

Qatar Telecom (Qtel) Q.S.C.

**UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

30 September 2010

INTERIM CONSOLIDATED INCOME STATEMENT

For the nine months ended 30 September 2010

	<i>For the three months ended</i>		<i>For the nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Revenue	6,889,390	5,941,346	20,011,004	17,484,703
Operating expenses	(2,184,481)	(1,762,240)	(6,198,655)	(5,352,882)
Selling, general and administrative expenses	(1,431,751)	(1,371,209)	(4,246,447)	(3,865,276)
Depreciation and amortisation	(1,556,732)	(1,384,876)	(4,682,006)	(3,899,479)
Finance costs - Net	(469,274)	(396,534)	(1,317,353)	(1,075,984)
Impairment losses on intangibles and investments	-	(20,963)	(22,991)	(359,184)
Other income (expense) – Net	(3,988)	213,315	608,608	1,168,769
Share of results of associates	(3,671)	8,698	(22,170)	19,080
Royalties and fees	(81,657)	(97,128)	(253,179)	(393,224)
PROFIT BEFORE TAX	1,157,836	1,130,409	3,876,811	3,726,523
Income tax	(172,954)	(160,217)	(472,931)	(440,047)
PROFIT FOR THE PERIOD	984,882	970,192	3,403,880	3,286,476
Attributable to:				
Shareholders of the parent	651,901	710,928	2,435,898	2,348,825
Non-controlling interests	332,981	259,264	967,982	937,651
	984,882	970,192	3,403,880	3,286,476
BASIC AND DILUTED EARNINGS PER SHARE	4.44	4.85	16.61	16.01
(attributable to shareholders of the parent) (expressed in QR per share)				

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2010

	<i>30 September 2010 (Unaudited) QR'000</i>	<i>31 December 2009 (Audited) QR'000</i>
ASSETS		
Non-current assets		
Property, plant and equipment	31,115,385	29,597,692
Intangible assets	33,427,342	34,104,052
Investment in associates	2,124,354	1,944,635
Available-for-sale investments	1,716,512	1,698,758
Other non-current assets	1,284,492	1,274,514
Deferred tax asset	322,816	353,202
	<u>69,990,901</u>	<u>68,972,853</u>
Current assets		
Inventories	344,736	254,531
Accounts receivable and prepayments	4,260,905	4,199,699
Bank balances and cash	14,985,053	11,511,570
	<u>19,590,694</u>	<u>15,965,800</u>
TOTAL ASSETS	<u>89,581,595</u>	<u>84,938,653</u>
EQUITY AND LIABILITIES		
Attributable to shareholders of the parent		
Share capital	1,466,667	1,466,667
Legal reserve	6,494,137	6,494,137
Fair value reserve	(218,166)	(185,501)
Translation reserve	1,705,916	955,055
Retained earnings	8,278,781	6,875,150
	<u>17,727,335</u>	<u>15,605,508</u>
Non-controlling interests	<u>14,711,305</u>	<u>13,826,899</u>
Total equity	<u>32,438,640</u>	<u>29,432,407</u>

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
At 30 September 2010

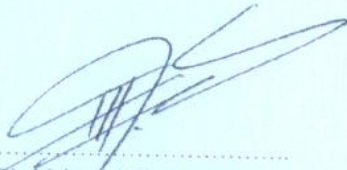
	<i>30 September 2010 (Unaudited) QR'000</i>	<i>31 December 2009 (Audited) QR'000</i>
Non-current liabilities		
Interest bearing loans and borrowings	34,784,187	33,798,433
Employees benefits	720,443	605,490
Deferred tax liability	1,630,004	1,530,687
Other non-current liabilities	3,375,125	3,520,481
	<u>40,509,759</u>	<u>39,455,091</u>
Current liabilities		
Accounts payable and accruals	9,801,202	9,959,801
Current account with State of Qatar	2,894,594	2,803,015
Deferred income	1,196,425	1,012,438
Interest bearing loans and borrowings	2,184,960	1,884,409
Income tax payable	556,015	391,492
	<u>16,633,196</u>	<u>16,051,155</u>
Total liabilities	<u>57,142,955</u>	<u>55,506,246</u>
TOTAL EQUITY AND LIABILITIES	<u>89,581,595</u>	<u>84,938,653</u>

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Abdullah Bin Mohamed Bin Saud Al-Thani
Chairman

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Ali Shareef Al-Emadi
Member of the Board

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At 30 September 2010

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Abdullah Bin Mohamed Bin Saud Al-Thani
Chairman



Ali Shareef Al-Ernadi
Member of the Board