



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

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE SIX-MONTH PERIOD ENDED
30 JUNE 2017**



OOREDOO Q.P.S.C.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REVIEW REPORT
For the six-month period ended 30 June 2017**

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OOREDOO Q.P.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

For the six-month period ended 30 June 2017

	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>
	<i>(Reviewed)</i>		<i>(Reviewed)</i>	
<i>Note</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Revenue	8,214,645	8,025,838	16,259,036	15,913,973
Operating expenses	(2,961,506)	(2,889,337)	(5,908,629)	(5,771,874)
Selling, general and administrative expenses	(1,738,810)	(1,870,350)	(3,420,635)	(3,700,979)
Depreciation and amortisation	(2,077,353)	(2,076,652)	(4,172,911)	(4,097,913)
Net finance costs	(440,823)	(467,405)	(874,531)	(931,337)
Impairment of financial assets	(1,469)	(3,816)	(3,055)	(5,441)
Other income – net	4 3,967	176,331	74,944	720,864
Share of results in associates and joint venture – net of tax	9 (2,070)	32,283	9,272	36,524
Royalties and fees	5 (145,715)	(112,125)	(297,065)	(217,259)
Profit before income tax	850,866	814,767	1,666,426	1,946,558
Income tax	13 (211,118)	(114,364)	(359,398)	(250,180)
Profit for the period	639,748	700,403	1,307,028	1,696,378
Profit attributable to:				
Shareholders of the parent	512,667	583,219	1,096,780	1,461,858
Non-controlling interests	127,081	117,184	210,248	234,520
	639,748	700,403	1,307,028	1,696,378
Basic and diluted earnings per share				
(Attributable to shareholders of the parent)	6 1.60	1.82	3.42	4.56
(Expressed in QR per share)				



OOREDOO Q.P.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the six-month period ended 30 June 2017

	Note	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
		<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</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		639,748	700,403	1,307,028	1,696,378
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	(5,132)	(5,695)	16,618	(11,275)
Effective portion of changes in fair value of cash flow hedges	17	(181)	(168)	(53)	(1,475)
Share of other comprehensive loss of associates and joint venture	17	(1,984)	(4,049)	(5,243)	(12,160)
Foreign currency translation differences	17	(111,491)	(517,143)	195,501	106,868
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Net changes in fair value of employee benefit reserve	17	(22,780)	(326)	(22,623)	3,395
Other comprehensive income (loss)– net of tax		(141,568)	(527,381)	184,200	85,353
Total comprehensive income for the period		498,180	173,022	1,491,228	1,781,731
Total comprehensive income attributable to:					
Shareholders of the parent		395,137	126,715	1,267,602	1,524,290
Non-controlling interests		103,043	46,307	223,626	257,441
		498,180	173,022	1,491,228	1,781,731



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CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

		<i>30 June 2017 (Reviewed)</i>	<i>31 December 2016 (Audited)</i>
	<i>Note</i>	<i>QR'000</i>	<i>QR'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment	7	30,494,737	32,240,212
Intangible assets and goodwill	8	29,476,151	29,826,947
Investment property		65,027	69,058
Investment in associates and joint ventures	9	2,161,675	2,043,222
Available-for-sale investments		764,759	732,742
Other non-current assets		610,285	586,076
Deferred tax assets		<u>285,845</u>	<u>269,987</u>
Total non-current assets		<u>63,858,479</u>	<u>65,768,244</u>
Current assets			
Inventories		663,379	581,144
Trade and other receivables		7,686,534	7,664,209
Bank balances and cash	10	<u>16,516,955</u>	<u>16,501,877</u>
Total current assets		<u>24,866,868</u>	<u>24,747,230</u>
TOTAL ASSETS		<u>88,725,347</u>	<u>90,515,474</u>
EQUITY			
Share capital	11	3,203,200	3,203,200
Legal reserve		12,434,282	12,434,282
Fair value reserve		473,579	462,600
Employees benefit reserve		(12,223)	2,482
Translation reserve	12	(6,144,480)	(6,319,028)
Other statutory reserves		1,152,553	1,152,553
Retained earnings		<u>11,221,769</u>	<u>11,247,966</u>
Equity attributable to shareholders of the parent		<u>22,328,680</u>	<u>22,184,055</u>
Non-controlling interests		<u>6,728,804</u>	<u>6,817,056</u>
Total equity		<u>29,057,484</u>	<u>29,001,111</u>



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CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (CONTINUED) As at 30 June 2017

		<i>30 June 2017 (Reviewed)</i>	<i>31 December 2016 (Audited)</i>
	<i>Note</i>	<i>QR'000</i>	<i>QR'000</i>
LIABILITIES			
Non-current liabilities			
Loans and borrowings	15	37,643,178	37,435,014
Employees benefits		911,537	924,777
Deferred tax liabilities		396,812	422,240
Other non-current liabilities		2,001,424	2,285,034
Total non-current liabilities		40,952,951	41,067,065
Current liabilities			
Deferred income		1,930,896	1,827,393
Loans and borrowings	15	3,142,464	3,313,079
Trade and other payables	16	12,687,431	14,307,134
Income tax payable		954,121	999,692
Total current liabilities		18,714,912	20,447,298
Total liabilities		59,667,863	61,514,363
TOTAL EQUITY AND LIABILITIES		88,725,347	90,515,474

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

.....
H.E. Mohammed Bin Issa Al Mohannadi
Member



OOREDOO Q.P.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2017

Note	<i>Attributable to shareholders of the parent</i>									
	<i>Share capital</i>	<i>Legal reserve</i>	<i>Fair value reserve</i>	<i>Employees benefit reserve</i>	<i>Translation reserve</i>	<i>Other statutory reserves</i>	<i>Retained earnings</i>	<i>Total</i>	<i>Non – controlling interests</i>	<i>Total equity</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
At 31 December 2016 (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	-	-	-	-	-	-	1,096,780	1,096,780	210,248	1,307,028
Other comprehensive income	-	-	10,979	(14,705)	174,548	-	-	170,822	13,378	180,543
Total comprehensive income for the period	-	-	10,979	(14,705)	174,548	-	1,096,780	1,267,602	223,626	1,491,576
<i>Transactions with shareholders of the Parent, recognised directly in equity</i>										
Dividends for 2016	14	-	-	-	-	-	(1,121,120)	(1,121,120)	-	(1,121,120)
<i>Transactions with non-controlling interest, recognised directly in equity</i>										
Dividends for 2016	-	-	-	-	-	-	-	-	(311,526)	(311,526)
<i>Transactions with non-owners of the Group</i>										
Transfer to employee association fund	-	-	-	-	-	-	(1,857)	(1,857)	(352)	(2,209)
At 30 June 2017 (Reviewed)	3,203,200	12,434,282	473,579	(12,223)	(6,144,480)	1,152,553	11,221,769	22,328,680	6,728,804	29,057,487



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CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six-month period ended 30 June 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	QR'
At 31 December 2015 (Audited)	3,203,200	12,434,282	448,188	39,102	(5,565,599)	1,094,696	10,155,924	21,809,789	6,563,076	28,372
Profit for the period	-	-	-	-	-	-	1,461,858	1,461,858	234,520	1,696
Other comprehensive income	-	-	(23,360)	2,207	83,588	-	-	62,432	22,921	8
Total comprehensive income for the period	-	-	(23,360)	2,207	83,588	-	1,461,858	1,524,290	257,441	1,784
Transactions with shareholders of the Parent, recognised directly in equity										
Dividends 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	-	-
Dividends for 2015	-	-	-	-	-	-	-	-	(176,118)	(176,118)
At 30 June 2016 (Reviewed)	3,203,200	12,434,282	424,828	41,309	(5,482,014)	1,094,696	10,658,848	22,375,145	6,644,399	29,024



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CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2017

	Note	<i>For the six-month period ended</i>	
		<i>30 June</i>	
		<i>2017</i>	<i>2016</i>
		<i>(Reviewed)</i>	
		<i>QR '000</i>	<i>QR '000</i>
OPERATING ACTIVITIES			
Profit before income taxes		1,666,426	1,946,552
Adjustments for:			
Depreciation and amortisation		4,172,911	4,097,911
Dividend income		(27,418)	(13,601)
Impairment of financial assets		3,055	5,441
Gain on disposal of available-for-sale investments		(203)	(164)
Gain on disposal of property, plant and equipment		(25,707)	(17,521)
Profit on disposal of a subsidiary		-	(34,450)
Net finance costs		874,531	931,331
Provision for employees' benefits		141,056	218,581
Provision for trade receivables		110,870	63,971
Share of results in associates and joint ventures – net of tax	9	(9,272)	(36,521)
Operating profit before working capital changes		6,906,249	7,161,531
Working capital changes:			
Changes in inventories		(82,235)	(177,841)
Changes in trade and other receivables		(133,195)	(235,151)
Changes in trade and other payables		(1,467,541)	(878,711)
Cash from operations		5,223,278	5,869,821
Finance costs paid		(1,006,653)	(1,045,651)
Employees' benefits paid		(235,683)	(149,781)
Income tax paid		(438,987)	(159,941)
Net cash from operating activities		3,541,955	4,514,441
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(1,287,411)	(2,279,721)
Acquisition of intangible assets		(611,876)	(2,428,571)
Net cash outflow from acquisition of a subsidiary	23	-	(131,811)
Additional investment in associates		-	(4,031)
Additional investment in joint ventures		(79,838)	-
Additional investment in available-for-sale		(18,935)	(9,381)
Proceeds from disposal of property, plant and equipment		26,500	420,761
Proceeds from disposal of available-for-sale investments		1,539	164
Proceeds from disposal of a subsidiary		-	27,271
Movement in restricted deposits		(133,514)	(154,701)
Movement in other non-current assets		(33,241)	10,891
Dividend received		27,418	13,601
Interest received		166,382	148,281
Net cash used in investing activities		(1,942,976)	(4,387,261)



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

For the six-month period ended 30 June 2017

		<i>For the six-month period ended</i>	
		<i>30 June</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	2,443,688	8,172,52
	Repayment of loans and borrowings	(2,492,476)	(5,584,08)
	Additions to deferred financing costs	(4,897)	(99,59)
14	Dividends paid to shareholders of the parent	(1,121,120)	(960,96)
	Dividends paid to non-controlling interests	(311,526)	(176,11)
	Movement in other non-current liabilities	(247,688)	303,59
	Net cash (used in) generated from financing activities	(1,734,019)	1,655,36
NET CHANGE IN CASH AND CASH EQUIVALENTS			
	Effect of exchange rate fluctuations	16,604	(633,97)
	Cash and cash equivalents at 1 January	16,068,325	18,038,06
	CASH AND CASH EQUIVALENTS AT 30 JUNE	15,949,889	19,186,63
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OOREDOO Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six-month period ended 30 June 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.P.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 changed its legal name from Ooredoo Q.S.C. to Ooredoo Q.P.S.C. to comply with the provisions of the new Qatar Commercial Companies Law issued on 7 July 2015.

The Company is the 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 the six-month period ended 30 June 2017 were authorized for issue in accordance with a resolution of the Board of Directors of the Company on 26 July 2017.

2 BASIS OF PREPARATION

The condensed consolidated interim financial statements for the six-month period ended 30 June 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 thousand (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 six-month period ended 30 June 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

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 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.



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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six-month period ended 30 June 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*
- IFRIC 23 *Uncertainty over Income tax Treatments*

Effective for annual periods beginning on or after 1 January 2021

- IFRS 17 *Insurance contracts*

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.



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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six-month period ended 30 June 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The application of IFRS 15 may have significant impact on amounts reported in the condensed consolidated interim financial statements and will result in more extensive disclosures in the condensed consolidated interim 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.

4 OTHER INCOME - NET

	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</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 – net	2,836	165,72€	84,514	620,18€
Dividend income	10,273	-	27,418	13,60€
Rental income	8,647	7,26€	15,542	14,86€
Change in fair value of derivatives – net	(2,015)	(18)	(10,380)	(67,53€)
Miscellaneous income / (expense)	(15,774)	3,35€	(42,150)	139,74€
	3,967	176,331	74,944	720,86€

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>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</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)	75,788	43,481	151,870	86,825
Industry fees	(ii)	62,801	61,806	129,949	116,968
Other statutory fees	(iii)	7,126	6,838	15,246	13,466
		145,715	112,125	297,065	217,259

- 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.P to Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST") and Zakat are included under other statutory fees.



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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six-month period ended 30 June 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 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>
	<i>(Reviewed)</i>		<i>(Reviewed)</i>	
Profit for the period attributable to shareholders of the parent (QR '000)	512,667	583,219	1,096,780	1,461,858
Weighted average number of shares (In '000)	320,320	320,320	320,320	320,320
Basic and diluted earnings per share (QR)	1.60	1.82	3.42	4.56

7 PROPERTY, PLANT AND EQUIPMENT

	<i>30 June 2017 (Reviewed) QR'000</i>	<i>31 December 2016 (Audited) 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	1,287,411	5,584,582
Disposals	(793)	(474,587)
Reclassification	(56,043)	(46,810)
Depreciation for the period / year	(3,165,724)	(6,357,583)
Exchange adjustment	189,674	(28,448)
Carrying value at the end of the period / year	30,494,737	32,240,212

i) *Uncertainty in Iraq*

Due to 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 45,519 thousand as at 30 June 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 in Iraq wherein Asiacell received properties in exchange for the equivalent value of the bank deposits. As at 30 June 2017, Asiacell 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.



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8 INTANGIBLE ASSETS AND GOODWILL

	<i>30 June 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	648,862	1,851,204
Reclassification	56,043	21,900
Amortisation for the period / year	(1,003,156)	(2,000,770)
Exchange adjustment	(52,545)	(550,807)
	<u>29,476,151</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 investments in associates and joint ventures.

	<i>30 June 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	1,007,320	856,402
Non-current assets	2,684,264	2,554,610
Current liabilities	(706,427)	(662,746)
Non-current liabilities	(1,972,511)	(1,800,960)
Net assets	1,012,646	947,306
Goodwill	1,149,029	1,095,916
Carrying amount of the investments	<u>2,161,675</u>	<u>2,043,222</u>

	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2017 (Reviewed) QR'000</i>	<i>2016 QR'000</i>	<i>2017 (Reviewed) QR'000</i>	<i>2016 QR'000</i>
Share in revenues of associates and joint ventures	<u>417,503</u>	<u>417,927</u>	<u>839,339</u>	<u>842,646</u>
Share in results of associates and joint ventures – net of tax	<u>(2,070)</u>	<u>32,283</u>	<u>9,272</u>	<u>36,524</u>



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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</i>	
	<i>30 June</i>	
	<i>2017</i>	<i>2016</i>
	<i>(Reviewed)</i>	
	<i>QR'000</i>	<i>QR'000</i>
Bank balances and cash	16,516,955	19,461,457
Less: restricted deposits	(567,066)	(274,821)
Cash and cash equivalents	15,949,88	19,186,63

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 30 June/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 30 June/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.

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</i>		<i>For the six-month period ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</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	202,483	116,267	393,416	247,778
Deferred income tax				
Relating to origination and reversal of temporary differences	8,635	(1,903)	(34,018)	2,402
	211,118	114,364	359,398	250,180



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14 DIVIDEND

Dividend paid and proposed:

	<i>For the six-month period ended 30 June</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 3.50 per share (2015: QR 3 per share)	1,121,120	960,960

15 LOANS AND BORROWINGS

	<i>30 June 2017</i>	<i>31 December 2016</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>QR'000</i>	<i>QR'000</i>
Loans and borrowings	41,106,795	41,099,737
Less: deferred financing costs	(321,153)	(351,644)
	40,785,642	40,748,093

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

	<i>30 June 2017</i>	<i>31 December 2016</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>QR'000</i>	<i>QR'000</i>
Non-current portion	37,643,178	37,435,014
Current portion	3,142,464	3,313,079
	40,785,642	40,748,093

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>30 June 2017</i>	<i>31 December 2016</i>	<i>30 June 2017</i>	<i>31 December 2016</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>	<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Fixed rates	27,735,084	27,729,834	28,383,033	28,479,208
Floating rates	13,371,711	13,369,903	13,332,050	13,157,469
	41,106,795	41,099,737	41,715,083	41,636,677



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16 TRADE AND OTHER PAYABLES

	<i>30 June 2017 (Reviewed) QR'000</i>	<i>31 December 2016 (Audited) QR'000</i>
Trade payables	3,553,315	4,722,161
Accrued expenses	4,945,436	5,335,801
Interest payable	361,504	362,739
Profit payable on Islamic financing obligation	13,130	12,511
License costs payable	401,440	321,797
Amounts due to international carriers -net	627,769	696,270
Negative fair value of derivatives	52,970	9,451
Finance lease liabilities (note 18)	155,460	149,674
Cash settled share based payments	130,934	174,318
Other payables	2,445,473	2,522,412
	<u>12,687,431</u>	<u>14,307,134</u>

17 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>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>
	<u>QR'000</u>	<u>QR'000</u>	<u>QR'000</u>	<u>QR'000</u>
<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	(6,804)	(5,858)	13,360	(13,064)
Reclassification to profit or loss	203	163	203	164
Transfer to profit or loss on impairment	1,469	-	3,055	1,625
	<u>(5,132)</u>	<u>(5,695)</u>	<u>16,618</u>	<u>(11,275)</u>
<i>Cash flow hedges</i>				
Loss arising during the period	(194)	(176)	(62)	(1,549)
Deferred tax effect	13	8	9	74
	<u>(181)</u>	<u>(168)</u>	<u>(53)</u>	<u>(1,475)</u>
<i>Associates and joint venture</i>				
Share of changes in fair value of cash flow hedges	(1,984)	(4,049)	(5,243)	(12,160)
<i>Translation reserve</i>				
Foreign exchange translation differences -				
foreign operations	(111,491)	(497,825)	195,501	101,882
Transferred to profit or loss	-	24	-	3,885
Deferred tax effect	-	(19,342)	-	1,101
	<u>(111,491)</u>	<u>(517,143)</u>	<u>195,501</u>	<u>106,868</u>
<i>Items that will not be reclassified subsequently to profit or loss</i>				
<i>Employees benefit reserve</i>				
Net movement in employees benefit reserve	(30,370)	(326)	(30,213)	3,395
Deferred tax effect	7,590	-	7,590	-
	<u>(22,780)</u>	<u>(326)</u>	<u>(22,623)</u>	<u>3,395</u>
Other comprehensive income (loss) for the period – net of tax	(141,568)	(527,381)	184,200	85,353



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For the six-month period ended 30 June 2017

18 COMMITMENTS

	<i>30 June 2017 (Reviewed) QR'000</i>	<i>31 December 2016 (Audited) QR'000</i>
Capital expenditure commitments not provided for		
Estimated capital expenditure contracted for at reporting date	<u>2,433,756</u>	<u>2,529,101</u>
Operating lease commitments		
Future minimum lease payments:		
Not later than one year	496,611	559,346
Later than one year and not later than five years	2,000,961	2,142,209
Later than five years	<u>2,540,826</u>	<u>3,030,564</u>
Total operating lease expenditure contracted for at the reporting date	<u>5,038,398</u>	<u>5,732,119</u>
Finance lease commitments		
Amounts under finance leases		
Minimum lease payments:		
Not later than one year	238,62	239,88
Later than one year and not later than five years	801,22	851,48
Later than five years	<u>69,18</u>	<u>144,98</u>
	<u>1,109,03</u>	<u>1,236,35</u>
Less: unearned finance income	<u>(251,535)</u>	<u>(290,336)</u>
Present value of minimum lease payments	<u>857,49</u>	<u>946,01</u>
Present value of minimum lease payments		
Current portion	155,46	149,67
Non-current portion	<u>702,03</u>	<u>796,34</u>
	<u>857,49</u>	<u>946,01</u>
Letters of credit	<u>181,68</u>	<u>109,83</u>

19 CONTINGENT LIABILITIES AND LITIGATIONS

	<i>30 June 2017 (Reviewed) QR'000</i>	<i>31 December 2016 (Audited) QR'000</i>
(i) Contingent liabilities		
Letters of guarantee	<u>644,509</u>	<u>744,358</u>
Claims against the Group not acknowledged as liability	<u>8,208</u>	<u>15,521</u>

(ii) Litigation

All other litigation position reported in the Group's annual consolidated financial statements as at 31 December 2016 have not materially changed as at 30 June 2017.



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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 91,112 thousand for the three-month period ended 30 June 2017 (for the three-month period ended 30 June 2016: QR 117,710 thousand) and QR 184,475 thousand for the six-month period ended 30 June 2017 (for the six-month period ended 30 June 2016: QR 225,129 thousand) and end of service benefits amounted to QR 3,495 thousand for the three-month period ended 30 June 2017 (for the three-month period ended 30 June 2016: QR 2,307 thousand) and QR 9,851 thousand for the six-month period ended 30 June 2017 (for the six-month period ended 30 June 2016: QR 9,261 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 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;
6. *Ooredoo Myanmar* is a provider of mobile telecommunication services in Myanmar; and
7. *Others* include some of the Group's subsidiaries which are providers of wireless and telecommunication services.

Management monitors the operating results of its operating subsidiaries separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss of these reportable segments. Transfer pricing between reportable segments are on an arm's length basis in a manner similar to transactions with third parties.

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21 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 2017 and 2016:

For the three-month period ended 30 June 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>Ooredoo Myanmar QR'000</i>	<i>Others QR'000</i>	<i>Adjustments and eliminations QR'000</i>	<i>Tot QR'</i>
Revenue									
Third party	1,810,273	1,109,159	2,032,664	2,137,148	653,700	299,567	172,134	-	8,2
Inter-segment	<u>192,669</u>	<u>5,263</u>	<u>59,727</u>	<u>2,909</u>	<u>2,335</u>	<u>1,171</u>	<u>42,398</u>	<u>(306,472) (i)</u>	
Total revenue	<u><u>2,002,942</u></u>	<u><u>1,114,422</u></u>	<u><u>2,092,391</u></u>	<u><u>2,140,057</u></u>	<u><u>656,035</u></u>	<u><u>300,738</u></u>	<u><u>214,532</u></u>	<u><u>(306,472)</u></u>	<u><u>8,2</u></u>
Results									
Segment profit / (loss) before tax	<u>439,571</u>	<u>107,343</u>	<u>294,073</u>	<u>260,689</u>	<u>113,015</u>	<u>(144,492)</u>	<u>(100,118)</u>	<u>(119,215) (ii)</u>	<u>8</u>
Depreciation and amortisation	<u>211,204</u>	<u>356,058</u>	<u>413,449</u>	<u>633,564</u>	<u>157,595</u>	<u>178,354</u>	<u>7,914</u>	<u>119,215 (iii)</u>	<u>2,0</u>
Net finance costs	<u>230,415</u>	<u>9,938</u>	<u>26,559</u>	<u>156,969</u>	<u>5,081</u>	<u>11,532</u>	<u>329</u>	<u>-</u>	<u>4</u>



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For the six-month period ended 30 June 2017

21 SEGMENT INFORMATION (CONTINUED)

For the three-month period ended 30 June 2016 (Reviewed)

	Ooredoo Qatar QR'000	Asiacell QR'000	NMTC QR'000	Indosat Ooredoo QR'000	Ooredoo Oman QR'000	Ooredoo Myanmar QR'000	Others QR'000	Adjustments and eliminations QR'000	Total QR'000
Revenue									
Third party	1,781,499	1,016,859	2,049,742	1,944,933	649,204	381,102	202,499	-	8,02
Inter-segment	256,953	2,894	70,086	5,233	1,935	2,276	40,075	(379,452) (i)	
Total revenue	<u>2,038,452</u>	<u>1,019,753</u>	<u>2,119,828</u>	<u>1,950,166</u>	<u>651,139</u>	<u>383,378</u>	<u>242,574</u>	<u>(379,452)</u>	<u>8,02</u>
Results									
Segment profit / (loss) before tax	<u>438,619</u>	<u>129,773</u>	<u>217,549</u>	<u>95,070</u>	<u>145,463</u>	<u>(33,065)</u>	<u>(65,490)</u>	<u>(113,152) (ii)</u>	<u>81</u>
Depreciation and amortisation	<u>210,525</u>	<u>356,029</u>	<u>433,272</u>	<u>641,415</u>	<u>145,318</u>	<u>166,940</u>	<u>10,001</u>	<u>113,152 (iii)</u>	<u>2,07</u>
Net finance costs	<u>237,565</u>	<u>4,456</u>	<u>51,542</u>	<u>156,203</u>	<u>6,125</u>	<u>11,229</u>	<u>285</u>	<u>-</u>	<u>46</u>

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

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

For the three-month period ended
30 June

2017	2016
(Reviewed)	(Reviewed)
QR'000	QR'000
<u>(119,215)</u>	<u>(113,152)</u>

Amortisation of intangibles

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



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For the six-month period ended 30 June 2017

21 SEGMENT INFORMATION (CONTINUED)

For the six-month period ended 30 June 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>Ooredoo Myanmar QR'000</i>	<i>Others QR'000</i>	<i>Adjustments and eliminations QR'000</i>	<i>Total QR'000</i>
Revenue									
Third party	3,692,850	2,165,190	3,992,355	4,121,434	1,313,720	621,166	352,321	-	16,259
Inter-segment	<u>349,457</u>	<u>10,063</u>	<u>116,110</u>	<u>7,957</u>	<u>4,059</u>	<u>2,486</u>	<u>83,530</u>	<u>(573,662) (i)</u>	
Total revenue	<u><u>4,042,307</u></u>	<u><u>2,175,253</u></u>	<u><u>4,108,465</u></u>	<u><u>4,129,391</u></u>	<u><u>1,317,779</u></u>	<u><u>623,652</u></u>	<u><u>435,851</u></u>	<u><u>(573,662)</u></u>	<u><u>16,259</u></u>
Results									
Segment profit / (loss) before tax	<u>931,237</u>	<u>193,333</u>	<u>601,830</u>	<u>356,639</u>	<u>209,688</u>	<u>(254,873)</u>	<u>(134,871)</u>	<u>(236,557) (ii)</u>	<u>1,666</u>
Depreciation and amortisation	<u>423,581</u>	<u>716,507</u>	<u>838,444</u>	<u>1,274,724</u>	<u>319,358</u>	<u>347,780</u>	<u>15,960</u>	<u>236,557 (iii)</u>	<u>4,172</u>
Net finance costs	<u>455,933</u>	<u>19,840</u>	<u>51,262</u>	<u>316,459</u>	<u>10,437</u>	<u>19,939</u>	<u>661</u>	<u>-</u>	<u>874</u>



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For the six-month period ended 30 June 2017

21 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>Ooredoo Myanmar QR'000</i>	<i>Others QR'000</i>	<i>Adjustments and eliminations QR'000</i>	<i>Tot QR'000</i>
Revenue									
Third party	3,559,566	2,089,725	4,093,486	3,777,636	1,293,857	711,784	387,919	-	15,912,163
Inter-segment	<u>473,205</u>	<u>5,725</u>	<u>141,267</u>	<u>9,482</u>	<u>3,775</u>	<u>5,106</u>	<u>80,200</u>	<u>(718,760) (i)</u>	<u>15,912,163</u>
Total revenue	<u>4,032,771</u>	<u>2,095,450</u>	<u>4,234,753</u>	<u>3,787,118</u>	<u>1,297,632</u>	<u>716,890</u>	<u>468,119</u>	<u>(718,760)</u>	<u>15,912,163</u>
Results									
Segment profit / (loss) before tax	<u>870,926</u>	<u>249,351</u>	<u>443,882</u>	<u>195,252</u>	<u>306,390</u>	<u>220,894</u>	<u>(127,376)</u>	<u>(212,761) (ii)</u>	<u>1,996,568</u>
Depreciation and amortisation	<u>417,360</u>	<u>708,215</u>	<u>864,591</u>	<u>1,267,169</u>	<u>296,206</u>	<u>311,037</u>	<u>20,574</u>	<u>212,761 (iii)</u>	<u>4,096,913</u>
Net finance costs	<u>483,876</u>	<u>7,793</u>	<u>82,593</u>	<u>329,310</u>	<u>12,182</u>	<u>14,996</u>	<u>587</u>	<u>-</u>	<u>942,337</u>

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

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

*For the six-month period
ended
30 June*

<i>2017</i>	<i>2016</i>
<i>QR'000</i>	<i>QR'000</i>
<u>(236,557)</u>	<u>(212,761)</u>

Amortization of intangibles

(236,557) (212,761)

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



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For the six-month period ended 30 June 2017

21 SEGMENT INFORMATION (CONTINUED)

The following table presents segment assets of the Group's operating segments as at 30 June 2017 and 31 December 2016.

	<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>Ooredoo Myanmar QR'000</i>	<i>Others QR'000</i>	<i>Adjustments and eliminations QR'000</i>	<i>Tot QR'</i>
Segment assets (i)									
At 30 June 2017 (Reviewed)	<u>18,369,438</u>	<u>9,725,010</u>	<u>22,104,854</u>	<u>15,103,742</u>	<u>3,563,449</u>	<u>6,483,519</u>	<u>4,219,961</u>	<u>9,155,374</u>	<u>88,72</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>7,294,186</u>	<u>3,558,739</u>	<u>9,231,932</u>	<u>90,51</u>

- (i) Goodwill amounting to QR 9,155,374 thousand (31 December 2016: QR 9,231,932 thousand) was not considered as part of segment assets.



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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) 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 provides the fair value measurement hierarchy of the Group's financial asset and liabilities at 30 June 2017 and 31 December 2016:

	<i>30 June 2017 (Reviewed) QR'000</i>	<i>Level 1 QR'000</i>	<i>Level 2 QR'000</i>	<i>Level 3 QR'000</i>
Assets:				
Financial assets measured at fair value:				
Available-for-sale investments	730,974	8,129	228,904	493,941
Derivative financial instruments	348	-	348	-
	<u>731,322</u>	<u>8,129</u>	<u>229,252</u>	<u>493,941</u>
Liabilities:				
Other financial liability measured at fair value				
Derivative financial instruments	52,970	-	52,970	-
Other financial liability for which fair value is disclosed				
Loans and borrowings	41,715,083	27,043,044	14,672,039	-
	<u>41,768,053</u>	<u>27,043,044</u>	<u>14,725,009</u>	<u>-</u>
	<i>31 December 2016 (Audited) QR'000</i>	<i>Level 1 QR'000</i>	<i>Level 2 QR'000</i>	<i>Level 3 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 six-month period ended 30 June 2017 and year ended 31 December 2016.



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For the six-month period ended 30 June 2017

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 thousand. The net cash outflow on acquisition, net of cash acquired with the subsidiary of QR 796 thousand, amounted to QR 131,816 thousand. Goodwill recognized as a result of the acquisition amounted to QR 23,233 thousand.

	QR'000
Purchase consideration	<u>132,61</u>
Net assets acquired	<u>(109,379)</u>
	<u>23,23</u>

Cash flows upon acquisition of FASTtelco:

	QR'000
Purchase consideration settled in cash	<u>132,61</u>
Cash and cash equivalents in subsidiary acquired	<u>(796)</u>
Cash outflow on acquisition	<u>131,81</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. The goodwill initially recognized, based on provisional values, amounted to QR 74, 021 thousand. However, based on the final Purchase Price Allocation (PPA) the revised goodwill amounted to QR. 23,233 thousand.

The fair values of the respective assets and liabilities acquired are as follows:

	Fair value on acquisition
	<i>QR'000</i>
Assets	
Property and equipment	36,679
Intangible assets and goodwill	125,326
Other non-current assets – Deferred cost	14,290
Inventories	5,466
Trade and other receivables	43,783
Bank balances and cash	796
	<u>226,340</u>
Liabilities	
Loans and borrowings	26,095
Employee benefits	10,257
Trade and other payables	80,609
	<u>116,961</u>
Net assets acquired	109,379
Purchase consideration	<u>(132,612)</u>
Goodwill arising upon acquisition	<u>23,233</u>

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



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For the six-month period ended 30 June 2017

24 EVENT AFTER THE REPORTING DATE

During April 2017, Ooredoo Maldives announced its plan to proceed with a listing of its shares on the Maldives Stock Exchange through an Initial Public Offering (“IPO”). The shares were offered in the IPO in May 2017 and subscriptions were received for a total of 14,045,260 shares from 8,257 applicants representing 9.5% of the total paid up share capital.

Ooredoo Maldives is in the process of finalising the allotment with the Maldives Security Depository and Maldives Security Exchange. Trading of the shares is expected to start in August 2017.