

Qatar Telecom (Qtel) Q.S.C.

**UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

31 March 2010

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three months ended 31 March 2010

	<i>For the three months ended</i>	
	<i>31 March</i>	
	<i>2010</i>	<i>2009</i>
	<i>(Unaudited)</i>	
	<i>QR'000</i>	<i>QR'000</i>
		<i>(Restated)</i>
Revenue	6,416,819	5,616,622
Operating expenses	(2,003,203)	(1,854,571)
Selling, general and administrative expenses	(1,368,282)	(1,160,364)
Depreciation and amortization	(1,557,552)	(1,165,094)
Finance costs - Net	(443,059)	(309,021)
Impairment losses on intangibles and investments	-	(167,657)
Other income (expense) – Net	722,537	(49,861)
Share of results of associates	(11,027)	14,368
Royalties and fees	(76,204)	(172,044)
PROFIT BEFORE TAX	1,680,029	752,378
Income tax	(154,652)	13,082
PROFIT FOR THE PERIOD	1,525,377	765,460
Attributable to:		
Shareholders of the parent	1,212,814	593,715
Non-controlling interests	312,563	171,745
	1,525,377	765,460
BASIC AND DILUTED EARNINGS PER SHARE	8.27	4.05
(attributable to shareholders of the parent)		
(expressed in QR per share)		

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2010

	<i>31 March 2010 (Unaudited) QR'000</i>	<i>31 December 2009 (Audited) QR'000</i>
ASSETS		
Non-current assets		
Property, plant and equipment	30,329,849	29,597,692
Intangible assets	33,841,417	34,104,052
Investment in associates	2,002,516	1,944,635
Available-for-sale investments	1,680,046	1,698,758
Other non-current assets	1,198,099	1,274,514
Deferred tax asset	344,704	353,202
	<u>69,396,631</u>	<u>68,972,853</u>
Current assets		
Inventories	268,954	254,531
Accounts receivable and prepayments	3,905,998	4,199,699
Bank balances and cash	12,525,033	11,511,570
	<u>16,699,985</u>	<u>15,965,800</u>
TOTAL ASSETS	<u>86,096,616</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	(212,303)	(185,501)
Translation reserve	1,176,921	955,055
Retained earnings	8,087,964	6,875,150
	<u>17,013,386</u>	<u>15,605,508</u>
Non-controlling interests	<u>14,184,163</u>	<u>13,826,899</u>
Total equity	<u>31,197,549</u>	<u>29,432,407</u>

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INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2010

	<i>31 March 2010 (Unaudited) QR'000</i>	<i>31 December 2009 (Audited) QR'000</i>
<i>Notes</i>		
Non-current liabilities		
Interest bearing loans and borrowings	33,641,935	33,798,433
Employees benefits	653,109	605,490
Deferred tax liability	1,575,908	1,530,687
Other non-current liabilities	<u>3,527,341</u>	<u>3,520,481</u>
	<u>39,398,293</u>	<u>39,455,091</u>
Current liabilities		
Accounts payable and accruals	10,199,500	9,959,801
Current account with State of Qatar	1,801,084	2,803,015
Deferred income	957,717	1,012,438
Interest bearing loans and borrowings	2,102,957	1,884,409
Income tax payable	<u>439,516</u>	<u>391,492</u>
	<u>15,500,774</u>	<u>16,051,155</u>
Total liabilities	<u>54,899,067</u>	<u>55,506,246</u>
TOTAL EQUITY AND LIABILITIES	<u>86,096,616</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