



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

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



OOREDOO Q.P.S.C.

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

CONTENTS	Page (s)
Independent auditors' 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 - 26

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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 September 2017, and the related condensed consolidated interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine-month period then ended and summary of significant accounting policies and other 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".

Doha – Qatar
29 October, 2017

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 nine-month period ended 30 September 2017

	<i>For the three-month period ended 30 September</i>		<i>For the nine-month period ended 30 September</i>	
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>
	<i>(Reviewed)</i>		<i>(Reviewed)</i>	
<i>Note</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Revenue	8,216,953	8,351,642	24,475,989	24,265,615
Operating expenses	(2,987,936)	(2,983,526)	(8,896,565)	(8,755,400)
Selling, general and administrative expenses	(1,706,550)	(1,733,416)	(5,127,185)	(5,434,395)
Depreciation and amortisation	(2,125,825)	(2,137,786)	(6,298,736)	(6,235,699)
Net finance costs	(434,274)	(440,366)	(1,308,805)	(1,371,703)
Impairment of financial assets	(897)	(39,466)	(3,952)	(44,907)
Other income – net	4 (25,271)	(304,079)	49,673	416,785
Share of results in associates and joint venture – net of tax	9 (2,739)	43,708	6,533	80,232
Royalties and fees	5 (139,011)	(131,326)	(436,076)	(348,585)
Profit before income tax	794,450	625,385	2,460,876	2,571,943
Income tax	13 (211,678)	(135,102)	(571,076)	(385,282)
Profit for the period	582,772	490,283	1,889,800	2,186,661
Profit attributable to:				
Shareholders of the parent	461,904	369,911	1,558,684	1,831,769
Non-controlling interests	120,868	120,372	331,116	354,892
	582,772	490,283	1,889,800	2,186,661
Basic and diluted earnings per share				
(Attributable to shareholders of the parent)	6 1.44	1.15	4.87	5.72
(Expressed in QR per share)				

The attached notes 1 to 23 form part of these condensed consolidated interim financial statements



OOREDOO Q.P.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the nine-month period ended 30 September 2017

	Note	<i>For the three-month period ended 30 September</i>		<i>For the nine-month period ended 30 September</i>	
		<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>
		<i>(Reviewed)</i>		<i>(Reviewed)</i>	
		<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Profit for the period		582,772	490,283	1,889,800	2,186,661
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	4,423	4,520	21,041	(6,755)
Effective portion of changes in fair value of cash flow hedges	17	75	736	22	(739)
Share of other comprehensive (loss) income of associates and joint venture	17	(1,342)	4,006	(6,585)	(8,154)
Foreign currency translation differences	17	(151,495)	860	44,006	107,728
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Net changes in fair value of employee benefit reserve	17	122	821	(22,501)	4,216
Other comprehensive income (loss)– net of tax		(148,217)	10,943	35,983	96,296
Total comprehensive income for the period		434,555	501,226	1,925,783	2,282,957
Total comprehensive income attributable to:					
Shareholders of the parent		365,796	347,085	1,633,398	1,871,375
Non-controlling interests		68,759	154,141	292,385	411,582
		434,555	501,226	1,925,783	2,282,957

The attached notes 1 to 23 form part of these condensed consolidated interim financial statements



OOREDOO Q.P.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 September 2017

		<i>30 September 2017 (Reviewed)</i>	<i>31 December 2016 (Audited)</i>
	<i>Note</i>	<i>QR'000</i>	<i>QR'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment	7	29,480,675	32,240,212
Intangible assets and goodwill	8	29,041,709	29,826,947
Investment property		62,978	69,058
Investment in associates and joint ventures	9	2,141,952	2,043,222
Available-for-sale investments		767,740	732,742
Other non-current assets		672,831	586,076
Deferred tax assets		360,353	269,987
Total non-current assets		<u>62,528,238</u>	<u>65,768,244</u>
Current assets			
Inventories		570,486	581,144
Trade and other receivables		7,840,492	7,664,209
Bank balances and cash	10	17,560,255	16,501,877
Total current assets		<u>25,971,233</u>	<u>24,747,230</u>
TOTAL ASSETS		<u><u>88,499,471</u></u>	<u><u>90,515,474</u></u>
EQUITY			
Share capital	11	3,203,200	3,203,200
Legal reserve		12,434,282	12,434,282
Fair value reserve		476,907	462,600
Employees benefit reserve		(12,143)	2,482
Translation reserve	12	(6,243,996)	(6,319,028)
Other statutory reserves		1,152,553	1,152,553
Retained earnings		11,753,570	11,247,966
Equity attributable to shareholders of the parent		<u>22,764,373</u>	22,184,055
Non-controlling interests		6,822,692	6,817,056
Total equity		<u>29,587,065</u>	<u>29,001,111</u>

The attached notes 1 to 23 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 September 2017

		<i>30 September 2017 (Reviewed)</i>	<i>31 December 2016 (Audited)</i>
	<i>Note</i>	<i>QR'000</i>	<i>QR'000</i>
LIABILITIES			
Non-current liabilities			
Loans and borrowings	15	37,539,742	37,435,014
Employees benefits		938,952	924,777
Deferred tax liabilities		386,784	422,240
Other non-current liabilities		<u>1,838,838</u>	<u>2,285,034</u>
Total non-current liabilities		<u>40,704,316</u>	<u>41,067,065</u>
Current liabilities			
Deferred income		1,924,029	1,827,393
Loans and borrowings	15	2,407,717	3,313,079
Trade and other payables	16	12,764,498	14,307,134
Income tax payable		<u>1,111,846</u>	<u>999,692</u>
Total current liabilities		<u>18,208,090</u>	<u>20,447,298</u>
Total liabilities		<u>58,912,406</u>	<u>61,514,363</u>
TOTAL EQUITY AND LIABILITIES		<u>88,499,471</u>	<u>90,515,474</u>

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

.....
Ali Shareef Al-Emadi
Deputy Chairman



OOREDOO Q.P.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended 30 September 2017

	Note	<i>Attributable to shareholders of the parent</i>								<i>Non – controlling interests</i>	<i>Total equity</i>
		<i>Share capital</i>	<i>Legal reserve</i>	<i>Fair value reserve</i>	<i>Employees benefit reserve</i>	<i>Translation reserve</i>	<i>Other statutory reserves</i>	<i>Retained Earnings</i>	<i>Total</i>		
		<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
At 31 December 2016 (Audited)		3,203,200	12,434,282	462,600	2,482	(6,319,028)	1,152,553	11,247,966	22,184,055	6,817,056	29,001,111
Profit for the period		-	-	-	-	-	-	1,558,684	1,558,684	331,116	1,889,800
Other comprehensive income		-	-	14,307	(14,625)	75,032	-	-	74,714	(38,731)	35,983
Total comprehensive income (loss) for the period		-	-	14,307	(14,625)	75,032	-	1,558,684	1,633,398	292,385	1,925,783
<i>Transactions with shareholders of the Parent, recognised directly in equity</i>											
Dividends for 2016	14	-	-	-	-	-	-	(1,121,120)	(1,121,120)	-	(1,121,120)
<i>Transactions with non-controlling interest, recognised directly in equity</i>											
Changes in non-controlling interest of a subsidiary	(i)	-	-	-	-	-	-	69,226	69,226	25,129	94,355
Changes in non-controlling interest of associate		-	-	-	-	-	-	671	671	-	671
Dividends for 2016		-	-	-	-	-	-	-	-	(311,526)	(311,526)
<i>Transactions with non-owners of the Group</i>											
Transfer to employee association fund		-	-	-	-	-	-	(1,857)	(1,857)	(352)	(2,209)
At 30 September 2017 (Reviewed)		3,203,200	12,434,282	476,907	(12,143)	(6,243,996)	1,152,553	11,753,570	22,764,373	6,822,692	29,587,065

(i) One of the Group subsidiaries, Ooredoo Maldives, finalised an initial public offering (“IPO”) representing 9.5% shareholding on 20 July 2017. This resulted in total proceeds amounting to QR. 94.4 million and gain on disposal amounting to QR. 69.2 million treated as an equity transaction.



OOREDOO Q.P.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the nine-month period ended 30 September 2017

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 31 December 2015 (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 (loss) for the period	-	-	(16,222)	2,740	53,088	-	1,831,769	1,871,375	411,582	2,282,957	
Transactions with shareholders of the Parent, recognised directly in equity											
Dividends for 2015	14	-	-	-	-	-	(960,960)	(960,960)	-	(960,960)	
Transactions with non-controlling interest, recognised directly in equity											
Change in non-controlling interest of an associate	-	-	-	-	-	-	2,026	2,026	-	2,026	
Dividends 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.P.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the nine-month period ended 30 September 2017

	<i>For the nine-month period ended</i>	
	<i>30 September</i>	
	<i>2017</i>	<i>2016</i>
	<i>(Reviewed)</i>	
<i>Note</i>	<i>QR'000</i>	<i>QR'000</i>
OPERATING ACTIVITIES		
Profit before income taxes	2,460,876	2,571,943
Adjustments for:		
Depreciation and amortisation	6,298,736	6,235,699
Dividend income	(27,418)	(13,608)
Impairment of financial assets	3,952	44,907
Gain on disposal of available-for-sale investments	(317)	(2,841)
Gain on disposal of property, plant and equipment	(46,261)	(25,491)
Profit on disposal of a subsidiary	-	(34,450)
Net finance costs	1,308,805	1,371,703
Provision for employees' benefits	190,702	245,351
Provision for trade receivables	171,036	128,210
Share of results in associates and joint ventures – net of tax	(6,533)	(80,232)
	10,353,578	10,441,191
Operating profit before working capital changes		
Working capital changes:		
Changes in inventories	10,658	(93,590)
Changes in trade and other receivables	(347,319)	(97,311)
Changes in trade and other payables	(1,414,668)	(1,345,525)
Cash from operations	8,602,249	8,904,765
Finance costs paid	(1,487,728)	(1,512,822)
Employees' benefits paid	(258,159)	(154,927)
Income tax paid	(585,606)	(255,218)
Net cash from operating activities	6,270,756	6,981,798
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(2,116,549)	(3,471,825)
Acquisition of intangible assets	(749,513)	(2,568,543)
Net cash outflow from acquisition of a subsidiary	-	(131,816)
Additional investment in associates	(43,960)	(12,118)
Additional investment in joint ventures	(79,838)	-
Additional investment in available-for-sale investments	(18,935)	(11,996)
Proceeds from disposal of property, plant and equipment	62,550	452,762
Proceeds from disposal of available-for-sale investments	2,304	2,841
Proceeds from disposal of a subsidiary	-	27,274
Movement in restricted deposits	(115,863)	(315,624)
Movement in other non-current assets	(95,787)	18,418
Dividend received from an associate	100,206	107,020
Dividend received	27,418	13,608
Interest received	252,274	246,063
Net cash used in investing activities	(2,775,693)	(5,643,936)

The attached notes 1 to 23 form part of these condensed consolidated interim financial statements

OOREDOO Q.P.S.C.**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
(CONTINUED)**

For the nine-month period ended 30 September 2017

		<i>For the nine-month period ended 30 September</i>	
		<i>2017</i>	<i>2016</i>
		<i>Reviewed</i>	
<i>Note</i>		<i>QR'000</i>	<i>QR'000</i>
FINANCING ACTIVITIES			
	Proceeds from loans and borrowings	2,971,354	9,591,477
	Repayment of loans and borrowings	(3,774,991)	(7,609,934)
	Proceeds from IPO transaction	94,355	-
	Additions to deferred financing costs	(5,507)	(101,328)
14	Dividends paid to shareholders of the parent	(1,121,120)	(960,960)
	Dividends paid to non-controlling interests	(311,526)	(176,118)
	Movement in other non-current liabilities	(410,236)	147,471
	Net cash (used in) generated from financing activities	(2,557,671)	890,608
NET CHANGE IN CASH AND CASH EQUIVALENTS			
	Effect of exchange rate fluctuations	5,123	(467,073)
	Cash and cash equivalents at 1 January	16,068,325	18,038,068
	CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	17,010,840	19,799,465

The attached notes 1 to 23 form part of these condensed consolidated interim financial statements



OOREDOO Q.P.S.C.

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

1 REPORTING ENTITY

Qatar Public Telecommunications Corporation (the "Corporation") was formed on 29 June 1987 domiciled in the State of Qatar by Law No. 13 of 1987 to provide domestic and international telecommunication services within the State of Qatar. The Company's registered office is located at 100 Westbay Tower, Doha, State of Qatar.

The Corporation was transformed into a Qatari Shareholding Company under the name of Qatar Telecom (Qtel) Q.S.C. (the "Company") on 25 November 1998, pursuant to Law No. 21 of 1998.

In June 2013, the legal name of the Company was changed to Ooredoo Q.S.C. This change had been duly approved by the shareholders at the Company's extraordinary general assembly meeting held on 31 March 2013.

The Company changed its legal name from Ooredoo Q.S.C. to Ooredoo Q.P.S.C. to comply with the provisions of the new Qatar Commercial Companies Law issued on 7 July 2015.

The Company is the telecommunications service provider licensed by the Communications Regulatory Authority (CRA) (formerly known as Supreme Council of Information and Communication Technology (ictQATAR)) to provide both fixed and mobile telecommunications services in the state of Qatar. As a licensed service provider, the conduct and activities of the Company are regulated by CRA pursuant to Law No. 34 of 2006 (Telecommunications Law) and the Applicable Regulatory Framework.

The Company and its subsidiaries (together referred to as the "Group") provides domestic and international telecommunication services in Qatar and elsewhere in the Asia and Middle East and North African (MENA) region. Qatar Holding L.L.C. is the ultimate Parent Company of the Group.

The condensed consolidated interim financial statements of the Group for the nine-month period ended 30 September 2017 were authorized for issue in accordance with a resolution of the Board of Directors of the Company on 29 October 2017.

2 BASIS OF PREPARATION

The condensed consolidated interim financial statements for the nine-month period ended 30 September 2017 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34").

The condensed consolidated interim financial statements are prepared in Qatari Riyals, which is the Company's functional and presentation currency and all values are rounded to the nearest thousand (QR'000) except when otherwise indicated.

The condensed consolidated interim financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2016. In addition, results for the nine-month period ended 30 September 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

Risk management, judgements and estimates

The preparation of the condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual consolidated financial statements for the year ended 31 December 2016.

The Group's financial risk management objectives and policies are consistent with those disclosed in the Group's annual consolidated financial statements as at and for the year ended 31 December 2016.

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

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2016, and the notes attached thereto, except for certain new and revised standards, that became effective in the current period, which have introduced certain changes. Some of these new and revised standards are changes in terminology only, and some are substantive but have had no material effect on these condensed consolidated interim financial statements of the Group.

(i) Revised Standards:

Effective for annual periods beginning on or after 1 January 2017

- IAS 7 (Revised) *Amendments to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities*
- IAS 12 (Revised) *Amendments relating to the recognition of deferred tax assets for unrealised losses*
- Annual Improvements 2014-2016 Cycle *Amendments to IFRS 12*

(ii) New and revised standards and interpretation issued but not yet effective

Effective for annual periods beginning on or after 1 January 2018

- IFRS 2 (Revised) *Amendments regarding classification and measurement of share based payment transactions*
- IFRS 7 (Revised) *Amendments relating to disclosures about the initial application of IFRS 9*
- IFRS 9 *Financial Instruments*
- IFRS 15 *Revenue from Contracts with Customers*
- IAS 40 (Revised) *Investment Property – Amendments to paragraph 57*
- Annual Improvements 2014-2016 Cycle *Amendments to IFRS 1 and IAS 28*
- IFRIC 22 *Foreign Currency Transactions and Advance Consideration*

Effective for annual periods beginning on or after 1 January 2019

- IFRS 16 *Leases*
- IFRIC 23 *Uncertainty over Income tax Treatments*

Effective for annual periods beginning on or after 1 January 2021

- IFRS 17 *Insurance contracts*

IFRS 15 Revenue from Contracts with Customers

In May 2014, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations when it becomes effective, from 1 January 2018. The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
IFRS 9 Financial Instruments

In July 2014, a finalised version of IFRS 9 was issued which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments from 1 January 2018, when it becomes effective.

The application of IFRS 9 and 15 may have significant impact on amounts reported in the condensed consolidated interim financial statements and will result in more extensive disclosures in the condensed consolidated interim financial statements on initial application. However, the Group is currently in the process of evaluating and implementing the required changes in its systems, policies and processes to comply with IFRS 9 and 15 requirements, and hence it is not practical to disclose a reliable quantitative impact until the implementation programme is further advanced.

Management is continuing to assess the impact of the application of these standards and other changes on the consolidated financial statements.

4 OTHER INCOME - NET

	<i>For the three-month period ended 30 September</i>		<i>For the nine-month period ended 30 September</i>	
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>
	<i>(Reviewed)</i>		<i>(Reviewed)</i>	
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Foreign currency (losses) / gains– net	(24,804)	(331,934)	59,710	288,250
Dividend income	-	-	27,418	13,608
Rental income	7,708	6,921	23,250	21,783
Change in fair value of derivatives – net	501	(12,083)	(9,879)	(79,619)
Miscellaneous (expense) / income	(8,676)	33,017	(50,826)	172,763
	(25,271)	(304,079)	49,673	416,785

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>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>
		<i>(Reviewed)</i>		<i>(Reviewed)</i>	
		<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Royalty	(i)	78,244	45,166	230,114	131,991
Industry fees	(ii)	53,416	76,774	183,365	193,742
Other statutory fees	(iii)	7,351	9,386	22,597	22,852
		139,011	131,326	436,076	348,585

- i. Royalty is payable to the Government of the Sultanate of Oman based on 12% (2016: 7%) of the net of predefined sources of revenue and operating expenses. Effective 1 January 2017, royalty rate increased from 7% to 12%.
- ii. The Group provides for a 12.5% industry fee on profits generated from the Group's operations in Qatar.
- iii. Contributions by National Mobile Telecommunications Company K.S.C.P to Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST") and Zakat are included under other statutory fees.



OOREDOO Q.P.S.C.

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

6 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to the shareholders of the parent by the weighted average number of shares outstanding during the period.

There were no potentially dilutive shares outstanding at any time during the period and, therefore, the dilutive earnings per share is equal to the basic earnings per share.

	<i>For the three-month period ended 30 September</i>		<i>For the nine-month period ended 30 September</i>	
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>
	<i>(Reviewed)</i>		<i>(Reviewed)</i>	
Profit for the period attributable to shareholders of the parent (QR '000)	461,904	369,911	1,558,684	1,831,769
Weighted average number of shares (In '000)	320,320	320,320	320,320	320,320
Basic and diluted earnings per share (QR)	1.44	1.15	4.87	5.72

7 PROPERTY, PLANT AND EQUIPMENT

	<i>30 September 2017 (Reviewed) QR'000</i>	<i>31 December 2016 (Audited) QR'000</i>
Net book value at beginning of the period / year	32,240,212	33,526,222
Acquisition of a subsidiary	-	36,836
Additions	2,116,549	5,584,582
Disposals	(16,289)	(474,587)
Reclassification	(56,472)	(46,810)
Depreciation for the period / year	(4,759,727)	(6,357,583)
Exchange adjustment	(43,598)	(28,448)
Carrying value at the end of the period / year	29,480,675	32,240,212

i) *Uncertainty in Iraq*

Due to current security situation of certain locations in Iraq, Asiacell, one of the Group's subsidiaries, may be unable to effectively exercise control over some of its property and equipment. The net book value of these assets amounted to QR 6,391 thousand as at 30 September 2017 (2016: QR 149,445 thousand). Based on an assessment performed by Asiacell, an insignificant amount of damage has occurred which has been provided for accordingly.

- ii) Asiacell reached an agreement with the local bank in Iraq wherein Asiacell received properties in exchange for the equivalent value of the bank deposits. As at 30 September 2017, Asiacell received parcels of lands and buildings located in Baghdad and Sulaymaniah amounting to a total amount of QR 440,440 thousand. Currently, the legal title is transferred to a related party of Asiacell and it will be transferred in the name of Asiacell upon completing legal formalities. However, the Group has obtained an indemnity letter from the related party that these assets are under the Group's control and the ownership will be transferred upon completing the legal formalities.



OOREDOO Q.P.S.C.

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

8 INTANGIBLE ASSETS AND GOODWILL

	<i>30 September 2017 (Reviewed) QR'000</i>	<i>31 December 2016 (Audited) QR'000</i>
Net book value at beginning of the period / year	29,826,947	30,359,092
Acquisition of a subsidiary	-	148,559
Derecognition of previously held interest in a subsidiary	-	(2,231)
Additions	786,383	1,851,204
Reclassification	56,472	21,900
Amortisation for the period / year	(1,532,929)	(2,000,770)
Exchange adjustment	(95,164)	(550,807)
	<u>29,041,709</u>	<u>29,826,947</u>

- i) Indefeasible rights of use (IRUs) are initially included in capital work in progress under property, plant and equipment once it meets the criteria for recognizing and measuring and subsequently transferred to intangibles once they are ready for intended use.

9 INVESTMENT IN ASSOCIATES AND JOINT VENTURES

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

	<i>30 September 2017 (Reviewed) QR'000</i>	<i>31 December 2016 (Audited) QR'000</i>
Group's share in associates and joint ventures statement of financial position:		
Current assets	982,247	856,402
Non-current assets	2,714,864	2,554,610
Current liabilities	(726,894)	(662,746)
Non-current liabilities	(1,998,226)	(1,800,960)
	<u>971,991</u>	<u>947,306</u>
Net assets	971,991	947,306
Goodwill	1,169,961	1,095,916
	<u>2,141,952</u>	<u>2,043,222</u>

	<i>For the three-month period ended 30 September</i>		<i>For the nine-month period ended 30 September</i>	
	<i>2017 (Reviewed) QR'000</i>	<i>2016 QR'000</i>	<i>2017 (Reviewed) QR'000</i>	<i>2016 QR'000</i>
Share in revenues of associates and joint ventures	<u>430,766</u>	<u>434,925</u>	<u>1,270,105</u>	<u>1,277,571</u>
Share in results of associates and joint ventures – net of tax	<u>(2,739)</u>	<u>43,708</u>	<u>6,533</u>	<u>80,232</u>



OOREDOO Q.P.S.C.

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

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>2017</i>	<i>2016</i>
	<i>(Reviewed)</i>	
	<i>QR'000</i>	<i>QR'000</i>
Bank balances and cash	17,560,255	20,235,201
Less: restricted deposits	(549,415)	(435,736)
Cash and cash equivalents	17,010,840	19,799,465

11 SHARE CAPITAL

	<i>2017</i>		<i>2016</i>	
	<i>No of shares (000)</i>	<i>QR'000</i>	<i>No of shares (000)</i>	<i>QR'000</i>
Authorised				
<i>Ordinary shares of QR 10 each</i>				
At 30 September/31 December	500,000	5,000,000	500,000	5,000,000
Issued and fully paid up				
<i>Ordinary shares of QR 10 each</i>				
At 30 September/31 December	320,320	3,203,200	320,320	3,203,200

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 foreign operations.

13 INCOME TAX

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

	<i>For the three month period ended 30 September</i>		<i>For the nine-month period ended 30 September</i>	
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>
	<i>(Reviewed)</i>		<i>(Reviewed)</i>	
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Current income tax				
Current income tax charge	304,344	151,406	697,760	399,184
Deferred income tax				
Relating to origination and reversal of temporary differences	(92,666)	(16,304)	(126,684)	(13,902)
	211,678	135,102	571,076	385,282



OOREDOO Q.P.S.C.

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

14 DIVIDEND

Dividend declared and paid:

	<i>For the nine-month period ended 30 September</i>	
	<i>2017</i>	<i>2016</i>
	<i>(Reviewed)</i>	
	<i>QR'000</i>	<i>QR'000</i>
Declared and approved at the Annual General Meeting :		
Final dividend for 2016, QR 3.50 per share (2015: QR 3 per share)	1,121,120	960,960

15 LOANS AND BORROWINGS

	<i>30 September 2017 (Reviewed) QR'000</i>	<i>31 December 2016 (Audited) QR'000</i>
Loans and borrowings	40,251,267	41,099,737
Less: deferred financing costs	(303,808)	(351,644)
	39,947,459	40,748,093

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

	<i>30 September 2017 (Reviewed) QR'000</i>	<i>31 December 2016 (Audited) QR'000</i>
Non-current portion	37,539,742	37,435,014
Current portion	2,407,717	3,313,079
	39,947,459	40,748,093

The comparative fair value and carrying value of the Group's loans and borrowings are as follow:

	<i>Carrying amounts</i>		<i>Fair values</i>	
	<i>30 September 2017 (Reviewed) QR'000</i>	<i>31 December 2016 (Audited) QR'000</i>	<i>30 September 2017 (Reviewed) QR'000</i>	<i>31 December 2016 (Audited) QR'000</i>
Fixed rates	27,222,697	27,729,834	28,169,824	28,479,208
Floating rates	13,028,570	13,369,903	13,009,644	13,157,469
	40,251,267	41,099,737	41,179,468	41,636,677



OOREDOO Q.P.S.C.

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

16 TRADE AND OTHER PAYABLES

	<i>30 September 2017 (Reviewed) QR'000</i>	<i>31 December 2016 (Audited) QR'000</i>
Trade payables	3,300,868	4,722,161
Accrued expenses	5,382,250	5,335,801
Interest payable	348,771	362,739
Profit payable on Islamic financing obligation	47,433	12,511
License costs payable	405,358	321,797
Amounts due to international carriers	504,035	696,270
Negative fair value of derivatives	68,517	9,451
Finance lease liabilities (note 18)	154,893	149,674
Cash settled share based payments	126,857	174,318
Other payables	<u>2,425,516</u>	<u>2,522,412</u>
	<u>12,764,498</u>	<u>14,307,134</u>

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>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>
	<i>(Reviewed)</i>		<i>(Reviewed)</i>	
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
<i>Items that may be reclassified subsequently to profit or loss</i>				
<i>Available-for-sale investments</i>				
Fair value gain / (loss) arising during the period	3,412	1,839	16,772	(11,225)
Reclassification to profit or loss	114	2,677	317	2,841
Transfer to profit or loss on impairment	897	4	3,952	1,629
	<u>4,423</u>	<u>4,520</u>	<u>21,041</u>	<u>(6,755)</u>
<i>Cash flow hedges</i>				
(Loss)/ gain arising during the period	88	792	26	(757)
Deferred tax effect	(13)	(56)	(4)	18
	<u>75</u>	<u>736</u>	<u>22</u>	<u>(739)</u>
<i>Associates and joint venture</i>				
Share of changes in fair value of cash flow hedges	<u>(1,342)</u>	<u>4,006</u>	<u>(6,585)</u>	<u>(8,154)</u>
<i>Translation reserve</i>				
Foreign exchange translation differences - foreign operations	(151,495)	860	44,006	102,742
Transferred to profit or loss	-	-	-	3,885
Deferred tax effect	-	-	-	1,101
	<u>(151,495)</u>	<u>860</u>	<u>44,006</u>	<u>107,728</u>
<i>Items that will not be reclassified subsequently to profit or loss</i>				
<i>Employees benefit reserve</i>				
Net movement in employees benefit reserve	122	821	(30,019)	4,216
Deferred tax effect	-	-	7,518	-
	<u>122</u>	<u>821</u>	<u>(22,501)</u>	<u>4,216</u>
Other comprehensive income (loss) for the period – net of tax	<u>(148,217)</u>	<u>10,943</u>	<u>35,983</u>	<u>96,296</u>



OOREDOO Q.P.S.C.

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

18 COMMITMENTS

	<i>30 September 2017 (Reviewed) QR'000</i>	<i>31 December 2016 (Audited) QR'000</i>
Capital expenditure commitments not provided for		
Estimated capital expenditure contracted for at reporting date	<u>3,013,597</u>	<u>2,529,101</u>
Operating lease commitments		
Future minimum lease payments:		
Not later than one year	509,090	559,346
Later than one year and not later than five years	2,018,043	2,142,209
Later than five years	<u>2,448,918</u>	<u>3,030,564</u>
Total operating lease expenditure contracted for at the reporting date	<u>4,976,051</u>	<u>5,732,119</u>
Finance lease commitments		
Amounts under finance leases		
Minimum lease payments:		
Not later than one year	233,283	239,881
Later than one year and not later than five years	763,126	851,483
Later than five years	<u>50,186</u>	<u>144,988</u>
	1,046,595	1,236,352
Less: unearned finance income	<u>(228,766)</u>	<u>(290,336)</u>
Present value of minimum lease payments	<u>817,829</u>	<u>946,016</u>
Present value of minimum lease payments		
Current portion	154,893	149,674
Non-current portion	<u>662,936</u>	<u>796,342</u>
	<u>817,829</u>	<u>946,016</u>
Letters of credit	<u>200,432</u>	<u>109,831</u>

19 CONTINGENT LIABILITIES AND LITIGATIONS

	<i>30 September 2017 (Reviewed) QR'000</i>	<i>31 December 2016 (Audited) QR'000</i>
(i) Contingent liabilities		
Letters of guarantee	<u>654,979</u>	<u>744,358</u>
Claims against the Group not acknowledged as liability	<u>2,208</u>	<u>15,521</u>

(ii) Litigation

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

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

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 94,708 thousand for the three-month period ended 30 September 2017 (for the three-month period ended 30 September 2016: QR 107,472 thousand) and QR 279,183 thousand for the nine-month period ended 30 September 2017 (for the nine-month period ended 30 September 2016: QR 332,601 thousand) and end of service benefits amounted to QR 6,962 thousand for the three-month period ended 30 September 2017 (for the three-month period ended 30 September 2016: QR 15,613 thousand) and QR 16,813 thousand for the nine-month period ended 30 September 2017 (for the nine-month period ended 30 September 2016: QR 24,874 thousand). The remuneration to the Board of Directors and key management personnel has been included under the caption "Selling, general and administrative expenses".

21 SEGMENT INFORMATION

Information regarding the Group's reportable segments is set out below in accordance with "IFRS 8 Operating Segments". IFRS 8 requires reportable segments to be identified on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker ("CODM") and used to allocate resources to the segments and to assess their performance.

The Group is engaged in a single line of business, being the supply of telecommunications services and related products. The majority of the Group's revenues, profits and assets relate to its operations in the MENA. Outside of Qatar, the Group operates through its subsidiaries and associates and major operations that are reported to the Group's CODM are considered by the Group to be reportable segment. Revenue is attributed to reportable segments based on the location of the Group companies. Inter-segment sales are charged at arms' length prices.

For management reporting purposes, the Group is organised into business units based on their geographical area covered, and has 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* is a provider of mobile telecommunication services in Kuwait and elsewhere in the MENA region;



OOREDOO Q.P.S.C.

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

21 SEGMENT INFORMATION (CONTINUED)

For management reporting purposes, the Group is organised into business units based on their geographical area covered, and has six reportable segments as follows: (continued)

4. *Indosat Ooredoo is a provider of telecommunication services such as cellular services, fixed telecommunications, multimedia, data communication and internet services in Indonesia;*
5. *Ooredoo Oman is a provider of mobile and fixed telecommunication services in Oman;*
6. *Ooredoo Myanmar is a provider of mobile telecommunication services in Myanmar; and*
7. *Others include some of the Group's subsidiaries which are providers of wireless and telecommunication services.*

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

OOREDOO Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2017

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 2017 and 2016:

For the three-month period ended 30 September 2017 (Reviewed)

	<i>Ooredoo Qatar QR'000</i>	<i>Asiacell QR'000</i>	<i>NMTC QR'000</i>	<i>Indosat Ooredoo QR'000</i>	<i>Ooredoo Oman QR'000</i>	<i>Ooredoo Myanmar QR'000</i>	<i>Others QR'000</i>	<i>Adjustments and eliminations QR'000</i>	<i>Total QR'000</i>
Revenue									
Third party	1,779,559	1,167,452	2,098,304	2,034,139	673,367	336,298	127,834	-	8,216,953
Inter-segment	39,117	4,403	58,002	1,759	3,544	712	39,863	(147,400) (i)	-
Total revenue	1,818,676	1,171,855	2,156,306	2,035,898	676,911	337,010	167,697	(147,400)	8,216,953
Results									
Segment profit / (loss) before tax	411,488	133,576	360,465	149,068	134,114	(147,013)	(96,177)	(151,071) (ii)	794,450
Depreciation and amortisation	216,391	351,884	419,163	635,497	158,005	185,282	8,532	151,071 (iii)	2,125,825
Net finance costs	232,772	9,099	25,898	151,938	4,544	9,683	340	-	434,274



OOREDOO Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2017

21 SEGMENT INFORMATION (CONTINUED)

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

	<i>Ooredoo Qatar QR'000</i>	<i>Asiacell QR'000</i>	<i>NMTC QR'000</i>	<i>Indosat Ooredoo QR'000</i>	<i>Ooredoo Oman QR'000</i>	<i>Ooredoo Myanmar QR'000</i>	<i>Others QR'000</i>	<i>Adjustments and eliminations QR'000</i>	<i>Total QR'000</i>
Revenue									
Third party	1,899,852	1,063,624	2,128,337	2,096,409	671,785	386,288	105,347	-	8,351,642
Inter-segment	48,955	2,321	69,309	6,651	3,345	1,817	41,841	(174,239) (i)	-
Total revenue	<u>1,948,807</u>	<u>1,065,945</u>	<u>2,197,646</u>	<u>2,103,060</u>	<u>675,130</u>	<u>388,105</u>	<u>147,188</u>	<u>(174,239)</u>	<u>8,351,642</u>
Results									
Segment profit / (loss) before tax	<u>558,898</u>	<u>69,714</u>	<u>296,986</u>	<u>186,748</u>	<u>156,968</u>	<u>(508,688)</u>	<u>(8,835)</u>	<u>(126,406) (ii)</u>	<u>625,385</u>
Depreciation and amortisation	<u>206,809</u>	<u>361,661</u>	<u>429,730</u>	<u>660,750</u>	<u>162,246</u>	<u>182,027</u>	<u>8,157</u>	<u>126,406 (iii)</u>	<u>2,137,786</u>
Net finance costs	<u>238,997</u>	<u>6,822</u>	<u>14,457</u>	<u>164,111</u>	<u>5,746</u>	<u>9,853</u>	<u>380</u>	<u>-</u>	<u>440,366</u>

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

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

*For the three-month period ended
30 September*

<i>2017</i>	<i>2016</i>
<i>(Reviewed)</i>	
<i>QR'000</i>	<i>QR'000</i>
<u>(151,071)</u>	<u>(126,406)</u>

Amortisation of intangibles

(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 nine-month period ended 30 September 2017

21 SEGMENT INFORMATION (CONTINUED)

For the nine-month period ended 30 September 2017 (Reviewed)

	<i>Ooredoo Qatar QR'000</i>	<i>Asiacell QR'000</i>	<i>NMTC QR'000</i>	<i>Indosat Ooredoo QR'000</i>	<i>Ooredoo Oman QR'000</i>	<i>Ooredoo Myanmar QR'000</i>	<i>Others QR'000</i>	<i>Adjustments and eliminations QR'000</i>	<i>Total QR'000</i>
Revenue									
Third party	5,472,409	3,332,642	6,090,659	6,155,573	1,987,087	957,464	480,155	-	24,475,989
Inter-segment	388,574	14,466	174,112	9,716	7,603	3,198	123,393	(721,062) (i)	-
Total revenue	5,860,983	3,347,108	6,264,771	6,165,289	1,994,690	960,662	603,548	(721,062)	24,475,989
Results									
Segment profit / (loss) before tax	1,342,725	326,909	962,295	505,707	343,802	(401,886)	(231,048)	(387,628) (ii)	2,460,876
Depreciation and amortisation	639,972	1,068,391	1,257,607	1,910,221	477,363	533,062	24,492	387,628 (iii)	6,298,736
Net finance costs	688,705	28,939	77,160	468,397	14,981	29,622	1,001	-	1,308,805



OOREDOO Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2017

21 SEGMENT INFORMATION (CONTINUED)

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

	<i>Ooredoo Qatar QR '000</i>	<i>Asiacell QR '000</i>	<i>NMTC QR '000</i>	<i>Indosat Ooredoo QR '000</i>	<i>Ooredoo Oman QR '000</i>	<i>Ooredoo Myanmar QR '000</i>	<i>Others QR '000</i>	<i>Adjustments and eliminations QR '000</i>	<i>Total QR '000</i>
Revenue									
Third party	5,459,418	3,153,349	6,221,823	5,874,045	1,965,642	1,098,072	493,266	-	24,265,615
Inter-segment	<u>522,160</u>	<u>8,046</u>	<u>210,576</u>	<u>16,133</u>	<u>7,120</u>	<u>6,923</u>	<u>122,041</u>	<u>(892,999)</u> (i)	-
Total revenue	<u>5,981,578</u>	<u>3,161,395</u>	<u>6,432,399</u>	<u>5,890,178</u>	<u>1,972,762</u>	<u>1,104,995</u>	<u>615,307</u>	<u>(892,999)</u>	<u>24,265,615</u>
Results									
Segment profit / (loss) before tax	<u>1,429,824</u>	<u>319,065</u>	<u>740,868</u>	<u>382,000</u>	<u>463,358</u>	<u>(287,794)</u>	<u>(136,211)</u>	<u>(339,167)</u> (ii)	<u>2,571,943</u>
Depreciation and amortisation	<u>624,169</u>	<u>1,069,876</u>	<u>1,294,321</u>	<u>1,927,919</u>	<u>458,452</u>	<u>493,064</u>	<u>28,731</u>	<u>339,167</u> (iii)	<u>6,235,699</u>
Net finance costs	<u>722,873</u>	<u>14,615</u>	<u>97,050</u>	<u>493,421</u>	<u>17,928</u>	<u>24,849</u>	<u>967</u>	-	<u>1,371,703</u>

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

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

*For the nine-month period ended
30 September*

<u>2017</u>	<u>2016</u>
<u>QR '000</u>	<u>QR '000</u>

Amortization of intangibles

<u>(387,628)</u>	<u>(339,167)</u>
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(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 nine-month period ended 30 September 2017

21 SEGMENT INFORMATION (CONTINUED)

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

	<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>
Segment assets (i)									
At 30 September 2017 (Reviewed)	<u>18,830,365</u>	<u>9,928,485</u>	<u>22,177,418</u>	<u>14,317,000</u>	<u>3,619,887</u>	<u>6,409,165</u>	<u>4,085,438</u>	<u>9,131,713</u>	<u>88,499,471</u>
At 31 December 2016 (Audited)	<u>18,676,837</u>	<u>10,157,657</u>	<u>22,432,052</u>	<u>15,407,894</u>	<u>3,756,177</u>	<u>7,294,186</u>	<u>3,558,739</u>	<u>9,231,932</u>	<u>90,515,474</u>

- (i) Goodwill amounting to QR 9,131,713 thousand (31 December 2016: QR 9,231,932 thousand) was not considered as part of segment assets.



OOREDOO Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2017

22 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the assets of liability, either directly or indirectly
- Level 3: Unobservable inputs for the asset or liability

The following table provides the fair value measurement hierarchy of the Group's financial asset and liabilities at 30 September 2017 and 31 December 2016:

	<i>30 September 2017 (Reviewed) QR'000</i>	<i>Level 1 QR'000</i>	<i>Level 2 QR'000</i>	<i>Level 3 QR'000</i>
Assets:				
Financial assets measured at fair value:				
Available-for-sale investments	733,884	7,845	232,098	493,941
Derivative financial instruments	833	-	833	-
	<u>734,717</u>	<u>7,845</u>	<u>232,931</u>	<u>493,941</u>
Liabilities:				
Other financial liability measured at fair Value				
Derivative financial instruments	68,517	-	68,517	-
Other financial liability for which fair value is disclosed				
Loans and borrowings	41,179,468	27,226,059	13,953,409	-
	<u>41,247,985</u>	<u>27,226,059</u>	<u>14,021,926</u>	<u>-</u>
	<i>31 December 2016 (Audited) QR'000</i>	<i>Level 1 QR'000</i>	<i>Level 2 QR'000</i>	<i>Level 3 QR'000</i>
Assets				
Financial assets measured at fair value:				
Available-for-sale investments	697,590	10,648	193,001	493,941
Derivative financial instruments	4,152	-	4,152	-
	<u>701,742</u>	<u>10,648</u>	<u>197,153</u>	<u>493,941</u>
Liabilities:				
Other financial liability measured at fair value				
Derivative financial instruments	9,451	-	9,451	-
Other financial liability for which fair value is disclosed				
Loans and borrowings	41,636,677	26,261,685	15,374,992	-
	<u>41,646,128</u>	<u>26,261,685</u>	<u>15,384,443</u>	<u>-</u>

There were no transfers among Levels 1, 2, and 3 for the nine-month period ended 30 September 2017 and year ended 31 December 2016.



OOREDOO Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2017

23 ACQUISITION OF A SUBSIDIARY

On 2 May 2016, the Group acquired control over Fast Telecommunications Company W.L.L, Kuwait (FASTtelco), through an acquisition of 100% equity interest (ordinary equity shares) for a total consideration of QR 132,612 thousand. The net cash outflow on acquisition, net of cash acquired with the subsidiary of QR 796 thousand, amounted to QR 131,816 thousand. Goodwill recognized as a result of the acquisition amounted to QR 23,233 thousand.

	QR'000
Purchase consideration	<u>132,612</u>
Net assets acquired	<u>(109,379)</u>
	23,233
Cash flows upon acquisition of FASTtelco:	
	QR'000
Purchase consideration settled in cash	<u>132,612</u>
Cash and cash equivalents in subsidiary acquired	<u>(796)</u>
Cash outflow on acquisition	<u>131,816</u>
	Fair value on acquisition
	<i>QR'000</i>
Assets	
Property and equipment	36,679
Intangible assets	125,326
Other non-current assets – Deferred cost	14,290
Inventories	5,466
Trade and other receivables	43,783
Bank balances and cash	796
	<u>226,340</u>
Liabilities	
Loans and borrowings	26,095
Employee benefits	10,257
Trade and other payables	80,609
	<u>116,961</u>
Net assets acquired	109,379
Purchase consideration	<u>(132,612)</u>
Goodwill arising upon acquisition	<u>23,233</u>

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