



**OOREDOO Q.S.C.
DOHA - QATAR**

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE-MONTH PERIOD ENDED
31 MARCH 2017**

OOREDOO Q.S.C.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REVIEW REPORT**

For the three-month period ended 31 March 2017

CONTENTS	Page (s)
Independent auditor's review report	--
Condensed consolidated interim financial statements	
Condensed consolidated interim statement of profit or loss	1
Condensed consolidated interim statement of comprehensive income	2
Condensed consolidated interim statement of financial position	3 - 4
Condensed consolidated interim statement of changes in equity	5 - 6
Condensed consolidated interim statement of cash flows	7 - 8
Notes to the condensed consolidated interim financial statements	9 - 23

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INDEPENDENT AUDITOR'S REVIEW REPORT

The Shareholders
Ooredoo Q.S.C.
Doha - Qatar

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of **Ooredoo Q.S.C.** (the "Company") and its subsidiaries (together the "Group") as at 31 March 2017, and the related condensed consolidated interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended and summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of the condensed consolidated interim financial statements 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

SM

INDEPENDENT AUDITOR'S REVIEW REPORT (CONTINUED)

Other legal and regulatory requirements

As explained in Note 1 to the condensed consolidated interim financial statements, a new Qatar Commercial Companies Law was issued on 7 July 2015. The Company is in process of assessing its compliance with the new Qatar Commercial Companies Law in which the implementation has been extended to be adopted by August 2017.

**Doha – Qatar
26 April 2017**

**For Deloitte & Touche
Qatar Branch**



**Midhat Salha
Partner
License No. 257**



OOREDOO Q.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS
For the three-month period ended 31 March 2017

	<i>For the three-month period ended</i>	
	<i>31 March</i>	
	<i>2017</i>	<i>2016</i>
	<i>(Reviewed)</i>	
<i>Note</i>	<i>QR '000</i>	<i>QR '000</i>
Revenue	8,044,391	7,888,135
Operating expenses	(2,947,123)	(2,882,537)
Selling, general and administrative expenses	(1,681,825)	(1,830,629)
Depreciation and amortisation	(2,095,558)	(2,021,261)
Net finance costs	(433,708)	(463,932)
Impairment of financial assets	(1,586)	(1,625)
Other income – net	70,977	544,533
Share in results of associates and joint ventures – net of tax	11,342	4,241
Royalties and fees	(151,350)	(105,134)
Profit before income tax	815,560	1,131,791
Income tax	(148,280)	(135,816)
Profit for the period	667,280	995,975
Profit attributable to:		
Shareholders of the parent	584,113	878,639
Non-controlling interests	83,167	117,336
	667,280	995,975
Basic and diluted earnings per share	1.82	2.74
(Attributable to shareholders of the parent)		
(Expressed in QR per share)		

The attached notes 1 to 22 form part of these condensed consolidated interim financial statements.



OOREDOO Q.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the three-month period ended 31 March 2017

	<i>Note</i>	<i>For the three-month period ended 31 March</i>	
		<i>2017</i>	<i>2016</i>
		<i>QR'000</i>	<i>QR'000</i>
Profit for the period		667,280	995,975
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net changes in fair value of available-for-sale investments	17	21,750	(5,580)
Effective portion of changes in fair value of cash flow hedges	17	128	(1,307)
Share of other comprehensive loss of associates and joint ventures	17	(3,259)	(8,111)
Foreign currency translation differences	17	306,992	624,011
<i>Item that will not to be reclassified subsequently to profit or loss</i>			
Net changes in fair value of employees benefit reserve	17	157	3,721
Other comprehensive income – net of tax		325,768	612,734
Total comprehensive income for the period		993,048	1,608,709
Total comprehensive income attributable to:			
Shareholders of the parent		872,465	1,397,575
Non-controlling interests		120,583	211,134
		993,048	1,608,709

The attached notes 1 to 22 form part of these condensed consolidated interim financial statements.



OOREDOO Q.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION As at 31 March 2017

	<i>Note</i>	31 March 2017 (Reviewed)	31 December 2016 (Audited)
		QR'000	QR'000
ASSETS			
Non-current assets			
Property, plant and equipment	7	31,330,551	32,240,212
Intangible assets and goodwill	8	29,732,856	29,826,947
Investment property		67,054	69,058
Investment in associates and joint ventures	9	2,091,711	2,043,222
Available-for-sale investments		753,155	732,742
Other non-current assets		615,647	586,076
Deferred tax assets		289,910	269,987
Total non-current assets		64,880,884	65,768,244
Current assets			
Inventories		583,028	581,144
Trade and other receivables		7,217,994	7,664,209
Bank balances and cash	10	16,091,740	16,501,877
Total current assets		23,892,762	24,747,230
TOTAL ASSETS		88,773,646	90,515,474
EQUITY			
Share capital	11	3,203,200	3,203,200
Legal reserve		12,434,282	12,434,282
Fair value reserve		480,386	462,600
Employees' benefit reserve		2,584	2,482
Translation reserve	12	(6,048,564)	(6,319,028)
Other statutory reserves		1,152,553	1,152,553
Retained earnings		10,710,959	11,247,966
Equity attributable to shareholders of the parent		21,935,400	22,184,055
Non-controlling interests		6,702,969	6,817,056
Total equity		28,638,369	29,001,111

The attached notes 1 to 22 form part of these condensed consolidated interim financial statements.




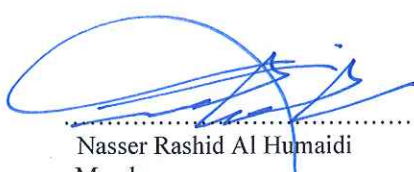
OOREDOO Q.S.C.

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
(CONTINUED)**

As at 31 March 2017

	<i>Note</i>	<i>31 March 2017 (Reviewed)</i>	<i>31 December 2016 (Audited)</i>
		<i>QR'000</i>	<i>QR'000</i>
LIABILITIES			
Non-current liabilities			
Loans and borrowings	15	37,575,676	37,435,014
Employees benefits		980,155	924,777
Deferred tax liabilities		404,751	422,240
Other non-current liabilities		2,181,950	2,285,034
Total non-current liabilities		41,142,532	41,067,065
Current liabilities			
Deferred income		1,847,856	1,827,393
Loans and borrowings	15	3,723,354	3,313,079
Trade and other payables	16	12,378,590	14,307,134
Income tax payable		1,042,945	999,692
Total current liabilities		18,992,745	20,447,298
Total liabilities		60,135,277	61,514,363
TOTAL EQUITY AND LIABILITIES		88,773,646	90,515,474


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Abdulla Bin Mohammed Bin Saud Al Thani
Chairman


.....
Nasser Rashid Al Humaidi
Member

The attached notes 1 to 22 form part of these condensed consolidated interim financial statements.



OOREDOO Q.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the three-month period ended 31 March 2017

Note	Attributable to shareholders of the parent							Non – controlling interests	Total equity	
	Share capital	Legal reserve	Fair value reserve	Employees benefit reserve	Translation reserve	Other statutory reserves	Retained earnings			Total
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	
At 1 January 2017 (audited)	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
Profit for the period	-	-	-	-	-	-	584,113	584,113	83,167	667,280
Other comprehensive income	-	-	17,786	102	270,464	-	-	288,352	37,416	325,768
Total comprehensive income for the period	-	-	17,786	102	270,464	-	584,113	872,465	120,583	993,048
Transactions with shareholders of the parent, recognised directly in equity										
Dividend for 2016	14	-	-	-	-	-	(1,121,120)	(1,121,120)	-	(1,121,120)
Transactions with non-controlling interest, recognised directly in equity										
Dividends for 2016		-	-	-	-	-	-	-	(234,670)	(234,670)
At 31 March 2017 (Reviewed)	3,203,200	12,434,282	480,386	2,584	(6,048,564)	1,152,553	10,710,959	21,935,400	6,702,969	28,638,369

The attached notes 1 to 22 form part of these condensed consolidated interim financial statements.



OOREDOO Q.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the three-month period ended 31 March 2017

Note	Attributable to shareholders of the parent							Non – controlling interests	Total equity	
	Share capital	Legal reserve	Fair value reserve	Employees benefit reserve	Translation reserve	Other statutory reserves	Retained earnings			
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	
At 1 January 2016 (audited)	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 period	-	-	-	-	-	-	878,639	878,639	117,336	995,975
Other comprehensive income	-	-	(12,974)	2,419	529,491	-	-	518,936	93,798	612,734
Total comprehensive income for the period	-	-	(12,974)	2,419	529,491	-	878,639	1,397,575	211,134	1,608,709
Transactions with shareholders of the parent, recognised directly in equity										
Dividend for 2015	14	-	-	-	-	-	(960,960)	(960,960)	-	(960,960)
Transactions with non-controlling interest, recognised directly in equity										
Change in non-controlling interest of an associate		-	-	-	-	-	676	676	-	676
Dividends for 2015		-	-	-	-	-	-	-	(158,591)	(158,591)
At 31 March 2016 (Reviewed)	3,203,200	12,434,282	435,210	41,521	(5,036,108)	1,094,696	10,074,279	22,247,080	6,615,619	28,862,699

The attached notes 1 to 22 form part of these condensed consolidated interim financial statements.



OOREDOO Q.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the three-month period ended 31 March 2017

	<i>For the three-month period ended</i>	
	<i>31 March</i>	
	<i>2017</i>	<i>2016</i>
	<i>(Reviewed)</i>	
<i>Note</i>	<i>QR'000</i>	<i>QR'000</i>
OPERATING ACTIVITIES		
Profit before income taxes	815,560	1,131,791
Adjustments for:		
Depreciation and amortization	2,095,558	2,021,261
Dividend income	(17,145)	(13,608)
Impairment of financial assets	1,586	1,625
Gain on disposal of available-for-sale investments	-	(1)
Gain on disposal of property, plant and equipment	(10,639)	(14,302)
Profit on disposal of a subsidiary	-	(34,450)
Net finance costs	433,708	463,932
Provision for employees' benefits	86,313	102,962
Provision for trade receivables	52,832	38,617
Share of results in associates and joint ventures – net of tax	9 (11,342)	(4,241)
Operating profit before working capital changes	3,446,431	3,693,586
Working capital changes:		
Change in inventories	(1,884)	(111,994)
Change in trade and other receivables	393,383	(5,803)
Change in trade and other payables	(1,901,009)	(274,276)
Cash from operations	1,936,921	3,301,513
Finance costs paid	(478,245)	(490,251)
Employees' benefits paid	(23,847)	(25,214)
Income tax paid	(147,680)	(122,441)
Net cash from operating activities	1,287,149	2,663,607
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(656,024)	(1,014,585)
Acquisition of intangible assets	(76,047)	(2,193,590)
Additional investment in associates	-	(1,740)
Additional investment in joint ventures	(39,153)	-
Proceeds from disposal of property, plant and equipment	12,514	21,473
Proceeds from disposal of available-for-sale investments	152	403
Proceeds from disposal of a subsidiary	-	27,274
Movement in restricted deposits	(5,357)	13,826
Movement in other non-current assets	(29,414)	(40,874)
Dividend received	17,145	13,608
Interest received	82,818	68,650
Net cash used in investing activities	(693,366)	(3,105,555)

The attached notes 1 to 22 form part of these condensed consolidated interim financial statements.



OOREDOO Q.S.C.

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
(CONTINUED)**

For the three-month period ended 31 March 2017

		<i>For the three-month period ended 31 March</i>	
		<i>2017</i>	<i>2016</i>
		<i>(Reviewed)</i>	
<i>Note</i>		<i>QR'000</i>	<i>QR'000</i>
FINANCING ACTIVITIES			
	Proceeds from loans and borrowings	1,155,340	1,886,971
	Repayment of loans and borrowings	(716,629)	(715,989)
	Additions to deferred financing costs	(422)	(35,484)
14	Dividend paid to shareholders of the parent	(1,121,120)	(960,960)
	Dividend paid to non-controlling interests	(234,670)	(110,930)
	Movement in other non-current liabilities	(103,084)	648,097
	Net cash (used in) generated from financing activities	(1,020,585)	711,705
	NET CHANGE IN CASH AND CASH EQUIVALENTS	(426,802)	269,757
	Effect of exchange rate fluctuations	11,308	(609,546)
	Cash and cash equivalents at 1 January	16,068,325	18,038,068
	CASH AND CASH EQUIVALENTS 31 MARCH	15,652,831	17,698,279
10			

The attached notes 1 to 22 form part of these condensed consolidated interim financial statements.



OOREDOO Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS **For the three-month period ended 31 March 2017**

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 Middle East and North African (MENA) region. Qatar Holding L.L.C. is the ultimate Parent Company of the Group.

The condensed consolidated interim financial statements of the Group for three-month period ended 31 March 2017 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 26 April 2017.

A new Qatar Commercial Companies law was issued on 7 July 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

The condensed consolidated interim financial statements for the three months ended 31 March 2017 have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”).

The condensed consolidated interim 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 condensed consolidated interim financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2016. In addition, results for the three-month period ended 31 March 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

Risk management, judgments and estimates

The preparation of the condensed consolidated interim financial statements requires management to make judgments, 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 Group’s annual consolidated financial statements for the year ended 31 December 2016.

The Group’s financial risk management objectives and policies are consistent with those disclosed in the Group’s annual consolidated financial statements as at and for the year ended 31 December 2016.



OOREDOO Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the three-month period ended 31 March 2017

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2016, and the notes attached thereto, except for certain new and revised standards, that became effective in the current period, which have introduced certain changes. Some of these new and revised standards are changes in terminology only, and some are substantive but have had no material effect on these condensed consolidated interim financial statements of the Group.

(i) **Revised Standards:**

Effective for annual periods beginning on or after 1 January 2017

- IAS 7 (Revised) *Amendments to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities*
- IAS 12 (Revised) *Amendments relating to the recognition of deferred tax assets for unrealised losses*
- Annual Improvements 2014-2016 Cycle *Amendments to IFRS 12*

(ii) **New and revised standards and interpretation issued but not yet effective**

Effective for annual periods beginning on or after 1 January 2018

- IFRS 2 (Revised) *Amendments regarding classification and measurement of share based payment transactions*
- IFRS 7 (Revised) *Amendments relating to disclosures about the initial application of IFRS 9*
- IFRS 9 *Financial Instruments*
- IFRS 15 *Revenue from Contracts with Customers*
- IAS 40 (Revised) *Investment Property – Amendments to paragraph 57*
- Annual Improvements 2014-2016 Cycle *Amendments to IFRS 1 and IAS 28*
- IFRIC 22 *Foreign Currency Transactions and Advance Consideration*

Effective for annual periods beginning on or after 1 January 2019

- IFRS 16 *Leases*

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, from 1 January 2018. The core principle of IFRS 15 is that an entity should recognize 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.

The application of IFRS 15 may have significant impact on amounts reported in the interim condensed consolidated financial statements and will result in more extensive disclosures in the interim condensed consolidated financial statements on initial application. However, the Group is currently in the process of evaluating and implementing the required changes in its systems, policies and processes to comply with IFRS 15 requirements, and hence it is not practical to disclose a reliable quantitative impact until the implementation programme is further advanced.

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



OOREDOO Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the three-month period ended 31 March 2017

4 OTHER INCOME / (EXPENSE) - NET

	<i>For the three-month period ended 31 March</i>	
	2017	2016
	<i>(Reviewed)</i>	
	<i>QR'000</i>	<i>QR'000</i>
Foreign currency gains - net	81,678	454,458
Dividend income	17,145	13,608
Rental income	6,895	7,594
Change in fair value of derivatives – net	(8,365)	(67,518)
Miscellaneous (expenses) / income	(26,376)	136,391
	70,977	544,533

5 ROYALTIES AND FEES

		<i>For the three-month period ended 31 March</i>	
		2017	2016
		<i>(Reviewed)</i>	
		<i>QR'000</i>	<i>QR'000</i>
Royalty	(i)	76,082	43,344
Industry fees	(ii)	67,148	55,162
Other statutory fees	(iii)	8,120	6,628
		151,350	105,134

- i. Royalty is payable to the Government of the Sultanate of Oman based on 12% (2016: 7%) of the net of predefined sources of revenue and operating expenses. Effective 1 January 2017, royalty rate increased from 7% to 12%.
- ii. The Group provides for a 12.5% industry fee on profits generated from the Group's operations in Qatar.
- iii. Contributions by National Mobile Telecommunications Company K.S.C. to Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST") and Zakat are included under other statutory fees.



OOREDOO Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the three-month period ended 31 March 2017

6 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the 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.

	<i>For the three-month period ended 31 March</i>	
	<i>2017</i>	<i>2016</i>
	<i>(Reviewed)</i>	
	<i>QR'000</i>	<i>QR'000</i>
Profit for the period attributable to shareholders of the parent (QR'000)	584,113	878,639
Weighted average number of shares (In '000)	320,320	320,320
Basic and diluted earnings per share (QR)	1.82	2.74

7 PROPERTY, PLANT AND EQUIPMENT

	<i>31 March 2017</i>	<i>31 December 2016</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>QR'000</i>	<i>QR'000</i>
Net book value at beginning of the period / year	32,240,212	33,526,222
Acquisition of a subsidiary	-	36,836
Additions	656,024	5,584,582
Disposals	(1,875)	(474,587)
Reclassification	(176,548)	(46,810)
Depreciation for the period / year	(1,588,880)	(6,357,583)
Exchange adjustment	201,618	(28,448)
Carrying value at the end of the period / year	31,330,551	32,240,212

i) *Uncertainty in Iraq*

Due to the current security situation of certain locations in Iraq, Asiacell, one of the Group's subsidiaries, may be unable to effectively exercise control over some of its property and equipment. The net book value of these assets amounted to QR 59,611 thousand as at 31 March 2017 (2016: QR 80,190 thousand). Based on an assessment performed by Asiacell, an insignificant amount of damage has occurred which has been provided for accordingly.

ii) 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 March 2017, 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.



OOREDOO Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the three-month period ended 31 March 2017

8 INTANGIBLE ASSETS AND GOODWILL

	<i>31 March 2017 (Reviewed) QR'000</i>	<i>31 December 2016 (Audited) QR'000</i>
Net book value at beginning of the period / year	29,826,947	30,359,092
Acquisition of a subsidiary	-	148,559
Derecognition of previously held interest in a subsidiary	-	(2,231)
Additions	76,047	1,851,204
Reclassification	176,548	21,900
Amortisation for the period / year	(504,674)	(2,000,770)
Exchange adjustment	157,988	(550,807)
	<u>29,732,856</u>	<u>29,826,947</u>
Carrying value at the end of the period / year	<u>29,732,856</u>	<u>29,826,947</u>

- i) Indefeasible rights of use (IRUs) are initially included in capital work in progress under property, plant and equipment once it meets the criteria for recognizing and measuring and subsequently transferred to intangibles once they are ready for intended use.

9 INVESTMENT IN ASSOCIATES AND JOINT VENTURES

The following table presents the summarised financial information of the Group's investment in associates and joint ventures.

	<i>31 March 2017 (Reviewed) QR'000</i>	<i>31 December 2016 (Audited) QR'000</i>
Group's share in associates and joint ventures statement of financial position:		
Current assets	898,292	856,402
Non-current assets	2,638,417	2,554,610
Current liabilities	(716,398)	(662,746)
Non-current liabilities	(1,850,997)	(1,800,960)
	<u>969,314</u>	<u>947,306</u>
Net assets	969,314	947,306
Goodwill	1,122,397	1,095,916
	<u>2,091,711</u>	<u>2,043,222</u>
Carrying amount of the investment	<u>2,091,711</u>	<u>2,043,222</u>



OOREDOO Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the three-month period ended 31 March 2017

9 INVESTMENT IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

	<i>For the three-month period ended 31 March</i>	
	<i>2017</i>	<i>2016</i>
	<i>(Reviewed)</i>	
	<i>QR'000</i>	<i>QR'000</i>
Share in revenues of associates and joint ventures	<u>421,836</u>	<u>424,719</u>
Share in results of associates and joint ventures – net of tax	<u>11,342</u>	<u>4,241</u>

10 CASH AND CASH EQUIVALENTS

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

	<i>For the three-month period ended 31 March</i>	
	<i>2017</i>	<i>2016</i>
	<i>(Reviewed)</i>	
	<i>QR'000</i>	<i>QR'000</i>
Bank balances and cash	<u>16,091,740</u>	<u>17,804,565</u>
Less: restricted deposits	<u>(438,909)</u>	<u>(106,286)</u>
Cash and cash equivalents	<u>15,652,831</u>	<u>17,698,279</u>

11 SHARE CAPITAL

	<i>2017</i>		<i>2016</i>	
	<i>No of shares (000)</i>	<i>QR'000</i>	<i>No of shares (000)</i>	<i>QR'000</i>
Authorised				
<i>Ordinary shares of QR 10 each</i>				
At 31 March/31 December	<u>500,000</u>	<u>5,000,000</u>	<u>500,000</u>	<u>5,000,000</u>
Issued and fully paid up				
<i>Ordinary shares of QR 10 each</i>				
At 31 March/31 December	<u>320,320</u>	<u>3,203,200</u>	<u>320,320</u>	<u>3,203,200</u>

12 TRANSLATION RESERVE

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.



OOREDOO Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three-month period ended 31 March 2017

13 INCOME TAX

The income tax represents amounts recognised by the subsidiaries. The major components of the income tax expense for the period included in the condensed consolidated interim statement of profit or loss are as follows:

	<i>For the three-month period ended 31 March</i>	
	<i>2017</i>	<i>2016</i>
	<i>(Reviewed)</i>	
	<i>QR'000</i>	<i>QR'000</i>
Current income tax		
Current income tax charge	190,933	131,511
Deferred income tax		
Relating to origination and reversal of temporary differences	(42,653)	4,305
	148,280	135,816

14 DIVIDEND

Dividend paid and proposed:

	<i>For the three-month ended 31 March</i>	
	<i>2017</i>	<i>2016</i>
	<i>(Reviewed)</i>	
	<i>QR'000</i>	<i>QR'000</i>
Declared and approved at the Annual General Meeting :		
Final Dividend for 2016, QR 3.5 per share (2015: QR 3 per share)	1,121,120	960,960

15 LOANS AND BORROWINGS

	<i>31 March 2017 (Reviewed) QR'000</i>	<i>31 December 2016 (Audited) QR'000</i>
Loans and borrowings	41,633,869	41,099,737
Less: deferred financing costs	(334,839)	(351,644)
	41,299,030	40,748,093

Presented in the condensed consolidated interim statement of financial position as follows:

	<i>31 March 2017 (Reviewed) QR'000</i>	<i>31 December 2016 (Audited) QR'000</i>
Non-current portion	37,575,676	37,435,014
Current portion	3,723,354	3,313,079
	41,299,030	40,748,093



OOREDOO Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three-month period ended 31 March 2017

15 LOANS AND BORROWINGS (CONTINUED)

The comparative fair value and carrying value of the Group's loans and borrowings are as follow:

	<i>Carrying amounts</i>		<i>Fair values</i>	
	<i>31 March 2017 (Reviewed) QR'000</i>	<i>31 December 2016 (Audited) QR'000</i>	<i>31 March 2017 (Reviewed) QR'000</i>	<i>31 December 2016 (Audited) QR'000</i>
Fixed rates	27,666,057	27,729,834	28,527,347	28,479,208
Floating rates	13,967,812	13,369,903	13,913,162	13,157,469
	41,633,869	41,099,737	42,440,509	41,636,677

16 TRADE AND OTHER PAYABLES

	<i>31 March 2017 (Reviewed) QR'000</i>	<i>31 December 2016 (Audited) QR'000</i>
Trade payables	3,636,655	4,722,161
Accrued expenses	5,010,487	5,335,801
Interest payable	347,596	362,739
Profit payable on Islamic financing obligation	47,122	12,511
License costs payable	328,725	321,797
Amounts due to international carriers -net	539,628	696,270
Negative fair value of derivatives	36,887	9,451
Finance lease liabilities (note 18)	153,646	149,674
Cash settled share based payments	187,064	174,318
Other payables	2,090,780	2,522,412
	12,378,590	14,307,134



OOREDOO Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three-month period ended 31 March 2017

17 COMPONENTS OF OTHER COMPREHENSIVE INCOME

	<i>For the three-month period ended</i>	
	31 March	
	<i>2017</i>	<i>2016</i>
	<i>(Reviewed)</i>	
	QR'000	QR'000
<i>Items that may be reclassified subsequently to profit or loss</i>		
<i>Available-for-sale investments</i>		
Fair value gain / (loss) arising during the period	20,164	(7,206)
Reclassification to profit or loss	-	1
Transfer to profit or loss on impairment	1,586	1,625
	21,750	(5,580)
<i>Cash flow hedges</i>		
Income / (loss) arising during the period	132	(1,373)
Deferred tax effect	(4)	66
	128	(1,307)
<i>Associates and joint venture</i>		
Share of changes in fair value of cash flow hedges	(3,259)	(8,111)
<i>Translation reserve</i>		
Foreign exchange translation differences – foreign operations	306,992	599,707
Transferred to profit or loss	-	3,861
Deferred tax effect	-	20,443
	306,992	624,011
<i>Items that will not be reclassified subsequently to profit or loss</i>		
<i>Employees benefit reserve</i>		
Net movement in employees benefit reserve	157	3,721
Other comprehensive income for the period – net of tax	325,768	612,734

18 COMMITMENTS

	<i>31 March</i>	<i>31 December</i>
	2017	2016
	<i>(Reviewed)</i>	
	QR'000	QR'000
Capital expenditure commitments not provided for		
Estimated capital expenditure contracted for at reporting date	2,623,916	2,529,101
Operating lease commitments		
Future minimum lease payments:		
Not later than one year	519,698	559,346
Later than one year and not later than five years	1,999,796	2,142,209
Later than five years	2,628,910	3,030,564
Total operating lease expenditure contracted for at the reporting date	5,148,404	5,732,119



OOREDOO Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three-month period ended 31 March 2017

18 COMMITMENTS (CONTINUED)

Finance lease commitments	<i>31 March 2017 (Reviewed) QR'000</i>	<i>31 December 2016 (Audited) QR'000</i>
Amounts under finance leases		
Minimum lease payments		
Not later than one year	240,780	239,881
Later than one year and not later than five years	863,975	851,483
Later than five years	108,785	144,988
	1,213,540	1,236,352
Less: unearned finance income	(272,982)	(290,336)
Present value of minimum lease payments	940,558	946,016
 Present value of minimum lease payments		
Current portion	153,646	149,674
Non-current portion	786,912	796,342
	940,558	946,016
 Letters of credit	139,835	109,831

19 CONTINGENT LIABILITIES AND LITIGATIONS

i) Contingent liabilities	<i>31 March 2017 (Reviewed) QR'000</i>	<i>31 December 2016 (Audited) QR'000</i>
Letters of guarantees	752,529	744,358
Claims against the Group not acknowledged as debts	14,008	15,521

Litigation

All other litigations position reported in the Group's annual consolidated financial statements as at 31 December 2016 have not materially changed as at 31 March 2017.



OOREDOO Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the three-month period ended 31 March 2017

20 RELATED PARTY DISCLOSURES

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

a) Transactions with Government and related entities

The Group enters into commercial transactions with other Government related entities in the ordinary course of business which includes providing telecommunication services, placement of deposits and obtaining credit facilities. All these transactions are at arm's length and in the normal course of business.

b) Transactions with Directors and other key management personnel

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

The compensation and benefits related to Board of Directors and key management personnel amounted to QR 92,134 thousand (for the period ended 31 March 2016: QR 107,419 thousand) and end of service benefits amounted to QR 6,569 thousand (for the period ended 31 March 2016: QR 7,874 thousand). The remuneration to the Board of Directors and key management personnel has been included under the caption "Selling, general and administrative expenses".

21 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 mainly 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 organized 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 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.

OOREDOO Q.S.C.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three-month period ended 31 March 2017

21 SEGMENT INFORMATION (CONTINUED)
Operating segments

The following table present revenue and profit information regarding the Group's operating segments for the three-month period ended 31 March 2017 and 2016:

For the three-month period ended 31 March 2017 (Reviewed)

	<i>Ooredoo Qatar QR'000</i>	<i>Asiacell QR'000</i>	<i>NMTC QR'000</i>	<i>Indosat Ooredoo QR'000</i>	<i>Ooredoo Oman QR'000</i>	<i>Others QR'000</i>	<i>Adjustments and eliminations QR'000</i>	<i>Total QR'000</i>
Revenue								
Third party	1,882,577	1,056,031	1,959,691	1,984,286	660,020	501,786	-	8,044,391
Inter-segment	156,788	4,800	56,383	5,048	1,724	42,447	(267,190) (i)	-
Total revenue	2,039,365	1,060,831	2,016,074	1,989,334	661,744	544,233	(267,190)	8,044,391
Results								
Segment profit/ (loss) before tax	491,666	85,990	307,757	95,950	96,673	(145,134)	(117,342) (ii)	815,560
Depreciation and amortisation	212,377	360,449	424,995	641,160	161,763	177,472	117,342 (iii)	2,095,558
Net finance costs	225,518	9,902	24,703	159,490	5,356	8,739	-	433,708

OOREDOO Q.S.C.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three-month period ended 31 March 2017
21 SEGMENT INFORMATION (CONTINUED)
For the three-month period ended 31 March 2016 (Reviewed)

	<i>Ooredoo Qatar QR'000</i>	<i>Asiacell QR'000</i>	<i>NMTC QR'000</i>	<i>Indosat Ooredoo QR'000</i>	<i>Ooredoo Oman QR'000</i>	<i>Others QR'000</i>	<i>Adjustments and eliminations QR'000</i>	<i>Total QR'000</i>
Revenue								
Third party	1,778,067	1,072,866	2,043,744	1,832,703	644,653	516,102	-	7,888,135
Inter-segment	<u>216,252</u>	<u>2,831</u>	<u>71,181</u>	<u>4,249</u>	<u>1,840</u>	<u>42,955</u>	<u>(339,308) (i)</u>	<u>-</u>
Total revenue	<u>1,994,319</u>	<u>1,075,697</u>	<u>2,114,925</u>	<u>1,836,952</u>	<u>646,493</u>	<u>559,057</u>	<u>(339,308)</u>	<u>7,888,135</u>
Results								
Segment profit/ (loss) before tax	<u>432,307</u>	<u>119,578</u>	<u>226,333</u>	<u>100,182</u>	<u>160,927</u>	<u>192,073</u>	<u>(99,609) (ii)</u>	<u>1,131,791</u>
Depreciation and amortisation	<u>206,835</u>	<u>352,186</u>	<u>431,319</u>	<u>625,754</u>	<u>150,888</u>	<u>154,670</u>	<u>99,609 (iii)</u>	<u>2,021,261</u>
Net finance costs	<u>246,311</u>	<u>3,337</u>	<u>31,051</u>	<u>173,107</u>	<u>6,057</u>	<u>4,069</u>	<u>-</u>	<u>463,932</u>

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

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

<i>For the three-month period ended 31 March</i>	
<i>2017</i>	<i>2016</i>
<i>(Reviewed)</i>	
<i>QR'000</i>	<i>QR'000</i>
<u>(117,342)</u>	<u>(99,609)</u>

Amortisation of intangibles

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



OOREDOO Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three-month period ended 31 March 2017

21 SEGMENT INFORMATION (CONTINUED)

The following table presents segment assets of the Group's operating segments as at 31 March 2017 and 31 December 2016.

	<i>Ooredoo Qatar QR'000</i>	<i>Asiacell QR'000</i>	<i>NMTC QR'000</i>	<i>Indosat Ooredoo QR'000</i>	<i>Ooredoo Oman QR'000</i>	<i>Others QR'000</i>	<i>Adjustments and eliminations QR'000</i>	<i>Total QR'000</i>
Segment assets (i)								
At 31 March 2017 (Reviewed)	<u>18,021,948</u>	<u>10,265,638</u>	<u>22,151,582</u>	<u>15,191,996</u>	<u>3,966,996</u>	<u>9,858,429</u>	<u>9,317,057</u>	<u>88,773,646</u>
At 31 December 2016 (Audited)	<u>18,676,837</u>	<u>10,157,657</u>	<u>22,432,052</u>	<u>15,407,894</u>	<u>3,756,177</u>	<u>10,852,925</u>	<u>9,231,932</u>	<u>90,515,474</u>

(i) Goodwill amounting to QR 9,317,057 thousand (31 December 2016: QR 9,231,932 thousand) was not considered as part of segment assets.

OOREDOO Q.S.C.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three-month period ended 31 March 2017
22 FAIR VALUES OF FINANCIAL INSTRUMENTS
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; and
Level 3:	Unobservable inputs for the asset or liability.

The following table provides the fair value measurement hierarchy of the Group's financial asset and liabilities at 31 March 2017 and 31 December 2016:

	<i>31 March 2017</i> <i>(Reviewed)</i> <i>QR'000</i>	<i>Level 1</i> <i>QR'000</i>	<i>Level 2</i> <i>QR'000</i>	<i>Level 3</i> <i>QR'000</i>
Assets:				
Financial assets measured at fair value:				
Available-for-sale investments	719,530	10,055	215,534	493,941
Derivative financial instruments	133	-	133	-
	<u>719,663</u>	<u>10,055</u>	<u>215,667</u>	<u>493,941</u>
Liabilities:				
Other financial liability measured at fair value				
Derivative financial instruments	36,887	-	36,887	-
Other financial liability for which fair value is disclosed				
Loans and borrowings	42,440,509	26,436,156	16,004,353	-
	<u>42,477,396</u>	<u>26,436,156</u>	<u>16,041,240</u>	<u>-</u>
	<i>31 December 2016</i> <i>(Audited)</i> <i>QR'000</i>	<i>Level 1</i> <i>QR'000</i>	<i>Level 2</i> <i>QR'000</i>	<i>Level 3</i> <i>QR'000</i>
Assets				
Financial assets measured at fair value:				
Available-for-sale investments	697,590	10,648	193,001	493,941
Derivative financial instruments	4,152	-	4,152	-
	<u>701,742</u>	<u>10,648</u>	<u>197,153</u>	<u>493,941</u>
Liabilities:				
Other financial liability measured at fair value				
Derivative financial instruments	9,451	-	9,451	-
Other financial liability for which fair value is disclosed				
Loans and borrowings	41,636,677	26,261,685	15,374,992	-
	<u>41,646,128</u>	<u>26,261,685</u>	<u>15,384,443</u>	<u>-</u>

There were no transfers among Levels 1, 2, and 3 for the three-month period ended 31 March 2017 and year ended 31 December 2016.