

**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 September 2014
(Unaudited)**



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

For the period from 1 January 2014 to 30 September 2014

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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 September 2014, the related interim condensed consolidated statements of profit or loss and comprehensive income for the three month and nine month periods then ended and the related interim condensed consolidated statements of changes in equity and cash flows for the nine 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 IAS 34 "*Interim Financial Reporting*". 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 nine month period ended 30 September 2014 that might have had material effect on the Company's activities or on its financial position.

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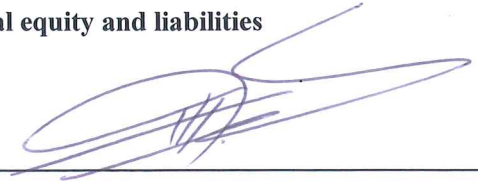
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Member firm of KPMG International

28 October 2014
Kuwait

Interim condensed consolidated statement of financial position (Unaudited)

As at 30 September 2014

	Note	30 September 2014 KD 000's (Unaudited)	31 December 2013 KD 000's (Audited)	30 September 2013 KD 000's (Unaudited)
ASSETS				
Non-current assets				
Property and equipment		692,714	679,730	603,117
Intangible assets and goodwill		548,576	583,774	577,809
Available for sale financial assets		7,664	8,691	9,928
Deferred tax asset		1,578	1,567	2,294
Other non-current assets		369	393	382
		1,250,901	1,274,155	1,193,530
Current assets				
Inventories		36,047	27,049	10,294
Trade and other receivables		223,560	169,434	187,656
Bank balances and cash	5	65,084	141,702	220,307
Assets of disposal group classified as held for sale	6	-	29,070	-
		324,691	367,255	418,257
Total assets		1,575,592	1,641,410	1,611,787
EQUITY AND LIABILITIES				
EQUITY				
Share capital		50,403	50,403	50,403
Treasury shares		(3,598)	(3,598)	(3,598)
Reserves		115,284	135,913	123,163
Retained earnings		605,946	622,853	612,447
Equity attributable to shareholders of the Company		768,035	805,571	782,415
Non-controlling interests		132,434	126,880	118,442
Total equity		900,469	932,451	900,857
LIABILITIES				
Non-current liabilities				
Long term debts	7	57,810	96,853	124,016
Provision for staff indemnity		6,108	5,327	6,300
Other non-current liabilities		18,280	18,037	21,174
		82,198	120,217	151,490
Current liabilities				
Trade and other payables	8	449,827	464,492	457,592
Deferred income		34,735	37,256	35,541
Income tax payable		-	-	2,897
Long term debts	7	108,363	48,225	63,410
Liabilities of disposal group classified as held for sale	6	-	38,769	-
		592,925	588,742	559,440
Total liabilities		675,123	708,959	710,930
Total equity and liabilities		1,575,592	1,641,410	1,611,787



Abdullah Bin Mohammed Bin Saud Al Thani
Chairman



مكتب الرئيس
Chairman Office

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 profit or loss (Unaudited)***For the period from 1 January 2014 to 30 September 2014*

	Note	Three months ended 30 September		Nine months ended 30 September	
		2014	2013	2014	2013
		KD 000's (Unaudited)	KD 000's (Unaudited) (Re-presented)	KD 000's (Unaudited)	KD 000's (Unaudited) (Re-presented)
Revenue		186,056	179,976	565,469	550,104
Cost of revenue		(76,695)	(66,842)	(222,801)	(203,291)
Gross profit		109,361	113,134	342,668	346,813
Administrative expenses		(31,837)	(31,669)	(96,494)	(94,920)
Selling and distribution costs		(16,991)	(16,737)	(55,089)	(47,105)
Finance costs – net	11	(2,062)	(1,519)	(5,769)	(3,589)
Depreciation and amortisation		(36,891)	(31,966)	(108,371)	(96,096)
Other expenses – net	12	(4,526)	(2,482)	(3,083)	(10,065)
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		17,054	28,761	77,490	95,033
Provision for directors' remuneration		(151)	(151)	(454)	(569)
Provision for contribution to KFAS, NLST and Zakat	13	(368)	(555)	(2,055)	(2,250)
Profit before taxation from continuing operations		16,535	28,055	74,981	92,214
Taxation related to subsidiaries		(6,266)	(6,978)	(16,304)	(19,995)
Profit for the period from continuing operations		10,269	21,077	58,677	72,219
Discontinued operations					
(Loss)/profit from discontinued operations		-	(206)	-	845
Profit for the period		10,269	20,871	58,677	73,064
<i>Attributable to:</i>					
- Shareholders of the Company		7,881	15,336	45,738	57,724
- Non-controlling interests		2,388	5,535	12,939	15,340
		10,269	20,871	58,677	73,064
Basic and diluted earnings per share (fils)	10	15.73	30.60	91.26	115.18
Basic and diluted earnings per share (fils) – continuing operations	10	15.73	31.01	91.26	113.49

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 September 2014*

	Three months ended 30 September		Nine months ended 30 September	
	2014	2013	2014	2013
	KD 000's	KD 000's	KD 000's	KD 000's
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period	10,269	20,871	58,677	73,064
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	-	(75)	(40)	876
Net (loss)/gain on sale of available for sale financial assets transferred to the interim condensed consolidated statement of profit or loss (note 12)	(71)	-	26	(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 and fair value reserves	(16,119)	(6,691)	(28,685)	(38,686)
Total other comprehensive income for the period	(16,190)	(6,766)	(28,014)	(37,853)
Total comprehensive income for the period	(5,921)	14,105	30,663	35,211
<i>Attributable to:</i>				
- Shareholders of the Company	(4,291)	10,096	25,109	25,431
- Non-controlling interests	(1,630)	4,009	5,554	9,780
	(5,921)	14,105	30,663	35,211

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 September 2014*

	Share capital KD 000's	Treasury shares KD 000's	Share premium KD 000's	Statutory reserve KD 000's	General reserve KD 000's	Reserves				Total 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
						Gain on sale of treasury shares KD 000's	Fair value reserve KD 000's	Foreign currency translation reserve KD 000's	Other reserves 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	-	-	-	-	-	-	-	-	-	-	45,738	45,738	12,939	58,677
Other comprehensive (loss) / income for the period	-	-	-	-	-	-	(14)	(20,615)	-	(20,629)	-	(20,629)	(7,385)	(28,014)
Total comprehensive (loss) / income for the period	-	-	-	-	-	-	(14)	(20,615)	-	(20,629)	45,738	25,109	5,554	30,663
Dividends (note 9)	-	-	-	-	-	-	-	-	-	-	(62,645)	(62,645)	-	(62,645)
Balance at 30 September 2014	50,403	(3,598)	66,634	32,200	113,016	6,914	1,114	(108,006)	3,412	115,284	605,946	768,035	132,434	900,469
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
Comprehensive income														
Profit for the period	-	-	-	-	-	-	-	-	-	-	57,724	57,724	15,340	73,064
Other comprehensive income / loss for the period	-	-	-	-	-	-	833	(33,126)	-	(32,293)	-	(32,293)	(5,560)	(37,853)
Total comprehensive income / (loss) for the period	-	-	-	-	-	-	833	(33,126)	-	(32,293)	57,724	25,431	9,780	35,211
Movement in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(237)	(237)	(30,634)	(30,871)
Dividends (note 9)	-	-	-	-	-	-	-	-	-	-	(62,645)	(62,645)	-	(62,645)
Balance at 30 September 2013	50,403	(3,598)	66,634	32,200	105,051	6,914	1,262	(92,310)	3,412	123,163	612,447	782,415	118,442	900,857

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 September 2014*

	Note	Nine months ended 30 September	
		2014 KD 000's (Unaudited)	2013 KD 000's (Unaudited)
Cash flows from operating activities			
Net profit for the period		58,677	73,064
Adjustments for:			
Depreciation and amortisation		108,371	96,096
Dividend income	12	(1)	(52)
Finance income	11	(1,211)	(1,521)
Loss / (gain) on sale of available for sale financial assets	12	26	(48)
Impairment loss on value of available for sale financial assets and intangible assets		-	5
Provision for impairment of receivables		7,162	7,963
Taxation relating to subsidiaries		16,304	19,995
Loss on sale of property and equipment and intangible assets		912	-
Gain on sale of a subsidiary	6	(3,628)	-
Finance costs	11	6,980	5,110
Provision for KFAS, NLST and Zakat	13	2,055	(2,250)
Provision for staff indemnity		1,339	1,485
		<u>196,986</u>	<u>199,847</u>
<i>Changes in:</i>			
Trade and other receivables and other non-current assets		(60,596)	(40,111)
Inventories		(8,998)	4,165
Trade and other payables and other non-current liabilities		(40,493)	88,645
Cash generated from operations		<u>86,899</u>	<u>252,546</u>
Provision for staff indemnity paid		(588)	(398)
Net cash generated from operating activities		<u>86,311</u>	<u>252,148</u>
Cash flows from investing activities			
Decrease in term deposits		12,847	10,040
Purchase of available for sale financial assets		-	(1,159)
Proceeds from sale of available for sale financial assets		982	1,378
Purchase of property and equipment		(118,915)	(160,986)
Proceeds from disposal of property and equipment		250	338
Purchase of intangible assets		(4,108)	(7,734)
Payments on disposal of a subsidiary		(6,044)	-
Dividend income received		1	52
Interest income received		1,211	1,521
Net cash used in investing activities		<u>(113,776)</u>	<u>(156,550)</u>
Cash flows from financing activities			
Finance costs paid		(6,980)	(5,110)
Dividends paid		(72,101)	(62,645)
Dividend paid by subsidiary to non controlling interest shareholders		-	(30,774)
Net increase in term debts		18,628	80,143
Net movement in non-controlling interest		-	(5,560)
Net cash used in financing activities		<u>(60,453)</u>	<u>(23,946)</u>
Effect of foreign currency translation		<u>8,675</u>	<u>6,934</u>
Net increase in cash and cash equivalents		<u>(79,243)</u>	<u>78,586</u>
Cash and cash equivalents at beginning of the period		137,869	137,229
Cash and cash equivalents at end of the period	5	<u>58,626</u>	<u>215,815</u>

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 September 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, a subsidiary 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 22 October 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 nine month period ended 30 September 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.

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



Notes to the interim condensed consolidated financial information (Unaudited)

For the period from 1 January 2014 to 30 September 2014

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 September 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.

Additionally, the following IFRS were issued but are not yet effective for annual periods beginning on or after 1 January 2014.

IFRS 9 – Financial Instruments

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Group is yet to assess IFRS 9's full impact. The Group will also consider the impact of the remaining phases of IFRS 9 when completed by the Board.

**Notes to the interim condensed consolidated financial information (Unaudited)***For the period from 1 January 2014 to 30 September 2014***3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***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. The Group is in the process of assessing the impact on the consolidated financial statement.

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 September 2014 KD 000's (Unaudited)	31 December 2013 KD 000's (Audited)	30 September 2013 KD 000's (Unaudited)
Bank balances and cash	45,418	91,494	184,377
Deposits	19,666	50,208	35,930
Bank balances and cash in the interim condensed consolidated statement of financial position	65,084	141,702	220,307
Less: Deposits with original maturity of three months or more	(6,458)	(19,305)	(4,492)
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	58,626	137,869	215,815

The effective interest rate on interest-earning deposits ranged from 1.71% to 8.6% (31 December 2013 and 30 September 2013: 1.66% to 8.6% and 1.66% to 8.6% respectively) per annum. Bank balances and cash include KD 68 thousand (31 December 2013 and 30 Sep 2013: KD 1,543 thousand and KD 378 thousands 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: KD 13,785 thousand and 30 September 2013: KD 13,820 thousand) 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 2014 to 30 September 2014***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.

7. LONG TERM DEBTS

	30 September 2014 KD 000's (Unaudited)	31 December 2013 KD 000's (Audited)	30 September 2013 KD 000's (Unaudited)
Current portion			
Due to local banks	38,600	-	20,000
Due to local banks related to subsidiaries	68,596	47,717	31,156
Due to foreign banks	1,167	508	12,254
	108,363	48,225	63,410
Non-current portion			
Due to local banks	-	18,000	62,645
Due to local banks related to subsidiaries	49,899	70,229	45,735
Due to foreign banks	7,911	8,624	15,636
	57,810	96,853	124,016

Long term debts amounting to KD 68,664 thousand (31 December and 30 September 2013: KD 64,656 thousand and KD 42,058 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 23,064 thousand (31 December and 30 September 2013: KD 23,071 thousand and KD 23,137 thousand respectively) are secured by Wataniya Palestine Mobile Telecom Limited ("WPT")'s assets.

Long term debts amounting to KD 2,873 thousand (31 December and 30 September 2013: KD 1,571 thousand and KD 1,773 thousand respectively) are secured by Ooredoo Maldives Private Limited ("OMPL" previously "WTM")'s fixed deposits.

Long term debts amounting to KD 38,600 thousand (31 December 2013 and 30 September 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 32,972 thousand (31 December 2013 and 30 September 2013: KD 37,780 thousand and KD 37,813 thousand 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.

**Notes to the interim condensed consolidated financial information (Unaudited)***For the period from 1 January 2014 to 30 September 2014***8. TRADE AND OTHER PAYABLES**

	30 September 2014 KD' 000 (Unaudited)	31 December 2013 KD' 000 (Audited)	30 September 2013 KD' 000 (Unaudited)
Accruals	254,172	272,151	227,544
Trade payables	91,594	85,931	86,842
Amounts due to related parties (note 14)	41,094	39,230	40,730
Other tax payables	18,966	17,687	16,055
Staff payables	11,715	10,320	9,422
Dividends payable	5,683	15,139	27,049
Other payables	26,603	24,034	49,950
	449,827	464,492	457,592

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 September		Nine months ended 30 September	
	2014 (Unaudited)	2013 (Unaudited)	2014 (Unaudited)	2013 (Unaudited)
Profit for the period attributable to shareholders of the Company (KD 000's)	7,881	15,336	45,738	57,724
Profit for the period attributable to shareholders of the Company – continuing operations (KD 000's)	7,881	15,542	45,738	56,879
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)	15.73	30.60	91.26	115.18
Basic and diluted earnings per share attributable to shareholders of the Company - continuing operations (fils)	15.73	31.01	91.26	113.49

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

**Notes to the interim condensed consolidated financial information (Unaudited)***For the period from 1 January 2014 to 30 September 2014***11. FINANCE COSTS – NET**

	Three months ended 30 September		Nine months ended 30 September	
	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	302	379	1,211	1,521
Finance costs	(2,364)	(1,898)	(6,980)	(5,110)
	(2,062)	(1,519)	(5,769)	(3,589)

12. OTHER EXPENSES – NET

	Three months ended 30 September		Nine months ended 30 September	
	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	52
Exchange loss	(3,310)	(2,302)	(5,547)	(2,949)
Other operating (expenses) / income	(1,287)	(180)	2,489	(7,216)
Gain / (loss) on sale of available for sale financial assets	71	-	(26)	48
	(4,526)	(2,482)	(3,083)	(10,065)

13. PROVISION FOR CONTRIBUTION TO KFAS, NLST AND ZAKAT

	Three months ended 30 September		Nine months ended 30 September	
	2014	2013	2014	2013
	KD 000's	KD 000's	KD 000's	KD 000's
		(Unaudited)		(Unaudited)
	(Unaudited)	(Re-presented)	(Unaudited)	(Re-presented)
KFAS	(97)	(74)	(490)	(390)
NLST	(194)	(304)	(1,118)	(1,328)
Zakat	(77)	(177)	(447)	(532)
	(368)	(555)	(2,055)	(2,250)

**Notes to the interim condensed consolidated financial information (Unaudited)***For the period from 1 January 2014 to 30 September 2014***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>	30 September 2014 KD' 000 (Unaudited)	31 December 2013 KD' 000 (Audited)	30 September 2013 KD' 000 (Unaudited)
<i>Shareholders and entities related to shareholders</i>			
Payable to Ooredoo Group L.L.C.	40,648	39,126	40,456
Payable to Ooredoo Q.S.C.	446	104	274
	41,094	39,230	40,730

<i>Interim condensed consolidated statement of profit or loss</i>	Three months ended 30 September		Nine months ended 30 September	
	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	(4,994)	(3,667)	(12,792)	(11,236)
b) Key management compensation:				
Short term benefits	(518)	(255)	(1,214)	(1,137)
Termination benefits	(65)	(65)	(386)	(653)

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 September 2014***15. FAIR VALUES OF FINANCIAL ASSETS (CONTINUED)**

	Level 1	Level 2	Total
30 September 2014 (Unaudited)	KD'000	KD'000	KD'000
<i>Available for sale financial assets:</i>			
Listed equity securities	330	-	330
Unlisted equity securities	-	5,313	5,313
	<u>330</u>	<u>5,313</u>	<u>5,643</u>
	Level 1	Level 2	Total
31 December 2013 (Audited)	KD'000	KD'000	KD'000
<i>Available for sale financial assets:</i>			
Listed equity securities	1,001	-	1,001
Unlisted equity securities	-	4,033	4,033
	<u>1,001</u>	<u>4,033</u>	<u>5,034</u>
	Level 1	Level 2	Total
30 September 2013 (Unaudited)	KD'000	KD'000	KD'000
<i>Available for sale financial assets:</i>			
Listed equity securities	2,224	-	2,224
Unlisted equity securities	-	5,683	5,683
	<u>2,224</u>	<u>5,683</u>	<u>7,907</u>

At the reporting date, unlisted equity investments with a carrying value of KD 2,021 thousand (31 December 2013 and 30 September 2013: KD 3,657 thousand and KD 2,021 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 September 2014, 31 December 2013 and 30 September 2013.

**Notes to the interim condensed consolidated financial information (Unaudited)***For the period from 1 January 2014 to 30 September 2014***16. COMMITMENTS AND CONTINGENT LIABILITIES**

	30 September 2014 KD 000's (Unaudited)	31 December 2013 KD 000's (Audited)	30 September 2013 KD 000's (Unaudited)
Capital commitments			
For the acquisition of property and equipment	90,494	87,164	89,726
For the acquisition of Palestinian mobile license	46,021	45,052	45,166
	136,515	132,216	134,892

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 date.

Minimum operating lease commitments under these leases are as follows:

	30 September 2014 KD' 000 (Unaudited)	31 December 2013 KD' 000 (Audited)	30 September 2013 KD' 000 (Unaudited)
Not later than one year	8,971	9,066	8,887
Later than one year but not later than five years	29,399	31,646	24,142
	38,370	40,712	33,029
Contingent liabilities			
Letters of guarantee	3,645	4,224	4,228
Letters of credit	2,883	-	-
	6,528	4,224	4,228

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. The appeal has been filed in the Court of Cassation. The Court of Cassation accepted the request to stop the initiation of any actions against the Company. Management believes that the Company has strong grounds to challenge these allegations. Accordingly, no provision has been made by the management.

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*For the period from 1 January 2014 to 30 September 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	
Nine months ended 30 September 2014 (Unaudited)						
Segment revenues	125,388	138,171	272,188	29,722	-	565,469
Segment results from continuing operations	5,357	19,635	34,487	1,054	(1,856)	58,677
Three months ended 30 September 2014 (Unaudited)						
Segment revenues	40,842	45,466	89,601	10,147	-	186,056
Segment results from continuing operations	731	5,442	4,981	(639)	(246)	10,269
Nine months ended 30 September 2013 (Unaudited) - (Re-presented)						
Segment revenues	149,573	147,560	224,767	28,204	-	550,104
Segment results from continuing operations	13,291	28,805	39,660	(6,304)	(3,233)	72,219
Three months ended 30 September 2013 (Unaudited) - (Re-presented)						
Segment revenues	45,013	49,661	76,057	9,245	-	179,976
Segment results from continuing operations	(193)	11,581	12,989	(2,245)	(1,055)	21,077

Notes to the interim condensed consolidated financial information*For the period from 1 January 2014 to 30 September 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 September 2014 (Unaudited)						
Segment assets	243,327	220,371	601,899	108,589	392,164	1,566,350
Investments and other assets	7,584	1,658	-	-	-	9,242
Total assets	<u>250,911</u>	<u>222,029</u>	<u>601,899</u>	<u>108,589</u>	<u>392,164</u>	<u>1,575,592</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 September 2013 (Unaudited)						
Segment assets	361,505	283,722	438,632	130,004	385,702	1,599,565
Investments and other assets	9,842	2,380	-	-	-	12,222
Total assets	<u>371,347</u>	<u>286,102</u>	<u>438,632</u>	<u>130,004</u>	<u>385,702</u>	<u>1,611,787</u>