INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2012

Interim condensed consolidated financial statements
As at and for three months ended 31 March 2012

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KPMG
KPMG
Audit
2nd Floor
Area 25, C Ring Road
PO Box 4473, Doha
State of Qatar

Telephone +974 4457 6444
Fax +974 4442 5626
Website www.kpmg.com.qa

Independent auditors' report on review of interim condensed consolidated financial statements

To
The Board of Directors
Qatar Telecom (Qtel) Q.S.C.
Doha
State of Qatar

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Qatar Telecom (Qtel) Q.S.C. ("the Company") and its subsidiaries (together referred to as "the Group") as at 31 March 2012 and the interim condensed consolidated income statement, interim condensed consolidated statements of comprehensive income, cash flows and changes in equity for the three month period then ended and explanatory notes (together referred to as "interim condensed consolidated financial statements").

The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 *"Interim Financial Reporting"*. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

Except as explained in the following paragraph, we conducted our review in accordance with the International Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity."* A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Limitation of scope

We did not review the interim condensed consolidated financial statements of PT Indosat Tbk, one of the Group's subsidiaries, which is included in these interim condensed consolidated financial statements based on the returns certified by the management. The total assets, total revenues and net profit for the period of PT Indosat Tbk included in the accompanying interim condensed consolidated financial statements amounted to QR 21,302,235 thousand, QR 1,998,401 thousand and QR 16,247 thousand respectively.

Conclusion

Based on our review, except for the effect of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves regarding the matter referred to in the "Limitation of Scope" paragraph above, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements is not prepared, in all material respects, in accordance with IAS 34 *"Interim Financial Reporting"*

29 April 2012
Doha
State of Qatar

Gopal Balasubramaniam
KPMG
Qatar Auditors Registration No. 251

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT
For the three months ended 31 March 2012

	Note	*For the three months ended 31 March* **2012** *(Reviewed)* ***QR'000***	*2011* *QR'000* *(Restated)*
Revenue		**8,030,183**	7,460,937
Operating expenses		**(2,427,751)**	(2,192,958)
Selling, general and administrative expenses		**(1,778,333)**	(1,716,912)
Depreciation and amortisation		**(1,794,992)**	(1,657,296)
Finance costs – net		**(478,104)**	(468,268)
Impairment of intangibles and available-for-sale investments		**(179)**	(13,905)
Gain on previously held interest in an acquired subsidiary	4	**-**	1,442,831
Other income – net		**21,871**	265,961
Share of results from associates	9	**7,588**	(1,558)
Royalties and fees	5	**(91,259)**	(95,930)
Net profit before income taxes		**1,489,024**	3,022,902
Income taxes	11	**(232,100)**	(262,302)
Net profit for the period		**1,256,924**	2,760,600
Attributable to:			
Shareholders of the Parent		**711,429**	810,765
Non-controlling interests		**545,495**	1,949,835
		1,256,924	2,760,600
Basic and diluted earnings per share (Attributable to shareholders of the Parent) (Expressed in QR per share)	6	**3.11**	3.54

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2012

	Note	***For the three months ended 31 March*** 2012 (Reviewed) QR'000	2011 QR'000 (Restated)
Net profit for the period		**1,256,924**	2,760,600
Other comprehensive income			
Net changes in fair value of available-for-sale investments	14	**34,381**	4,887
Effective portion of changes in fair value of cash flow hedges	14	**86,772**	85,511
Share of other comprehensive income from associates	14	**1,443**	2,160
Exchange differences on translation of foreign operations	14	**(62,284)**	853,669
Other comprehensive income for the period		**60,312**	946,227
Total comprehensive income for the period		**1,317,236**	3,706,827
Attributable to:			
Shareholders of the parent		**785,499**	1,506,907
Non-controlling interests		**531,737**	2,199,920
Total comprehensive income for the period		**1,317,236**	3,706,827

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2012

	Note	***31 March 2012 (Reviewed) QR'000***	*31 December 2011 (Audited) QR'000*
ASSETS			
Non-current assets			
Property, plant and equipment	7	**32,818,168**	33,065,098
Intangible assets	8	**36,553,779**	36,741,077
Investment in associates	9	**1,648,273**	1,591,341
Available-for-sale investments		**2,220,382**	2,189,939
Other non-current assets		**810,587**	910,238
Deferred tax asset		**261,096**	286,776
Total non-current assets		**74,312,285**	74,784,469
Current assets			
Inventories		**323,858**	342,550
Accounts receivable and prepayments		**6,023,731**	5,817,075
Bank balances and cash		**21,281,848**	21,249,832
Total current assets		**27,629,437**	27,409,457
TOTAL ASSETS		**101,941,722**	102,193,926
EQUITY			
Share capital		**2,288,000**	1,760,000
Legal reserve		**6,494,137**	6,494,137
Fair value reserve		**792,905**	672,843
Translation reserve		**1,540,132**	1,586,124
Other statutory reserves		**706,036**	706,036
Retained earnings		**9,373,381**	9,836,707
Attributable to shareholders of the Parent		**21,194,591**	21,055,847
Non-controlling interests		**18,735,348**	18,336,947
Total equity		**39,929,939**	39,392,794

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
At 31 March 2012

	Note	*31 March 2012 (Reviewed) QR'000*	*31 December 2011 (Audited) QR'000*
LIABILITIES			
Non-current liabilities			
Interest bearing loans and borrowings	13	**32,353,989**	31,932,297
Employees benefits		**844,935**	801,162
Deferred tax liability		**1,610,602**	1,637,849
Other non-current liabilities		**1,181,864**	1,325,285
Total non-current liabilities		**35,991,390**	35,696,593
Current liabilities			
Interest bearing loans and borrowings	13	**12,982,763**	13,850,738
Accounts payable and accruals		**10,989,961**	11,217,810
Deferred income		**1,543,387**	1,610,770
Income tax payable		**504,282**	425,221
Total current liabilities		**26,020,393**	27,104,539
Total liabilities		**62,011,783**	62,801,132
TOTAL EQUITY AND LIABILITIES		**101,941,722**	102,193,926

Abdullah Bin Mohamed Bin Saud Al-Thani
Chairman

Ali Shareef Al-Emadi
Deputy Chairman

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the three months ended 31 March 2012

	Note	*For the three months ended 31 March* **2012**	2011
		(Reviewed)	
		QR'000	QR'000 (Restated)
OPERATING ACTIVITIES			
Net profit before income taxes		**1,489,024**	3,022,902
Adjustments for:			
Depreciation and amortization	7,8	**1,794,992**	1,657,296
Dividend and interest income		**(23,558)**	(21,291)
Impairment of intangibles and available-for-sale investments		**179**	13,905
Loss on disposal of available-for-sale investments		**223**	289
Loss on disposal of property, plant and equipment		**371**	1,610
Gain on previously held interest in an acquired subsidiary	4	**-**	(1,442,831)
Finance costs (net)		**478,104**	468,268
Provision for employees' benefits		**59,257**	75,082
Share of results from associates		**(7,588)**	1,558
Operating profit before working capital changes		**3,791,004**	3,776,788
Working capital changes:			
Changes in inventories		**29,204**	4,485
Changes in accounts receivables and prepayments		**(204,999)**	(409,252)
Changes in accounts payables and accruals		**(380,324)**	456,512
Cash from operations		**3,234,885**	3,828,533
Finance costs paid		**(493,343)**	(402,582)
Employees' benefits paid		**(11,557)**	(54,267)
Income tax paid		**(134,652)**	(158,680)
Net cash from operating activities		**2,595,333**	3,213,004
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	7	**(1,307,285)**	(1,077,349)
Purchase of intangible assets	8	**(17,690)**	(6,271)
Net cash outflows from acquisition of a subsidiary	4	**(111,932)**	(2,289,568)
Purchase of available-for-sale investments		**(92,340)**	(21,723)
Proceeds from disposal of property, plant and equipment		**29,256**	62,667
Proceeds from disposal of available-for-sale investments		**96,059**	28,997
Movement in restricted deposits		**(5,840)**	(957)
Movement in other non-current assets		**99,651**	(124,400)
Dividend and interest received		**157,483**	204,536
Net cash used in investing activities		**(1,152,638)**	(3,224,068)

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
For the three months ended 31 March 2012

	Note	*For the three months ended 31 March* **2012** QR'000 Reviewed	2011 QR'000 (Restated) Reviewed
FINANCING ACTIVITIES			
Proceeds from interest bearing loans and borrowings		**1,038,960**	253,657
Repayment of interest bearing loans and borrowings		**(1,519,316)**	(547,476)
Additions to deferred financing costs		**(10,088)**	(5,012)
Dividends paid to shareholders of the parent		**(528,000)**	(330,000)
Dividends paid to non-controlling interests		**(260,973)**	(261,362)
Movement in non-controlling interests		**5,836**	15,187
Movement in other non-current liabilities		**(143,421)**	(712,644)
Net cash used in financing activities		**(1,417,002)**	(1,587,650)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		**25,693**	(1,598,714)
Net foreign exchange differences		**483**	(384,489)
Cash and cash equivalents at 1 January		**21,050,888**	25,557,920
CASH AND CASH EQUIVALENTS AT 31 MARCH	10	**21,077,064**	23,574,717

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2012

	Attributable to shareholders of the parent								
	Share Capital	***Legal reserve***	***Fair value reserve***	***Translation reserve***	***Other statutory reserves***	***Retained earnings***	***Total***	***Non – controlling interests***	***Total equity***
	QR'000	***QR'000***	***QR'000***	***QR'000***	***QR'000***	***QR'000***	***QR'000***	***QR'000***	***QR'000***
At 1 January 2012 (Audited)	1,760,000	6,494,137	672,843	1,586,124	706,036	9,836,707	21,055,847	18,336,947	39,392,794
Profit for the period	-	-	-	-	-	711,429	711,429	545,495	1,256,924
Other comprehensive income	-	-	120,062	(45,992)	-	-	74,070	(13,758)	60,312
Total comprehensive income for the period	-	-	120,062	(45,992)	-	711,429	785,499	531,737	1,317,236
Transactions with shareholders of the Parent, recognised directly in equity									
Dividends for 2011 (note 12)	-	-	-	-	-	(528,000)	(528,000)	-	(528,000)
Bonus shares issued (note 12)	528,000	-	-	-	-	(528,000)	-	-	-
Transactions with non-controlling interest, recognised directly in equity									
Recognition of non-controlling interests (note 4.1)	-	-	-	-	-	-	-	3,046	3,046
Acquisition of non-controlling interests (note 4.2)	-	-	-	-	-	(118,755)	(118,755)	118,755	-
Dividends from subsidiaries	-	-	-	-	-	-	-	(260,973)	(260,973)
Other movements	-	-	-	-	-	-	-	5,836	5,836
At 31 March 2012 (Reviewed)	**2,288,000**	**6,494,137**	**792,905**	**1,540,132**	**706,036**	**9,373,381**	**21,194,591**	**18,735,348**	**39,929,939**

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
For the three months ended 31 March 2012

	Attributable to shareholders of the parent								
	Share capital	*Legal reserve*	*Fair value reserve*	*Translation reserve*	*Other statutory reserves*	*Retained earnings*	*Total*	*Non – controlling interests*	*Total equity*
	QR'000	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*
At 1 January 2011 (Audited)	1,466,667	6,494,137	49,996	1,780,473	404,580	8,834,207	19,030,060	15,196,832	34,226,892
Profit for the period (Restated- note 19.1)	-	-	-	-	-	810,765	810,765	1,949,835	2,760,600
Other comprehensive income	-	-	91,643	604,499	-	-	696,142	250,085	946,227
Total comprehensive income for the period	-	-	91,643	604,499	-	810,765	1,506,907	2,199,920	3,706,827
Transactions with shareholders of the Parent, recognised directly in equity									
Dividends for 2010 (note 12)	-	-	-	-	-	(733,333)	(733,333)	-	(733,333)
Bonus shares issued	293,333	-	-	-	-	(293,333)	-	-	-
Transactions with non-controlling interest, recognised directly in equity									
Recognition of non-controlling interests (note 4.3 (b)	-	-	-	-	-	-	-	907,326	907,326
Dividends from subsidiaries	-	-	-	-	-	-	-	(261,362)	(261,362)
Other movements	-	-	-	-	-	-	-	15,187	15,187
At 31 March 2011 (Restated -reviewed)	1,760,000	6,494,137	141,639	2,384,972	404,580	8,618,306	19,803,634	18,057,903	37,861,537

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements

1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

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.

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

The Company and its subsidiaries (together referred to as the "Group") provides domestic and international telecommunication services in Qatar and elsewhere in the Asia and MENA region.

The interim condensed consolidated financial statements of the Group for the three months ended 31 March 2012 were authorised for issue by the Chairman and the Deputy Chairman of the Company on 29 April 2012.

2 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the three months ended 31 March 2012 have been prepared in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting ("IAS 34"). The interim condensed consolidated financial statements for the three months ended 31 March 2012 incorporates the results of the Company and its subsidiaries for the period then ended.

The interim condensed consolidated financial statements are prepared in Qatari Riyals, which is the Company's functional and presentation currency and all values are rounded to the nearest thousands (QR'000) except when otherwise indicated.

The interim condensed consolidated financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 December 2011. In addition, results for the three months ended 31 March 2012 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2012.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2011.

The preparation of the condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2011.

Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2011.

4 BUSINESS COMBINATIONS

Acquisition of subsidiaries and non-controlling interests in 2012

4.1 Acquisition of a subsidiary

On 1st January 2012, the Group acquired through Raywood Inc., 49% of the voting shares of Midya Telecom Company Limited ("MTCL"), a limited liability company incorporated in Iraq with the licence to provide telecommunication services. The acquisition has been accounted for using the purchase method of accounting. The cost of business combination amounted to QR 121,335 thousands with a resultant goodwill of QR 118,409 thousands. The net cash out flow on acquisition, net of cash acquired with the subsidiary of QR 9,403 thousands, amounted to QR 111,932 thousands.

The Group has the power to govern the financial and operating policies of MTCL by virtue of the shareholders agreement entered into between Raywood Inc., M-Tel for General Trading Limited and MTCL to appoint a majority of (4 out of 7) of Board of Directors through Raywood Inc. and accordingly MTCL is considered as a subsidiary of the Group.

The initial accounting for the above acquisition is only provisional at the reporting date, as the fair value to be assigned to the acquiree's identifiable assets and liabilities could be determined only provisionally. The Group will recognise any adjustments to those provisional values as a result of completing the initial accounting within twelve months of the acquisition date and with effect from the acquisition date.

In the first quarter of 2012, MTCL contributed revenue of QR 28,477 thousands and loss of QR 9,416 thousands to the Group's results.

4.2 Acquisition of non-controlling interests

In January 2012, the Group acquired the remaining 44.39% stake in Public Telecommunication Company Limited ("PTC") for a nominal consideration of QR 1 thereby increasing its ownership from 55.61% to 100%. The carrying amount of PTC's net assets on the date of acquisition was QR 226,200 thousands. The Group recognised an increase in non-controlling interests and a decrease in retained earnings of QR 118,755 thousands respectively, on account of this acquisition.

Acquisition of subsidiaries and non-controlling interests in 2011

4.3 Step acquisition of Orascom Telecom Tunisie S.A. (Tunisiana)

On 4 January 2011 ("the acquisition date"), the Group acquired 25% additional shareholding interest in Tunisiana As a result of the above, the Group's ownership and voting interests in Tunisiana, previously treated as a joint venture and accounted for under proportionate consolidation method, increased from 50% to 75%. Consequently, Tunisiana is fully consolidated within the Group's consolidated financial statements starting from the date control has been obtained.

Moreover, the Group re-measured its previously held interests in Tunisiana at fair value and recognised a revaluation gain of QR 1,442,831 thousand in the profit or loss for the year. The revaluation of previously held interests was based on the same price that was paid for the additional controlling interests acquired during the period, after adjusting for control premium.

The management expects that taking control of Tunisiana will enable the Group in expanding its telecommunication activities and operations in the Tunisian market.

4 BUSINESS COMBINATIONS (CONTINUED)

4.3 Step acquisition of Orascom Telecom Tunisie S.A. (Tunisiana) (continued)

(a) Identifiable assets acquired and liabilities assumed, and resulting gain on previously held interest

The provisional fair values of the identifiable assets and liabilities of Tunisiana recognised as a result of the step acquisition were as follows:

	Carrying amounts immediately prior to acquisition QR'000	*Fair value adjustment QR'000*	*Fair values at the acquisition date QR'000*
Cash and bank balances	314,809	-	314,809
Trade and other receivables	387,846	-	387,846
Inventories	7,437	-	7,437
Property, plant and equipment	1,285,571	-	1,285,571
License costs	735,973	1,708,927	2,444,900
Customer contracts and related customer relationship	-	156,148	156,148
Trade names	-	203,884	203,884
Other intangibles	3,659	-	3,659
Deferred tax assets	46,255	-	46,255
Other non-current assets	49,992	-	49,992
Total fair value of acquired identifiable assets at the date of acquisition	2,831,542	2,068,959	4,900,501
Trade and other payables	967,295	-	967,295
Borrowings	280,856	-	280,856
Other non-current liabilities	24,455	-	24,455
Total fair value of assumed liabilities at the date of acquisition	1,272,606	-	1,272,606
Fair value of net identifiable assets at the date of acquisition	**1,558,936**	**2,068,959**	**3,627,895**

Fair value of previously held interest in an acquired subsidiary	4,369,802
Less: Carrying value of previously held interest in an acquired subsidiary	(2,926,971)
Gain recognised on previously held interest in an acquired subsidiary	**1,442,831**

(b) Goodwill resulting on the step acquisition

Goodwill has been recognised as a result of the acquisition as follows:

	QR'000
Acquisition cost	2,405,957
Non-controlling interest	907,326
Fair value of previously held interest in an acquired subsidiary	4,369,802
Sub-total	7,683,085
Less: Provisional fair value of net identifiable assets at date of acquisition	(3,627,895)
Goodwill recognised at acquisition	**4,055,190**

4 BUSINESS COMBINATIONS (CONTINUED)

4.3 Step acquisition of Orascom Telecom Tunisie S.A. (Tunisiana) (continued)

(c) Cash outflow from the acquisition

	QR'000
Acquisition cost	(2,405,957)
Add: Receivable from acquired subsidiary	(41,130)
Consideration paid	(2,447,087)
Less: Cash acquired with the subsidiary	314,809
Add: Derecognition of previously recorded cash under proportionate consolidation method	(157,290)
Net cash outflow from the acquisition	**(2,289,568)**

5 ROYALTIES AND FEES

	For the three months ended 31 March	
	2012	*2011*
	(Reviewed)	
	QR'000	*QR'000*
Royalty to the Government of Sultanate of Oman	**28,455**	28,814
Industry fees	**51,246**	47,738
Other statutory fees	**11,558**	19,378
	91,259	95,930

Royalties:
In accordance with the terms of a license granted to Omani Qatari Telecommunications Company S.A.O.G. to operate wireless telecommunication services in the Sultanate of Oman, royalty is payable to the Government of the Sultanate of Oman, effective from March 2005. The royalty payable is calculated based on 7% of the net of predefined sources of revenue and operating expenses.

Industry fees:
In accordance with the Minister of Economy and Finance of the State of Qatar Decree in 2010, effective from 7 October 2007, the Group provides for a 12.5% industry fee on profits generated from the Group's operations in Qatar.

Other statutory fees:
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.

6 BASIC AND DILUTED EARNINGS PER SHARE

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

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

	For the three months ended 31 March	
	2012	*2011*
	(Reviewed)	
	QR'000	*QR'000 (Restated)*
Profit for the year attributable to shareholders of the parent (QR'000)	**711,429**	810,765
Weighted average number of shares (in thousands)	**228,800**	228,800
Basic and diluted earnings per share (QR)	**3.11**	3.54

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

Qualifying shares at 1 January (in thousands)	**176,000**	176,000
Effect of bonus share issue (in thousands)	**52,800**	52,800
Total outstanding number of shares (in thousands)	**228,800**	228,800

During the current period, the Group issued bonus shares and accordingly, the previously reported earnings per share has been restated. If the effect of the bonus shares issues during the period was not considered on the earnings per share of the previous period, the basic earnings per share for the period ended 31 March 2011 would have been QR 4.61 per share.

7 PROPERTY, PLANT AND EQUIPMENT

	31 March 2012 (Reviewed) QR'000	*31 December 2011 (Audited) QR'000*
Net book value at beginning of the period/year	**33,065,098**	32,172,984
Acquired through acquisition of a subsidiary	**111,998**	1,285,571
Derecognition of previously held interest in joint venture	**-**	(642,786)
Additions	**1,307,285**	6,574,857
Disposals (net)	**(29,627)**	(327,258)
Reclassifications to intangibles	**(148,292)**	(647,671)
Depreciation for the period/year	**(1,355,718)**	(5,224,678)
Exchange adjustment	**(132,576)**	(125,921)
Net book value at the end of the period/year	**32,818,168**	33,065,098

8 INTANGIBLE ASSETS

	31 March 2012 (Reviewed) QR'000	*31 December 2011 (Audited) QR'000*
Net book value at beginning of the period/year	**36,741,077**	33,279,183
Acquired through acquisition of a subsidiary	**137,638**	6,863,781
Derecognition of previously held interest in joint venture	**-**	(2,421,953)
Additions	**17,690**	302,713
Amortisation for the period/year	**(439,274)**	(1,790,026)
Reclassification from property, plant and equipment	**148,292**	647,671
Exchange adjustment	**(51,644)**	(140,292)
Net book value at the end of the period/year	**36,553,779**	36,741,077

9 INVESTMENT IN ASSOCIATES

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

	31 March 2012 (Reviewed) QR'000	*31 December 2011 (Audited) QR'000*
Group's share in statement of financial position of associates:		
Current assets	**614,544**	537,805
Non-current assets	**2,508,785**	2,497,178
Current liabilities	**(928,524)**	(810,960)
Non-current liabilities	**(1,847,594)**	(1,859,649)
Net assets	**347,211**	364,374
Goodwill	**1,301,062**	1,226,967
Carrying amount of the investment	**1,648,273**	1,591,341

	For the three months ended 31 March	
	2012	*2011*
	(Reviewed)	
	QR'000	*QR'000*
Group's share in revenues and results of associates:		
Revenue	**445,080**	414,393
Results	**7,588**	(1,558)

10 CASH AND CASH EQUIVALENTS

For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents comprise of the following amounts:

	31 March 2012 (Reviewed) QR'000	*31 March 2011 (Reviewed) QR'000*
Bank balances and cash	**21,281,848**	23,591,711
Less: restricted deposits	**(204,784)**	(16,994)
Cash and cash equivalents as per statement of cash flows	**21,077,064**	23,574,717

11 INCOME TAXES

The income taxes represent amounts recognised by subsidiary companies.

The major components of income taxes for the period included in the interim condensed consolidated income statement are as follows:

	For the three months ended 31 March	
	2012	*2011*
	(Reviewed)	
	QR'000	*QR'000*
Current income taxes:		
Current income taxes charge	**213,713**	165,853
Deferred income taxes:		
Relating to origination and reversal of temporary differences	**18,387**	96,449
Income taxes	**232,100**	262,302

12 DIVIDENDS AND BONUS SHARES

Dividends:

	For the three months ended 31 March	
	2012	*2011*
	(Reviewed)	
	QR'000	*QR'000*
Declared and approved at the Annual General Meeting :		
Final Dividend for 2011- QR. 3 per share, (2010: QR 5 per share)	**528,000**	733,333

Bonus shares:
The Group issued bonus shares of 30% (2010: 20%) of the share capital as at 31 December 2011 amounting to QR 528,000 thousands (2010: QR 293,333 thousands).

13 INTEREST BEARING LOANS AND BORROWINGS

	31 March 2012 (Reviewed) QR'000	*31 December 2011 (Audited) QR'000*
Interest bearing loans and borrowings	**45,770,002**	46,246,399
Less: deferred financing costs	**(433,250)**	(463,364)
	45,336,752	45,783,035
Presented in the consolidated statement of financial position as follows:		
Non-current portion	**32,353,989**	31,932,297
Current portion	**12,982,763**	13,850,738
	45,336,752	45,783,035

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

	31 March 2012 (Reviewed) QR'000	*31 December 2011 (Audited) QR'000*
At 1 January	**463,364**	590,522
Additions during the period / year	**10,088**	24,096
Amortised during the period / year	**(40,003)**	(150,761)
Exchange adjustment	**(199)**	(493)
	433,250	463,364

14 COMPONENTS OF OTHER COMPREHENSIVE INCOME

	For the three months ended 31 March	
	2012	*2011*
	(Reviewed)	
	QR'000	*QR'000*
Available-for-sale investments:		
Gain / (loss) arising during the period	**33,979**	(9,307)
Reclassification adjustments for profit included in the consolidated income statement	**223**	289
Transfer to consolidated income statement on impairment	**179**	13,905
	34,381	4,887
Cash flow hedges :		
Gain arising during the period	**85,697**	87,048
Income tax effect	**(379)**	(521)
Ineffective portion of cash flow hedges transferred to consolidated income statement	**1,454**	(1,016)
	86,772	85,511
Associates :		
Share of changes in fair value of cash flow hedges	**1,443**	2,160
Translation reserve:		
Exchange differences on translation of foreign operations	**(62,284)**	853,669

15 COMMITMENTS

Capital expenditure commitments

	31 March 2012 (Reviewed) QR'000	*31 December 2011 (Audited) QR'000*
Property, plant and equipment		
Estimated capital expenditure contracted for at reporting date but not provided for:	**2,329,417**	2,332,682
Intangible assets		
For the acquisition of Palestine Mobile license	**581,373**	575,558

Operating lease commitments

Future minimum lease payments:		
Not later than one year	**192,675**	208,731
Later than one year and not later than five years	**576,746**	489,708
Later than five years	**240,777**	248,370
	1,010,198	946,809

16 CONTINGENT LIABILITIES

	31 March 2012 (Reviewed) QR'000	*31 December 2011 (Audited) QR'000*
Letters of guarantee	**348,689**	532,770
Letters of credit	**14,566**	17,213
Claims against the Group not acknowledged as debts	**19,493**	43,386

17 RELATED PARTY DISCLOSURES

Related party transactions and balances

Related parties represent associated companies including Government and semi Government agencies, associates, major shareholders, directors and key management personnel of the Group, and companies of which they are principal owners. In the ordinary course of business the Group enters into transactions with related parties. Pricing policies and terms of transactions are approved by the Group's management. The Group enters into commercial transactions with Government related entities in the ordinary course of business in terms of providing telecommunication services, placement of deposits and obtaining credit facilities etc.

Compensation of key management personnel

Key management personnel comprise the Board of Directors and the key members of management having authority and responsibility of planning, directing and controlling the activities of the Group.

The compensation and benefits related to Board of Directors and key management personnel amounted to QR 32,897 thousand (For the period ended 31 March 2011: QR 37,870 thousand) and end of service benefits amounted to QR 7,844 thousand (For the period ended 31 March 2011: QR 20,590 thousand). The remuneration to the Board of Directors and key management personnel has been included under the caption "Selling, general and administrative expenses".

18 SEGMENT INFORMATION

For management reporting purposes, the Group is organised into business units based on their geographical area covered, and has five reportable segments as follows:

1. Qtel is a provider of domestic and international telecommunication services within the State of Qatar.
2. Asiacell is a provider of mobile telecommunication services in Iraq.
3. Wataniya is a provider of cellular mobile telecommunication services in Kuwait and elsewhere in the Middle East and North African (MENA) region.
4. Indosat is a provider of telecommunication services such as cellular services, fixed telecommunications, multimedia, data communication and internet services in Indonesia.
5. Nawras is provider of mobile telecommunication services in Oman and has been awarded a license to operate fixed telecommunication services.
6. Others include some of the Group's subsidiaries which are providers of wireless and telecommunication services.

Management monitors the operating results of its business units 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 segments. Transfer pricing between reportable segments are on an arm's length basis in a manner similar to transactions with third parties.

18 SEGMENT INFORMATION (CONTINUED)

Reportable segments
The following tables present revenue and profit information regarding the Group's reportable segments for the period ended 31 March 2012 and 2011:

For the three months ended 31 March 2012 (Reviewed)

	Qtel QR'000	*Asiacell QR'000*	*Wataniya QR'000*	*Indosat QR'000*	*Nawras QR'000*	*Others QR'000*	*Adjustments and eliminations QR'000*	*Total QR'000*
Revenue								
Third party	**1,475,729**	**1,624,525**	**2,340,851**	**1,992,300**	**459,360**	**137,418**	**-**	**8,030,183**
Inter-segment	**26,177**	**13,416**	**28,898**	**6,101**	**2,060**	**27,131**	**(103,783) (i)**	**-**
Total revenue	**1,501,906**	**1,637,941**	**2,369,749**	**1,998,401**	**461,420**	**164,549**	**(103,783)**	**8,030,183**
Results								
Segment profit before tax	**421,881**	**606,038**	**622,582**	**29,065**	**120,703**	**(138,805)**	**(172,440) (ii)**	**1,489,024**
Depreciation and amortisation	**166,173**	**223,129**	**409,562**	**713,053**	**73,666**	**36,969**	**172,440 (iii)**	**1,794,992**
Finance costs (net)	**39,363**	**21,788**	**14,182**	**181,749**	**6,244**	**214,778**	**-**	**478,104**

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

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

	For the three months ended 31 March	
	2012 QR'000	*2011 QR'000*
Amortization of intangibles	**(172,440)**	(156,348)
	(172,440)	(156,348)

(iii) Amortisation relating to additional intangibles identified from business combination was not considered as part of segment expense.

18 (CONTINUED)SEGMENT INFORMATION

For the three months ended 31 March 2011 (Reviewed)

	Qtel QR'000	*Asiacell QR'000*	*Wataniya QR'000*	*Indosat QR'000*	*Nawras QR'000*	*Others QR'000*	*Adjustments and eliminations QR'000*	*Total QR'000*
Revenue								
Third party	1,383,876	1,354,984	2,194,926	1,992,421	471,914	62,816	-	7,460,937
Inter-segment	27,174	18,590	32,030	4,353	1,149	54,170	(137,466)	-
Total revenue	1,411,050	1,373,574	2,226,956	1,996,774	473,063	116,986	(137,466)	7,460,937
Results								
Segment profit before tax (restated)	424,388	476,694	1,995,270	268,323	145,136	(130,561)	(156,348)	3,022,902
Depreciation and amortisation(restated)	150,408	199,401	391,301	678,844	61,160	19,834	156,348	1,657,296
Finance costs (net)	4,244	26,565	35,315	182,382	8,478	211,284	-	468,268

18 SEGMENT INFORMATION (CONTINUED)

The following table presents segment assets of the Group's operating segments as at 31 March 2012 and 31 December 2011.

	Qtel QR'000	*Asiacell QR'000*	*Wataniya QR'000*	*Indosat QR'000*	*Nawras QR'000*	*Others QR'000*	*Adjustments and eliminations QR'000*	*Total QR'000*
Segment assets (i)								
At 31 March 2012 (Reviewed)	**25,870,870**	**7,950,281**	**26,501,661**	**23,176,889**	**2,751,453**	**2,902,184**	**12,788,384**	**101,941,722**
At 31 December 2011 (Audited)	27,427,866	8,004,974	26,002,367	23,937,514	2,832,775	1,264,948	12,723,482	102,193,926
Capital expenditure (ii)								
At 31 March 2012 (Reviewed)	**88,358**	**122,089**	**574,953**	**484,067**	**36,744**	**18,764**	**-**	**1,324,975**
At 31 December 2011 (Audited)	1,129,661	989,096	1,847,196	2,451,670	386,877	73,070	-	6,877,570

Notes:

(i) Goodwill amounting to QR 12,788,384 thousands (31 December 2011: QR 12,723,482 thousands) was not considered as part of segment assets as goodwill is managed on a group basis.

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

19 COMPARATIVE INFORMATION

(i) Restatement of comparative information

In relation to the acquisition of Tunisiana S.A. by National Mobile Telecommunication Company K.S.C ("Wataniya"), the Group finalized its purchase price allocation in December 2011. Consequently the provisional amortisation of PPA intangibles and related net profit for 2011 has been restated as follows:

	As reported QR'000	*Restatement impact* QR'000	*As restated* QR'000
Interim condensed consolidated income statement			
Depreciation and amortisation	1,745,835	(88,539)	1,657,296
Net profit for the period	2,672,061	88,539	2,760,600
Net profit attributable to:			
Shareholders of the Parent	762,202	48,563	810,765
Non-controlling interests	1,909,859	39,976	1,949,835

(ii) Reclassification of comparative information

Certain comparative figures have been reclassified to conform to the presentation in the current period's interim condensed consolidated financial statements. However, such reclassifications did not have any effect on the net profit, total assets and equity of the comparative period.