



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

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



OOREDOO Q.S.C.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REVIEW REPORT
For the nine-month period ended 30 September 2016**

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QR. 99-8
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INDEPENDENT AUDITOR'S REVIEW REPORT

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

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of **Ooredoo Q.S.C.** (the "Company") and its subsidiaries (together the "Group") as at 30 September 2016, and the related condensed consolidated interim statements of profit or loss, comprehensive income for the three-month and nine-month period then ended 30 September 2016, changes in equity and cash flows for the nine-month period then ended and selected explanatory notes. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on the condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of the condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Emphasis of matter

Without qualifying our conclusion, we draw attention to note 7 (i) and (ii) of the condensed consolidated interim financial statements, which explains that:

- the effects on the property, plant and equipment of the Group's subsidiary in Iraq due to the current security situation in certain locations there;
- certain properties received as part of the settlement arrangement agreed with the local bank in Iraq and legal title is not yet transferred in the name of the Group's subsidiary; and

INDEPENDENT AUDITOR'S REVIEW REPORT (CONTINUED)

Other matter

The comparative amounts in the condensed consolidated interim statement of financial position at 31 December 2015 and related explanatory information were audited by another auditor whose report dated 1 March 2016 expressed an unmodified opinion thereon. The prior period comparative amounts in the condensed consolidated interim statements of profit or loss, other comprehensive income for the three-month and nine-month period then ended 30 September 2016, changes in equity and cash flows for the nine-month period then ended and related explanatory information, were reviewed by the same auditor who issued an unmodified conclusion dated 28 October 2015.

Other Legal and Regulatory Requirements

As explained in Note 1 to the condensed consolidated interim financial statements, a new Qatar Commercial Companies Law was issued on 7 July 2015. The Company is in process of assessing its compliance with the new Qatar Commercial Companies Law which is effective from February 2017.

Doha – Qatar
October 30, 2016

For Deloitte & Touche
Qatar Branch



Midhat Salha
Partner
License No. 257



OOREDOO Q.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS
For the nine-month period ended 30 September 2016

	Note	<i>For the three-month period ended 30 September</i>		<i>For the nine-month period ended 30 September</i>	
		2016	2015	2016	2015
		<i>(Reviewed)</i>		<i>(Reviewed)</i>	
		QR'000	QR'000	QR'000	QR'000
Revenue		8,351,642	8,154,531	24,265,615	24,196,074
Operating expenses		(2,983,526)	(2,808,874)	(8,755,400)	(8,564,019)
Selling, general and administrative expenses		(1,733,416)	(1,793,227)	(5,434,395)	(5,629,358)
Depreciation and amortisation		(2,137,786)	(1,972,609)	(6,235,699)	(5,899,251)
Net finance costs		(440,366)	(553,750)	(1,371,703)	(1,518,709)
Impairment of financial assets		(39,466)	-	(44,907)	-
Other income / (expense) – net	4	(304,079)	(46,254)	416,785	(186,662)
Share of results in associates and joint venture – net of tax	9	43,708	3,418	80,232	8,871
Royalties and fees	5	(131,326)	(123,248)	(348,585)	(330,776)
Profit before income tax		625,385	859,987	2,571,943	2,076,170
Income tax	13	(135,102)	(32,926)	(385,282)	(190,850)
Profit for the period		490,283	827,061	2,186,661	1,885,320
Profit attributable to:					
Shareholders of the parent		369,911	755,750	1,831,769	1,758,138
Non-controlling interests		120,372	71,311	354,892	127,182
		490,283	827,061	2,186,661	1,885,320
Basic and diluted earnings per share					
(Attributable to shareholders of the parent)	6	1.15	2.36	5.72	5.49
(Expressed in QR per share)					

The attached notes 1 to 24 form part of these condensed consolidated interim financial statements



OOREDOO Q.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the nine-month period ended 30 September 2016

	Note	<i>For the three-month period ended 30 September</i>		<i>For the nine-month period ended 30 September</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		490,283	827,061	2,186,661	1,885,320
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	4,520	(53,350)	(6,755)	(358,917)
Effective portion of changes in fair value of cash flow hedges	17	736	(1,482)	(739)	(2,278)
Share of other comprehensive income (loss) of associates and joint venture	17	4,006	2,557	(8,154)	3,207
Foreign currency translation differences	17	860	(909,561)	107,728	(2,573,258)
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Net changes in fair value of employees benefit reserve	17	821	(2,208)	4,216	(4,213)
Other comprehensive income (loss)– net of tax		10,943	(964,044)	96,296	(2,935,459)
Total comprehensive income (loss) for the period		501,226	(136,983)	2,282,957	(1,050,139)
Total comprehensive income (loss) attributable to:					
Shareholders of the parent		347,085	(20,458)	1,871,375	(727,081)
Non-controlling interests		154,141	(116,525)	411,582	(323,058)
		501,226	(136,983)	2,282,957	(1,050,139)



OOREDOO Q.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
At 30 September 2016

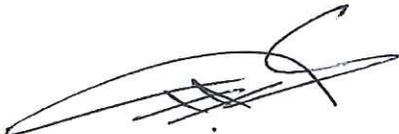
		<i>30 September 2016 (Reviewed)</i>	<i>31 December 2015 (Audited)</i>
	<i>Note</i>	<i>QR'000</i>	<i>QR'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment	7	32,581,175	33,745,408
Intangible assets and goodwill	8	30,776,021	30,139,906
Investment property		46,032	49,861
Investment in associates and joint venture	9	2,326,187	2,296,421
Available-for-sale investments		745,273	747,196
Other non-current assets		650,913	665,115
Deferred tax assets		48,528	54,561
Total non-current assets		<u>67,174,129</u>	<u>67,698,468</u>
Current assets			
Inventories		796,079	697,069
Trade and other receivables		7,602,082	7,598,348
Bank balances and cash	10	20,235,201	18,158,180
Total current assets		<u>28,633,362</u>	<u>26,453,597</u>
TOTAL ASSETS		<u>95,807,491</u>	<u>94,152,065</u>
EQUITY			
Share capital	11	3,203,200	3,203,200
Legal reserve		12,434,282	12,434,282
Fair value reserve		431,962	448,184
Employees benefit reserve		41,842	39,102
Translation reserve	12	(5,512,511)	(5,565,599)
Other statutory reserves		1,094,696	1,094,696
Retained earnings		11,028,759	10,155,924
Equity attributable to shareholders of the parent		<u>22,722,230</u>	<u>21,809,789</u>
Non-controlling interests		6,798,540	6,563,076
Total equity		<u>29,520,770</u>	<u>28,372,865</u>



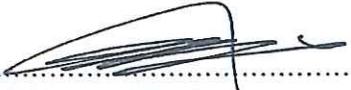
OOREDOO Q.S.C.

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

		<i>30 September 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	38,139,511	36,108,055
Employees benefits		820,586	812,142
Deferred tax liabilities		476,713	466,953
Other non-current liabilities		<u>2,301,726</u>	<u>2,016,333</u>
Total non-current liabilities		<u>41,738,536</u>	<u>39,403,483</u>
Current liabilities			
Deferred income		1,901,452	1,775,181
Loans and borrowings	15	6,835,363	6,663,787
Trade and other payables	16	14,978,608	17,243,549
Income tax payable		<u>832,762</u>	<u>693,200</u>
Total current liabilities		<u>24,548,185</u>	<u>26,375,717</u>
Total liabilities		<u>66,286,721</u>	<u>65,779,200</u>
TOTAL EQUITY AND LIABILITIES		<u>95,807,491</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 nine-month period ended 30 September 2016

		<i>For the nine-month period ended</i>	
		<i>30 September</i>	
		<i>2016</i>	<i>2015</i>
		<i>(Reviewed)</i>	
<i>Note</i>		<i>QR'000</i>	<i>QR'000</i>
OPERATING ACTIVITIES			
	Profit before income taxes	2,571,943	2,076,170
	Adjustments for:		
	Depreciation and amortisation	6,235,699	5,899,251
	Dividend income	(13,608)	(24,530)
	Impairment of financial assets	44,907	-
	Gain on disposal of available-for-sale investments	(2,841)	(308,079)
	Gain on disposal of an investment in associate	-	(228,074)
	Gain on disposal of property, plant and equipment	(25,491)	(36,576)
	Profit on disposal of a subsidiary	(34,450)	-
	Net finance costs	1,371,703	1,518,709
	Provision for employees' benefits	245,351	112,050
	Provision for trade receivables	128,210	143,275
	Share of results in associates and joint venture – net of tax	(80,232)	(8,871)
	Operating profit before working capital changes	10,441,191	9,143,325
	Working capital changes:		
	Changes in inventories	(93,590)	1,284
	Changes in trade and other receivables	(97,311)	(121,996)
	Changes in trade and other payables	(1,345,525)	(589,863)
	Cash from operations	8,904,765	8,432,750
	Finance costs paid	(1,512,822)	(1,631,804)
	Employees' benefits paid	(154,927)	(127,385)
	Income tax paid	(255,218)	(402,646)
	Net cash from operating activities	6,981,798	6,270,915
INVESTING ACTIVITIES			
	Acquisition of property, plant and equipment	(3,471,825)	(5,406,004)
	Acquisition of intangible assets	(2,568,543)	(1,483,694)
	Net cash outflow from acquisition of a subsidiary	(131,816)	-
	Additional investment in associates	(12,118)	-
	Acquisition of available-for-sale investments	(11,996)	(24,503)
	Proceeds from disposal of property, plant and equipment	452,762	271,219
	Proceeds from disposal of available-for-sale investments	2,841	614,037
	Proceeds from disposal of an investment in associate	-	536,646
	Proceeds from disposal of a subsidiary	27,274	-
	Movement in restricted deposits	(315,624)	20,646
	Movement in other non-current assets	18,418	108,270
	Dividend received from an associate	107,020	127,817
	Dividend received	13,608	24,530
	Interest received	246,063	179,718
	Net cash used in investing activities	(5,643,936)	(5,031,318)

The attached notes 1 to 24 form part of these condensed consolidated interim financial statements



OOREDOO Q.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
(CONTINUED)

For the nine-month period ended 30 September 2016

		<i>For the nine-month period ended 30 September</i>	
		2016	2015
		<i>(Reviewed)</i>	
<i>Note</i>		<i>QR'000</i>	<i>QR'000</i>
FINANCING ACTIVITIES			
	Proceeds from loans and borrowings	9,591,477	9,253,574
	Repayment of loans and borrowings	(7,609,934)	(8,841,666)
	Additions to deferred financing costs	(101,328)	(47,697)
14	Dividend paid to shareholders of the parent	(960,960)	(1,281,280)
	Dividend paid to non-controlling interests	(176,118)	(189,396)
	Movement in other non-current liabilities	147,471	(281,660)
	Net cash from / (used in) financing activities	890,608	(1,388,125)
NET CHANGE IN CASH AND CASH EQUIVALENTS		2,228,470	(148,528)
	Effect of exchange rate fluctuations	(467,073)	762,920
	Cash and cash equivalents at 1 January	18,038,068	17,315,463
	CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	19,799,465	17,929,855
10			

The attached notes 1 to 24 form part of these condensed consolidated interim financial statements



OOREDOO Q.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended 30 September 2016

	Note	Attributable to shareholders of the parent							Non – controlling interests QR'000	Total equity QR'000	
		Share capital QR'000	Legal reserve QR'000	Fair value reserve QR'000	Employees benefit reserve QR'000	Translation reserve QR'000	Other statutory reserves QR'000	Retained earnings QR'000			Total 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		-	-	-	-	-	-	1,831,769	1,831,769	354,892	2,186,661
Other comprehensive income		-	-	(16,222)	2,740	53,088	-	-	39,606	56,690	96,296
Total comprehensive income for the period		-	-	(16,222)	2,740	53,088	-	1,831,769	1,871,375	411,582	2,282,957
<i>Transactions with shareholders of the Parent, recognised directly in equity</i>											
Dividend for 2015	14	-	-	-	-	-	-	(960,960)	(960,960)	-	(960,960)
<i>Transactions with non-controlling interest, recognised directly in equity</i>											
Change in non-controlling interest of an associate		-	-	-	-	-	-	2,026	2,026	-	2,026
Dividend for 2015		-	-	-	-	-	-	-	-	(176,118)	(176,118)
At 30 September 2016 (Reviewed)		3,203,200	12,434,282	431,962	41,842	(5,512,511)	1,094,696	11,028,759	22,722,230	6,798,540	29,520,770



OOREDOO Q.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the nine-month period ended 30 September 2016

	Attributable to shareholders of the parent							Non-controlling interests QR '000	Total equity QR '000	
	Share capital QR '000	Legal reserve QR '000	Fair value reserve QR '000	Employees benefit reserve QR '000	Translation reserve QR '000	Other statutory reserves QR '000	Retained earnings QR '000			Total 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	-	-	-	-	-	-	1,758,138	1,758,138	127,182	1,885,320
Other comprehensive loss	-	-	(355,589)	(2,738)	(2,126,892)	-	-	(2,485,219)	(450,240)	(2,935,459)
Total comprehensive loss for the period	-	-	(355,589)	(2,738)	(2,126,892)	-	1,758,138	(727,081)	(323,058)	(1,050,139)
<i>Transactions with shareholders of the Parent, recognised directly in equity</i>										
Dividend for 2014	14	-	-	-	-	-	(1,281,280)	(1,281,280)	-	(1,281,280)
<i>Transactions with non-controlling interest, recognised directly in equity</i>										
Change in non-controlling interest of an associate	-	-	-	-	-	-	7,394	7,394	-	7,394
Dividend for 2014	-	-	-	-	-	-	-	-	(189,396)	(189,396)
At 30 September 2015 (Reviewed)	3,203,200	12,434,282	536,973	14,921	(5,630,403)	1,057,820	9,870,399	21,487,192	6,467,900	27,955,092



OOREDOO Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2016

1 REPORTING ENTITY

Qatar Public Telecommunications Corporation (the "Corporation") was formed on 29 September 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 nine-month period ended 30 September 2016 were authorized for issue by the Chairman and the Deputy Chairman of the Company on 30 October 2016.

A new Qatar Commercial Companies Law was issued on 7 July 2015. Implementation of the new law was extended to be adopted by February 2017. The Company is in the process of assessing its compliance with the new law.

2 BASIS OF PREPARATION

The condensed consolidated interim financial statements for the nine-month period ended 30 September 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 nine-month period ended 30 September 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 nine-month period ended 30 September 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 nine-month period ended 30 September 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.



OOREDOO Q.S.C.

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

4 OTHER INCOME / (EXPENSE) – NET

	<i>For the three-month period ended 30 September</i>		<i>For the nine-month period ended 30 September</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	(331,934)	(346,519)	288,250	(812,061)
Profit on disposal of assets	7,967	15,505	25,491	36,576
Dividend income	-	23,190	13,608	24,530
Rental income	6,921	6,145	21,783	22,925
Profit on disposal of investments	2,677	255,856	37,291	536,153
Change in fair value of derivatives – net	(12,083)	61,296	(79,619)	103,846
Miscellaneous income / (expenses)	22,373	(61,727)	109,981	(98,631)
	<u>(304,079)</u>	<u>(46,254)</u>	<u>416,785</u>	<u>(186,662)</u>

5 ROYALTIES AND FEES

	<i>Note</i>	<i>For the three-month period ended 30 September</i>		<i>For the nine-month period ended 30 September</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)	45,166	48,309	131,991	125,367
Industry fees	(ii)	76,774	67,350	193,742	190,489
Other statutory fees	(iii)	9,386	7,589	22,852	14,920
		<u>131,326</u>	<u>123,248</u>	<u>348,585</u>	<u>330,776</u>

- 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 adjusted net profit from regulated activities 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.



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6 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to 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 September</i>		<i>For the nine-month period ended 30 September</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)	<u>369,911</u>	<u>755,750</u>	<u>1,831,769</u>	<u>1,758,138</u>
Weighted average number of shares (In '000)	<u>320,320</u>	<u>320,320</u>	<u>320,320</u>	<u>320,320</u>
Basic and diluted earnings per share (QR)	<u>1.15</u>	<u>2.36</u>	<u>5.72</u>	<u>5.49</u>

7 PROPERTY, PLANT AND EQUIPMENT

	<i>30 September 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	3,471,825	8,536,918
Disposals	(427,271)	(245,469)
Reclassification	(6,803)	(9,637)
Depreciation for the period / year	(4,824,486)	(6,130,122)
Exchange adjustment	585,846	(2,096,871)
Carrying value at the end of the period / year	<u>32,581,175</u>	<u>33,745,408</u>

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 149,445 thousands as at 30 September 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 September 2016, Asiacell had 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) 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 agreement was cancelled and the Company disposed the land after getting refunded for the amount paid.



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8 INTANGIBLE ASSETS AND GOODWILL

	<i>30 September 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	1,689,485	318,151
Disposals	-	(369)
Reclassification	6,803	9,637
Amortisation for the period / year	(1,407,384)	(1,809,987)
Impairment losses	-	(332,235)
Exchange adjustment	200,881	(1,569,499)
Carrying value at the end of the period / year	<u>30,776,021</u>	<u>30,139,906</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 VENTURE

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

	<i>30 September 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	939,528	940,942
Non-current assets	2,717,716	2,476,159
Current liabilities	(728,269)	(811,208)
Non-current liabilities	<u>(1,881,982)</u>	<u>(1,577,696)</u>
Net assets	1,046,993	1,028,197
Goodwill	<u>1,279,194</u>	<u>1,268,224</u>
Carrying amount of the investments	<u>2,326,187</u>	<u>2,296,421</u>



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9 INVESTMENT IN ASSOCIATES AND JOINT VENTURE (CONTINUED)

	<i>For the three-month period ended 30 September</i>		<i>For the nine-month period ended 30 September</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>
Share in revenues of associates and joint venture	<u>434,925</u>	<u>411,284</u>	<u>1,277,571</u>	<u>1,291,259</u>
Share in results of associates and joint venture – net of tax	<u>43,708</u>	<u>3,418</u>	<u>80,232</u>	<u>8,871</u>

10 CASH AND CASH EQUIVALENTS

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

	<i>For the nine-month period ended 30 September</i>	
	<i>2016</i>	<i>2015</i>
	<i>(Reviewed)</i>	
	<i>QR'000</i>	<i>QR'000</i>
Bank balances and cash	<u>20,235,201</u>	<u>18,031,172</u>
Less: restricted deposits	<u>(435,736)</u>	<u>(101,317)</u>
Cash and cash equivalents	<u>19,799,465</u>	<u>17,929,855</u>

On 29 June 2016, Asiacell received a letter from one of its banks notifying that cash in the amount of QR. 174,034 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.

During 2016, Asiacell has transferred its cash from one of its bank from current account to restricted deposits amounting QR. 112,181 thousands. Asiacell is in the process of reaching a settlement agreement with the bank.

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 September/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 September/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, as well as from the translation of liabilities that hedge the Group's net investment in a foreign operation.



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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 September</i>		<i>For the nine-month period ended 30 September</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	151,406	151,394	399,184	401,858
Deferred income tax				
Relating to origination and reversal of temporary differences	(16,304)	(118,468)	(13,902)	(211,008)
	135,102	32,926	385,282	190,850

14 DIVIDEND

Dividend paid and approved:

	<i>For the nine-month period ended 30 September</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)	960,960	1,281,280

15 LOANS AND BORROWINGS

	<i>30 September 2016 (Reviewed) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
Loans and borrowings	45,346,187	43,100,642
Less: deferred financing costs	(371,313)	(328,800)
	44,974,874	42,771,842

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

	<i>30 September 2016 (Reviewed) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
Non-current portion	38,139,511	36,108,055
Current portion	6,835,363	6,663,787
	44,974,874	42,771,842



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15 LOANS AND BORROWINGS (CONTINUED)

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 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 September 2016 (Reviewed) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>	<i>30 September 2016 (Reviewed) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
Fixed rates	31,880,447	27,956,540	33,732,600	27,049,736
Floating rates	13,465,740	15,144,102	13,397,861	14,029,531
	<u>45,346,187</u>	<u>43,100,642</u>	<u>47,130,461</u>	<u>41,079,267</u>

16 TRADE AND OTHER PAYABLES

	<i>30 September 2016 (Reviewed) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
Trade payables	4,521,514	4,978,058
Accrued expenses	5,236,369	5,788,466
Interest payable	410,079	400,198
Profit payable on Islamic financing obligation	47,508	12,416
License costs payable	373,129	1,284,734
Amounts due to international carriers -net	576,549	623,650
Negative fair value of derivatives	24,652	138,019
Finance lease liabilities (note 18)	151,007	138,590
Cash settled share based payments	186,901	82,373
Other payables	3,450,900	3,797,045
	<u>14,978,608</u>	<u>17,243,549</u>



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17 COMPONENTS OF OTHER COMPREHENSIVE INCOME

	<i>For the three-month period ended 30 September</i>		<i>For the nine-month period ended 30 September</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	1,839	(25,568)	(11,225)	(50,838)
Reclassification to profit or loss	2,677	(27,782)	2,841	(308,079)
Transfer to profit or loss on impairment	4	-	1,629	-
	<u>4,520</u>	<u>(53,350)</u>	<u>(6,755)</u>	<u>(358,917)</u>
<i>Cash flow hedges</i>				
Gain / (loss) arising during the period	792	(1,533)	(757)	(2,438)
Deferred tax effect	(56)	51	18	160
	<u>736</u>	<u>(1,482)</u>	<u>(739)</u>	<u>(2,278)</u>
<i>Associates and joint venture</i>				
Share of changes in fair value of cash flow hedges	<u>4,006</u>	<u>2,557</u>	<u>(8,154)</u>	<u>3,207</u>
<i>Translation reserve</i>				
Foreign exchange translation differences-				
Foreign operations	860	(902,959)	102,729	(2,566,656)
Transferred to profit or loss	-	(6,602)	3,885	(6,602)
Deferred tax effect	-	-	1,114	-
	<u>860</u>	<u>(909,561)</u>	<u>107,728</u>	<u>(2,573,258)</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	821	(2,944)	4,216	(5,614)
Deferred tax effect	-	736	-	1,401
	<u>821</u>	<u>(2,208)</u>	<u>4,216</u>	<u>(4,213)</u>
Other comprehensive income (loss) for the period – net of tax	<u>10,943</u>	<u>(964,044)</u>	<u>96,296</u>	<u>(2,935,459)</u>



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18 COMMITMENTS

	<i>30 September 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>4,808,941</u>	<u>4,366,324</u>
Operating lease commitments		
Future minimum lease payments:		
Not later than one year	588,639	418,559
Later than one year and not later than five years	2,238,647	1,690,402
Later than five years	<u>3,190,040</u>	<u>2,700,587</u>
Total operating lease expenditure contracted for at the reporting date	<u>6,017,326</u>	<u>4,809,548</u>
Finance lease commitments		
Amounts under finance leases		
Minimum lease payments:		
Not later than one year	247,929	245,988
Later than one year and not later than five years	850,263	874,853
Later than five years	<u>194,457</u>	<u>319,034</u>
	1,292,649	1,439,875
Less: unearned finance income	<u>(323,885)</u>	<u>(394,810)</u>
Present value of minimum lease payments	<u>968,764</u>	<u>1,045,065</u>
Present value of minimum lease payments		
Current portion	151,007	138,590
Non-current portion	<u>817,757</u>	<u>906,475</u>
	<u>968,764</u>	<u>1,045,065</u>
Letters of credit	<u>109,224</u>	<u>167,801</u>

19 CONTINGENT LIABILITIES AND LITIGATIONS

	<i>30 September 2016 (Reviewed) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
(i) Contingent liabilities		
Letters of guarantee	<u>757,413</u>	<u>874,020</u>
Claims against the Group not acknowledged as liability	<u>15,346</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 September 2016.



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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 93,875 thousands for the three-month period ended 30 September 2016 (for the three-month period ended 30 September 2015: QR 64,471 thousands) and QR 284,171 thousands for the nine-month period ended 30 September 2016 (for the nine-month period ended 30 September 2015: QR 240,529 thousands). End of service benefits amounted to QR 22,310 thousands for the three-month period ended 30 September 2016 (for the three-month period ended 30 September 2015: QR 4,085 thousands) and QR 32,156 thousands for the nine-month period ended 30 September 2016 (for the nine-month period ended 30 September 2015: 14,515). 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; and
6. Others include some of the Group's subsidiaries which are providers of wireless and telecommunication services.

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



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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 nine-month period ended 30 September 2016 and 2015:

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

	Ooredoo Qatar QR'000	Astiacell QR'000	NMTC QR'000	Indosat Ooredoo QR'000	Ooredoo Oman QR'000	Others QR'000	Adjustments and eliminations QR'000	Total QR'000
Revenue								
Third party	1,899,852	1,063,624	2,128,337	2,096,409	671,785	491,635	-	8,351,642
Inter-segment	48,955	2,321	69,309	6,651	3,345	43,658	(174,239) (i)	-
Total revenue	1,948,807	1,065,945	2,197,646	2,103,060	675,130	535,293	(174,239)	8,351,642
Results								
Segment profit / (loss) before tax	558,898	69,714	296,986	186,748	156,968	(517,523)	(126,406) (ii)	625,385
Depreciation and amortisation	206,809	361,661	429,730	660,750	162,246	190,184	126,406 (iii)	2,137,786
Net finance costs	238,997	6,822	14,457	164,111	5,746	10,233	-	440,366



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21 SEGMENT INFORMATION (CONTINUED)

For the three-month period ended 30 September 2015 (Reviewed)

	Ooredoo Qatar QR'000	Asiacell QR'000	NMTC QR'000	Indosat Ooredoo QR'000	Ooredoo Oman QR'000	Others QR'000	Adjustments and eliminations QR'000	Total QR'000
Revenue								
Third party	1,830,456	1,253,135	2,194,492	1,824,124	636,919	415,405	-	8,154,531
Inter-segment	64,264	1,853	78,367	6,633	2,528	26,927	(180,572) (i)	-
Total revenue	1,894,720	1,254,988	2,272,859	1,830,757	639,447	442,332	(180,572)	8,154,531
Results								
Segment profit / (loss) before tax	550,915	187,569	358,590	(217,890)	129,705	(11,178)	(137,724) (ii)	859,987
Depreciation and amortisation	197,229	352,293	429,532	598,960	129,353	127,518	137,724 (iii)	1,972,609
Net finance costs	251,816	12,461	34,443	249,193	5,796	41	-	553,750



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21 SEGMENT INFORMATION (CONTINUED)

For the nine-month period ended 30 September 2016 (Reviewed)

	Ooredoo Qatar QR'000	Asiacell QR'000	NMTC QR'000	Indosat Ooredoo QR'000	Ooredoo Oman QR'000	Others QR'000	Adjustments and eliminations QR'000	Total QR'000
Revenue								
Third party	5,459,418	3,153,349	6,221,823	5,874,045	1,965,642	1,591,338	-	24,265,615
Inter-segment	522,160	8,046	210,576	16,133	7,120	128,964	(892,999) (i)	-
Total revenue	5,981,578	3,161,395	6,432,399	5,890,178	1,972,762	1,720,302	(892,999)	24,265,615
Results								
Segment profit / (loss) before tax	1,429,824	319,065	740,868	382,000	463,358	(424,005)	(339,167) (ii)	2,571,943
Depreciation and amortisation	624,169	1,069,876	1,294,321	1,927,919	458,452	521,795	339,167 (iii)	6,235,699
Net finance costs	722,873	14,615	97,050	493,421	17,928	25,816	-	1,371,703



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21 SEGMENT INFORMATION (CONTINUED)

For the nine-month period ended 30 September 2015 (Reviewed)

	Ooredoo Qatar QR'000	Asiacell QR'000	NMTC QR'000	Indosat Ooredoo QR'000	Ooredoo Oman QR'000	Others QR'000	Adjustments and eliminations QR'000	Total QR'000
Revenue								
Third party	5,553,337	3,704,600	6,439,607	5,354,653	1,827,041	1,316,836	-	24,196,074
Inter-segment	344,050	6,961	204,410	18,866	6,576	78,281	(659,144) (i)	-
Total revenue	5,897,387	3,711,561	6,644,017	5,373,519	1,833,617	1,395,117	(659,144)	24,196,074
Results								
Segment profit / (loss) before tax	1,771,331	442,224	749,384	(469,507)	411,554	(477,976)	(350,840) (ii)	2,076,170
Depreciation and amortisation	579,960	1,068,458	1,291,689	1,828,558	396,477	383,269	350,840 (iii)	5,899,251
Net finance costs	763,487	40,355	83,781	615,354	17,986	(2,254)	-	1,518,709

Notes:

- (i) Inter-segment revenues are eliminated on consolidation.
(ii) Segment profit before tax does not include the following:

	For the three-month period ended		For the nine-month period ended	
	30 September 2016	2015 QR'000	30 September 2016	2015 QR'000
Amortization of intangibles	(126,406)	(137,724)	(339,167)	(350,840)

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



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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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21 SEGMENT INFORMATION (CONTINUED)

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

	<i>Ooredoo Qatar QR'000</i>	<i>Asiacell QR'000</i>	<i>NMTC QR'000</i>	<i>Indosat Ooredoo QR'000</i>	<i>Ooredoo Oman QR'000</i>	<i>Others QR'000</i>	<i>Adjustments and eliminations QR'000</i>	<i>Total QR'000</i>
Segment assets (i)								
At 30 September 2016 (Reviewed)	<u>22,599,700</u>	<u>10,589,833</u>	<u>22,669,175</u>	<u>15,457,002</u>	<u>3,608,368</u>	<u>11,376,919</u>	<u>9,506,494</u>	<u>95,807,491</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 9,506,494 thousands (31 December 2015: QR 9,460,419 thousands) 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 shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

Financial assets

	<i>30 September 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	709,685	17,114	197,892	494,679
Derivative financial instruments	1,583	-	1,583	-
	<u>711,268</u>	<u>17,114</u>	<u>199,475</u>	<u>494,679</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 September 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>24,652</u>	<u>-</u>	<u>24,652</u>	<u>-</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>-</u>	<u>138,019</u>	<u>-</u>



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23 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.

24 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	132,612
Net assets acquired	(58,591)
Provisional goodwill	74,021

Cash flows upon acquisition of FASTtelco:

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

The initial accounting of the business acquisition of FASTtelco was carried out during the period ended 30 September 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.