

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



**Interim condensed consolidated financial information and independent auditors' review report for
the period from 1 January 2014 to 30 June 2014
(Unaudited)**



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(Unaudited)**

For the period from 1 January 2014 to 30 June 2014

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**Al-Shatti & Co.**

Arraya Tower II, 23rd-24th floor,
Sharq P.O. Box 1753
Safat 13018
Kuwait
Telephone: +965 22275777
Fax: +965 22275888

**KPMG Safi Al-Mutawa & Partners**

Rakan Tower, 18th Floor
Fahad Al-Salem Street
P.O. Box 24, Safat 13001
Kuwait
Telephone : + 965 2247 5090
Fax : + 965 2249 2704

Independent Auditors' Report on Review of Interim Condensed Consolidated Financial Information**The Board of Directors**

**National Mobile Telecommunications Company K.S.C.P.
State of Kuwait**

Introduction

We have reviewed the accompanying interim condensed consolidated financial information of National Mobile Telecommunications Company K.S.C.P. ("the Company") and its subsidiaries (together referred to as "the Group"), which comprises the interim condensed consolidated statement of financial position as at 30 June 2014, the related interim condensed consolidated statements of profit or loss and comprehensive income for the three month and six month periods then ended and the related interim condensed consolidated statements of changes in equity and cash flows for the six month period then ended, and notes to the interim condensed consolidated financial information. The 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 interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting'.

Emphasis of Matter

We draw attention to note 16 to the interim condensed consolidated financial information, which describes the nature of an ongoing lawsuit relating to the Company. Legal proceedings related to the lawsuit are in progress and the ultimate outcome of the matter cannot be presently determined. Our conclusion is not qualified in respect of this matter.



Independent Auditors' Report on Review of Interim Condensed Consolidated Financial Information (continued)

Report on Review of Other Legal and Regulatory Requirements

Furthermore, based on our review, this interim condensed consolidated financial information is in agreement with the accounting records. We further report that to the best of our knowledge and belief, we have not become aware of any material violations of the Companies Law No. 25 of 2012, as amended, or the Memorandum and Articles of Association of the Company during the six month period ended 30 June 2014 that might have had material effect on the Company's activities or on its financial position.

Khalid Ebrahim Al-Shatti
Licence No 175-A
PricewaterhouseCoopers (Al-Shatti & Co.)

Safi A. Al-Mutawa
License No 138 "A"
of KPMG Safi Al-Mutawa & Partners
Member firm of KPMG International

3 August 2014
Kuwait

Interim condensed consolidated statement of financial position (Unaudited)

As at 30 June 2014

	Note	30 June 2014 KD 000's (Unaudited)	31 December 2013 KD 000's (Audited)	30 June 2013 KD 000's (Unaudited)
ASSETS				
Non-current assets				
Property and equipment		700,592	679,730	548,227
Intangible assets and goodwill		556,070	583,774	588,760
Available for sale financial assets		7,667	8,691	10,003
Deferred tax asset		1,534	1,567	2,212
Other non-current assets		386	393	480
		<u>1,266,249</u>	<u>1,274,155</u>	<u>1,149,682</u>
Current assets				
Inventories		32,577	27,049	13,712
Trade and other receivables		230,637	169,434	176,167
Bank balances and cash	5	70,656	141,702	179,377
Assets of disposal group classified as held for sale	6	-	29,070	-
		<u>333,870</u>	<u>367,255</u>	<u>369,256</u>
Total assets		<u>1,600,119</u>	<u>1,641,410</u>	<u>1,518,938</u>
EQUITY AND LIABILITIES				
EQUITY				
Share capital		50,403	50,403	50,403
Treasury shares		(3,598)	(3,598)	(3,598)
Reserves		120,300	135,913	128,401
Retained earnings		598,065	622,853	597,110
Equity attributable to shareholders of the Company		<u>765,170</u>	<u>805,571</u>	<u>772,316</u>
Non-controlling interests		134,064	126,880	114,363
Total equity		<u>899,234</u>	<u>932,451</u>	<u>886,679</u>
LIABILITIES				
Non-current liabilities				
Long term debts	7	126,689	96,853	120,089
Provision for staff indemnity		5,746	5,327	6,014
Other non-current liabilities		18,058	18,037	20,838
		<u>150,493</u>	<u>120,217</u>	<u>146,941</u>
Current liabilities				
Trade and other payables	8	463,288	464,492	418,183
Deferred income		32,939	37,256	31,352
Income tax payable		2,117	-	4,450
Long term debts	7	52,048	48,225	31,333
Liabilities of disposal group classified as held for sale	6	-	38,769	-
		<u>550,392</u>	<u>588,742</u>	<u>485,318</u>
Total liabilities		<u>700,885</u>	<u>708,959</u>	<u>632,259</u>
Total equity and liabilities		<u>1,600,119</u>	<u>1,641,410</u>	<u>1,518,938</u>

Abdullah Bin Mohammed Bin Saud Al Thani
Chairman

**Interim condensed consolidated statement of profit or loss (Unaudited)***For the period from 1 January 2014 to 30 June 2014*

	Note	Three months ended 30 June		Six months ended 30 June	
		2014 KD 000's (Unaudited)	2013 KD 000's (Unaudited) (Re-presented)	2014 KD 000's (Unaudited)	2013 KD 000's (Unaudited) (Re-presented)
Revenue		196,728	188,823	379,413	370,128
Cost of revenue		(76,067)	(68,759)	(146,106)	(136,449)
Gross profit		120,661	120,064	233,307	233,679
Administrative expenses		(32,054)	(32,297)	(64,657)	(63,251)
Selling and distribution costs		(21,236)	(14,984)	(38,098)	(30,369)
Finance costs – net	11	(2,015)	(1,223)	(3,707)	(2,070)
Depreciation and amortisation		(35,653)	(32,052)	(71,480)	(64,130)
Other income / (expense) – net	12	441	(2,507)	1,443	(7,583)
Gain on disposal of a subsidiary	6	-	-	3,628	-
Impairment loss on available for sale financial assets		-	-	-	(5)
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 from continuing operations		30,144	37,001	60,436	66,271
Provision for directors' remuneration		(152)	(151)	(303)	(418)
Provision for contribution to KFAS, NLST and Zakat	13	(796)	(779)	(1,687)	(1,695)
Profit before taxation from continuing operations		29,196	36,071	58,446	64,158
Taxation related to subsidiaries		(5,132)	(6,951)	(10,038)	(13,017)
Profit for the period from continuing operations		24,064	29,120	48,408	51,141
Discontinued operations					
Profit from discontinued operations		-	489	-	1,051
Profit for the period		24,064	29,609	48,408	52,192
<i>Attributable to:</i>					
- Shareholders of the Company		18,038	22,911	37,857	42,387
- Non-controlling interests		6,026	6,698	10,551	9,805
		24,064	29,609	48,408	52,192
Basic and diluted earnings per share (fils)	10	35.99	45.71	75.54	84.58
Basic and diluted earnings per share (fils) – continuing operations	10	35.99	44.74	75.54	82.48

The accompanying notes set out on pages 8 to 18 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 2014 to 30 June 2014*

	Three months ended 30 June		Six months ended 30 June	
	2014	2013	2014	2013
	KD 000's	KD 000's	KD 000's	KD 000's
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period	24,064	29,609	48,408	52,192
Other comprehensive income				
<i>Items that are or may be reclassified subsequently to the interim condensed consolidated statement of profit or loss</i>				
Change in fair value of available for sale financial assets	1	276	(40)	950
Net gain / (loss) on sale of available for sale financial assets transferred to the interim condensed consolidated statement of profit or loss (note 12)	(177)	(24)	97	(48)
Impairment loss on available for sale financial assets transferred to the interim condensed consolidated statement of profit or loss	-	-	-	5
Exchange differences transferred to the interim condensed consolidated statement of profit or loss	-	-	685	-
Exchange differences arising on translation of foreign operations	(36,634)	(22,863)	(19,722)	(31,996)
Total other comprehensive income for the period	(36,810)	(22,611)	(18,980)	(31,089)
Total comprehensive income for the period	(12,746)	6,998	29,428	21,103
<i>Attributable to:</i>				
- Shareholders of the Company	(13,982)	3,390	22,244	15,332
- Non-controlling interests	1,236	3,608	7,184	5,771
	(12,746)	6,998	29,428	21,103

The accompanying notes set out on pages 8 to 18 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 2014 to 30 June 2014*

	Reserves										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
	Share capital	Treasury shares	Share premium	Statutory reserve	General reserve	Gain on sale of treasury shares	Fair value reserve	Foreign currency translation reserve	Other reserves	Total reserves				
	KD 000's	KD 000's	KD 000's	KD 000's	KD 000's	KD 000's	KD 000's	KD 000's	KD 000's	KD 000's				
Balance at 1 January 2014	50,403	(3,598)	66,634	32,200	113,016	6,914	1,128	(87,391)	3,412	135,913	622,853	805,571	126,880	932,451
Profit for the period	-	-	-	-	-	-	-	-	-	-	37,857	37,857	10,551	48,408
Other comprehensive loss for the period	-	-	-	-	-	-	57	(15,670)	-	(15,613)	-	(15,613)	(3,367)	(18,980)
Total comprehensive income for the period	-	-	-	-	-	-	57	(15,670)	-	(15,613)	37,857	22,244	7,184	29,428
Dividends (note 9)	-	-	-	-	-	-	-	-	-	-	(62,645)	(62,645)	-	(62,645)
Balance at 30 June 2014	<u>50,403</u>	<u>(3,598)</u>	<u>66,634</u>	<u>32,200</u>	<u>113,016</u>	<u>6,914</u>	<u>1,185</u>	<u>(103,061)</u>	<u>3,412</u>	<u>120,300</u>	<u>598,065</u>	<u>765,170</u>	<u>134,064</u>	<u>899,234</u>

	Reserves										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
	Share capital	Treasury shares	Share premium	Statutory reserve	General reserve	Gain on sale of treasury shares	Fair value reserve	Foreign currency translation reserve	Other reserves	Total reserves				
	KD 000's	KD 000's	KD 000's	KD 000's	KD 000's	KD 000's	KD 000's	KD 000's	KD 000's	KD 000's				
Balance at 1 January 2013	50,403	(3,598)	66,634	32,200	105,051	6,914	429	(59,184)	3,412	155,456	617,605	819,866	139,296	959,162
Profit for the period	-	-	-	-	-	-	-	-	-	-	42,387	42,387	9,805	52,192
Other comprehensive loss for the period	-	-	-	-	-	-	907	(27,962)	-	(27,055)	-	(27,055)	(4,034)	(31,089)
Total comprehensive income for the period	-	-	-	-	-	-	907	(27,962)	-	(27,055)	42,387	15,332	5,771	21,103
Dividends (note 9)	-	-	-	-	-	-	-	-	-	-	(62,645)	(62,645)	-	(62,645)
Movement in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(237)	(237)	(30,704)	(30,941)
Balance at 30 June 2013	<u>50,403</u>	<u>(3,598)</u>	<u>66,634</u>	<u>32,200</u>	<u>105,051</u>	<u>6,914</u>	<u>1,336</u>	<u>(87,146)</u>	<u>3,412</u>	<u>128,401</u>	<u>597,110</u>	<u>772,316</u>	<u>114,363</u>	<u>886,679</u>

The accompanying notes set out on pages 8 to 18 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 2014 to 30 June 2014*

		Six months ended 30 June	
	Note	2014 KD 000's (Unaudited)	2013 KD 000's (Unaudited)
Cash flows from operating activities			
Profit for the period from continuing operations		48,408	51,141
Profit for the period from discontinued operations		-	1,051
<i>Adjustments for:</i>			
Depreciation and amortisation		71,480	64,130
Dividend income	12	(1)	(51)
Finance income	11	(908)	(1,142)
Gain (loss) on sale of available for sale financial assets	12	97	(48)
Provision for impairment of receivables		4,890	5,094
Taxation relating to subsidiaries		10,038	13,017
Gain on sale of property and equipment		(142)	-
Gain on sale of a subsidiary	6	(3,628)	-
Finance costs	11	4,616	3,213
Provision for KFAS, NLST and Zakat	13	1,687	1,695
Provision for staff indemnity		787	1,033
		<u>137,324</u>	<u>139,133</u>
<i>Changes in:</i>			
Trade and other receivables and other non-current assets		(65,771)	(35,497)
Inventories		(5,527)	747
Trade and other payables and other non-current liabilities		<u>(21,158)</u>	<u>57,346</u>
Cash generated from operating activities		44,868	161,729
Provision for staff indemnity paid		<u>(366)</u>	<u>(223)</u>
Net cash generated from operating activities		44,502	161,506
Cash flows from investing activities			
(Increase) / decrease in term deposits		13,566	11,805
Purchase of available for sale financial assets		-	(1,156)
Proceeds from sale of available for sale financial assets		982	1,330
Purchase of property and equipment		(85,397)	(77,646)
Proceeds from disposal of property and equipment		400	-
Purchase of intangible assets		(2,845)	(3,589)
Payments on disposal of a subsidiary		(6,044)	-
Dividend income received		1	-
Interest income received		908	1,142
Net cash used in investing activities		(78,429)	(68,114)
Cash flows from financing activities			
Finance costs paid		(4,616)	(3,213)
Dividends paid		(71,675)	(62,645)
Dividends paid by subsidiary to non controlling interest shareholders		-	(30,774)
Net increase in term debts		31,192	44,139
Net movement in non-controlling interest			(167)
Net cash used in financing activities		(45,099)	(52,660)
Effect of foreign currency translation		6,074	(1,311)
Net (decrease) / increase in cash and cash equivalents		(72,952)	39,421
Cash and cash equivalents at 1 January		137,869	137,229
Cash and cash equivalents at 30 June	5	64,917	176,650

The accompanying notes set out on pages 8 to 18 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 2014 to 30 June 2014

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 provision of mobile telephone services in Kuwait 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 is also permitted to invest surplus funds in shares and other securities and acquire interests in related businesses in Kuwait and similar businesses abroad. Its shares were listed on the Kuwait Stock Exchange in July 1999 and commercial operations began in December 1999. During the current period, the Company changed its brand name from "Wataniya" to "Ooredoo".

The Company is a subsidiary of Qtel International Investment LLC, one of the subsidiaries of Ooredoo Q.S.C. (formerly Qatar Telecom Company Q.S.C.) ("Ooredoo"), a Qatari shareholding company listed on the Qatar Exchange.

On 29 November 2012, through a decree, Companies Law No. 25 of 2012 ("the Law") was issued and later amended by Law No. 97 of 2013 dated 27 March 2013 ("the Decree"). The Law came into effect from the date it was published in Kuwait's Official Gazette. The Executive Regulations have been issued by the Ministry of Commerce and Industry on 29 September 2013 and was published in the Kuwait's Official Gazette on 6 October 2013. According to Article 3 of the resolution, companies have one year from date of publishing the Executive Regulations to comply with the new amended Law. The Company's management is of the view that application of the provisions of the Law has no material impact on the Company's activities or on its financial position.

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 July 2014.

2. BASIS OF PREPARATION

This interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard No. 34, Interim Financial Reporting and the Kuwait Stock Exchange instructions No. 2 of 1998.

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, since the last annual consolidated financial statements as at and for the year ended 31 December 2013. 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 six month period ended 30 June 2014 are not necessarily indicative of the results that may be expected for the year ending 31 December 2014.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the most recent annual audited consolidated financial statements for the year ended 31 December 2013.

Notes to the interim condensed consolidated financial information (Unaudited)

For the period from 1 January 2014 to 30 June 2014

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Additionally, the Group has adopted the following revised and newly issued IFRSs and interpretations effective for annual periods beginning on or after 1 January 2014.

IFRS 10, IFRS 12 and IAS 27

Amendments were made to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interest in Other Entities and IAS 27 Separate Financial Statements to:

- provide 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 Financial Instruments or IAS 39 Financial Instruments: Recognition and Measurement;
- require additional disclosure about why the entity is considered an investment entity, details of the entity's unconsolidated subsidiaries, and the nature of relationship and certain transactions between the investment entity and its subsidiaries; and
- require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements (or to only provide separate financial statements if all subsidiaries are unconsolidated).

IAS 32 Offsetting Financial Assets and Financial Liabilities

These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and the criteria for non-simultaneous settlement mechanisms.

IAS 36 Impairment of assets

These amendments remove the unintended consequences of IFRS 13 on the disclosures required under IAS 36. In addition, these amendments require disclosures of the recoverable amounts for the assets or CGUs for which impairment loss has been recognized or reversed during the period. These amendments are effective retrospectively and accordingly will be considered while making disclosures for impairment of non-financial assets in the consolidated financial statements for the year ending 31 December 2014 and would continue to be considered for future disclosures.

IFRS 15 – Revenue from contracts with customers

IFRS 15 specifies how and when an entity recognises revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers. The standard was issued in May 2014 and applies to an annual financial statements beginning on or after 1 January 2017.

IFRIC 21 Levies

IFRIC 21 addresses the accounting for a liability to pay a levy if that liability is within the scope of IAS 37 'Provisions'. The interpretation addresses what the obligating event is that gives rise to pay a levy, and when should a liability be recognised. The adoption of the interpretation has had no significant effect on the consolidated financial statements for earlier periods and on the interim condensed consolidated financial information for the period ended 30 June 2014. The group does not expect IFRIC 21 to have a significant effect on the results for the financial year ending 31 December 2014.

The management anticipates that the above amendments have no significant financial impact on the interim condensed consolidated financial information of the Group.

Notes to the interim condensed consolidated financial information (Unaudited)*For the period from 1 January 2014 to 30 June 2014***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 applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2013.

5. BANK BALANCES AND CASH

	30 June 2014 KD 000's (Unaudited)	31 December 2013 KD 000's (Audited)	30 June 2013 KD 000's (Unaudited)
Bank balances and cash	47,765	91,494	139,733
Deposits	22,891	50,208	39,644
Bank balances and cash in the interim condensed consolidated statement of financial position	70,656	141,702	179,377
Deposits with original maturities of three months or more	(5,739)	(19,305)	(2,727)
Bank balances and cash reclassified as assets of disposal group classified as held for sale	-	15,472	-
Cash and cash equivalents in the interim condensed consolidated statement of cash flows	64,917	137,869	176,650

The effective interest rate on interest-earning deposits ranged from 1.71% to 8.6 per annum (31 December 2013 and 30 June 2013: 1.66% to 8.6% per annum and 1.66% to 8.6% per annum respectively) per annum. Bank balances and cash include KD 68 thousand (31 December 2013 and 30 June 2013: KD 1,543 thousand and KD 384 thousand respectively) held as part of a managed portfolio.

Included in deposits with original maturities of three months or more is an amount of KD 6 thousand (31 December 2013 and 30 June 2013: KD 13,785 thousand and KD 13,935 thousand respectively) restricted in accordance with subsidiary's syndicated loan agreement (refer to note 7).

6. GAIN ON SALE OF A SUBSIDIARY

During the period, the Group sold Public Telecommunications Company Ltd. ("PTC") (a former subsidiary) to Saudi Telecommunications Company ("the buyer"). The settlement agreement, which was initially signed on 31 October 2013 and amended on 20 January 2014, was concluded and the related legal formalities of the transferring the shares were duly completed during the period.

Subsequent to reaching a sale agreement and for the purpose of concluding the sale, the buyer waived certain liabilities due from PTC amounting to KD 13,970 thousand resulting in an increase in PTC's net assets at the date of disposal to KD 4,312 thousand. Additionally, a consideration of KD 6,044 thousand was paid to the buyer by the Group as part of the settlement agreement. Accordingly, the disposal transaction, after considering the waiver of liabilities as well as the consideration paid by the Group, has resulted in a gain of KD 3,628 thousand.

**Notes to the interim condensed consolidated financial information (Unaudited)***For the period from 1 January 2014 to 30 June 2014***7. LONG TERM DEBTS**

	30 June 2014 KD 000's (Unaudited)	31 December 2013 KD 000's (Audited)	30 June 2013 KD 000's (Unaudited)
Current portion			
Due to local banks	-	-	20,000
Due to local banks related to subsidiaries	51,541	47,717	10,514
Due to foreign banks	507	508	819
	52,048	48,225	31,333
Non-current portion			
Due to local banks	44,000	18,000	62,645
Due to local banks related to subsidiaries	74,131	70,229	29,840
Due to foreign banks	8,558	8,624	27,604
	126,689	96,853	120,089

Long term debts amounting to KD 73,043 thousand (31 December 2013 and 30 June 2013: KD 64,656 thousand and KD 44,675 thousand respectively) are supported by third party guarantees and secured by pledges on Wataniya Telecom Algeria S.P.A. ("WTA")'s assets and shares. In addition, WTA is subject to various obligations and financial covenants over the terms of those debts.

Long term debts amounting to KD 23,055 thousand (31 December 2013 and 30 June 2013: KD 23,071 thousand and KD 23,331 thousand respectively) are secured by Wataniya Palestine Mobile Telecom Limited ("WPT")'s assets.

Long term debts amounting to KD 44,000 thousand (31 December 2013 and 30 June 2013: KD 18,000 thousand and KD 82,645 thousand respectively) are secured by promissory notes signed by the Company as guarantee of the loan.

Long term debts amounting to KD 1,843 thousand (31 December 2013 and 30 June 2013: KD 1,571 thousand and KD 771 thousand respectively) are secured by Ooredoo Maldives Private Limited ("OMPL" previously "WTM")'s fixed deposits.

Long term debts amounting to KD 36,796 thousand (31 December 2013 and 30 June 2013: KD 37,780 thousand and nil respectively) were secured by pledge of tangible and intangible assets exclusive of the GSM License, of Ooredoo Tunisie S.A. (previously "Tunisiana S.A"). In addition, the loan arrangements contain financial covenants to be tested on an annual basis.

8. TRADE AND OTHER PAYABLES

	30 June 2014 KD' 000 (Unaudited)	31 December 2013 KD' 000 (Audited)	30 June 2013 KD' 000 (Unaudited)
Accruals	272,987	272,151	192,008
Trade payables	90,579	85,931	81,172
Amounts due to related parties (note 14)	34,683	39,230	36,528
Other tax payables	17,774	17,687	15,650
Staff payable	9,474	10,320	7,746
Dividends payable	6,109	15,139	30,901
Other payables	31,682	24,034	54,178
	463,288	464,492	418,183

Notes to the interim condensed consolidated financial information (Unaudited)*For the period from 1 January 2014 to 30 June 2014***9. DIVIDENDS**

The Annual General Assembly of the Company, held on 25 March 2014, approved the consolidated financial statements of the Group for the year ended 31 December 2013 and the payment of cash dividend of 125 fils per share for the year ended 31 December 2013 (2012: cash dividend of 125 fils per share) to the Company's equity shareholders existing as at 25 March 2014.

10. BASIC AND DILUTED EARNINGS PER SHARE

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

	Three months ended 30 June		Six months ended 30 June	
	2014	2013	2014	2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period attributable to shareholders of the Company (KD 000's)	18,038	22,911	37,857	42,387
Profit for the period attributable to shareholders of the Company – continuing operations (KD 000's)	18,038	22,422	37,857	41,336
Number of shares outstanding:				
Weighted average number of paid up shares (thousands)	504,033	504,033	504,033	504,033
Weighted average number of treasury shares (thousands)	(2,871)	(2,871)	(2,871)	(2,871)
Weighted average number of outstanding shares (thousands)	501,162	501,162	501,162	501,162
Basic and diluted earnings per share attributable to shareholders of the Company (fils)	35.99	45.71	75.54	84.58
Basic and diluted earnings per share attributable to shareholders of the Company - continuing operations (fils)	35.99	44.74	75.54	82.48

There are no potential dilutive shares as at 30 June 2014 (31 December 2013 and 30 June 2013: nil).

11. FINANCE COSTS – NET

	Three months ended 30 June		Six months ended 30 June	
	2014	2013	2014	2013
	KD 000's	KD 000's	KD 000's	KD 000's
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(Re-presented)		(Re-presented)
Finance income	439	404	908	1,142
Finance costs	(2,454)	(1,627)	(4,615)	(3,212)
	(2,015)	(1,223)	(3,707)	(2,070)

**Notes to the interim condensed consolidated financial information (Unaudited)***For the period from 1 January 2014 to 30 June 2014***12. OTHER INCOME / (EXPENSE) – NET**

	Three months ended 30 June		Six months ended 30 June	
	2014	2013	2014	2013
	KD 000's	KD 000's	KD 000's	KD 000's
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(Re-presented)		(Re-presented)
Dividend income	1	39	1	52
Exchange (loss) / gain	(1,306)	100	(2,236)	(647)
Other operating income / (expenses)	1,569	(2,670)	3,775	(7,036)
Gain / (loss) on sale of available for sale financial assets	177	24	(97)	48
	441	(2,507)	1,443	(7,583)

13. PROVISION FOR CONTRIBUTION TO KFAS, NLST AND ZAKAT

	Three months ended 30 June		Six months ended 30 June	
	2014	2013	2014	2013
	KD 000's	KD 000's	KD 000's	KD 000's
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(Re-presented)		(Re-presented)
KFAS	(225)	(148)	(393)	(317)
NLST	(408)	(491)	(924)	(1,025)
Zakat	(163)	(140)	(370)	(353)
	(796)	(779)	(1,687)	(1,695)

14. RELATED PARTY TRANSACTIONS

Related parties represent major shareholders, directors and key management personnel of the Group and Ooredoo 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:

Interim condensed consolidated statement of financial position

	30 June 2014	31 December 2013	30 June 2013
	KD' 000	KD' 000	KD' 000
	(Unaudited)	(Audited)	(Unaudited)
<i>Shareholders and entities related to shareholders</i>			
Payables to Ooredoo Group L.L.C.	34,337	39,126	36,339
Payable to Ooredoo Q.S.C.	346	104	189
	34,683	39,230	36,528

Notes to the interim condensed consolidated financial information (Unaudited)*For the period from 1 January 2014 to 30 June 2014***14. RELATED PARTY TRANSACTIONS (CONTINUED)*****Interim condensed consolidated statement of profit or loss***

	Three months ended 30 June		Six months ended 30 June	
	2014	2013	2014	2013
	KD 000's	KD 000's	KD 000's	KD 000's
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
a) Management fees to Ooredoo Group L.L.C	(4,052)	(3,814)	(7,798)	(7,569)
b) Key management compensation:				
Short term benefits	(353)	(463)	(696)	(882)
Termination benefits	(63)	(76)	(321)	(588)

15. FAIR VALUES OF FINANCIAL ASSETSValuation 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).

Notes to the interim condensed consolidated financial information (Unaudited)*For the period from 1 January 2014 to 30 June 2014***15. FAIR VALUES OF FINANCIAL ASSETS (CONTINUED)**

30 June 2014			
	Level 1	Level 2	Total
	KD 000's	KD 000's	KD 000's
<i>Available for sale financial assets</i>			
Listed equity securities	330	-	330
Unlisted equity securities	-	5,230	5,230
	330	5,230	5,560
31 December 2013			
	Level 1	Level 2	Total
	KD 000's	KD 000's	KD 000's
<i>Available for sale financial assets</i>			
Listed equity securities	1,001	-	1,001
Unlisted equity securities	-	4,033	4,033
	1,001	4,033	5,034
30 June 2013			
	Level 1	Level 2	Total
	KD 000's	KD 000's	KD 000's
<i>Available for sale financial assets</i>			
Listed equity securities	2,278	-	2,278
Unlisted equity securities	-	5,618	5,618
	2,278	5,618	7,896

At the reporting date, unlisted equity investments with a carrying value of KD 2,107 thousand (31 December 2013 and 30 June 2013: KD 3,657 thousand and KD 2,107 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.

*Valuation techniques and assumptions for the purpose of measuring fair value***a) Listed securities**

All listed equity securities are publicly traded on a recognised stock exchange. Fair value has been determined by referring to their quoted bid prices at the reporting date.

b) Unlisted securities

Unlisted securities are measured at fair value estimated by portfolio managers using various models, which includes some assumptions that are not supported by observable market prices or rates.

There are no transfers between levels during the periods/year ended 30 June 2014, 31 December 2013 and 30 June 2013.

16. COMMITMENTS AND CONTINGENT LIABILITIES

	30 June	31 December	30 June
	2014	2013	2013
	KD 000's	KD 000's	KD 000's
	(Unaudited)	(Audited)	(Unaudited)
Capital commitments			
For the acquisition of property and equipment	89,244	87,164	166,034
For the acquisition of Palestinian mobile license	44,978	45,052	45,541
	134,222	132,216	211,575

Notes to the interim condensed consolidated financial information (Unaudited)*For the period from 1 January 2014 to 30 June 2014***16. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)****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 cost of revenue. The leases typically run for a period ranging from 1 to 5 years, with an option to renew the lease after that period.

Minimum operating lease commitments under these leases are as follows:

	30 June 2014 KD' 000 (Unaudited)	31 December 2013 KD' 000 (Audited)	30 June 2013 KD' 000 (Unaudited)
Not later than one year	8,779	9,066	7,242
Later than one year but not later than five years	29,773	31,646	24,541
	38,552	40,712	31,783
Contingent liabilities			
Letters of guarantee	3,567	4,224	4,239
Letters of credit	2,857	-	-
	6,424	4,224	4,239

The Ministry of Communications initiated unjust enrichment proceedings against the Company under Article 262 of the Kuwaiti Civil Code, claiming unlawful use of the Ministry's network infrastructure since 1999. During the period, the Kuwaiti Court of Appeal ruled in favour of the Ministry of Communication (the "MOC") in its case against National Mobile Telecommunications Company K.S.C.P. The decision was based on the claimed right of the Ministry to charge fees according to Kuwaiti Law for mobile services provided via the Company's mobile network. The judgment was for an amount of KD 36.693 million in favor of the MOC. Management is in the process of challenging the judgement of the Court of Appeal before the Court of Cassation. Management believes that the Company has strong grounds to challenge these allegations.

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 2013.

Notes to the interim condensed consolidated financial information (Unaudited)*For the period from 1 January 2014 to 30 June 2014***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:

	Inside Kuwait KD 000's	Outside Kuwait				Total KD 000's
		Tunisia KD 000's	Algeria KD 000's	Others KD 000's	Un-allocated KD 000's	
Six months ended 30 June 2014 (unaudited)						
Segment revenues	<u>84,546</u>	<u>92,705</u>	<u>182,587</u>	<u>19,575</u>	<u>-</u>	<u>379,413</u>
Segment results	<u>4,626</u>	<u>14,193</u>	<u>29,506</u>	<u>1,694</u>	<u>(1,611)</u>	<u>48,408</u>
Three months ended 30 June 2014 (unaudited)						
Segment revenues	<u>42,630</u>	<u>47,299</u>	<u>97,097</u>	<u>9,702</u>	<u>-</u>	<u>196,728</u>
Segment results from continuing operations	<u>1,769</u>	<u>6,509</u>	<u>17,450</u>	<u>(1,150)</u>	<u>(514)</u>	<u>24,064</u>
Six months ended 30 June 2013 (unaudited) - (Re-presented)						
Segment revenues	<u>104,559</u>	<u>97,900</u>	<u>147,710</u>	<u>19,959</u>	<u>-</u>	<u>370,128</u>
Segment results from continuing operations	<u>13,484</u>	<u>17,224</u>	<u>26,671</u>	<u>(4,059)</u>	<u>(2,179)</u>	<u>51,141</u>
Three months ended 30 June 2013 (unaudited) - (Re-presented)						
Segment revenues	<u>51,886</u>	<u>50,281</u>	<u>76,786</u>	<u>9,870</u>	<u>-</u>	<u>188,823</u>
Segment results from continuing operations	<u>3,986</u>	<u>12,161</u>	<u>16,211</u>	<u>(2,165)</u>	<u>(1,073)</u>	<u>29,120</u>

Notes to the interim condensed consolidated financial information (Unaudited)

For the period from 1 January 2014 to 30 June 2014

18. SEGMENTAL INFORMATION (CONTINUED)

	Inside Kuwait KD 000's	Outside Kuwait				Total KD 000's
		Tunisia KD 000's	Algeria KD 000's	Others KD 000's	Un-allocated KD 000's	
As at 30 June 2014 (unaudited)						
Segment assets	260,562	231,812	602,124	105,743	390,676	1,590,917
Investments and other assets	7,584	1,618	-	-	-	9,202
Total assets	<u>268,146</u>	<u>233,430</u>	<u>602,124</u>	<u>105,743</u>	<u>390,676</u>	<u>1,600,119</u>
As at 31 December 2013 (audited)						
Segment assets	290,779	256,937	541,801	153,762	358,803	1,602,082
Investments and other assets	8,606	1,652	-	-	-	10,258
Assets of disposal group classified as held for sale	-	-	-	29,070	-	29,070
Total assets	<u>299,385</u>	<u>258,589</u>	<u>541,801</u>	<u>182,832</u>	<u>358,803</u>	<u>1,641,410</u>
As at 30 June 2013 (unaudited)						
Segment assets	308,421	256,694	431,222	190,241	320,231	1,506,809
Investments and other assets	9,917	2,212	-	-	-	12,129
Total assets	<u>318,338</u>	<u>258,906</u>	<u>431,222</u>	<u>190,241</u>	<u>320,231</u>	<u>1,518,938</u>