ooredoo

Annual Report 2016

Delivering a leading data experience

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

Experience is everything

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

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Securing market leadership

To achieve our goal of sustaining data experience leadership, we have invested in building world-class networks, offering 4G services in eight markets by the end of 2016. We have also launched 4G+ services in a number of key markets, and are already testing 5G solutions to ensure Ooredoo's leadership in this area.

Dear Shareholders,
In every operation, we have set our teams a clear target – to achieve and sustain data experience leadership.

In 2016, we pursued this goal with renewed energy and purpose. Supported by a refined strategy and operating model, we have delivered a strong set of results that demonstrate the progress we are making, and the exciting future that lies ahead.

To achieve our goal of sustaining data experience leadership, we have invested in building world-class networks, offering 4G services in eight of Ooredoo's 10 markets by the end of 2016. We have also launched 4G+ services in a number of key markets, and are already testing 5G solutions to ensure Ooredoo's leadership in this area.

Ooredoo has continued to deliver strong data revenue growth from both consumer and enterprise customers. Data Revenue increased to 40% of Group Revenues in 2016, a new record for the company and an important sign that our strategy is delivering real and sustainable returns for our stakeholders.

We have also continued to streamline our operations and our portfolio and focus on revenue growth. We have achieved significant savings across the Group through centralised purchasing and infrastructure sharing in 2016. In addition, we have successfully optimised our portfolio, divesting non-core WiMAX operations in the Philippines and Pakistan.

Throughout the year, we have encouraged every operation to set high targets and demand excellence from our employees, our partners and our suppliers. As you will see in this year's Annual Report, the results of their efforts have been impressive.

A YEAR OF GROWTH AND DEVELOPMENT

Ooredoo delivered positive results at the close of 2016. We have seen positive growth in customer numbers, adding 22 million new customers to reach a total of 138 million customers by year-end, representing year-on-year growth of 19% compared with 2015.

Group revenue for 2016 increased by 1% to QAR 32,503 million (FY 2015: QAR 32,161 million), supported by positive revenue growth in local currency terms.

Excluding Foreign Exchange translation impact, 2016 Group revenue would have grown by 2% year-on-year, compared to the reported 1%.

Group EBITDA increased by 3% at QAR 13,379 million (FY 2015: QAR 13,018 million) with EBITDA margin increasing to 41% (FY 2015: 40%).

Net profit attributable to Ooredoo shareholders for 2016 was QAR 2,193 million (FY 2015: QAR 2,118 million).

DELIVERING ON THE PROMISE OF DATA EXPERIENCE LEADERSHIP

Our strategy emphasises the importance of data experience leadership and we believe that we will be able to develop new revenue streams in B2B, fixed, and digital as a result of this market leadership.

To support this, we completed network modernisation programmes across all ten of our operations in 2016, and continued to expand our networks to accommodate exponential growth in demand for data. We launched 4G LTE in Myanmar, Indonesia, the Maldives, and Tunisia, and began to roll-out 4G LTE in Algeria. We also launched 4G+ in Oman, Kuwait, and Qatar, and began to roll-out 4G+ in Indonesia and Tunisia.

There have also been parallel investments in fixed network services. Ooredoo now has fixed networks in six operations and we have upgraded our global internet capacity and increased the number of destinations reached with four new undersea cables landing during the year.

To help transform our network architecture to support next-generation infrastructure, we introduced our UNIFY strategy across all operations in 2016, and saw significant benefits. We have implemented leading-edge NFV technology, which helped to reduce the challenges created by legacy systems.

ENHANCING THE DATA EXPERIENCE FOR CONSUMERS AND BUSINESSES

In addition to our work in building modern and smart networks, Ooredoo is also enhancing the data experience in other key areas. We are partnering with world-class companies to offer our customers innovative content and mobile apps to enrich their digital experience, and are progressively digitising customer interactions to offer a range of self-service and self-care options.

One area that has seen particular progress in 2016 is the field of business services. Ooredoo is increasingly positioned as a pan-regional leader in the provision of business-to-business (B2B) and ICT services. As a reflection of this success, Group B2B revenue increased to 17% of Group Revenue or QAR 5.5 billion by the end of 2016.

New customers

22m

Year-on-year +19%

Group revenue (QAR)

32,503m

Year-on-year +1%

Group EBITDA (QAR)

13,379m

Year-on-year +3%

Net profit (QAR)

2,193m

Year-on-year +4%

Chairman's Message

Ooredoo is emerging as a leader in cloud and data centre services, offering a range of cloud-based security, storage, hosting and managed services. During 2016, we celebrated the tenth year of operations of our Qatar Data Centre, which has evolved into the largest and most advanced facility of its kind in the region, reflecting our robust experience in this area.

Uniting these diverse elements is our clear, consistent and engaging brand. Ooredoo's brand value has consistently increased since we began to roll-out the Ooredoo brand in February 2013. In 2016, our brand had an estimated value of QR 7,647 million, according to the "Brand Finance Middle East 50".

SUSTAINING OUR SUCCESS

To ensure that we were positioned to deliver the optimum results for our stakeholders, we made a number of substantial changes to the way we operate in 2016.

We brought in a new executive management team at Group level, recruiting senior executives with strong track records and in-depth experience to take on key roles for our business. We optimised the headcount within our headquarters, reducing the total number of employees by 50% and streamlining our teams to provide more focus where the business needs it most. This programme has delivered some QR 146 million in savings directly to the bottom-line.

We have brought in new CEOs in four out of 10 Ooredoo operations, and have ensured that senior Ooredoo executives are represented on all OpCo boards, to sustain strong governance.

We also took steps to optimise our portfolio, divesting non-core WiMAX operations, such as wi-tribe Pakistan, so that we can focus our efforts on our key business areas. We remain committed to our core operations where we have management control, and continue to strengthen these businesses through in-market initiatives, such as Ooredoo Kuwait's acquisition of FASTtelco, announced in May 2016.

All of these strategic initiatives were supported by our prudent financial strategy, to ensure that we have solid foundations on which to build our business.

We signed a new US$ 1 billion, six-year Revolving Credit Facility Agreement (RCF) in June 2016, to be used for general corporate purposes, and successfully closed a US$ 500 million bond issue in the same month.

In February 2016, Ooredoo Myanmar secured US$ 300 million in loans to expand its network. Our Ooredoo Maldives operation announced plans for an IPO on the Maldives Stock Exchange in October 2016, to enable investors in the Maldives and around the world to participate in its success as it moves to the next phase of data-driven growth.

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 35% of the nominal share value (QR 3.5).

THE BOARD AND GOVERNANCE

The expertise and contribution of our Board played an important role in Ooredoo's achievement of data experience leadership in 2016. I thank every Board member for his engagement in our success, which helped us to achieve our goals in a year that witnessed many challenges.

I close by taking this opportunity to offer our sincere appreciation and gratitude on behalf of the whole Ooredoo family to His Highness Sheikh Tamim Bin Hamad Al Thani, the Emir of the State of Qatar, for his guidance and support. I also extend my thanks to the Government and the people of Qatar for their on-going support for our efforts inside and outside of our nation.

We also extend our thanks to our shareholders and customers for their trust and investment in our company's growth and development, which has been a major success factor for Ooredoo.

As a Qatari company, we will continue to strive with all our efforts to contribute to Qatar's drive to make everybody's goals and ambitions come true under its wise leadership.

Abdulla Bin Mohammed Bin Saud Al Thani
Chairman
22 February 2017

Ooredoo is emerging as a leader in cloud and data centre services, offering a range of cloud-based security, storage, hosting and managed services.

Group CEO's Message

Leading across our markets

As a company, Ooredoo has been ahead of the curve in evolving our offering to meet this generational change in demand. We have proven successful in building the right networks to deliver the best experience, and in monetising data services, so that we can deliver continued positive growth from consumer and enterprise segments.

Dear Shareholders,
Ooredoo made a number of important decisions in 2016 that will help consolidate our position as a market leader.

We became one of the fastest-growing operators in our industry over the past decade, growing through ambitious acquisitions and rolling-out the Ooredoo brand in the majority of our markets in the Middle East, North Africa and Southeast Asia. We reached the stage where it was necessary to consolidate our position and focus on delivering strong, sustainable returns to our stakeholders. To achieve this, we prioritised three key elements: operational speed, execution excellence, and robust performance management.

In this letter, I will outline the steps we have taken so far to deliver in these three areas, as well as our plans to sustain our leadership in 2017 and into the future.

BECOMING THE DATA EXPERIENCE LEADER

For a long time, it has been apparent that our industry is becoming increasingly centred around data and digital services. For consumers, the mobile device is increasingly the portal to an entire digital lifestyle of apps, social media sites and internet experiences. In the business space, more and more companies are looking to make their operations digital.

As a company, Ooredoo has been ahead of the curve in evolving our offering to meet this generational change in demand. We have proven successful in building the right networks to deliver the best experience, and in monetising data services, so that we can deliver continued positive growth from consumer and enterprise segments.

Our network modernisation programme has delivered positive returns, bringing 4G and 4G+ services to our customers, extending fibre services and building video-grade smart networks. Network modernisation has been supported by an increased portfolio of great content and mobile apps that enhance the digital experience.

We are also working to digitise our customer interactions, creating more opportunities for self-care and self-service, in order to enable more people to enjoy the internet.

WORKING ACROSS THE GROUP TO DELIVER RESULTS

Ooredoo has continued to refine its policies and operations to stay ahead of the curve. We have seen success in 2016 through our LEAD strategy, which drives Ooredoo's operations to grow revenue faster than their markets and develop revenue streams in B2B, fixed, and digital.

Throughout the year, we have worked to enhance our performance culture, empowering teams to pursue excellence within their own markets. We have introduced monthly performance reviews for all managers, in addition to a range of measures to enhance management accountability, and ensured we have the right people and right skill-sets at all levels of our operations.

One of the benefits of the changes in our corporate culture has been a more open, collaborative approach between our operations. Our centres of excellence have provided guidance and expertise in key product areas. As a reflection of the impact of this approach, Ooredoo's operations collaborated on an original advertising campaign for the Holy Month of Ramadan for the first time this year, starring people from Qatar, Kuwait and Oman.

In addition, we have introduced a number of models to improve our profitability through improved efficiencies of scale. We deployed strategic sourcing to reduce operational costs across our business, creating Group-led tenders and using the aggregate demand of our operations to negotiate better terms to ensure that all our operations are achieving real savings. This has delivered savings of more than 30% in capital expenses.

LIVING UP TO OUR CORPORATE SOCIAL RESPONSIBILITIES

Our teams remained very active in their local communities, deploying the power of our networks to give people access to the services and support that they need.

Ooredoo has supported a number of initiatives to help our communities. We have pledged to support the UN's Sustainable Development Goals (Global Goals), which aim to eradicate poverty and improve the lives of people, with a particular focus on good health, gender equality and innovation.

At a Group level, we launched "Together We Simply Do Wonders". The campaign brought international attention to Ooredoo's CSR initiatives, including its work on the Mobile Health Clinic programme, which provides healthcare services for remote areas in Indonesia, Myanmar, Algeria, and Tunisia, as well as CSR activities in areas including empowering women, helping refugees and educating youth.

At a national and regional level, Ooredoo companies deployed mobile solutions to support a range of charity initiatives and executed a diverse range of CSR initiatives across our footprint during the Holy Month of Ramadan.

These initiatives share a common theme – the power of digital technology to improve people's lives – and we aim to build on their success in 2017.

LOOKING AHEAD

We believe that we are well-placed to leverage our position as a data experience leader and deliver positive returns for our stakeholders.

Building on our world-class networks, we are ideally-positioned to go beyond mobile and digital services, and offer an expanded range of fixed, convergence, business-to-business and Internet of Things solutions.

We see attractive growth opportunities in the business sector. Across our footprint, there is a growing universe of enterprises requiring digital services, and Ooredoo is a trusted provider that can support their cloud, convergence and connectivity needs. Our enhanced networks will enable us to manage the disruptive demand for bandwidth that the Internet of Things will necessitate, while our improved internal resources mean that we will be able to offer the expertise to execute these innovative solutions.

We also see scope to continue to realise more value by leveraging the full benefits of our Group organisations. Performance management measures introduced in 2016 will deliver results in 2017. We will enhance these returns by refining and enhancing the Ooredoo brand, making it easier for local operations to deploy in their markets, and realising savings in costs throughout the group operations through a common brand identity.

Moving forward, we will continue to focus on our core mission – to make the internet accessible and enjoyable for everyone. With robust demand predicted in all our markets – from Myanmar to the Maldives, and Algeria to Qatar – we see a bright and positive future for Ooredoo.

Saud Bin Nasser Al Thani
Group CEO
22 February 2017

"Our network modernisation programme has delivered positive returns, bringing 4G and 4G+ services to our customers, extending fibre services and building video-grade smart networks. Network modernisation has been supported by an increased portfolio of great content and mobile apps that enhance the digital experience. "

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 been serving 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, a member of the Supreme Committee for Delivery & Legacy, Chairman of Qatar National Bank, and Chairman of Qatar Airways. H.E. Ali Shareef Al Emadi brings significant experience and knowledge in the fields of finance and banking to Ooredoo, thanks to his 25+ years of experience in the field.

H.E. Mohammed Bin Eissa Al Mohannadi
Member

His Excellency 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. His Excellency Mohammed Bin Eissa 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. His Excellency previously held the positions of Undersecretary of the Ministry of Public Health and Managing Director of Hamad Medical Corporation, and brings significant experience in business and finance to the Ooredoo Board.

Dr. Nasser Marafih
Member

Dr. Nasser Marafih, who joined the Board in 2015, is 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. Dr. Nasser 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 an unmatched understanding of the communications sector.

Nasser Rashid Al-Humaidi
Member

Mr. Nasser Rashid Al-Humaidi, who joined the Board in 2011, is Group Chief Operating Officer for Barwa Bank Group. Prior to his current positions, he undertook a range of administration, business and information technology roles in multi-industry sectors including utilities, telecom, oil & gas, real estate and banking; 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 the Assistant to the Undersecretary of Public Budget Affairs at 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. Mr. Khalifa Matar Almheiri brings significant experience in business and technology to the Board.

Mohamed Ahmed Al Qamzi
Member

Mr. Mohamed Ahmed Al Qamzi joined the Board in 2015 and is the 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 financial background to the Board.

Ibrahim Abdullah Al Mahmoud
Member

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

Operational and Financial Highlights

Building on strong foundations

Ooredoo produced positive results in 2016, delivering healthy profitability levels and good value for its shareholders.

The company successfully implemented its digital strategy and delivered world-class infrastructure and innovative products throughout the year, increasing its customer base by 19% to reach a total of more than 138 million by year-end 2016. Ooredoo's underlying financial and operational performance remained solid in its primary markets.

A recognised data experience leader, Ooredoo provides 4G networks in eight of its operations and is playing a crucial role in providing the necessary connectivity to drive economic and social development across its footprint.

Data leadership
In 2016, data revenues set a new record for the company, increasing to

40%

of Group Revenues

Revenue

Amount in QR millions

32,503

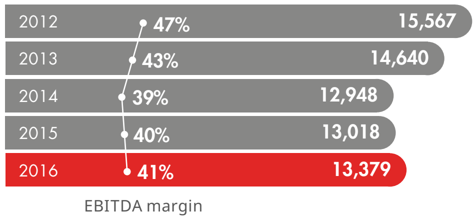
+1%

EBITDA

Amount in QR millions

13,379

+3%

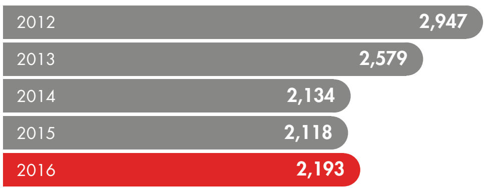


Net profit attributable to Ooredoo Shareholders

Amount in QR millions

2,193

+4%

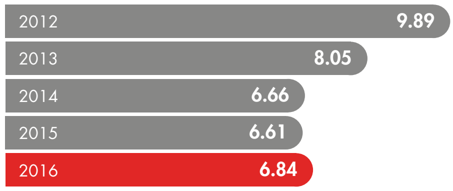


Earnings per share

Amount in QR (Note A)

6.84

+4%



Cash dividend per share

Amount in QR (Note B)

3.50

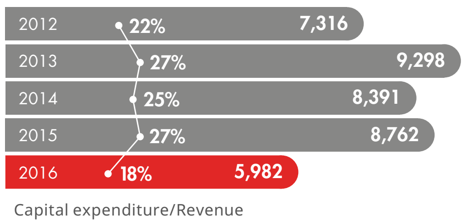
+17%

Capital expenditure

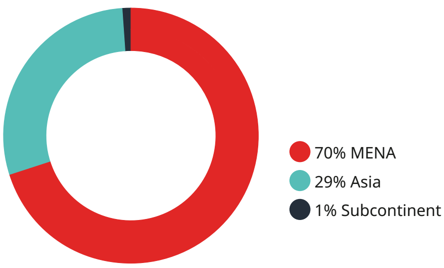
Amount in QR millions (Note C)

5,982

-32%



External revenue by region



Note A Earnings per share have been adjusted as a result of the issuance of bonus shares in 2012 and right issue in 2012.
Note B 2016 represents proposed dividend.
Note C Capital expenditure does not include licence costs.

Our Reach

Communicating globally

Ooredoo is a global communications company headquartered in Qatar, with a consolidated customer base of more than 138 million as of 31 December 2016. It operates networks in the Middle East, North Africa and Southeast Asia and Subcontinent.

Revenue
Amount in USD billions

8.9bn

Customers

138m+

MIDDLE EAST
Ooredoo's operations in the Middle East include Ooredoo Qatar, Ooredoo Kuwait, Asiacell (Iraq) and Wataniya Palestine. Ooredoo built its data experience leadership in 2016 by enhancing 4G and 4G+ services across the region, acquiring ISP FASTtelco in Kuwait and testing 5G solutions in Qatar.

Middle East Customers
millions

21.6m

NORTH AFRICA
Ooredoo's operations in North Africa include Ooredoo Algeria and Ooredoo Tunisia. Both markets saw good growth in mobile data revenue in 2016, with the launch of 4G services in both markets.

North Africa Customers
millions

21.7m

SOUTHEAST ASIA AND SUBCONTINENT
Ooredoo's operations in Southeast Asia include Indosat Ooredoo in Indonesia, Ooredoo Maldives and Ooredoo Myanmar. Ooredoo is enhancing its networks to offer 4G services across this region.

Southeast Asia and Subcontinent Customers
millions

95.1m

	1	2	3	4	5	6	7	8	9	10
Ooredoo effective stake (%)	100	65.0	92.1	55.0	64.1	74.4	84.1	100	44.6	92.1
Country population (m)	2.6	259.0	4.4	4.5	38.3	41.0	11.2	54.5	4.9	0.4
Mobile penetration (%)	176	139	174	151	78	99	128	90	82	197
Market share (%)	68	29	30	42	38	34	42	18	32	48

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

Our Strategy

Building data experience leadership

Ooredoo recognises that its industry is changing, and it is prepared to face the challenges and seize the opportunities this change is creating. Its vision and the effectiveness of its performance have made Ooredoo a telecommunications industry leader in terms of size, pace of growth and results.

As Ooredoo continues to grow, its ambition remains to be a leading international communications company, and it intends to achieve this mission by continuing to develop pioneering revenue models for mobility services, broadband solutions, digital futures and fibre technologies.

Ooredoo has made very successful acquisitions in the past ten years and has successfully rolled-out the Ooredoo brand in the majority of its markets. It is time to consolidate Ooredoo's position by focusing on operational speed, execution excellence and robust performance management.

STRATEGIC PRIORITIES

The LEAD strategy is an evolution of Ooredoo's long-term strategic approach, which provides the right ambition for its operating companies. It also allows for localisation for each OpCo:

Market Leader

Ooredoo want its OpCos to grow revenue faster than their markets by becoming "data experience leaders" and by developing new revenue streams in B2B, fixed, and digital. It believes it will achieve data experience leadership in its markets through key coordinated levers, which include a clear and consistent brand, video-grade smart networks, great content and mobile apps to enhance the digital experience, digital services, data driven offers, and the digitisation of customer interactions.

Performance Culture

Ooredoo wants the best talent to take its business to the next level: empowered teams driven by excellence and focused on business results.

Efficient Models

Ooredoo intends to improve its profitability and margins through improved scale efficiencies, tighter cost control, group support to reduce managed services costs, and enhanced management accountability. It also plans to manage CapEx better through greater prioritisation of investments, centralised Group purchasing, and CapEx spend linkage to revenue growth.

Growth > Market ⟵ Results ⟶ ROCE > WACC

Value Creation (Free Cash Flow + ROCE)

The LEAD strategy, and the focus it brings, ensure that the organisation is aligned around creating competitive and sustainable operations while maximising its shareholder value.

Regarding Ooredoo's Portfolio strategy, the company recently moved from an acquisition and diversification focus to optimising and delivering its portfolio for cash and risk reduction. Ooredoo remains fully committed to its 10 operations where it has management control, and the company will continue to look at how it can strengthen these businesses through in-market developments.

Awards and Industry Recognition in 2016

A winning network

Ooredoo has received a string of impressive commendations in 2016, winning more awards than ever, with 63 awards won across the Group, exceeding its previous year's record of 55 awards.

The increasing number of awards won across the company recognises the hard work and clear vision that Ooredoo has delivered over the past few years, its support for the communities using its services, and the company's innovation in a host of fields, including network development, digital lifestyle, marketing and customer service.

Here are some of the highlights:

Qatar Stock Exchange Investor Relations Awards
Ooredoo Qatar: Best Investor Relations Website
Ooredoo Qatar: Best Investor Relations Officer

MENA Digital Awards 2016
Ooredoo Group: Best Use of Mobile – Fans Do Wonders Campaign

Internationalist Awards 2016
Ooredoo Group: Innovation in Media – Fans Do Wonders Campaign

TV Connect 2016 Awards
Ooredoo Qatar: Best 4K TV Service Award

GTB Innovation Awards 2016
Ooredoo Myanmar: Consumer Service Innovation – Bindez-Tha-Din app
Indosat Ooredoo: Best Service Innovation – eMagic
Ooredoo Qatar: Wireless Network Infrastructure Innovation/ Big Data Analytics
Ooredoo Qatar: Consumer Service Innovation – Ooredoo Mobile Money
Ooredoo Group and Huawei: Infrastructure Innovation

Asia Pacific Stevie Awards
Ooredoo Myanmar: Award for innovation in General Information Apps
Ooredoo Group: Award for Innovation in the Use of Celebrities or Public Figures
Ooredoo Myanmar: Award for Innovation in Consumer Products & Services
Indosat Ooredoo: Excellence in Innovation in Technology Industries
Indosat Ooredoo: Award for Innovation in Entertainment Apps
Ooredoo Myanmar: Award for Innovation in Customer Service Management, Planning & Practice > Telecommunications Industries

Oman Tech Awards
Ooredoo Oman: Best Corporate Website
Ooredoo Oman: Best ICT and Telecommunication App
Ooredoo Oman: Best ICT and Telecommunication Website

Contact Centre World Asia Pacific Award
Ooredoo Myanmar: Best in Customer Service

2016 Qatar IT Business Awards
Ooredoo Qatar: Best Mobile Application of the Year

Forbes Middle East
Ooredoo Group: Top Companies in the Arab World 2016

Contact Center World Awards 2016
Ooredoo Kuwait: Best Contact Centre Director in EMEA

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

Telecoms World Middle East Awards
Ooredoo Qatar: Best Operator Network

Middle East Investor Relations Awards
Ooredoo Qatar: Leading Corporate for Investor Relations
Ooredoo Qatar: Best Investor Relations Professional

International Business Awards (Stevie's)
Ooredoo was awarded 21 International Business Awards, including:
Ooredoo Group: Best Website
Ooredoo Group: Corporate Social Responsibility Programme of the Year
Ooredoo Qatar: The People's Choice Award
Ooredoo Myanmar: Best Application
Indosat Ooredoo: Start-up of the Year
Ooredoo Algeria: Best App – Education & Reference – Azul
Ooredoo Tunisia: Best App – Experimental & Innovation – 3jeja

EMEA Finance Project Awards
Ooredoo Group: Best Telecoms Deal
Ooredoo Group: Best Social Development Deal

CommsMEA Awards
Ooredoo Qatar – IPTV Service of the Year
Ooredoo Qatar – Network Optimisation Award
Ooredoo Oman – Telecoms Technology Investment of the Year
Asiacell – CSR Campaign of the Year

2016 Arab Best Award
Ooredoo Group: Best Executive Team Award for the Telecom Sector

Key Moments

Highlights of the year

Jan

Ooredoo Algeria and Algeria Red Crescent launches new Mobile Health Clinic
Ooredoo Algeria unveiled a new mobile clinic in January, to provide healthcare services for the people of the Tamanrasset Province in southern Algeria. Managed by the Algerian Red Crescent, the Mobile Health Clinic brings healthcare support directly to remote areas, cutting down on travel time and treatment delays. It also supports healthcare education across the province for children and young people, providing information on primary health issues.

Asiacell offers Mobile Money services with AsiaHawala

In January, Asiacell announced the launch of AsiaHawala, the first mobile money service to launch in Iraq and one that is fully-licensed by the country's central bank. Available at 1,600 locations across the country at launch, the service provides a range of options, including money transfer, bill payments and airtime top-up.

Feb

Ooredoo Myanmar secures a US$ 300 million loans

In February, Ooredoo Myanmar secured US$ 300 million in loans from the Asian Development Bank and International Finance Corporation to expand its network.

Ooredoo Qatar premiers new 4K entertainment service with Ooredoo tv

In Qatar, Ooredoo launched the new Ooredoo tv service, offering customers an evolution in home entertainment services that combines apps, on-demand and live television in one easy-to-use box. Deploying cutting-edge fibre and Wi-Fi technology, the service delivers an incredible range of channels and 4K TV viewing quality, and has rapidly become one of the most popular digital entertainment services in Qatar.

Ooredoo launches Mobile Money service in the Maldives

Ooredoo Maldives launched Mobile Money services to enable customers to manage transactions through their mobile. Partnering with Maldives Islamic Bank and the Maldives Monetary Authority, Ooredoo delivered the highest levels of reliability and security for customers in this innovative service launch.

Ooredoo supports launch of World Economic Forum's Industry Gender Gap report

Ooredoo Group became a Strategic Partner Associate of the World Economic Forum and a partner of the Global Challenge Initiative on Gender Parity in February, supporting the launch of a new study by the World Economic Forum. In alignment with the UN Sustainable Development Goals, Ooredoo continued to tackle the barriers to gender inequality in the workplace throughout the year.

Mar

Ooredoo launches new advertising campaign, "Together We Simply Do Wonders"

Following on from the remarkable success of Ooredoo's "Simply Do Wonders" advert, Ooredoo Group launched "Together We Simply Do Wonders" in March as a sequel to the award-winning campaign. More than 780,000 users visited the dedicated gaming microsite that supported the campaign, raising international attention for Ooredoo's CSR initiatives.

Ooredoo Oman signs agreement with ITA for next generation high speed network

Ooredoo Oman signed an agreement with the Information Technology Authority (ITA) in March to build and operate the Omani government's Next Generation High Speed Network (NGN). The new NGN gigabit speed and high capacity bandwidth will deliver better public services by integrating and connecting more than 60 ministries on one fast, reliable and secure platform, enabling greater efficiency and data-sharing.

Ooredoo continued to diversify its offering and enhance its network services in 2016, pushing to build data experience leadership across all its operations. Here are some of the highlights from a challenging and rewarding year.

Apr

Ooredoo Tunisia launches 4G

Ooredoo Tunisia offers 4G Services
Ooredoo Tunisia successfully launched 4G services in April, delivering a better, faster mobile experience for customers. To support the launch, Ooredoo Tunisia also released new bundles for customers that included data allowance, free call minutes, video-on-demand services with Starz Play and MyCloud online storage services.

May

Ooredoo reaches top ten of region's most valuable brands
Ooredoo was ranked in the top ten most valuable brands in the MENA region for the first time in May, according to the "Brand Finance Middle East 50" report, created by consultancy Brand Finance. According to the report, Ooredoo's brand value has consistently increased since the 2013 launch, with a 169% increase in its estimated brand value, which the report calculates at QR 7,647 million in 2016.

Ooredoo Kuwait announces intent to acquire ISP FASTtelco
Ooredoo Kuwait entered into an agreement to acquire internet service provider FASTtelco's shares for a total consideration of KD 11 million in March. The agreement was an important step for digital experience leadership in Kuwait, and will enable customers to benefit from new products and services, as well as from increased service delivery due to improved infrastructure.

Jun

Ooredoo Group, Qatar, Kuwait and Oman celebrate unity with short film for Ramadan
For the first time, Ooredoo's operations worked together to create an original advert for the Holy Month of Ramadan. The film, which celebrated the spirit of togetherness and connection, featured inspirational people from Qatar, Kuwait and Oman.

Ooredoo signs revolving credit facility agreement and closes bond issue
In June, Ooredoo signed a new US$ 1 billion six-year Revolving Credit Facility Agreement (RCF), to be used for general corporate purposes, and successfully closed a US$ 500 million bond issue, as part of its prudent debt management strategy. The company's long-term debt profile improved accordingly.

Highlights of the year continued

Ooredoo supports Olympic sportsmanship across its footprint
Ooredoo provided support for national teams from across its footprint for the 2016 Olympic Games in Brazil. Several of Ooredoo's operations worked directly with some of the athletes taking part and Ooredoo Qatar became a National Sponsor of the Qatar Olympic Committee.

Ooredoo rolls out Algeria's first 4G Network
Ooredoo successfully completed the pre-launch phase for 4G mobile in Algeria in July, becoming the first operator in the country to provide the superfast internet service. With the launch in Algeria, Ooredoo reached a total of eight markets providing 4G services in the Middle East, North Africa and Southeast Asia.

Jul

Aug

Sep

Ooredoo Algeria rolls out

4G

Wataniya Palestine receives approval to launch in Gaza and roll out 3G in the West Bank
In September 2016, Wataniya received official approvals to launch telecommunication services in Gaza and to roll out a 3G network in the West Bank. The company has made significant progress in the run-up to both launches, acquiring sites, signing a backbone transmission leasing agreement, and installing network infrastructure.

Ooredoo Qatar named as

world's fastest fibre operator

Oct

Ooredoo prepares for an IPO on the Maldives Stock Exchange

Ooredoo Maldives announced plans for an IPO on the Maldives Stock Exchange in October. The company plans to offer its equity through an Initial Public Offering (IPO) under the terms of its licence obligations and the IPO will be opened to the general public of the Maldives and international investors, as well as local institutional and international institutional investors.

Ooredoo delivers progress through global projects

A year after pledging its commitment to the United Nations Sustainable Development Goals, Ooredoo provided an update on its progress on key community projects. Successful ongoing projects include MayMay, Myanmar's first mobile app for maternal and child health, and initiatives to bring more women online in markets, including Iraq and Indonesia.

Nov

Ooredoo Qatar named as world's fastest fibre operator

Qatar's nationwide fibre network, built primarily upon Ooredoo's Supernet infrastructure, was named as number one in the world for roll-out speed and customer take-up, according to a report from global consulting group Arthur D. Little released in November. The report said that Qatar is now one of the world's leading fibre nations, with 99% of households in areas covered by Ooredoo Fibre.

Ooredoo implements next generation charging and billing solution

Ooredoo announced the implementation of an innovative revenue management system in October, as part of its efforts to increase efficiencies across the Group. By deploying the next generation charging and billing solution, Ooredoo will be able to offer customers the products they need more quickly and tailor pricing, packages and services according to demand in each market.

Dec

Ooredoo inaugurates new nationwide submarine cable in the Maldives

Ooredoo inaugurated its Nationwide Submarine Cable in December, providing an important boost to its wider "Digital Maldives" strategy. The fibre upgrade will enable Ooredoo to provide 4G+ connectivity across the Maldives, paving the way to greater digital inclusion and socio-economic opportunities.

Ooredoo Qatar celebrates ten years of Qatar Data Centre

Ooredoo marked ten years of Qatar Data Centre operations at the end of 2016, with a major campaign highlighting its contribution to the development of Qatar's knowledge-based economy. The Qatar Data Centre was the first facility in Qatar to offer businesses a full suite of enterprise services and has evolved into one of the most important technology assets in the country.

Our Businesses

Revenue (QAR)

32,503m

Group revenue for 2016 increased by 1% to QAR 32,503 million (FY 2015: QAR 32,161 million), supported by positive revenue growth in local currency terms.

Delivering a strong performance

Our Businesses

Ooredoo Qatar

Ooredoo is making the quantum leap from being the leading operator in Qatar to being the premier ICT company in the country and ultimately the region. We have invested in the network, the human resources and the digital infrastructure to deliver an incredible range of services for consumers and for businesses. 2017 will see us enable more people to truly enjoy the Internet and fulfil their digital potential.

Waleed Al-Sayed
CEO, Ooredoo Qatar

Operator importance to Group

Customers	Revenue	EBITDA	Capex
3%	25%	31%	16%

Financial performance

	2012	2013	2014	2015	2016
Revenue QR millions	6,220	6,590	7,148	7,897	8,007
EBITDA QR millions	3,249	3,273	3,448	3,995	4,050
EBITDA margin	52%	50%	48%	51%	51%
Blended ARPU* QR	148.7	133.0	128.1	118.5	120.9
Employees	1,841	1,715	1,614	1,554	1,530

* Blended ARPU is for the three months ended 31 December.

"Ooredoo continued to deliver exceptional results in Qatar in 2016. The company showed real data experience leadership by enhancing its network and its portfolio of digital services; and enhanced the range of smart solutions available for consumers and businesses."

Ooredoo is Qatar's leading communications company and the flagship operator of the Ooredoo Group (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.

ACHIEVEMENTS

Ooredoo continued to deliver exceptional results in Qatar in 2016. The company showed data experience leadership by enhancing its network and its portfolio of digital services; and enhanced the range of smart solutions available for consumers and businesses.

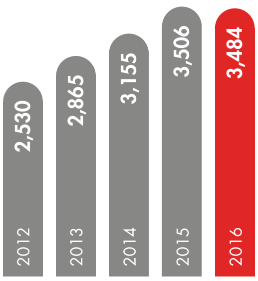
Throughout the year, Ooredoo continued to drive network improvements and enhancements, upgrading its Supernet for both fixed and mobile networks. This investment included new towers, enhanced coverage and major speed upgrades across Qatar.

As part of this process, Ooredoo upgraded its 4G+ service to offer speeds of up to 325 Mbps. It also launched a 1Gbps Fibre plan, offering the fastest fibre service in Qatar. Qatar now enjoys one of the highest levels of fibre connectivity in the world, with 99% of households covered by Ooredoo Fibre and 71% of households connected to fibre.

The company also continued to future-proof its network services, successfully testing 10Gbps fibre services at the end of 2016, as well as completing one of the first-ever 5G mobile trials in the region. Ooredoo completed successful commercial trials of Voice over LTE services, becoming one of the first operators in the world to do so.

Total customers (thousands)

3,484



4G+

Upgraded 4G+ service to offer speeds of up to 325 Mbps

OWNERSHIP

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

Ooredoo Qatar continued

In addition to demonstrating the power and capacity of the Ooredoo Supernet, the company showcased a number of practical applications to support the "Internet of Things". Ooredoo demonstrated the advanced performance of 5G with three industrial robots in a special initiative for Qatar National Day 2016. The test showed that fast broadband speeds of 10GBps and reduced latency of just one millisecond makes it possible for the impossible of yesterday to become reality with the Ooredoo Supernet.

Ooredoo Qatar began a new era of 4K entertainment in 2016, with the launch of Ooredoo tv. The Ooredoo tv service was designed as an evolution in home entertainment services, combining apps, on-demand and live television in one easy-to-use box. Deploying cutting-edge fibre and Wi-Fi technology, the 4K service enjoyed strong demand throughout the year.

Ooredoo continued to drive the development of business solutions and services in Qatar. The company celebrated ten years of operation of its Qatar Data Centre (QDC) in 2016, which is now one of the most advanced facilities of its kind. The company also opened a new innovation lab at its QDC 5 centre, which creates, tests and prepares new smart solutions for launch.

With its robust portfolio of business solutions and in-house expertise, Ooredoo signed a number of significant partnerships and strategic agreements in 2016, including landmark implementation initiatives with the Ministry of Foreign Affairs, Qatar Rail and Qatar National Bank.

The company also continued its ambitious community and corporate social responsibility projects, supporting everything from the annual Ooredoo Marathon through to a wide range of cultural and traditional programmes.

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. The company is committed to helping everyone enjoy high quality Internet in Qatar, and will continue to boost speed, connectivity and coverage.

The company is also working 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 to organisations and enterprises in the country. It has already announced plans to acquire a significant ICT company to accelerate the pace of its expansion in this area.

The company will continue to improve the data experience for customers, launching a new range of self-service and self-care options accessible through its web and mobile presence.

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

Investment in its people and Qatarisation remain key priorities. Ooredoo will carry on investing in the development of young national leaders, focusing on training, career growth and opportunities.

"Ooredoo Qatar began a new era of 4K entertainment in 2016, with the launch of Ooredoo tv. The Ooredoo tv service was designed as an evolution in home entertainment services, combining apps, on-demand and live television in one easy-to-use box. Deploying cutting-edge fibre and Wi-Fi technology, the 4K service enjoyed strong demand throughout the year."

4K

Launch of Ooredoo tv
– 4K entertainment

Our Businesses

Indosat Ooredoo Indonesia

Indosat Ooredoo had a remarkable year in 2016, with growth in revenues, customers and network coverage. We transformed our business and followed our dream to bring "digital" to the people of Indonesia, to help and support more communities, more women, more entrepreneurs and the young generation. We will further evolve to successfully help Indonesia achieve its goal of becoming a fully-fledged digital nation.

Alexander Rusli
President Director and CEO, Indosat Ooredoo

Operator importance to Group

Customers	Revenue	EBITDA	Capex
62%	25%	28%	29%

Financial performance

	2012	2013	2014	2015	2016
Revenue QR millions	8,804	8,371	7,395	7,274	7,994
EBITDA QR millions	4,420	3,862	3,279	3,303	3,724
EBITDA margin	50%	46%	44%	45%	47%
Blended ARPU* QR	9.9	8.8	8.0	7.3	6.7
Employees	3,827	3,956	4,100	4,320	4,421

* Blended ARPU is for the three months ended 31 December.

2016 marked Indosat Ooredoo's first full year of operations after adopting the Ooredoo brand. During the year, the company made significant progress in its digital execution strategy and successfully concluded the second year of a three-year plan to become Indonesia's top digital operator. Indosat Ooredoo delivered digitally-enhanced shops, offered more online functionality and increased data connectivity for the entire country.

Maintaining its significant contribution to the Group, Indosat Ooredoo's revenue increased 10% to reach QAR 8.0 billion, up from QAR 7.3 billion at FY 2015.

Supported by higher revenues and strong growth in customer numbers, EBITDA grew by 13% to reach QAR 3.7 billion at FY 2016. The customer base increased 23% to reach more than 85 million customers, compared to 70 million in 2015.

During 2016, the company invested in its network and technological know-how to drive innovation and maintain competitive advantage. Two new world class Tier-3, cloud ready data centres were built in 2016. Throughout the year, Indosat Ooredoo expanded its radio network capacity by re-allocating more 2G spectrum to 3G/4G LTE.

To further strengthen international connectivity and the quality of its network, Indosat Ooredoo built a third leg of international submarine cable from Jakarta to Singapore. A significant investment, the new cable will provide more capacity and reliability for the company's international connectivity.

Indosat Ooredoo challenged the status quo in the market and launched multiple campaigns to highlight new packages in its efforts to make technology available for everyone. Customers can now enjoy new customisable packages for data, voice and SMS. This is just one of many innovative products and services that have been introduced.

Also, the company successfully implemented several partnerships with well-known global and regional players, such as Spotify and IFLIX. Through the partnership with Spotify, Indosat Ooredoo offers customers packages with unlimited music streaming and the partnership with IFLIX provides customers with online streaming of thousands of hours of TV shows and movies.

As part of its strategy to gain a higher market share outside Java, Indosat Ooredoo introduced a special tariff of Rp 1 per second for customers outside of Java.

Indosat Ooredoo remains committed to helping the communities of Indonesia connect to a better future and to optimise the socio-economic value of its presence. The main CSR pillars the company is invested in are women empowerment, education and innovation, health and economic development.

Indosat Ooredoo's Women Empowerment Program (INSPERA) has worked with Indonesia's rural "womenpreneurs" since 2012, providing functional training through the use of mobile technology, guidance and working capital, teaching them independence and resourcefulness. During 2016, INSPERA has further expanded its reach through a series of professional training masters, as well as talk shows and leading female entrepreneurs and government officials, an initiative ran under the campaign of #DigitalSuperWoman.

Indosat Ooredoo has been creating opportunities for the young generation through its digital and wireless innovation contest, Indosat Ooredoo Wireless Innovation Contest (IWIC). The programme aims to create a pool of digital talent in the country and nurture the young generation as future "technopreneurs".

In 2016, IWIC raised the programme to a global scale, giving the opportunity for Indonesia's young entrepreneurs to compete with talent from other countries. The programme has inspired more than 3,500 young digital talents with more than 750 female participants.

Indosat Ooredoo also supported and inspired the young generation to create innovative technology and digital applications. Among significant initiatives, the company partnered with the Indonesia Stock Exchange and launched the Indosat Ooredoo Stock Trading Contest, aiming to motivate Indonesia's youth to invest in capital markets, which in turn is expected to enhance their welfare.

Supported by Ooredoo Group, Indosat Ooredoo enabled 16 mobile health clinics to operate throughout the country and reach underserved communities in rural areas, as well as those afflicted by natural disasters. To date, Indosat Ooredoo's Mobile Clinics helped 770,000 people and the company plans to magnify its efforts as it stays committed to improve the health of remote communities.

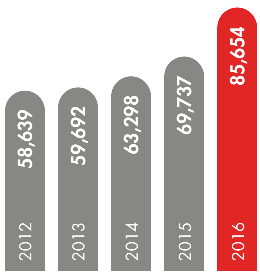
OUTLOOK

Looking at 2017, Indosat Ooredoo will build on its success in 2016 and continue its journey of growth, helping every Indonesian reach their potential through the digital services it provides. To do so, the company will continue to invest in its network and bring new products and services to the market. The company will also expand its network outside Java through a cost-effective model and capture opportunities in accelerated economic developments in these areas, as well as reach underserved communities through Indosat Ooredoo's CSR activities.

"2016 marked Indosat Ooredoo's first full year of operations after adopting the Ooredoo brand. During the year, the company made significant progress in its digital execution strategy and successfully concluded the second year of a three-year plan to become Indonesia's top digital operator. Indosat Ooredoo delivered digitally-enhanced shops, offered more online functionality and increased data connectivity for the entire country."

Total customers (thousands)

85,654



Ooredoo Kuwait

We reached a milestone in 2016 by covering the entire populated area of Kuwait with our LTE infrastructure, which now brings world-class communication services to 2.3 million customers. In a fast-changing sector, dependent on strong data services, Ooredoo Kuwait is proud to have acquired internet service provider FASTtelco. We look forward to another year of growth as we continue our digital transformation journey.

Mohammed bin Abdullah bin Mohammed al-Thani
CEO, Ooredoo Kuwait

Operator importance to Group

Customers	Revenue	EBITDA	Capex
2%	7%	5%	6%

Financial performance

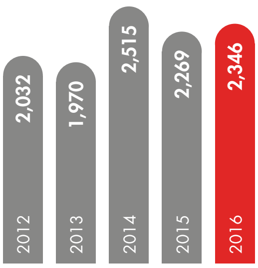
	2012	2013	2014	2015	2016
Revenue QR millions	2,880	2,500	2,149	2,275	2,382
EBITDA QR millions	1,101	667	473	620	614
EBITDA margin	38%	27%	22%	27%	26%
Blended ARPU* QR	96.2	87.3	65.6	71.7	66.5
Employees	1,078	950	856	737	763

* Blended ARPU is for the three months ended 31 December.

"Ooredoo Kuwait had a good year, with revenue for FY 2016 reaching QAR 2.4 billion, an increase of 5% compared to 2015. EBITDA stood at QAR 614 million versus EBITDA of QAR 620 million at FY 2015. The customer base grew by 3% to reach a total of 2.3 million."

Total customers (thousands)

2,346



Ooredoo Kuwait had a good year, with revenue for FY 2016 reaching QAR 2.4 billion, an increase of 5% compared to 2015. EBITDA stood at QAR 614 million versus EBITDA of QAR 620 million at FY 2015. The customer base grew by 3% to reach a total of 2.3 million.

To maintain its competitive position, the company continued to invest in upgrading its network infrastructure and successfully deployed nearly 2,000 LTE sites across Kuwait, effectively covering the entire populated area of the country.

Demonstrating the company's progress to date in terms of network quality and speed, Ooredoo Kuwait won the "Speedtest Award 2016" from Ookla, which measured network speed on hundreds of thousands of users' devices in Kuwait.

As part of its commitment to offer customers best-in-class services that meet their wants and needs, Ooredoo Kuwait completed the acquisition of FASTtelco, one of Kuwait's leading internet service providers. In a market that is dependent on strong data services, the acquisition will enable Ooredoo Kuwait to offer more data-driven products and services.

In November 2016, Ooredoo Kuwait became the first operator in the country to receive the International Quality Standards certification (UKAS ISO 9001:2015). Achieving and maintaining such quality standards will support the company's relationships with internal and external stakeholders.

With customer-centricity at the heart of Ooredoo Kuwait's business, the company launched a new user-friendly mobile app which provides greater flexibility in 2016. The app enables customers to make self-service transactions, such as add-on services, and receive bills and usage details.

In addition, the company launched several new products throughout the year. Ooredoo Kuwait revamped its post-paid portfolio Shamel. The new package is more competitive and provides customers with unlimited voice calls on Ooredoo's network, the option to carry forward unused data and the ability to transfer contracts at any time.

2016 saw the launch of the exclusive Nukhba service for Ooredoo Kuwait's elite customer segment. The service provides customers with an exclusive hotline and designated account managers and keeps them up-to-date with the latest offerings.

The company also launched daily, weekly and monthly promotional campaigns for its prepaid customers to stimulate renewals.

Continuing its efforts to support youth growth and the next generation's economic prosperity, Ooredoo Kuwait signed a Memorandum of Understanding (MoU) with the Ministry for Youth Affairs. The memorandum will increase cooperation between the company and the Ministry to support youth-related projects across the country.

Ooredoo Kuwait also signed a MoU with the Kuwait International Law School. The purpose of the MoU is to offer student internship placements with Ooredoo Kuwait.

In addition, Ooredoo Kuwait was the main sponsor of the country's largest annual event, the Hala Febrayer Festival 2016. The festival includes educational, cultural and religious activities, as well as music concerts featuring 16 popular singers, which attracted hundreds of visitors from Kuwait and the region.

OUTLOOK

Ooredoo Kuwait will continue strengthening its mobile data services and leverage the capabilities and competitive advantaged gained through the acquisition of FASTtelco. The company is confident in its ability to grow and reinvent itself on its journey to digital transformation.

Continuing its efforts to support youth growth and the next generation's economic prosperity, Ooredoo Kuwait signed a Memorandum of Understanding (MoU) with the Ministry for Youth Affairs.

Our Businesses

Ooredoo Oman

We ended the year with significant progress made towards our data experience leadership vision, already deriving more than 50 percent of consumer revenues from data. The launch of the 4G network, cutting-edge investments to the IT infrastructure and a series of attractive customer offers have placed Ooredoo Oman in a strong position to capitalise and capture growth in the digital and internet economy.

Ian Dench
CEO, Ooredoo Oman

Operator importance to Group

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

Financial performance

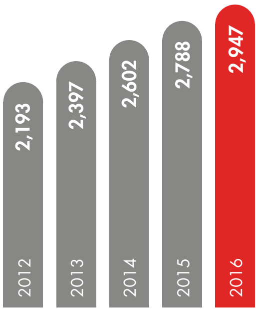
	2012	2013	2014	2015	2016
Revenue QR millions	1,907	1,990	2,231	2,475	2,639
EBITDA QR millions	902	933	1,115	1,302	1,404
EBITDA margin	47%	47%	50%	53%	53%
Blended ARPU* QR	70.8	63.8	66.8	67.0	66.6
Employees	1,027	1,051	1,049	1,024	1,056

* Blended ARPU is for the three months ended 31 December.

"The company made significant progress in its mission towards becoming the telecoms provider of choice to the government and ministries in Oman, signing an agreement with the Information Technology Authority to build and operate the Omani Government's Next-Generation High Speed Network."

Total customers (thousands)

2,947



2016 saw Ooredoo Oman enter its second decade of operation with a sharp focus on data experience leadership, digital transformation and significant progress made towards its ambition to be a converged operator.

Revenue increased by 7% to QAR 2.6 billion, driven by both mobile and fixed data revenue. EBITDA also increased, up 8% to QAR 1.4 billion due to higher revenue in post- and prepaid segments, as well as from fixed line business. Almost three million customers are now being served in Oman, an improvement of 6%.

Reflecting Ooredoo's stand-out brand and customer satisfaction, the company scored a record highest of 4.2 on a scale of 1-to-5 on the Brand Equity Index.

Ooredoo Oman went from strength to strength in 2016, and achieved another year of record performance, both financially and operationally, placing it in a strong position to address the risk and challenges of this fast-moving industry.

The company made significant progress in its mission towards becoming the telecoms provider of choice to the government and ministries in Oman, signing an agreement with the Information Technology Authority to build and operate the Omani Government's Next-Generation High Speed Network.

Ooredoo Oman's nationwide, fully-redundant, Next-Generation High Speed Fibre Optic Network will enable the government to deliver better public services by integrating and connecting over 60 Ministries under one fast, reliable and secure platform. The project will provide greater efficiency and data-sharing, as well as strategic financial benefits for both parties.

100

new 4G base stations

Growth in the post-paid and prepaid business was supported by a series of new innovative product launches. The launch of the Shababiah (Youth) prepaid tariff plan and the newly structured set of tariff plans for the post-paid sector have been key to Ooredoo's mobile market share growth.

The heart of Ooredoo Oman's business is to listen to what customers want and need, and design products and services accordingly. This customer feedback led to the redesign and relaunch of the Ooredoo Oman SelfCare app, enabling customers to take full control of usage, tariff plans, add-ons and managing their Nojoom Loyalty Points with their Smartphones. In addition, customers can use the App to book appointments at Ooredoo stores.

Additionally, introducing a first to the Omani market, the company launched a digital payment service. "Charge to Mobile" allows smartphone users to purchase premium apps using their respective prepaid or post-paid accounts, instead of a credit card.

Perhaps the most significant of the company's milestones, however, was the completion of the first wave of new 4G/ LTE 800 coverage in Muscat and along the Al Batinah coast, establishing more than 100 new 4G base stations. The additional LTE (4G) 800 MHz spectrum, acquired at a cost of OMR 9.6 million, is an enhancement to Ooredoo's 4G network capabilities building on the company's award-winning customer experience and bringing state-of-the-art service quality. The second wave of 4G station roll-out to all provinces across Oman will continue in 2017 and will further improve high-speed mobile data coverage.

On the road to digital transformation, Ooredoo Oman partnered with Cognizant, a world leader in business and technology services. By boosting a modular approach into IT infrastructure, the company will be able to plug in new products to existing infrastructure. This means that Ooredoo Oman will have the ability and speed to add complex and new products as and when commercial need arises, including the introduction of 5G and smart homes.

OUTLOOK

Next year, Ooredoo Oman will continue rolling-out its 4G network and will also step up the speed of fibre-to-the-home deployment to satisfy growing customer demand for data streaming. On its journey to becoming a full service integrated telco, Ooredoo Oman will maintain its strategy of adapting to new business models in the digital and internet economy.

Asiacell Iraq

Asiacell maintained its revenue and data market leadership among mobile operators in the country despite aggressive competition, as well as economic and political challenges in Iraq. We are proud to have delivered this performance and managed to control our costs at the same time, despite very challenging circumstances. During 2016, several parts of the country were liberated and Asiacell successfully reactivated service and rolled out its 3G network to the liberated areas of Iraq. CSR activities were a priority for the company in 2016 and we remain committed to helping displaced individuals and refugees in the country.

Amer Al Sunna
CEO, Asiacell

Operator importance to Group

Customers	Revenue	EBITDA	Capex
9%	13%	14%	7%

Financial performance

	2012	2013	2014	2015	2016
Revenue QR millions	6,878	7,071	6,298	4,884	4,217
EBITDA QR millions	3,689	3,629	2,939	2,136	1,923
EBITDA margin	54%	51%	47%	44%	46%
Blended ARPU* QR	61.6	54.8	40.0	36.6	30.3
Employees	2,906	2,811	2,771	2,733	2,747

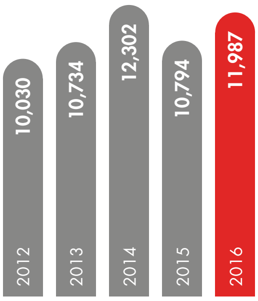
* Blended ARPU is for the three months ended 31 December.

"A series of strategic initiatives supported growth in 2016. Asiacell focused on growing subscriber market share in greenfield areas, capitalising on sales activities, network coverage and on-ground activations. The company also protected subscriber market share in stronghold and battlefield governorates through marketing activities."

Asiacell is committed to improving local communities' quality of life and to helping re-integrate refugees or reunite them with their loved ones.

Total customers (thousands)

11,987



Deteriorating economic activity, following the oil price drop, alongside the 20% sales tax on telecommunications services and the security situation led to increased pressure on revenues and margins. Customer numbers increased by 11% to reach 12 million, while Asiacell's FY 2016 Revenue decreased 14% to QAR 4.2 billion, down from QAR 4.9 billion at FY 2015. Due to cost optimisation initiatives EBITDA was less impacted, registering QAR 1.9 billion at FY 2016, down 10% as compared to the previous year.

A series of strategic initiatives supported growth in 2016. Asiacell focused on growing subscriber market share in greenfield areas, capitalising on sales activities, network coverage and on-ground activations. The company also protected subscriber market share in stronghold and battlefield governorates through marketing activities. Advertising campaigns ran throughout the year to help Asiacell maintain market stability in stronghold areas and avoid revenue cannibalisation. The company successfully grew value share from both current and new subscribers, largely driven by new data offers and solutions.

Asiacell implemented a number of customer focused initiatives in 2016, including partnering with Facebook Zero to enhance the appeal of its data plans, especially among the young generation who are most affected by social media activity. The company also launched unlimited internet bundles, data scratch cards and partnered with operators in neighbouring countries to support a wider range of roaming offers.

A technological investment in 2016 was the implementation of a nationwide 3G direct "tunnel", which led to reduced costs and improved customer experience. The tunnel bypasses elements in the core network, helping with costs savings by reducing the number of upgrades and enhancing end-to-end latency.

Asiacell continued to focus on various regions of Iraq to improve market share. Asiacell sponsored "Kurd Idol" – one of the largest music television shows in the region, and engaged Kadim Al-Sahir, a well-known Iraqi musician who has been dubbed the "Caesar of Arabic Song" as a brand ambassador for Asiacell. In addition, Kadim Al-Sahir participated in a blood donation drive as part of Asiacell's commitment to aid local communities.

Asiacell is committed to improving local communities' quality of life and to helping re-integrate refugees or reunite them with their loved ones. During 2016, the company partnered with Ericsson and Refunite to help Iraqis find their missing family members and friends lost in conflict zones. Asiacell also implemented an SMS notification system for areas undergoing coverage restoration – including Mosul, Tikrit and Anbar – to aid recovery.

Another significant initiative carried out during 2016 was the Connect to Learn project, which provided education for children living in refugee camps.

OUTLOOK

Looking ahead to 2017, Asiacell will continue its strategy – leading the data market, cost optimisation and further improving the customer experience.

CSR work will continue to be important and Asiacell remains committed to helping internally displaced persons and refugees in Iraq by investing in education initiatives, re-location efforts, education programmes and women empowerment efforts.

Ooredoo Algeria

The year 2016 marked a milestone for our company, with the launch of 4G services, the expansion of our 3G network to cover the entire country and further gains in data market share, once more positioning Ooredoo Algeria as the clear market leader in data services. We will continue to mobilise our human and technical resources to meet the needs of our customers and provide them with cutting-edge technology services to help enrich their lives.

Hendrik Kasteel
CEO, Ooredoo Algeria

Operator importance to Group

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

Financial performance

	2012	2013	2014	2015	2016
Revenue QR millions	3,479	3,884	4,623	4,023	3,732
EBITDA QR millions	1,374	1,583	1,481	1,474	1,308
EBITDA margin	39%	41%	32%	37%	35%
Blended ARPU* QR	33.6	33.9	29.4	22.9	21.2
Employees	2,485	2,846	2,895	3,008	2,830

* Blended ARPU is for the three months ended 31 December.

Through various CSR programmes, Ooredoo Algeria continued its efforts in supporting the community and enriching the lives of people.

"Today, Ooredoo's 3G network covers Algeria's whole territory and is successfully providing data services to millions of Algerians across 48 provinces. With more than six million 3G subscribers as of 31 December 2016, Ooredoo captured more than half of data revenues in the country, reinforcing its leadership position in the 3G and data services space for the third consecutive year."

Today, Ooredoo's 3G network covers Algeria's whole territory and is successfully providing data services to millions of Algerians across 48 provinces. With more than six million 3G subscribers as of 31 December 2016, Ooredoo captured more than half of data revenues in the country, reinforcing its leadership position in the 3G and data services space for the third consecutive year.

Ooredoo's customer base in Algeria at the end of 2016 was 13.8 million customers, an increase of 6% compared with the same period in 2015. Ooredoo Algeria maintained the data leadership position with revenues increasing in local currency terms (+1%). The Algerian Dinar depreciated significantly compared with the same period last year, causing a 7% revenue drop reported in QAR. At the end of 2016, the company's EBITDA was QAR 1.3 billion with an EBITDA margin of 35%.

Underpinning Ooredoo Algeria's growth in 2016 was its considerable investment in its network, as well as in human capital and market intelligence.

In addition to the modernisation and expansion of the 3G network to 48 provinces now covering 90% of the population, Ooredoo Algeria invested in 4G rollout in three provinces and made improvements in key ICT platforms, including the digitalisation of the company, the e-commerce platform, the IT infrastructure virtualisation and the security operation centre.

To support quality and outcome of business decision processes, Ooredoo Algeria progressed last year's employee training programme, with eligible top and middle management representatives sent to prestigious business schools in France and Algeria. Significant investment in market intelligence continued to inform all business decisions and drove the company's success in maintaining market leadership and launching new products and services.

One of the major technological accomplishments during 2016 was the partnership with Nokia, through which it achieved a ground-breaking transmission speed of 1.2 terabits per second over optical fibre, marking Africa's first field trial of innovative optical communications technology. Trial of the optical fibre speed was conducted over a distance exceeding 200 kilometres, between the cities of Algiers and Ain Defla. Commercial deployment of the innovative technology will enable Ooredoo Algeria to maximise the performance and flexibility of the optical fibre, thereby providing customers with high capacity-based solutions.

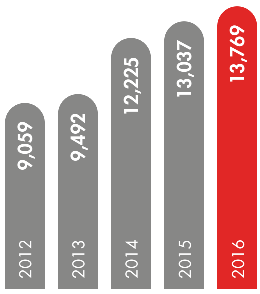
Through various corporate social responsibility programmes, Ooredoo Algeria continued its efforts in supporting the community and enriching the lives of people. During 2016, the company was the golden sponsor and technological partner of the 3rd Regional Final of Arab Mobile Challenge (AMC), which supports youth entrepreneurship, start-ups and innovative applications in various sectors, such as health, education and social entrepreneurship.

OUTLOOK

Ooredoo Algeria is confident that 4G deployment in 2017 will cover the majority of provinces in the country and provide the company with a distinct competitive advantage, positioning it for further growth in the years to come. Ooredoo Algeria will sustain investment in its network and market intelligence to support customer growth and maintain market leadership.

Total customers (thousands)

13,769



Ooredoo Tunisia

Ooredoo Tunisia maintained its mobile market leadership and returned to revenue growth in local currency terms in 2016, after a period of decline and despite the country's economic and political challenges. We recorded a number of achievements during the year, including being awarded the 4G licence and successfully launching the first fixed wireless service in the country.

As a result of these achievements, Ooredoo Tunisia was recognised as the 'Best African Operator' by a leading industry journal. I'm proud of our performance in 2016 and look forward to achieving more growth in the years to come.

Youssef Ali El Masri
CEO, Ooredoo Tunisia

Operator importance to Group

Customers	Revenue	EBITDA	Capex
6%	5%	5%	5%

Financial performance

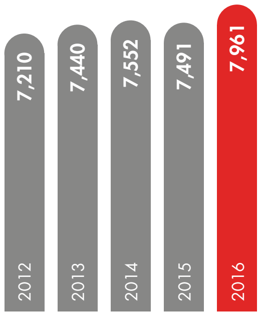
	2012	2013	2014	2015	2016
Revenue QR millions	2,633	2,504	2,288	1,803	1,714
EBITDA QR millions	1,350	1,310	1,072	746	686
EBITDA margin	51%	52%	47%	41%	40%
Blended ARPU* QR	27.7	26.3	20.7	14.7	14.0
Employees	1,610	1,690	1,665	1,640	1,613

* Blended ARPU is for the three months ended 31 December.

"With revenues increasing by 4.2% year-on-year in local currency terms, Ooredoo Tunisia returned to growth after a period of decline. Ooredoo Tunisia's customer base stood at 8.0 million at the end of 2016, an increase of 6% on the same period in 2015."

Total customers (thousands)

7,961



Despite the challenging economic and political conditions in the country, Ooredoo Tunisia posted solid overall results in 2016.

With revenues increasing by 4.2% year-on-year in local currency terms, Ooredoo Tunisia returned to growth after a period of decline. Ooredoo Tunisia's customer base stood at 8.0 million at the end of 2016, an increase of 6% on the same period in 2015.

The successful execution of the company's strategy, which began at the end of 2015, was the key factor in achieving revenue growth. The improved revenue performance, along with increased financial rigour, delivered an improvement in EBITDA, which grew by 1.5%, in local currency terms.

Ooredoo Tunisia was awarded the 4G licence in 2016, following successful financial and technical bids. The company successfully managed to finance the licence and to deploy its network to cover almost 70% of the population, with more than 700 LTE sites upgraded at the end of 2016.

Ooredoo Tunisia also successfully moved into the fixed space in 2016, deploying LTE-TDD technology. This enabled the company to avoid the need to use local loop unbundling, which had previously been a barrier due to competitive issues. The LTE-TDD (fixed wireless broadband access) launch was a significant success, growing Ooredoo Tunisia's fixed subscriber base by almost 50% in three months.

The company maintained its mobile market leadership position with more than 40% of market share. Despite high churn and increased competition, Ooredoo Tunisia accelerated its subscriber intake, gaining an additional 445,000 mobile customers during the year. Thanks to its improved visibility and targeted advertising, the number portability option introduced by the regulator in April 2016 had almost no material impact on the company.

Building on its commitment to provide the best quality of services and products to its customers, Ooredoo Tunisia was successful in optimising its Opex, Capex and working capital in 2016. This enabled the company to finance network investments throughout the year.

Ooredoo Tunisia won several significant awards during the year. It was named as the "Best Operator" in the country for quality of voice and data services in the Mobile Quality of Services report from the Tunisian regulator. Ooredoo also won "Best African Operator" at the Telecom Review awards at the end of the year.

In-line with Ooredoo Group's commitment to social responsibility, Ooredoo Tunisia launched "Ooredoo El Khir", a non-profit association dedicated to charity. With volunteers from among Ooredoo's employees, Ooredoo El Khir's objective is to support, strengthen and finance social and humanitarian projects in Tunisia.

OUTLOOK

Looking ahead, Ooredoo Tunisia will capitalise on the success of 2016 and continue to be an innovative telecom operator providing services of the highest quality and standards.

The company will continue the roll-out of its 4G network, will leverage the new LTE-TDD technology and maintain its leadership in the mobile market space, making its transition from a mobile operator to a fully-unified communications provider.

Ooredoo Myanmar

Ooredoo Myanmar strengthened its brand equity in 2016 with the launch of a new campaign featuring the tagline "Connect to the better future". Now covering 88% of the population, our focus remains on spreading digital development in the country to expand the people of Myanmar's access to essential communication services.

Rene Meza
CEO, Ooredoo Myanmar

Operator importance to Group

Customers	Revenue	EBITDA	Capex
7%	5%	0%	14%

Financial performance

	2013	2014	2015	2016
Revenue QR millions	–	189	1,065	1,470
EBITDA QR millions	(145)	(357)	(76)	(10)
EBITDA margin	–	-189%	-7%	-1%
Blended ARPU* QR	–	27.2	17.1	12.2
Employees	156	953	949	939

* Blended ARPU is for the three months ended 31 December.

The year 2016 saw Ooredoo become the first operator to launch 4G services in Myanmar, while also making good progress in rolling-out its 3G network. Consequently, population coverage reached 88%, supported by the roll-out of more than 1,100 3G sites, a significant increase from last year, and the roll-out of 650 4G sites.

In line with the company's strategy of realising the potential of mobile broadband, Ooredoo Myanmar launched various new affordable products and services for customers, successfully increasing its customer base to 9 million customers, an increase of 55% from 2015.

Living up to its brand promise, the company strengthened its offering of affordable products and services. Five new brands of smartphones were launched during the year to improve data penetration and usage, which resulted in sales of significantly more than 1 million devices in 2016. Other promotions included the "My Ooredoo, My Offer" campaign, which featured affordable packages tailored to individual needs, including top-up bonuses and free on-net calls, among others. Other initiatives included a series of competitive promotions and plans for accessing Facebook as well as other OTT applications. These were strategic moves aimed at driving data adoption, which was a key engine for growth in 2016.

Further capitalising on its customer service efforts from last year, Ooredoo Myanmar made key investments in employee training and engagement. The company set up state-of-the-art customer value management solutions and allocated almost US$ 1 million in staff training and development programmes. Testament to the company's commitment to staff development to drive excellence in customer service, Ooredoo Myanmar received four awards for its outstanding customer service (bronze, gold and silver) from leading international organisations.

The company remains committed to its employees and the people of Myanmar. In 2016, Ooredoo Myanmar moved into new offices, providing an open plan space to create a vibrant working environment, which encourages innovation and collaboration. The company continues its shift to hire best-in-class local talent, supporting the social-economic development of the country.

Ooredoo Myanmar also participated in various corporate social responsibility activities designed to enrich people's lives through better education, health and social welfare. Ooredoo Myanmar signed a US$ 3.1 million partnership with United Nations Office for Project Services (UNOPS) to help construct 15 primary healthcare facilities in the country and bring primary health services to people in need. The company also renewed its collaboration with Pact Myanmar providing in excess of US$ 600,000 towards mobile health clinics serving underprivileged citizens.

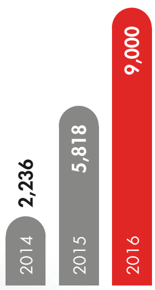
OUTLOOK

Through key initiatives launched in 2016, such as 4G along with relevant competitive products and services, Ooredoo Myanmar is confident in its ability to generate growth in the future and continue delivering on its promise to help Myanmar and its people connect to a better future.

"The year 2016 saw Ooredoo become the first operator to launch 4G services in Myanmar, while also making good progress in rolling-out its 3G network. Consequently, population coverage reached 88%, supported by the roll-out of more than 1,100 3G sites, a significant increase from last year, and the roll-out of 650 4G sites."

Total customers (thousands)

9,000



Our Businesses

Wataniya Palestine

2016 was another strong year for Wataniya Mobile. We significantly improved our financial performance as a result of aggressive commercial strategies and cost efficiency programmes. We strengthened our market position and increased our customer base by 10% to more than three quarters of a million at the end of 2016. Internally, Wataniya Palestine focused on capacity building, delivering a triple increase in training hours for all staff, resulting in exceptional improvements in both customer service and employee engagement.

Dr. Durgham Maraee
CEO, Wataniya Palestine

Operator importance to Group

Customers	Revenue	EBITDA	Capex
1%	1%	0.6%	0.4%

Financial performance

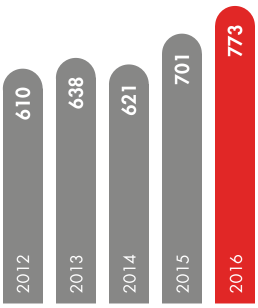
	2012	2013	2014	2015	2016
Revenue QR millions	306	325	311	303	306
EBITDA QR millions	23	33	47	78	80
EBITDA margin	7%	10%	15%	26%	26%
Blended ARPU* QR	35.4	34.7	32.3	29.2	27.2
Employees	418	433	427	419	447

* Blended ARPU is for the three months ended 31 December.

"During 2016, Wataniya Palestine significantly improved its financial performance as a result of aggressive commercial strategies and cost efficiency programmes, which saw EBITDA increase to US$ 22 million, and a reduction in Net Loss of 70%, from US$(5) million last year to US$(1.5) million in 2016."

Total customers (thousands)

773



During 2016, Wataniya Palestine significantly improved its financial performance as a result of aggressive commercial strategies and cost efficiency programmes, which saw EBITDA increase to US$ 22 million, and a reduction in Net Loss of 70%, from US$(5) million last year to US$(1.5) million in 2016.

The company strengthened its market position through a series of smart initiatives and aggressive marketing campaigns.

Wataniya Palestine launched the "Super Prepaid" product with discounted unified prices to local destinations. A key initiative in 2016, the Super Prepaid product eased the negative impact of the off-net community and brought significant incremental traffic volume to the company. "Super Fatoora", a strategic product targeting the post-paid segment, was also launched in 2016, successfully bridging the gap between the company's current offering and that of its competitors. Super Fatoora enables customers to call Palestine and Jordan through a unified rate per minute tariff plan. As a result, Wataniya Palestine achieved an increase in its customer base of 10% and a reduction in churn for the year.

2016 marked a breakthrough for Wataniya Palestine, with the company receiving the official approvals for the frequency needed to launch telecommunication services in Gaza. Preparations for the launch of services in Gaza is now underway, with site acquisition and end-to-end network testing on-going. Based on the allocated frequency, the company has ordered the necessary network technology, which will be delivered to Gaza during Q1 2017, so that roll-out can begin. The launch of services in Gaza is expected before the end of 2017.

Wataniya Palestine began the preparations for rolling out 3G services in the West Bank in 2016. The frequency allocation for 3G is expected in the first half of 2017. The company achieved significant progress in executing its preparations ahead of launch – securing locations for 3G core equipment is underway, a backbone transmission leasing agreement is signed and the majority of the transmission backbone equipment is installed. The launch of 3G services is expected before the end of 2017.

During 2016, Wataniya Palestine invested heavily in training and upskilling programmes to tackle retention issues and retain talent, a challenge for the overall telecommunications sector in the country. In total, 24,000 hours of training were delivered to enhance employee skills in commercial and business operations, sales effectiveness, 3G network and leadership development – a 200% increase on the previous year. In addition, the company launched a structured learning programme which includes the opportunity for employees to obtain professional accreditations and MBAs. As a result, employee engagement scores for 2016 increased to 84 points on a scale of 1-100.

Also, Wataniya Palestine maintained a strong focus on brand development and corporate social responsibility throughout 2016. For the second year in a row, the company sponsored the biggest tournament in the country, the "Palestine Football League" in the West Bank and Gaza in cooperation with the Ooredoo Group, maintaining Wataniya's exposure among society and specifically, young people. Through its corporate social responsibility programme, Wataniya and Ooredoo Group signed an agreement with the Palestine Football Academy in Jerusalem to support football training for underprivileged children.

In addition, Wataniya and Ooredoo Group signed an agreement with Hebron Rehabilitation Centre to renovate an entire neighbourhood in Hebron's old city which will enable people in that area to have a better quality of life. An agreement with Al Aqsa School in Jerusalem was also signed and will provide better education services to underprivileged children living in Jerusalem.

OUTLOOK

The roll-out of 3G services in the West Bank and the launch of the 2G services in Gaza will enable Wataniya Palestine to better capitalise on growth opportunities in Palestine and capture growth in a country with lower penetration rates and a younger population compared to nearby countries.

An agreement with Al Aqsa School in Jerusalem was signed and will provide better education services to underprivileged children living in Jerusalem.

Ooredoo Maldives

The year 2016 was a year of transformation for our company. On 13 October 2016, Ooredoo Maldives took its first step towards life as a public company. In addition, Ooredoo Maldives became a fully-fledged communications service provider with the launch of new services, such as fixed broadband, mobile financial services and smart solutions. I am proud to be a part of this dynamic and highly engaged team that has brought new levels of innovation to the country, thus connecting local communities to life-enriching opportunities for development.

Vikram Sinha
CEO, Ooredoo Maldives

Operator importance to Group

Customers	Revenue	EBITDA	Capex
0.3%	1.2%	1.5%	1.4%

Financial performance

	2012	2013	2014	2015	2016
Revenue QR millions	146	166	206	288	381
EBITDA QR millions	34	38	68	133	206
EBITDA margin	23%	23%	33%	46%	54%
Blended ARPU* QR	45.5	41.5	46.0	50.3	48.6
Employees	332	316	313	317	331

* Blended ARPU is for the three months ended 31 December.

The company introduced free Wi-Fi hangout areas across prime spots in the capital city including hospitals, ferry terminals, youth centres, cafés, etc.

"Building on its success from 2015, Ooredoo Maldives delivered another year of outstanding financial performance. Revenues increased by 32% to reach US$ 104.6 million, Net Profit reached US$ 31.9 million. With a robust cost efficiency programme in place, the company delivered an EBITDA margin of 54%, supported by growth in EBITDA of 56%."

Ooredoo Maldives delivered a year of outstanding performance, remaining committed to its strategic priorities: a state-of-the-art network experience, an innovative product portfolio, and a differentiated customer experience. The company expanded its 4G+ footprint nationwide and entered the fixed broadband market.

Building on its success from 2015, Ooredoo Maldives delivered another year of outstanding financial performance. Revenues increased by 32% to reach US$ 104.6 million, Net Profit reached US$ 31.9 million. With a robust cost efficiency programme in place, the company delivered an EBITDA margin of 54%, supported by growth in EBITDA of 56%.

A series of strategic initiatives supported 14% growth in consolidated customer numbers.

As Ooredoo Maldives evolved from being a telecom service provider to becoming an integrated ICT solutions provider in 2016, the company made significant investments to strengthen its infrastructure and support its growth.

During 2016, Ooredoo Maldives obtained an ISP license, which enabled the company to enter the fixed broadband market as the third operator in Maldives. Under the brand name of "SuperNet", Ooredoo Maldives gained more than 10% of the market share within seven months of the service launch.

Ooredoo Maldives completed the laying of a nationwide submarine cable during the year. The new submarine cable connects the country from north to south and effectively contributes to the company's mission of Digital Maldives, which is aligned with the government's vision.

The company was also awarded a Mobile Money licence from the Monetary Authority of Maldives (Central Bank), which was launched under the brand name "m-Faisaa,". The mobile money service is a first for the country, as a mobile wallet service that allows customers to deposit, withdraw, make payments and send money instantly in the Maldives. m-Faisaa connected a number of un-banked residents and put the country one step closer to its mission of becoming Digital Maldives.

In March 2016, an initiative by the Communication Authority of Maldives (CAM) provided freedom for customers to choose their preferred network without changing their existing mobile number. As a result of this initiative, Ooredoo Maldives has experienced a significant Net port-in during the year.

Ooredoo Maldives launched a number of customer-focused initiatives in 2016. The "Vedhun" loyalty programme enables customers to collect points on expenditure and redeem points for in –house products and partner products. Maintaining its commitment to good customer service, Ooredoo Maldives opened two new Ooredoo Experience Centres (OEC) in Malé (Central Maldives) and Kulhudufushi (Northern Maldives).

As part of its commitment to Digital Maldives, Ooredoo is working towards connecting all communities to smart solutions to provide new opportunities for development.

The company introduced free Wi-Fi hangout areas across prime spots in the capital city including hospitals, ferry terminals, youth centres and cafés, among others. A significant project carried out last year was implementing the Ooredoo Smart Campus, a cloud-based education solution powered by Microsoft, at a local educational institute. Maldives Polytechnic in partnership with Ooredoo Maldives provides free courses to students and the smart campus technology enables it to expand its reach to more underprivileged students across the country.

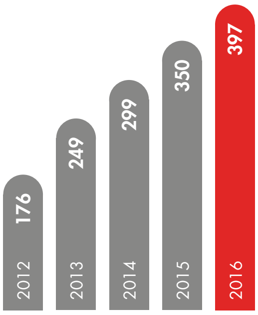
As part of its commitment towards society, Ooredoo Maldives partnered with local NGO Women on Boards in 2016 to empower the next generation of women to fill top hierarchy positions at all levels of the Maldives by unleashing their economic power, in alignment with the United Nations' vision.

OUTLOOK

During 2016, Ooredoo Maldives gained significant competitive advantage. The company is confident in its ability to capitalise on its infrastructure to support growth and deliver a differentiated customer service. As part of its commitment to Digital Maldives, Ooredoo will continue working towards connecting all communities to smart solutions and provide new opportunities for development.

Total customers (thousands)

397



Our Social Responsibility

Ooredoo is a community-focused business that strives to contribute to the social and economic development of the communities it operates in.

Contributing to our communities

Our Social Responsibility

Enriching people's lives

Ooredoo wants to enable everyone to achieve their hopes and dreams. The company is committed to investing in mobile technology, people and resources that enable people and communities to achieve their full potential. In particular, Ooredoo believes strongly in the benefit of economically empowering women and youth.

GROUP CSR INITIATIVES

Ooredoo is committed to the United Nation's 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. The company supports these goals across a range of areas:

Quality education

Ooredoo enables a range of initiatives that improve education opportunities for young people, including the Cyber School System provided by Indosat Ooredoo and the "Connect to Learn" programme in Iraq, supported by Asiacell.

Reach-out to underserved communities

Ooredoo has a long-standing strategy to reach out to underserved communities across its footprint, supported by a responsive range of disaster relief programmes.

Good health

Ooredoo supports a range of projects designed to support primary healthcare and health education, with a particular focus on children and young people. One of the most successful initiatives in this area has been the Mobile Health Clinic programme, which has continued to expand in 2016.

Women's empowerment

Ooredoo is a Strategic Partner Associate of the World Economic Forum and a partner of the Global Challenge Initiative on Gender Parity.

Throughout 2016, Ooredoo has worked to tackle the gender gap and empower women not only in the communities we serve, but also internally within our organisation. In 2016, Ooredoo Group supported the launch of The Industry Gender Gap Report by the World Economic Forum.

Infrastructure and innovation

Ooredoo supports a range of innovative technology-led projects to enable people's aspirations across its footprint. Highlights in 2016 include the Smart Campus by Ooredoo Maldives (see Ooredoo Maldives, on page 50, for more details). Ooredoo Group typically works to evaluate the impact of different projects in specific markets and see if the benefits can be replicated across its footprint.

In addition to these five key areas, Ooredoo also pursues a partnership strategy, where it teams with like-minded companies to develop solutions that improve customers' quality of experience.

To support the various activities being developed across Ooredoo Group, the CSR team began developing a new framework for measuring the social impact of specific initiatives in 2016.

At both a Group level and across its operations, Ooredoo works with a range of partners to support community and charity initiatives, with a particular focus on using mobile technology to achieve social goals.

OOREDOO QATAR

In 2016, Ooredoo Qatar continued to organise sports and health initiatives across the country, with programmes designed to encourage a healthy lifestyle for all of Qatar.

Initiatives included the fifth Ooredoo Marathon, which brought hundreds of people out onto the streets of Qatar in January 2016, as well as community activities for Qatar National Sport Day.

In July 2016, Ooredoo Qatar was named National Sponsor of the Qatar Olympic Committee (QOC) and helped support the Committee's work at the Rio 2016 Olympics. As part of the agreement, Ooredoo Qatar also sponsored a number of international sporting events with QOC, including the 2016 Association of National Olympic Committees (ANOC) General Assembly and the FINA/Airweave Swimming World Cup events in Qatar.

To support the rich culture and traditions of Qatar, Ooredoo supported a wide range of community and educational projects in 2016, including the Hejen Racing Festival, Qatar National Day celebrations, Doha International Book Fair and the World Heritage Volunteer Programme.

Ooredoo also worked with organisations including the Sheikh Eid Bin Mohammad Al Thani Charitable Association, the Sheikh Thani Bin Abdullah Al Thani Foundation for Humanitarian Services (RAF), and the Qatar Red Crescent Society to help those in need. Ooredoo also donated QR 5,000,000 to support the relief campaign for the people of Aleppo in December 2016, and provided discounted calls to Syria to support people with family and friends caught up in the conflict.

INDOSAT OOREDOO

Indosat Ooredoo continued to support the Women Empowerment Programme (INSPERA) in 2016, offering functional training and guidance through mobile technology, as well as working capital for selected initiatives. Indosat Ooredoo committed to further increase the number of women connected to mobile internet in Indonesia from 40% to 43% by 2020 – a total of more than seven million women.

To develop education and innovation in Indonesia, Indosat Ooredoo has been encouraging and educating young people through the Indosat Ooredoo Wireless Innovation Contest (IWIC) since 2006. The programme aims to create a pool of digital talent in the country and nurture future "technopreneurs". In 2016, IWIC opened the contest to international competitors, attracting more than 3,500 young digital talents, including 750 female entrants.

Indosat Ooredoo partnered with the Indonesia Stock Exchange and launched the Indosat Ooredoo Stock Trading Contest (ISTC). The award-winning programme attracted more than 8,900 young people from all over Indonesia.

Indosat Ooredoo employees were also actively engaged in a volunteering programme, with more than 400 Indosat Ooredoo employees taking part in an initiative to improve education in Indonesia through creative teaching in 2016. The programme included a virtual reality element, so that students could experience the latest educational technology.

Employees also volunteered to take part in educational programmes in remote areas such as Kalimantan, Sumatera and Papua in Eastern Indonesia.

As part of its #DigitalSuperWoman campaign, Indosat Ooredoo launched new initiatives for 2016, including a series of professional training master classes, and a talk show with leading female founders and government officials called "Women Connected to Mobile Internet: Women in Digital World". More than 1,400 attendees took part in these programmes from across a broad spectrum of society. The campaign also included an entrepreneurship and digital programme in partnership with the Ministry of Workforce. The programme was designed to enable migrant workers to improve their competitiveness, as well as to prevent human trafficking.

Supported by Ooredoo Group, Indosat Ooredoo provided 16 mobile clinics in remote areas, offering free health services and focusing on maternal and child health across the country.

Our Social Responsibility

Enriching people's lives continued

OOREDOO KUWAIT

Ooredoo Kuwait opened the door for new applicants for its second volunteering programme in May 2016. The programme attracted hundreds of young people, training them for volunteer work before matching them with volunteering opportunities with projects in Kuwait. The award-winning programme won recognition from the Ministry of State for Youth Affairs, leading to the signing of a Memorandum of Understanding between Ooredoo Kuwait and the Ministry.

Volunteers from the programme worked on a broad spectrum of projects across Kuwait and even outside in refugee camps in Jordan. Initiatives included managing meal distribution of 17,000 iftar meals throughout the month of Ramadan, in distribution centres outside its head office and in an iftar tent.

In December 2016, Ooredoo Kuwait held a number of charity drives for the displaced people of Aleppo in partnership with the Kuwait Red Crescent Society and Abdullah Al-Nouri Charity Organisation.

Activities included collecting donations via SMS and links posted on Ooredoo's social media channels. Ooredoo held several charity drives in areas popular with young people, such as Murouj Market, where a box for winter clothes and blankets collected donations from the public. In addition, Ooredoo Kuwait organised the "Tree of Life" initiative, where visitors write messages and tie them to a tree, and Ooredoo donates KD 1 for each message to the participating charity organisations.

OOREDOO OMAN

Ooredoo Oman's main activity in 2016 was its popular Ooredoo Goodwill Journey, taking place during the Holy Month of Ramadan for the 12th consecutive year.

The 2016 Ooredoo Goodwill Journey received a warm send-off from crowds of well-wishers, as it set out on its annual 2,000 kilometre mission of care, compassion, and community support. Starting out from Salalah in the Governorate of Dhofar, a team of 22 goodwill ambassadors travelled to the provinces of Shlaeem and Hallaniyat Islands, Al Jazir, Mudhiabi, Sur, Bowsher and Qurayyat.

OOREDOO TUNISIA

Ooredoo Tunisia launched the "Ooredoo El Khir" association in July 2016. Dedicated to non-profit and charity work, Ooredoo El Khir's objective is to support, strengthen and finance social and humanitarian projects across Tunisia.

A team of Ooredoo volunteers mobilised to support the new association, donating time and ideas to help deliver the strongest social impact.

To foster innovative solutions, Ooredoo Maldives and UNDP partnered to host Miyaheli, the first Social Innovation Camp in Maldives. The camp supported new ideas from youngsters to improve their respective communities for the better. Ooredoo Maldives also launched a new Youth Ambassador Programme.

The volunteers donated essential equipment, supplies and educational materials, amongst other items, to local organisations and associations to help boost education and entrepreneurship opportunities for women and young people. In addition, the volunteers held a variety of events that celebrated the true spirit of the Holy Month.

Ooredoo Oman provided support for a number of Omani charities and social organisations in 2016, including the Omani Hajj campaign, the Al Noor Association for the Blind, Oman Association for the Hearing Impaired and the Dar al Atta'a initiative for under-privileged families. The company organised events for Oman National Day, World Food Day and supported the Omani Bahja Orphan Society Event during the Salalah Tourism Festival.

Ooredoo Oman also supported initiatives that encouraged healthy lifestyles and traditional Omani pursuits, with sponsorship for the Muscat Football Academy and camel racing, in addition to seminars and social media events.

OOREDOO MALDIVES

In February 2016, at the Mobile World Congress in Barcelona, Ooredoo Maldives became one of the first GSMA operator members to endorse the "Connected Women Commitment Initiative" that aims to reduce the mobile gender gap.

As part of this commitment, participating operators are seeking to increase the proportion of their female customers using mobile internet and mobile financial services. Ooredoo Maldives supported a range of initiatives to improve digital literacy among women and girls through educational programmes and interactive content in 2016. It also partnered with local NGO Women on Boards to empower the next generation of women to fill senior positions; held programmes to create awareness on internet safety; and coordinated a "Science and Technology" evening to create interest in STEM subjects among young people.

The company also donated Ooredoo Smart Campus, a cloud-based education solution powered by Microsoft in Education, to Maldives Polytechnic, a local educational institute that provides free courses to students. Smart Campus provides an end-to-end solution for distance education and has enabled Maldives Polytechnic to offer free technical and vocational education to young people.

Ooredoo celebrated its 11th anniversary in the Maldives by donating digital solutions for people with disabilities. These solutions include 15 electronic wheelchairs for young children with disabilities, which allow for more comfort, enhanced mobility, and the opportunity to maximise their independence.

As an active supporter of GSMA's Humanitarian Connectivity Charter, Ooredoo Maldives remains committed to implement disaster response initiatives to ensure effective and predictable response during times of crisis.

ASIACELL

Asiacell established a special call centre for internally displaced people in 2016, in collaboration with the Civil Development Organisation (CDO).

In addition, Asiacell set up a short-code service, in cooperation with REFUNITE and Ericsson, to help IDPs and refugees searching for missing loved ones.

During 2016, Asiacell also organised a special blood donation campaign.

OOREDOO ALGERIA

Ooredoo Algeria built upon its longstanding relationships with a range of partners in 2016, working to support the Group's wider efforts for the Global Goals.

In the area of women's empowerment, Ooredoo supported International Women's Day and helped organise the activities held on that day in Algiers in March 2016. It also partnered with community organisation Women Techmakers of Algiers.

In the field of education, Ooredoo Algeria worked with the IQRA Association to inaugurate a Centre for Literacy, Training and Inclusion of Women (AFIF), in Tizi-Ouzou province.

Healthcare remained a priority area for Ooredoo Algeria, with the company working with the Algerian Red Crescent to launch new mobile medical clinics in the south of the country, including a dedicated mobile clinic for Tamanrasset province.

To support entrepreneurship, particularly among young people, Ooredoo Algeria was the golden sponsor and technological partner of the 3rd Regional Final of the Arab Mobile Challenge (AMC) and sponsored the Injaz Al-Arab competition, providing experiential education and training in work readiness, financial literacy and entrepreneurship for young people.

WATANIYA PALESTINE

Wataniya Mobile, supported by Ooredoo Group, signed an agreement with the Hebron Rehabilitation Committee in 2016 to renovate an entire neighbourhood in Hebron's old city. The aim of the project is to enable underprivileged people living in the area to have a better quality of life.

In addition, the company announced a new programme to support the Palestine Football Academy in Jerusalem, to help them provide quality training for talented children with aspirations to become professional footballers.

OOREDOO MYANMAR

Ooredoo Myanmar continued to support CSR initiatives in three main areas in 2016, focusing on education, health and social welfare.

Major projects included investing US$ 3.1 million in partnership with the United Nations Office for Project Services (UNOPS) to support the Government of Myanmar's efforts to provide better primary health services for people, especially women and young children. The partnership will support the construction of 14-18 primary healthcare facilities (PHCCs), in rural and peri-urban areas in seven regions and states across Myanmar. Once completed, the PHCCs will be handed over to the Ministry of Health. Ooredoo Myanmar has also pledged to connect an additional 82 already-established primary healthcare facilities to internet services.

In February 2016, Ooredoo Myanmar donated US$ 20,000 for people made homeless following fires in Namshan and in Labutta. In April, Ooredoo Myanmar donated US$ 20,660 to the Red Cross to bring clean water to 617 households in the Mandalay Division by facilitating the digging of tube wells together with water storage tanks and a complete water distribution system.

In August 2016, to mark the second anniversary of Ooredoo Myanmar's operations, the company donated US$ 146,000 to people affected by flooding through the Myanmar Red Cross Society (MRCS).

Ooredoo Myanmar donated furniture and office and kitchen appliances to four ministries, eight universities and 20 libraries across Myanmar in 2016. The donation was intended to promote a good working environment for staff and students.

Ooredoo Group and Wataniya Mobile signed an agreement with Al Aqsa School in Jerusalem to enable them to provide better educational services for young people.

Ooredoo Myanmar also extended its Mobile Health Clinic programme in collaboration with Pact Myanmar in July 2016, with a new investment of more than US$ 600,000 that will extend the programme for another 12 months. Since its launch in 2014, Ooredoo Myanmar has invested more than US$ 1 million and provided care to more than 27,000 patients through the Mobile Health Clinics in Myanmar.

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 2016 to ensure that this tradition of solid governance continues.

Providing a solid foundation

Corporate Governance

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. (11) of 2015, and Articles 4 and 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 those information in the Annual Report presented to the General Assembly.

Based on the above, disclosure to stock markets in Qatar and Abu Dhabi where Ooredoo's stocks are listed, as well as the stock market in London where Ooredoo has Global Depositary Receipt (GDR) by means of quarterly reports and complete annual financial statements, something that reflects Ooredoo's commitment to the terms and conditions of relating stock markets.

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 six (6) meetings in 2016, 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 solved 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.

As for the senior executive management, an annual evaluation is undertaken using a Target Score Card at the Company's level, then at the level of the major sectors of the Company.

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

Corporate Governance

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. A Board member's term is three years and may be renewed. To maintain minority's rights, Article (41) of the Articles of Association provides for 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 whereby H.E. Sh. Abdulla Bin Mohammed Bin Saud Al Thani is the Chairman, Sh. Saud Bin Nasser Bin Faleh Al Thani is the Group CEO of Ooredoo and responsible for its management, and Mr. Waleed Al-Sayed is the Deputy CEO of Ooredoo Group and the CEO of Ooredoo Qatar, with responsibility for its business in Qatar.

CONFLICTS OF INTEREST

The Company adopts a policy that ensures the confidentiality and integrity any reports of illegal actions relating to employees and general performance measures, which are clarified in Ooredoo's Code of Business Conduct and Ethics. The Code includes the expected behaviour of employees, particularly with regard to compliance with laws and regulations.

Employees must avoid: conflicts of interest, particularly in commercial transactions, business administration and activities; using the Company's assets, records, and information; and relationships with related parties outside the Company. No employee may accept or request gifts or bribes, loans or bonuses, prizes or commissions.

Furthermore, the Company complies with 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 practice 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 in 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 Corporate Governance Director.

Corporate Governance

BOARD ACTIVITIES IN 2016

In 2016, 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 2015;
- Approving the Group's financial consolidated statements for 2015 and submitting a recommendation to the General Assembly in this regard;
- Approving the submission of a recommendation to the General Assembly regarding the appointment of Deloitte & Touche as the company auditors for 2016;
- Approving the Governance Report for 2015 and submitting a recommendation to the General Assembly in this regard;
- Approving distributing a cash dividend of 30% 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 2016, 2017 and 2018, as well as the budget and finance plan for 2016;
- 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;
- Adopting a number of technical decisions relating to investment opportunities;
- Following-up on the execution of the Group strategy for the coming years, and providing the necessary budget;
- Determining the permitted risk margin for the Group's companies;
- 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 appointment of a liquidity provider for Ooredoo's stocks at Qatar Stock Exchange;
- Approving the recommendation by the Nomination and Remuneration Committee to amend the Group's organisational structure.

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 less 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 Eissa Al Mohannadi	Chairman
	H.E. Turki Mohammed Al Khater	Member
	Dr. Nasser Marafih	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 Eissa 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 2016 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 they operate, and made recommendations to the Board of Directors;
- Reviewed the Company's financial portfolio;
- Reviewed operating companies' strategies and setting their priorities;
- Reviewed the charter of the Executive Committee and submitted a recommendation to the Board of Directors regarding the revised version.

The committee held nine (9) meetings in 2016.

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. The committee also reviews risk management reports and notifies the Board of any red flags that requires a decision be taken. The committee focuses on investigating any infractions in the Group companies. Several investigation committees were formed and results submitted to the Board during 2016.

In 2016, the committee completed a number of major works including:

- Reviewed the annual and quarterly internal audit reports regularly;
- Reviewed quarterly risk management report regularly;
- Reviewed the annual internal audit plan;
- Reviewed all financial statements before submitting to the Board;
- Reviewed the Internal Audit Quality Assurance for Ooredoo and Group companies;
- Approved the selection process of the auditors for the operating, holding and investment companies of the Group;
- Approved policies for strategic procurement, revenues, treasury, and bids and submitted them to the Board;
- Approved the performance index of the Internal Audit Department and Corporate Governance Department of the Group for 2016;
- Change the mechanisms of filing internal reports to the Group and follow-up.

The committee held thirteen (13) meetings in 2016.

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 2016, the committee completed a number of major projects:

- Approved Ooredoo Qatar's 2015 Performance Index Scorecard.
- Approved the performance appraisal of Ooredoo Qatar executives for 2015.
- Approved amending the annual bonuses, multiplier value and long term incentives (LTI plan), and unifying annual bonuses policy and LTI plan for operations that apply these policies.
- Approved the appointment of Ooredoo Tunisia CEO.
- Approved the appointment of Yousef Al Kubaisi as a representative of the company on Starlink's Board as Chairman.
- Approved the appointment of CxOs at Ooredoo Group including Bjorn Johan Lundstrom as GCTO, Ian Charles Dench as GCCO and Izzeldin Hamed Hussein as GCLRO.
- Approved the appointment of CxOs at Ooredoo Qatar including Damian Chappell as CMO, Bjorn Stefan Axelsson as CTO, and Sh. Ali bin Jabor Al Thani as CLRO.
- Approved Ooredoo Group's membership of ICCQ.

The committee held nine (9) meetings during 2016.

Corporate Governance

CORPORATE GOVERNANCE DEPARTMENT AND COMMITTEE

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

The Group Chief Audit Executive, Sheikh Ali Bin Jabor Al Thani, acts as compliance officer.

In 2016, 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;
- Managed special purpose ventures;
- Assisted the Board conduct governance workshops.

Internal audit objectives and activities

The objective of the Internal Audit is to provide independent and objective advice and consultancy in a way that contributes to adding more value and improving Ooredoo's processes. This activity is conducted by the Internal Audit Department to help achieve company goals by following a systematic pattern and through improved efficiency of risk management, control and governance. The Internal Audit Department follows clear guidelines regarding international standards for the professional practice of internal auditing. In addition, to provide clear guidelines for managing internal audit activity, planning, executing and report producing, which are delivered in a manner that adds value and enhances activities.

These tasks are being performed under the supervision of the Audit and Risk Management Committee. The Board, Audit Committee, Risk Management, and Executive Management provide clear guidelines to all business units to undertake their roles in-line with the internal and external regulations, and to respond to any issue raised by the auditors.

In 2016, the Internal Audit Department completed a number of major works:

- Produced a risk-based internal audit plan;
- Reviewed and evaluated the activities, risk management and 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, and provided consultation and guidance;
- Followed-up on the implementation of recommendations to revise quality control at internal audit departments at OpCos;
- Coordinated between External Auditors, Audit Bureau Qatar, and management;
- Supported operating companies' internal audit functions;
- Supported internal audit functions in Group companies;
- Reviewed recommended policies to provide opinion on the efficiency of internal audit procedures.

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 and external risks to identify issues and outline plans to avoid them, to protect the Company's investments and operations inside and outside Qatar. This system is designed to:

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

The Board is responsible for establishing the risk management system and for reviewing the effectiveness of its implementation in Ooredoo and its Group. Management is responsible for systematically identifying, assessing, monitoring, and managing material risks throughout the organisation. This system includes the Company's internal compliance and control systems. In addition, the Company has tight controls and well-established systems that control its transactions and relationships with related parties.

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

The Internal Auditing Department revises Risk Management reports quarterly and independently, then submits its notes on the reports to the Audit Committee and Risk Management.

Quarterly Group risk reports are prepared to identify risks and the procedures to counter them, which are then submitted to the Auditing and Risk Committee.

Management analyses the efficiency of risk management at Ooredoo and adheres to internal regulations, along with efficiency of its implementation.

Measures for identifying and managing risks vary between affiliated companies. However, these measures are being standardised. To guarantee best practices, Ooredoo also applies a comparative system against foreign markets to the Risk Management procedures it applies.

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, Risk Management 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.

Corporate Governance

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 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 23 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

Name	Country	Number of Shares	%
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	UAE	32,031,994	10.0%
General Military Retirement and Social Insurance Authority	Qatar	6,022,915	1.9%

Shares held by members of the Board

Board Member Name	Country	Number of Shares	Beneficiary Name
Turki Mohammed Al Khater	Qatar	5,000	Turki Mohammed Al Khater
Ibrahim Abdulla Al Mahmoud	Qatar	6,200	Ibrahim Abdulla Al Mahmoud
Mohamed Ahmed Al Qamzi	UAE	5,000	Mohamed Ahmed Al Qamzi
Khalifa Matar Almheiri	UAE	5,000	Khalifa Matar Almheiri
Nasser Rashid Al-Humaidi	Qatar	5,000	Nasser Rashid Al-Humaidi
Dr. Nasser Marafih	Qatar	3,200	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 2016, the Company achieved a number of key milestones including:

- Number of customers increased from 117 million to 138 million;
- Share of data revenue increased from 37% to 40%;
- Ooredoo became a data experience leader across its regional footprint. It was the first operator to launch 4G in Myanmar, Tunisia and Algeria. By the end of 2016, Ooredoo was delivering 4G services in 8 of its markets;
- As part of ongoing investment in its network, Ooredoo completed a number of network services to customers, including launching VoLTE services and completing a series of updates on its Supernet (4G+) network in Qatar;
- Ooredoo continued investing in its fibre network in Qatar, launching the 1 Gbps fibre service;
- Ooredoo Kuwait won "2016 Fastest Network" in the country, according to the Ookla speed test;
- Investing US$ 155 million in expanding its network in Oman;
- The Ooredoo Oman fibre network expanded to include more than 100,000 houses covering 5,500 km;
- Indosat Ooredoo developed its fibre strategy to provide fibre services in areas outside of Java in Indonesia;
- Along with providing the best experience and presenting new services for customers, Ooredoo focused on data as a main source of revenues, increasing its investment level in networks through intelligent acquisitions and infrastructure partnering;
- Digital services in Kuwait were enhanced through the acquisition of ISP FASTtelco;
- In Qatar, Ooredoo launched the Ooredoo tv service, which was the first 4K TV service in the MENA region. By the end of 2016, the company had achieved a high number of subscriptions;
- Ooredoo continued to be strong in the business sector, with revenue generated from business customers increasing by 6% to QAR 5.5 billion, reflecting the ongoing investment in services for business customers.
- Ooredoo Qatar celebrated 10 years of Qatar Data Centre which provides a wide range of cloud, security and storage services for businesses in Qatar.
- Ooredoo used its powerful brand to launch a number of successful advertising and marketing campaigns, including the award-winning "Stand for Good" online campaign. Ooredoo provided numerous opportunities for the young people to participate through social media in this campaign.
- In Ramadan, operations in the MENA region collaborated to launch the first advertising campaign to include creative from a number of Ooredoo markets.
- The solid performance of the Group was reflected in the number of regional and international awards, including the "People's Choice" award at the Stevie's, "Best Operator Network" at the Telecom World Middle East Awards 2016, and "Top Companies in The Arab World 2016" from Forbes Middle East.
- Ooredoo continued its efforts to optimise its portfolio, divesting non-core operations such as wi-tribe Pakistan, and announcing plans for a partial IPO of Ooredoo Maldives following a planned initial listing on the Maldives Stock Exchange in 2017.
- Ooredoo succeeded in enhanced financing facilities for the future. The company issued US$ 500 million bonds for 10 years at 3.75% interest. It also received a US$ 1 billion revolving credit facility for six years.

Financial Review

Ooredoo delivered a robust financial performance in 2016. The following section outlines its financial position, its dividend policy and its share price performance during the year.

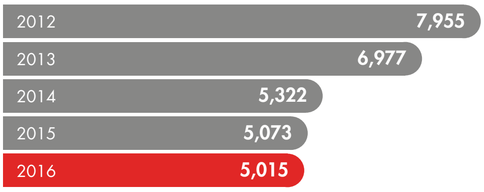
Delivering a robust performance

Financial Review

EBIT

Amount in QR millions

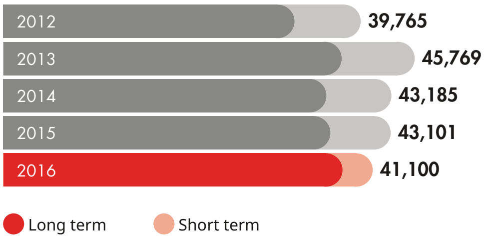
5,015



Total Group debt

Amount in QR millions (Note B)

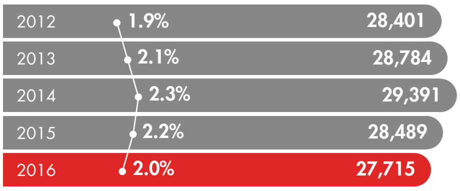
41,100



Net debt

Amount in QR millions (Note C)

27,715

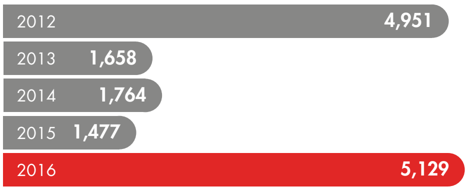


Net Debt/EBITDA (multiples)

Free cash flow

Amount in QR millions (Note D)

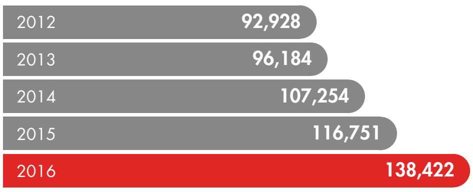
5,129



Total customers

Thousands

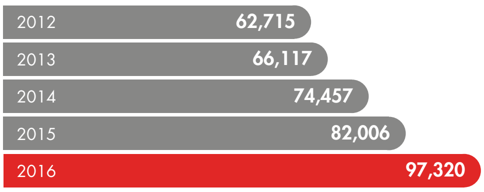
138,422



Proportional customers

Thousands (Note E)

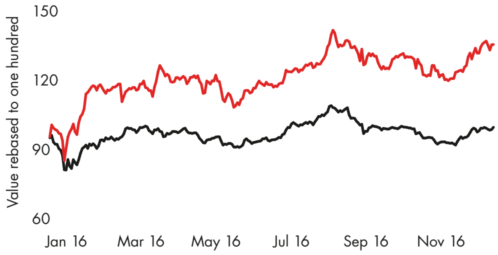
97,320



Company ownership profile

- 52% State of Qatar
- 17% Other Qatari Government-related entities
- 10% Abu Dhabi Investment Authority
- 21% Other

Share price performance



- ORDS QD Equity
- DSM Index

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

Note B **Short term debt** includes debt with a maturity of less than 12 months.

Note C **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 below BBB+ credit rating).

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

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

2016 financial and operating highlights

		2016	2015	% change 2015 to 2016	2014	% change 2014 to 2016
Operations						
Revenue	QR millions	**32,503**	32,161	1%	33,207	-2%
EBITDA	QR millions	**13,379**	13,018	3%	12,948	3%
EBITDA margin	Percentage	**41%**	40%		39%	
Net profit attributable to Ooredoo shareholders	QR millions	**2,193**	2,118	4%	2,134	3%
Earnings per share (EPS) – basic and diluted	QR	**6.84**	6.61		6.66	
Cash dividend declared per share	QR	**3.50**	3.00		4.00	
Dividend payout ratio (Note A)	Percentage	**51%**	45%		60%	
Operational cash flow	QR millions	**9,195**	9,887	-7%	10,754	-14%
Capital expenditure	QR millions	**5,982**	8,762	-32%	8,391	-29%
Employees	Number	**16,851**	17,577	-4%	17,558	-4%
Financial position						
Total net assets	QR millions	**29,001**	28,373	2%	30,469	-5%
Net debt	QR millions	**27,715**	28,489	-3%	29,391	-6%
Net debt to EBITDA	Multiples	**2.0**	2.2		2.3	
Free cash flow	QR millions	**5,129**	1,477	247%	1,764	191%
Market capitalisation	QR millions	**32,609**	24,024	36%	39,687	-18%
Customers						
Wireless postpaid (incl. wireless broadband)	Thousands	**4,993**	4,396	14%	4,799	4%
Wireless prepaid	Thousands	**132,774**	111,606	19%	101,484	31%
Fixed line (incl. fixed wireless)	Thousands	**656**	749	-12%	971	-32%
Total Customers	Thousands	**138,422**	116,751	19%	107,254	29%

At the end of 2016, Ooredoo Group's consolidated customer base stood at 138 million (FY 2015: 117 million), a 19% increase on 2015. Group Revenue for the year increased by 1% to QR 32,503 million (FY 2015: 32,161 million). Group EBITDA increased by 3% to QR 13,379 million (FY 2015: QR 13,018 million) with EBITDA margin improving to 41% (FY 2015: 40%). Net Profit attributable to Ooredoo shareholders for 2016 increased by 4% to QR 2,193 million (FY 2015: QR 2,118 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.

Corporate Financial Statements

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Independent Auditor's Report

QR. 99-8
RN: 000260/SM/FY2017

To The shareholders of Ooredoo Q.S.C.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Ooredoo Q.S.C. ("the Company"), and its subsidiaries (together "the Group") which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2016, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group's consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2015 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 1 March 2016.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the key audit matters
Revenue recognition and related IT systems The Group reported revenue of QR 32,503 million from telecommunication related activities. We have considered this as a key audit matter due to the estimates and judgements involved in the application of the revenue recognition accounting standards; and the complexity of IT systems and processes used in the Group's revenue recognition. Refer to the following notes of the consolidated financial statements: – Note 3.3 – Summary of significant accounting policies – Note 4 – Revenue – Note 36 – Significant accounting judgements and estimates	We tested revenue through a combination of controls testing, data analytics and substantive audit procedures covering, in particular: – understanding the significant revenue processes and identifying the relevant controls (including IT systems, interfaces and reports); – tested IT general controls, covering pervasive IT risks around access security, change management, data center and network operations; – assessed the Group's selected accounting policies and checked compliance of revenue recognition therewith; – performed data analysis and analytical reviews on significant revenue streams; – tested IT application controls around input, data validation and processing of transactions; and – performed automated and manual controls, and substantive tests, to ascertain accuracy and completeness of revenue. Further, we instructed the auditors of the Group's significant entities to perform consistent audit procedures on revenue. We also assessed the adequacy and presentation of revenue related disclosures in Notes 3.3, 4 and 36 of the consolidated financial statements.

Independent Auditor's Report

Key Audit Matters	How our audit addressed the key audit matters
Carrying value of Property, plant and equipment and Intangible assets, including goodwill The Group has the following significant assets in the consolidated statement of financial position: – Goodwill and other related intangible assets of QR 29,827 million; – Certain property, plant and equipment in locations with prevailing security concerns. The evaluation of the recoverable amount of these assets requires significant judgements and estimates, especially on the assumptions used in determining discounted future cash flows and utilisation of relevant assets. Refer to the following notes of the consolidated financial statements: – Note 3.1 – Basis of consolidation – Note 3.3 – Summary of significant accounting policies – Note 12 (ii) (iii) Property, plant and equipment – Note 13 – Intangible assets and goodwill – Note 36 – Significant accounting judgements and estimates	We focused our testing on impairment assessment models and key assumptions applied by management. Our audit procedures included the following: – Evaluated whether the models used by management to calculate the value in use of subject assets or applicable cash generating units ("CGU") comply with IAS 36 Impairment of Assets. – Obtained and analysed the approved business plans for each subject asset (or CGU, as applicable) to assess mathematical accuracy and reasonableness of key assumptions; – Assessed the methodology used by the Group to estimate Weighted Average Cost of Capital (WACC) and corroborate discount rates used with external sector related guidelines; – Compared assumptions on long term growth rates based on growth in local GDP and long term inflation expectation to external data; and – Cross checked values with market multiples, where applicable. We performed sensitivity analysis on the key assumptions used by management to understand the extent to which these assumptions need to be adjusted before resulting in additional impairment loss. Further, we have communicated with component auditors to perform consistent audit procedures and additional tests to address the uncertainty due to security concerns and control over relevant property, plant and equipment. We assessed the appropriateness of the related disclosures in Notes 3.1, 3.3, 12, 13 and 36 of the consolidated financial statements.
Provisions and contingent liabilities from tax, legal and other regulatory matters The Group operates in multiple jurisdictions which exposes it to certain tax, legal and other regulatory matters. The accounting of these matters require high level of judgements by management in estimating the provisions and presenting the related disclosures in accordance with IFRS. Refer to the following notes of the consolidated financial statements: – Note 3.3 – Summary of significant accounting policies – Note 32 – Contingent liabilities – Note 36 – Significant accounting judgements and estimates.	In responding to this area of focus, our procedures included the following: – understanding the Group's policies in addressing tax, legal and regulatory requirements; – assessed the adequacy of the design and implementation of controls over the appropriateness and completeness of provisions; – discussed open matters with the Group's tax, legal and regulatory teams; – read external legal opinions and other relevant documents supporting management's conclusions on these matters, where available; and – obtained direct confirmation and/or discussion with third party legal counsel and tax representatives regarding material cases, where applicable. Further, we have communicated with component auditors to perform consistent audit procedures. We corroborated the completeness and appropriateness of the related disclosures in Notes 3.3, 32 and 36 of the consolidated financial statements.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises Chairman's Message, Group CEO's Message, Operational and Financial Highlights, Our Reach, Our Businesses, Corporate Governance Report and Financial Review, which we obtained prior to the date of this auditor's report and the annual report, which is expected to be made available to us after that date. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, applicable provisions of Qatar Commercial Companies Law and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosure is inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law and regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Further, as required by the Qatar Commercial Companies Law, we report the following:

- We are also of the opinion that proper books of account were maintained by the Group, physical inventory verification has been duly carried out and the contents of the director's report are in agreement with the Group's accompanying consolidated financial statements.
- We obtained all the information and explanations which we considered necessary for the purpose of our audit.
- To the best of our knowledge and belief and according to the information given to us, no contraventions of the applicable provisions of Qatar Commercial Companies Law and the Company's Articles of Association were committed during the year which would materially affect the Group's financial position or its performance.

Doha – Qatar
22 February 2017

For Deloitte & Touche
Qatar Branch

M Salha

Midhat Salha
Partner
License No. 257

Consolidated Statement of Profit or Loss
For the year ended 31 December 2016

	Note	2016 QR'000	2015 QR'000
Revenue	4	**32,503,259**	32,160,855
Operating expenses	5	**(11,847,032)**	(11,400,368)
Selling, general and administrative expenses	6	**(7,291,264)**	(7,756,835)
Depreciation and amortisation	7	**(8,364,066)**	(7,945,360)
Net finance costs	8	**(1,808,543)**	(2,016,798)
Impairment loss of goodwill and other assets	13(ii), 15, 16	**(192,506)**	(333,086)
Other income – net	9	**555,944**	310,442
Share of results in associates and joint ventures – net of tax	15	**14,152**	14,677
Royalties and fees	10	**(443,185)**	(408,578)
Profit before income tax		**3,126,759**	2,624,949
Income tax	18	**(379,396)**	(331,466)
Profit for the year		**2,747,363**	2,293,483
Profit attributable to:			
Shareholders of the parent		**2,192,554**	2,118,278
Non-controlling interests		**554,809**	175,205
		2,747,363	2,293,483
Basic and diluted earnings per share			
(Attributable to shareholders of the parent) (Expressed in QR per share)	11	**6.84**	6.61

The attached notes 1 to 43 form part of these Consolidated Financial Statements

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2016

	Note	2016 QR'000	2015 QR'000
Profit for the year		**2,747,363**	2,293,483
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net change in fair value of available-for-sale investments	24	**11,371**	(448,125)
Effective portion of changes in fair value of cash flow hedges	24	**(309)**	(214)
Share of other comprehensive income (loss) of associates and joint ventures	24	**2,011**	(1,932)
Foreign currency translation differences	24	**(799,173)**	(2,440,760)
Items that will not be reclassified subsequently to profit or loss			
Net changes in fair value of employees' benefit reserve	24	**(56,338)**	38,918
Other comprehensive loss – net of tax		**(842,438)**	(2,852,113)
Total comprehensive income (loss) for the year		**1,904,925**	(558,630)
Total comprehensive income (loss) attributable to:			
Shareholders of the parent		**1,416,921**	(366,745)
Non-controlling interests		**488,004**	(191,885)
		1,904,925	(558,630)

The attached notes 1 to 43 form part of these Consolidated Financial Statements

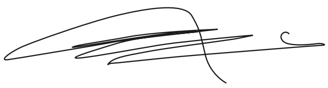
Consolidated Statement of Financial Position
As at 31 December 2016

	Note	2016 QR'000	2015 QR'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	**32,240,212**	33,526,222
Intangible assets and goodwill	13	**29,826,947**	30,359,092
Investment property	14	**69,058**	49,861
Investment in associates and joint ventures	15	**2,043,222**	2,296,421
Available-for-sale investments	16	**732,742**	747,196
Other non-current assets	17	**586,076**	665,115
Deferred tax asset	18	**269,987**	54,561
Total non-current assets		**65,768,244**	67,698,468
Current assets			
Inventories	19	**581,144**	697,069
Trade and other receivables	20	**7,664,209**	7,598,348
Bank balances and cash	21	**16,501,877**	18,158,180
Total current assets		**24,747,230**	26,453,597
TOTAL ASSETS		**90,515,474**	94,152,065
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)	**462,600**	448,184
Employees' benefit reserve	23 (c)	**2,482**	39,102
Translation reserve	23 (d)	**(6,319,028)**	(5,565,599)
Other statutory reserves	23 (e)	**1,152,553**	1,094,696
Retained earnings		**11,247,966**	10,155,924
Equity attributable to shareholders of the parent		**22,184,055**	21,809,789
Non-controlling interests		**6,817,056**	6,563,076
Total equity		**29,001,111**	28,372,865

The attached notes 1 to 43 form part of these Consolidated Financial Statements

	Note	2016 QR'000	2015 QR'000
LIABILITIES			
Non-current liabilities			
Loans and borrowings	25	**37,435,014**	36,108,055
Employees' benefits	26	**924,777**	812,142
Deferred tax liabilities	18	**422,240**	466,953
Other non-current liabilities	27	**2,285,034**	2,016,333
Total non-current liabilities		**41,067,065**	39,403,483
Current liabilities			
Loans and borrowings	25	**3,313,079**	6,663,787
Trade and other payables	28	**14,307,134**	17,243,549
Deferred income		**1,827,393**	1,775,181
Income tax payable	18	**999,692**	693,200
Total current liabilities		**20,447,298**	26,375,717
Total liabilities		**61,514,363**	65,779,200
TOTAL EQUITY AND LIABILITIES		**90,515,474**	94,152,065

Abdulla Bin Mohammed Bin Saud Al Thani
Chairman



Ali Shareef Al Emadi
Deputy Chairman

The attached notes 1 to 43 form part of these Consolidated Financial Statements

Consolidated Statement of Changes in Equity
For the year ended 31 December 2016

		Attributable to shareholders of the Parent									
	Note	Share capital QR'000	Legal reserve QR'000	Fair value reserve QR'000	Employees' 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 2016		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
Profit for the year		–	–	–	–	–	–	2,192,554	2,192,554	554,809	2,747,363
Other comprehensive income (loss)		–	–	14,416	(36,620)	(753,429)	–	–	(775,633)	(66,805)	(842,438)
Total comprehensive income (loss) for the year		–	–	14,416	(36,620)	(753,429)	–	2,192,554	1,416,921	488,004	1,904,925
Transactions with shareholders of the Parent, recognised directly in equity											
Dividend for 2015	29	–	–	–	–	–	–	(960,960)	(960,960)	–	(960,960)
Transfer to other statutory reserves		–	–	–	–	–	57,857	(57,857)	–	–	–
Transactions with non-controlling interest, recognised directly in equity											
Change in non-controlling interest of an associate		–	–	–	–	–	–	(1,786)	(1,786)	–	(1,786)
Dividend for 2015		–	–	–	–	–	–	–	–	(229,398)	(229,398)
Transactions with non-owners of the Group, recognised directly in equity											
Transfer to social and sports fund		–	–	–	–	–	–	(55,467)	(55,467)	–	(55,467)
Transfer to employee association fund		–	–	–	–	–	–	(24,442)	(24,442)	(4,626)	(29,068)
At 31 December 2016		3,203,200	12,434,282	462,600	2,482	(6,319,028)	1,152,553	11,247,966	22,184,055	6,817,056	29,001,111

The attached notes 1 to 43 form part of these Consolidated Financial Statements

	Note	Attributable to shareholders of the parent									
		Share capital QR'000	Legal reserve QR'000	Fair value reserve QR'000	Employees' 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 (loss)		–	–	(444,378)	21,443	(2,062,088)	–	–	(2,485,023)	(367,090)	(2,852,113)
Total comprehensive income (loss) 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 43 form part of these Consolidated Financial Statements

Consolidated Statement of Cash Flows
For the year ended 31 December 2016

	Note	2016 QR'000	2015 QR'000
OPERATING ACTIVITIES			
Profit before income taxes		**3,126,759**	2,624,949
Adjustments for:			
Depreciation and amortisation		**8,364,066**	7,945,360
Dividend income	9	**(13,608)**	(24,545)
Impairment loss of goodwill and other assets	13(ii), 15, 16	**192,506**	333,086
Gain on disposal of available-for-sale investments		**(2,975)**	(430,487)
Gain on disposal of an investment in associate		**–**	(228,074)
Gain on disposal of property, plant and equipment		**(31,645)**	(54,995)
Gain on disposal of a subsidiary	40	**(34,450)**	–
Net finance costs		**1,808,543**	2,016,798
Provision for employees' benefits		**304,205**	191,380
Provision against doubtful debts		**212,251**	176,264
Share of results in associates and joint ventures – net of tax	15	**(14,152)**	(14,677)
Operating profit before working capital changes		**13,911,500**	12,535,059
Working capital changes:			
Changes in inventories		**121,350**	(30,399)
Changes in trade and other receivables		**(257,942)**	(420,814)
Changes in trade and other payables		**(1,980,198)**	601,740
Cash from operations		**11,794,710**	12,685,586
Finance costs paid		**(2,097,764)**	(2,207,701)
Employee benefits paid	26	**(179,856)**	(155,859)
Income taxes paid		**(322,387)**	(435,460)
Net cash from operating activities		**9,194,703**	9,886,566

The attached notes 1 to 43 form part of these Consolidated Financial Statements

	Note	2016 QR'000	2015 QR'000
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	12	**(5,584,582)**	(8,456,244)
Acquisition of intangible assets		**(2,774,324)**	(1,877,274)
Net cash outflow from acquisition of a subsidiary	41	**(131,816)**	–
Investment in an associate		**(24,743)**	(19,020)
Investment in a joint ventures		**(38,596)**	(301,685)
Investment in available-for-sale investments		**(15,259)**	–
Proceeds from disposal of property, plant and equipment		**506,231**	300,833
Proceeds from disposal of available-for-sale investments		**3,842**	819,976
Proceeds from disposal of an investment in associate		**–**	536,646
Proceeds from disposal of a subsidiary	40	**27,274**	–
Movement in restricted deposits		**(313,440)**	1,851
Movement in other non-current assets		**89,470**	88,857
Dividend received		**120,628**	152,362
Interest received		**331,143**	243,381
Net cash used in investing activities		**(7,804,172)**	(8,510,317)
FINANCING ACTIVITIES			
Proceeds from loans and borrowings		**10,193,590**	10,047,874
Repayment of loans and borrowings		**(12,352,098)**	(9,518,936)
Additions to deferred financing costs	25	**(100,283)**	(38,978)
Dividend paid to shareholders of the parent	29	**(960,960)**	(1,281,280)
Dividend paid to non-controlling interests		**(229,398)**	(225,393)
Movement in other non-current liabilities		**130,779**	(326,639)
Net cash used in financing activities		**(3,318,370)**	(1,343,352)
Net change in cash and cash equivalents		**(1,927,839)**	32,897
Effect of exchange rate fluctuations		**(41,904)**	689,708
Cash and cash equivalents at 1 January		**18,038,068**	17,315,463
Cash and cash equivalents at 31 December	21	**16,068,325**	18,038,068

The attached notes 1 to 43 form part of these Consolidated Financial Statements

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

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 a telecommunications service provider licensed by the Communications Regulatory Authority (CRA) (formerly known as 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 CRA 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 Parent Company of the Group.

The consolidated financial statements of the Group for the year ended 31 December 2016 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 22 February 2017.

A new Qatar Commercial Companies law was issued during 2015. Implementation of the new law has been extended to be adopted by August 2017. The Group is currently assessing and evaluating the relevant provisions of the Qatar Commercial Companies Law and do not anticipate significant impact on its current activities or Articles of Association.

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), applicable provisions of Qatar Commercial Companies Law and the Company's Articles of Association.

b) Basis of measurement

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

- 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.

On 1 January 2016, one of the subsidiaries of the Group, Ooredoo Myanmar Limited has changed its functional currency from US Dollar to Myanmar Kyat. The subsidiary has changed its functional currency as it has met the requirements of IFRS.

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 recognised 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.

3.1 BASIS OF CONSOLIDATION

a) Business combinations and Goodwill

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, and any amount of any non-controlling interest in the acquiree. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in consolidated statement of 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.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for noncontrolling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, we reassess whether we correctly identified all of the assets acquired and all of the liabilities assumed and review the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain on a bargain purchase is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, we report in our consolidated financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, which is no longer than one year from the acquisition date, the provisional amounts recognised at acquisition date are retrospectively adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. During the measurement period, we also recognise additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of our cash-generating units, or CGUs, that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill acquired in a business combination has yet to be allocated to identifiable CGUs because the initial accounting is incomplete, such provisional goodwill is not tested for impairment unless indicators of impairment exist and we can reliably allocate the carrying amount of goodwill to a CGU or group of CGUs that are expected to benefit from the synergies of the business combination. Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the disposed operation and the portion of the CGU retained.

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 consolidated statement of profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

3 SIGNIFICANT ACCOUNTING POLICIES continued
3.1 BASIS OF CONSOLIDATION continued
e) Interests in associates and joint ventures
Associates are those entities in which the Group has significant influence, but not control or joint control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the Group has joint control of the arrangement and have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

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 ventures 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 ventures at the date of acquisition is credited to the consolidated statement of profit or loss in the year of acquisition.

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 consolidated 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 and joint ventures 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	Principal activity	Country of incorporation	Group effective shareholding percentage 2016	2015
Ooredoo Investment Holding S.P.C. (formerly known as "Qtel Investment Holdings S.P.C.")	Investment company	Bahrain	100%	100%
Ooredoo International Investments L.L.C. (formerly known as Qtel International Investments L.L.C)	Investment company	Qatar	100%	100%
Ooredoo Group L.L.C.	Management service company	Qatar	100%	100%
Ooredoo South East Asia Holding S.P.C (formerly known as "Qtel South East Asia Holding S.P.C.")	Investment company	Bahrain	100%	100%
West Bay Holding S.P.C (formerly known as "Qtel West Bay Holding S.P.C.")	Investment company	Bahrain	100%	100%
Ooredoo Asian Investments Pte. Ltd.	Investment company	Singapore	100%	100%
Al Dafna Holding S.P.C (formerly known as "Qtel Al Dafna Holding S.P.C")	Investment company	Bahrain	100%	100%
Al Khor Holding S.P.C (formerly known as "Qtel Al Khor Holding S.P.C)	Investment company	Bahrain	100%	100%
IP Holdings Limited	Investment company	Cayman Islands	100%	100%
Ooredoo Myanmar Tower Holding Co.	Investment company	Cayman Islands	100%	100%

3 SIGNIFICANT ACCOUNTING POLICIES continued

3.1 BASIS OF CONSOLIDATION continued

Name of subsidiary	Principal activity	Country of incorporation	Group effective shareholding percentage	
			2016	2015
wi-tribe Asia Limited	Investment company	Cayman Islands	100%	100%
Ooredoo Asia Pte. Ltd.	Investment company	Singapore	100%	100%
Indonesia Communications Limited (iv)	Investment company	Mauritius	–	100%
Ooredoo International Finance Limited	Investment company	Bermuda	100%	100%
MENA Investcom S.P.C (formerly known as "Qtel MENA Investcom S.P.C")	Investment company	Bahrain	100%	100%
Omani Qatari Telecommunications Company S.A.O.G. ("Ooredoo Oman")	Telecommunication company	Oman	55.0%	55.0%
Starlink W.L.L.	Telecommunication company	Qatar	72.5%	72.5%
National Mobile Telecommunications Company K.S.C. (" Ooredoo Kuwait")	Telecommunication company	Kuwait	92.1%	92.1%
Wataniya International FZ–L.L.C.	Investment company	United Arab Emirates	92.1%	92.1%
Al-Bahar United Company W.L.L. ("Phono")	Telecommunication company	Kuwait	92.1%	92.1%
Al Wataniya Gulf Telecommunications Holding Company S.P.C	Investment company	Bahrain	92.1%	92.1%
Al-Wataniya International for Intellectual Properties S.P.C (iv)	Investment company	Bahrain	–	92.1%
Ooredoo Maldives PLC (formerly known as Ooredoo Maldives Pvt. Ltd)	Telecommunication company	Maldives	92.1%	92.1%
WARF Telecom International Pvt. Ltd.	Telecommunication company	Maldives	59.9%	59.9%
Wataniya Telecom Algerie S.P.A. ("Ooredoo Algeria")	Telecommunication company	Algeria	74.4%	74.4%
Ooredoo Consortium Ltd. (formerly known as "Carthage Consortium Ltd.")	Investment company	Malta	92.1%	92.1%
Ooredoo Tunisia Holdings Ltd. (formerly known as "Qtel Tunisia Holding Company Ltd.")	Investment company	Malta	92.1%	92.1%
Ooredoo Malta Holdings Ltd. (formerly known as "Qtel Malta Holding Company Ltd.")	Investment company	Malta	100%	100%
Ooredoo Tunisie S.A.	Telecommunication company	Tunisia	84.1%	84.1%
Wataniya Palestine Mobile Telecommunications Public Shareholding Company ("Wataniya Palestine") (i)	Telecommunication company	Palestine	44.6%	44.6%
Raywood Inc.	Investment company	Cayman Islands	100%	100%
Newood Inc.	Investment company	Cayman Islands	100%	100%
Midya Telecom Company Limited ("Fanoos") (ii)	Telecommunication company	Iraq	49.0%	49%
Al-Rowad General Services Limited	Investment company	Iraq	100%	100%
Asiacell Communications PJSC	Telecommunication company	Iraq	64.1%	64.1%
wi-tribe Limited	Investment company	Cayman Islands	86.1%	86.1%
wi-tribe Pakistan Limited	Telecommunication company	Pakistan	–	86.1%
Barzan Holding S.P.C. (formerly known as "Barzan Holding Company S.P.C.")	Investment company	Bahrain	100%	100%

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

3 SIGNIFICANT ACCOUNTING POLICIES continued
3.1 BASIS OF CONSOLIDATION continued

Name of subsidiary	Principal activity	Country of incorporation	Group effective shareholding percentage 2016	2015
Laffan Holding S.P.C. (formerly known as "Laffan Holding Company S.P.C.")	Investment company	Bahrain	100%	100%
Zekreet Holding S.P.C. (formerly known as "Zekreet Holding Company S.P.C.")	Investment company	Bahrain	100%	100%
Ideabox Investment Pte. Ltd (iv)	Investment company	Singapore	–	100%
Ideabox Holding Pte. Ltd (iv)	Investment company	Singapore	–	100%
Ooredoo Myanmar Ltd	Telecommunication company	Myanmar	100%	100%
Al Wokaer Holding S.P.C.	Investment company	Bahrain	100%	100%
Al Wakrah Holding S.P.C.	Investment company	Bahrain	100%	100%
Ooredoo Tamweel Ltd.	Investment company	Cayman Islands	100%	100%
Ooredoo IP L.L.C.	Management service company	Qatar	100%	100%
Ooredoo Global Services FZ-L.L.C	Management service company	United Arab Emirates	100%	100%
Seyoula International Investments S.P.C	Investment company	Qatar	100%	100%
Ooredoo Innovate FZ – L.L.C	Investment company	United Arab Emirates	100%	100%
Guney Telekomunikayson A.S.	Investment company	Turkey	–	92.1%
Fast Telecommunications Company W.L.L.	Telecommunication company	Kuwait	92.1%	–
Ooredoo Myanmar Fintech Limited	Telecommunication company	Myanmar	100%	–
PT. Indosat Tbk ("Indosat Ooredoo")	Telecommunication company	Indonesia	65.0%	65.0%
Indosat Singapore Pte. Ltd	Management service company	Singapore	65.0%	65.0%
PT Indosat Mega Media	Telecommunication company	Indonesia	64.9%	64.9%
PT Starone Mitra Telekomunikasi	Telecommunication company	Indonesia	64.8%	64.8%
PT Aplikanusa Lintasarta (iii)	Telecommunication company	Indonesia	47.0%	47.0%
PT Artajasa Pembayaran Elektronis (iii)	Telecommunication company	Indonesia	25.9%	25.9%
Indosat Palapa Company B.V. (iv)	Investment company	Netherlands	–	65.0%
Indosat Mentari Company B.V. (iv)	Investment company	Netherlands	–	65.0%
PT Lintas Media Danawa (iii)	Investment company	Indonesia	32.9%	32.9%
PT Interactive Vision Media	Telecommunication company	Indonesia	64.9%	64.9%
PT Portal Bursa Digital (iii)	Investment company	Indonesia	40.3%	40.3%

(i) The Group holds 44.6% of Wataniya Palestine and has established control over the entity as it can demonstrate power through its indirect ownership of 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"). This exposes and establishes rights of the Group to variable returns and gives ability to affect those returns through its power over WPT.

(ii) The Group incorporated Raywood Inc ("Raywood"), a special purpose entity registered in Cayman Islands with 100% (2015: 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. Although Group holds less than a majority of the voting rights of MTCL, Group can still demonstrate its power by virtue of shareholders' agreement entered into between Raywood and MTCL, Iraq. This arrangement exposes the Group to variable returns and gives the ability to affect those returns over MTCL.

(iii) 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, which exposes the Group to variable returns 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.

(iv) The Group voluntarily liquidated the entities as this is the most suitable available solution to benefit creditors and other external parties.

3 SIGNIFICANT ACCOUNTING POLICIES continued

3.2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

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 2016. The adoption of the new and amended standards and interpretations did not have any material effect on the consolidated financial statements of the Group. They did however give rise to additional disclosures. The following standards, amendments and interpretations, which became effective 1 January 2016, are relevant to the Group:

3.2.1 New and revised IFRSs that are mandatorily effective

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2016, have been adopted in these consolidated financial statements.

- IFRS 14 Regulatory Deferral Accounts
- Amendments to IAS 1 Presentation of Financial Statements relating to Disclosure initiative
- Amendments to IFRS 11 Joint arrangements relating to accounting for acquisitions of interests in joint operations
- Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets relating to clarification of acceptable methods of depreciation and amortisation
- Amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture to bring in bearer plants into the scope of IAS 16
- Amendments to IAS 27 Separate Financial Statements relating to accounting investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements
- Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates and Joint Ventures relating to applying the consolidation exception for investment entities
- Annual Improvements to IFRSs 2012 – 2014 Cycle covering amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34

The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

3.2.2 New and revised IFRSs in issue but not yet effective

New and revised IFRSs	Effective for annual periods beginning on or after
Annual Improvements to IFRS Standards 2014 – 2016 Cycle amending IFRS 1, IFRS 12 and IAS 28.	The amendments to IFRS 1 and IAS 28 are effective for annual periods beginning on or after 1 January 2018, the amendment to IFRS 12 for annual periods beginning on or after 1 January 2017
Amendments to IAS 12 *Income Taxes* relating to the recognition of deferred tax assets for unrealised losses.	1 January 2017
Amendments to IAS 7 *Statement of Cash Flows* to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.	1 January 2017
IFRIC 22 *Foreign Currency Transactions and Advance Consideration* The interpretation addresses foreign currency transactions or parts of transactions where: – there is consideration that is denominated or priced in a foreign currency; – the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and – the prepayment asset or deferred income liability is non-monetary.	1 January 2018
Amendments to IFRS 2 *Share Based Payment* regarding classification and measurement of share based payment transactions.	1 January 2018
Amendments to IFRS 4 *Insurance Contracts*: Relating to the different effective dates of IFRS 9 and the forthcoming new insurance contracts standard.	1 January 2018
Amendments to IAS 40 *Investment Property*: Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The paragraph has been amended to state that the list of examples therein is non-exhaustive.	1 January 2018
Amendments to IFRS 7 *Financial Instruments: Disclosures* relating to disclosures about the initial application of IFRS 9.	When IFRS 9 is first applied

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

3 SIGNIFICANT ACCOUNTING POLICIES continued

3.2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) continued

3.2.2 New and revised IFRSs in issue but not yet effective continued

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 7 *Financial Instruments: Disclosures* relating to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9.	When IFRS 9 is first applied
IFRS 9 *Financial Instruments* (revised versions in 2009, 2010, 2013 and 2014) IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments. A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas: – **Classification and measurement**: Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk. – **Impairment**: The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised. – **Hedge accounting**: Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. – **Derecognition**: The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.	1 January 2018
IFRS 15 *Revenue from Contracts with Customers* In May 2014, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations when it becomes effective. The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition: – Step 1: Identify the contract(s) with a customer. – Step 2: Identify the performance obligations in the contract. – Step 3: Determine the transaction price. – Step 4: Allocate the transaction price to the performance obligations in the contract. – Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation. Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.	1 January 2018
Amendments to IFRS 15 *Revenue from Contracts with Customers* to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.	1 January 2018

3 SIGNIFICANT ACCOUNTING POLICIES continued

3.2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) continued

3.2.2 New and revised IFRSs in issue but not yet effective continued

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 16 *Leases* IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.	1 January 2019
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.	Effective date deferred indefinitely

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, except for IFRS 9, IFRS 15 and IFRS 16, may have no material impact on the consolidated financial statements of the Group in the period of initial application.

Management anticipates that IFRS 15 and IFRS 9 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2018 and that IFRS 16 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2019. The application of IFRS 15 and IFRS 9 may have significant impact on amounts reported and disclosures made in the Group's consolidated financial statements in respect of revenue from contracts with customers and the Group's financial assets and financial liabilities and the application of IFRS 16 may have significant impact on amounts reported and disclosures made in the Group's consolidated financial statements in respect of its leases.

However, management have not yet performed a detailed analysis of the impact of the application of these Standards and hence have not yet quantified the extent of the impact.

3.3 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.

When deciding the most appropriate basis for presenting revenue and cost of revenue, we assess our revenue arrangements against specific criteria to determine if we are acting as principal or agent. We consider both the legal form and the substance of our agreement, to determine each party's respective roles in the agreement. We are acting as a principal when we have the significant risks and rewards associated with the rendering of telecommunication services.

When our role in a transaction is that of principal, revenue is presented on a gross basis, otherwise, revenue is presented on a net basis.

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 in the period of occurrence.

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 or upon expiration of the prepaid cards.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

3 SIGNIFICANT ACCOUNTING POLICIES continued

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Revenue continued

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 their relative fair value to reflect the substance of the transaction. Where fair value is not directly observable, the total consideration is allocated using an appropriate allocation method. The cost of elements is immediately recognised in consolidated statement of profit or loss.

Third party projects

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

In the consolidated statement of financial position, projects in progress for which costs incurred plus recognised profits exceed progress billings and recognised 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 the 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 the 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 the 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.

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 consolidated 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

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date.

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

Leases where we retain substantially all the risks and benefits of ownership of the asset are classified as operating leases. Any initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Rental income is recognised in our consolidated income statement on a straight-line basis over the lease term.

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.

3 SIGNIFICANT ACCOUNTING POLICIES continued

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Leases continued

Revenues from the sale of transmission capacity on terrestrial and submarine cables are recognised on a straight-line basis over the life of the contract. Rental income from operating leases is recognised 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 recognised 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.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

All other leases are classified as finance leases. A finance lease gives rise to the recognition of a leased asset and finance lease liability. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term, if there is no reasonable certainty that we will obtain ownership of the leased asset at the end of the lease term. Interest expense is recognised over the lease term using the effective interest method ("EIR").

Sale and leaseback transactions – where the Group is the lessee

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

(a) Finance leases

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

(b) Operating leases

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

Other income

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

Dividend income

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

Commission income

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

Taxation

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

Current income tax

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

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

3 SIGNIFICANT ACCOUNTING POLICIES continued

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Taxation continued

Deferred income tax

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

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

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

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

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

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

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

Deferred income tax 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.

Current and deferred tax for the year

Current and deferred income tax are recognised in profit or loss, except when they related to items that are recognised in other comprehensive income or directly in equity, in which case, the current deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred income tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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 Group 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.

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 consolidated 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.

3 SIGNIFICANT ACCOUNTING POLICIES continued

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

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 acquiree 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 effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of deferred financing costs including discount on debt issuance and related cost, fair value losses on financial assets at fair value through profit or loss, losses on hedging instruments that are recognised in consolidated statement of profit or loss and reclassifications of net losses previously recognised in consolidated statement of 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 consolidated statement of 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
- capitalised 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 consolidated statement of profit or loss.

Construction-in-progress is transferred to the related property, plant and equipment when the construction or installation and related activities necessary to prepare the property and equipment for their intended use have been completed, and the property and equipment are ready for operational use.

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 the consolidated statement of 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.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

3 SIGNIFICANT ACCOUNTING POLICIES continued
3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued
Property, plant and equipment continued
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	2 – 10 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 derecognition 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.

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

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES continued

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Intangible assets and goodwill continued

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.

Construction-in-progress related to IRU is initially presented as part of property, plant and equipment. When the construction or installation and related activities necessary to prepare the IRU for their intended use and operations have been completed, the related IRU will be transferred from property, plant and equipment to intangible assets.

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

Goodwill

Goodwill represents the excess of the cost of the acquisition over the fair value of identifiable net assets of the investee at the date of acquisition which is not identifiable to specific assets.

Goodwill acquired in a business combination from the acquisition date is allocated to each of the Group's cash-generating units, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is allocated:
– represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
– is not larger than a segment based on the Group's operating segments as determined in accordance with IFRS 8, Operating Segments.

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

	Licence costs	Customer contracts and related customer relationship	Brand/ Trade names	IRU, software and other intangibles
Useful lives	Finite (10 – 50 years)	Finite (2 – 8 years)	Finite (6 – 25 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
Internally generated or 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 initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and amortisation. Depreciation and amortisation of investment properties are computed using the straight line method over the estimated useful lives (EUL) of assets of twenty (20) years.

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 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 consolidated statement of profit or loss in the year of retirement or disposal.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

3 SIGNIFICANT ACCOUNTING POLICIES continued
3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued
Fair value measurement
For measurement and disclosure purposes, the Group determines the fair value of an asset or liability at initial measurement or at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting date.

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 consolidated 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.

3 SIGNIFICANT ACCOUNTING POLICIES continued
3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued
Financial instruments continued
(i) Non-derivative financial assets continued
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 the consolidated statement of 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 the consolidated statement of 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 receivables
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 recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less impairment.

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

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

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.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

3 SIGNIFICANT ACCOUNTING POLICIES continued
3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued
Financial instruments continued
(i) Non-derivative financial assets continued
Derecognition of financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:
– the contractual rights to receive cash flows from the asset have expired;
– the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
– the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment and uncollectibility of financial assets
An assessment is made at each end of the reporting period to determine whether there is objective evidence that a specific financial asset may be impaired. If any such evidence exists, impairment loss is recognised in the consolidated statement of profit or loss. Impairment is determined as follows:
(a) for assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the consolidated statement of profit or loss;
(b) for assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
(c) for assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

(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 eligible 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.

3 SIGNIFICANT ACCOUNTING POLICIES continued

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Financial instruments continued

(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 recognised 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 reporting date of the consolidated financial statements are considered as an event after the reporting date.

(iv) Derivative financial instruments and hedge accounting

Derivative financial instruments are recognised initially at fair value; attributable transaction costs are recognised in the consolidated statement of profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised 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 the consolidated statement of 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 the consolidated statement of profit or loss.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

3 SIGNIFICANT ACCOUNTING POLICIES continued
3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued
Financial instruments continued
(iv) Derivative financial instruments and hedge accounting continued
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.

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 derivatives 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.

(v) 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.

Where the effect of the assumed conversion of the convertible notes and the exercise of all outstanding options have anti-dilutive effect, basic and diluted EPS are stated at the same amount.

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.

3 SIGNIFICANT ACCOUNTING POLICIES continued

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Provisions

Provisions are recognised 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 reporting date, and are discounted to present value where the effect is material.

Decommissioning liability

The Group recognises a decommissioning liability where it has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made.

The Group records full provision for the future costs of decommissioning for network and other assets. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related network and other assets to the extent that it was incurred by the development/construction.

Changes in the estimated timing or cost of decommissioning are dealt with prospectively by recording an adjustment to the provision and a corresponding adjustment to network and other assets. Any reduction in the decommissioning liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to the consolidated statement of profit or loss.

If the change in estimate results in an increase in the decommissioning liability and, therefore, an addition to the carrying value of the asset, the Group considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment. If, the estimate for the revised value of network and other assets net of decommissioning provision exceeds the recoverable value, that portion of the increase is charged directly to expense.

Over time, the discounted liability is increased for the change in present value based on the discount rate that reflects current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in the consolidated statement of profit or loss as a finance cost.

The Group recognises neither the deferred tax asset in respect of the temporary difference on the decommissioning liability nor the corresponding deferred tax liability in respect of the temporary difference on a decommissioning asset.

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 the consolidated statement of profit or loss.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

3 SIGNIFICANT ACCOUNTING POLICIES continued
3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued
Provisions continued
Pensions and other post employment benefits continued

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 recognised 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 average share price during the 3 months prior to settlement date. On breach of the vesting conditions, the liability is derecognised through the consolidated statement of profit or loss.

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 the consolidated statement of 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 the 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.

3 SIGNIFICANT ACCOUNTING POLICIES continued

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

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

Impairment losses recognised 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 recognised 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

	2016 QR'000	2015 QR'000
Revenue from rendering of telecommunication services	**30,808,107**	30,956,989
Sale of telecommunications equipment	**1,422,772**	965,383
Revenue from use of assets by others	**272,380**	238,483
	32,503,259	32,160,855

5 OPERATING EXPENSES

	2016 QR'000	2015 QR'000
Outpayments and interconnect charges	**2,515,274**	2,746,000
Regulatory and related fees	**2,184,928**	2,299,825
Rentals and utilities – network	**1,654,613**	1,648,242
Network operation and maintenance	**2,217,395**	2,045,235
Cost of equipment sold and other services	**3,217,385**	2,656,292
Provision for obsolete and slow moving inventories	**57,437**	4,774
	11,847,032	11,400,368

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

6 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	2016 QR'000	2015 QR'000
Employee salaries and associated costs	**3,493,305**	3,606,641
Marketing costs and sponsorship	**1,192,582**	1,325,148
Commission on cards	**996,251**	1,064,030
Legal and professional fees	**291,473**	324,271
Rental and utilities	**287,418**	322,049
Allowance for impairment of trade receivables	**212,251**	176,264
Repairs and maintenance	**77,685**	89,163
Other expenses	**740,299**	849,269
	7,291,264	7,756,835

7 DEPRECIATION AND AMORTISATION

	2016 QR'000	2015 QR'000
Depreciation of property, plant and equipment and investment property	**6,363,296**	6,061,374
Amortisation of intangible assets	**2,000,770**	1,883,986
	8,364,066	7,945,360

8 NET FINANCE COSTS

	2016 QR'000	2015 QR'000
Finance cost		
Interest expenses	**1,877,277**	1,982,611
Profit element of amortisation financing obligation	**171,782**	170,487
Amortisation of deferred financing costs (note 25)	**79,286**	99,539
Other finance charges	**11,341**	7,542
	2,139,686	2,260,179
Finance income		
Interest income	**(331,143)**	(243,381)
Net finance costs	**1,808,543**	2,016,798

9 OTHER INCOME – NET

	2016 QR'000	2015 QR'000
Foreign currency losses – net	**(124,000)**	(514,186)
Dividend income	**13,608**	24,545
Rental income	**31,429**	27,332
Change in fair value of derivatives – net	**(74,156)**	(64,160)
Miscellaneous income – net (i)	**709,063**	836,991
	555,944	310,442

i. In 2016, miscellaneous income includes an amount of QR 532,500 thousand related to reversal of a liability, which management considers as relinquished and QR 34,450 thousand gain on disposal of an investment. In 2015, miscellaneous income includes gain on disposal of investments of QR 658,615 thousand.

10 ROYALTIES AND FEES

	Note	2016 QR'000	2015 QR'000
Royalty	(i)	**176,535**	168,378
Industry fees	(ii)	**237,307**	225,940
Other statutory fees	(iii)	**29,343**	14,260
		443,185	408,578

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 adjusted 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.

	2016	2015
Profit for the year attributable to shareholders of the parent (QR'000)	**2,192,554**	2,118,278
Weighted average number of shares (in '000)	**320,320**	320,320
Basic and diluted earnings per share (QR)	**6.84**	6.61

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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 2015 (Note 43)	7,988,595	52,167,391	5,541,056	3,083,677	68,780,719
Additions	539,927	2,552,805	549,935	4,813,577	8,456,244
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	53,065,819	6,194,468	3,411,871	70,872,348
Acquisition of a subsidiary	**–**	**180,920**	**32,869**	**–**	**213,789**
Disposal of a subsidiary	**(6,013)**	**(268,936)**	**(129,156)**	**(17)**	**(404,122)**
Additions	**151,585**	**1,768,629**	**397,384**	**3,266,984**	**5,584,582**
Transfers	**190,054**	**2,719,645**	**451,213**	**(3,360,912)**	**–**
Disposals	**(400,632)**	**(543,109)**	**(93,093)**	**(34,676)**	**(1,071,510)**
Reclassification	**(45,401)**	**176,346**	**17,576**	**(216,796)**	**(68,275)**
Exchange adjustment	**47,375**	**69,543**	**(96,258)**	**(20,340)**	**320**
At 31 December 2016	**8,137,158**	**57,168,857**	**6,775,003**	**3,046,114**	**75,127,132**
Accumulated depreciation					
At 1 January 2015 (Note 43)	3,278,921	28,123,450	3,900,270	–	35,302,641
Provided during the year	511,040	4,891,127	653,956	–	6,056,123
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	29,710,753	4,173,322	–	37,346,126
Acquisition of a subsidiary	**–**	**150,487**	**26,623**	**–**	**177,110**
Disposal of a subsidiary	**(6,117)**	**(268,723)**	**(129,439)**	**–**	**(404,279)**
Provided during the year	**503,213**	**5,150,889**	**703,481**	**–**	**6,357,583**
Disposals	**(19,951)**	**(496,378)**	**(80,594)**	**–**	**(596,923)**
Reclassification	**(21,270)**	**(2,654)**	**2,459**	**–**	**(21,465)**
Exchange adjustment	**32,835**	**39,247**	**(43,314)**	**–**	**28,768**
At 31 December 2016	**3,950,761**	**34,283,621**	**4,652,538**	**–**	**42,886,920**
Carrying value					
At 31 December 2016	**4,186,397**	**22,885,236**	**2,122,465**	**3,046,114**	**32,240,212**
At 31 December 2015	4,738,139	23,355,066	2,021,146	3,411,871	33,526,222

i) Exchange and network assets include finance lease assets recognised on account of sale and lease back transaction of one of the Group's 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 of some of its property and equipment. The net book value of these assets QR 80,190 thousand as at 31 December 2016 (2015: 200,283 thousand). Based on an assessment performed by Asiacell, an insignificant amount of damage has occurred which has been provided for.

iii) Asiacell reached an agreement with the local bank wherein Asiacell received properties in exchange for the equivalent value of the bank deposits. As at 31 December 2016, Asiacell had received parcels of lands and buildings located in Baghdad and Sulaymaniah amounting to a total amount of QR 440,440 thousand. Currently, the legal title is transferred to a related party of Asiacell and it will be transferred in the name of Asiacell upon completing legal formalities. However, the Group has obtained an indemnity letter from the related party that these assets are under the Group's control and the ownership will be transferred upon completing the legal formalities.

iv) In 2014, the Group entered into an agreement to acquire land under a master development plan for which an amount of QR 378,619 thousand was paid to the master developer. During the year, the agreement was cancelled and the Group disposed the land after getting refunded for the amount paid.

v) Certain property, plant and equipment are used as collaterals to secure the Group's borrowings.

13 INTANGIBLE ASSETS AND GOODWILL

	Goodwill QR'000	Licence 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 2015 (Note 43)	10,855,489	28,294,345	727,329	2,876,972	3,066,177	45,820,312
Additions	–	93,303	–	–	305,522	398,825
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	3,245,616	43,977,675
Acquisition of a subsidiary	**23,233**	**122,253**	**3,073**	**–**	**–**	**148,559**
Disposal of a subsidiary	**(12,175)**	**(32,256)**	**–**	**–**	**(9,978)**	**(54,409)**
Additions	**–**	**1,453,517**	**–**	**–**	**397,687**	**1,851,204**
Reclassification	**–**	**–**	**–**	**–**	**22,206**	**22,206**
Disposals	**–**	**–**	**–**	**–**	**(5,026)**	**(5,026)**
Exchange adjustment	**(268,865)**	**(421,650)**	**(527)**	**18,657**	**(28,365)**	**(700,750)**
At 31 December 2016	**9,823,416**	**28,461,990**	**660,569**	**2,671,344**	**3,622,140**	**45,239,459**
Accumulated amortisation and impairment losses						
At 1 January 2015 (Note 43)	319,797	7,834,805	724,628	1,310,035	1,894,328	12,083,593
Amortisation during the year	–	1,414,761	2,701	138,067	328,457	1,883,986
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	2,119,562	13,618,583
Disposal of a subsidiary	**(12,175)**	**(30,198)**	**–**	**–**	**(9,805)**	**(52,178)**
Amortisation during the year	**–**	**1,532,931**	**682**	**88,402**	**378,755**	**2,000,770**
Disposals	**–**	**–**	**–**	**–**	**(5,027)**	**(5,027)**
Reclassification	**–**	**–**	**–**	**–**	**306**	**306**
Exchange adjustment	**(17,145)**	**(100,787)**	**(498)**	**(9,700)**	**(21,812)**	**(149,942)**
At 31 December 2016	**591,484**	**10,257,554**	**658,207**	**1,443,288**	**2,461,979**	**15,412,512**
Carrying value						
At 31 December 2016	**9,231,932**	**18,204,436**	**2,362**	**1,228,056**	**1,160,161**	**29,826,947**
At 31 December 2015	9,460,419	18,484,518	–	1,288,101	1,126,054	30,359,092

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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	Carrying value 2016 QR'000	Carrying value 2015 QR'000
Ooredoo, Kuwait	**559,621**	563,549
Ooredoo, Algeria	**2,107,232**	2,122,023
Ooredoo Tunisie	**2,903,600**	3,209,869
Indosat Ooredoo	**3,233,853**	3,160,103
Asiacell, Iraq	**353,408**	353,408
Others	**74,218**	51,467
	9,231,932	9,460,419

Goodwill was tested for impairment as at 31 December 2016. 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 local market ten-year government bond is used, where available. If unavailable, 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.

	(Expressed in percentage)			
	Discount rate		Terminal value growth rate	
Cash generating units	2016	2015	2016	2015
Ooredoo Kuwait	**9.2%**	9.4%	**2.75%**	2.75%
Ooredoo Algeria	**10.6%**	11.2%	**2.75%**	2.75%
Ooredoo Tunisie	**10.5%**	10.8%	**2.75%**	2.75%
Indosat Ooredoo	**11.7%**	11.7%	**2.75%**	2.75%
Asiacell, Iraq	**15.8%**	16.4%	**2.75%**	2.75%
Ooredoo Myanmar	**16.7%**	16.1%	**4.00%**	4.00%

13 INTANGIBLE ASSETS AND GOODWILL continued

Key Assumptions used in value in use calculations continued

i) Impairment testing of goodwill continued

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

	2016	2015
Ooredoo, Kuwait	**0.8%**	0.7%
Ooredoo, Algeria	**9.5%**	7.0%
Ooredoo Tunisie	**0.5%**	–
Indosat Ooredoo	**3.7%**	3.8%
Asiacell, Iraq	**7.3%**	4.8%
Ooredoo Myanmar	**1.3%**	1.2%

ii) Impairment loss of goodwill

	Note	2016 QR'000	2015 QR'000
Impairment loss of goodwill	(a), (b)	**–**	332,235

(a) In the case of Ooredoo Tunisie ("the CGU"), Revenue and margins had declined in prior years leading to the recoverable amount of the investment being more sensitive to an impairment loss. The CGU was 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 nil in 2016 (2015: QR 227,360 thousand) was 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	2016 QR'000	2015 QR'000
Budgeted revenue growth	**-0.5%**	**–**	(33,367)
Budgeted EBITDA margins	**-0.5%**	**–**	(72,727)

(b) In 2015, 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 in 2015 is recorded in these consolidated financial statements. This impairment loss has been fully allocated to goodwill.

14 INVESTMENT PROPERTY

	2016 QR'000	2015 QR'000
Cost		
At 1 January	**105,018**	105,018
Transfer from property, plant and equipment	**46,069**	–
At 31 December	**151,087**	105,018
Accumulated depreciation		
At 1 January	**55,157**	49,906
Transfer from property, plant and equipment	**21,159**	–
Provided during the year	**5,713**	5,251
At 31 December	**82,029**	55,157
Carrying value		
At 31 December	**69,058**	49,861

Investment property comprises of the portion of the Group's head quarter building rented to a related party. During the year, the Group leased 2 additional floors to the related party, which increased the cost of the investment property to QR. 151,087 thousand.

There was a valuation exercise performed by an external valuer in 2015, and management believe that the fair value has not significantly changed since the latest valuation. The fair value of Investment property is approximately QR 77,000 thousand (2015: QR 63,000 thousand), which is higher than the carrying value at reporting dates.

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15 INVESTMENT IN ASSOCIATES AND JOINT VENTURES

The Group has the following investment in associates and joint ventures:

Associate/Joint Venture companies	Principal activity	Classification	Country of incorporation	Effective ownership 2016	Effective ownership 2015
Navlink, Inc., a Delaware Corporation	*Managed Service Provider delivering technology solutions in the enterprise data market*	*Associate*	*United States of America*	**38%**	38%
Asia Mobile Holdings Pte Ltd ("AMH")	*Holding company*	*Associate*	*Singapore*	**25%**	25%
PT Multi Media Asia Indonesia	*Satellite based telecommunication services*	*Associate*	*Indonesia*	**17%**	17%
MEEZA QSTP LLC	*Information technology services*	*Associate*	*Qatar*	**20%**	20%
PT Citra Bakti, Indonesia	*Product certification and testing*	*Associate*	*Indonesia*	**9%**	9%
Titan Bull Holdings Limited	*Holding Company*	*Associate*	*Cayman Islands*	**20%**	20%
Monetix SPA	*Electronic Banking*	*Associate*	*Algeria*	**19%**	–
Sadeem Telecom	*Telecommunication Services and Investment*	*Joint venture*	*Qatar*	**50%**	50%
Asia Internet Holding S.a r.l.,	*Holding Company*	*Joint venture*	*Luxembourg*	**50%**	50%

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

	Associates 2016 QR'000	Joint ventures 2016 QR'000	Total 2016 QR'000	Associates 2015 QR'000	Joint ventures 2015 QR'000	Total 2015 QR'000
Group's share of associates' and joint ventures' statement of financial position:						
Current assets	**686,735**	**169,667**	**856,402**	631,386	309,556	940,942
Non-current assets	**2,276,679**	**277,931**	**2,554,610**	2,198,677	277,482	2,476,159
Current liabilities	**(637,188)**	**(25,558)**	**(662,746)**	(790,406)	(20,802)	(811,208)
Non-current liabilities	**(1,752,185)**	**(48,775)**	**(1,800,960)**	(1,492,545)	(85,151)	(1,577,696)
Net assets	**574,041**	**373,265**	**947,306**	547,112	481,085	1,028,197
Goodwill	**918,053**	**177,863**	**1,095,916**	1,084,629	183,595	1,268,224
Carrying amount of the investment	**1,492,094**	**551,128**	**2,043,222**	1,631,741	664,680	2,296,421
Group's share of associates' and joint ventures' revenues and results:						
Revenues	**1,704,262**	**26,913**	**1,731,175**	1,750,457	27,301	1,777,758
Share of results – net of tax	**111,141**	**(96,989)**	**14,152**	94,340	(79,663)	14,677

The significant balance of investment in associates relates to Asia Mobile Holdings Pte Ltd. During the year, management has performed impairment test and based on the currently available information, there are indicators of impairment in the value of investment in associates. The Group recorded an impairment loss amounting to QR 154,780 thousand (2015: nil).

During the year, the Group further invested a sum of QR 38,596 thousand (2015: QR 301,685 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 171,385 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 177,863 thousand.

16 AVAILABLE-FOR-SALE INVESTMENTS

	2016 QR'000	2015 QR'000
Quoted equity investments	**10,648**	17,846
Unquoted equity investments	**718,457**	724,791
Investments in funds	**3,637**	4,559
	732,742	747,196

At 31 December 2016, certain unquoted equity investments amounting to QR 35,152 thousand (2015: QR 35,504 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 37,726 thousand (2015: QR 851 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

	2016 QR'000	2015 QR'000
Prepaid rentals	**280,826**	265,821
Other long term receivables	**195,458**	290,507
Others	**109,792**	108,787
	586,076	665,115

18 INCOME TAX

Income tax represents amounts recognised by subsidiary companies. The major components of income tax expense for the years 2016 and 2015 are:

	2016 QR'000	2015 QR'000
Current income tax		
Current income tax charge	**392,050**	339,197
Adjustments in respect of previous years' income tax	**241,233**	219,419
Deferred income tax		
Relating to origination and reversal of temporary differences	**(253,887)**	(227,150)
Income tax included in the consolidated statement of profit or loss	**379,396**	331,466

The Parent company is not subject to income tax in the State of Qatar. The tax rate applicable to the taxable subsidiaries is in the range of 10% to 35% (2015: 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.

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18 INCOME TAX continued

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:

	2016 QR'000	2015 QR'000
Profit before tax	**3,126,759**	2,624,949
Profit of parent and subsidiaries not subject to corporate income tax	**(1,419,234)**	(1,715,864)
Profit of parent and subsidiaries subject to corporate income tax	**1,707,525**	909,085
Add/(Less):		
Allowances, accruals and other temporary differences	**88,025**	277,767
Expenses and income that are not subject to corporate tax	**445,134**	588,874
Depreciation – net of accounting and tax	**301,789**	445,286
Unutilised tax losses brought forward	**(137,639)**	(54,437)
Taxable profit of subsidiaries and associates that are subject to corporate income tax	**2,404,834**	2,166,575
Income tax charge at the effective income tax rate of 16% (2015: 16%)	**392,050**	339,197

	Consolidated statement of financial position		Consolidated statement of profit or loss	
	2016 QR'000	2015 QR'000	2016 QR'000	2015 QR'000
Accelerated depreciation for tax purposes	**(62,796)**	(105,229)	**45,798**	225,258
Losses available to offset against future taxable income	**4,273**	44,478	**(47,052)**	(1,313)
Allowances, accruals and other temporary differences	**306,610**	63,750	**229,945**	(21,842)
Deferred tax origination on purchase price allocation	**(400,340)**	(415,391)	**25,196**	25,047
Deferred tax liability/deferred tax expense (income) – net	**(152,253)**	(412,392)	**253,887**	227,150

Reflected in the consolidated statement of financial position as follows:

	2016 QR'000	2015 QR'000
Deferred tax asset	**269,987**	54,561
Deferred tax liability	**(422,240)**	(466,953)
	(152,253)	(412,392)

Movement of deferred tax liability – net

	2016 QR'000	2015 QR'000
At 1 January	**412,392**	695,610
Tax income during the year	**(253,887)**	(227,150)
Tax on other comprehensive income	**(19,299)**	12,909
Exchange adjustment	**13,047**	(68,977)
At 31 December	**152,253**	412,392

19 INVENTORIES

	2016 QR'000	2015 QR'000
Subscribers' equipment	**309,364**	348,527
Other equipment	**305,399**	285,679
Cables and transmission equipment	**95,502**	108,005
	710,265	742,211
Less: Provision for obsolete and slow moving inventories	**(129,121)**	(45,142)
	581,144	697,069

Inventories consumed are recognised as expense and included under operating expenses. These amounted to QR 2,613,916 thousand (2015: QR 2,038,028 thousand).

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

	2016 QR'000	2015 QR'000
At 1 January	**45,142**	42,565
Acquisition of a subsidiary	**4,073**	–
Provided during the year	**57,437**	4,774
Amounts reversed (written off)	**3,813**	(1,078)
Exchange adjustment	**18,656**	(1,119)
At 31 December	**129,121**	45,142

20 TRADE AND OTHER RECEIVABLES

	2016 QR'000	2015 QR'000
Trade receivables – net of impairment allowances	**3,010,126**	2,733,964
Other receivables and prepayments	**3,502,133**	3,662,538
Unbilled subscribers revenue	**768,857**	661,392
Amounts due from international carriers – net	**378,800**	537,451
Positive fair value of derivatives contracts	**4,152**	2,690
Net prepaid pension costs	**141**	313
	7,664,209	7,598,348

At 31 December, trade receivables amounting to QR 1,199,188 thousand (2015: QR 1,068,765 thousand) were impaired and fully provided for.

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20 TRADE AND OTHER RECEIVABLES continued

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

	2016 QR'000	2015 QR'000
At 1 January	**1,068,765**	982,683
Disposal of a subsidiary	**(33,357)**	–
Acquisition of a subsidiary	**27,409**	–
Charge for the year	**212,251**	176,264
Amounts written off	**(75,314)**	(30,757)
Amounts recovered	**(2,290)**	(16,172)
Exchange adjustment	**1,724**	(43,253)
At 31 December	**1,199,188**	1,068,765

At 31 December 2016, the ageing of unimpaired trade receivables is as follows:

			Past due not impaired			
	Total QR '000	Neither past due nor impaired QR '000	< 30 days QR '000	30-60 Days QR '000	60-90 Days QR '000	> 90 days QR '000
2016	**3,010,126**	**974,190**	**550,973**	**272,547**	**185,159**	**1,027,257**
2015	2,733,964	1,039,981	402,986	246,106	167,483	877,408

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	2016 QR'000	2015 QR'000
Bank balances and cash	(i),(ii)	**16,501,877**	18,158,180
Less:			
Restricted deposits	(iii)	**(433,552)**	(120,112)
Cash and cash equivalents as per consolidated statement of cash flows at 31 December		**16,068,325**	18,038,068

(i) Bank balances and cash equivalents include fixed deposits maturing after three months amounting to QR 7,979,786 thousand (2015: QR 6,637,547 thousand). The Group is of the opinion that these call 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 0.30% to 9.75% (2015: 0.35% to 10.50%).
(iii) On 29 June 2016, Asiacell received a letter from one of its banks notifying that cash in the amount of QR. 173,971 thousand was transferred from current account to restricted cash. This is based on the Communications and Media Commission of Iraq letter dated 4 February 2016.
During 2016, Asiacell has transferred its cash from one of its bank from current account to restricted deposits amounting QR. 104,245 thousand. Asiacell is in the process of reaching a settlement agreement with the bank.
(iv) Certain cash and cash equivalents are used as collaterals to secure the Group's obligations.

22 SHARE CAPITAL

	2016		2015	
	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.

	2016 QR'000	2015 QR'000
Fair value reserve of available for sale investments	**447,496**	434,894
Cash flow hedge reserve	**15,104**	13,290
	462,600	448,184

c) Employees' benefit reserve

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

d) Translation reserve

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

e) Other statutory reserves

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

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24 COMPONENTS OF OTHER COMPREHENSIVE INCOME

	2016 QR'000	2015 QR'000
Available-for-sale investments		
Gain arising during the year	**(63,780)**	(17,530)
Reclassification to profit or loss	**37,425**	(430,595)
Transfer to profit or loss on impairment	**37,726**	–
	11,371	(448,125)
Cash flow hedges		
Loss arising during the year	**(314)**	(281)
Deferred tax effect	**5**	67
	(309)	(214)
Employees' benefit reserve		
Net movement in employee benefit reserve	**(75,632)**	51,894
Deferred tax effect	**19,294**	(12,976)
	(56,338)	38,918
Associates and joint ventures		
Share of changes in fair value	**2,011**	1,922
Share of net movement in employment benefit reserve	**–**	(3,854)
	2,011	(1,932)
Translation reserves		
Foreign currency translation differences – foreign operations	**(803,058)**	(2,434,158)
Exchange differences transferred to profit or loss	**3,885**	(6,602)
	(799,173)	(2,440,760)
Other comprehensive loss for the year – net of tax	**(842,438)**	(2,852,113)

25 LOANS AND BORROWINGS

Presented in the consolidated statement of financial position as:

	2016 QR'000	2015 QR'000
Non-current liabilities		
Secured loan	**935,455**	1,237,855
Unsecured loan	**11,871,923**	12,059,359
Islamic Finance	**4,827,746**	4,803,386
Bonds	**20,103,562**	18,285,718
Less: Deferred financing cost	**(303,672)**	(278,263)
	37,435,014	36,108,055
Current liabilities		
Secured loan	**346,686**	386,265
Unsecured loan	**2,036,676**	2,323,616
Islamic Finance	**64,625**	59,658
Bonds	**913,064**	3,944,785
Less: Deferred financing cost	**(47,972)**	(50,537)
	3,313,079	6,663,787
	40,748,093	42,771,842

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

	2016 QR'000	2015 QR'000
At 1 January	**328,800**	388,461
Additions during the year	**100,283**	38,978
Amortised during the year (note 8)	**(79,286)**	(99,539)
Exchange adjustment	**1,847**	900
At 31 December	**351,644**	328,800

Notes to the Consolidated Financial Statements
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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	2016 QR'000	2015 QR'000
Unsecured	USD	LIBOR +1.15%	March 2017	–	3,641,500
Unsecured	USD	LIBOR +1.00%	May 2019	**3,641,500**	3,641,500
Unsecured	USD	LIBOR +0.88%	May 2020	**1,820,750**	1,820,750
Unsecured	USD	LIBOR +0.90%	August 2020	**546,225**	546,225
Unsecured	USD	LIBOR +1.4%	June 2022	**3,641,500**	–
Bonds	USD	7.88%	June 2019	**2,184,901**	2,184,901
Bonds	USD	3.38%	October 2016	–	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
Bonds	USD	3.75%	June 2026	**1,820,750**	–
Islamic Finance	USD	3.04%	December 2018	**4,551,877**	4,551,877
Unsecured	USD	LIBOR +2.00%	February 2017	**15,860**	79,299
Unsecured	USD	LIBOR +1.80%	January 2018	**236,984**	426,572
Unsecured	TND	TMM Rate +1.10%	June 2018	**130,533**	245,480
Unsecured	TND	TMM Rate +1.50%	September 2019	**125,134**	192,478
Unsecured	TND	TMM Rate +1.10%	June 2020	**22,151**	32,136
Unsecured	TND	TMM Rate +1.75%	March 2021	**475,616**	–
Unsecured	TND	TMM Rate +0.5%	December 2016	–	26,591
Secured	USD	LIBOR +5.00%	June 2021	**191,179**	225,318
Secured	USD	LIBOR +5.25%	December 2017	**43,698**	43,698
Unsecured	USD	LIBOR +5.85%	December 2020	**10,964**	10,460
Secured	USD	LIBOR +5.50%	February 2016	–	971
Secured	USD	LIBOR +5.50%	December 2016	–	7,283
Secured	USD	6.00%	January 2016	–	455
Secured	USD	LIBOR +4.60%	September 2018	**20,433**	31,560
Secured	USD	6.00%	March 2017	**905**	4,853
Secured	USD	LIBOR +2.00%	May 2016	–	1,821
Secured	USD	LIBOR +3.00%	January 2019	**6,207**	–
Secured	USD	6.00%	January 2018	**5,462**	–
Secured	DZD	5.50%	September 2020	**1,014,257**	1,308,161
Unsecured	DZD	6.00%	June 2016	–	27,200
Unsecured	DZD	4.50%	November 2017	–	4,592
Unsecured	DZD	4.50%	July 2017	–	34,935
Unsecured	DZD	4.50%	September 2017	–	47,369
Unsecured	DZD	5.00%	August 2016	–	37,400
Unsecured	DZD	4.90%	October 2017	–	43,982
Unsecured	DZD	4.50%	June 2017	–	20,833
Unsecured	DZD	5.50%	August 2017	–	17,782
Islamic Finance	KWD	7.50%	July 2018	**5,659**	–
Unsecured	KWD	2.65%	October 2019	**162,040**	–

25 LOANS AND BORROWINGS continued

	Currency	Nominal Interest/ Profit rate	Year of maturity	2016 QR'000	2015 QR'000
Unsecured	USD	LIBOR +1.75%	June 2015	**121,383**	121,383
Unsecured	USD	LIBOR +2.95%	September 2019	**104,876**	139,834
Unsecured	USD	LIBOR +1.50%	December 2020	**542,584**	–
Unsecured	USD	LIBOR +1.50%	December 2020	**542,583**	–
Unsecured	USD	5.69% p.a.	September 2019	**170,400**	227,950
Unsecured	USD	USD LIBOR +0.35% p.a.	September 2019	**47,915**	64,098
Unsecured	USD	USD LIBOR +1.05% p.a.	May 2017	**361,352**	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	1 month 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	I month Jibor +2%		**53,789**	–
Unsecured	IDR	JIBOR +1.9%	February 2017	**268,944**	262,811
Unsecured	IDR	JIBOR +1.9%	August 2018	**268,944**	236,529
Unsecured	USD	6 month LIBOR +1.45%	November 2016	**–**	14,703
Unsecured	USD	Facility A: 6 Month LIBOR +2.87%	May 2016	**–**	25,897
Unsecured	USD	Facility B: Commercial Interest Reference Rate ("CIRR") of 4.26%	February 2017	**40,007**	120,416
Unsecured	USD	Facility C: CIRR of 4.24% – payable semi-annually	November 2017	**30,973**	62,151
Bonds	IDR	Series B 10.65% – payable quarterly	Series B: May 2017	**368,452**	360,050
Bonds	IDR	Series B 11.75% – payable quarterly	Series B: December 2016	**–**	157,686
Islamic Finance	IDR	Series B bonds IDR 20.21 billion	Series B: December 2016	**–**	45,203
Bonds	IDR	Fixed rate of 8.63% p.a. payable quarterly	June 2019	**322,732**	315,372
Bonds	IDR	Fixed rate of 8.88% p.a. payable quarterly	June 2022	**403,416**	394,215
Islamic Finance	IDR	Annual Ijarah payment of IDR 25.875 billion	June 2019	**80,683**	78,843
Islamic Finance	IDR	Annual Ijarah payment of IDR 12.225 billion	September 2017	**43,838**	–
Islamic Finance	IDR	Annual Ijarah payment of IDR 4.840 billion	September 2019	**16,406**	–
Islamic Finance	IDR	Annual Ijarah payment of IDR 860 billion	September 2021	**2,689**	–
Islamic Finance	IDR	Annual Ijarah payment of IDR 4.941 Billion	September 2026	**14,523**	–
Unsecured	IDR	3 months Jibor +2.25%	October 2016	**–**	197,108
Unsecured	IDR	9.5% payable quarterly	December 2018	**174,814**	210,248
Unsecured	IDR	Jibor +2.25%	December 2016	**–**	144,546
Unsecured	IDR	Jibor +1.90%	June 2017	**153,298**	–
Unsecured	IDR	Jibor +2.50%	October 2017	**–**	91,984
Unsecured	IDR	1 month Jibor +1.80%	October 2017	**67,236**	65,703
Unsecured	IDR	Jibor +1.75%	June 2017	**40,342**	–
Unsecured	IDR	Jibor +1.75%	June 2019	**67,236**	–

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25 LOANS AND BORROWINGS continued

	Currency	Nominal Interest/Profit rate	Year of maturity	2016 QR'000	2015 QR'000
Unsecured	IDR	3 months Jibor +2.45%	December 2017	–	26,281
Unsecured	IDR	1 month Jibor +2.50%	June 2016	–	315,372
Bonds	IDR	10.00%	December 2017	**255,497**	249,670
Bonds	IDR	10.30%	December 2019	**201,708**	197,108
Bonds	IDR	10.50%	December 2021	**67,236**	65,703
Bonds	IDR	10.70%	December 2024	**96,820**	94,612
Bonds	IDR	10.00%	December 2018	**54,058**	52,825
Bonds	IDR	10.25%	December 2020	**80,952**	79,106
Bonds	IDR	10.60%	December 2022	**34,963**	34,165
Bonds	IDR	11.20%	December 2025	**43,569**	42,575
Bonds	IDR	8.55%	June 2016	–	145,597
Bonds	IDR	9.25%	June 2018	**210,314**	205,518
Bonds	IDR	10.00%	June 2020	**157,063**	153,481
Bonds	IDR	10.25%	June 2022	**90,634**	88,567
Bonds	IDR	10.40%	June 2025	**114,839**	112,220
Bonds	IDR	7.50%	September 2017	**289,115**	–
Bonds	IDR	8.00%	September 2019	**281,584**	–
Bonds	IDR	8.60%	September 2021	**197,405**	–
Bonds	IDR	9.00%	September 2023	**30,929**	–
Bonds	IDR	9.15%	September 2026	**54,058**	–
Islamic Finance	IDR	Annual Ijarah payment of IDR 6.400 Billion	December 2017	**17,212**	16,820
Islamic Finance	IDR	Annual Ijarah payment of IDR 1.648 Billion	December 2019	**4,303**	4,205
Islamic Finance	IDR	Annual Ijarah payment of IDR 11.550 Billion	December 2021	**29,584**	28,909
Islamic Finance	IDR	Annual Ijarah payment of IDR 6.890 Billion	December 2022	**17,481**	17,083
Islamic Finance	IDR	Annual Ijarah payment of IDR 4.592 Billion	December 2025	**11,027**	10,775
Islamic Finance Obligation	IDR	Annual Ijarah payment of IDR 4.7025 Billion	June 2016	–	14,454
Islamic Finance Obligation	IDR	Annual Ijarah payment of IDR 7.030 Billion	June 2018	**20,440**	19,974
Islamic Finance Obligation	IDR	Annual Ijarah payment of IDR 6.700 Billion	June 2020	**18,019**	17,608
Islamic Finance Obligation	IDR	Annual Ijarah payment of IDR 4.4075 Billion	June 2022	**11,565**	11,301
Islamic Finance Obligation	IDR	Annual Ijarah payment of IDR 18.20 Billion	June 2025	**47,065**	45,992
Unsecured	IDR	2.00%	April 2018	**188**	184
Unsecured	IDR	2.00%	August 2018	**94**	92
Unsecured	USD	NIL	On demand	**22,384**	41,513
				41,099,737	43,100,642
Less: Deferred financing costs				**(351,644)**	(388,461)
				40,748,093	42,771,842

(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 bank balances, insurance policies, property plant and equipment and cash collateral.
(iii) Bonds are listed on London, Irish and Indonesia Stock Exchanges.
(iv) Islamic Finance includes notes issued under Sukuk Trust Programme on the Irish and Indonesia Stock Exchange.

26 EMPLOYEE BENEFITS

	2016 QR'000	2015 QR'000
Employees' end of service benefits	**431,114**	409,673
Post-retirement health care plan	**222,554**	139,156
Cash settled share based payments	**332,919**	245,990
Defined benefit pension plan/Labour Law No. 13/2003	**99,546**	88,428
Other employee benefits	**12,962**	11,268
Total employee benefits	**1,099,095**	894,515
Current portion of cash settled share based payments (note 28)	**(174,318)**	(82,373)
Employee benefits – non current	**924,777**	812,142

Movement in the provision for employee benefits are as follows:

	2016 QR'000	2015 QR'000
At 1 January	**894,515**	939,232
Acquisition of a subsidiary	**10,257**	–
Disposal of a subsidiary	**(4,088)**	–
Provided during the year	**304,205**	191,380
Paid during the year	**(179,856)**	(155,859)
Other comprehensive income	**71,773**	(48,548)
Exchange adjustment	**2,289**	(31,690)
At 31 December	**1,099,095**	894,515

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.

Notes to the Consolidated Financial Statements
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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.

	2016			2015		
	Plan A	Plan B	Plan C	Plan A	Plan B	Plan C
Annual discount rate	**8.8%**	**8.5%**	**8.0%–8.5%**	9.5%	8.5%	9.0% – 9.25%
Ultimate cost trend rate	**6.0%**	**–**	**–**	6.0%	–	–
Next year trend rate	**10.0%**	**–**	**–**	16.0%	–	–
Period to reach ultimate cost trend rate	**8 years**	**–**	**–**	10 years	–	–
Increase in compensation	**–**	**7.0%**	**–**	–	7.5%	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.

	2016			2015		
	Plan A QR'000	Plan B QR'000	Plan C QR'000	Plan A QR'000	Plan B QR'000	Plan C QR'000
At 1 January	**141,545**	**90,486**	**(25,122)**	187,648	90,075	(26,293)
Included in profit or loss						
Interest cost	**13,824**	**8,302**	**(2,339)**	15,535	7,031	(1,963)
Service cost	**5,355**	**9,865**	**6,914**	5,600	8,803	7,187
Curtailment gain	**(2,990)**	**2,957**	**–**	(3,565)	–	–
Immediate recognition of past service cost – vested benefit	**–**	**(2,372)**	**283**	–	2,952	1,048
Cost of employee transfer	**–**	**–**	**–**	–	–	–
	16,189	**18,752**	**4,858**	17,570	18,786	6,272
Included in other comprehensive income						
Other comprehensive income	**70,094**	**1,679**	**3,859**	(41,431)	(7,117)	(3,346)
Other movements						
Contribution	**–**	**–**	**(252)**	–	–	(338)
Benefit payment	**(3,891)**	**(11,011)**	**–**	(2,383)	(1,397)	–
Refund	**–**	**–**	**703**	–	–	147
Exchange adjustment	**3,011**	**1,776**	**497**	(19,859)	(9,861)	(1,564)
	(880)	**(9,235)**	**948**	(22,242)	(11,258)	(1,755)
At 31 December	**226,498**	**101,682**	**(15,457)**	141,545	90,486	(25,122)
Current portion	**4,394**	**2,136**	**(141)**	2,389	2,058	(313)
Non-current portion	**222,554**	**99,546**	**(15,316)**	139,156	88,428	(24,809)

26 EMPLOYEE BENEFITS continued

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

	2016	2015
Investments in:		
– Shares of stocks and properties	**35.67%**	30.22%
– Mutual fund	**40.18%**	44.58%
– Time deposits	**13.69%**	17.33%
– Debt securities	**10.36%**	7.66%
– Others	**0.10%**	0.21%

27 OTHER NON-CURRENT LIABILITIES

	Note	2016 QR'000	2015 QR'000
Payable to regulators	(i)	**794,805**	272,471
Site restoration provision		**78,068**	69,721
Finance lease liabilities (note 31)		**796,342**	906,475
Deferred gain on finance leases		**173,867**	206,971
Others		**441,952**	560,695
		2,285,034	2,016,333

(i) This represents amounts payable to Telecom regulators in Indonesia, Palestine and Myanmar for license charges.

28 TRADE AND OTHER PAYABLES

	2016 QR'000	2015 QR'000
Trade payables	**4,722,161**	4,978,058
Accrued expenses	**5,335,801**	5,788,466
Interest payable	**362,739**	400,198
Profit payable on islamic financing obligation	**12,511**	12,416
Licence costs payable	**321,797**	1,284,734
Amounts due to international carriers – net	**696,270**	623,650
Negative fair value of derivatives	**9,451**	138,019
Finance lease liabilities (note 31)	**149,674**	138,590
Cash settled share based payments (note 26)	**174,318**	82,373
Other payables	**2,522,412**	3,797,045
	14,307,134	17,243,549

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29 DIVIDEND
Dividend paid and approved

	2016 QR'000	2015 QR'000
Declared, accrued and paid during the year		
Final dividend for 2015, QR 3 per share (2014 : QR 4 per share)	**960,960**	1,281,280
Proposed for approval at Annual General Meeting (not recognised as a liability as at 31 December)		
Final dividend for 2016, QR 3.5 per share (2015 : QR 3 per share)	**1,121,120**	960,960

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	
	2016 QR'000	2015 QR'000
Currency forward contracts	**433,339**	1,269,225
Interest rate swaps	**48,286**	86,534
Fair value hedge	**304,633**	304,633
	786,258	1,660,392

	Fair values			
	2016		2015	
	Positive QR'000	Negative QR'000	Positive QR'000	Negative QR'000
Currency forward contracts	**4,151**	**3,123**	–	72,908
Interest rate swaps	**–**	**2,475**	–	4,936
Fair value hedge	**–**	**3,853**	2,246	60,046
	4,151	**9,451**	2,246	137,890

Cash flow hedges

At 31 December 2016, 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.

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 2016	**–**	**1**	**528,216**
31 December 2015	129	444	571,961

31 COMMITMENTS

Capital expenditure commitments

	2016 QR'000	2015 QR'000
Estimated capital expenditure contracted for at the end of the financial reporting year but not provided for:	**3,235,004**	4,366,324

Operating lease commitments

	2016 QR'000	2015 QR'000
Future minimum lease payments:		
Not later than one year	**559,346**	418,559
Later than one year and not later than five years	**2,142,209**	1,690,402
Later than five years	**3,030,564**	2,700,587
Total operating lease expenditure contracted for at 31 December	**5,732,119**	4,809,548

Finance lease commitments

	2016 QR'000	2015 QR'000
Amounts under finance leases		
Minimum lease payments		
Not later than one year	**239,881**	245,988
Later than one year and not later than five years	**851,483**	874,853
Later than five years	**144,988**	319,034
	1,236,352	1,439,875
Less: unearned finance income	**(290,336)**	(394,810)
Present value of minimum lease payments	**946,016**	1,045,065

	Note	2016 QR'000	2015 QR'000
Present value of minimum lease payments			
Current portion	28	**149,674**	138,590
Non-current portion	27	**796,342**	906,475
		946,016	1,045,065
Letters of credit		**109,831**	167,801

32 CONTINGENT LIABILITIES

	2016 QR'000	2015 QR'000
Letters of guarantees	**744,358**	874,020
Claims against the Group not acknowledged as debts	**15,521**	12,652

Notes to the Consolidated Financial Statements
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32 CONTINGENT LIABILITIES continued

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 365 million (USD 100 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 16 March 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 from 2004 to 2007 for an amount of QR 231.0 million and a further tax demand notice by the GCT for the years 2008, 2009-2010 and 2011-2012 for an amount of QR 133.0 million, QR 230.0 million and QR 204 million, respectively relating to corporate income tax.

Asiacell raised an objection against each of these claims and has paid all the above amounts under protest for 2004-2010 tax assessments and advance payment of 25% of 2011-2012 tax assessment 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.

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 675.9 million (USD 185.6 million). In January 2016, the Erbil Court of Cassation has issued a final decision in favour of the company.

On 4 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 favour.

(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 224.1 million (USD 61.7 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.

32 CONTINGENT LIABILITIES continued

Litigation and claims continued

(d) Proceedings against Asiacell relating to frequency spectrum fee continued

In January 2015, Asiacell appealed the CMC 2014 decision to the CMC's Appeal Board, which dismissed the CMC 2014 decision and instructed to determine the spectrum fees in coordination with Asiacell and best international practices.

On 29 June 2016, CMC sent a new letter to ACL asking it to pay the total amount of QR 167.5 billion (USD 45.7 million) and in response to the CMC letter, Asiacell committed itself to pay an adjusted amount and in December 2016 paid amount QR 163 million (USD 44.8 million) to CMC. This proceeding is considered closed from a legal perspective.

(e) Deduction disallowed in corporate income tax assessment

On 20 November 2014, Indosat received an assessment letter of tax overpayment ("SKPLB") from the DGT where, the DGT made a correction totaling QR 88 million (having a Corporate Tax impact of QR 22 million), which decreased the tax loss carried forward as of 31 December 2012. On 18 February 2015, Indosat submitted an objection letter to the Tax Office regarding the above correction. The tax objection was declined by the Tax Authority, and Indosat has filed an appeal with the Tax Court.

On 27 December 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 30 million and QR 26 million, respectively, which was paid on 24 January 2014. On 20 March 2014, Indosat submitted objection letters to the Tax Office regarding this correction on Indosat's 2007 and 2008 corporate income tax, respectively. The tax objection was declined by the Tax Office and Indosat has filed an appeal with the Tax Court.

(f) Withholding tax deducted by Indosat at lower rate

On 20 November 2014, Indosat received SKPLBs from the DGT for Indosat's 2012 income tax article 26 amounting to QR 169 million (including potential penalties). On 18 February 2015, Indosat submitted objection letters to the Tax Office regarding the correction that was declined by the Tax Authorities and Indosat has filed 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 summarised 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 optimising 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 payables 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 2016, after taking into the effect of interest rate swaps, approximately 68% of the Group's borrowings are at a fixed rate of interest (2015: 66%).

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

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

33 FINANCIAL RISK MANAGEMENT continued
Interest rate risk continued

	Consolidated statement of profit or loss +25b.p QR'000	Consolidated statement of changes in equity +25 b p QR'000
At 31 December 2016		
USD LIBOR	**(28,597)**	**1,321**
Others	**(4,588)**	**–**
At 31 December 2015		
USD LIBOR	(28,280)	1,430
Others	(8,151)	–

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.

	2016 QR'000 Assets (Liabilities)	2015 QR'000 Assets (Liabilities)
Indonesian Rupiah (IDR)	**5,979,111**	6,012,239
Kuwaiti Dinar (KD)	**10,278,082**	9,873,226
US Dollars (USD)	**(3,587,101)**	(2,512,749)
Euro (EUR)	**(39,404)**	(31,273)
Great British Pounds (GBP)	**(2,312)**	(2,984)
Tunisian Dinar (TND)	**197,654**	134,331
Algerian Dinar (DZD)	**(1,493,673)**	(2,201,692)
Iraqi Dinar (IQD)	**(454,735)**	(896,819)
Myanmar Kyat (MMK)	**308,377**	–
Others	**1,826**	1,838

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

33 FINANCIAL RISK MANAGEMENT continued

Foreign currency risk continued

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	
	2016 + 10% QR'000	2015 +10% QR'000	2016 + 10% QR'000	2015 +10% QR'000
Indonesian Rupiah (IDR)	**–**	–	**597,911**	601,224
Kuwaiti Dinar (KD)	**–**	–	**1,027,808**	987,323
Tunisian Dinar (TND)	**–**	–	**19,765**	13,433
Algerian Dinar (DZD)	**–**	–	**(149,367)**	(220,169)
Myanmar Kyat (MMK)	**–**	–	**30,838**	–
US Dollars (USD)	**(358,710)**	(251,275)	**–**	–
Euro (EUR)	**(3,940)**	(3,127)	**–**	–
Great British Pounds (GBP)	**(231)**	(298)	**–**	–
Iraqi Dinar (IQD)	**(45,474)**	(89,682)	**–**	–

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
2016		
Qatar Exchange (QE)	**10%**	**282**
Kuwait Stock Exchange (KSE)	**15%**	**257**
Indonesia Stock Exchange (IDX)	**10%**	**612**
2015		
Qatar Exchange (QE)	10%	483
Kuwait Stock Exchange (KSE)	15%	569
Indonesia Stock Exchange (IDX)	10%	922

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.

Notes to the Consolidated Financial Statements
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33 FINANCIAL RISK MANAGEMENT continued

Credit risk continued

The Group provides telecommunication services to various parties. It is the Group's policy that all customers who wish to obtain service 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:

	2016 QR'000	2015 QR'000
Qatar	**1,059,608**	1,090,958
Other countries	**1,950,518**	1,643,006
	3,010,126	2,733,964

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:

	2016 QR'000	2015 QR'000
Bank balances (excluding cash)	**16,381,719**	18,054,582
Positive fair value of derivatives	**4,152**	2,690
Amounts due from international carriers	**378,800**	537,451
Unbilled subscriber revenue	**768,857**	661,392
	17,533,528	19,256,115

The Group reduces the exposure of credit risk arising from bank balances by maintaining bank accounts in reputed banks, 66% of bank balances represents balances maintained with local banks in Qatar with a rating of at least 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 summarises 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 2016					
Loans and borrowings	**5,093,986**	**7,759,267**	**17,860,608**	**19,910,535**	**50,624,396**
Trade payables	**4,722,161**	**–**	**–**	**–**	**4,722,161**
Licence costs payable	**386,083**	**277,881**	**550,125**	**105,251**	**1,319,340**
Finance lease liabilities	**239,881**	**239,594**	**611,889**	**144,988**	**1,236,352**
Other financial liabilities	**880,039**	**236,669**	**–**	**–**	**1,116,708**
	11,322,150	**8,513,411**	**19,022,622**	**20,160,774**	**59,018,957**

33 FINANCIAL RISK MANAGEMENT continued

Liquidity risk continued

	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
Licence 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

Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation 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 2016 and 31 December 2015.

Capital includes share capital, legal reserve, other statutory reserves and retained earnings and is measured at QR 28,038,001 thousand at 31 December 2016 (2015: QR 26,888,102 thousand).

The Group's management reviews the capital structure of the Group on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The gearing ratio at 31 December 2016 of 84% (2015: 87%)

Gearing ratio

The gearing ratio at year end was as follows:

	2016 QR'000	2015 QR'000
Debt(i)	**40,748,093**	42,771,842
Cash and bank balances	**(16,501,877)**	(18,158,180)
Net debt	**24,246,216**	24,613,662
Equity(ii)	**29,001,111**	28,372,865
Net debt to equity ratio	**84%**	87%

(i) Debt is the long term debt obtained as, as detailed in note 25.
(ii) Equity includes all capital and reserves of the Group that are managed as capital

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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	
	2016 QR'000	2015 QR'000	2016 QR'000	2015 QR'000
Financial assets				
Available-for-sale investments	**732,742**	747,196	**732,742**	747,196
Trade and other receivables	**4,161,935**	3,935,497	**4,161,935**	3,935,497
Bank balances and cash	**16,501,877**	18,158,180	**16,501,877**	18,158,180
Financial liabilities				
Loans and borrowings	**41,099,737**	43,100,642	**41,636,677**	41,079,267
Other non-current liabilities	**794,805**	272,471	**794,805**	272,471
Finance lease liabilities	**946,016**	1,045,065	**946,016**	1,045,065
Trade and other payables	**8,821,659**	11,316,493	**8,821,659**	11,316,493
Income tax payable	**999,692**	693,200	**999,692**	693,200

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

	2016 QR'000	Level 1 QR'000	Level 2 QR'000	Level 3 QR'000
Available-for-sale investments	**697,590**	**10,648**	**193,001**	**493,941**
Derivative financial instruments	**4,152**	**–**	**4,152**	**–**
	701,742	**10,648**	**197,153**	**493,941**

	2015 QR'000	Level 1 QR'000	Level 2 QR'000	Level 3 QR'000
Available-for-sale investments	711,692	17,846	188,819	505,027
Derivative financial instruments	2,690	–	2,690	–
	714,382	17,846	191,509	505,027

Financial liabilities

	2016 QR'000	Level 1 QR'000	Level 2 QR'000	Level 3 QR'000
Derivative financial instruments	**9,451**	**–**	**9,451**	**–**

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

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 the Qatar 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 certain Qatar 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 salaries, other benefits and committee fees of QR 27,824 thousand was proposed for the year ended 31 December 2016 (2015: QR 17,560 thousand). The compensation and benefits related to key management personnel amounted to QR 448,419 thousand (2015: QR 378,228 thousand) and end of service benefits amounted to QR 30,227 thousand (2015: QR 20,490 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

The preparation of the consolidated financial statements in compliance with IFRS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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36 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES continued

Judgements
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

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".

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.

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.

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.

Estimates
The key assumptions concerning the future and other sources of estimation uncertainty at the financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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.

The factors that the Group considers important which could trigger an impairment review include the following:
- significant or prolonged decline in the fair value of the asset;
- market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating the asset's value in use and decrease the asset's recoverable amount materially;
- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

The Group determines an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount has been determined based on value in use calculations. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset base of the cash-generating unit being tested.

The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

In the case of goodwill and intangible assets with indefinite lives, at a minimum, such assets are subject to an annual impairment test and more frequently whenever there is an indication that such asset may be impaired. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and to choose a suitable discount rate in order to calculate the present value of those cash flows (Note 13).

36 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES continued

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 properties based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment and investment properties are reviewed at least annually and are updated if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and investment properties would increase depreciation expense and decrease noncurrent assets.

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 based on the expected pattern of consumption of future economic benefits embodied in the asset.

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.

Derecognition of financial liability

The Group's management applies judgment to derecognise a financial liability when situations may arise where a liability is considered unlikely to result in an outflow of economic resources. This is determined when the obligation specified in the contract or otherwise is discharged or cancelled or expires.

Decommissioning liability

The Group records full provision for the future costs of decommissioning for network and other assets. The assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works required that will reflect market conditions at the relevant time. Furthermore, the timing of decommissioning is likely to depend on when the network assets cease to produce at economically viable rates. This, in turn, will depend upon future technologies, which are inherently uncertain.

Impairment of available-for-sale equity investments

The Group treats available-for-sale equity investments as impaired when there has been a significant or prolonged decline in fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires considerable judgment. The Group treats "significant" generally as 20-30% or more and 'prolonged' greater than nine (9) months. In addition, the Group evaluates other factors, including normal volatility in share price for quoted equities and the future cash flows and the discount factors for unquoted equities.

Fair value of unquoted equity investments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Impairment of inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts, this estimation is performed on an individual basis. Inventories which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

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36 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES continued

Impairment of trade receivables
An estimate of the collectible amount of trade receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

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 its Loyalty programmes, which are within the scope of IFRIC 13, Customer Loyalty Programme, by 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 are determined based on future expected LIBOR rates.

Uncertain tax exposures
In certain circumstances, the Group may not be able to determine the exact amount of its current or future tax liabilities or recoverable amount of the claim refund due to ongoing investigations by, or discussions with the various taxation authorities. In determining the amount to be recognised in respect of uncertain tax liability or the recoverable amount of the claim for tax refund related to uncertain tax positions, the Group applies similar considerations as it would use in determining the amount of a provision to be recognised in accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets and IAS 12, Income Taxes*.

37 SUMMARISED FINANCIAL INFORMATION OF SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

The following table summarises 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	NMTC Kuwait QR'000	Indosat Ooredoo QR'000	Ooredoo Oman QR'000
31 December 2016				
Non-current assets	**7,404,198**	**13,117,223**	**12,325,255**	**3,217,859**
Current assets	**2,904,851**	**3,437,036**	**2,111,502**	**554,844**
Non-current liabilities	**(418,459)**	**(3,137,519)**	**(5,419,174)**	**(119,303)**
Current liabilities	**(4,047,219)**	**(5,756,507)**	**(5,325,774)**	**(1,422,838)**
Net assets	**5,843,371**	**7,660,233**	**3,691,809**	**2,230,562**
Carrying amount of NCI	**2,100,158**	**1,627,029**	**1,513,744**	**1,003,753**
Revenue	**4,217,383**	**8,514,770**	**7,994,421**	**2,638,821**
Profit	**84,584**	**849,367**	**348,182**	**438,055**
Profit allocated to NCI	**30,400**	**237,176**	**152,207**	**197,125**

37 SUMMARISED FINANCIAL INFORMATION OF SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS continued

	Asiacell, Iraq QR'000	NMTC Kuwait QR'000	Indosat Ooredoo QR'000	Ooredoo Oman QR'000
31 December 2015				
Non-current assets	8,464,133	13,471,557	12,298,160	3,235,559
Current assets	2,348,369	3,416,730	2,564,643	664,614
Non-current liabilities	(585,228)	(3,053,829)	(6,119,600)	(317,264)
Current liabilities	(4,468,487)	(5,588,184)	(5,360,909)	(1,543,852)
Net assets	5,758,787	8,246,274	3,382,294	2,039,057
Carrying amount of NCI	2,069,758	1,574,447	1,388,357	917,576
Revenue	4,884,464	8,691,991	7,274,024	2,475,401
Profit/(loss)	159,077	413,842	(320,004)	394,164
Profit/(loss) allocated to NCI	57,174	77,745	(86,214)	177,374

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.

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For the year ended 31 December 2016

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 2016 and 2015:

Year ended 31 December 2016

	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	**7,308,672**	**4,205,718**	**8,247,359**	**7,972,881**	**2,630,215**	**2,138,414**	**–**	**32,503,259**
Inter-segment	**697,904**	**11,665**	**267,411**	**21,540**	**8,606**	**170,878**	**(1,178,004)**	**–**
Total revenue	**8,006,576**	**4,217,383**	**8,514,770**	**7,994,421**	**2,638,821**	**2,309,292**	**(1,178,004)**	**32,503,259**
Results								
Segment profit/(loss) before tax	**2,417,130**	**389,882**	**1,072,122**	**512,508**	**576,301**	**(1,382,431)**	**(458,753)**	**3,126,759**
Depreciation and amortisation	**828,679**	**1,430,004**	**1,738,099**	**2,577,844**	**622,035**	**708,652**	**458,753**	**8,364,066**
Net finance costs	**947,868**	**24,254**	**125,062**	**652,075**	**23,145**	**36,139**	**–**	**1,808,543**

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) (i)	–
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) (ii)	2,624,949
Depreciation and amortisation	783,624	1,412,311	1,717,680	2,499,039	542,532	539,077	451,097 (iii)	7,945,360
Net finance costs	1,010,380	51,398	148,379	785,273	23,423	(2,055)	–	2,016,798

38 SEGMENT INFORMATION continued

Operating segments continued

Note:

(i) Inter-segment revenues are eliminated on consolidation.

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

	2016 QR'000	2015 QR'000
Amortisation of intangibles	**(458,753)**	(451,097)
Impairment of goodwill	**–**	(332,235)
	(458,753)	(783,332)

(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 2016 and 2015.

	Ooredoo Qatar QR'000	Asiacell QR'000	NMTC QR'0000	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 2016	**18,676,837**	**10,157,657**	**22,432,052**	**15,407,894**	**3,756,177**	**10,852,925**	**9,231,932**	**90,515,474**
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
Capital expenditure[ii]								
At 31 December 2016	**964,197**	**443,583**	**1,789,973**	**2,327,909**	**606,664**	**1,303,460**	**–**	**7,435,786**
At 31 December 2015	982,346	1,415,328	1,726,961	2,643,371	731,565	1,355,498	–	8,855,069

Note:

(i) Goodwill amounting to QR 9,231,932 thousand (31 December 2015: QR 9,460,419 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.

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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 55,467 thousand (2015: QR 35,169 thousand) representing 2.5% of the net profit generated from Qatar Operations.

40 DISPOSAL OF A SUBSIDIARY
On 27 March 2016, the Group completed the legal formalities relating to the disposal of one of its subsidiaries, Wi-tribe Pakistan for a net consideration of QR 27,274 thousand. The net liability of the subsidiary at the date of disposal was QR 7,176 thousand, therefore, a gain of QR 34,450 thousand was recognised on this disposal transaction.

41 ACQUISITION OF A SUBSIDIARY
On 2 May 2016, the Group acquired control over Fast Telecommunications Company W.L.L, Kuwait (FASTtelco), through an acquisition of 100% equity interest (ordinary equity shares) for a total consideration of QR 132,612 thousand. The net cash outflow on acquisition, net of cash acquired with the subsidiary of QR 796 thousand, amounted to QR 131,816 thousand. Goodwill recognised as a result of the acquisition amounted to QR 23,233 thousand.

	QR'000
Purchase consideration	132,612
Net assets acquired	(109,379)
Goodwill	23,233

Cash flows upon acquisition of FASTtelco:

	QR'000
Purchase consideration settled in cash	**132,612**
Cash and cash equivalents in subsidiary acquired	**(796)**
Cash outflow on acquisition	**131,816**

The initial accounting of the business acquisition of FASTtelco was carried out during the period ended 30 June 2016 using provisional values of identifiable assets, liabilities and contingent liabilities. Based on the final Purchase Price Allocation (PPA) report received, goodwill and fair value adjustments on acquisition have been reflected.

Analysis of assets and liabilities acquired:

	Fair value on acquisition QR'000
Assets	
Property and equipment	36,679
Intangible assets and goodwill	125,326
Other non-current assets – Deferred cost	14,290
Inventories	5,466
Trade and other receivables	43,783
Bank balances and cash	796
	226,340

41 ACQUISITION OF A SUBSIDIARY continued

Analysis of assets and liabilities acquired continued

	Fair value on acquisition QR'000
Liabilities	
Loans and borrowings	26,095
Employee benefits	10,257
Trade and other payables	80,609
	116,961
Net assets acquired	**109,379**
Purchase consideration	**(132,612)**
Goodwill arising upon acquisition	**23,233**

The above goodwill is attributable to the profitability of the acquired business and the significant synergies expected to arise from the acquisition.

42 EVENTS AFTER THE REPORTING DATE

Other than as disclosed in the consolidated financial statements, there are no material events subsequent to the reporting date, which have a bearing on the understanding of these consolidated financial statements.

43 COMPARATIVE INFORMATION

During the year, one of the Group's subsidiaries have reclassified non-integrated software from property, plant and equipment to intangible assets. The reclassification was within the non-current assets and did not materially affect previously reported profit or shareholder's equity.

	As previously Reported 1 January 2015 QR'000	Adjustment QR'000	As reclassified 1 January 2015 QR'000
Consolidated statement of financial position			
Property, plant and equipment			
Cost	69,271,132	(490,413)	68,780,719
Accumulated depreciation	(35,580,543)	277,902	(35,302,641)
Intangible assets and goodwill			
Cost	45,329,899	490,413	45,820,312
Accumulated depreciation	(11,805,691)	(277,902)	(12,083,593)

Designed and produced by Emperor

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