000	Total QR'000
Segment assets (i)								
At 31 December 2015	**21,075,725**	**10,661,121**	**22,842,380**	**15,898,290**	**3,882,774**	**10,331,356**	**9,460,419**	**94,152,065**
At 31 December 2014	20,630,223	10,726,691	25,468,737	17,280,107	3,644,133	9,713,764	10,535,692	97,999,347
Capital expenditure (ii)								
At 31 December 2015	**982,346**	**1,415,328**	**1,726,961**	**2,643,371**	**731,565**	**1,355,498**	**–**	**8,855,069**
At 31 December 2014	1,317,041	2,295,887	2,129,621	2,063,552	803,175	4,805,896	–	13,415,172

i) Goodwill amounting to QR 9,460,419 thousand (31 December 2014: QR 10,535,692 thousand) was not considered as part of segment assets.

ii) Capital expenditure consists of additions to property, plant and equipment and intangibles excluding goodwill and assets from business combinations.

39 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 35,169 thousand (2014: QR 47,822 thousand) representing 2.5% of the net profit generated from Qatar Operations.

40 DISCONTINUED OPERATION

On 31 January 2014, the Group completed the legal formalities relating to the disposal of one of its subsidiaries, PTC to Saudi Telecom at a net settlement of QR 77,881 thousand. The net assets of the subsidiary at the date of disposal was QR 55,553 thousand and a gain of QR 46,438 thousand was recognised on this disposal. As a result of this disposal, the Group no longer controls the subsidiary and ceases to consolidate its results and net assets after 31 January 2014.

41 COMPARATIVE INFORMATION

Corresponding figures for 2014 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.

42 EVENTS AFTER THE REPORTING DATE

There are no material events subsequent to the reporting date, which have a bearing on the understanding of these consolidated financial statements.