



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

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE SIX-MONTH PERIOD ENDED
30 JUNE 2016**



OOREDOO Q.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

For the six-month period ended 30 June 2016

	Note	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
		<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
		<i>(Reviewed)</i>		<i>(Reviewed)</i>	
		<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Revenue		8,025,838	8,004,453	15,913,973	16,041,543
Operating expenses		(2,889,337)	(2,761,416)	(5,771,874)	(5,755,145)
Selling, general and administrative expenses		(1,870,350)	(1,940,501)	(3,700,979)	(3,836,131)
Depreciation and amortisation		(2,076,652)	(1,967,815)	(4,097,913)	(3,926,642)
Net finance costs		(467,405)	(478,910)	(931,337)	(964,959)
Impairment of financial assets		(3,816)	-	(5,441)	-
Other income / (expense) – net	4	176,331	(51,833)	720,864	(140,408)
Share of results in associates and joint venture – net of tax	9	32,283	(51,711)	36,524	5,453
Royalties and fees	5	(112,125)	(112,937)	(217,259)	(207,528)
Profit before income tax		814,767	639,330	1,946,558	1,216,183
Income tax	13	(114,364)	(81,337)	(250,180)	(157,924)
Profit for the period		700,403	557,993	1,696,378	1,058,259
Profit attributable to:					
Shareholders of the parent		583,219	501,224	1,461,858	1,002,388
Non-controlling interests		117,184	56,769	234,520	55,871
		700,403	557,993	1,696,378	1,058,259
Basic and diluted earnings per share					
(Attributable to shareholders of the parent)	6	1.82	1.56	4.56	3.13
(Expressed in QR per share)					

The attached notes 1 to 23 form part of these condensed consolidated interim financial statements

	Note	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
		<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
		<i>(Reviewed)</i>		<i>(Reviewed)</i>	
		<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Profit for the period		700,403	557,993	1,696,378	1,058,259
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	16	(5,695)	(57,413)	(11,275)	(305,567)
Effective portion of changes in fair value of cash flow hedges	16	(168)	(7)	(1,475)	(796)
Share of other comprehensive income (loss) of associates and joint venture	16	(4,049)	(676)	(12,160)	650
Foreign currency translation differences	16	(517,143)	(133,173)	106,868	(1,663,697)
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Net changes in fair value of employee benefit reserve	16	(326)	(536)	3,395	(2,005)
Other comprehensive income (loss)– net of tax		(527,381)	(191,805)	85,353	(1,971,415)
Total comprehensive income (loss) for the period		173,022	366,188	1,781,731	(913,156)
Total comprehensive income (loss) attributable to:					
Shareholders of the parent		126,715	363,551	1,524,290	(706,623)
Non-controlling interests		46,307	2,637	257,441	(206,533)
		173,022	366,188	1,781,731	(913,156)



OOREDOO Q.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
At 30 June 2016

		<i>30 June 2016 (Reviewed)</i>	<i>31 December 2015 (Audited)</i>
	<i>Note</i>	<i>QR'000</i>	<i>QR'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment	7	33,026,823	33,745,408
Intangible assets and goodwill	8	31,248,502	30,139,906
Investment property		47,353	49,861
Investment in associates and joint venture	9	2,420,379	2,296,421
Available-for-sale investments		740,798	747,196
Other non-current assets		657,620	665,115
Deferred tax assets		61,648	54,561
Total non-current assets		<u>68,203,123</u>	<u>67,698,468</u>
Current assets			
Inventories		880,335	697,069
Trade and other receivables		7,804,161	7,598,348
Bank balances and cash	10	19,461,457	18,158,180
Total current assets		<u>28,145,953</u>	<u>26,453,597</u>
TOTAL ASSETS		<u><u>96,349,076</u></u>	<u><u>94,152,065</u></u>
EQUITY			
Share capital	11	3,203,200	3,203,200
Legal reserve		12,434,282	12,434,282
Fair value reserve		424,824	448,184
Employees benefit reserve		41,309	39,102
Translation reserve	12	(5,482,014)	(5,565,599)
Other statutory reserves		1,094,696	1,094,696
Retained earnings		10,658,848	10,155,924
Equity attributable to shareholders of the parent		<u>22,375,145</u>	21,809,789
Non-controlling interests		6,644,399	6,563,076
Total equity		<u>29,019,544</u>	<u>28,372,865</u>

The attached notes 1 to 23 form part of these condensed consolidated interim financial statements



OOREDOO Q.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (CONTINUED)
At 30 June 2016

		<i>30 June 2016 (Reviewed)</i>	<i>31 December 2015 (Audited)</i>
	<i>Note</i>	<i>QR'000</i>	<i>QR'000</i>
LIABILITIES			
Non-current liabilities			
Loans and borrowings	15	37,867,838	36,108,055
Employees benefits		857,333	812,142
Deferred tax liabilities		501,042	466,953
Other non-current liabilities		2,457,845	2,016,333
Total non-current liabilities		<u>41,684,058</u>	<u>39,403,483</u>
Current liabilities			
Deferred income		2,058,930	1,775,181
Loans and borrowings	15	7,605,695	6,663,787
Trade and other payables		15,204,224	17,243,549
Income tax payable		776,625	693,200
Total current liabilities		<u>25,645,474</u>	<u>26,375,717</u>
Total liabilities		<u>67,329,532</u>	<u>65,779,200</u>
TOTAL EQUITY AND LIABILITIES		<u>96,349,076</u>	<u>94,152,065</u>

.....
Abdulla Bin Mohammed Bin Saud Al Thani
Chairman

.....
Ali Shareef Al Emadi
Deputy Chairman



OOREDOO Q.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2016

	<i>Note</i>	<i>For the six-month period ended</i>	
		<i>30 June</i>	
		<i>2016</i>	<i>2015</i>
		<i>(Reviewed)</i>	
		<i>QR '000</i>	<i>QR '000</i>
OPERATING ACTIVITIES			
Profit before income taxes		1,946,558	1,216,183
Adjustments for:			
Depreciation and amortisation		4,097,913	3,926,642
Dividend income		(13,608)	(1,340)
Impairment of financial assets		5,441	-
Gain on disposal of available-for-sale investments		(164)	(280,297)
Gain on disposal of property, plant and equipment		(17,524)	(21,071)
Profit on disposal of a subsidiary		(34,450)	-
Net finance costs		931,337	964,959
Provision for employees' benefits		218,586	94,835
Provision for trade receivables		63,970	91,264
Share of results in associates and joint venture – net of tax	9	(36,524)	(5,453)
Operating profit before working capital changes		7,161,535	5,985,722
Working capital changes:			
Changes in inventories		(177,846)	(25,324)
Changes in trade and other receivables		(235,150)	(156,484)
Changes in trade and other payables		(878,714)	(367,534)
Cash from operations		5,869,825	5,436,380
Finance costs paid		(1,045,653)	(1,006,399)
Employees' benefits paid		(149,781)	(112,288)
Income tax paid		(159,949)	(139,812)
Net cash from operating activities		4,514,442	4,177,881
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(2,279,728)	(3,732,516)
Acquisition of intangible assets		(2,428,579)	(1,313,599)
Net cash outflow from acquisition of a subsidiary	23	(131,816)	-
Additional investment in associates		(4,032)	-
Acquisition of available-for-sale investments		(9,385)	(16,278)
Proceeds from disposal of property, plant and equipment		420,765	97,469
Proceeds from disposal of available-for-sale investments		164	583,425
Proceeds from disposal of a subsidiary		27,274	-
Movement in restricted deposits		(154,709)	17,880
Movement in other non-current assets		10,890	135,070
Dividend received		13,608	1,340
Interest received		148,284	117,832
Net cash used in investing activities		(4,387,264)	(4,109,377)

The attached notes 1 to 23 form part of these condensed consolidated interim financial statements



OOREDOO Q.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
(CONTINUED)

For the six-month period ended 30 June 2016

		<i>For the six-month period ended</i>	
		<i>30 June</i>	
		<i>2016</i>	<i>2015</i>
		<i>Reviewed</i>	
<i>Note</i>		<i>QR'000</i>	<i>QR'000</i>
FINANCING ACTIVITIES			
	Proceeds from loans and borrowings	8,172,526	6,405,909
	Repayment of loans and borrowings	(5,584,082)	(5,235,008)
	Additions to deferred financing costs	(99,595)	(42,501)
	Dividend paid to shareholders of the parent	(960,960)	(1,281,280)
	Dividend paid to non-controlling interests	(176,118)	(138,848)
	Movement in other non-current liabilities	303,590	(111,137)
	Net cash from / (used in) financing activities	1,655,361	(402,865)
	NET CHANGE IN CASH AND CASH EQUIVALENTS	1,782,539	(334,361)
	Effect of exchange rate fluctuations	(633,971)	493,287
	Cash and cash equivalents at 1 January	18,038,068	17,315,463
	CASH AND CASH EQUIVALENTS AT 30 JUNE	19,186,636	17,474,389

The attached notes 1 to 23 form part of these condensed consolidated interim financial statements



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CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2016

	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 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		-	-	-	-	-	-	1,461,858	1,461,858	234,520	1,696,378
Other comprehensive income		-	-	(23,360)	2,207	83,585	-	-	62,432	22,921	85,353
Total comprehensive income for the period		-	-	(23,360)	2,207	83,585	-	1,461,858	1,524,290	257,441	1,781,731
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		-	-	-	-	-	-	2,026	2,026	-	2,026
Dividend for 2015		-	-	-	-	-	-	-	-	(176,118)	(176,118)
At 30 June 2016 (Reviewed)		3,203,200	12,434,282	424,824	41,309	(5,482,014)	1,094,696	10,658,848	22,375,145	6,644,399	29,019,544

The attached notes 1 to 23 form part of these condensed consolidated interim financial statements



OOREDOO Q.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six-month period ended 30 June 2016

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	QR'000
At 1 January 2015 (Audited)	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 period	-	-	-	-	-	-	1,002,388	1,002,388	55,871	1,058,259
Other comprehensive loss	-	-	(304,802)	(1,303)	(1,402,906)	-	-	(1,709,011)	(262,404)	(1,971,415)
Total comprehensive loss for the period	-	-	(304,802)	(1,303)	(1,402,906)	-	1,002,388	(706,623)	(206,533)	(913,156)
Transactions with shareholders of the Parent, recognised directly in equity										
Dividend for 2014	14	-	-	-	-	-	(1,281,280)	(1,281,280)	-	(1,281,280)
Transactions with non-controlling interest, recognised directly in equity										
Change in non-controlling interest of an associate	-	-	-	-	-	-	7,394	7,394	-	7,394
Dividend for 2014	-	-	-	-	-	-	-	-	(138,848)	(138,848)
At 30 June 2015 (Reviewed)	3,203,200	12,434,282	587,760	16,356	(4,906,417)	1,057,820	9,114,649	21,507,650	6,634,973	28,142,623

The attached notes 1 to 23 form part of these condensed consolidated interim financial statements



OOREDOO Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 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 the telecommunications service provider licensed by the Supreme Council of Information and Communication Technology (ictQATAR) to provide both fixed and mobile telecommunications services in the state of Qatar. As a licensed service provider, the conduct and activities of the Company are regulated by ictQATAR pursuant to Law No. 34 of 2006 (Telecommunications Law) and the Applicable Regulatory Framework.

The Company and its subsidiaries (together referred to as the “Group”) provides domestic and international telecommunication services in Qatar and elsewhere in the Asia and 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 the six-month period ended 30 June 2016 were authorized for issue by the Chairman and the Deputy Chairman of the Company on 26 July 2016.

A new Qatar Commercial Companies Law was issued on 7 July 2015. Implementation of the new law was extended to be adopted by 7 August 2016. The Group is in the process of assessing its compliance with the new law.

2 BASIS OF PREPARATION

The condensed consolidated interim financial statements for the six-month period ended 30 June 2016 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 2015. In addition, results for the six-month period ended 30 June 2016 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2016.

Risk management, judgements and estimates

The preparation of the condensed consolidated interim financial statements 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 Group’s annual consolidated financial statements for the year ended 31 December 2015, except as mentioned below.

Determination of functional currency

In determining the functional currency of the Group, judgment is used by the Group to determine the currency of the primary economic environment in which the Company or its subsidiaries operate. Further, management assessed the factors which mainly include the currency that mainly influences sales prices of goods and services, acquisition or disposal of assets, incurring expenses and settling liabilities etc.

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.

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 2015.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2016

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 2015, 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) New Standard:

Effective for annual periods beginning on or after 1 January 2016

- IFRS 14 *Regulatory Deferral Accounts.*

(ii) Revised Standards:

Effective for annual periods beginning on or after 1 January 2016

- IFRS 10 & IAS 28 (Revised) *Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture.*
- IFRS 11 (Revised) *Amendments regarding the accounting for acquisitions of an interest in a joint operation.*
- IFRS 12 (Revised) *Amendments regarding the application of the consolidation exception.*
- IAS 1 (Revised) *Amendments resulting from the disclosure initiative.*
- IAS 16 (Revised) *Amendments regarding the clarification of acceptable methods of depreciation and amortization and amendments bringing bearer plants into the scope of IAS 16.*
- IAS 27 (Revised) *Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.*
- IAS 38 (Revised) *Amendments regarding the clarification of acceptable methods of depreciation and amortization.*
- IAS 41 (Revised) *Amendments bringing bearer plants into the scope of IAS 16.*
- Annual Improvements 2012-2014 Cycle *Amendments to issue clarifications and add additional/specific guidance to IFRS 5, IFRS 7, IAS 19 and IAS 34.*

Standards and amendments issued but not yet effective

Certain new and revised standards have been issued are not yet effective for the six-month period ended 30 June 2016 and have not been early adopted in preparing these condensed consolidated interim financial statements. The Group is assessing the potential impact on initial application of IFRS 9, 15 and 16.

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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2016

4 OTHER INCOME / (EXPENSE) - NET

	<i>For the three month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>(Reviewed)</i>		<i>(Reviewed)</i>	
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Foreign currency gains / (losses) – net	165,726	(80,433)	620,184	(465,542)
Profit on disposal of assets	3,222	8,680	17,524	21,071
Dividend income	-	18	13,608	1,340
Rental income	7,268	6,311	14,862	16,780
Profit on disposal of investments	163	72,653	34,614	280,297
Change in fair value of derivatives – net	(18)	(19,839)	(67,536)	42,550
Miscellaneous income / (expenses)	(30)	(39,223)	87,608	(36,904)
	176,331	(51,833)	720,864	(140,408)

5 ROYALTIES AND FEES

	<i>Note</i>	<i>For the three month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
		<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
		<i>(Reviewed)</i>		<i>(Reviewed)</i>	
		<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Royalty	(i)	43,481	39,461	86,825	77,058
Industry fees	(ii)	61,806	67,850	116,968	123,139
Other statutory fees	(iii)	6,838	5,626	13,466	7,331
		112,125	112,937	217,259	207,528

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2016

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 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>(Reviewed)</i>		<i>(Reviewed)</i>	
Profit for the period attributable to shareholders of the parent (QR '000)	583,219	501,224	1,461,858	1,002,388
Weighted average number of shares (In '000)	320,320	320,320	320,320	320,320
Basic and diluted earnings per share (QR)	1.82	1.56	4.56	3.13

7 PROPERTY, PLANT AND EQUIPMENT

	<i>30 June 2016 (Reviewed) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
Net book value at beginning of the period / year	33,745,408	33,690,589
Acquired through acquisition of a subsidiary	36,673	-
Derecognition of previously held interest in a subsidiary	(17)	-
Additions	2,279,728	8,536,918
Disposals	(403,241)	(245,469)
Reclassification	(6,149)	(9,637)
Depreciation for the period / year	(3,177,667)	(6,130,122)
Exchange adjustment	552,088	(2,096,871)
Carrying value at the end of the period / year	33,026,823	33,745,408

i) *Uncertainty in Iraq*

One of the Group's subsidiaries Asiacell which operates in Iraq, may have effect on its business and profitability due to the current security situation in certain parts of Iraq. Asiacell may be unable to effectively exercise control over some of its property and equipment in certain locations, with a net book value of QR 171,151 thousands as at 30 June 2016. Based on an assessment performed by Asiacell, an insignificant amount of damage has occurred which has been provided for.

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 30 June 2016, Asiacell received parcels of lands and buildings located in Baghdad and Sulaymaniah amounting to a total amount of QR 440,440 thousands. 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.

iii) Indefeasible rights of use (IRUs) are initially included in capital work in progress and subsequently transferred to intangibles once they are ready for intended use.

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 thousands was paid to the master developer. During the period, the



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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2016

agreement was cancelled and the Company disposed the land after getting refunded for the amount paid.

8 INTANGIBLE ASSETS AND GOODWILL

	<i>30 June 2016 (Reviewed) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
Net book value at beginning of the period / year	30,139,906	33,524,208
Acquired through acquisition of a subsidiary	148,561	-
Derecognition of previously held interest in a subsidiary	(2,231)	-
Additions	1,577,378	318,151
Disposals	-	(369)
Reclassification	6,149	9,637
Amortisation for the period / year	(917,738)	(1,809,987)
Impairment losses	-	(332,235)
Exchange adjustment	296,477	(1,569,499)
	<u>31,248,502</u>	<u>30,139,906</u>
Carrying value at the end of the period / year	31,248,502	30,139,906

9 INVESTMENT IN ASSOCIATES AND JOINT VENTURE

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

	<i>30 June 2016 (Reviewed) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
Group's share in associates' and joint venture's statement of financial position:		
Current assets	1,105,361	940,942
Non-current assets	2,619,574	2,476,159
Current liabilities	(810,868)	(811,208)
Non-current liabilities	(1,818,454)	(1,577,696)
	<u>1,095,613</u>	<u>1,028,197</u>
Net assets	1,095,613	1,028,197
Goodwill	1,324,766	1,268,224
	<u>2,420,379</u>	<u>2,296,421</u>
Carrying amount of the investments	2,420,379	2,296,421

	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2016 (Reviewed) QR'000</i>	<i>2015 QR'000</i>	<i>2016 (Reviewed) QR'000</i>	<i>2015 QR'000</i>
Share in revenues of associates and joint venture	<u>417,927</u>	<u>441,260</u>	<u>842,646</u>	<u>879,975</u>
Share in results of associates and joint	<u>32,283</u>	<u>(51,711)</u>	<u>36,524</u>	<u>5,453</u>



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venture – net of tax

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 six-month period ended 30 June</i>	
	<i>2016</i>	<i>2015</i>
	<i>(Reviewed)</i>	
	<i>QR'000</i>	<i>QR'000</i>
Bank balances and cash	19,461,457	17,578,472
Less: restricted deposits	(274,821)	(104,083)
Cash and cash equivalents	19,186,636	17,474,389

On 29 June 2016, Asiacell received a letter from one of its banks notifying that cash in the amount of QR. 175,825 thousands was transferred from current account to restricted cash. This is based on the Communications and Media Commission of Iraq letter dated 4 February 2016.

11 SHARE CAPITAL

	<i>2016</i>		<i>2015</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 30 June/31 December	500,000	5,000,000	500,000	5,000,000
Issued and fully paid up				
<i>Ordinary shares of QR 10 each</i>				
At 30 June/31 December	320,320	3,203,200	320,320	3,203,200

12 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.

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 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>(Reviewed)</i>		<i>(Reviewed)</i>	
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Current income tax				
Current income tax charge	116,267	128,225	247,778	250,464
Deferred income tax				



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Relating to origination and reversal of temporary differences	<u>(1,903)</u>	<u>(46,888)</u>	<u>2,402</u>	<u>(92,540)</u>
	<u>114,364</u>	<u>81,337</u>	<u>250,180</u>	<u>157,924</u>

14 DIVIDEND

Dividend paid and proposed:

	<i>For the six-month period ended 30 June</i>	
	<i>2016</i>	<i>2015</i>
	<i>(Reviewed)</i>	
	<i>QR'000</i>	<i>QR'000</i>
Declared and approved at the Annual General Meeting : Final dividend for 2015, QR 3 per share (2014: QR 4 per share)	<u>960,960</u>	<u>1,281,280</u>

15 LOANS AND BORROWINGS

	<i>30 June 2016 (Reviewed) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
Loans and borrowings	45,862,951	43,100,642
Less: deferred financing costs	<u>(389,418)</u>	<u>(328,800)</u>
	<u>45,473,533</u>	<u>42,771,842</u>

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

	<i>30 June 2016 (Reviewed) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
Non-current portion	37,867,838	36,108,055
Current portion	<u>7,605,695</u>	<u>6,663,787</u>
	<u>45,473,533</u>	<u>42,771,842</u>

In June 2016, the Group issued further QR 1,821 million (USD 500 million) under its Global Medium Term Note Programme established in December 2012 which is listed on the Irish Stock Exchange. The notes were issued with a coupon interest rate of 3.75%.

The fair value of the loans and borrowings as at 30 June 2016 is not materially different from that disclosed in annual consolidated financial statements as at 31 December 2015.



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16 COMPONENTS OF OTHER COMPREHENSIVE INCOME

	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>(Reviewed)</i>		<i>(Reviewed)</i>	
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
<i>Items that may be reclassified subsequently to profit or loss</i>				
<i>Available-for-sale investments</i>				
Gain / (loss) arising during the period	(5,858)	15,240	(13,064)	(25,270)
Reclassification to profit or loss	163	(72,653)	164	(280,297)
Transfer to profit or loss on impairment	-	-	1,625	-
	<u>(5,695)</u>	<u>(57,413)</u>	<u>(11,275)</u>	<u>(305,567)</u>
<i>Cash flow hedges</i>				
Loss arising during the period	(176)	(12)	(1,549)	(905)
Deferred tax effect	8	5	74	109
	<u>(168)</u>	<u>(7)</u>	<u>(1,475)</u>	<u>(796)</u>
<i>Associates and joint venture</i>				
Share of changes in fair value of cash flow hedges	(4,049)	(676)	(12,160)	650
<i>Translation reserve</i>				
Foreign exchange translation differences- foreign operations	(497,825)	(133,173)	101,882	(1,663,697)
Transferred to profit or loss	24	-	3,885	-
Deferred tax effect	(19,342)	-	1,101	-
	<u>(517,143)</u>	<u>(133,173)</u>	<u>106,868</u>	<u>(1,663,697)</u>
<i>Items that will not be reclassified subsequently to profit or loss</i>				
<i>Employee benefit reserve</i>				
Net movement in employees benefit reserve	(326)	(714)	3,395	(2,670)
Deferred tax effect	-	178	-	665
	<u>(326)</u>	<u>(536)</u>	<u>3,395</u>	<u>(2,005)</u>
Other comprehensive income (loss) for the period – net of tax	<u>(527,381)</u>	<u>(191,805)</u>	<u>85,353</u>	<u>(1,971,415)</u>

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17 COMMITMENTS

	<i>30 June 2016 (Reviewed) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
Capital expenditure commitments not provided for		
Estimated capital expenditure contracted for at reporting date	<u>4,720,694</u>	<u>4,366,324</u>
Operating lease commitments		
Future minimum lease payments:		
Not later than one year	631,983	418,559
Later than one year and not later than five years	2,643,874	1,690,402
Later than five years	<u>3,323,995</u>	<u>2,700,587</u>
Total operating lease expenditure contracted for at the reporting date	<u>6,599,852</u>	<u>4,809,548</u>
Finance lease commitments		
Amounts under finance leases		
Minimum lease payments:		
Not later than one year	248,225	245,988
Later than one year and not later than five years	860,247	874,853
Later than five years	<u>237,984</u>	<u>319,034</u>
	<u>1,346,456</u>	<u>1,439,875</u>
Less: unearned finance income	(348,411)	(394,810)
Present value of minimum lease payments	<u>998,045</u>	<u>1,045,065</u>
Present value of minimum lease payments		
Current portion	147,183	138,590
Non-current portion	<u>850,862</u>	<u>906,475</u>
	<u>998,045</u>	<u>1,045,065</u>
Letters of credit	<u>109,225</u>	<u>167,801</u>

18 CONTINGENT LIABILITIES AND LITIGATIONS

	<i>30 June 2016 (Reviewed) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
(i) Contingent liabilities		
Letters of guarantee	<u>768,793</u>	<u>874,020</u>
Claims against the Group not acknowledged as liability	<u>11,952</u>	<u>12,652</u>

(ii) Litigation

All other litigation position reported in the Group's annual consolidated financial statements as at 31 December 2015 have not materially changed as at 30 June 2016.



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19 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 94,194 thousands for the three-month period ended 30 June 2016 (for the three-month period ended 30 June 2015: QR 67,763 thousands) and QR 186,469 for the six-month period ended 30 June 2016 (for the six-month period ended 30 June 2015: QR 154,714 thousands) and end of service benefits amounted to QR 9,476 thousands for the three-month period ended 30 June 2016 (for the three-month period ended 30 June 2015: QR 3,790 thousands) and QR 15,742 thousands for the six-month period ended 30 June 2016 (for the six-month period ended 30 June 2015: 12,969). The remuneration to the Board of Directors and key management personnel has been included under the caption "Selling, general and administrative expenses".

20 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 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



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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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20 SEGMENT INFORMATION (CONTINUED)

Operating segments

The following tables' present revenue and profit information regarding the Group's operating segments for the six-month period ended 30 June 2016 and 2015:

For the three-month period ended 30 June 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	1,781,499	1,016,859	2,049,742	1,944,933	649,204	583,601	-	8,025,838
Inter-segment	256,953	2,894	70,086	5,233	1,935	42,351	(379,452) (i)	-
Total revenue	2,038,452	1,019,753	2,119,828	1,950,166	651,139	625,952	(379,452)	8,025,838
Results								
Segment profit / (loss) before tax	438,619	129,773	217,549	95,070	145,463	(98,555)	(113,152) (ii)	814,767
Depreciation and amortisation	210,525	356,029	433,272	641,415	145,318	176,941	113,152 (iii)	2,076,652
Net finance costs	237,565	4,456	51,542	156,203	6,125	11,514	-	467,405



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20 SEGMENT INFORMATION (CONTINUED)

For the three-month period ended 30 June 2015 (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	1,761,244	1,189,215	2,160,267	1,803,795	611,189	478,743	-	8,004,453
Inter-segment	<u>255,120</u>	<u>1,448</u>	<u>68,708</u>	<u>6,568</u>	<u>1,390</u>	<u>26,826</u>	<u>(360,060) (i)</u>	<u>-</u>
Total revenue	<u>2,016,364</u>	<u>1,190,663</u>	<u>2,228,975</u>	<u>1,810,363</u>	<u>612,579</u>	<u>505,569</u>	<u>(360,060)</u>	<u>8,004,453</u>
Results								
Segment profit / (loss) before tax	<u>563,523</u>	<u>103,537</u>	<u>286,080</u>	<u>(95,277)</u>	<u>149,169</u>	<u>(261,515)</u>	<u>(106,187) (ii)</u>	<u>639,330</u>
Depreciation and amortisation	<u>194,843</u>	<u>361,261</u>	<u>424,980</u>	<u>611,949</u>	<u>135,918</u>	<u>132,677</u>	<u>106,187 (iii)</u>	<u>1,967,815</u>
Net finance costs	<u>256,004</u>	<u>12,173</u>	<u>22,199</u>	<u>183,292</u>	<u>6,070</u>	<u>(828)</u>	<u>-</u>	<u>478,910</u>



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20 SEGMENT INFORMATION (CONTINUED)

For the six-month period ended 30 June 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	3,559,566	2,089,725	4,093,486	3,777,636	1,293,857	1,099,703	-	15,913,973
Inter-segment	473,205	5,725	141,267	9,482	3,775	85,306	(718,760) (i)	-
Total revenue	4,032,771	2,095,450	4,234,753	3,787,118	1,297,632	1,185,009	(718,760)	15,913,973
Results								
Segment profit / (loss) before tax	870,926	249,351	443,882	195,252	306,390	93,518	(212,761) (ii)	1,946,558
Depreciation and amortisation	417,360	708,215	864,591	1,267,169	296,206	331,611	212,761 (iii)	4,097,913
Net finance costs	483,876	7,793	82,593	329,310	12,182	15,583	-	931,337

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20 SEGMENT INFORMATION (CONTINUED)

For the six-month period ended 30 June 2015 (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	3,722,881	2,451,465	4,245,115	3,530,529	1,190,122	901,431	-	16,041,543
Inter-segment	<u>279,786</u>	<u>5,108</u>	<u>126,043</u>	<u>12,233</u>	<u>4,048</u>	<u>51,354</u>	<u>(478,572)</u> (i)	<u>-</u>
Total revenue	<u>4,002,667</u>	<u>2,456,573</u>	<u>4,371,158</u>	<u>3,542,762</u>	<u>1,194,170</u>	<u>952,785</u>	<u>(478,572)</u>	<u>16,041,543</u>
Results								
Segment profit / (loss) before tax	<u>1,220,416</u>	<u>254,655</u>	<u>390,794</u>	<u>(251,617)</u>	<u>281,849</u>	<u>(466,798)</u>	<u>(213,116)</u> (ii)	<u>1,216,183</u>
Depreciation and amortisation	<u>382,731</u>	<u>716,165</u>	<u>862,157</u>	<u>1,229,598</u>	<u>267,124</u>	<u>255,751</u>	<u>213,116</u> (iii)	<u>3,926,642</u>
Net finance costs	<u>511,671</u>	<u>27,894</u>	<u>49,338</u>	<u>366,161</u>	<u>12,190</u>	<u>(2,295)</u>	<u>-</u>	<u>964,959</u>

Note:

- (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 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	<u>QR'000</u>	<u>QR'000</u>	<u>QR'000</u>	<u>QR'000</u>
Amortization of intangibles	<u>(113,152)</u>	<u>(106,187)</u>	<u>(212,761)</u>	<u>(213,116)</u>

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



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20 SEGMENT INFORMATION (CONTINUED)

The following table presents segment assets of the Group's operating segments as at 30 June 2016 and 31 December 2015.

	<i>Ooredoo Qatar QR'000</i>	<i>Asiacell QR'000</i>	<i>NMTC QR'000</i>	<i>Indosat 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 30 June 2016 (Reviewed)	<u>22,249,252</u>	<u>10,596,162</u>	<u>22,607,193</u>	<u>15,734,032</u>	<u>3,651,247</u>	<u>12,022,871</u>	<u>9,488,319</u>	<u>96,349,076</u>
At 31 December 2015(Audited)	<u>21,075,725</u>	<u>10,661,121</u>	<u>22,842,380</u>	<u>15,898,290</u>	<u>3,882,774</u>	<u>10,331,356</u>	<u>9,460,419</u>	<u>94,152,065</u>

Note:

- (i) Goodwill amounting to QR 9,488,319 thousands (31 December 2015: QR 9,460,419 thousands) was not considered as part of segment assets.



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21 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) 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

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

Financial assets

	<i>30 June 2016 (Reviewed) QR'000</i>	<i>Level 1 QR'000</i>	<i>Level 2 QR'000</i>	<i>Level 3 QR'000</i>
Available-for-sale investments	705,295	13,444	194,099	497,752
Derivative financial instruments	5,883	-	5,883	-
	<u>711,178</u>	<u>13,444</u>	<u>199,982</u>	<u>497,752</u>

	<i>31 December 2015 (Audited) QR'000</i>	<i>Level 1 QR'000</i>	<i>Level 2 QR'000</i>	<i>Level 3 QR'000</i>
Available-for-sale investments	711,692	17,846	188,819	505,027
Derivative financial instruments	2,690	-	2,690	-
	<u>714,382</u>	<u>17,846</u>	<u>191,509</u>	<u>505,027</u>

Financial liabilities

	<i>30 June 2016 (Reviewed) QR'000</i>	<i>Level 1 QR'000</i>	<i>Level 2 QR'000</i>	<i>Level 3 QR'000</i>
Derivative financial instruments	<u>44,999</u>	-	<u>44,999</u>	-

	<i>31 December 2015 (Audited) QR'000</i>	<i>Level 1 QR'000</i>	<i>Level 2 QR'000</i>	<i>Level 3 QR'000</i>
Derivative financial instruments	<u>138,019</u>	-	<u>138,019</u>	-



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22 DISPOSAL OF A SUBSIDIARY

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

23 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 thousands. The net cash outflow on acquisition, net of cash acquired with the subsidiary of QR 796 thousands, amounted to QR 131,816 thousands. Provisional goodwill recognized as a result of the acquisition amounted to QR 74,021 thousands.

	QR'000
Purchase consideration	<u>132,612</u>
Net assets acquired	<u>(58,591)</u>
	<u>74,021</u>

Cash flows upon acquisition of FASTtelco:

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

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. Goodwill and fair value adjustments, if any, on acquisition will be finalized on completion of Purchase Price Allocation (PPA) within one year from the acquisition date.