



**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 2019**

OOREDOO Q.P.S.C.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REVIEW REPORT**

For the six-month period ended 30 June 2019

CONTENTS	Page (s)
Independent auditor's review report	--
Condensed consolidated interim financial statements	
Condensed consolidated interim statement of profit or loss	1
Condensed consolidated interim statement of comprehensive income	2
Condensed consolidated interim statement of financial position	3 - 4
Condensed consolidated interim statement of changes in equity	5 - 6
Condensed consolidated interim statement of cash flows	7 - 8
Notes to the condensed consolidated interim financial statements	9 - 33

QR. 83371

RN: 0152/SM/FY2020

INDEPENDENT AUDITOR'S REVIEW REPORT

The Board of Directors
Ooredoo Q.P.S.C.
Doha - Qatar

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of **Ooredoo Q.P.S.C.** (the "Company") and its subsidiaries (together the "Group") as at 30 June 2019, and the related condensed consolidated interim statements of profit or loss and comprehensive income for the three month and six month periods ended 30 June 2019, condensed consolidated interim changes in equity and condensed consolidated interim cash flows for the six-month period then ended and certain explanatory notes. Management is responsible for the preparation and 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 these 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".

Doha – Qatar
29 July 2019

For Deloitte & Touche
Qatar Branch


Midhat Salha
Partner
License No. 257
QFMA Auditor License No. 120156





OOREDOO Q.P.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

For the six-month period ended 30 June 2019

	Note	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
		<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>
		<i>(Reviewed)</i>		<i>(Reviewed)</i>	
		<i>QR. '000</i>	<i>QR. '000</i>	<i>QR. '000</i>	<i>QR. '000</i>
Revenue	4	7,316,226	7,439,478	14,508,119	15,122,136
Operating expenses		(2,604,411)	(2,974,464)	(5,235,367)	(6,121,540)
Selling, general and administrative expenses		(1,563,951)	(1,512,674)	(2,955,568)	(2,980,185)
Depreciation and amortisation		(2,094,069)	(2,012,164)	(4,241,537)	(4,058,299)
Net finance costs		(529,251)	(474,206)	(1,049,081)	(897,949)
Impairment losses on goodwill, financial assets and other assets		599	1,983	444	2,102
Other income (expenses) – net	5	157,847	(66,055)	348,382	161,724
Share in results of associates and joint ventures – net of tax	10	18,232	210,126	21,885	191,127
Royalties and fees	6	(127,444)	(143,799)	(252,330)	(281,733)
Profit before income tax		573,778	468,225	1,144,947	1,137,383
Income tax	15	(64,039)	(145,000)	(167,110)	(262,029)
Profit for the period		509,739	323,225	977,837	875,354
Profit attributable to:					
Shareholders of the parent		420,701	202,874	841,167	688,921
Non-controlling interests		89,038	120,351	136,670	186,433
		509,739	323,225	977,837	875,354
Basic and diluted earnings per share					
(Attributable to shareholders of the parent)	7	0.13	0.06	0.26	0.22
(Expressed in QR. per share)*					

*Refer to Note 27 for subsequent event on nominal share price, and on authorized, issued fully paid up number of shares.

The attached notes 1 to 28 form part of these condensed consolidated interim financial statements.



OOREDOO Q.P.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME For the six-month period ended 30 June 2019

	<u>Note</u>	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
		<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>
		<i>(Reviewed)</i>	<i>(Reviewed)</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		509,739	323,225	977,837	875,354
Other comprehensive income					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Effective portion of changes in fair value of cash flow hedges	21	(4,354)	11	(4,424)	291
Share of other comprehensive (loss) income of associates and joint ventures	21	(3,363)	668	(26,875)	2,752
Foreign currency translation differences	21	255,702	(791,485)	350,337	(601,540)
<i>Items that will not to be reclassified subsequently to profit or loss</i>					
Net changes in fair value on investments in equity instruments designated as at FVTOCI	21	9,694	(41,504)	2,825	(80,742)
Net changes in fair value of employees' benefits reserve	21	(275)	1,312	247	4,886
Other comprehensive income (loss) – net of tax		257,404	(830,998)	322,110	(674,353)
Total comprehensive income for the period		767,143	(507,773)	1,299,947	201,001
Total comprehensive income attributable to:					
Shareholders of the parent		649,996	(507,039)	1,123,825	140,886
Non-controlling interests		117,147	(734)	176,122	60,115
		767,143	(507,773)	1,299,947	201,001

The attached notes 1 to 28 form part of these condensed consolidated interim financial statements.



OOREDOO Q.P.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

		30 June 2019 (Reviewed) QR. '000	31 December 2018 (Audited) QR. '000
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment	8	26,101,167	27,207,493
Intangible assets and goodwill	9	26,354,877	26,656,686
Right-of-use assets	3a	5,685,200	-
Investment property		48,771	52,802
Investment in associates and joint ventures	10	2,101,833	2,146,946
Financial assets - equity instruments	11	931,597	947,237
Other non-current assets		709,599	858,994
Deferred tax assets		646,893	569,892
Contract cost and assets		162,992	151,806
Total non-current assets		62,742,929	58,591,856
Current assets			
Inventories		620,026	643,061
Contract costs and assets		309,168	312,070
Trade and other receivables		8,211,903	8,233,543
Bank balances and cash	12	11,547,082	17,493,273
		20,688,179	26,681,947
Assets held for sale		13,537	25,672
Total current assets		20,701,716	26,707,619
TOTAL ASSETS		83,444,645	85,299,475
EQUITY			
Share capital	13	3,203,200	3,203,200
Legal reserve		12,434,282	12,434,282
Fair value reserve		566,044	606,299
Employees' benefit reserve		21,956	22,031
Translation reserve	14	(7,494,319)	(7,805,451)
Other statutory reserves		1,252,304	1,252,304
Retained earnings		12,331,838	12,496,038
Equity attributable to shareholders of the parent		22,315,305	22,208,703
Non-controlling interests		5,586,187	5,968,984
Total equity		27,901,492	28,177,687

The attached notes 1 to 28 form part of these condensed consolidated interim financial statements.



OOREDOO Q.P.S.C.

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
(CONTINUED)**

As at 30 June 2019

	Note	30 June 2019 (Reviewed) QR. '000	31 December 2018 (Audited) QR. '000
LIABILITIES			
Non-current liabilities			
Loans and borrowings	17	26,620,764	27,479,441
Employees' benefits	18	845,352	825,611
Lease liabilities	3a, 20	4,698,309	-
Deferred tax liabilities		352,768	358,260
Other non-current liabilities		1,460,324	2,197,505
Contract liabilities		10,911	14,121
Total non-current liabilities		33,988,428	30,874,938
Current liabilities			
Loans and borrowings	17	4,905,138	9,279,920
Lease liabilities	3a, 20	866,445	-
Trade and other payables	19	12,419,242	13,330,351
Deferred income		1,826,867	1,940,644
Contract liabilities		148,666	145,132
Income tax payable		1,388,367	1,550,803
Total current liabilities		21,554,725	26,246,850
Total liabilities		55,543,153	57,121,788
TOTAL EQUITY AND LIABILITIES		83,444,645	85,299,475

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

.....
Ali Shareef Al Emadi
Deputy Chairman

The attached notes 1 to 28 form part of these condensed consolidated interim financial statements.

OOREDOO Q.P.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2019

	Attributable to shareholders of the parent							Non – controlling interests	Total equity
	Share capital	Legal reserve	Fair value reserve	Employees benefit reserve	Translation reserve	Other statutory reserves	Retained earnings	Total	
	QR. '000	QR. '000	QR. '000	QR. '000	QR. '000	QR. '000	QR. '000	QR. '000	QR. '000
At 1 January 2019	3,203,200	12,434,282	606,299	22,031	(7,805,451)	1,252,304	12,496,038	22,208,703	5,968,984
Effect of change in accounting policy for: Initial application of IFRS 16 (Note 3a)	-	-	-	-	-	-	(235,573)	(235,573)	(10,811)
Adjusted balance as at 1 January 2019	3,203,200	12,434,282	606,299	22,031	(7,805,451)	1,252,304	12,260,465	21,973,130	5,958,173
Profit for the period	-	-	-	-	-	-	841,167	841,167	136,670
Other comprehensive income (loss)	-	-	(28,399)	(75)	311,132	-	-	282,658	39,452
Total comprehensive income (loss) for the period	-	-	(28,399)	(75)	311,132	-	841,167	1,123,825	176,122
Realized gain on FVTOCI investment recycled to retained earnings	-	-	(11,856)	-	-	-	11,856	-	-
Transaction with shareholders of the parent, recognised directly in equity									
Dividend for 2018 (Note 16)	-	-	-	-	-	-	(800,800)	(800,800)	-
Transaction with non-controlling interest, recognised directly in equity									
Change in subsidiary’s non-controlling interest	-	-	-	-	-	-	(160)	(160)	(787)
Change in associate’s non-controlling interest of its subsidiary	-	-	-	-	-	-	20,825	20,825	-
Dividends for 2018	-	-	-	-	-	-	-	-	(547,034)
Transaction with non-owners of the Group, recognised directly in equity									
Transfer to employee association fund	-	-	-	-	-	-	(1,515)	(1,515)	(287)
At 30 June 2019	3,203,200	12,434,282	566,044	21,956	(7,494,319)	1,252,304	12,331,838	22,315,305	5,586,187
									27,901,492

The attached notes 1 to 28 form part of these condensed consolidated interim financial statements.

OOREDOO Q.P.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six-month period ended 30 June 2019

	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		
	QR. '000	QR. '000	QR. '000	QR'000	QR. '000	QR. '000	QR. '000	QR. '000	QR. '000
At 1 January 2018 (audited)	3,203,200	12,434,282	522,873	(12,497)	(6,298,501)	1,202,508	12,000,973	23,052,838	29,585,110
Effect of change in accounting policy for:									
Initial application of IFRS 15 (restated) (Note 28)	-	-	-	-	-	-	229,544	229,544	225,540
Initial application of IFRS 9 (restated) (Note 28)	-	-	(120,818)	-	-	-	99,835	(20,983)	(38,303)
Adjusted balance as at 1 January 2018 (Note 28)	3,203,200	12,434,282	402,055	(12,497)	(6,298,501)	1,202,508	12,330,352	23,261,399	29,772,347
Profit for the period	-	-	-	-	-	-	688,921	688,921	875,354
Other comprehensive income	-	-	(76,176)	2,446	(474,305)	-	-	(548,035)	(674,353)
Total comprehensive income for the period	-	-	(76,176)	2,446	(474,305)	-	688,921	140,886	201,001
Transaction with shareholders of the parent, recognised directly in equity									
Dividend for 2017 (Note 16)	-	-	-	-	-	-	(1,121,120)	(1,121,120)	(1,121,120)
Transaction with non-controlling interest, recognised directly in equity									
Change in subsidiary's non-controlling interest	-	-	-	-	-	-	(4,440)	(4,440)	56,956
Loss of control of a subsidiary	-	-	-	-	-	-	-	(36,178)	(36,178)
Change in associate's non-controlling interest of its subsidiary	-	-	-	-	-	-	1,363	1,363	1,363
Dividends for 2017	-	-	-	-	-	-	-	(263,383)	(263,383)
Transaction with non-owners of the Group, recognised directly in equity									
Transfer to employee association fund	-	-	-	-	-	-	(1,889)	(1,889)	(2,247)
At 30 June 2018 (Reviewed) (Restated) (Note 28)	3,203,200	12,434,282	325,879	(10,051)	(6,772,806)	1,202,508	11,893,187	22,276,199	28,608,739

The attached notes 1 to 28 form part of these condensed consolidated interim financial statements.



OOREDOO Q.P.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2019

	<u>Note</u>	<i>For the six-month period ended</i>	
		<i>30 June</i>	
		<i>2019</i>	<i>2018</i>
		<i>(Reviewed)</i>	
		<i>QR. '000</i>	<i>QR. '000</i>
OPERATING ACTIVITIES			
Profit before income taxes		1,144,947	1,137,383
Adjustments for:			
Depreciation and amortization		4,241,537	4,058,299
Dividend income		(12,674)	(11,273)
Impairment losses on goodwill, financial assets and other assets		(444)	(2,102)
Gain on disposal of investments at FVTPL		(466)	(379)
Changes in fair value of FVTPL investments		2,104	(5,051)
Gain on loss of control of a subsidiary		-	(235,969)
Gain on disposal of property, plant and equipment		(40,659)	(11,763)
Net finance costs		1,049,081	897,949
Provision for employees' benefits		90,182	105,804
Provision against doubtful debts		127,564	110,770
Share of results in associates and joint ventures – net of tax	10	(21,885)	(191,127)
Operating profit before working capital changes		6,579,287	5,852,541
Working capital changes:			
Changes in inventories		23,035	71,711
Changes in trade and other receivables		(297,368)	(203,929)
Changes in contract costs and assets		(8,284)	(104,860)
Change in trade and other payables		(775,689)	(801,934)
Change in contract liabilities		324	(63,682)
Cash from operations		5,521,305	4,749,847
Finance costs paid		(1,069,522)	(1,011,660)
Employees' benefits paid		(90,304)	(193,609)
Income tax paid		(382,950)	(404,410)
Net cash from operating activities		3,978,529	3,140,168
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(2,226,904)	(1,703,456)
Acquisition of intangible assets		(287,123)	(1,209,026)
Additional investment in equity instruments		-	(7,535)
Investment in associates		-	(1,451)
Proceeds from disposal of property, plant and equipment		79,574	99,736
Proceeds from disposal of investments at FVTPL		18,604	5,160
Movement in restricted deposits		(64,263)	17,139
Movement in short-term deposits		34,642	474,857
Movement in other non-current assets		(154,644)	42,580
Dividend received		75,150	174,729
Interest received		171,581	175,499
Net cash used in investing activities		(2,353,383)	(1,931,768)

The attached notes 1 to 28 form part of these condensed consolidated interim financial statements.



OOREDOO Q.P.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (CONTINUED) **For the six-month period ended 30 June 2019**

		<i>For the six-month period ended</i>	
		<i>30 June</i>	
		<i>2019</i>	<i>2018</i>
		<i>(Reviewed)</i>	
<u>Note</u>		<i>QR. '000</i>	<i>QR. '000</i>
FINANCING ACTIVITIES			
		-	56,956
		(947)	-
		4,115,807	2,179,583
		(9,710,918)	(3,619,898)
	20	(604,935)	-
		(12,977)	(2,463)
		(800,800)	(1,121,120)
		(547,034)	(263,383)
		(152,814)	330,200
Net cash used in financing activities		(7,714,618)	(2,440,125)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(6,089,472)	(1,231,725)
		(66,769)	273,334
		16,533,142	17,095,602
CASH AND CASH EQUIVALENTS 30 JUNE	12	10,376,901	16,137,211

The attached notes 1 to 28 form part of these condensed consolidated interim financial statements.



OOREDOO Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS **For the six-month period ended 30 June 2019**

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 a 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.

In line with an amendment issued by Qatar Financial Markets Authority (“QFMA”), effective from May 2018, listed entities are required to comply with the Qatar Financial Markets Authority’s law and relevant legislations including Governance Code for Companies & Legal Entities Listed on the Main Market (the “Governance Code”). The Group has taken appropriate steps to comply with the requirements of the Governance Code.

The condensed consolidated interim financial statements of the Group for six-month period ended 30 June 2019 were authorised for issuance in accordance with a resolution of the Board of Directors of the Group on 29 July 2019.

2 BASIS OF PREPARATION

The condensed consolidated interim financial statements for the six-month period ended 30 June 2019 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 2018. In addition, results for the six-month period ended 30 June 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.

Judgments, estimates and risk management

The preparation of the condensed consolidated interim financial statements requires management to make judgments, 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 2018, except as mentioned in Note 3.

OOREDOO Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six-month period ended 30 June 2019

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 2018, and the notes attached thereto, except for the adoption of certain new and revised standards, that became effective in the current period as set out below.

3.2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

(i) New and amended standards adopted by the Group

The Group adopted IFRS 16, Leases, which replaces the existing guidance on leases, including IAS 17, Leases, IFRIC 4, Determining whether an arrangement contains a lease, SIC 15, Operating leases – Incentives and ISC 27, Evaluating the substance of transactions in the legal form of a lease. The impact of the adoption of this standard and the new accounting policies are disclosed in Note 3a.

(ii) Revised standards

Effective for annual periods beginning on or after 1 January 2019

- Amendments to IFRS 9 *Prepayments Features with Negative Compensation*
- Amendments to IAS 28 *Investment in Associates and Joint Ventures: Relating to long-term interests in associates and joint ventures.*
- Amendments to IAS 19 *Employee Benefits Plan Amendment, Curtailment or Settlement*
- Annual Improvements to IFRSs 2015-2017 *Cycle Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs*
- IFRIC 23 *Uncertainty over Income Tax Treatments*

(iii) New and revised standards and interpretations but not yet effective:

Effective for annual periods beginning on or after 1 January 2020

- Amendments regarding the definition of material
- Amendments to clarify the definition of a business
- IFRS 17: Insurance Contracts
- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture
- Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework

3a. CHANGES IN ACCOUNTING POLICIES

IFRS 16 Leases – Impact of Adoption

The Group has applied IFRS 16, which replaces IAS 17 Leases and the related interpretations, with a date of initial application of 1 January 2019. IFRS 16 was issued in January 2016 and is effective for annual periods commencing on or after 1 January 2019. IFRS 16 stipulates that all leases and the associated contractual rights and obligations should generally be recognized in the Group's statement of financial Position, unless the term is 12 months or less or the lease relates to low value asset. Thus, the classification required under IAS 17 "Leases" into operating or finance leases is eliminated for Lessees. For each lease, the lessee recognizes a liability for the lease obligations incurred in the future. Correspondingly, a right to use the leased asset is capitalized, which is generally equivalent to the present value of the future lease payments plus directly attributable costs, including asset retirement obligations, and which is amortized over the useful life.

The Group has adopted IFRS 16 using the modified retrospective approach and has therefore not restated comparatives for the 2018 reporting period as permitted under the specific transitional provisions in the standard.

OOREDOO Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six-month period ended 30 June 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3a. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Upon transition to IFRS 16, the Group recognized QR. 5,681,942 thousand of right-of-use assets and QR. 5,476,837 thousand of lease liabilities. The impact of initial recognition of IFRS 16 on the condensed consolidated interim financial statements as at 1 January 2019 is provided below.

The lease liabilities were measured at the present value of the remaining lease payments discounted using the lessee's incremental borrowing rate. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 7.75%. IFRS 16 transition disclosures also require the Group to present the reconciliation between the off-balance sheet operating lease obligation as of 31 December 2018 to the lease liabilities as of 1 January 2019, as follows:

	<i>QR. '000</i>
Operating lease commitment at 31 December 2018	3,978,767
Add: Operating lease commitment not included in the opening balance	<u>1,820,528</u>
Adjusted operating lease commitment at 31 December 2018	<u>5,799,295</u>
Discounted using the incremental borrowing rate as at 1 January 2019	4,183,172
Add: Finance lease liabilities recognized as at 31 December 2018	887,538
Less: Short term leases	(43,181)
Less: Leases of low value assets	(403)
Add (less): Extension and termination options reasonably certain to be exercised	453,976
Less: Variable lease payments based on an index or a rate	<u>(4,265)</u>
Lease liabilities recognized as at 1 January 2019	<u>5,476,837</u>
Of which are:	
Non-current lease liabilities	<u><u>4,760,079</u></u>
Current lease liabilities	<u><u>716,758</u></u>

The associated right-of-use assets were measured on a modified retrospective basis. The Group has used a combined approach in recognizing its right-of-use assets. Certain right-of-use assets are measured as if the new rules had always been applied, whereas others were measured at the amount equal to the lease liability, further adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at the reporting period. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognized right of use of assets relate to the following types of assets:

	30 June 2019 <i>QR. '000</i>	1 January 2019 <i>QR. '000</i>
Land and buildings	1,943,230	1,856,145
Exchange and network assets	3,593,971	3,641,902
Subscriber apparatus and other equipment	96,281	132,233
Indefeasible rights-of-use (IRU)	<u>51,718</u>	<u>51,662</u>
Total right-of-use assets	<u>5,685,200</u>	<u>5,681,942</u>

As at transition date, the Group reclassified property, plant and equipment amounting to QR. 879,557 thousand to right-of-use assets (Note 8). During the six-month period ended 30 June 2019, additions to right-of-use assets amounted to QR. 490,095 thousand, whereas depreciation and amortisation of right-of-use assets amounted to QR. 538,586 thousand.

OOREDOO Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six-month period ended 30 June 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3a. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

The change in accounting policy affected the following items in the condensed consolidated interim statement of financial position on 1 January 2019:

	Increase (decrease) <u>QR. '000</u>
Financial statement line item	
Right-of-use assets	5,681,942
Property, plant and equipment	(879,557)
Deferred tax assets	31,101
Other non-current assets	(297,223)
Trade and other receivables	(203,579)
Retained earnings	(235,573)
Non-controlling interests	(10,811)
Lease liabilities	5,476,837
Other non-current liabilities	(709,569)
Trade and other payables	(188,200)

The change in accounting policy affected the following items in the condensed consolidated interim statement of profit or loss for the six-month period ended 30 June 2019:

	Increase (decrease) <u>QR. '000</u>
Financial statement line item	
Operating expenses	428,100
Selling, general and administrative expenses	46,522
Depreciation and amortisation	(419,909)
Net finance costs	(170,311)
Other income (expenses) – net	(571)
Income tax	22,643
Profit for the period	(93,526)
Profit attributable to the shareholders	(67,505)
Profit attributable to non-controlling interest	(26,021)

Earnings per share decreased by QR. 0.02 per share for the six-month period ended 30 June 2019 as a result of the adoption of IFRS 16 (Note 27).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**3a. CHANGES IN ACCOUNTING POLICIES (CONTINUED)***IFRS 16 Leases – Accounting policies applied from 1 January 2019**A. Definition of leases*

Under IFRS 16, the Group assesses whether a contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- a. The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- b. The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- c. The Group has the right to direct the use of the asset. The Group has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
 - (i) The Group has the right to operate the asset; or
 - (ii) The Group designed the asset in a way that predetermines how and for what purpose it will be used.

Upon transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases, and accordingly applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether they constitute a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

B. As a lessee

The Group leases several assets including sites, office buildings, shops, vehicles and others. The average lease term is 2 to 20 years. The lease agreements do not impose any covenants but leased assets may not be used as security for borrowing purposes.

Under IFRS 16, the Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate over a period of lease term. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease term determined by the Group comprises non-cancellable period of lease contracts, periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

Lease payments included in the measurement of the lease liability comprise the following:

- a. Fixed payments; and
- b. Lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**3a. CHANGES IN ACCOUNTING POLICIES (CONTINUED)**

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets, which do not meet the definition of investment property, separately from other assets and also separately presents lease liabilities, in the condensed consolidated interim statement of financial position. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all class of underlying assets that have a lease term of 12 months or less, or those leases which have low-value underlying assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group has elected not to separate non-lease components from lease components and instead accounts for each lease component and associated non-lease components as a single lease component.

For lease contracts entered into before 1 January 2019, IFRS 16 has been applied as below:

(i) Leases classified as operating leases under IAS 17

The Group has recognized lease liabilities in relation to leases which had previously been classified as operating leases under IAS 17. These lease liabilities were measured at the present value of the remaining lease payments, and discounted using the lessee's incremental borrowing rate as of 1 January 2019. Right-of-use assets are measured at either:

- a. Their carrying amounts as if IFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application.
- b. An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group has applied either of the above approach for determining right-of-use assets on lease by lease basis.

The Group has used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17 leases.

- a. Applied a single discount rate to a portfolio of leases with similar characteristics
- b. Relied on its assessment of whether leases are onerous applying IAS 37 immediately before the date of initial application, as an alternative to performing an impairment review under IAS 36.
- c. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term.
- d. Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.

The Group also applied the following practical expedients on a lease by lease basis:

- a. Applied the exemption not to recognize right-of-use assets and liabilities for leases with underlying assets assessed as low value.
- b. Used hindsight when determining the lease term where the contract contains options to extend or terminate the lease.

(ii) Leases previously classified as finance leases

For leases that were previously classified as finance leases under IAS 17, the carrying amount of the right-of-use asset and the lease liability at 1 January 2019 are determined at the carrying amount of the lease asset and lease liability under IAS 17, immediately before 1 January 2019.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**3a. CHANGES IN ACCOUNTING POLICIES (CONTINUED)***C. As a lessor*

The accounting policies applicable to the Group as a lessor in the comparative period are not materially different from IFRS 16. Accordingly, the Group accounted for its leases in accordance with IFRS 16 from the date of initial application, and is not required to make any adjustment on transition to IFRS 16 for leases in which it acts as a lessor, except for sub-leases.

The Group performs an assessment of each lease on inception. If a lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset, it is classified as a finance lease, otherwise, it is classified as an operating lease. The Group also considers certain indicators, such as whether the lease is for the major part of the economic life of the asset, as a part of its assessment.

The operating leases entered in to by the Group mainly relate to tower sharing arrangements, which have a lease term of 2 to 15 years. The lessee does not have an option to purchase the asset at the expiry of the lease period, and the unguaranteed residual values do not represent a significant risk for the Group.

The Group has also entered in finance lease arrangements for optical fiber agreements, which have a lease term of 15 to 20 years.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. The lease classification of a sub-lease is assessed with reference to the right-of-use asset arising from the head lease, and not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the claimed exemption, the sub-lease is classified as an operating lease.

When an arrangement contains lease and non-lease components, the Group applies IFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract. The Group recognises lease payments received under operating leases as income in condensed consolidated interim statement of profit or loss, on a straight line basis over the lease term.

Changes in judgment, estimate and risk management

The critical judgements and estimates 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 2018, except for the changes highlighted below:

- a. Extension and termination options are included in several leases across various classes of right-of-use assets across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. In cases where lease contracts have indefinite term or are subject to auto renewal, lease term is determined considering the business case and reasonably certain renewal of lease.
- b. The present value of the lease payments is determined using the discount rate representing the incremental borrowing rate that a lessee would have to pay to borrow over a similar term, and with a similar security, the fund necessary to obtain an asset of a similar value to the right-to-use asset in a similar economic environment.
- c. The Group accounts and identifies assets as a portfolio based on its similar characteristics and has applied the requirements of IFRS 16 on estimates and assumptions that reflect the size and composition of that portfolio.
- d. The Group records full provision for any future costs of decommissioning for its right of use assets. The estimate for future costs is based on current economic environment, which management believes is a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes on the underlying assumptions.

OOREDOO Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six-month period ended 30 June 2019

4 REVENUE

	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>
	<i>(Reviewed)</i>		<i>(Reviewed)</i>	
	<i>QR. '000</i>	<i>QR. '000</i>	<i>QR. '000</i>	<i>QR. '000</i>
Revenue from rendering of services	6,916,860	6,921,567	13,689,894	13,928,170
Sale of telecommunication equipment	326,135	444,539	672,104	1,049,385
Equipment rental revenue	73,231	73,372	146,121	144,581
	7,316,226	7,439,478	14,508,119	15,122,136
	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>
	<i>(Reviewed)</i>		<i>(Reviewed)</i>	
	<i>QR. '000</i>	<i>QR. '000</i>	<i>QR. '000</i>	<i>QR. '000</i>
At a point in time	326,135	444,539	672,104	1,049,385
Over time	6,990,091	6,994,939	13,836,015	14,072,751
	7,316,226	7,439,478	14,508,119	15,122,136

Management expects that the transaction price allocated to the unsatisfied contracts as at 30 June 2019, mainly relating to deferred income, will be recognized as revenue during subsequent period.

5 OTHER INCOME (EXPENSES) – NET

	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</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 (loss) gain - net	(30,405)	(329,822)	51,564	(157,634)
Dividend income	9,982	169	12,674	11,273
Rental income	7,686	7,211	14,880	14,851
Change in fair value of derivatives – net	(2,344)	4,064	(5,724)	7,790
Changes in fair value of FVTPL investments	(627)	6,219	(2,104)	5,051
Miscellaneous income	173,555	246,104	277,092	280,393
	157,847	(66,055)	348,382	161,724

OOREDOO Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six-month period ended 30 June 2019

6 ROYALTIES AND FEES

		<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
		<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</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)	69,502	77,379	138,018	153,550
Industry fees	(ii)	53,028	63,076	104,561	119,347
Other statutory fees	(iii)	4,914	3,344	9,751	8,836
		127,444	143,799	252,330	281,733

(i) Royalty is payable to the Government of the Sultanate of Oman based on 12% (2018: 12%) of the net of predefined sources of revenue and operating expenses.

(ii) The Group provides for a 12.5% (2018: 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.

7 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>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</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 attributable to shareholders of the parent (QR.'000)		420,701	202,874	841,167	688,921
Weighted average number of shares (In '000)*		3,203,200	3,203,200	3,203,200	3,203,200
Basic and diluted earnings per share (QR.)*		0.13	0.06	0.26	0.22

*Refer to Note 27 for subsequent event on nominal share price, and on authorized, issued fully paid up number of shares.

*Refer to Note 3a for impact of IFRS 16 adoption on basic and diluted earnings per share.

OOREDOO Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six-month period ended 30 June 2019

8 PROPERTY, PLANT AND EQUIPMENT

	<i>30 June 2019</i>	<i>31 December 2018</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>QR. '000</i>	<i>QR. '000</i>
Net book value at beginning of the period / year	27,207,493	29,474,307
Additions (i)	2,385,691	4,936,631
Disposals	(36,826)	(113,716)
Reclassification to intangible assets (Note 9)	(1,564)	(137)
Reclassification from other non-current assets	7,736	-
Depreciation for the period / year	(2,819,525)	(5,982,369)
Exchange adjustment	237,719	(1,057,623)
Impairment provision during the period / year	-	(49,600)
Transfer to right-of-use assets (Note 3a)	(879,557)	-
Carrying value at the end of the period / year	<u>26,101,167</u>	<u>27,207,493</u>

Note

Asiacell reached an agreement with a local bank wherein it received properties in exchange for the equivalent value of the bank deposits. As at 30 June 2019, Asiacell had received parcels of lands and buildings located in Baghdad and Sulaymaniah amounting to QR. 440,400 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.

(i) During the six-month period ended 30 June 2019, one of the Group's subsidiaries received fair value of property, plant and equipment amounting to QR. 159 million.

9 INTANGIBLE ASSETS AND GOODWILL

	<i>30 June 2019</i>	<i>31 December 2018</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>QR. '000</i>	<i>QR. '000</i>
Net book value at beginning of the period / year	26,656,686	28,804,983
Additions	252,099	1,308,870
Disposals	(2,089)	(3,040)
Reclassification from property, plant and equipment (Note 8)	1,564	137
Amortisation for the period / year	(879,395)	(2,010,000)
Exchange adjustment	326,012	(1,434,504)
Impairment during the period / year	-	(9,760)
Carrying value at the end of the period / year	<u>26,354,877</u>	<u>26,656,686</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.

OOREDOO Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six-month period ended 30 June 2019

10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES

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

	30 June 2019		31 December 2018	
	(Reviewed)		(Audited)	
	QR. '000		QR. '000	
Group's share in associates and joint ventures statement of financial position:				
Current assets	1,100,514		1,129,156	
Non-current assets	3,302,542		2,966,360	
Current liabilities	(772,550)		(736,287)	
Non-current liabilities	(2,501,261)		(2,178,034)	
Net assets	1,129,245		1,181,195	
Goodwill	972,588		965,751	
Carrying amount of the investment	2,101,833		2,146,946	
	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2019	2018	2019	2018
	(Reviewed)		(Reviewed)	
	QR. '000		QR. '000	
Share in revenues of associates and joint ventures	337,841	463,176	891,739	896,603
Share in results of associates and joint ventures – net of tax	18,232	210,126	21,885	191,127

11 FINANCIAL ASSETS – EQUITY INSTRUMENTS

	30 June 2019	31 December 2018
	(Reviewed)	(Audited)
	QR. '000	QR. '000
Investment in equity instruments designated at FVTOCI (i)	840,505	855,195
Financial assets measured at FVTPL (i)	91,092	92,042
	931,597	947,237

The respective fair value of these investments is disclosed in Note 26.

Note

(i) The Group's financial assets comprise of investments in telecommunication related companies, hedge funds, private equity and venture capital funds. The investment in hedge funds is fair valued through statement of profit or loss.

Other investments are fair valued through other comprehensive income. The Group has elected to designate these investments in equity instruments as at FVTOCI as these investments are held for medium to long-term strategic purposes and not held for trading. Further, management believe that recognising short-term fluctuations in these investments' fair value in condensed consolidated interim statement of profit or loss would not be consistent with the Group's strategy.

OOREDOO Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six-month period ended 30 June 2019

12 CASH AND CASH EQUIVALENTS

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

	<i>For the six-month period ended 30 June</i>	
	<i>2019</i>	<i>2018</i>
	<i>(Reviewed)</i>	
	<i>QR. '000</i>	<i>QR. '000</i>
Bank balances and cash – net of impairment allowance	11,547,082	17,015,893
Bank overdraft	(249,817)	-
	11,297,265	17,015,893
Less: deposits with maturity more than three-months	(64,492)	(52,563)
Less: restricted deposits	(855,872)	(826,119)
Cash and cash equivalents as per condensed consolidated interim statement of cash flows	10,376,901	16,137,211

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Accordingly, the management of the Group estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12 month ECL. None of the balances with banks at the end of the reporting period are past due, and taking into account the historical default experience and the current credit ratings of the bank, the management of the Group have assessed that there is impairment and have recorded QR. 7,981 thousand (2018: QR. 8,704 thousand) as accumulated loss allowances on these balances.

13 SHARE CAPITAL

	<i>2019</i>		<i>2018</i>	
	<i>No of shares (000)</i>	<i>QR. '000</i>	<i>No of shares (000)</i>	<i>QR. '000</i>
Authorised				
Ordinary shares of QR 1* each				
At 30 June / 31 December	5,000,000	5,000,000	5,000,000	5,000,000
Issued and fully paid up				
Ordinary shares of QR 1* each				
At 30 June / 31 December	3,203,200	3,203,200	3,203,200	3,203,200

*Refer to Note 27 for subsequent event on nominal share price, and on authorized, issued fully paid up number of shares.

14 TRANSLATION RESERVE

The translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations, except to the extent they relate to non-controlling interest.

OOREDOO Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six-month period ended 30 June 2019

15 INCOME TAX

The income tax represents amounts recognised by the subsidiaries. The major components of the income tax expense for the period included in the condensed consolidated interim statement of profit or loss are as follows:

	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</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	63,900	184,811	220,514	324,742
Deferred income tax				
Relating to origination and reversal of temporary differences	139	(39,811)	(53,404)	(62,713)
	64,039	145,000	167,110	262,029

16 DIVIDEND

Dividend paid:

	<i>For the six-month period ended 30 June</i>	
	<i>2019</i>	<i>2018</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
	<i>QR. '000</i>	<i>QR. '000</i>
Declared and approved at the Annual General Meeting :		
Final Dividend for 2018: QR. 2.50 per share (2017: QR. 3.50 per share)	800,800	1,121,120

17 LOANS AND BORROWINGS

	<i>30 June 2019</i>	<i>31 December 2018</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>QR. '000</i>	<i>QR. '000</i>
Loans and borrowings	31,716,173	36,966,111
Less: deferred financing costs	(190,271)	(206,750)
	31,525,902	36,759,361

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

	<i>30 June 2019</i>	<i>31 December 2018</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>QR. '000</i>	<i>QR. '000</i>
Non-current portion	26,620,764	27,479,441
Current portion	4,905,138	9,279,920
	31,525,902	36,759,361

The fair value of the Group's loans and borrowings, which include loans and borrowings carried at fixed rates and floating rates, amounted to QR. 32,478,827 thousand as at 30 June 2019 (2018: 36,825,982 thousand) (Note 26).

OOREDOO Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six-month period ended 30 June 2019

18 EMPLOYEES' BENEFITS

Employees' benefits represent end of service benefits, pensions and other post-employment benefits, and long-term incentives in the form of shadow shares, which constitute cash-settled share based payments.

The carrying amount of the liability arising from cash settled share-based payments is determined by the achievement of certain performance targets and share price of the Company.

As at the reporting date, the carrying amount of liability arising from cash settled share-based payments approximates its fair value.

19 TRADE AND OTHER PAYABLES

	<i>30 June</i> <i>2019</i>	<i>31 December</i> <i>2018</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>QR. '000</i>	<i>QR. '000</i>
Trade payables	3,090,582	3,456,452
Accrued expenses	6,920,789	6,827,135
Interest payable	323,067	375,234
Profit payable on Islamic financing obligation	3,851	3,067
License costs payable	278,449	414,028
Amounts due to international carriers -net	527,814	470,024
Negative fair value of derivatives	113,405	83,273
Finance lease liabilities (i)	-	177,969
Cash settled share based payments	62,557	76,544
Other payables	1,098,728	1,446,625
	12,419,242	13,330,351

(i) Upon adoption of IFRS 16, finance lease liabilities were reclassified to lease liabilities (Note 20).

20 LEASE LIABILITIES

	<i>30 June</i> <i>2019</i>	<i>31 December</i> <i>2018</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>QR. '000</i>	<i>QR. '000</i>
At beginning of period / year	-	-
Initial application of IFRS 16	4,589,299	-
Reclassification of finance lease liabilities	887,538	-
Additions during the period / year	490,095	-
Interest expense on lease liability	213,910	-
Principal element of lease payments	(604,935)	-
Payment of interest portion of lease liability	(41,083)	-
Exchange adjustments	29,930	-
	5,564,754	-

OOREDOO Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six-month period ended 30 June 2019

20 LEASE LIABILITIES (CONTINUED)

	<i>30 June</i> <i>2019</i> <i>(Reviewed)</i> <i>QR. '000</i>	<i>31 December</i> <i>2018</i> <i>(Audited)</i> <i>QR. '000</i>
Non-current portion	4,698,309	-
Current portion	866,445	-
	<u>5,564,754</u>	<u>-</u>

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored by the Group's treasury function.

	<i>30 June</i> <i>2019</i> <i>(Reviewed)</i> <i>QR. '000</i>	<i>31 December</i> <i>2018</i> <i>(Audited)</i> <i>QR. '000</i>
Maturity analysis		
Not later than 1 year	1,170,533	-
Later than 1 year and not later than 5 years	4,279,104	-
Later than 5 years	2,000,424	-
Less: deferred financing costs	<u>(1,885,307)</u>	<u>-</u>
	<u>5,564,754</u>	<u>-</u>

21 COMPONENTS OF OTHER COMPREHENSIVE INCOME

	<i>For the three-month</i> <i>period ended</i> <i>30 June</i> <i>2019</i> <i>(Reviewed)</i> <i>QR. '000</i>	<i>2018</i> <i>QR. '000</i>	<i>For the six-month</i> <i>period ended</i> <i>30 June</i> <i>2019</i> <i>(Reviewed)</i> <i>QR. '000</i>	<i>2018</i> <i>QR. '000</i>
<i>Items that may be reclassified subsequently to profit or loss</i>				
Cash flow hedges				
(Loss) gain arising during the period	(4,372)	13	(4,454)	321
Deferred tax effect	<u>18</u>	<u>(2)</u>	<u>30</u>	<u>(30)</u>
	<u>(4,354)</u>	<u>11</u>	<u>(4,424)</u>	<u>291</u>
Share of changes in fair value of cash flow hedges	<u>(3,363)</u>	<u>668</u>	<u>(26,875)</u>	<u>2,752</u>
Foreign exchange reserve				
Foreign exchange translation differences – foreign operations	<u>255,702</u>	<u>(791,485)</u>	<u>350,337</u>	<u>(601,540)</u>

OOREDOO Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six-month period ended 30 June 2019

21 COMPONENTS OF OTHER COMPREHENSIVE INCOME (CONTINUED)

Items that will not be reclassified subsequently to profit or loss

Fair value reserve

Net changes in fair value of equity investments at fair value through other comprehensive income

9,694	(41,504)	2,825	(80,742)
-------	----------	-------	----------

Employees benefit reserve

Net movement in employees benefit reserve
Deferred tax effect

(275)	1,247	247	6,649
-	65	-	(1,763)

(275)	1,312	247	4,886
-------	-------	-----	-------

Other comprehensive income (loss) for the period – net of tax

257,404	(830,998)	322,110	(674,353)
----------------	------------------	----------------	------------------

22 COMMITMENTS

	<i>30 June 2019</i>	<i>31 December 2018</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>QR. '000</i>	<i>QR. '000</i>
Capital expenditure commitments not provided for		
Estimated capital expenditure contracted for at the end of the financial reporting period / year but not provided for	4,253,908	2,818,880
Letters of credit	194,041	232,735

23 CONTINGENT LIABILITIES AND LITIGATIONS

	<i>30 June 2019</i>	<i>31 December 2018</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>QR. '000</i>	<i>QR. '000</i>
Contingent liabilities		
Letters of guarantees	616,099	570,176
Claims against the Group not acknowledged as debts	18,102	6,899

Litigation

All other litigations position reported in the Group's annual consolidated financial statements as at 31 December 2018 have not materially changed as at 30 June 2019, except for the potential claim of a local regulator against one of the Group's subsidiary.

24 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.

OOREDOO Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six-month period ended 30 June 2019

24 RELATED PARTY DISCLOSURES (CONTINUED)

a) Transactions with Government and related entities

As stated in Note 1, Qatar Holding L.L.C. is the Parent Company of Ooredoo Q.P.S.C. Group, which is controlled by Qatar Investment Authority. The Group enters into commercial transactions with the Government and 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. Following are the significant balances and transactions between the Company and the Government and other Government related entities.

- (i) Trade receivables include an amount of QR. 553,677 thousand (2018: QR. 429,015 thousand) receivable from Government and Government related entities.
- (ii) The most significant amount of revenue from a Government related entity was earned from a contract with the Ministry of Foreign Affairs, amounting to QR. 16,817 thousand (2018: QR. 17,745 thousand).
- (ii) Industry fee (Note 6) pertains to the industry fee payable to CRA, a Government related entity.

In accordance with IAS 24 Related Party Disclosures, the Group has elected not to disclose transactions with the Qatar Government and other entities over which the Qatar Government exerts control, joint control or significant influence. The nature of transactions that the Group has with such related parties relates to provision of telecommunication services.

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. 115,871 thousand for the three-month period ended 30 June 2019 (2018: QR. 87,083 thousand) and QR. 206,424 thousand for the six-month period ended 30 June 2019 (2018: QR. 184,055 thousand), and end of service benefits amounted to QR. QR. 13,286 thousand for the three-month period ended 30 June 2019 (2018: QR. QR. 2,804 thousand) and QR. 17,067 thousand for the six-month ended 30 June 2019 (2018: QR. 7,863 thousand). The remuneration to the Board of Directors and key management personnel has been included under the caption "Selling, general and administrative expenses".

25 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 mainly 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 organized into business units based on their geographical area covered, and has seven 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 group* is a provider of mobile telecommunication services in Kuwait and elsewhere in the Middle East and North African (MENA) region. NMTC group includes balances of Ooredoo Kuwait, Ooredoo Tunisia, Ooredoo Algeria, Wataniya Palestine, Ooredoo Maldives PLC and others. Management believe that presenting NMTC as one segment will provide the most relevant information to the users of the consolidated financial statement of the Group, as NMTC is a public listed company in Kuwait and it presents detailed segment note in its consolidated financial statements, which are publically available;
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 and fixed 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.

OOREDOO Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2019

25 SEGMENT INFORMATION (CONTINUED)

Operating segments

The following table present revenue and profit information regarding the Group's operating segments for the six-month period ended 30 June 2019 and 2018:

For the three-month period ended 30 June 2019 (Reviewed)

	<i>Ooredoo Qatar</i>	<i>Asiacell</i>	<i>NMTC</i>	<i>Indosat Ooredoo</i>	<i>Ooredoo Oman</i>	<i>Ooredoo Myanmar</i>	<i>Others</i>	<i>Adjustments and eliminations</i>	<i>Total</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>
Revenue									
Revenue from rendering of telecom services	1,753,482	1,081,812	1,648,026	1,513,578	645,627	269,934	4,401	-	6,916,860
Sale of telecommunications equipment	21,150	-	205,341	22,013	15,321	1,144	61,166	-	326,135
Revenue from use of assets by others	3,889	-	2,123	60,264	3,851	3,104	-	-	73,231
Inter-segment	47,882	3,216	14,026	506	1,783	794	75,992	(144,199) (i)	-
Total revenue	<u>1,826,403</u>	<u>1,085,028</u>	<u>1,869,516</u>	<u>1,596,361</u>	<u>666,582</u>	<u>274,976</u>	<u>141,559</u>	<u>(144,199)</u>	<u>7,316,226</u>
Timing of revenue recognition									
At a point in time	59,399	-	205,341	22,013	15,321	1,144	82,876	(59,959)	326,135
Over time	1,767,004	1,085,028	1,664,175	1,574,348	651,261	273,832	58,683	(84,240)	6,990,091
	<u>1,826,403</u>	<u>1,085,028</u>	<u>1,869,516</u>	<u>1,596,361</u>	<u>666,582</u>	<u>274,976</u>	<u>141,559</u>	<u>(144,199)</u>	<u>7,316,226</u>
Results									
Segment profit (loss) before tax	<u>503,609</u>	<u>165,309</u>	<u>219,128</u>	<u>(23,079)</u>	<u>135,557</u>	<u>(216,328)</u>	<u>(107,492)</u>	<u>(102,926) (ii)</u>	<u>573,778</u>
Depreciation and amortisation	<u>224,761</u>	<u>330,889</u>	<u>416,234</u>	<u>649,028</u>	<u>152,460</u>	<u>213,934</u>	<u>3,837</u>	<u>102,926 (iii)</u>	<u>2,094,069</u>
Net finance costs	<u>226,292</u>	<u>2,758</u>	<u>42,969</u>	<u>192,445</u>	<u>8,048</u>	<u>56,884</u>	<u>(145)</u>	<u>-</u>	<u>529,251</u>

OOREDOO Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2019

25 SEGMENT INFORMATION (CONTINUED)

For the three-month period ended 30 June 2018 (Reviewed)

	<i>Ooredoo Qatar</i>	<i>Asiacell</i>	<i>NMTC</i>	<i>Indosat Ooredoo</i>	<i>Ooredoo Oman</i>	<i>Ooredoo Myanmar</i>	<i>Others</i>	<i>Adjustments and eliminations</i>	<i>Total</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>
Revenue									
Revenue from rendering of telecom services	1,830,832	1,079,398	1,670,276	1,321,972	643,078	347,336	28,675	-	6,921,567
Sale of telecommunications equipment	44,990	-	303,622	17,062	21,891	77	56,897	-	444,539
Revenue from use of assets by others	4,765	-	806	59,606	6,376	1,819	-	-	73,372
Inter-segment	37,655	2,602	39,826	1,103	1,503	627	36,711	(120,027) (i)	-
Total revenue	1,918,242	1,082,000	2,014,530	1,399,743	672,848	349,859	122,283	(120,027)	7,439,478
Timing of revenue recognition									
At a point in time	44,990	-	303,622	17,062	21,891	77	56,897	(26,183)	418,356
Over time	1,873,252	1,082,000	1,710,908	1,382,681	650,957	349,782	65,386	(93,844)	7,021,122
	1,918,242	1,082,000	2,014,530	1,399,743	672,848	349,859	122,283	(120,027)	7,439,478
Results									
Segment profit (loss) before tax	436,297	187,971	180,202	(15,400)	137,261	(447,857)	125,359	(135,608) (ii)	468,225
Depreciation and amortisation	209,553	334,193	404,392	569,642	142,815	208,892	7,069	135,608 (iii)	2,012,164
Net finance costs	238,306	5,990	55,189	159,792	3,455	11,088	386	-	474,206

OOREDOO Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2019

25 SEGMENT INFORMATION (CONTINUED)

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

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

	<i>For the three-month period ended</i>	
	<i>30 June</i>	
	<i>2019</i>	<i>2018</i>
	<i>(Reviewed)</i>	
	<i>QR. '000</i>	<i>QR. '000</i>
Amortisation of intangibles	<u>(102,926)</u>	<u>(135,608)</u>

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

OOREDOO Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2019

25 SEGMENT INFORMATION (CONTINUED)

For the six-month period ended 30 June 2019 (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									
Revenue from rendering of telecom services	3,507,015	2,148,816	3,273,519	2,946,385	1,280,496	524,419	9,244	-	13,689,894
Sale of telecommunications equipment	62,743	-	405,331	85,029	25,230	2,715	91,056	-	672,104
Revenue from use of assets by others	8,479	-	3,932	120,844	7,129	5,737	-	-	146,121
Inter-segment	82,279	6,425	36,994	1,281	3,655	1,707	131,114	(263,455) (i)	-
Total revenue	<u>3,660,516</u>	<u>2,155,241</u>	<u>3,719,776</u>	<u>3,153,539</u>	<u>1,316,510</u>	<u>534,578</u>	<u>231,414</u>	<u>(263,455)</u>	<u>14,508,119</u>
Timing of revenue recognition									
At a point in time	124,984	-	405,331	85,029	25,230	2,715	114,682	(85,867)	672,104
Over time	<u>3,535,532</u>	<u>2,155,241</u>	<u>3,314,445</u>	<u>3,068,510</u>	<u>1,291,280</u>	<u>531,863</u>	<u>116,732</u>	<u>(177,588)</u>	<u>13,836,015</u>
	<u>3,660,516</u>	<u>2,155,241</u>	<u>3,719,776</u>	<u>3,153,539</u>	<u>1,316,510</u>	<u>534,578</u>	<u>231,414</u>	<u>(263,455)</u>	<u>14,508,119</u>
Results									
Segment profit (loss) before tax	<u>962,555</u>	<u>299,637</u>	<u>471,363</u>	<u>(123,607)</u>	<u>259,927</u>	<u>(349,526)</u>	<u>(146,159)</u>	<u>(229,243)</u> (ii)	<u>1,144,947</u>
Depreciation and amortisation	<u>443,965</u>	<u>665,376</u>	<u>815,812</u>	<u>1,336,776</u>	<u>319,651</u>	<u>422,944</u>	<u>7,770</u>	<u>229,243</u> (iii)	<u>4,241,537</u>
Net finance costs	<u>459,955</u>	<u>6,828</u>	<u>73,858</u>	<u>382,354</u>	<u>15,073</u>	<u>111,276</u>	<u>(263)</u>	<u>-</u>	<u>1,049,081</u>

OOREDOO Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2019

25 SEGMENT INFORMATION (CONTINUED)

For the six-month period ended 30 June 2018 (Reviewed)

	<i>Ooredoo Qatar</i>	<i>Asiacell</i>	<i>NMTC</i>	<i>Indosat Ooredoo</i>	<i>Ooredoo Oman</i>	<i>Ooredoo Myanmar</i>	<i>Others</i>	<i>Adjustments and eliminations</i>	<i>Total</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>
Revenue									
Revenue from rendering of telecom services	3,592,979	2,151,083	3,378,698	2,767,877	1,278,437	700,802	58,294	-	13,928,170
Sale of telecommunications equipment	96,544	-	670,912	38,913	24,201	251	218,564	-	1,049,385
Revenue from use of assets by others	9,327	-	1,749	119,868	10,505	3,132	-	-	144,581
Inter-segment	198,043	6,387	81,110	2,421	3,181	1,157	75,272	(367,571) (i)	-
Total revenue	3,896,893	2,157,470	4,132,469	2,929,079	1,316,324	705,342	352,130	(367,571)	15,122,136
Timing of revenue recognition									
At a point in time	96,544	-	670,912	38,913	24,201	251	218,564	(172,339)	877,046
Over time	3,800,349	2,157,470	3,461,557	2,890,166	1,292,123	705,091	133,566	(195,232)	14,245,090
	3,896,893	2,157,470	4,132,469	2,929,079	1,316,324	705,342	352,130	(367,571)	15,122,136
Results									
Segment profit (loss) before tax	837,613	407,540	444,268	(155,727)	254,846	(450,677)	71,072	(271,552) (ii)	1,137,383
Depreciation and amortisation	421,926	673,916	809,143	1,156,531	296,874	414,195	14,162	271,552 (iii)	4,058,299
Net finance costs	473,778	12,836	73,682	310,386	7,197	19,312	758	-	897,949

OOREDOO Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2019

25 SEGMENT INFORMATION (CONTINUED)

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

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

<i>For the six-month period ended 30 June</i>	
<i>2019</i>	<i>2018</i>
<i>(Reviewed)</i>	
<i>QR. '000</i>	<i>QR. '000</i>
Amortisation of intangibles	
<u>(229,243)</u>	<u>(271,552)</u>

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

The following table presents segment assets of the Group's operating segments as at 30 June 2019 and 31 December 2018.

	<i>Ooredoo Qatar</i>	<i>Asiacell</i>	<i>NMTC</i>	<i>Indosat Ooredoo</i>	<i>Ooredoo Oman</i>	<i>Ooredoo Myanmar</i>	<i>Others</i>	<i>Adjustments and eliminations</i>	<i>Total</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>
Segment assets (i)									
At 30 June 2019 (Reviewed)	<u>14,245,974</u>	<u>9,078,102</u>	<u>20,588,156</u>	<u>16,085,222</u>	<u>3,871,831</u>	<u>7,047,725</u>	<u>3,885,574</u>	<u>8,642,061</u>	<u>83,444,645</u>
At 31 December 2018 (Audited)	<u>18,693,034</u>	<u>9,850,453</u>	<u>19,661,685</u>	<u>15,256,760</u>	<u>3,890,053</u>	<u>5,438,759</u>	<u>4,037,784</u>	<u>8,470,947</u>	<u>85,299,475</u>

(i) Goodwill amounting to QR. 8,642,061 thousand (31 December 2018: QR 8,470,947 thousand) was not considered as part of segment assets.

OOREDOO Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six-month period ended 30 June 2019

26 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) prices 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 or liability, either directly or indirectly; and

Level 3: Unobservable inputs for the assets or liability.

The following table provides the fair value measurement hierarchy of the Group's financial asset and liabilities at 30 June 2019 and 31 December 2018:

	<i>30 June 2019 (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				
FVTOCI	840,505	-	222,204	618,301
FVTPL	91,092	1,955	89,134	3
Derivative financial instruments	65	-	65	-
Other assets for which fair value is disclosed				
Trade and other receivables	4,547,592	-	-	4,547,592
Bank balances and cash	11,547,082	-	-	11,547,082
	<u>17,026,336</u>	<u>1,955</u>	<u>311,403</u>	<u>16,712,978</u>
Liabilities:				
Other financial liability measured at fair value				
Derivative financial instruments	113,405	-	113,405	-
Cash settled share-based payments	145,973	-	145,973	-
Other financial liability for which fair value is disclosed				
Loans and borrowings	32,478,827	20,192,044	12,286,783	-
	<u>32,738,205</u>	<u>20,192,044</u>	<u>12,546,161</u>	<u>-</u>
	<i>31 December 2018 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				
FVTOCI	855,195	-	236,894	618,301
FVTPL	92,042	3,377	88,662	3
Derivative financial instruments	264	-	264	-
Other assets for which fair value is disclosed				
Trade and other receivables	4,232,095	-	-	4,232,095
Bank balances and cash	17,493,273	-	-	17,493,273
	<u>22,672,869</u>	<u>3,377</u>	<u>325,820</u>	<u>22,343,672</u>
Liabilities				
Other financial liabilities measured at fair value				
Derivative financial instruments	83,273	-	83,273	-
Cash settled share-based payments	187,561	-	187,561	-
Other financial liability for which fair value is disclosed				
Loans and borrowings	36,825,982	21,693,684	15,132,298	-
	<u>37,096,816</u>	<u>21,693,684</u>	<u>15,403,132</u>	<u>-</u>

There were no transfers among Levels 1, 2, and 3 for the six-month period ended 30 June 2019 and for the year ended 31 December 2018.

OOREDOO Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six-month period ended 30 June 2019

27 EVENT AFTER THE REPORTING DATE

On 19 March 2019, the Extraordinary General Meeting of the Company approved the par value of the ordinary share to be QR. 1 instead of QR. 10, as per the instructions of Qatar Financial Markets Authority, and amendment of the related Articles of Association.

The share split has been implemented on 4 July 2019 and this has led to an increased in the number of authorized shares from 500,000,000 shares to 5,000,000,000 ordinary shares and the total number of issued and fully paid up shares increased from 320,320,000 shares to 3,203,200,000 ordinary shares (Note 13). Consequently, weighted average number of shares outstanding and the computed Earnings per Share (EPS) have been retrospectively adjusted from QR. 0.63 for the three-month period ended 30 June 2018, and QR. 2.15 for the six-month period ended 30 June 2018, to QR. 0.06 and QR. 0.22, respectively (Note 7). The share split also impacted the EPS upon transition to IFRS 16 (Note 3a).

28 RESTATEMENT OF COMPARATIVE INFORMATION

Certain comparative information have been restated in order to account for the amendments and changes in relation to the initial application of IFRS 15 and IFRS 9. The restatement impacted the condensed consolidated interim statement of changes in equity for the six-month period ended 30 June 2018.

	<i>Adjusted balance as at 1 January 2018 (As previously reported)</i>	<i>Restatement</i>	<i>As at 1 January 2018 (Restated)</i>
	<i>QR. '000</i>	<i>QR. '000</i>	<i>QR. '000</i>
Retained earnings	12,256,032	74,320	12,330,352
Non-controlling interests	6,504,261	6,687	6,510,948