



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

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE-MONTH PERIOD ENDED
31 MARCH 2016**

OOREDOO Q.S.C.

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

For the three-month period ended 31 March 2016

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INDEPENDENT AUDITOR'S REVIEW REPORT

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

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of **Ooredoo Q.S.C.** (the "Company") and its subsidiaries (together the "Group") as at 31 March 2016, and the related condensed consolidated interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended and selected explanatory notes. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on 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".

Emphasis of matter

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

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

INDEPENDENT AUDITOR'S REVIEW REPORT (CONTINUED)

Other matter

The comparative amounts in the condensed consolidated interim statement of financial position at 31 December 2015 and related explanatory information were audited by another auditor whose report dated 1 March 2016 expressed an unmodified opinion thereon. The prior period comparative amounts in the condensed consolidated interim statements of profit or loss, other comprehensive income, changes in equity and cash flows and related explanatory information for the three month period ended 31 March 2015, were reviewed by the same auditor who issued an unmodified conclusion dated 29 April 2015.

Doha – Qatar
27 April 2016

For Deloitte & Touche
Qatar Branch

Midhat Salha
Partner
License No. 257



OOREDOO Q.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS
For the three-month period ended 31 March 2016

	<i>For the three-month period ended</i>	
	<i>31 March</i>	
	<u>2016</u>	<u>2015</u>
	<i>(Reviewed)</i>	
<i>Note</i>	<u><i>QR'000</i></u>	<u><i>QR'000</i></u>
Revenue	7,888,135	8,037,090
Operating expenses	(2,882,537)	(2,993,729)
Selling, general and administrative expenses	(1,830,629)	(1,895,630)
Depreciation and amortisation	(2,021,261)	(1,958,827)
Net finance costs	(463,932)	(486,049)
Impairment of financial assets	(1,625)	-
Other income / (expense) – net	4 544,533	(88,575)
Share in results of associates and joint venture – net of tax	9 4,241	57,164
Royalties and fees	5 (105,134)	(94,591)
Profit before income taxes	1,131,791	576,853
Income tax	13 (135,816)	(76,587)
Profit for the period	995,975	500,266
Profit attributable to:		
Shareholders of the parent	878,639	501,164
Non-controlling interests	117,336	(898)
	995,975	500,266
Basic and diluted earnings per share	6 2.74	1.56
(Attributable to shareholders of the parent)		
(Expressed in QR per share)		

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



OOREDOO Q.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the three-month period ended 31 March 2016

		<i>For the three-month period ended 31 March</i>	
		<u>2016</u>	<u>2015</u>
	<i>Note</i>	<i>(Reviewed)</i>	
		<u>QR'000</u>	<u>QR'000</u>
Profit for the period		995,975	500,266
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	16	(5,580)	(248,154)
Effective portion of changes in fair value of cash flow hedges	16	(1,307)	(789)
Share of other comprehensive income of associates and joint venture	16	(8,111)	1,326
Foreign currency translation differences	16	624,011	(1,530,524)
<i>Item that will not to be reclassified subsequently to profit or loss</i>			
Net changes in fair value of employees benefit reserve	16	3,721	(1,469)
Other comprehensive income – net of tax		612,734	(1,779,610)
Total comprehensive income for the period		1,608,709	(1,279,344)
Total comprehensive income attributable to:			
Shareholders of the parent		1,397,575	(1,070,174)
Non-controlling interests		211,134	(209,170)
		1,608,709	(1,279,344)

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



OOREDOO Q.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION As at 31 March 2016

	<i>Note</i>	31 March 2016 (Reviewed)	31 December 2015 (Audited)
		QR'000	QR'000
ASSETS			
Non-current assets			
Property, plant and equipment	7	33,913,579	33,745,408
Intangible assets and goodwill	8	31,618,825	30,139,906
Investment property		48,554	49,861
Investment in associates and joint venture	9	2,404,731	2,296,421
Available-for-sale investments		740,799	747,196
Other non-current assets		709,710	665,115
Deferred tax assets		59,299	54,561
Total non-current assets		69,495,497	67,698,468
Current assets			
Inventories		809,022	697,069
Trade and other receivables		7,542,095	7,598,348
Bank balances and cash	10	17,804,565	18,158,180
Total current assets		26,155,682	26,453,597
TOTAL ASSETS		95,651,179	94,152,065
EQUITY			
Share capital	11	3,203,200	3,203,200
Legal reserve		12,434,282	12,434,282
Fair value reserve		435,210	448,184
Employees benefit reserve		41,521	39,102
Translation reserve	12	(5,036,108)	(5,565,599)
Other statutory reserves		1,094,696	1,094,696
Retained earnings		10,074,279	10,155,924
Equity attributable to shareholders of the parent		22,247,080	21,809,789
Non-controlling interests		6,615,619	6,563,076
Total equity		28,862,699	28,372,865

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



OOREDOO Q.S.C.

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

As at 31 March 2016

	<i>Note</i>	31 March 2016 (Reviewed) QR'000	31 December 2015 (Audited) QR'000
LIABILITIES			
Non-current liabilities			
Loans and borrowings	15	33,483,737	36,108,055
Employees benefits		898,501	812,142
Deferred tax liabilities		500,093	466,953
Other non-current liabilities		2,664,430	2,016,333
Total non-current liabilities		37,546,761	39,403,483
Current liabilities			
Deferred income		1,772,545	1,775,181
Loans and borrowings	15	10,669,660	6,663,787
Trade and other payables		16,101,648	17,243,549
Income tax payable		697,866	693,200
Total current liabilities		29,241,719	26,375,717
Total liabilities		66,788,480	65,779,200
TOTAL EQUITY AND LIABILITIES		95,651,179	94,152,065

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

.....
Ali Shareef Al Emadi
Deputy Chairman

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



OOREDOO Q.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the three-month period ended 31 March 2016

	<i>For the three-month period ended</i>	
	<i>31 March</i>	
	<i>2016</i>	<i>2015</i>
	<i>(Reviewed)</i>	
<i>Note</i>	<i>QR'000</i>	<i>QR'000</i>
OPERATING ACTIVITIES		
Profit before income taxes	1,131,791	576,853
Adjustments for:		
Depreciation and amortization	2,021,261	1,958,827
Dividend income	(13,608)	(1,322)
Impairment of financial assets	1,625	-
Gain on disposal of available-for-sale investments	(1)	(207,644)
Gain on disposal of property, plant and equipment	(14,302)	(12,391)
Profit on sale of a subsidiary	(34,450)	-
Net finance costs	463,932	486,049
Provision for employees' benefits	102,962	61,018
Provision for trade receivables	38,617	38,002
Share of results in associates and joint venture – net of tax	9 (4,241)	(57,164)
Operating profit before working capital changes	3,693,586	2,842,228
Working capital changes:		
Change in inventories	(111,994)	(6,351)
Change in trade and other receivables	(5,803)	(301,168)
Change in trade and other payables	(274,276)	(1,055,643)
Cash from operations	3,301,513	1,479,066
Finance costs paid	(490,251)	(522,165)
Employees' benefits paid	(25,214)	(11,912)
Income tax paid	(122,441)	(111,586)
Net cash from operating activities	2,663,607	833,403
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(1,014,585)	(1,606,239)
Acquisition of intangible assets	(2,193,590)	(941,835)
Additional investment in associates	(1,740)	-
Acquisition of available-for-sale investments	-	(4,558)
Proceeds from disposal of property, plant and equipment	21,473	43,557
Proceeds from disposal of available-for-sale investments	403	442,186
Proceeds from disposal of a subsidiary	27,274	-
Movement in restricted deposits	13,826	19,452
Movement in other non-current assets	(40,874)	63,646
Dividend received	13,608	1,322
Interest received	68,650	59,131
Net cash used in investing activities	(3,105,555)	(1,923,338)

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



OOREDOO Q.S.C.

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
(CONTINUED)**

For the three-month period ended 31 March 2016

		<i>For the three-month period ended 31 March</i>	
		<u>2016</u>	<u>2015</u>
		<i>(Reviewed)</i>	
<i>Note</i>		<i>QR'000</i>	<i>QR'000</i>
FINANCING ACTIVITIES			
	Proceeds from loans and borrowings	1,886,971	1,921,604
	Repayment of loans and borrowings	(715,989)	(521,816)
	Additions to deferred financing costs	(35,484)	(4,503)
	Dividend paid to shareholders of the parent	(960,960)	(1,281,280)
	Dividend paid to non-controlling interests	(110,930)	(138,848)
	Movement in other non-current liabilities	648,097	(77,927)
	Net cash from / (used in) financing activities	711,705	(102,770)
NET CHANGE IN CASH AND CASH EQUIVALENTS		269,757	(1,192,705)
	Effect of exchange rate fluctuations	(609,546)	355,496
	Cash and cash equivalents at 1 January	18,038,068	17,315,463
	CASH AND CASH EQUIVALENTS 31 MARCH	17,698,279	16,478,254

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



OOREDOO Q.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the three-month period ended 31 March 2016

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>	
At 1 January 2016 (audited)	3,203,200	12,434,282	448,184	39,102	(5,565,599)	1,094,696	10,155,924	21,809,789	6,563,076	28,372,865
Profit for the period	-	-	-	-	-	-	878,639	878,639	117,336	995,975
Other comprehensive income	-	-	(12,974)	2,419	529,491	-	-	518,936	93,798	612,734
Total comprehensive income for the period	-	-	(12,974)	2,419	529,491	-	878,639	1,397,575	211,134	1,608,709
<i>Transactions with shareholders of the parent, recognised directly in equity</i>										
Dividend for 2015	14	-	-	-	-	-	(960,960)	(960,960)	-	(960,960)
<i>Transactions with non-controlling interest, recognised directly in equity</i>										
Change in non-controlling interest of an associate	-	-	-	-	-	-	676	676	-	676
Dividends for 2015	-	-	-	-	-	-	-	-	(158,591)	(158,591)
At 31 March 2016 (Reviewed)	3,203,200	12,434,282	435,210	41,521	(5,036,108)	1,094,696	10,074,279	22,247,080	6,615,619	28,862,699

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



OOREDOO Q.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the three-month period ended 31 March 2016

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>		
At 1 January 2015 (audited)	3,203,200	12,434,282	892,562	17,659	(3,503,511)	1,057,820	9,386,147	23,488,159	6,980,354	30,468,513
Profit for the period	-	-	-	-	-	-	501,164	501,164	(898)	500,266
Other comprehensive income	-	-	(246,708)	(955)	(1,323,675)	-	-	(1,571,338)	(208,272)	(1,779,610)
Total comprehensive income for the period	-	-	(246,708)	(955)	(1,323,675)	-	501,164	(1,070,174)	(209,170)	(1,279,344)
<i>Transactions with shareholders of the parent, recognised directly in equity</i>										
Dividend for 2014	14	-	-	-	-	-	(1,281,280)	(1,281,280)	-	(1,281,280)
<i>Transactions with non-controlling interest, recognised directly in equity</i>										
Change in non-controlling interest of an associate	-	-	-	-	-	-	1,989	1,989	-	1,989
Dividends for 2014	-	-	-	-	-	-	-	-	(138,848)	(138,848)
At 31 March 2015 (Reviewed)	3,203,200	12,434,282	645,854	16,704	(4,827,186)	1,057,820	8,608,020	21,138,694	6,632,336	27,771,030

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



OOREDOO Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the three-month period ended 31 March 2016

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

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

The condensed consolidated interim financial statements of the Group for the three month period ended 31 March 2016 were authorised for issue by the Chairman and the Deputy Chairman of the Company on 27 April 2016.

2 BASIS OF PREPARATION

The condensed consolidated interim financial statements for the three months ended 31 March 2016 have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”).

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

The condensed consolidated interim financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2015. In addition, results for the three month period ended 31 March 2016 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2016.

Risk management, judgments and estimates

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 2015, except as mentioned below.

Determination of functional currency

In determining the functional currency of the Group, judgment is used by the Group to determine the currency of the primary economic environment in which the Company or its subsidiaries operate. Further, management assessed the factors which mainly include the currency that mainly influences sales prices of goods and services, acquisition or disposal of assets, incurring expenses and settling liabilities etc.

On 1 January 2016, one of the subsidiaries of the Group, Ooredoo Myanmar Limited has changed its functional currency from US Dollar to Myanmar Kyat. The subsidiary has changed its functional currency as it has met the requirements of IFRS.

The Group’s financial risk management objectives and policies are consistent with those disclosed in the Group’s annual consolidated financial statements as at and for the year ended 31 December 2015.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2015, and the notes attached thereto, except for certain new and revised standards, that became effective in the current period, which have introduced certain changes. Some of these new and revised standards are changes in terminology only, and some are substantive but have had no material effect on these condensed consolidated interim financial statements of the Group.

(i) New Standard:

Effective for annual periods beginning on or after 1 January 2016

- IFRS 14 *Regulatory Deferral Accounts.*

(ii) Revised Standards:

Effective for annual periods beginning on or after 1 January 2016

- IFRS 10 & IAS 28 (Revised) *Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture*
- IFRS 11 (Revised) *Amendments regarding the accounting for acquisitions of an interest in a joint operation.*
- IFRS 12 (Revised) *Amendments regarding the application of the consolidation exception.*
- IAS 1 (Revised) *Amendments resulting from the disclosure initiative.*
- IAS 16 (Revised) *Amendments regarding the clarification of acceptable methods of depreciation and amortization and amendments bringing bearer plants into the scope of IAS 16.*
- IAS 27 (Revised) *Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.*
- IAS 38 (Revised) *Amendments regarding the clarification of acceptable methods of depreciation and amortization.*
- IAS 41 (Revised) *Amendments bringing bearer plants into the scope of IAS 16.*
- Annual Improvements 2012-2014 Cycle *Amendments to issue clarifications and add additional/specific guidance to IFRS 5, IFRS 7, IAS 19 and IAS 34.*

Standards and amendments issued but not yet effective

Certain new and revised standards have been issued are not yet effective for the three month period ended 31 March 2016 and have not been early adopted in preparing these condensed consolidated interim financial statements. The Group is assessing the potential impact on initial application of IFRS 9, 15 and 16.

Management have not yet performed a detailed analysis of the impact of the application of these standards and hence have not yet quantified the extent of the impact.



OOREDOO Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the three-month period ended 31 March 2016

4 OTHER INCOME / (EXPENSE) - NET

	<i>For the three-month period ended 31 March</i>	
	2016	2015
	<i>(Reviewed)</i>	
	<u>QR'000</u>	<u>QR'000</u>
Foreign currency gains / (losses) - net	454,458	(385,109)
Profit on disposal of assets	14,302	12,391
Dividend income	13,608	1,322
Rental income	7,594	10,469
Profit on disposal of investments	34,451	207,644
Change in fair value of derivatives – net	(67,518)	62,389
Miscellaneous income – net	87,638	2,319
	<u>544,533</u>	<u>(88,575)</u>

5 ROYALTIES AND FEES

		<i>For the three-month period ended 31 March</i>	
		2016	2015
		<i>(Reviewed)</i>	
		<u>QR'000</u>	<u>QR'000</u>
Royalty	(i)	43,344	37,597
Industry fees	(ii)	55,162	55,289
Other statutory fees	(iii)	6,628	1,705
		<u>105,134</u>	<u>94,591</u>

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



OOREDOO Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the three-month period ended 31 March 2016

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 31 March</i>	
	<i>2016</i>	<i>2015</i>
	<i>(Reviewed)</i>	
	<i>QR'000</i>	<i>QR'000</i>
Profit for the period attributable to shareholders of the parent (QR'000)	878,639	501,164
Weighted average number of shares (In '000)	320,320	320,320
Basic and diluted earnings per share (QR)	2.74	1.56

7 PROPERTY, PLANT AND EQUIPMENT

	<i>31 March 2016 (Reviewed) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
Net book value at beginning of the period / year	33,745,408	33,690,589
Derecognition of previously held interest in a subsidiary	(17)	-
Additions	1,014,585	8,536,918
Disposals	(7,171)	(245,469)
Reclassification	(6,934)	(9,637)
Depreciation for the period / year	(1,577,133)	(6,130,122)
Exchange adjustment	744,841	(2,096,871)
Carrying value at the end of the period / year	33,913,579	33,745,408

i) *Uncertainty in Iraq*

One of the Group's subsidiaries Asiacell which operates in Iraq, may have effect on its business and profitability due to the current security situation in certain parts of Iraq. Asiacell may be unable to effectively exercise control over some of its property and equipment in certain locations, with a net book value of QR 189,280 thousands as at 31 March 2016. Based on an assessment performed by Asiacell, an insignificant amount of damage has occurred which has been provided for.

ii) Asiacell reached an agreement with the local bank wherein Asiacell received properties in exchange for the equivalent value of the bank deposits. As at 31 March 2016, Asiacell received parcels of lands and buildings located in Baghdad and Sulaymaniah amounting to a total amount of QR 440,440 thousands. Currently, the legal title is transferred to a related party of Asiacell and it will be transferred in the name of Asiacell upon completing legal formalities.

iii) Indefeasible rights of use (IRUs) are initially included in capital work in progress and subsequently transferred to intangibles once they are ready for intended use.



OOREDOO Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the three-month period ended 31 March 2016

8 INTANGIBLE ASSETS AND GOODWILL

	<i>31 March 2016 (Reviewed) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
Net book value at beginning of the period / year	30,139,906	33,524,208
Derecognition of previously held interest in a subsidiary	(2,231)	-
Additions	1,274,111	318,151
Disposals	-	(369)
Reclassification	6,934	9,637
Amortisation for the period / year	(442,821)	(1,809,987)
Impairment losses	-	(332,235)
Exchange adjustment	642,926	(1,569,499)
	<u>31,618,825</u>	<u>30,139,906</u>

9 INVESTMENT IN ASSOCIATES AND JOINT VENTURE

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

	<i>31 March 2016 (Reviewed) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
Group's share in associates and joint venture's statement of financial position:		
Current assets	950,961	940,942
Non-current assets	2,595,342	2,476,159
Current liabilities	(826,304)	(811,208)
Non-current liabilities	(1,646,436)	(1,577,696)
Net assets	1,073,563	1,028,197
Goodwill	1,331,168	1,268,224
Carrying amount of the investment	<u>2,404,731</u>	<u>2,296,421</u>
	<i>For the three-month period ended 31 March</i>	
	<u>2016</u>	<u>2015</u>
	<i>(Reviewed)</i>	
	<u>QR'000</u>	<u>QR'000</u>
Share in revenues of associates and joint venture	<u>424,719</u>	<u>438,715</u>
Share in results of associates and joint venture – net of tax	<u>4,241</u>	<u>57,164</u>



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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the three-month period ended 31 March 2016

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 three-month period ended</i>	
	<i>31 March</i>	
	<i>2016</i>	<i>2015</i>
	<i>(Reviewed)</i>	
	<i>QR'000</i>	<i>QR'000</i>
Bank balances and cash	17,804,565	16,580,765
Less: restricted deposits	(106,286)	(102,511)
Cash and cash equivalents	<u>17,698,279</u>	<u>16,478,254</u>

11 SHARE CAPITAL

	<i>2016</i>		<i>2015</i>	
	<i>No of shares (000)</i>	<i>QR'000</i>	<i>No of shares (000)</i>	<i>QR'000</i>
Authorised				
<i>Ordinary shares of QR 10 each</i>				
At 31 March/31 December	<u>500,000</u>	<u>5,000,000</u>	<u>500,000</u>	<u>5,000,000</u>
Issued and fully paid up				
<i>Ordinary shares of QR 10 each</i>				
At 31 March/31 December	<u>320,320</u>	<u>3,203,200</u>	<u>320,320</u>	<u>3,203,200</u>

12 TRANSLATION RESERVE

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Group's net investment in a foreign operation.



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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the three-month period ended 31 March 2016

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 31 March</i>	
	<i>2016</i>	<i>2015</i>
	<i>(Reviewed)</i>	
	<i>QR'000</i>	<i>QR'000</i>
Current income tax		
Current income tax charge	131,511	122,239
Deferred income tax		
Relating to origination and reversal of temporary differences	4,305	(45,652)
	135,816	76,587

14 DIVIDEND

Dividend paid and proposed:

	<i>For the three-month ended 31 March</i>	
	<i>2016</i>	<i>2015</i>
	<i>(Reviewed)</i>	
	<i>QR'000</i>	<i>QR'000</i>
Declared and approved at the Annual General Meeting :		
Final Dividend for 2015, QR 3 per share (2014: QR 4 per share)	960,960	1,281,280

15 LOANS AND BORROWINGS

	<i>31 March</i>	<i>31 December</i>
	<i>2016</i>	<i>2015</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>QR'000</i>	<i>QR'000</i>
Loans and borrowings	44,498,766	43,100,642
Less: deferred financing costs	(345,369)	(328,800)
	44,153,397	42,771,842

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

	<i>31 March</i>	<i>31 December</i>
	<i>2016</i>	<i>2015</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>QR'000</i>	<i>QR'000</i>
Non-current portion	33,483,737	36,108,055
Current portion	10,669,660	6,663,787
	44,153,397	42,771,842



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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three-month period ended 31 March 2016

16 COMPONENTS OF OTHER COMPREHENSIVE INCOME

	<i>For the three-month period ended</i>	
	31 March	
	<u>2016</u>	<u>2015</u>
	<i>(Reviewed)</i>	
	QR'000	QR'000
<i>Items that may be reclassified subsequently to profit or loss</i>		
<i>Available-for-sale investments</i>		
Loss arising during the period	(7,206)	(40,510)
Reclassification to profit or loss	1	(207,644)
Transfer to profit or loss on impairment	<u>1,625</u>	-
	<u>(5,580)</u>	<u>(248,154)</u>
<i>Cash flow hedges</i>		
Loss arising during the period	(1,373)	(893)
Deferred tax effect	<u>66</u>	<u>104</u>
	<u>(1,307)</u>	<u>(789)</u>
<i>Associates and joint venture</i>		
Share of changes in fair value of cash flow hedges	<u>(8,111)</u>	<u>1,326</u>
<i>Translation reserve</i>		
Foreign exchange translation differences – foreign operations	599,707	(1,530,524)
Transferred to profit or loss	3,861	-
Deferred tax effect	<u>20,443</u>	<u>-</u>
	<u>624,011</u>	<u>(1,530,524)</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	3,721	(1,956)
Deferred tax effect	<u>-</u>	<u>487</u>
	<u>3,721</u>	<u>(1,469)</u>
Other comprehensive income for the period – net of tax	<u>612,734</u>	<u>(1,779,610)</u>



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For the three-month period ended 31 March 2016

17 COMMITMENTS

	<i>31 March 2016 (Reviewed) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
Capital expenditure commitments not provided for		
Estimated capital expenditure contracted for at reporting date	<u>4,787,875</u>	<u>4,366,324</u>
Operating lease commitments		
Future minimum lease payments:		
Not later than one year	421,626	418,559
Later than one year and not later than five years	1,965,419	1,690,402
Later than five years	<u>2,993,546</u>	<u>2,700,587</u>
Total operating lease expenditure contracted for at the reporting date	<u>5,380,591</u>	<u>4,809,548</u>
Finance lease commitments		
Amounts under finance leases		
Minimum lease payments		
Not later than one year	253,956	245,988
Later than one year and not later than five years	888,726	874,853
Later than five years	<u>284,279</u>	<u>319,034</u>
	1,426,961	1,439,875
Less: unearned finance income	<u>(381,260)</u>	<u>(394,810)</u>
Present value of minimum lease payments	<u>1,045,701</u>	<u>1,045,065</u>
Present value of minimum lease payments		
Current portion	146,519	138,590
Non-current portion	<u>899,182</u>	<u>906,475</u>
	<u>1,045,701</u>	<u>1,045,065</u>

18 CONTINGENT LIABILITIES AND LITIGATIONS

	<i>31 March 2016 (Reviewed) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
i) Contingent liabilities		
Letters of guarantees	<u>984,962</u>	<u>874,020</u>
Letters of credit	<u>156,802</u>	<u>167,801</u>
Claims against the Group not acknowledged as debts	<u>12,996</u>	<u>1,447</u>

Litigation

All other litigations position reported in the Group's annual consolidated financial statements as at 31 December 2015 have not materially changed as at 31 March 2016.



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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the three-month period ended 31 March 2016

19 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 92,275 thousands (for the period ended 31 March 2015: QR 86,951 thousands) and end of service benefits amounted to QR 6,266 thousands (for the period ended 31 March 2015: QR 9,179 thousands). The remuneration to the Board of Directors and key management personnel has been included under the caption "Selling, general and administrative expenses".

20 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 organized into business units based on their geographical area covered, and has six reportable segments as follows:

1. *Ooredoo Qatar* is a provider of domestic and international telecommunication services within the State of Qatar;
2. *Asiacell* is a provider of mobile telecommunication services in Iraq;
3. *NMTC* is a provider of mobile telecommunication services in Kuwait and elsewhere in the MENA region;
4. *Indosat Ooredoo* is a provider of telecommunication services such as cellular services, fixed telecommunications, multimedia, data communication and internet services in Indonesia;
5. *Ooredoo Oman* is a provider of mobile and fixed telecommunication services in Oman; and
6. Others include some of the Group's subsidiaries which are providers of wireless and telecommunication services.

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



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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three-month period ended 31 March 2016

20 SEGMENT INFORMATION (CONTINUED)

Operating segments

The following table present revenue and profit information regarding the Group's operating segments for the three month period ended 31 March 2016 and 2015:

For the three month period ended 31 March 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>Others QR'000</i>	<i>Adjustments and eliminations QR'000</i>	<i>Total QR'000</i>
Revenue								
Third party	1,778,067	1,072,866	2,043,744	1,832,703	644,653	516,102	-	7,888,135
Inter-segment	216,252	2,831	71,181	4,249	1,840	42,955	(339,308) (i)	-
Total revenue	1,994,319	1,075,697	2,114,925	1,836,952	646,493	559,057	(339,308)	7,888,135
Results								
Segment profit/ (loss) before tax	432,307	119,578	226,333	100,182	160,927	192,073	(99,609) (ii)	1,131,791
Depreciation and amortisation	206,835	352,186	431,319	625,754	150,888	154,670	99,609 (iii)	2,021,261
Net finance costs	246,311	3,337	31,051	173,107	6,057	4,069	-	463,932



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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the three-month period ended 31 March 2016

20 SEGMENT INFORMATION (CONTINUED)

For the three month period ended 31 March 2015 (Reviewed)

	Ooredoo Qatar QR'000	Asiacell QR'000	NMTC QR'000	Indosat Ooredoo QR'000	Ooredoo Oman QR'000	Others QR'000	Adjustments and eliminations QR'000	Total QR'000
Revenue								
Third party	1,961,637	1,262,250	2,084,848	1,726,734	578,933	422,688	-	8,037,090
Inter-segment	<u>24,666</u>	<u>3,660</u>	<u>57,335</u>	<u>5,665</u>	<u>2,658</u>	<u>24,528</u>	(118,512) (i)	-
Total revenue	<u>1,986,303</u>	<u>1,265,910</u>	<u>2,142,183</u>	<u>1,732,399</u>	<u>581,591</u>	<u>447,216</u>	<u>(118,512)</u>	<u>8,037,090</u>
Results								
Segment profit/ (loss) before tax	<u>656,893</u>	<u>151,118</u>	<u>104,714</u>	<u>(156,340)</u>	<u>132,680</u>	<u>(205,283)</u>	<u>(106,929)</u> (ii)	<u>576,853</u>
Depreciation and amortisation	<u>187,888</u>	<u>354,904</u>	<u>437,177</u>	<u>617,649</u>	<u>131,206</u>	<u>123,074</u>	<u>106,929</u> (iii)	<u>1,958,827</u>
Net finance costs	<u>255,667</u>	<u>15,721</u>	<u>27,139</u>	<u>182,869</u>	<u>6,120</u>	<u>(1,467)</u>	-	<u>486,049</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
31 March*

2016	2015
<i>(Reviewed)</i>	
QR'000	QR'000

Amortisation of intangibles

<u>(99,609)</u>	<u>(106,929)</u>
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(iii) Amortisation relating to additional intangibles identified from business combination was not considered as part of segment expense.



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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three-month period ended 31 March 2016

20 SEGMENT INFORMATION (CONTINUED)

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

	<i>Ooredoo Qatar QR'000</i>	<i>Asiacell QR'000</i>	<i>NMTC QR'000</i>	<i>Indosat Ooredoo QR'000</i>	<i>Ooredoo Oman QR'000</i>	<i>Others QR'000</i>	<i>Adjustments and eliminations QR'000</i>	<i>Total QR'000</i>
Segment assets (i)								
At 31 March 2016 (Reviewed)	<u>20,087,139</u>	<u>10,737,500</u>	<u>23,638,600</u>	<u>16,667,340</u>	<u>3,642,657</u>	<u>11,191,243</u>	<u>9,686,700</u>	<u>95,651,179</u>
At 31 December 2015 (Audited)	<u>21,075,725</u>	<u>10,661,121</u>	<u>22,842,380</u>	<u>15,898,290</u>	<u>3,882,774</u>	<u>10,331,356</u>	<u>9,460,419</u>	<u>94,152,065</u>

(i) Goodwill amounting to QR 9,686,700 thousands (31 December 2015: QR 9,460,419 thousands) was not considered as part of segment assets.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three-month period ended 31 March 2016
21 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 of liability, either directly or indirectly; and
- Level 3: Unobservable inputs for the asset or liability.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

Financial assets

	31 March 2016 (Reviewed) QR'000	Level 1 QR'000	Level 2 QR'000	Level 3 QR'000
Available-for-sale investments	705,109	12,446	692,663	-
Derivative financial instruments	5,145	-	5,145	-
	<u>710,254</u>	<u>12,446</u>	<u>697,808</u>	<u>-</u>
	31 December 2015 (Audited) QR'000	Level 1 QR'000	Level 2 QR'000	Level 3 QR'000
Available-for-sale investments	711,692	17,846	693,846	-
Derivative financial instruments	2,690	-	2,690	-
	<u>714,382</u>	<u>17,846</u>	<u>696,536</u>	<u>-</u>

Financial liabilities

	31 March 2016 (Reviewed) QR'000	Level 1 QR'000	Level 2 QR'000	Level 3 QR'000
Derivative financial instruments	55,986	-	55,986	-
	31 December 2015 (Audited) QR'000	Level 1 QR'000	Level 2 QR'000	Level 3 QR'000
Derivative financial instruments	138,019	-	138,019	-



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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS **For the three-month period ended 31 March 2016**

22 DISPOSAL OF A SUBSIDIARY

On 27 March 2016, the Group completed the legal formalities relating to the disposal of one of its subsidiaries, wi-tribe Pakistan for a net consideration of QR 27,274 thousands. The net liability of the subsidiary at the date of disposal was QR 7,176 thousands, therefore, a gain of QR 34,450 thousands was recognised on this disposal transaction.

23 EVENT AFTER THE REPORTING DATE

On 29 March 2016, NMTC, one of the Group's subsidiary signed a Sale and Purchase Agreement ("SPA") to acquire 99% ownership interest of Fast Telecommunications Company W.L.L., Kuwait ("Fasttelco") for a total consideration of QR 132,677 thousands. This transaction is subject to obtaining necessary approvals from relevant regulatory and government authorities and completion of certain conditions as set out in the SPA. Accordingly, this transaction has not been accounted for as a business combination during the quarter.