

**NATIONAL MOBILE TELECOMMUNICATIONS  
COMPANY K.S.C.P. AND SUBSIDIARIES**



**Interim condensed consolidated financial information and  
independent auditor's review report for the period  
from 1 January 2017 to 31 March 2017  
(Unaudited)**

**Interim condensed consolidated financial information and independent auditors' review report  
(Unaudited)**

*For the period from 1 January 2017 to 31 March 2017*

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## **INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

### **TO THE BOARD OF DIRECTORS OF NATIONAL MOBILE TELCOMMUNICATIONS COMPANY K.S.C.P.**

#### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of National Mobile Telecommunications Company K.S.C.P. ("the Parent Company") and subsidiaries (together referred to as "the Group") as at 31 March 2017, and the related interim condensed consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the three-month period then ended. The Parent Company's management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

#### *Scope of Review*

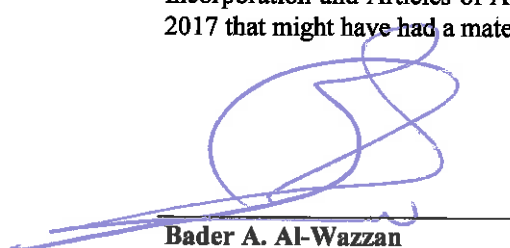
We conducted our review in accordance with International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons 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 interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

#### *Report on other Legal and Regulatory Requirements*

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the accounting records of the Parent Company. We further report that to the best of our knowledge and belief, no violation of the Companies Law No. 1 of 2016 and its executive regulations or the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, have occurred during the three-month period ended 31 March 2017 that might have had a material effect on the business of the Group or on its financial position.



**Bader A. Al-Wazzan**  
Licence No. 62A  
Deloitte & Touche  
Al Wazzan & Co.

Kuwait

23 April 2017

**National Mobile Telecommunications Company K.S.C.P. and Subsidiaries**



**Interim condensed consolidated statement of financial position (Unaudited)**

As at 31 March 2017

	Note	31 March 2017 KD 000's (Unaudited)	31 December 2016 KD 000's (Audited)	31 March 2016 KD 000's (Unaudited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property and equipment		618,156	636,145	650,836
Intangible assets and goodwill		434,680	437,625	474,238
Available for sale financial assets		6,873	6,250	6,262
Deferred tax asset		20,499	19,607	2,234
Other non-current assets		1,284	1,301	297
		<u>1,081,492</u>	<u>1,100,928</u>	<u>1,133,867</u>
<b>Current assets</b>				
Inventories		17,992	18,257	33,826
Trade and other receivables		151,363	139,657	150,068
Bank balances and cash	5	122,989	130,557	151,992
		<u>292,344</u>	<u>288,471</u>	<u>335,886</u>
<b>Total assets</b>		<u>1,373,836</u>	<u>1,389,399</u>	<u>1,469,753</u>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share capital		50,403	50,403	50,403
Treasury shares		(3,598)	(3,598)	(3,598)
Foreign currency translation reserve		(215,132)	(218,122)	(178,326)
Other reserves	6	235,429	234,674	229,698
Retained earnings		549,893	579,566	549,911
Equity attributable to shareholders of the Company		<u>616,995</u>	<u>642,923</u>	<u>648,088</u>
Non-controlling interests		119,546	115,236	104,184
<b>Total equity</b>		<u>736,541</u>	<u>758,159</u>	<u>752,272</u>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Long term debts	7	109,331	120,545	162,932
Provision for staff indemnity		8,420	8,536	6,510
Other non-current liabilities		18,989	19,015	18,790
Deferred tax liability		-	-	169
		<u>136,740</u>	<u>148,096</u>	<u>188,401</u>
<b>Current liabilities</b>				
Trade and other payables	8	344,525	367,018	419,453
Deferred income		49,058	43,904	38,513
Income tax payable		8,273	10,019	719
Long term debts	7	98,699	62,203	70,395
		<u>500,555</u>	<u>483,144</u>	<u>529,080</u>
<b>Total liabilities</b>		<u>637,295</u>	<u>631,240</u>	<u>717,481</u>
<b>Total equity and liabilities</b>		<u>1,373,836</u>	<u>1,389,399</u>	<u>1,469,753</u>

Saud Bin Nasser Al Thani  
Chairman

**Chairman Office** مكتب الرئيس

The accompanying notes form an integral part of this interim condensed consolidated financial information.

**Interim condensed consolidated statement of profit or loss (Unaudited)***For the period from 1 January 2017 to 31 March 2017*

	Note	<b>Three month period ended 31 March</b>	
		<b>2017</b>	<b>2016</b>
		<b>KD 000's (Unaudited)</b>	<b>KD 000's (Unaudited)</b>
Revenue		<b>169,023</b>	<b>175,280</b>
Operating expenses		<b>(67,829)</b>	<b>(76,375)</b>
Selling, general and administrative expenses		<b>(40,449)</b>	<b>(46,682)</b>
Depreciation and amortisation		<b>(35,913)</b>	<b>(35,469)</b>
Finance costs – net	11	<b>(2,077)</b>	<b>(2,597)</b>
Impairment loss on available for sale financial assets		<b>(133)</b>	<b>(134)</b>
Other (expenses)/income – net	12	<b>(286)</b>	<b>873</b>
<b>Profit before provision for Directors' remuneration, provision for contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labor Support Tax ("NLST") and Zakat</b>		<b>22,336</b>	<b>14,896</b>
Provision for Directors' remuneration		<b>(150)</b>	<b>(180)</b>
Provision for contribution to KFAS, NLST and Zakat	13	<b>(681)</b>	<b>(548)</b>
<b>Profit before taxation</b>		<b>21,505</b>	<b>14,168</b>
Taxation related to subsidiaries		<b>(4,729)</b>	<b>(1,790)</b>
<b>Profit for the period</b>		<b>16,776</b>	<b>12,378</b>
Attributable to:			
- Shareholders of the Company		<b>12,926</b>	<b>10,212</b>
- Non-controlling interests		<b>3,850</b>	<b>2,166</b>
		<b>16,776</b>	<b>12,378</b>
Basic and diluted earnings per share (fils)	10	<b>25.79</b>	<b>20.38</b>

The accompanying notes form an integral part of this interim condensed consolidated financial information.

**Interim condensed consolidated statement of comprehensive income (Unaudited)***For the period from 1 January 2017 to 31 March 2017*

	<b>Three month period ended 31 March</b>	
	<b>2017</b>	<b>2016</b>
	<b>KD 000's</b>	<b>KD 000's</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Profit for the period</b>	<b>16,776</b>	<b>12,378</b>
<b>Other comprehensive income</b>		
Items that are or may be reclassified subsequently to the interim condensed consolidated statement of profit or loss		
Change in fair value of available for sale financial assets	622	(177)
Impairment loss on available for sale financial assets transferred to the interim condensed consolidated statement of profit or loss	133	134
Exchange differences arising on translation of foreign operations and fair value reserves	3,450	160
<b>Total other comprehensive income for the period</b>	<b>4,205</b>	<b>117</b>
<b>Total comprehensive income for the period</b>	<b>20,981</b>	<b>12,495</b>
<b>Attributable to:</b>		
■ Shareholders of the Company	16,671	10,918
■ Non-controlling interests	4,310	1,577
	<b>20,981</b>	<b>12,495</b>

The accompanying notes form an integral part of this interim condensed consolidated financial information.



**Interim condensed consolidated statement of changes in equity (Unaudited)**  
*For the period from 1 January 2017 to 31 March 2017*

	Share capital KD 000's	Treasury shares KD 000's	Foreign currency translation reserve KD 000's	Other reserves KD 000's	Retained earnings KD 000's	Equity attributable to shareholders of the Company KD 000's	Non- controlling interests KD 000's	Total equity KD 000's
<b>Balance at 1 January 2017</b>	50,403	(3,598)	(218,122)	234,674	579,566	642,923	115,236	758,159
<b>Comprehensive income</b>								
Profit for the period	-	-	-	-	12,926	12,926	3,850	16,776
Other comprehensive income for the period	-	-	2,990	755	-	3,745	460	4,205
Total comprehensive income for the period	-	-	2,990	755	12,926	16,671	4,310	20,981
Dividend (note 9)	-	-	-	-	(42,599)	(42,599)	-	(42,599)
<b>Balance at 31 March 2017</b>	<b>50,403</b>	<b>(3,598)</b>	<b>(215,132)</b>	<b>235,429</b>	<b>549,893</b>	<b>616,995</b>	<b>119,546</b>	<b>736,541</b>
<b>Balance at 1 January 2016</b>	50,403	(3,598)	(179,075)	229,741	589,815	687,286	102,607	789,893
<b>Comprehensive income</b>								
Profit for the period	-	-	-	-	10,212	10,212	2,166	12,378
Other comprehensive income/ (loss) for the period	-	-	749	(43)	-	706	(589)	117
Total comprehensive income/ (loss) for the period	-	-	749	(43)	10,212	10,918	1,577	12,495
Dividend (note 9)	-	-	-	-	(50,116)	(50,116)	-	(50,116)
<b>Balance at 31 March 2016</b>	<b>50,403</b>	<b>(3,598)</b>	<b>(178,326)</b>	<b>229,698</b>	<b>549,911</b>	<b>648,088</b>	<b>104,184</b>	<b>752,272</b>

The accompanying notes form an integral part of this interim condensed consolidated financial information.

**Interim condensed consolidated statement of cash flows (Unaudited)***For the period from 1 January 2017 to 31 March 2017*

	Note	Three month period ended 31 March	
		2017	2016
		KD 000's (Unaudited)	KD 000's (Unaudited)
<b>Cash flows from operating activities</b>			
Net profit for the period		16,776	12,378
<b>Adjustments for:</b>			
Depreciation and amortisation		35,913	35,469
Finance income	11	(569)	(330)
Provision for impairment of receivables		1,708	1,141
Impairment loss on available for sale financial assets		133	134
Taxation relating to subsidiaries		4,729	1,790
Gain on sale of property and equipment and intangible assets		(21)	3
Finance costs	11	2,646	2,927
Provision for KFAS, NLST and Zakat	13	681	548
Provision for staff indemnity		451	430
		<u>62,447</u>	<u>54,490</u>
<b>Changes in:</b>			
Trade and other receivables and other non-current assets		(14,725)	(15,735)
Inventories		197	1,034
Trade and other payables and other non-current liabilities		(19,002)	8,206
<b>Cash generated from operations</b>		<u>28,917</u>	<u>47,995</u>
Provision for staff indemnity paid		(563)	(135)
<b>Net cash generated from operating activities</b>		<u>28,354</u>	<u>47,860</u>
<b>Cash flows from investing activities</b>			
Decrease in term deposits		4,235	44,418
Purchase of property and equipment		(9,397)	(24,305)
Proceeds from disposal of property and equipment		33	16
Purchase of intangible assets		(1,140)	(25,926)
Finance income received		569	330
<b>Net cash used in investing activities</b>		<u>(5,700)</u>	<u>(5,467)</u>
<b>Cash flows from financing activities</b>			
Finance costs paid		(2,646)	(2,927)
Dividends paid		(40,822)	(907)
Dividends paid by subsidiary to non-controlling interest		(8,147)	-
Net increase in term debts		28,745	41,740
<b>Net cash (used in)/from financing activities</b>		<u>(22,870)</u>	<u>37,906</u>
<b>Effect of foreign currency translation</b>		<u>(3,117)</u>	<u>1,683</u>
<b>Net change in cash and cash equivalents</b>		<u>(3,333)</u>	<u>81,982</u>
Cash and cash equivalents at beginning of the period		112,961	59,782
<b>Cash and cash equivalents at end of the period</b>	5	<u>109,628</u>	<u>141,764</u>

The accompanying notes form an integral part of this interim condensed consolidated financial information.

**Notes to the interim condensed consolidated financial information (Unaudited)**

*For the period from 1 January 2017 to 31 March 2017*

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**1. INCORPORATION AND ACTIVITIES**

National Mobile Telecommunications Company K.S.C.P. ("the Company") is a Kuwaiti shareholding company incorporated by Amiri Decree on 10 October 1997. The Company and its subsidiaries (together referred to as "the Group") are engaged in the following:

- Purchase, supply, installation, management and maintenance of wireless sets and equipment, mobile telephone services, pager system and other telecommunication services;
- Import and export of sets, equipment and instruments necessary for the purposes of the Company;
- Purchase or hiring communication lines and facilities necessary for providing the Company's services in co-ordination with the services provided by the State, but without interference or conflict herewith;
- Purchase of manufacturing concessions directly related to the Company's services from manufacturers or producing them in Kuwait;
- Introduction or management of other services of similar nature and supplementary to telecommunications services with a view to upgrade such services or rendering them integrated;
- Conduct technical research relating to the Company's business in order to improve and upgrade the Company's services in co-operation with competent authorities within Kuwait and abroad;
- Purchase and holding of lands, construction and building of facilities required for achieving the Company's objectives;
- Purchase of all materials and machineries needed to undertake the Company's activities as well as their maintenance in all possible modern methods;
- Use of financial surplus available at the Company by investing the same in portfolios managed by specialised companies and parties as well as authorising the board to undertake the same; and
- The Company may have interest or in any way participate with corporate and organisations which practice similar activities or which may assist it in achieving its objectives in Kuwait or abroad. It may acquire such corporates, or make them subsidiaries.

The Company was registered in the commercial register on 10 May 1998 under registration number 73211.

The Company operates under a licence from the Ministry of Communications, State of Kuwait and also elsewhere through subsidiaries in the Middle East and North Africa (MENA) region and Maldives. The Company's shares were listed on the Kuwait Stock Exchange in July 1999 and commercial operations began in December 1999.

The Company is a subsidiary of Ooredoo International Investment LLC ("The Parent Company"), which in turn is a subsidiary of Ooredoo Q.S.C. ("the Ultimate Parent Company"), a Qatari shareholding company whose shares are listed on the Qatar Exchange.

The address of the Company's registered office is Ooredoo Tower, Soor Street, Kuwait City, State of Kuwait, P. O. Box 613, Safat 13007, State of Kuwait.

This interim condensed consolidated financial information was approved for issue by the Board of Directors of the Company on 23 April 2017.

**Notes to the interim condensed consolidated financial information (Unaudited)***For the period from 1 January 2017 to 31 March 2017***2. BASIS OF PREPARATION**

This interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard No. 34, *Interim Financial Reporting*. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the interim condensed consolidated financial information of the Group.

This interim condensed consolidated financial information does not include all of the information required for full annual audited consolidated financial statements of the Group prepared in accordance with International Financial Reporting Standards (IFRS). In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the three month period ended 31 March 2017 are not necessarily indicative of the results that may be expected for the year ending 31 December 2017.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2016, except for the adoption of the amendments and annual improvements to IFRSs, relevant to the Group which are effective for annual reporting period starting from 1 January 2017 and did not result in any material impact on the accounting policies, financial position or performance of the Group.

**4. JUDGEMENTS AND ESTIMATES**

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimating uncertainty were the same as those that were applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2016.

**5. BANK BALANCES AND CASH**

	<b>31 March 2017 KD 000's (Unaudited)</b>	<b>31 December 2016 KD 000's (Audited)</b>	<b>31 March 2016 KD 000's (Unaudited)</b>
Bank balances and cash	<b>92,326</b>	97,463	114,866
Deposits	<b>30,663</b>	33,094	37,126
Bank balances and cash in the interim condensed consolidated statement of financial position	<b>122,989</b>	130,557	151,992
Less: Deposits with original maturities of three months or more	<b>(13,361)</b>	(17,596)	(10,228)
Cash and cash equivalents in the interim condensed consolidated statement of cash flows	<b>109,628</b>	112,961	141,764

The effective interest rate on interest earning deposits ranged from 1.75% to 7.37% per annum (31 December and 31 March 2016: 1.75% to 7.45% per annum).

Included in deposits with original maturities of three months or more is an amount of KD 694 thousand (31 December and 31 March 2016: KD 723 thousand and KD 7 thousand respectively) restricted in accordance with a subsidiary's syndicated loan agreement.

## Notes to the interim condensed consolidated financial information (Unaudited)

For the period from 1 January 2017 to 31 March 2017

## 6. OTHER RESERVES

	Share premium KD 000's	Statutory reserve KD 000's	General reserve KD 000's	Gain on sale of treasury shares KD 000's	Fair value reserve KD 000's	Other reserves KD 000's	Total reserves KD 000's
Balance at 1 January 2017	66,634	32,200	125,688	6,914	(174)	3,412	234,674
Other comprehensive income for the period	-	-	-	-	755	-	755
Balance at 31 March 2017	66,634	32,200	125,688	6,914	581	3,412	235,429
Balance at 1 January 2016	66,634	32,200	120,717	6,914	(136)	3,412	229,741
Other comprehensive income for the period	-	-	-	-	(43)	-	(43)
Balance at 31 March 2016	66,634	32,200	120,717	6,914	(179)	3,412	229,698

## 7. LONG TERM DEBTS

	31 March 2017 KD 000's (Unaudited)	31 December 2016 KD 000's (Audited)	31 March 2016 KD 000's (Unaudited)
<b>Current portion</b>			
Due to local banks	47,900	13,900	8,000
Due to local banks related to subsidiaries	45,034	45,565	59,461
Due to foreign banks	5,765	2,738	2,934
	<u>98,699</u>	<u>62,203</u>	<u>70,395</u>
<b>Non-current portion</b>			
Due to local banks	100	175	-
Due to local banks related to subsidiaries	102,835	108,946	150,531
Due to foreign banks	6,396	11,424	12,401
	<u>109,331</u>	<u>120,545</u>	<u>162,932</u>

Long term debts amounting to KD 79,302 thousand (31 December and 31 March 2016: KD 84,388 thousand and KD 119,630 thousand respectively) ) are not secured by any pledges on Wataniya Telecom Algeria S.P.A.'s ("WTA") assets but are subject to various obligations and financial covenants over the terms of those debts.

Long term debts amounting to KD 17,688 thousand (31 December and 31 March 2016: KD 18,279 thousand and KD 20,004 thousand respectively) are secured by Wataniya Palestine Mobile Telecom Limited's ("WPT") assets.

Long term debts amounting to KD 47,600 thousand (31 December and 31 March 2016: 13,600 and KD 8,000 thousand respectively) are secured by promissory notes signed by the Company as guarantee of the loan.

Long term debts amounting to KD 60,839 thousand (31 December and 31 March 2016: KD 63,236 thousand and KD 81,658 thousand respectively) are not secured by any pledge by Ooredoo Tunisie S.A., but the loan arrangements contain financial covenants to be tested on an annual basis.

Long term debts amounting to KD 2,201 thousand (31 December and 31 March 2016: KD 2,770 thousand and KD 4,035 thousand respectively) are secured by Ooredoo Maldives Private Limited's (previously "WTM") fixed deposits.

Murabaha loan amounting to KD 400 thousand (31 December and 31 March 2016: KD 475 thousand and Nil respectively) are secured by PDC signed by the company as a guarantee for the loan.

**Notes to the interim condensed consolidated financial information (Unaudited)***For the period from 1 January 2017 to 31 March 2017***8. TRADE AND OTHER PAYABLES**

	<b>31 March 2017 KD 000's (Unaudited)</b>	<b>31 December 2016 KD 000's (Audited)</b>	<b>31 March 2016 KD 000's (Unaudited)</b>
Accruals	174,842	180,955	172,909
Trade payables	63,654	70,769	87,598
Amounts due to related parties (note 14)	59,047	54,080	47,814
Other tax payables	11,359	14,511	11,822
Staff payables	15,170	13,263	11,204
Dividends payable	5,603	11,973	59,560
Other payables	14,850	21,467	28,546
	<b>344,525</b>	<b>367,018</b>	<b>419,453</b>

**9. DIVIDEND**

The Annual General Assembly of the Company, held on 19 March 2017, approved the consolidated financial statements of the Group for the year ended 31 December 2016 and the payment of cash dividend of 85 fils per share amounting to KD 42,599 thousand for the year ended 31 December 2016 (2016: cash dividend of 100 fils per share amounting to KD 50,116 thousand for the year ended 31 December 2015) to the Company's equity shareholders existing as at 19 March 2017.

**10. BASIC AND DILUTED EARNINGS PER SHARE**

Basic and diluted earnings per share attributable to shareholders of the Company is calculated as follows:

	<b>Three month period ended 31 March</b>	
	<b>2017 (Unaudited)</b>	<b>2016 (Unaudited)</b>
Profit for the period attributable to shareholders of the Company (KD 000's)	<b>12,926</b>	<b>10,212</b>
Number of shares outstanding:		
Weighted average number of paid up shares (thousands)	<b>504,033</b>	<b>504,033</b>
Weighted average number of treasury shares (thousands)	<b>(2,871)</b>	<b>(2,871)</b>
Weighted average number of outstanding shares (thousands)	<b>501,162</b>	<b>501,162</b>
<b>Basic and diluted earnings per share attributable to shareholders of the Company (fils)</b>	<b>25.79</b>	<b>20.38</b>

There are no potential dilutive shares as at 31 March 2017 (31 December and 31 March 2016: nil).

**11. FINANCE COSTS - NET**

	<b>Three month period ended 31 March</b>	
	<b>2017 KD 000's (Unaudited)</b>	<b>2016 KD 000's (Unaudited)</b>
Finance income	<b>569</b>	<b>330</b>
Finance costs	<b>(2,646)</b>	<b>(2,927)</b>
	<b>(2,077)</b>	<b>(2,597)</b>

## Notes to the interim condensed consolidated financial information (Unaudited)

For the period from 1 January 2017 to 31 March 2017

## 12. OTHER (EXPENSES)/ INCOME - NET

	Three month period ended 31 March	
	2017 KD 000's (Unaudited)	2016 KD 000's (Unaudited)
Exchange gain/(loss)	346	(1,386)
Other operating (loss)/income	(632)	2,259
	<u>(286)</u>	<u>873</u>

## 13. PROVISION FOR CONTRIBUTION TO KFAS, NLST AND ZAKAT

	Three month period ended 31 March	
	2017 KD 000's (Unaudited)	2016 KD 000's (Unaudited)
KFAS	(138)	(106)
NLST	(386)	(313)
Zakat	(157)	(129)
	<u>(681)</u>	<u>(548)</u>

## 14. RELATED PARTY TRANSACTIONS

Related parties represent major shareholders, directors and key management personnel of the Group, Ooredoo Q.S.C. and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management. Transactions between the Company and its subsidiaries which are related parties to the Company have been eliminated on consolidation and are not disclosed in this note. Transactions with related parties are as follows:

<i>Interim condensed consolidated statement of financial position</i>	31 March 2017 KD 000's (Unaudited)	31 December 2016 KD 000's (Audited)	31 March 2016 KD 000's (Unaudited)
<i>Shareholders and entities related to shareholders</i>			
Payable to Ooredoo Group L.L.C.	46,764	42,807	43,542
Payable to the Ultimate Parent Company	9,225	8,961	3,299
Payable to Ooredoo IP L.L.C.	3,058	2,312	973
	<u>59,047</u>	<u>54,080</u>	<u>47,814</u>

*Interim condensed consolidated statement of profit or loss*

	Three month period ended 31 March	
	2017 KD 000's (Unaudited)	2016 KD 000's (Unaudited)
<i>Shareholders and entities related to shareholders</i>		
a) Management fees to Ooredoo Group L.L.C.	3,445	4,271
b) Brand license fees due to Ooredoo IP L.L.C.	834	600
c) Key management compensation:		
Short term benefits	1,579	2,273
Termination benefits	119	158
	<u>1,698</u>	<u>2,431</u>

**Notes to the interim condensed consolidated financial information (Unaudited)***For the period from 1 January 2017 to 31 March 2017***15. FAIR VALUE OF FINANCIAL INSTRUMENTS**Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair value of financial instruments traded in active markets (such as trading and available for sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date.

Fair value measurements recognised in the interim condensed consolidated statement of financial position

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- **Level 1** fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2** fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- **Level 3** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	<b>Level 1</b> <b>KD 000's</b>	<b>Level 2</b> <b>KD 000's</b>	<b>Total</b> <b>KD 000's</b>
<b>31 March 2017 (Unaudited)</b>			
<i>Available for sale financial assets:</i>			
Listed equity securities	-	-	-
Unlisted equity securities	-	4,873	4,873
	<u>-</u>	<u>4,873</u>	<u>4,873</u>
<b>31 December 2016 (Audited)</b>			
<i>Available for sale financial assets:</i>			
Listed equity securities	316	-	316
Unlisted equity securities	-	3,973	3,973
	<u>316</u>	<u>3,973</u>	<u>4,289</u>
<b>31 March 2016 (Unaudited)</b>			
<i>Available for sale financial assets:</i>			
Listed equity securities	139	-	139
Unlisted equity securities	-	3,973	3,973
	<u>139</u>	<u>3,973</u>	<u>4,112</u>

At the reporting date, unlisted equity investments with a carrying value of KD 2,000 (31 December and 31 March 2016: KD 2,150 thousand and KD 2,150 respectively) are carried at cost less impairment due to the non-availability of quoted market prices or other reliable measures of their fair value. Management believes that the carrying value of these equity investments approximates their fair value.

There are transfers between levels during the periods ended 31 March 2017 (31 December 2016 and 31 March 2016: there are no transfers between levels).

**Notes to the interim condensed consolidated financial information (Unaudited)***For the period from 1 January 2017 to 31 March 2017***16. COMMITMENTS AND CONTINGENT LIABILITIES**

	<b>31 March 2017 KD 000's (Unaudited)</b>	<b>31 December 2016 KD 000's (Audited)</b>	<b>31 March 2016 KD 000's (Unaudited)</b>
<b>Capital commitments</b>			
For the acquisition of property and equipment	34,395	33,879	35,985
For the acquisition of Palestinian mobile license	48,686	48,795	48,201
	<u>83,081</u>	<u>82,674</u>	<u>84,186</u>

**Operating lease commitments**

The Group has a number of operating leases over properties for the erection of communication towers, office facilities and warehouses. The lease expenditure charged to the interim condensed consolidated statement of profit or loss during the period is disclosed under operating expenses. The leases typically run for a period ranging from 1 to 5 years, with an option to renew the lease after that date.

Minimum operating lease commitments under these leases are as follows:

	<b>31 March 2017 KD 000's (Unaudited)</b>	<b>31 December 2016 KD 000's (Audited)</b>	<b>31 March 2016 KD 000's (Unaudited)</b>
Not later than one year	7,876	8,117	7,322
Later than one year but not later than five years	28,413	29,029	27,764
	<u>36,289</u>	<u>37,146</u>	<u>35,086</u>
<b>Contingent liabilities</b>			
Letters of guarantee	2,673	1,932	2,594
Letters of credit	4,093	3,107	3,019
	<u>6,766</u>	<u>5,039</u>	<u>5,613</u>

**17. FINANCIAL RISK MANAGEMENT**

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2016.

**Notes to the interim condensed consolidated financial information**  
**For the period from 1 January 2017 to 31 March 2017**

**18. SEGMENTAL INFORMATION**

The management organises the entity based on different geographical areas, inside and outside Kuwait. Operating segments were identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to its performance. The geographical analysis based on location of revenue, net profit / (loss) and total assets is as follows:

	Outside Kuwait					Total KD 000's
	Inside Kuwait KD 000's	Tunisia KD 000's	Algeria KD 000's	Others KD 000's	Un-allocated KD 000's	
Three months ended 31 March 2017 (Unaudited)						
Segment revenues	47,782	31,779	73,790	15,672	-	169,023
Segment results	569	418	13,072	2,999	(282)	16,776
Three months ended 31 March 2016 (Unaudited)						
Segment revenues	50,012	33,833	76,914	14,521	-	175,280
Segment results	2,398	602	6,426	2,676	276	12,378
As at 31 March 2017 (Unaudited)						
Segment assets	279,572	206,130	439,169	121,214	300,379	1,346,464
Investments and other assets	6,873	423	19,700	376	-	27,372
Total assets	286,445	206,553	458,869	121,590	300,379	1,373,836
As at 31 December 2016 (Audited)						
Segment assets	280,526	212,315	452,011	120,555	298,135	1,363,542
Investments and other assets	6,117	1,187	18,198	355	-	25,857
Total assets	286,643	213,502	470,209	120,910	298,135	1,389,399
As at 31 March 2016 (Unaudited)						
Segment assets	317,051	266,447	429,827	117,917	330,015	1,461,257
Investments and other assets	6,112	2,163	-	221	-	8,496
Total assets	323,163	268,610	429,827	118,138	330,015	1,469,753