OOREDOO INTERNATIONAL FINANCE LIMITED

(*an exempted company with limited liability incorporated in Bermuda under the Companies Act 1981*)

U.S.$5,000,000,000
Global Medium Term Note Programme
unconditionally and irrevocably guaranteed by
OOREDOO Q.S.C.

(*a Qatari shareholding company incorporated with registration number 21183 under Qatari law no. 21 of 1998*)

Under this U.S.$5,000,000,000 Global Medium Term Note Programme (the "**Programme**"), Ooredoo International Finance Limited (the "**Issuer**") may from time to time issue notes (the "**Notes**") denominated in any currency agreed between the Issuer and the relevant Dealer(s) (as defined below). The payments of all amounts due in respect of the Notes will be unconditionally and irrevocably guaranteed (the "**Guarantee**") by Ooredoo Q.S.C. (the "**Guarantor**" and "**Ooredoo**").

Notes may be issued in bearer or registered form (respectively, "**Bearer Notes**" and "**Registered Notes**"). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.$5,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to any increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer(s) appointed under the Programme from time to time by the Issuer and Ooredoo (each a "**Dealer**" and together, the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this base prospectus ("**Base Prospectus**") to the "relevant Dealer(s)" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers who have agreed to subscribe to such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of the principal risk factors that may affect the abilities of the Issuer and Ooredoo to fulfil their respective obligations under the Notes see "*Risk Factors*" beginning on page 7.

This Base Prospectus has been approved by the Central Bank of Ireland, as competent authority under Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) (the "**Prospectus Directive**"). The Central Bank of Ireland only approves this Base Prospectus as meeting the requirements imposed under Irish and European Union ("**EU**") law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the official list (the "**Official List**") and to trading on its regulated market (the "**Main Securities Market**"). Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC ("**MiFID**") and/or which are to be offered to the public in any member state of the European Economic Area.

References in this Base Prospectus to Notes being "**listed**" (and all related references) shall mean that such Notes have been admitted to the Official List and to trading on the Main Securities Market or have been admitted to trading on such further stock exchanges or markets as may be specified in the applicable Final Terms (as defined below). The Main Securities Market is a regulated market for the purposes of MiFID.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes and the issue price of Notes which are applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") will be set out in a final terms document (the "**Final Terms**") which, with respect to Notes to be listed on the Irish Stock Exchange, will be delivered to the Central Bank of Ireland and the Irish Stock Exchange.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer, Ooredoo and the relevant Dealer(s). The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

Neither the Notes nor the Guarantee have been or will be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or any United States state securities laws and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, US persons (as defined in Regulation S under the Securities Act ("**Regulation S**")). The Notes may be offered and sold (i) within the United States only to qualified institutional buyers (each, a "**QIB**") within the meaning of, and pursuant to, Rule 144A under the Securities Act ("**Rule 144A**") in reliance on the exemption from registration under Section 5 of the Securities Act provided by Rule 144A or on another exemption therefrom and (ii) to persons other than U.S. persons (as defined in Regulation S) in offshore transactions as defined in, and in reliance on, Regulation S. See "*Form of the Notes*" for a description of the manner in which Notes will be issued. Registered Notes are subject to certain restrictions on transfer. See "*Subscription and Sale and Transfer and Selling Restrictions*".

The Issuer and Ooredoo may agree with any Dealer(s) that notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a supplemental prospectus or a new base prospectus, in the case of listed notes only, if appropriate, will be made available, which will describe the effect of the agreement reached in relation to such notes.

The rating of certain Series (as defined under "*Overview of the Programme*") of Notes to be issued under the Programme and the credit rating agency issuing such rating may be specified in the applicable Final Terms. Ooredoo has been assigned ratings of A2 by Moody's Investors Service Ltd ("**Moody's**") with a negative outlook, A+ by Fitch Ratings Limited ("**Fitch**") and A- by Standard & Poor's Credit Market Services Europe Limited, a division of The McGraw-Hill Companies, Inc. ("**S&P**"), both with a stable outlook. Each of Fitch, Moody's and S&P is established in the European Union and is registered under the Regulation (EC) No. 1060/2009, as amended (the "**CRA Regulation**"). As such, each of Fitch, Moody's and S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation. **A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.**

Arrangers and Dealers

ANZ	**BofA Merrill Lynch**
Citigroup	**DBS Bank Ltd.**
HSBC	**MUFG**
Mizuho Securities	**QNB Capital**

The date of this Base Prospectus is 14 June 2016.

IMPORTANT NOTICES

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and for the purpose of giving information with regard to the Issuer, Ooredoo, the Group (as defined herein) and the Notes which, according to the particular nature of the Issuer, Ooredoo, the Group and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and Ooredoo.

Each of the Issuer and Ooredoo accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of the Issuer and Ooredoo (each having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Copies of the Final Terms will be available from the registered office of the Issuer and the specified office set out below of each of the Paying Agents (as defined herein).

Certain information under the heading "*Book Entry Clearance Systems*" has been extracted from information provided by the clearing systems referred to therein.

Certain information under the heading "*Overview of Qatar*" has been extracted from information provided or obtained by the Qatar Central Bank's website and Quarterly Statistical Bulletin, the Ministry of Development Planning and Statistics and the Government census.

Each of the Issuer and Ooredoo confirms that all third party information contained in this Base Prospectus has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the relevant third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of any third party information contained in this Base Prospectus is stated where such information appears in this Base Prospectus.

This Base Prospectus is to be read in conjunction with any amendments or supplements hereto and with any documents incorporated herein by reference (see "*Documents Incorporated by Reference*") and, in relation to any Tranche of Notes, should be read in conjunction with the applicable Final Terms.

None of the Arrangers and Dealers has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arrangers and Dealers as to the accuracy or completeness of the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer or Ooredoo in connection with the Programme. None of the Arrangers or Dealers accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer or Ooredoo in connection with the Programme.

The only persons authorised to use this Base Prospectus in connection with an offer of Notes are the persons named in the relevant subscription agreement as the relevant Managers.

No person is or has been authorised by the Issuer or Ooredoo to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any other information supplied by the Issuer or Ooredoo or such other information as is in the public domain in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, Ooredoo or any of the Arrangers and Dealers.

Neither this Base Prospectus, any Final Terms nor any other information supplied in connection with the Programme or any Notes: (i) is intended to provide the basis of any credit or other evaluation; or (ii) should be considered as a recommendation by the Issuer, Ooredoo or any of the Arrangers and Dealers that any recipient of this Base Prospectus, any Final Terms or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and Ooredoo. Neither this Base Prospectus, any Final Terms nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, Ooredoo or any of the Arrangers and Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus, any Final Terms nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer and/or Ooredoo is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Arrangers and Dealers expressly do not undertake to review the financial condition or affairs of the Issuer or Ooredoo during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the U.S. Treasury regulations promulgated thereunder.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, Ooredoo and the Arrangers and Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, Ooredoo or the Arrangers and Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer, sale and transfer of Notes in Bermuda, the Dubai International Financial Centre, the European Economic Area (including the United Kingdom), Japan, the Kingdom of Bahrain, Saudi Arabia, the State of Qatar (excluding the Qatar Financial Centre) and the United Arab Emirates (excluding the Dubai International Financial Centre) and the United States of America. See "*Subscription and Sale and Transfer and Selling Restrictions*".

This Base Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by Final Terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as of the date of issue of the Notes).

The Notes may not be a suitable investment for all investors. Each potential investor in Notes must determine the suitability of an investment in the Notes in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact that such an investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all the risks of an investment in the Notes, including where principal and interest are payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes may be complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They generally purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in an issue of Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial advisor) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact that such an investment will have on the potential investor's overall investment portfolio.

In making an investment decision, investors must rely on their own, independent examination of the Issuer and Ooredoo and the terms of the Notes being offered, including the merits and risks involved.

None of the Arrangers and Dealers, the Issuer or Ooredoo makes any representation to any investor regarding the legality of its investment under any applicable laws. Any investor should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

Legal investment considerations may restrict the ability of certain investors to make investments in the Notes. The investment activities of certain investors are subject to legal investment laws and regulations or review and regulation by certain authorities. Each potential investor should consult its legal advisors to determine whether and to what extent: (i) the Notes are legal investments for it; (ii) the Notes can be used as collateral for various types of borrowing; and (iii) other restrictions apply to its purchase or pledge of any Notes by the investor. Financial institutions should consult their legal advisors or the appropriate regulator to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules and regulations.

Save as disclosed in the below paragraph and on pages 185-186 (*Subscription and Sale and Transfer and Selling Restrictions – Selling Restrictions – Bermuda*), neither the Registrar of Companies in Bermuda nor the Bermuda Monetary Authority (the "**BMA**") nor any other regulatory body in Bermuda has approved or disapproved of the Notes or passed upon the adequacy of this Base Prospectus. Any representation to the contrary is a criminal offence.

EXCHANGE CONTROL

Securities may be offered or sold in Bermuda only in compliance with the provisions of the Bermuda Companies Act 1981, as amended (the "**Companies Act**"), the Investment Business Act 2003, the Exchange Control Act 1972 and related regulations of Bermuda which regulate the sale of securities in Bermuda. In addition, specific permission is required from the BMA, pursuant to the provisions of the Exchange Control Act 1972 and related regulations for all issuances and transfers of securities of Bermuda companies, other than in cases where the BMA has granted a general permission.

The BMA, in its policy dated 1 June 2005, provides that, in respect of a Bermuda company which does not have any equity securities (an equity security is defined as a share issued by a Bermuda company which entitles the holder to vote for or appoint one or more directors or a security which by its terms is convertible into a share which entitles the holder to vote for or appoint one or more directors) listed on an appointed stock exchange (which the Issuer does not), general permission is given for the issue and subsequent transfer of any securities, other than equity securities, from and/or to a non-resident of Bermuda. The general permission does not apply to securities held in bearer form. The BMA has granted specific permission to the Issuer for: (i) the issue of the Notes to "Qualified Institutional Buyers" (as defined in Rule 144A promulgated under the Securities Act in compliance with Rule 144A) and "Accredited Investors" as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act in the United

States; and outside the United States pursuant to and in reliance on Regulation S under the Securities Act and in accordance with local securities laws and regulations, in all cases with a minimum Note denomination of €100,000; and (ii) the free transferability of Notes so long as the Notes are admitted to the Official List of the Irish Stock Exchange or any other Appointed Stock Exchange (as defined in the Companies Act); and the free transferability of the Notes if not so listed in accordance with local securities laws and regulations, in all cases with a minimum Note denomination of €100,000.

The BMA consent referred to above covers the issue and free transferability of the Notes being offered by the Issuer pursuant to this Base Prospectus but not any supplement thereto. The Issuer has also obtained a direction from the Minister of Finance of Bermuda that Part III and Section 35 of Part IV of the Companies Act relating to the offering of the Notes shall not apply to the offering of the Notes under the Programme, **provided that** they are only offered, up to the maximum aggregate nominal amount, to "Qualified Institutional Buyers" (as defined in Rule 144A under the Securities Act in compliance with Rule 144A) and "Accredited Investors" as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act in the United States; and (ii) outside the United States pursuant to and in reliance on Regulation S under the Securities Act and in accordance with local securities laws and regulations, in all cases with a minimum Note denomination of €100,000. The BMA, the Minister of Finance of Bermuda and the Registrar of Companies accept no responsibility for the financial soundness of any proposal or for the correctness of any of the statements made or opinions expressed in this Base Prospectus or in any prospectus supplement.

Unless the Notes are listed on the Bermuda Stock Exchange, no invitation whether directly or indirectly may be made to the public in Bermuda to subscribe for the Notes.

U.S. INFORMATION

Registered Notes may be offered or sold within the United States only to "qualified institutional buyers" within the meaning of Rule 144A of the Securities Act ("**QIBs**") or to "accredited investors" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) that are institutions ("**Institutional Accredited Investors**"), in either case in transactions exempt from registration under the Securities Act. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it may be being made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act ("**Rule 144A**").

Purchasers of Definitive IAI Registered Notes will be required to execute and deliver an IAI Investment Letter (as defined under "*Terms and Conditions of the Notes*"). Each purchaser or holder of Definitive IAI Registered Notes, Notes represented by a Rule 144A Global Note or any Notes issued in registered form in exchange or substitution therefor (together "**Legended Notes**") will be required or deemed, by its acceptance or purchase of any such Legended Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes, as set out in "*Subscription and Sale and Transfer and Selling Restrictions*". Unless otherwise stated, terms used in this paragraph have the meanings given to them in "*Form of the Notes*".

This Base Prospectus is being submitted on a confidential basis in the United States to a limited number of QIBs and Institutional Accredited Investors for informational use solely in connection with the consideration of the purchase of certain Notes issued under the Programme. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF NOTES OR THE ACCURACY OR THE ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, each of the Issuer and the Guarantor has undertaken in a deed poll dated 14 June 2016 (the "**Deed Poll**") to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, any of the Notes remain outstanding as "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act and it is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

NOTICE TO RESIDENTS OF THE KINGDOM OF BAHRAIN

In relation to investors in the Kingdom of Bahrain, Notes issued in connection with this Base Prospectus and related offering documents may only be offered in registered form to existing accountholders and accredited investors as defined by the Central Bank of Bahrain ("**CBB**") in the Kingdom of Bahrain where such investors make a minimum investment of at least U.S.$100,000 or the equivalent amount in any other currency or such other amount as the CBB may determine.

This Base Prospectus does not constitute an offer of securities in the Kingdom of Bahrain pursuant to the terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This Base Prospectus and related offering documents have not been and will not be registered as a prospectus with the CBB. Accordingly, no Notes may be offered, sold or made the subject of an invitation for subscription or purchase nor will this Base Prospectus or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase Notes, whether directly or indirectly, to persons in the Kingdom of Bahrain, other than to accredited investors for an offer outside the Kingdom of Bahrain.

The CBB has not reviewed, approved or registered this Base Prospectus or related offering documents and it has not in any way considered the merits of the Notes to be offered for investment, whether in or outside the Kingdom of Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this Base Prospectus and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this Base Prospectus. No offer of securities will be made to the public in the Kingdom of Bahrain and this Base Prospectus must be read by the addressee only and must not be issued, passed to, or made available to the public generally

NOTICE TO RESIDENTS OF THE STATE OF QATAR

The Notes will not be offered, sold or delivered, at any time, directly or indirectly, in the State of Qatar (including the Qatar Financial Centre) in a manner that would constitute a public offering. This Base Prospectus has not been and will not be reviewed or approved by or registered with the Qatar Central Bank, the Qatar Stock Exchange, the Qatar Financial Centre Regulatory Authority or the Qatar Financial Markets Authority in accordance with their regulations or any other regulations in the State of Qatar. The Notes are not and will not be traded on the Qatar Stock Exchange.

NOTICE TO RESIDENTS OF THE KINGDOM OF SAUDI ARABIA

This Base Prospectus may not be distributed in the Kingdom of Saudi Arabia ("**Saudi Arabia**") except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority of Saudi Arabia (the "**Capital Market Authority**").

The Capital Market Authority does not make any representations as to the accuracy or completeness of this Base Prospectus, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Base Prospectus. Prospective purchasers of the Notes should conduct their own due diligence on the accuracy of the information relating to the Notes. If a prospective purchaser does not understand the contents of this Base Prospectus he or she should consult an authorised financial adviser.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Issuer

The Issuer is incorporated as an exempted company under the laws of Bermuda. All or a substantial portion of the assets of the Issuer are located outside the United States. As a result, an investor may not be able to effect service of process outside Bermuda upon the Issuer, or its directors and officers or to enforce court judgments obtained against the Issuer, or its directors and officers in jurisdictions outside of Bermuda predicated upon civil liabilities of the Issuer under laws other than Bermuda law, including any judgment predicated upon United States federal securities laws.

There is no treaty in force between the United States and Bermuda providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. As a result, whether a United States judgment would be enforceable in Bermuda against the Issuer or its directors and officers depends on whether the U.S. court that entered the judgment is recognised by the Bermuda court as having jurisdiction over the Issuer or its directors and officers, as determined by reference to Bermuda conflict of law rules. A judgment debt from a U.S. court that is final and for a certain sum based on U.S. federal securities laws will not be enforceable in Bermuda unless the judgment debtor had submitted to the jurisdiction of the U.S. court, and the issue of submission and jurisdiction is a matter of Bermuda (not United States) law.

In addition to and irrespective of jurisdictional issues, the Bermuda courts will not enforce a United States federal securities law that is either penal or contrary to the public policy of Bermuda. An action brought pursuant to a public or penal law, the purpose of which is the enforcement of a sanction, power or right at the instance of the state in its sovereign capacity, will not be entertained by a Bermuda court. Certain remedies available under the laws of U.S. jurisdictions, including certain remedies under U.S. federal securities laws, will not be available under Bermuda law or enforceable in a Bermuda court, as they would be contrary to Bermuda public policy. Further, no claim may be brought in Bermuda against the Issuer or its directors and officers in the first instance for violations of U.S. federal securities laws because these laws have no extraterritorial jurisdiction under Bermuda law and do not have force of law in Bermuda. A Bermuda court may, however, impose civil liability on the Issuer or its directors and officers if the facts alleged in a complaint constitute or give rise to a cause of action under Bermuda law.

No stamp duty or similar or other tax or duty is payable in Bermuda on the enforcement of a foreign judgment. Court fees will be payable in connection with proceedings for enforcement.

Ooredoo

Ooredoo is a Qatari shareholding company incorporated under the laws of the State of Qatar ("**Qatar**"). All of its officers and directors named herein reside outside the United States and all or a substantial portion of the assets of Ooredoo and of such officers and directors are located outside the United States. As a result, it may not be possible for investors to effect service of process outside Qatar upon Ooredoo or such persons, or to enforce judgments against them obtained in courts outside Qatar predicated upon civil liabilities of Ooredoo or such directors and officers under laws other than Qatari law, including any judgment predicated upon United States federal securities laws.

There is currently no treaty or convention for the reciprocal enforcement of judgments between Qatar on the one hand and the United States on the other. A judgment obtained from a court in the United States will be enforceable in Qatar subject to the provisions of Articles 379 and 380 of Law No. (13) of 1990 (the "**Civil and Commercial Procedure Law**"), which provides, in the case of Article 379, that judgments and orders pronounced in a foreign jurisdiction may be ordered to be executed in Qatar upon the conditions determined in that jurisdiction for the execution of Qatari judgments and orders and provides, in the case of Article 380, that an order for execution of a foreign judgment or order will not be made unless and until the following have been ascertained, that: (a) the judgment or order was delivered by a competent court of the foreign jurisdiction in question; (b) the parties to the action were properly served with notice of proceedings and properly represented; (c) the judgment or order is one that is capable of being executed by the successful party to the proceedings in conformity with the laws of the foreign jurisdiction in question; and (d) the foreign judgment or order does not conflict with a previous judgment or order of a competent Qatari court and is not contrary to public policy or morality in Qatar.

A Qatari court would be entitled to call for textual evidence on the laws of the foreign jurisdiction concerning the conditions that would be applicable for the execution of the judgment of a Qatari court in that jurisdiction and the Qatari court would then be entitled to execute the judgment of the foreign jurisdiction upon those conditions. Accordingly, although a judgment obtained from a court in the United States would be admissible in evidence in any proceedings brought in Qatar, in order to enforce such judgment, it would still be necessary to initiate proceedings in Qatar.

The Notes and the Guarantee are governed by English law and disputes in respect of them may be settled under the LCIA Rules in London, England. In addition, actions in respect of the Notes and the Guarantee may be brought in the English courts at the option of the Noteholders. See "*Risk Factors – Risks Relating to Enforcement – It may be difficult to enforce arbitration awards and foreign judgments against the Issuer*" and "*Risk Factors – Risks Relating to Enforcement – It may be difficult to enforce arbitration awards and foreign judgments against Ooredoo*".

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Information and Other Information. Unless otherwise indicated, the financial information set out in this Base Prospectus has been derived from:

(i) the unaudited interim condensed consolidated financial statements of Ooredoo and its consolidated subsidiaries (the "**Group**") as of and for the three months ended 31 March 2016 that are set out on pages F-33 to F-59 of this Base Prospectus. The unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting;

(ii) the audited consolidated financial statements of the Group as of and for the years ended 31 December 2014 (which includes comparative information as at and for the year ended 31 December 2013) and 2015 that are set out on pages F-60 to F-220 of this Base Prospectus (the "**Consolidated Financial Statements**"). These Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board; and

(iii) the audited financial statements of the Issuer as of and for the years ended 31 December 2014 (which includes comparative information as at and for the year ended 31 December 2013) and 2015 that are set out on pages F-1 to F-32 of this Base Prospectus. These financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board.

Reclassification of comparative information

Each year, certain comparative figures are reclassified or regrouped to conform to the presentation of the latest consolidated financial statements. For example: in 2013, certain figures related to "trade and other receivables" and "trade and other payables" were reclassified to conform presentation with 2014 figures, in such cases, those numbers should be read in conjunction with 2014 consolidated financial statements' comparative information. However, such reclassifications did not have any effect on the net profit, total assets and equity of the comparative year or period.

Certain figures contained in this Base Prospectus, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or a row in tables contained in this Base Prospectus may not conform exactly to the total figure given for that column or row. Percentages in tables have been rounded and accordingly may not add up to 100 per cent.

In this Base Prospectus:

- "**BMD**" refers to the lawful currency of Bermuda;
- "**Euro**" or "**€**" refers to the currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to Article 123 of the treaty establishing the European Community, as amended;
- "**Indonesian Rupiah**", "**IDR**" or "**Rp**" refers to the lawful currency of the Republic of Indonesia ("**Indonesia**");

- "**Iraqi Dinars**" or "**IQD**" refers to the lawful currency of Iraq;
- "**Kuwaiti Dinars**" or "**KD**" refers to the lawful currency of Kuwait;
- "**Qatari Riyal**" or "**QR**" refers to the lawful currency of Qatar;
- "**QR m**" refers to Qatari Riyals in millions;
- "**United States**" or the "**U.S.**" refers to the United States of America;
- "**U.S. Dollars**", "**USD**" or "**U.S.$**" refers to the lawful currency of the United States of America; and
- "**U.S.$ m**" refers to U.S. Dollars in millions.

Exchange rates

The Group presents its consolidated financial statements in Qatari Riyals. The Qatari Riyal is, and since the mid-1980s has been, pegged to the U.S. Dollar at a fixed exchange rate of QR3.64 = U.S.$1.00 and, accordingly, translations of amounts from Riyals to U.S. Dollars have been made at this exchange rate for all periods in this Base Prospectus.

The following table sets out for the dates indicated U.S. Dollar exchange rates of the other principal currencies of the Group, which are the Indonesian Rupiah, Kuwaiti Dinar, Algerian Dinar and Iraqi Dinar on 31 March 2015 and 2016 and 31 December 2013, 2014 and 2015 (based on the mid-market rate reported by Bloomberg). On 8 June 2016 the mid-market rate for exchange between U.S. Dollars and Indonesian Rupiah, as reported by Bloomberg, was Rp13,269 to U.S.$1.00 and the mid-market rate for exchange between U.S. Dollars and Kuwaiti Dinars, as reported by Bloomberg, was KD0.30121 to U.S.$1.00.

	31 December			31 March	
	2013	2014	2015	2015	2016
Currency (=U.S.$1.00)					
Indonesian Rupiah	12,170	12,430	13,856	13,074	13,118
Kuwaiti Dinars..	0.282	0.293	0.304	0.301	0.302
Algerian Dinars	77.888	87.386	107.102	97.695	108.498

Solely for the convenience of the reader, certain financial information as at 31 March 2015 and 2016 and 31 December 2013, 2014 and 2015 has been translated into U.S. Dollars at the conversion rates quoted by Bloomberg at such dates and as set out above. There can be no assurance that members of the Group outside Qatar converted, or could have converted, amounts in local currency into U.S. Dollars at the conversion rates at which amounts have been translated in this Base Prospectus.

Non-IFRS Measures

Adjusted EBITDA

Adjusted earnings before interest, taxes, depreciation and amortisation ("**Adjusted EBITDA**") is a measure used by the Group's management to measure operating performance. Adjusted EBITDA equals earnings before interest, taxes, depreciation and amortisation excluding the effects of royalties and other statutory fees and certain other income and expenses that are considered to be non-operating. For a reconciliation of Adjusted EBITDA to profit for the period, see *"Selected Historical Consolidated Financial Information of the Group"*. Adjusted EBITDA is not a recognised measure under IFRS or US generally accepted accounting principles ("**U.S. GAAP**") and does not purport to be an alternative to profit after tax from continuing operations as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. Additionally, Adjusted EBITDA is not intended to be a measure of free cash flow available for management's discretionary use, as the measure does not consider certain cash requirements such as interest payments, tax payments, debt service requirements and capital expenditures. Ooredoo believes that Adjusted EBITDA provides useful information to investors and is helpful in highlighting trends because it excludes the results of certain decisions that are outside the control of operating management and can differ significantly from company to company depending on long term strategic decisions regarding capital structure, its stage of growth development, its capital expenditure requirements, the jurisdictions in which certain companies operate and capital investments. As not all companies use identical calculations, these presentations of Adjusted EBITDA may not be comparable to other similarly titled measures used by other companies. Adjusted EBITDA may not be indicative of the Group's historical operating results presented in accordance with IFRS. Adjusted EBITDA is not subject to audit or review by any independent auditors.

Industry, Market and Customer Data

The customer data included in this Base Prospectus, including penetration rates, average revenue per user rates ("**ARPU**"), churn rates and market shares are derived from management estimates of such customer data for the Group and its subsidiaries. The Group's use or computation of these terms, such as ARPU, may not be comparable to the use or computation of similarly titled measures reported by other companies in the telecommunications industry, including the Group's subsidiaries' competitors. How the Group's four principal operating companies calculate their number of customers, churn and ARPU is described in more detail below. In addition, as each of the Group's operating companies calculate churn and ARPU differently, the Group does not present in this Base Prospectus its churn rate or ARPU on a consolidated basis and thus these figures are not directly comparable. See "*Presentation of Financial and other Information – Industry, Market and Customer Data – Customers*" and "*Management's Discussion and Analysis of Financial Conditions and Results of Operations – Factors Affecting Financial Condition and Results of Operations*".

Customers

Mobile customers who pay in advance of services provided are counted as "prepaid" customers and mobile customers who pay periodically following the provision of services are counted as "postpaid" customers. The rate at which mobile customers are disconnected from a network or are removed from an operating company's customer count due to inactivity, is referred to as the company's "churn" rate. For all of the Group's operating companies, a mobile customer is counted from the date of the activation of such mobile customer's subscriber identity module card ("**SIM card**").

As discussed elsewhere in this Base Prospectus, the Group has expanded its operations significantly in recent years, primarily through acquiring established telecommunications companies in the Middle East, North Africa, and Asia Pacific regions. Because each such company calculates its mobile customer numbers in accordance with its historical practices, which is in turn primarily a function of market conditions and requirements in the country in which it operates, the Group's operating companies do not prepare their mobile customer numbers on a consistent basis. The Group's five principal operations calculate their mobile customer numbers as follows:

- Ooredoo does not count postpaid customers as customers if they have any outstanding balance remaining more than 120-145 days after their last statement date and no longer considers prepaid customers to be customers if they have not recharged their SIM card within 90 days of its validity date by adding certain minimum amounts to it.

- Indosat Ooredoo does not count postpaid customers as customers if they have any outstanding balance remaining more than 120 days after their last statement date (depending on the tariff plan) and no longer considers prepaid customers to be customers if they have not recharged their SIM card within 33 days of the grace period immediately following the SIM card's expiry date by adding certain minimum amounts to it.

- The Group's Kuwaiti operations do not count postpaid customers as customers if they have any outstanding balance remaining more than 150 days after their last statement date and no longer considers prepaid customers to be customers if they have not recharged their SIM card within 100 days of its expiry date by adding certain minimum amounts to it.

- Asiacell Communications PJSC ("**Asiacell**") no longer considers prepaid customers to be customers if they have not had any chargeable activities within the last 90 days.

- Ooredoo Algeria does not count postpaid customers as customers if they have any outstanding balance remaining more than 120 days after their last statement date. Prepaid customers are no longer to be customers if they have not recharged their SIM card within 90 days of the grace period following their SIM card's expiry date.

The Group calculates churn by dividing the number of voluntary and involuntary deactivations in a given period by the number of customers for the same period. However, certain of its operating companies do not calculate churn and the Group's Kuwaiti operations divides by the average number of customers in a given period. Asiacell considers customers as churners if they change their activation status from disable to pool. See "*Management's Discussion and Analysis of Financial Conditions and Results of Operations – Factors Affecting Financial Condition and Results of Operations – Churn*".

Fixed line customers, for which the Group only provides services in Qatar, Indonesia and Oman (which was recently launched), are calculated by the number of active lines at the end of the period. In general, a customer is no longer counted as a customer if they have not made a payment on an outstanding balance within approximately 60 days.

The Group calculates proportionate customers by multiplying each operating company's total number of customers by the Group's economic interest in that operating company.

ARPU

The Group believes that ARPU provides useful information concerning the appeal and usage patterns of the Group's rate plans and service offerings and the Group's performance in attracting and retaining high-value customers. The Group's operating companies all calculate ARPU by dividing the recurring revenue, including airtime and interconnection revenue, for a given period by the average number of customers for that period. The average number of customers is the sum of the total number of customers at the beginning of the period and the number of customers at the end of the period divided by two. However, each of the Group's operating companies defines recurring revenue in slightly different ways. Ooredoo includes all connection charges and other onetime charges in recurring revenue, but excludes device and accessory revenue. Indosat Ooredoo includes all recurring prepaid and postpaid cellular services revenues (usage charges, value-added service, interconnection revenues and monthly subscription charges) but excludes nonrecurring revenues such as activation fees and special auctions of telephone numbers. In Kuwait, all recurring revenue is included but network visitor roaming charges are excluded. Asiacell, on the other hand, includes roaming revenue in recurring revenues for the purposes of calculating ARPU. See "*– Industry, Market and Customer Data.*"

Cell Sites

The number of cell sites operated in each of the Group's markets has been provided by the Group's subsidiary in that particular market. A cell site is a physical site comprising the infrastructure and radio equipment associated with a cellular transmitting and receiving station, including land, building, tower, antennas and electrical equipment for one or several radio access technologies (including GSM, WCDMA or LTE). The definition of cell sites could differ slightly between Group companies.

Market Share

In certain of the Group's markets, the Group's subsidiaries' market share data and that of their competitors has been calculated based on available information released by the Group's competitors in the markets in which the Group operates. Undue reliance should not be placed on market share data because of differences in the dates as of which such data is made available in each market by the Group's various companies and because the Group cannot verify the information provided by its competitors.

No Representation or Warranty

Market data and certain industry data, forecasts and statements regarding the Group's position in the telecommunications industries in its various markets made in this Base Prospectus are based on Ooredoo's own internal estimates and, in some cases, on industry data collected by the relevant national regulator or the industry. While Ooredoo believes the statements contained in this Base Prospectus, including customer and share information, to be reliable and to provide fair and adequate estimates of the size of its markets and fairly reflect the Group's competitive position within those markets, these statements have not been independently verified and Ooredoo does not make any representation or warranty as to the accuracy or completeness of such information set forth in this Base Prospectus.

In addition, Ooredoo has made statements in this Base Prospectus regarding the telecommunications industry, the markets in which subsidiaries operate, its operating subsidiaries' position in the industry and the market shares of various industry participants based on Ooredoo's experience and Ooredoo's own investigation of market conditions (in particular, based on its internal data collected from its subsidiaries' networks, monitoring traffic and customer activations). Ooredoo cannot assure you that any of its assumptions are accurate or correctly reflect Ooredoo's subsidiaries' position in the industry and none of Ooredoo's internal surveys or information has been verified by any independent sources.

The customer, churn, ARPU and market share data contained in this Base Prospectus are not part of the Group's financial statements or financial accounting records and have not been audited or otherwise reviewed by external auditors, consultants or independent experts.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

This Base Prospectus includes forward looking statements. The words "**anticipate**", "**believe**", "**expect**", "**plan**", "**intend**", "**target**", "**aim**", "**estimate**", "**project**", "**will**", "**would**", "**may**", "**could**", "**continue**" and similar expressions are intended to identify forward looking statements. All statements other than statements of historical fact included in this Base Prospectus, including, without limitation, those regarding Ooredoo's or, as the case may be, the Group's financial position, business strategy, management plans and objectives for future operations, are forward looking statements. These forward looking statements involve known and unknown risks, uncertainties and other factors, which may cause Ooredoo's or, as the case may be, the Group's actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward looking statements. These forward looking statements are based on numerous assumptions regarding Ooredoo's or, as the case may be, the Group's present and future business strategies and the environment in which it expects to operate in the future. Important factors that could cause Ooredoo's or, as the case may be, the Group's actual results, performance or achievements to differ materially from those in the forward looking statements include, among other factors referenced in this Base Prospectus:

- changes in economic, financial and political conditions in markets served by operations of the Group that would adversely affect the level of demand for telecommunications services;
- changes in exchange rates, including particularly the exchange rates of the Indonesian Rupiah and the Algerian Dinar to the U.S. Dollar;
- removal or adjustment of the peg between the U.S. Dollar and the Qatari Riyal;
- greater than anticipated competitive activity, from both existing competitors and new market entrants;
- the impact of investment in network capacity and the deployment of new technologies, or the rapid obsolescence of existing technology;
- the effects of, and changes in laws, regulations or governmental policy affecting the Group's business activities;
- slower than expected customer growth and reduced customer retention;
- changes in the spending patterns of new and existing customers;
- any unfavourable conditions, regulatory or otherwise, imposed in connection with pending or future acquisitions or dispositions and the integration of acquired companies into the Group's existing operations;
- the Group's ability to obtain and maintain necessary regulatory approvals and licences for its businesses;
- the Group's ability to stabilise churn and ARPU; and
- changes in tax legislation in the jurisdictions in which the Group operates.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "*Risk Factors*". Forward looking statements speak only as of the date of this Base Prospectus and Ooredoo expressly disclaims any obligation or undertaking to publicly update or revise any forward looking statements in this Base Prospectus to reflect any change in Ooredoo's expectations or any change in events, conditions or circumstances on which these forward looking statements are based. Given the uncertainties of forward looking statements, Ooredoo cannot guarantee that projected results or events will be achieved and cautions potential investors not to rely on these statements.

SUPPLEMENTARY PROSPECTUS

Following the publication of this Base Prospectus, a supplement may be prepared by the Issuer and approved by the Central Bank of Ireland in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new prospectus for use in connection with any subsequent issue of Notes. The permission from the Bermuda Monetary Authority to issue Bearer Notes and the direction from the Bermuda Registrar of Companies that the Base Prospectus is exempt from the provisions of Part III and Section 35 of Part IV of the Companies Act do not extend to any supplement to this Base Prospectus or publication of a new prospectus. Specific permission and a new direction will need to be sought for each supplement to this Base Prospectus or publication of a new prospectus published in relation to the Programme.

STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the stabilisation manager(s) in the relevant subscription agreement (the "Stabilisation Manager(s)") (or persons acting on behalf of any Stabilisation Manager(s)) may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager(s) (or persons acting on behalf of a Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if commenced, may be discontinued at any time, and must be brought to an end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws, regulations and rules.

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OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, is completed by the applicable Final Terms. The Issuer, Ooredoo and any relevant Dealer(s) may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions of the Notes, in which event, in the case of listed Notes only and, if appropriate, a supplement to the Base Prospectus or a new base prospectus will be published.

This overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive.

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this overview.

Issuer: Ooredoo International Finance Limited is an exempted company with limited liability incorporated in Bermuda under the Companies Act on 8 May 2009 (with registered number 43194), having its registered office at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda, telephone number +1 441 295 1443.

The Issuer is a special purpose entity which has been established to raise capital by the issue of Notes. See *"Description of the Issuer"*.

Guarantor: Ooredoo Q.S.C. ("**Ooredoo**") is a Qatari shareholding company incorporated with registration number 21183 under Qatari Law No. 21 of 1998, having its registered office at 100 West Bay, P.O. Box 217, Doha, Qatar, telephone number +974 4440 4462.

Ooredoo's primary business activity centres around the operation of mobile telecommunications networks and other telecommunications services directly and through various consolidated subsidiaries in 12 markets in the Middle East, Asia Pacific and North Africa. See *"Business Description of the Group"*.

Description: Global Medium Term Note Programme.

Initial Programme Amount: Up to U.S.$5,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time.

The Issuer and Ooredoo may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

Risk Factors: There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. There are also certain factors that may affect Ooredoo's ability to fulfil its obligations under the Guarantee.

In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These include certain risks relating to the structure of a particular Series of Notes and certain market risks.

See *"Risk Factors"*.

Arrangers: Australia and New Zealand Banking Group Limited, Citigroup Global Markets Limited, DBS Bank Ltd., HSBC Bank plc, Merrill Lynch International, Mitsubishi UFJ Securities International plc, Mizuho Securities USA Inc. and QNB Capital LLC.

Dealers:	Australia and New Zealand Banking Group Limited, Citigroup Global Markets Limited, DBS Bank Ltd., HSBC Bank plc, Merrill Lynch International, Mitsubishi UFJ Securities International plc, Mizuho Securities USA Inc. and QNB Capital LLC and any other Dealer(s) appointed from time to time by the Issuer and Ooredoo in accordance with the terms of the Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time, including the following restrictions applicable at the date of this Base Prospectus: **Notes having a maturity of less than one year** Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in Section 19 of the Financial Services and Markets Act 2000, unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent in Specified Currency (as defined in the Conditions). See *"Subscription and Sale and Transfer and Selling Restrictions - Selling Restrictions - United Kingdom"*. **Bearer Notes** Notes in bearer form are subject to certain restrictions on transfer. See *"Subscription and Sale and Transfer and Selling Restrictions - Transfer Restrictions"*.
Principal Paying Agent:	The Bank of New York Mellon, London Branch.
Non-U.S. Registrar, Paying Agent and Transfer Agent for the Registered Notes (other than Restricted Notes):	The Bank of New York Mellon (Luxembourg) S.A.
U.S. Registrar, Paying Agent and Transfer Agent for the Restricted Notes:	The Bank of New York Mellon, New York Branch.
Exchange Agent:	The Bank of New York Mellon, New York Branch.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Issuance in Series:	Notes will be issued in series (each a "**Series**"). Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.
Form of Notes:	The Notes will be issued in bearer or registered form as described in *"Form of the Notes"*. Registered Notes will not be exchangeable for Bearer Notes and *vice versa*.

	Notes offered in the United States or to, or for the account or benefit of, U.S. persons will only be issued in registered form. Notes sold to Institutional Accredited Investors will be represented by definitive Notes in certificated form.
Currencies:	Notes may be denominated in, subject to any applicable legal or regulatory restrictions or any restrictions imposed by the depositary from time to time, any currency agreed between the Issuer, Ooredoo and the relevant Dealer(s). Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.
Denomination of Notes:	The Notes will be issued in such denominations as may be agreed between the Issuer, Ooredoo and the relevant Dealer(s) and specified in the applicable Final Terms subject to compliance with then-current laws and regulations and the provisions of the following sentence. Notes will have a minimum denomination of €100,000 (or its equivalent in other currencies), save that in case of any Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue would otherwise constitute a contravention of Section 19 of the FSMA, the minimum specified denomination shall be £100,000 (or its equivalent in other currencies), unless otherwise permitted by then current law and regulations. The minimum denomination of each: (i) Note which may be purchased by a QIB pursuant to Rule 144A will be U.S.$200,000 or its approximate equivalent in other Specified Currencies; or (ii) Definitive IAI Registered Note will be U.S.$500,000 or its approximate equivalent in other Specified Currencies.
Maturities:	The Notes will have such maturities as may be agreed between the Issuer, Ooredoo and the relevant Dealer(s), subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully paid or a partly paid basis and at an issue price which is at par or at a discount to, or premium over, par, as specified in the applicable Final Terms. The price and amount of Notes to be issued will be determined by the Issuer, Ooredoo and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
Status of the Notes:	The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding. See Condition 3 (*Status of the Notes and the Guarantee*).
Guarantee:	The Notes will be unconditionally and irrevocably guaranteed by Ooredoo.

The obligations of Ooredoo under its guarantee in respect of the Notes will be direct, unconditional and (subject to the provisions of Condition 4 (*Negative Pledge*)) unsecured obligations of Ooredoo and will rank *pari passu* and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of Ooredoo from time to time outstanding.

See Condition 3 (*Status of the Notes and the Guarantee*).

Fixed Rate Notes: Fixed interest will be payable in arrear on the date or dates in each year specified in the applicable Final Terms. Interest on Fixed Rate Notes in bearer form will only be payable outside the United States and its possessions, subject to Condition 6(e) (*Payments - General provisions applicable to payments*).

Floating Rate Notes: Floating Rate Notes will bear interest at a rate determined:

(a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or

(b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service.

The margin (if any) relating to such floating rate will be agreed between the Issuer, Ooredoo and the relevant Dealer(s) for each Series of Floating Rate Notes. Interest on Floating Rate Notes in bearer form will only be payable outside the United States and its possessions, subject to Condition 6(e) (*Payments - General provisions applicable to payments*).

Other provisions in relation to Floating Rate Notes: Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest periods will be specified in the applicable Final Terms.

Zero Coupon Notes: Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Redemption: Subject to any purchase and cancellation or early redemption or redemption by instalments, the Notes will be redeemed on the Maturity Date at 100 per cent, of their nominal amount.

The applicable Final Terms may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution. See *"Overview of the Programme - Certain Restrictions: Notes having a maturity of less than one year"*.

Change of Control: If a Change of Control Put is specified in the applicable Final Terms, each Noteholder will have the right to require the redemption of its Notes upon a Change of Control Event. See Condition 7(e) (*Redemption and Purchase - Redemption for Change* *of Control* (*Change of Control Put*)).

Negative Pledge:	The terms of the Notes will contain a negative pledge provision as further described in Condition 4 (*Negative Pledge*).
Cross Default:	The terms of the Notes will contain a cross default provision as further described in Condition 10 (*Events of Default*).
Rating:	Tranches of Notes will be rated or unrated. Where a tranche of Notes is to be rated, such rating (and the credit rating agency issuing such rating) will be specified in the applicable Final Terms. *A securities rating is not a recommendation to buy, sell or hold securities. Ratings may be subject to suspension, reduction or withdrawal at any time by the assigning rating organisation and each rating should be evaluated independently of any other rating.*
Listing and admission to trading:	Application has been made to the Irish Stock Exchange for Notes to be admitted to the Official List and for such Notes to be admitted to trading on the Main Securities Market. Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer, Ooredoo and the relevant Dealer(s) in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued. The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchange and/or markets.
Taxation:	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Relevant Jurisdiction as provided in Condition 8 (*Taxation*), unless otherwise required by applicable law. In the event that any such deduction is made, the Issuer or, as the case may be, Ooredoo will, save in certain limited circumstances provided in Condition 8 (*Taxation*), be required to pay additional amounts as would have been paid had no such deduction or withholding been required.
ERISA:	Unless otherwise stated in the applicable Final Terms, by its purchase of any Notes each original or subsequent purchaser or transferee of a Note will be deemed to have represented and agreed either that: (i) it is not and for so long as it holds a Note (or any interest therein) will not be a Plan, an entity whose underlying assets include the assets of any such Plan, or a governmental or other employee benefit plan which is subject to any U.S. federal, state, local or non-U.S. law, that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code; or (ii) its purchase and holding of a Note will not constitute or result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of such a governmental or other employee benefit plan, any such substantially similar U.S. federal, state, local or non-U.S. law) for which an exemption is not available.
Clearing Systems	Euroclear and/or Clearstream, Luxembourg and/or DTC or, in relation to any Tranche of Notes, any other clearing system as may be specified in the applicable Final Terms.

Governing Law:	The Notes, the Programme Agreement, the Agency Agreement, the Deed of Covenant and the Deed of Guarantee are governed by, and shall be construed in accordance with, English law. The Corporate Services Agreement is governed by Bermuda law.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in Bermuda, the Dubai International Financial Centre, the European Economic Area (including the United Kingdom), Japan, Qatar, the Kingdom of Bahrain, Saudi Arabia, the United Arab Emirates (excluding the Dubai International Financial Centre), the United States of America and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See *"Subscription and Sale and Transfer and Selling Restrictions"*.
United States Selling Restrictions:	Regulation S, Category 2, Rule 144A and Section 4(2). TEFRA C, TEFRA D or TEFRA not applicable as specified in the applicable Final Terms.

RISK FACTORS

Any investment in the Notes is subject to a number of risks and uncertainties. Before making any investment decision, prospective investors should consider carefully the risks and uncertainties associated with any investment in the Notes, the Group's business and the countries and markets in which it operates, together with all of the information that is included in this Base Prospectus and should form their own view before making an investment decision with respect to any Notes. In particular, prospective investors should evaluate the risks and uncertainties referred to or described below, which may have a material adverse effect on the Group's business, financial condition, results of operations or prospects. Should one or more of the following events or circumstances occur at the same time or separately, the value of the Notes could decline and an investor might lose part or all of its investment. Although the risks and uncertainties described below are those that the Group currently considers to be material, they are not the only ones the Group faces. Additional risks and uncertainties that are not presently known to the Group or that the Group currently deems immaterial may also materially and adversely affect the Group's business, financial condition, results of operations or prospects. Prospective investors should carefully consider whether an investment in the Notes is suitable for them in light of the information in this Base Prospectus and their personal circumstances.

Risks Relating to the Issuer

The Issuer has no independent business operations and is not expected to have any income except for receipt of payments from the Guarantor

The Issuer is a special purpose company incorporated under the Companies Act in Bermuda on 8 May 2009 as an exempted company with limited liability. The Issuer is not likely to engage in any business activity other than the issuance of Notes under this Programme and its principal purpose is to provide funding, through the international capital markets, to the Group. Accordingly, the Issuer's ability to fulfil its obligations under the Notes is entirely dependent on the Group's performance and receipt of payment on a timely basis from the Guarantor. The Issuer is therefore subject to all the risks which the Guarantor and the Group are subject to, including without limitation, any delay in the expatriation of dividend or intragroup receivables to the Guarantor as a result of fiscal or exchange control restrictions in the relevant jurisdiction, and such risks could limit the Guarantor's ability to satisfy in full and on a timely basis its obligations under the Guarantee. See "*—Risks Relating to the Group*" for a further description of certain of these risks.

Risks Relating to the Group

The Group's continued success depends on its ability to grow organically and to increase revenue and market penetration

The Group's future success depends on its ability to expand its business organically and to increase revenue and market penetration. As the Group continues to grow, its main focus is to consolidate its market position and improve its future profitability. The ability of the Group to grow organically will depend on its ability to acquire new customers, increase its average revenue per user ("**ARPU**"), limit churn, maintain and upgrade its networks and services (including the launch of new value added services which are attractive to customers), and successfully implement the Group's LEAD strategy (see "*Business Description of the Group—Strategy*"). Any difficulties in attracting new customers or updating its networks and services could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

In addition, the Group's growth partly depends on its activities in fast-growing markets including Indonesia and Myanmar but political instability or changes in the economic or social landscape in these markets may result in slower growth or lower profitability than the Group expected when investments were made in these markets, see further "*—Risks Relating to Countries in which the Group Operates*".

If the Group does not continue to provide telecommunications or related services that are useful and attractive to customers, it may not remain competitive, and its revenues, results of operations and prospects may be adversely affected

The Group's commercial success depends on providing telecommunications services that offer the Group's customers value for their money. If the Group is unable to anticipate customer preferences or industry changes (including the advent of new or alternative technologies), or if it is unable to modify its services on a timely basis, it may lose customers. The Group's operating results would also suffer if its new products and services are not meeting the needs of its customers, are not appropriately timed with market opportunity or are not effectively brought to market. Many of the services which the Group offers are technology-intensive, and the development or acceptance of new technologies may render such services non-competitive, replace such services or reduce prices for such services. In addition, as convergence of services accelerates, the Group has made and will have to continue to make additional investments in new technologies to remain competitive. The new technologies which the Group chooses may not prove to be commercially successful. For example, WiMax based data communication technology has proven to be less popular than other data communications technologies such as LTE, and as a result, the Group disposed of its ownership interest in operating subsidiaries focused on WiMax technology including wi-tribe Pakistan and wi-tribe Philippines. In addition, the Group may not receive, in a timely manner or at all, the necessary licences to provide services based on new technologies. For example, in view of the increasing importance of data services to the revenue mix of the Group, a failure to obtain 4G licences or the relevant spectrum range as and when such licences or spectrum ranges become available in markets such as Iraq (which currently operate on 3G networks) and Palestine could disadvantage the Group relative to its competitors, see further "*—Risks Relating to the Telecommunications Industry—The Group's revenue from voice services is declining and unlikely to improve while the Group's future revenue will be increasingly dependent on data services*".

As telecommunications technology continues to develop, the Group's competitors may be able to offer telecommunications products and services that are, or that are perceived to be, substantially similar or better than those offered by the Group. Given the trend of increasing dependence on revenue data in the global telecommunications industry, the Group's success depends on its ability to offer data-related products and services that meet the needs of its customers on a competitive basis. This could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group may face increased competition from new entrants or established telecommunications operators in the markets in which it operates

The Group faces intensifying competition both from relatively new entrants to the telecommunications markets in which the Group operates and from existing competitors. For example, in March 2009, the Supreme Council of Information and Communication Technology (the "**ictQATAR**"), which has since been replaced by the Communications Regulatory Authority (the "**CRA**"), ended the Group's monopoly in Qatar to provide domestic and international fixed line and mobile telecommunications services throughout Qatar on an exclusive basis and Vodafone Qatar Q.S.C. ("**Vodafone Qatar**") was issued with licences to offer similar services in Qatar. The market share that Vodafone Qatar gained from the Group in the years following its launch negatively impacted upon the Group's ARPU in Qatar in those years, although the Group has subsequently partially regained market share from Vodafone Qatar in the past three years. In December 2008, the Saudi Telecom Company ("**STC**") began commercial operations in Kuwait under its brand "**Viva**". In October 2015, the Communications and Media Commission in Iraq announced its intention to introduce a fourth mobile operator in Iraq (although no bidding date for the licence has been set); and in 2016, the Omani Ministry of Transport and Communications has reportedly approved plans to license a third full service telecoms provider in Oman. In Myanmar, a Viettel-backed consortium has submitted an uncontested bid for a fourth mobile telecommunications licence to operate in Myanmar although the results of this bid have not yet been announced. Based on the Group's internal analysis (see "*Presentation of Financial and Other Information—Market Share*"), as at 31 December 2015, the Group held market share of 68 per cent., 26 per cent., 30 per cent., 36 per cent. and 32 per cent., in the telecommunications markets in Qatar, Indonesia, Kuwait, Iraq and Algeria, respectively by number of customers.

In addition, in certain of the Group's markets where the competitive focus continues to shift from customer acquisition to customer retention as a result of increased penetration of the mobile telecommunications market, there can be no assurance that the Group will not experience decreases in ARPU or increases in customer churn rates, reflecting increased numbers of customer deactivations, particularly as competition for existing customers intensifies. An increase in churn rates may result in lower revenue and higher costs resulting from the need to replace customers and may consequently have a material adverse effect on the Group's profitability.

Increasing competition has led to a reduction in the rate at which the Group adds new customers and may lead to a decrease in the Group's market share as customers purchase telecommunications services, or other competing services, from other providers. In certain markets, it has also led to a decline in the prices the Group is able to charge for its services and may lead to further price declines in the future. For example, the Group has witnessed competition leading to material price decreases in Kuwait, Tunisia and Iraq in the period between 2014 to 2016 for both voice and data services.

Competition from recent or new entrants in any of the other markets in which the Group operates, may result in an overall reduction in the Group's tariffs or cause the Group to lose customers, fail to attract new customers or incur additional costs to maintain its customer base or to maintain revenues from such customer base, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Fluctuations in currency exchange rates could materially adversely affect the Group's business, financial condition or results of operations

The Group has operations across the Middle East and North Africa ("**MENA**"), and the Asia Pacific regions, and the revenues received by Group companies are typically denominated in the local currency of the countries in which the relevant company operates. Since capital expenditure and borrowings are often denominated in U.S. Dollars, the Group has been, and expects to continue to be, exposed to foreign exchange rate fluctuations, which could materially affect the Group's results of operations. In order to reduce its foreign exchange exposure, Group companies seek to borrow funds in local currency; however, local currency denominated facilities are not available, or are not available in acceptable terms, in certain countries in which the Group operates, including Iraq and Myanmar. As a result, a majority of the Group's borrowings as at 31 March 2016 are not denominated in local currency.The Group uses foreign currency hedging contracts if it deems it appropriate and commercially viable, although foreign currency hedging contracts may only partially protect its results of operations, assets and liabilities from the effect of exchange rate fluctuations. In addition, currency hedging contracts are either unavailable or illegal in certain jurisdictions such as Algeria, Tunisia, Myanmar and Iraq.

The Group presents its consolidated financial statements in Qatari Riyals, which as at the date of this Base Prospectus is pegged to the U.S. Dollar. Since the Group presents its consolidated financial statements in Qatari Riyals, it is also exposed to risks related to the translation of assets and liabilities denominated in other currencies, particularly given that all of the Group's operations outside Qatar use other currencies in preparing their financial reports. In addition, although the Qatari Riyal was pegged to the U.S. Dollar as at the date of this Base Prospectus, Qatar may, in the future, choose to remove or alter the peg causing the U.S. Dollar denominated value of the Group's assets and liabilities to fluctuate. As a result, the Group is exposed to risks related to the translation of assets and liabilities denominated in foreign currencies and currency fluctuations could have an impact on its statement of financial position. Movements in the value of the Qatari Riyal against other currencies may accordingly materially adversely affect the Group's financial condition and results of operations. Fluctuations in exchange rates could also significantly impact the comparability of the Group's operating results between financial periods. For example, for the three months ended 31 March 2016, the Group derived 11.8 per cent. of its revenue from Ooredoo Algeria, whose revenues are largely denominated in Algerian Dinar. The Algerian Dinar has experienced a downtrend in value against the U.S. Dollar, to which the Qatari Riyal is pegged, since early 2014. From 1 January 2014 to 31 December 2015, the value of the Algerian Dinar against the U.S. Dollar decreased by around 38 per cent. and during the three months ended 31 March 2016, decreased by a further 1.3 per cent. The Group does not currently have any currency hedges in place in respect of its Algerian Dinar exposure.

Accordingly, there can be no assurance that future exchange rate fluctuations will not have a material adverse effect on the Group's business, financial condition and results of operations and prospects.

Antitrust and competition laws in the countries in which the Group operates may limit its growth and subject it to antitrust and other investigations or legal proceedings

The antitrust and competition laws and related regulatory policies in many of the countries in which the Group operates generally favour increased competition in the telecommunications industry and may prohibit the Group from making further acquisitions or continuing to engage in particular practices to the extent that it holds a significant market share in such countries. In addition, violations of such laws and policies could expose the Group to civil lawsuits or criminal prosecution, including fines and imprisonment, and to the payment of punitive damages. For example, in October 2011, the CRA issued a designation of Ooredoo as a dominant service provider in all 14 relevant retail and wholesale telecommunications markets in Qatar, following the CRA's Market Definition and Dominance Designation Review in 2010 (the "**MDDD Review**"). The designation as a dominant service provider triggers a range of legal obligations, such as the requirement to obtain pricing and tariff approval from the CRA and the prohibition of any activities constituting an abuse of dominant position, such as price discrimination, bundling and tying, cross-subsidisation and refusal to supply. In addition, based on Telecommunications Regulatory Authority's Decision No. 74 of 2013, Ooredoo Oman was designated as a dominant operator in nine out of the 20 defined telecommunications markets in Oman. See "*—Risks Relating to the Telecommunications Industry—The Group may be, from time to time, involved in disputes and litigation with regulators, competitors and other parties*" and "*Business Description of the Group—Litigation*".

The Group cannot predict the effect that lawsuits, appeals, investigations or any future investigations by regulatory bodies or by any third party in any of the countries in which it operates will have on its business, financial condition, results of operations and prospects. In addition, any fines or other penalties on the Group, imposed by the relevant antitrust or competition authority as a result of any such investigation, or any prohibition on the Group engaging in certain types of business in one or more of the regions in which it operates, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group may not be in a position to continue the historical trend of international expansion through acquisition

In the past, a significant portion of the Group's rapid growth was attributable to acquisitions. While the Group will continue to identify and evaluate future opportunities to support further revenue growth, there can be no assurance that the Group will be able to identify and effect future acquisitions on appropriate terms and at an acceptable cost. Even if suitable acquisition targets were identified, there is no assurance that such future acquisition could be effected successfully, as this depends on the Group's ability to obtain appropriate regulatory and government approvals, licences, spectrum allocation and registrations and the Group may be limited by regulatory constraints in the countries in which it operates due to antitrust laws, asset control laws or political conflicts. See "*—Antitrust and competition laws in the countries in which the Group operates may limit its growth and subject it to antitrust and other investigation or legal proceedings*". In addition, the success of any future acquisition by the Group will depend on, and may be limited by, the Group's ability to finance acquisitions, which may be limited by restrictions contained in its debt instruments and its other existing and future financing arrangements. For a description of the Group's primary credit facilities, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Cash Flow—Indebtedness*".

Telecommunications businesses require substantial capital investment and the Group may not have sufficient capital to make, or may be restricted by covenants in its financing agreements from making, future capital expenditure and other investments as the Group deems necessary or desirable

The Group operates in capital-intensive industries that require substantial amounts of capital and other long-term expenditures, including those relating to the development and acquisition of new networks and the expansion or improvement of existing networks. In the past, the Group has financed these expenditures through a variety of means, including internally generated cash flows, external borrowings (including banking and capital markets transactions) and equity capital contributions. In the future, the Group expects to utilise a combination of these sources to manage its financial position and meet its financing requirements. There can be no assurance that such sources of capital will be available to the Group on acceptable terms, if at all.

The Group's ability to arrange external financing, and the cost of such financing, depends on numerous factors, including the Group's future financial condition, general economic and capital markets conditions, interest rates, credit availability from banks or other lenders, investor confidence in the Group, applicable provisions of tax and securities laws and political and economic conditions in any relevant jurisdiction. There can be no assurance that the Group will be able to arrange any such external financing on commercially reasonable terms, if at all.

In addition, covenants contained in the Group's current or future financing agreements may restrict the Group from undertaking capital expenditure and new acquisitions in amounts and at times that it deems necessary or desirable. If the Group undertakes further expansion then it may be more challenging for the Group to comply with these covenants. If the Group is unable to generate or obtain funds sufficient to make, or is otherwise restricted from making, necessary or desirable capital expenditure and other investments, it may be unable to grow its business, which may have a material adverse effect on its business, financial condition, results of operations and prospects.

As part of the Group's strategy, the Group intends to reduce its dependency on heavy infrastructure and substantial capital investment through greater reliance on infrastructure sharing arrangements with other operators, see further "*Business Description of the Group—Strategy*". There is no assurance that the Group will be able to enter into or retain such infrastructure sharing arrangements on terms satisfactory to the Group or be able to effect such arrangements seamlessly and with the continued cooperation of other operators or that the applicable regulatory regime will be conducive to or will facilitate such infrastructure sharing arrangements.

A failure in the continuing operations of the Group's networks, gateways to its networks or the networks of other operators could adversely affect the Group's business, financial condition and results of operations

The Group's operations depend to a significant degree on the uninterrupted functioning of its networks. From time to time, customers of certain operating companies within the Group have experienced dropped calls because of network capacity constraints. The Group cannot assure investors that its networks can be improved or maintained at current levels.

The Group relies to a certain extent on interconnection to the networks of other telecommunications operators to carry calls from its customers to the customers of fixed-line operators and other mobile operators, both within a given country and internationally. The Group's networks, its information systems, information technology and infrastructure and the networks of other operators with which its customers interconnect, are vulnerable to damage or interruptions in operation from a variety of sources including earthquakes, fires, floods, power losses, equipment failures, network software flaws, transmission cable disruptions or similar events. Although each operating company of the Group maintains its own disaster recovery systems in order to ensure the recovery and continuation of its technology infrastructure following potential disruptive events, the Group does not currently maintain a Group-wide global disaster recovery system. Any interruption of the Group's operations or of the provision of any services, whether from operational disruptions, natural disasters or otherwise, could damage the Group's ability to attract and retain customers, cause significant customer dissatisfaction and have a material adverse effect on its business, financial condition, results of operations and prospects.

Risks relating to the Group's third party indebtedness

As at 31 March 2016, the Group had QR44.2 billion (U.S.$12.1 billion) in outstanding indebtedness on a consolidated basis and had an additional QR6.4 billion (U.S.$1.7 billion) under its financing agreements available for drawdown. As at 31 March 2016, the Group's consolidated indebtedness included QR4.7 billion (U.S.$1.3 billion) in outstanding indebtedness of its subsidiaries (excluding Indosat Ooredoo) including term loan facilities and syndicated loans, of which approximately 55 per cent. were secured by pledges of assets and shares of these subsidiaries and parent guarantees. The Group incurred financing costs (net) of QR463.9 million (U.S.$127.5 million) in the three months ended 31 March 2016.

The Group's third party indebtedness is subject to both fixed and floating interest rates. Although the Group may convert its floating rate indebtedness into fixed rates using interest rate swaps when it believes it appropriate and prudent to do so, it does not convert all of its floating rate indebtedness into fixed rates and cannot be certain what the interest rates on its remaining floating rate indebtedness will be in the future. A breach of the terms of any indebtedness, including financial covenants, could cause the Group's lenders to require the Group to repay the financing immediately. Additionally, if the Group's operating cash flows were not sufficient to meet its operating expenses and its own debt service obligations or those of its subsidiaries, the Group may be forced to do one or more of the following:

- delay or reduce capital expenditure;
- sell certain of its assets;
- forego business opportunities, including acquisitions and joint ventures; or
- repay its debt early due to the acceleration of such debt by the respective lenders.

In addition, the debt covenants in the Group's financing agreements, which include debt service cover ratios and other financial condition tests, could limit the Group's flexibility in planning for, and reacting to, competitive pressures and changes in its business, industry and general economic conditions and limit its ability to make strategic acquisitions and to take advantage of business opportunities.

The Group's indebtedness includes indebtedness that will become payable in the short term including the Issuer's U.S.$1 billion 3.375 per cent. senior notes due October 2016 which have been guaranteed by Ooredoo Q.S.C. There can be no assurance that the Group's business will generate sufficient cash flows from operations or that future borrowings will be available in an amount sufficient to enable the Group to repay or service its indebtedness or to fund its liquidity needs. If the Group is unable to meet its debt service obligations, it may attempt to restructure or refinance existing debt or seek additional funding. However, the Group may not be able to do so on satisfactory terms, if at all. Failure to do so could have a material adverse effect on its business, financial condition, results of operations and prospects.

Fluctuations in interest rates could materially adversely affect the Group's business, financial condition or results of operations

Interest rates are highly sensitive to many factors beyond the Group's control, including the interest rates, currency exchange rates and other monetary policies of governments and central banks in the jurisdictions in which the Group operates (including Iraq and Myanmar). In addition, the floating rate debt portion of the Group's loans and borrowings is subject to interest rate risk resulting from fluctuations in the relevant reference rates underlying such debt. Consequently, because a portion of the Group's debt is subject to floating interest rates, any increase in such reference rates will result in an increase in the Group's interest rate expense and may have a material adverse effect on the Group's financial condition and results of operations. For example, as at 31 December 2015, 34 per cent. of the Group's loans and borrowings, mainly comprising borrowings denominated in U.S. Dollars and Indonesian Rupiah, carried interest at floating rates. A hypothetical 25 basis point increase in interest rates on the floating rate portion of the Group's loans and borrowings would result in a decrease in the Group's consolidated statement of profit and loss of approximately QR36.4 million (U.S.$10.0 million) per year. There can be no assurance that, upon the expiration of the Group's current interest rate hedging arrangements, the Group will be able to enter into similar hedging transactions in the future on commercially reasonable terms, if at all, or that these agreements will protect it fully against its interest rate risk in the future. For example, there can be no assurance that the counterparties to such arrangements will perform their obligations. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Quantitative and Qualitative Disclosures About Market Risk—Interest Rate Risk*".

The State of Qatar exerts significant control over Ooredoo and its interests may conflict with those of Noteholders and/or of Ooredoo itself

The State of Qatar (the "**State**") is Ooredoo's most significant shareholder, holding, through its wholly-owned subsidiary Qatar Holding LLC (an entity established by the Qatar Investment Authority), 51.7 per cent. of Ooredoo's outstanding voting shares as at the date of this Base Prospectus. In addition, the State holds a special share (the "**Golden Share**"), which, in accordance with Ooredoo's Articles of Association, gives it the exclusive right to, amongst other things, appoint and remove five of the 10 members of Ooredoo's Board of Directors (the "**Board**"), including the Chairman of the Board, together with the right to approve, veto and reverse certain decisions of the Board or the General Assembly. The State's right to appoint and remove five of the 10 members of the Board applies for so long as its shareholding is maintained. Even if the State ceases to own 50.0 per cent. or more of Ooredoo's outstanding voting shares, the State would still be able to appoint a number of Board members *pro-rata* to the number of shares it holds with the remaining members of the Board not appointed by the State being elected by the General Assembly by way of a secret ballot in which the State has no voting rights. Notwithstanding its ownership percentage, the State will always have the right to appoint not less than two members of the Board, one of them being the Chairman of the Board. In the event of a tied vote, the Chairman has the right to cast the deciding vote.

Furthermore, as at 31 March 2016, a variety of Qatari government related entities, including the General Retirement and Social Insurance Authority and the General Military Retirement and Social Insurance Authority, owned an additional 16.5 per cent. of Ooredoo's outstanding voting shares, thereby increasing the direct and indirect influence of the State over Ooredoo's operations. The State, by virtue of its majority share ownership, the Golden Share and Ooredoo's Articles of Association, is able to exercise control over, amongst other things:

- election of Ooredoo's Directors and, in turn, selection of Ooredoo's management;
- Ooredoo's business policies and strategies;
- budget approval, including personnel costs;
- the issuance of debt or equity securities;
- mergers, acquisitions and disposals of Ooredoo's assets or businesses; and
- amendments to Ooredoo's charter documents.

There can be no assurance that the resolution of any matter that may involve the interests of the State will be resolved in what Noteholders would consider to be their best interests. See "*Corporate Governance—Supervisory Governance of Ooredoo*".

Ooredoo's financial obligations are not guaranteed by the State

Although the State is a majority shareholder of Ooredoo (see above "*—the State of Qatar exerts significant control over Ooredoo and its interests may conflict with those of Noteholders and/or of Ooredoo itself*"), Ooredoo is an independent commercial enterprise and, in the absence of an explicit guarantee from the State in respect of any of its borrowings, none of its financial obligations (including its obligations under the Notes) or those of its subsidiaries, affiliates or joint ventures are guaranteed by the State. Accordingly, Ooredoo's financial obligations, including its obligations under the Notes, are not and should not be regarded as obligations of the State. Ooredoo's ability to meet its financial obligations under the Notes is solely dependent on Ooredoo's ability to fund such amounts from its profits and cash flows, or from other, non-Qatari government, sources of financing. Therefore, any decline in Ooredoo's operations, its profits or cash flows, or any difficulty in securing external funding, may have a material adverse effect on Ooredoo's ability to satisfy its payment obligations to Noteholders irrespective of its level of ownership by the State.

A downgrade in the credit ratings of Ooredoo Q.S.C. or any of its subsidiaries could limit their ability to negotiate new loan facilities or access the debt capital markets and may increase their borrowing costs and/or adversely affect their relationship with creditors

Ooredoo Q.S.C.'s credit ratings, which are intended to measure its ability to meet its debt obligations as they mature, are an important factor in determining Ooredoo Q.S.C.'s cost of borrowing funds. The interest rates of the Group's borrowings are partly dependent on its credit ratings. As at the date of this Base Prospectus, Ooredoo Q.S.C. has a long term local and foreign currency rating of A+ by Fitch, a long-term local and foreign currency rating of A- and a short term local and foreign currency rating of A-2 by S&P and long-term local and foreign currency rating of A2 by Moody's. A downgrade of Ooredoo Q.S.C.'s credit ratings, or being placed on a negative ratings watch, may increase its cost of borrowing and materially adversely affect its results of operations. A downgrade of Ooredoo's credit ratings (or announcement of a negative ratings watch) may also limit its or its subsidiaries' ability to raise capital. Moreover, actual or anticipated changes in Ooredoo's credit ratings or the credit ratings of the Notes (if applicable) generally may affect the market value of the Notes.

Indosat Ooredoo, which for the three-month period ended 31 March 2016, contributed 23.3 per cent. of the Group's consolidated revenue, has, at the date of this Base Prospectus, a local currency corporate family rating and a senior unsecured rating of Ba1 by Moody's, a long term local and foreign currency rating of BB+ by S&P, a long term foreign currency rating of BBB and a long term local currency rating of BBB+ by Fitch and a local currency rating of idAAA from PT Pemeringkat Efek Indonesia (Pefindo). A downgrade of Indosat Ooredoo's credit rating, or being placed on a negative ratings watch, may increase its cost of borrowing and could materially adversely affect its business, financial condition and results of operations which, in turn, could have a materially adverse effect on the Group's business, financial condition, results of operations and prospects.

In addition, ratings assigned to the Notes (if applicable) may not reflect the potential impact of all risks related to the transaction, the market or any additional factors discussed in this Base Prospectus and other factors may affect the value of the Notes. A securities rating is not a recommendation to buy, sell or hold securities. Ratings may be subject to revision or withdrawal at any time by the assigning rating organisation and each rating should be evaluated independently of any other rating.

Any further deterioration in the global economy could have a material and adverse effect on the Group's revenues, financial position, results of operations and continued growth

Following the 2008 to 2009 global financial crisis, financial markets in the United States, Europe and Asia experienced a period of unprecedented turmoil and upheaval characterised by extreme volatility and declines in security prices, severely diminished liquidity and credit availability, inability to access capital markets, the bankruptcy, failure, collapse or sale of various financial institutions and an unprecedented level of intervention from the United States government and other governments. These circumstances were further exacerbated by the deteriorating economic situation in certain European countries during such period, such as Greece, Portugal and Spain, among others, political instability, turmoil and conflict in the MENA region and natural disasters or other catastrophic events. More recently, capital flight from emerging markets and falling prices in the energy sector have led to tighter financial conditions in a number of countries, including some countries in the MENA region. Unemployment has risen while business and consumer confidence have declined and fears of a prolonged global recession remain. As an emerging market, the Qatari economy may be perceived as being more fragile than more established economies, and investors will likely compare Qatar to other emerging economies, which may not have the same political and security risks associated with them as is the case with Qatar. Any further deterioration in the global economy could have a material and adverse effect on the Group's revenues, financial position, results of operations and continued growth.

Declines in international crude oil prices and natural gas could materially and adversely affect oil-revenue dependent economies

Since June 2014, international crude oil prices have declined dramatically (falling by approximately 75 per cent. from a high monthly average OPEC Reference Basket price per barrel of oil of U.S.$107.89 in June 2014, to a monthly average price of U.S.$37.16 in April 2016). The prevailing low international prices for hydrocarbon products have had a significant adverse effect on the oil and natural gas revenue dependent Gulf Cooperation Council ("**GCC**") economies, resulting in reduced fiscal budgets and public spending plans for 2016, together with increased budgetary deficits and increased competition for funding across the GCC. There is no assurance that the government of one or more of these GCC countries, including Qatar, will not increase direct or indirect taxes or fees payable to the government, including Ooredoo's licensing fees and royalty payments, to help offset budgetary deficits. Further, and in response to the ongoing fall in energy pricing, certain regional oil and natural gas producing countries that have traditionally "pegged" their domestic currencies to the U.S. Dollar have faced pressure to remove these foreign exchange "pegs". As at the date of this Base Prospectus, both Kazakhstan and Azerbaijan have chosen to unwind the U.S. Dollar peg of their domestic currencies. While the likelihood that GCC states may pursue a similar course of action is unclear, there remains a risk that any such future de-pegging by the GCC states (in the event that the current challenging market conditions persist for a prolonged period) would pose a systemic risk to the regional banking systems by virtue of the inevitable devaluation of any such de-pegged currency against the U.S. Dollar and adversely impact the macroeconomic conditions of such jurisdictions. As the Group has operations in a number of oil-revenue dependent economies where the local currency is directly pegged against the U.S. Dollar or a basket of currencies which includes the U.S. Dollar, any such de-pegging or devaluation of local currencies against the U.S. Dollar could have a material adverse effect on the Group's business, financial condition, results of operation and prospects.

The Group may not be successful in extracting value and leveraging synergies from past acquisitions to the extent expected

As the organisational structure of the Group, and a number of markets in which the Group operates, mature, the Group's ability to successfully extract value and leverage synergies at the Group level within Ooredoo and its various operating subsidiaries will be an important driver of future profitability growth. For example, Group-led procurement is an important source of synergies and realising these synergies requires a cohesive approach to implementing a centralised sourcing model to achieve substantial cost savings. There is no assurance that the Group can successfully implement its LEAD strategy to achieve the level of expected synergies gain, see "*Business Description of the Group—Strategy*".

If the Group fails to retain and attract qualified and experienced employees, its business may be harmed

If the Group is unable to retain experienced, capable and reliable personnel, especially senior and middle management with appropriate professional qualifications, or fails to recruit skilled professional and technical staff at a pace consistent with its growth, its business and results of operations may be adversely affected. Experienced and skilful personnel in the telecommunications industry remain in high demand, and there is continual competition for their talents. The loss of some members of the Group's senior management team or any significant number of its mid-level managers/skilled professionals may result in: (i) a loss of organisational focus; (ii) poor execution of operations and corporate strategy; or (iii) an inability to identify and execute potential strategic opportunities such as expansion of capacity or acquisitions. These adverse consequences could, among other things, reduce potential revenue and expose the Group to downturns in the markets in which it operates, all of which in the aggregate or individually could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

Risks Relating to Countries in which the Group Operates

The Group may pursue investment opportunities in countries in which it has no previous investment experience or in jurisdictions that are subject to greater social, economic and political risks than developed countries

The Group may not be able to adequately assess the risks of investing in new jurisdictions irrespective of advice from its advisers. Investments made by the Group in emerging markets may involve a greater degree of risk than investments in developed countries. For example, emerging market investments may carry the risk of more volatile capital markets, less favourable and less sophisticated fiscal and commercial regulation (including a less developed or less enforced anti-trust regulatory regime to prevent or restrict the abuse of a dominant market position by an incumbent competitor), less well-developed and independent court systems, a greater likelihood of severe inflation, unstable currency, exchange controls, restrictions or delays on repatriation of profits and capital, corruption, political, social and economic instability (including warfare and civil unrest) and government actions or interventions, including tariffs, royalties, protectionism, subsidies, expropriation of assets and cancellation of contractual rights, than investments in companies based in developed countries. An occurrence of any of the foregoing risks or failure by the Group to correctly identify the risks associated with an investment could have a material adverse effect on its business, financial condition and results of operations and therefore affect the ability of the Issuer and Ooredoo Q.S.C. to perform their respective obligations in respect of any Notes.

The Group operates in locations where there are high security risks, which could result in harm to its network, assets, employees and contractors

Some of the Group's subsidiaries operate in high-risk locations, such as Algeria, Iraq, Palestine, Myanmar and Tunisia, where the country or location is suffering from political, social or economic instability, war or civil unrest. For example, as at 31 December 2015, the militant group Islamic State of Iraq and Syria (also known as "**ISIS**") has control over vast landlocked territory in Iraq, including control of approximately 900 out of Asiacell's approximately 5,800 cell sites. See note 12(ii) to the audited Consolidated Financial Statements of Ooredoo Q.S.C. for the year ended 31 December 2015 for a discussion of the effect of the current security situation in Iraq on the property, plant and equipment of Asiacell. In those locations where the Group has employees, assets or operations, the relevant Group subsidiaries may incur substantial costs to maintain the safety of their personnel and to protect their assets and network. Despite these precautions, the safety of the Group's personnel and assets in these locations may continue to be at risk.

In addition, network maintenance and expansion projects in these areas could be delayed or cancelled due to the need for heightened security for employees and contractors operating in these areas and there is a risk that an attack in these or other locations by a malicious individual or group on the Group's networks could be successful. This could lead to a loss of confidential customer data or availability of critical systems. The Group's network is also susceptible to interruption due to a physical attack (which may result in part of the network being destroyed) and theft of its network components as the value and market for network components increases (for example, copper, batteries, generators and fuel). This could result in serious damage to the Group's reputation and consequential customer and revenue loss, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group is subject to the risks of political, social and economic instability associated with countries and regions in which it operates or may seek to operate

Overview

The Group conducts its business in a number of countries and regions with developing economies, many of which do not have firmly established legal and regulatory systems and some of which from time to time have experienced economic, social or political instability. For example, following its acquisition of Asiacell and the Wataniya Group in 2007 and Indosat Ooredoo in 2008, the Group operates in Iraq, Algeria, Tunisia and Indonesia, each of which has suffered from regional political instability and general social and civil unrest in recent years. In addition, during 2013, Ooredoo was one of the successful bidders for the two 15-year telecommunications licences made available to foreign operators in Myanmar, a country in which significant political, economic and administrative reforms are being undertaken as the country transforms from military rule to a military-backed civilian government. Exchange and fiscal controls are also in force in Iraq, Myanmar, Algeria and Tunisia which may delay, or make impossible in the short term, the expatriation of dividend and intercompany payables (including intercompany loan repayments) from the operating companies in those markets to Ooredoo and may also result in demands being made in respect of any guarantee provided by Ooredoo Q.S.C. in respect of bank loans of the subsidiaries operating in these markets. Some of these countries are also in the process of transitioning to a market economy and, as a result, are experiencing changes in their economic and government policies that can affect the Group's investments in these countries. Governments in these jurisdictions and countries, as well as in more developed jurisdictions and countries, may be influenced by political or commercial considerations outside of the Group's control, and may act arbitrarily, selectively or unlawfully, including in a manner that benefits the Group's competitors. For example, increased financial pressures on governments may lead them to target foreign investors for further licence fees (see "—*Regulatory uncertainties in Iraq*").

Specific country risks that may have a material adverse effect on the Group's financial condition and results of operations include, amongst other things:

- political instability, riots or other forms of civil disturbance or violence;
- war, terrorism, invasion, rebellion or revolution;
- government interventions, including expropriation or nationalisation of assets, increased protectionism and the introduction of tariffs or subsidies;
- changing fiscal, regulatory and tax regimes;
- arbitrary or inconsistent government action, including capricious application of laws and selective tax audits;
- difficulties and delays in obtaining requisite governmental licences, permits or approvals;
- fiscal or exchange control which restrict the transfer of funds onshore or offshore;
- difficulties with conversion of local currency into foreign currency including the unavailability of U.S. Dollars in the local economy;
- unstable or underdeveloped banking system, including counterparty risk (Asiacell and its holding companies, Al-Rowad General Services Limited and Barzan Holdings S.P.C., each have deposits with Iraqi banks, for example) vis-à-vis local banks that may be undercapitalised;
- cancellation, nullification or unenforceability of contractual rights; and
- underdeveloped industrial and economic infrastructure.

Changes in investment policies or shifts in the prevailing political climate in any of the countries in which the Group operates, or seeks to operate, could result in the introduction of increased government regulations with respect to, among other things:

- price controls;
- export and import controls;
- income and other taxes;
- environmental legislation;
- customs and immigration;
- foreign ownership restrictions;
- coverage and service quality obligation of telecommunication providers that may not be supported by the customer or revenue proposition of the market;
- foreign exchange, currency and capital controls; and
- labour and welfare benefit policies.

Regulatory uncertainties in Iraq

For the three months ended 31 March 2016, revenue from Asiacell, the Group's operating company in Iraq, accounted for 13.6 per cent. of the Group's revenue. Iraq has experienced considerable upheaval in the past few years and is in the process of clarifying the roles and developing the capacity of government and regulatory institutions. There is significant uncertainty with respect to the legal and regulatory environment in which Asiacell operates, see further "*Business Description of the Group—Principal Operations—Iraq—Regulation*". There is ongoing dispute between the Communications and Media Commission in Iraq (the "**CMC**") and Asiacell on several matters relating to payment by Asiacell of the relevant regulatory fee and frequency spectrum fee, see further "*Description of the Business of the Group—Litigation*". In particular, there is ongoing dispute as to whether the level of the Group's ownership interest in Asiacell is in contravention of the licence issued to Asiacell by the CMC.

In August 2007, the Group acquired a 30.0 per cent. direct shareholding in Asiacell, an Iraqi mobile telecommunications provider, increasing its economic interest up to 53.9 per cent. in June 2012, and then to 64.1 per cent. in February 2013, following Asiacell's initial public offering. In June 2014, the CMC asserted that Asiacell had exceeded the foreign ownership requirement of its licence and requested Asiacell to pay the licence fee applicable to foreign companies, at a rate of 18 per cent. of its gross revenue (as opposed to the 15 per cent. licence fee rate which applies to domestic companies). Asiacell appealed the CMC's decision to the Appeal Board and subsequently to the Iraqi courts on the basis that Asiacell should not be considered a foreign company because its majority shareholders are Iraqi. The dispute progressed from the court of first instance to the Kurdistan Court of Cassation, which finally ruled in favour of Asiacell and concluded that the CMC is not entitled to apply the 18 per cent. licence fee rate to Asiacell as it is a domestic company with Iraqis owning more than 83 per cent. of its shares. If, however, the CMC does not comply with the decision of the Kurdistan Court of Cassation, Asiacell may have to pay the additional 3 per cent. in the licence fee rate and Ooredoo may be forced to reduce its indirect ownership in Asiacell to 55 per cent. in order to meet the technical terms of its licence. While the additional 3 per cent. licence fee payment has been provisioned in the Group's financial statements, if Ooredoo is required to reduce its economic ownership interest in Asiacell to 55 per cent., this could adversely affect the Group's business, results of operations and prospects.

The challenging security conditions in Iraq are also having an impact on the regulatory environment. As a result, the CMC is issuing new regulations to meet the security needs of the country. See further "*Business Description of the Group—Principal Operations—Iraq—Regulation*". In addition, the security situation in Iraq is also affecting Asiacell's ability to comply with certain of its licence obligations related to, for instance, quality of service, lawful interception, technical and environmental site approvals as Asiacell cannot freely access its network in certain regions in Iraq, see further "*—The Group operates in locations where there are high security risks, which could result in harm to its network, assets, employees* *and contractors*". Asiacell is currently in discussion with the CMC on these issues relating to its licence obligations to ensure that it will not be subject to any fines or penalties for such instances of involuntary non-compliance.

The current situation in Iraq has destabilised the banking system, which affects Asiacell's ability to access the cash in Iraqi banks or transfer it outside of Iraq. In view of the volatility affecting Iraq's banking system and the counterparty risk that Asiacell is exposed to in respect of its bank deposits with local banks, Asiacell has reached an agreement with a local bank with which it has deposits whereupon Asiacell will receive transfer of title to parcels of lands and buildings located in Baghdad and Sulaymaniah amounting to a total amount of QR 440,600,000 (U.S.$121 million) as a mitigating measure to protect Asiacell against counterparty risk vis-à-vis such bank. However, transfer of legal title to such property is subject to the completion of legal formalities and there is no assurance that any such transfer will be completed in a timely manner or be legally effective due to the legal uncertainties in Iraq associated with the transfer of ownership in property. Even if such property transfers are made, there is no certainty as to when, and to what extent, the Group may be able to liquidate such assets.

Political climate

The MENA and Asia Pacific regions have all experienced varying degrees of political instability over the past fifty years. Future armed conflicts or political instability in those regions could impact the Group's operations. The wider MENA region in particular is subject to a number of geopolitical and security risks and ongoing unrest. Beginning in the first half of 2011, a number of countries in the MENA region, including Tunisia, Egypt, Libya, Bahrain, Kuwait, Lebanon, Yemen and Syria, witnessed serious unrest, in some instances leading to civil war, armed conflict (including the multinational conflict with ISIS) foreign military intervention and a change of government. These situations have caused significant disruption to the economies of the affected countries (affecting tourisms and businesses) and have had a destabilising effect on international oil and gas prices.

As at the date of this Base Prospectus, civil war is ongoing in Syria, giving rise to a risk of contagion, given historic social and political connections between Syria and its neighbours. The Syrian government has recently been subjected to heightened international diplomatic pressure in relation to its conduct during the civil war. The situation in Syria is fluid and the potential exists for it to further deteriorate.

Furthermore, following the overthrow of the former Iraqi regime in 2003, Iraq was, and continues to be, subject to serious political and security concerns. Geopolitical instability and a poor security environment have historically been among the key risks associated with doing business in Iraq or investing in a company that is based or does substantial business in Iraq. As the security situation in Iraq has generally remained volatile over recent years, significant risks remain which could have a material adverse effect on Asiacell's business, results of operations and financial condition, as well as on Asiacell's network infrastructure in affected areas, which could, in turn, have a material and adverse effect on the Group's business, financial condition, results of operations and prospects. For example, as at 31 December 2015, the militant group ISIS has control over vast landlocked territory in Iraq, including control of approximately 900 out of Asiacell's approximately 5,800 cell sites.

As the political, economic and social environments in certain countries in which the Group has made, or may consider making, investments remain subject to continuing development, investments in such countries are characterised by a significant degree of uncertainty. Any unexpected changes in the political, social, economic or other conditions in such countries, or in countries that neighbour such countries, could have a material adverse effect on the investments that the Group has made or may make in the future, which in turn could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Persons investing in Notes may have indirect contact with sanctioned countries as a result of the Group's activities in and business with countries on sanctions lists

Each of the Office of Foreign Assets Control of the U.S. Department of Treasury ("**OFAC**"), Her Majesty's Treasury, the European Union and the United Nations administer regulations that restrict the ability to invest in, or otherwise engage in business with, certain countries, including Myanmar, and specially designated nationals (together "**Sanction Targets**"). As the Group is not itself a Sanction Target, sanctions regulations do not prohibit investment in, or engagement in business with the Group. However, to the extent that the Group has invested in, or otherwise engaged in business with, Sanction

Targets, thus persons investing in the Group may incur the risk of indirect contact with Sanction Targets. In addition to having operations and a subsidiary in Myanmar, the Group has interconnection and/or roaming agreements in place with entities that are Sanction Targets, including in Myanmar, Iraq and Tunisia. The revenue received and payments made under such interconnection and/or roaming agreements constitute less than 1 per cent. of the revenue of the Group in the year ended 31 December 2015. The Group also has a minority shareholding in Sudatel, a telecommunications and internet service provider in Sudan, which is valued at less than U.S.$1 million as of the date of this Base Prospectus on the basis of current market price. The Group is a passive investor in Sudatel and does not hold any board positions in the company. The Group's current practice is to segregate any funding from U.S. persons from its operations in Sanction Targets. In addition, each of the Issuer and the Guarantor has undertaken in the Programme Agreement (as defined herein) that it will ensure that proceeds raised in connection with the issue of any Notes under the Programme will not directly or indirectly be used for any purpose that would have the aim or effect of financing or supporting the activities of Sanction Targets that are the subject of any sanctions regulations administered by any governmental entity including OFAC, Her Majesty's Treasury, the European Union and the United Nations ("**Economic Sanctions**"). Further, the Group has represented in the Programme Agreement that it will not engage in any dealings or transactions or any activities, directly or indirectly, with any government, individual or entity located in a country, or with any other person or entity, that is the subject of any Economic Sanctions, in each case where any such dealings or transactions or activities are prohibited by any Economic Sanctions.

Risks Relating to the Telecommunications Industry

The sectors in which the Group competes are subject to rapid and significant changes in technology, with which the Group may have difficulty competing successfully

The fixed and mobile telephony, mobile broadband internet, TV and business information and communication technology markets are characterised by rapid and significant changes in technology, customer demand and behaviour, and as a result feature a constantly evolving competitive environment. The telecommunications industry is experiencing continuous structural changes, including with the advent of new revenue models and new technologies introduced by the Group's competitors and new market entrants. These structural changes may exert substantial pricing pressure on the Group's products and services, and may increase the Group's subscriber acquisition and retention costs. For example, in emerging markets where there has been an increase in demand for 3G and 4G handsets, the Group had to subsidise the acquisition cost of such handsets. Such subsidies, however, may not be fully recovered through the life of the mobile contracts, and this could negatively affect the Group's margins in these markets.

As the availability and speed of broadband internet increases, the Group also faces competition from over-the-top communications and video content providers ("**OTT providers**") utilising the Group or its competitors' high-speed internet connections. These OTT providers drive down demand for the Group's voice and/or video content services and are not subject to regulatory oversight or compliance costs. Data revenue made up 38 per cent. of the Group's revenue in the three-month period ended 31 March 2016, as compared to 30 per cent. and 20 per cent. of revenue in the three-month periods ended 31 March 2015 and 31 March 2014 respectively, and the Group's management expects it to overtake voice revenue in terms of the Group's revenue mix by 2018. A significant portion of the Group's revenue has already shifted to data, particularly in more developed markets where 4G has already been launched such as Kuwait, Oman and Qatar. There is no assurance that the Group can compete effectively with these OTT providers or that the Group can successfully monetise the increase in data revenue generated by the data traffic connected to these OTT services to offset the corresponding reduction in voice and/or video content revenue. In particular, technologies such as voice-over-Internet Protocol ("**VoIP**") (over fixed and mobile technologies), mobile instant messaging, Wi-Fi, Internet Protocol TV ("**IPTV**") or Cloud computing for retail and/or business customers have had and are expected to have a continued effect on the telecommunications industry and on the Group's business.

Continued consolidation within the media industry may cause more competitors to offer "triple-play" bundles of digital television, fixed-line telephony and broadband services, or "quad-play" bundles including mobile telephone services. Although this trend for convergence is currently a larger factor in mature markets such as Europe and the United States, if a similar trend were to develop in the markets in which the Group operates, this may make it more difficult for the Group to successfully compete in markets where it does not have fixed-line infrastructure.

As a consequence of these or other developments, new and established information and telecommunications technologies or products may not only fail to complement each other, but in some cases may even substitute or decrease demand for each other. The Group is also investing in new technologies, such as fibre to the premises ("**FTTP**"), that may have slower than expected customer acceptance, or may be limited by the lack of supply of products by third parties to enable the Group's customers to take advantage of such new technology. If the Group is unable to effectively anticipate, react to or access technological changes in the telecommunications market, the Group could lose customers, fail to attract new customers, experience lower ARPU or incur substantial or unanticipated costs and investments in order to maintain its customer base, all of which could have a material adverse effect on its business, financial condition and results of operations. In addition, the introduction of new products and services may not be successful and/or timely. This could lead to lower profitability as well as lower market shares. Customer churn may increase, and revenues and margins could be significantly lower than expected if the Group fails to offer customer propositions that respond to customer demand.

The Group's revenue from voice services is declining and unlikely to improve while the Group's future revenue will be increasingly dependent on data services

As data revenue increases, voice services revenue from fixed-line and mobile telephony is in decline across the industry globally. Data revenue made up 38 per cent. of the Group's revenue in the three-month period ended 31 March 2016, as compared to 30 per cent. and 20 per cent. of revenue in the three-month periods ended 31 March 2015 and 31 March 2014 respectively, and the Group's management expects it to overtake voice revenue in terms of the Group's revenue mix by 2018. The demand for data services will continue to be driven by rising smartphone and tablet penetration and usage, usage of video and other multimedia services, as well as improvements in fixed-line and mobile network capability. Although the Group has identified data revenue as one of the most important drivers for future profit growth and is investing in development of infrastructure and new consumer propositions in response to this trend (see "*Description of the Business of the Group—Strategy*"), there is no assurance that the Group will successfully monetise the increase in data traffic and any increase in the revenue generated from data services may not be sufficient to offset the decline in voice services revenue. This could have a material adverse effect on the Group's ARPUs, business, financial condition, results of operations and prospects.

Because the Group operates in heavily regulated business environments, regulatory decisions and changes in the regulatory environment could materially adversely affect its business

The Group has operations in a large number of jurisdictions and must therefore comply with an extensive range of laws and regulations pertaining to the licensing, construction and operation of telecommunications networks and services, as implemented by relevant agencies or other regulatory bodies. Among the most significant of these laws and regulations are those governing the allocation of frequency spectrum and regulatory agencies that monitor and enforce regulation and competition laws which apply to the telecommunications industry. Decisions by regulators regarding the granting, amendment or renewal of licences, to the Group or to third parties, could materially and adversely affect the Group's future operations in these geographic areas. The Group may also not be able to realise expected revenues from capital expenditures invested in certain infrastructure projects if governments or their regulatory authorities require the Group to share or sell any rights to the assets once complete, see, for example, the establishment of the Qatar National Broadband Network in Qatar as further described in "*Business Description of the Group—Principal Operations—Qatar—Regulation*". The Group cannot provide any assurance that governments or their regulatory bodies in the countries in which it operates will not issue telecommunications licences to new operators whose services will compete with it. For example, until March 2009, Ooredoo Q.S.C. was the incumbent telecommunications provider in Qatar. However, its exclusive right to provide telecommunication services in Qatar was revoked by the ictQATAR in 2009 who granted a licence to Vodafone Qatar to begin commercial operations in Qatar in March 2009. Vodafone Qatar also subsequently obtained a further licence to operate a fixed line service, which became effective in April 2010. See also "*—The Group may face increased competition from new entrants or established telecommunications operators in the markets in which it operates*".

In addition, other changes in the regulatory environment concerning the use of mobile phones may lead to a reduction in the usage of mobile phones or otherwise adversely affect the Group. Also, decisions by regulators and new legislation, such as the transfer from the CRA of certain regulatory functions, including responsibility for price regulation, to an independent governmental authority sometime in the future, could affect the pricing of, or adversely affect the revenue from, the services the Group offers. If price regulation is introduced in any country in which the Group operates, such regulation may result in a reduction in, or a cap on the growth of its domestic and international tariffs and the fees and charges for other products and services provided by it. See "*Business Description of the Group—Telecommunications Operations—Regulation*".

The Group faces a risk of increased customer churn as a result of mobile number portability

Prior to 2013, the Group was protected to some extent from customer churn by the fact that mobile telephone numbers in Qatar, Kuwait, Tunisia and Iraq were not transferable between service providers. A customer switching from one service provider to another would therefore have had to change his or her mobile telephone number. The inconvenience associated with this acts as a disincentive to customers considering switching service providers and thus mitigates churn. However, in January 2013, the CRA introduced mobile number portability services in Qatar and in June 2013, the Ministry of Communications in Kuwait introduced mobile number portability services in Kuwait, in each case in order to provide greater consumer choice and promote competition. In addition, the CMC is actively requiring mobile telecommunications operators in Iraq to adopt mobile number portability. In August 2015, the CMC published a public consultation on the introduction of mobile number portability in Iraq. As at the date of this Base Prospectus, the consultation has not yet specified a timeline in relation to, nor has the CMC issued any regulations on, the implementation of mobile number portability in Iraq. Tunisia is also currently in the process of launching both fixed and mobile number portability. Mobile number portability represents a risk to the Group in that it removes a key disincentive to customers switching service providers and may increase churn. This could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group could suffer loss of consumer confidence and/or legal action due to a failure to protect its customer information

Mobile networks carry and store large volumes of confidential personal and business voice traffic and data. The Group hosts increasing quantities and types of customer data in all principal markets in which it operates, including for example home addresses, credit card and bank details. The Group needs to ensure its service environments are sufficiently secure to protect it from loss or corruption of customer information. The Group's network and information systems may be affected by cyber-security incidents that can result from deliberate attacks or system failures. Failure to adequately protect customer information could have a material adverse effect on the Group's reputation or result in a loss of customers and may also lead to legal or regulatory action against the Group, which could have an adverse impact on its business, financial condition, results of operations and prospects.

Continued cooperation between the Group and its equipment and service providers is important to maintain the Group's telecommunications operations

Once a manufacturer of telecommunications equipment has designed and installed its equipment within a system, the operator of the system will often be reliant on such manufacturer for continued service and supply. The Group's ability to maintain and grow its subscriber base depends in part on its ability to source adequate supplies of network equipment and on its ability to source adequate supplies of mobile handsets, software and content on a timely basis. Continued cooperation with its equipment and service providers is essential for the Group to maintain its operations.

The Group does not have operational or financial control over its key suppliers and has limited influence with respect to the manner in which its key suppliers conduct their businesses. The Group's subsidiaries' and associates' reliance on these suppliers subjects them and the Group to risks resulting from any delays in the delivery of services. The Group cannot assure investors that its suppliers will continue to provide equipment and services to its subsidiaries and associates at attractive prices or that the Group will be able to obtain such equipment and services in the future from these or other providers on the scale and within the time frames required, if at all. The inability or unwillingness of key suppliers to provide the Group's operations with adequate equipment and supplies on a timely basis and at attractive prices could materially and adversely impact these operations' ability to retain and attract subscribers or offer attractive product offerings, either of which could materially and negatively impact the Group's business, financial condition, results of operations and prospects.

Risks in relation to outsourcing of services may adversely affect the Group's business and may cause higher costs than initially anticipated

Over recent years, the Group has outsourced the maintenance of certain parts of its network, and may do so with other parts of its network or operations in the future. The Group may experience an adverse effect on its customer satisfaction if its service partners do not deliver the service quality agreed in the outsourcing contracts. The Group's brands could also be damaged by negative perception of inadequate quality of network maintenance services. Furthermore, should any of these arrangements be terminated by either contract party, including as a result of bankruptcy or insolvency by the Group's outsourcing partners, this could result in delays or disruptions to the Group's operations and could result in it incurring additional costs if the Group is required to locate alternative service providers or in-source previously outsourced services. The Group may also incur higher costs if it decides to or is required by its customers to perform these services in-house, particularly if it must do so on short notice. The occurrence of any of these eventualities could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Domestic, regional or global economic changes may adversely affect the Group's businesses

Economic conditions can have a material adverse effect on telecommunications businesses, including a material adverse effect on the quality and growth of their customer base and service offerings. An economic downturn in the MENA and Asia Pacific regions could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. In addition, the current global economic conditions, which could have had an effect on credit conditions, and any fall in oil or gas prices, may cause an economic slowdown or contraction in many countries in which the Group operates. Further market disruption may be caused by continued economic stagnation and certain countries in Europe, and throughout the world, experiencing debt servicing problems and other adverse economic events. Current high rates of inflation in some of the countries in which the Group operates may also cause consumer purchasing power to decrease, which may reduce consumer demand for the Group's services. Additionally, any decrease in the population growth or gross domestic product ("**GDP**") in the markets in which the Group operates may adversely affect the Group's business, financial condition, results of operations and prospects.

A loss of investor confidence in the financial systems of emerging markets (for example, as in post-war Iraq) as well as in the financial systems of mature markets may cause increased volatility in the financial markets in the countries and regions in which the Group operates could have a material adverse effect on the Group's business, ability to make international and domestic payments, financial conditions and results of operations as well as a slowdown in economic growth or economic contraction in those countries and regions.

The Group's operations could be adversely affected by natural disasters or other catastrophic events beyond the Group's control

The Group's business operations, technical infrastructure (including its network infrastructure) and development projects could be adversely affected or disrupted by natural disasters (such as earthquakes, floods, tsunamis, hurricanes, fires or typhoons) or other catastrophic or otherwise disruptive events, including, but not limited to:

- changes to predominant natural weather, hydrologic and climatic patterns;
- major accidents, including chemical or other material environmental contamination;
- power loss; and
- strike or lock-out or other industrial action by workers or employers.

The occurrence of any of these events, or a similar such event, at one or more of the Group's facilities or in the regions in which the Group operates may cause disruptions to the Group's operations in part or in whole, may increase the costs associated with providing services as a result of, among other things, costs associated with remedial work, may subject the Group to liability or impact the Group's brands and reputation and may otherwise hinder the normal operation of the Group's business, which could materially adversely affect its business, financial condition, results of operations and prospects.

In addition, the Group's technical infrastructure is vulnerable to damage or interruption from information and telecommunication technology failures, acts of war, terrorism, intentional wrongdoing, human error and similar events. Although each operating company of the Group maintains its own disaster recovery systems in order to ensure the recovery and continuation of its technology infrastructure following potential disruptive events, the Group does not currently maintain a Group-wide global disaster recovery system. For a description of the Group's disaster recovery systems and procedures, see "*Business Description of the Group—Information Technology*".

The effect of any of these events on the Group's financial condition and results of operations may be worsened to the extent that any such event involves risks for which the Group is uninsured or not fully insured, or which are not currently insurable, such as acts of war and terrorism. It is the Group's practice to procure appropriate insurance cover (such as property damage and business interruption cover), however, the Group cannot give any assurance that the insurance procured by the Group and in place at any particular time will cover all potential risks sufficiently or that the insurers will have the financial ability to pay all claims that may arise. Further, if there are changes in the insurance markets or rises in insurance costs, the Group cannot provide assurance that insurance coverage will continue to be available on terms similar to those presently available to the Group or at all. See "*Business Description of the Group—Insurance*".

Failure in the Group's information and technology systems could result in interruptions of the Group's business operations

The Group's information and technology systems are designed to enable the Group to use its infrastructure resources as effectively as possible and to monitor and control all aspects of its operations. Any failure or breakdown in these systems or any system failures resulting from computer viruses or hacker attacks could interrupt the normal business operations, result in a significant slowdown in operational and management efficiency for the duration of such failure or breakdown, affect the quality of its services and cause service interruptions. Any prolonged failure or breakdown could dramatically impact the Group's ability to offer services to its customers, which could result in reduced user traffic and reduced revenues and have a material adverse effect on the Group's business and results of operations. For example, the Group depends on certain technologically sophisticated management information systems and other systems, such as its customer billing system, to enable it to conduct its operations. Any significant delays or interruptions in providing services could negatively impact the Group's reputation as an efficient and reliable telecommunications provider.

In addition, the Group relies on third party vendors to supply and maintain much of its information technology. In the event that one or more of the third party vendors that the Group engages to provide support and upgrades with respect to components of the Group's information technology ceased operations or became otherwise unable or unwilling to meet its needs, the Group cannot assure investors that it would be able to replace any such vendor promptly or on commercially reasonable terms, if at all. Delay or failure in finding a suitable replacement could materially adversely affect the Group's business, financial condition and results of operations.

Actual or perceived health risks or other problems relating to mobile handsets or transmission masts could lead to litigation or decreased mobile communications usage

The effects of any damage caused by exposure to an electromagnetic field have been and continue to be the subject of careful evaluations by the international scientific community, but to date there is no scientific evidence of harmful effects on health. However, the Group cannot rule out that exposure to electromagnetic fields or other emissions originating from wireless handsets will not be identified as a health risk in the future.

The Group's mobile communications business may be harmed as a result of these alleged health risks. For example, the perception of these health risks could result in a lower number of customers, reduced usage per customer or potential customer liability. In addition, these concerns may cause regulators to impose greater restrictions on the construction of base station towers or other infrastructure, which may hinder the completion of network build-outs and the commercial availability of new services and may require additional investments.

The Group's telecommunications licences, permits and frequency allocations are subject to finite terms, ongoing review and/or periodic renewal, each of which may result in modification or early termination. In addition, the Group's ability to obtain new licences and permits could adversely affect its business

The Group's licences, permits and frequency allocations are subject to finite terms, ongoing review and/or periodic renewal and, in some cases, are subject to modification or early termination or may require renewal with the applicable government authorities. See "*Business Description of the Group—Telecommunications Operations—Licences*". While the Group does not expect any of its subsidiaries or associated companies to be required to cease operations at the end of the term of their current business arrangements or licences, there can be no assurance that these business arrangements or licences will be renewed on equivalent satisfactory terms, or at all. Upon termination, the licences and assets of these companies may revert to the local governments or local telecommunications operators, in some cases without any or adequate compensation being paid.

The Group has in the past paid significant amounts for certain of its mobile telecommunications licences and the competition to obtain these licences is increasing. For this reason, the Group anticipates that it may have to pay increasingly substantial licence fees in certain markets, as well as meet specified network build out requirements. There can be no assurance that the Group will be successful in obtaining or funding these licences, or, if licences are awarded, that they can be obtained on terms acceptable to the Group. If the Group obtains or renews further licences, it may need to seek future funding through additional borrowings or equity offerings and there can be no assurance that such funding will be obtained on satisfactory terms, or at all. Failure to obtain financing on satisfactory terms or at all may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group may be, from time to time, involved in disputes and litigation with regulators, competitors and other parties

The Group is subject to numerous risks relating to legal and regulatory proceedings, to which it or any of its subsidiaries are currently a party or which could develop in the future. See "*Business Description of the Group—Litigation*".

The Group's involvement in litigation and regulatory proceedings may adversely affect its reputation. Furthermore, litigation and regulatory proceedings are inherently unpredictable and legal or regulatory proceedings in which the Group is or comes to be involved (or settlements thereof) may have a material adverse effect on its business, financial condition, results of operations and prospects.

Industrial action or adverse labour relations could disrupt the Group's business operations and have an adverse effect on operating results

Certain of the Group's operations are currently and may in the future be subject to collective bargaining, union or similar labour agreements. In addition, the Group's employees benefit from local laws regarding employee rights and benefits. For example, the Group's operations in Indonesia and in Tunisia depend on employees who have established a union and signed a collective labour agreement with Indosat Ooredoo and Ooredoo Tunisia, respectively. In addition, the Group's Indonesian employees benefit from local laws regarding employee rights and benefits.

If the Group is unable to negotiate acceptable labour agreements or maintain satisfactory employee relations, the results could include work stoppages, strikes or other industrial action or labour difficulties (including higher labour costs) at its facilities, which individually or in the aggregate could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Risk Factors that Vary Depending on the Structure of a Particular Issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common of such features.

The Notes may be subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the Notes' market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

The Notes may be redeemed prior to their final maturity date for tax reasons

If the Issuer becomes obliged to pay any additional amounts in respect of the Notes as provided or referred to in Condition 8 (*Taxation*) or the Guarantor is unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 8 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, the Issuer may redeem all but not some only of the outstanding Notes of such Tranche in accordance with Condition 7 (*Redemption and Purchase – Redemption for tax reasons*) of the Notes.

In such circumstances, an investor may not be able to reinvest the redemption proceeds in a comparable security with a similar rate of return, which may have an adverse effect on the position of such investor. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the Early Redemption Amount. Potential investors should consider re-investment risk in light of other investments available at that time.

Partly-paid Notes are subject to additional risks

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

Inverse Floating Rate Notes are subject to increased volatility

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of these Notes are typically more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes are subject to additional risk

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than prevailing spreads on comparable floating rate notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

Any Fixed Rate Notes the Issuer may issue will be subject to interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Notes issued at a substantial discount or premium are subject to increased volatility

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest bearing securities with comparable maturities.

Risks related to all Notes

Claims in respect of the Notes and the Guarantee will be structurally subordinated to claims of creditors of Ooredoo's subsidiaries

In the event of a winding-up or insolvency of one of the subsidiaries of Ooredoo, claims of secured and unsecured creditors of such subsidiary, including trade creditors, banks and other lenders, will have priority with respect to the assets and revenues of such subsidiary over any claims that the Issuer or the Guarantor (to the extent that they are not secured or unsecured creditors), as applicable, or the creditors of the Issuer or the Guarantor, as applicable, may have with respect to such assets and revenues. Generally, all of the obligations of a subsidiary of Ooredoo would have to be satisfied before any of the assets or revenues of such subsidiary would be available, upon a liquidation or otherwise, to the Issuer or the Guarantor (to the extent that they are not secured or unsecured creditors), as applicable, or the creditors of the Issuer or the Guarantor, as applicable. Claims under the Notes and the Guarantee will therefore be structurally subordinated to the indebtedness of Ooredoo's subsidiaries, the amount of which is not subject to contractual limitations under the terms of the Notes.

The Notes are subject to modification by a majority of Noteholders without the consent of all Noteholders

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

A change of law may adversely affect the Notes

The Terms and Conditions of the Notes are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issuance of the relevant Notes nor whether any such change could adversely affect the ability of the Issuer or Ooredoo to make payments under the Notes.

Certain bearer notes, the denomination of which involves integral multiples, may be illiquid and difficult to trade

In relation to any issue of Bearer Notes which have denominations consisting of a minimum specified denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum specified denomination. In such a case, a holder who, as a result of trading such amounts, holds a principal amount of less than the minimum specified denomination would need to purchase an additional amount of Notes such that it holds an amount equal to at least the minimum specified denomination to be able to trade such Notes. Noteholders should be aware that Notes which have a denomination that is not an integral multiple of the minimum specified denomination may be illiquid and difficult to trade. If a Noteholder holds an amount which is less than the minimum specified denomination in its account with the relevant clearing system at the relevant time, such Noteholder may not receive a definitive Bearer Note in respect of such holding (should the definitive Bearer Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to at least a specified denomination in order to be eligible to receive a definitive Bearer Note.

Investors in the Notes must rely on DTC, Euroclear and Clearstream, Luxembourg procedures

Notes issued under the Programme will be represented on issue by one or more Global Notes that may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or may be deposited with a nominee for the Depository Trust Company ("**DTC**"). Except in the circumstances described in each Global Note, investors will not be entitled to receive Notes in definitive form. Each of Euroclear, Clearstream, Luxembourg and DTC and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note held through it. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes are represented by Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its participants in relation to payments under the Notes. The Issuer and Ooredoo have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

Risks Related to the Market Generally

The Group cannot give any assurance that an active, stable or liquid market for the Notes will develop or be maintained

Notes issued under the Programme may have no established trading market when issued, and one may never develop. If a market does develop it may not be very liquid. The liquidity of any market for the Notes that may develop depends on a number of factors, including, amongst other things:

- the method of calculating the principal and interest in respect of the Notes;
- the time remaining to the maturity of the Notes;
- the outstanding amount of the Notes;
- the redemption features of the Notes; and
- the level, direction and volatility of market interest rates generally.

As a result of these and other factors, there may be a limited number of buyers available when an investor decides to sell its Notes, which may adversely affect the price an investor receives for such Notes unless such an investor understands and knows it can bear those investment risks. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional factors discussed in this Base Prospectus and other factors that may affect the value of the Notes. There is no assurance that the ratings will remain in effect for any given period of time or that the ratings will not be lowered or withdrawn entirely if circumstances in the future so warrant.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-European Union credit rating agencies, unless the relevant credit ratings are endorsed by a European Union-registered credit rating agency or the relevant non-European Union rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency being included in such list as there may be delays between certain supervisory measures being taken against a relevant rating agency and publication of an updated ESMA list. Limited information with respect to the credit rating agencies and ratings will be disclosed in the applicable Final Terms. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by its assigning rating agency at any time.

The Notes may be subject to fluctuations in currency exchange rates

The Issuer will pay principal and interest on the Notes in the relevant Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that government and monetary authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls, which could adversely affect an applicable exchange rate. The Issuer and Ooredoo have no control over the factors that generally affect these risks, such as economic, financial and political events and the supply and demand for applicable currencies. In recent years, exchange rates between certain currencies have been highly volatile and volatility between such currencies or with other currencies may be expected in the future. However, fluctuations between currencies in the past are not necessarily indicative of fluctuations that may occur in the future. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease: (i) the Investor's Currency-equivalent yield on the Notes; (ii) the Investor's Currency-equivalent value of the principal payable on the Notes; and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate as well as the availability of a specified foreign currency at the time of any payment of principal or interest on a Note. As a result, investors may receive less interest or principal than expected, or no interest or principal. Even if there are no actual exchange controls, it is possible that the Specified Currency for any particular Note not denominated in U.S. Dollars would not be available at such Note's maturity.

Risks Relating to Enforcement

It may be difficult to enforce arbitration awards and foreign judgments against the Issuer

The Issuer has agreed that the Notes will be governed by English law, and that any dispute arising from the Notes shall be referred to and resolved by arbitration in London under the Arbitration Rules of the London Court of International Arbitration, with a Noteholder having the right to require that the courts of England have exclusive jurisdiction to settle any dispute arising from the Notes. A final and conclusive judgment of a foreign court against the Issuer may be enforceable in Bermuda if the foreign court is situated in a country to which The Judgments (Reciprocal Enforcement) Act 1958 (the "**1958 Act**") applies. The procedure provided for in the 1958 Act must be followed if the 1958 Act applies. The 1958 Act applies to the United Kingdom. Under the 1958 Act, a judgment obtained in the superior courts of a territory to which it applies would be enforced by the Supreme Court of Bermuda without re-examination of the merits of the case, **provided that**:

- the judgment is final and conclusive, notwithstanding that an appeal may be pending against it or it may still be subject to an appeal in such country;
- the judgment has not been given on appeal from a court which is not a superior court; and
- the judgment is duly registered in the Supreme Court of Bermuda in circumstances in which its registration is not liable thereafter to be set aside.

Under Section 3(4) of the 1958 Act, the registration of such a court's judgment in the Supreme Court of Bermuda involves the conversion of the judgment debt into Bermuda Dollars as of the date of the foreign court's judgment, but the Bermuda Monetary Authority has indicated that its present policy is to give the consents necessary for any Bermuda dollar award made by the Supreme Court of Bermuda as aforesaid to be recovered in external currency.

No stamp duty or similar or other tax or duty is payable in Bermuda on the enforcement of a foreign judgment. Court fees will be payable in connection with proceedings for enforcement.

The submission by the Issuer to arbitration pursuant to the terms of the Notes is not contrary to Bermuda law and would be recognised by the courts of Bermuda as a legal, valid and binding submission, if such submission is legal, valid and binding under the laws of England.

An arbitration award made in a country which is a signatory to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards adopted by the United Nations Conference on International Commercial Arbitration on 10 June 1958 (the "**New York Convention**") may be enforceable in Bermuda. It may be possible to enforce the award pursuant to Part IV of the Bermuda International Conciliation and Arbitration Act 1993 (the "**1993 Arbitration Act**"). Pursuant to Section 40 of the 1993 Arbitration Act, a New York Convention award (defined in that Act as an award made pursuant to an arbitration in a state or territory other than Bermuda which is a party to the New York Convention) is enforceable in Bermuda either by action or by leave of the court, in the same manner as a judgment of the Supreme Court or the Court of Appeal of Bermuda.

A New York Convention award must be enforced except in the following instances: enforcement of a New York Convention award may be refused if it is in respect of a matter which is not capable of settlement by arbitration, or if enforcement would be contrary to public policy, as that term is understood in Bermuda. Moreover, enforcement of a New York Convention award may be refused if the person against whom it is invoked proves:

- the incapacity of one of the parties to the arbitration agreement;
- that the arbitration agreement was not valid under the laws to which the parties subjected it or of the country where the award was made;
- that the person against whom it is invoked was not given proper notice of the appointment of the arbitrator or of the arbitration proceedings or was otherwise unable to present his or its case;
- (unless the award is severable) the award deals with a difference not contemplated by or falling within the terms of the submission to arbitration or contains decisions on matters beyond the scope of the submission to arbitration;
- the composition of the arbitral authority was not in accordance with the parties' agreement or, failing such agreement with the law of the country where the arbitration took place; or
- the award has not yet become binding on the parties or has been set aside or suspended by a competent authority of the country in which, or under the law of which, it was made.

Pursuant to Section 44 of the 1993 Arbitration Act, a certificate under the hand of the Deputy Governor of Bermuda to the effect that Her Majesty has by Order in Council declared that any State specified in the certificate is a party to the New York Convention, is conclusive evidence that that State is a party to the New York Convention on the date of the certificate. The United Kingdom is a signatory to the New York Convention.

Arbitration may involve the payment of the costs of the arbitration and fees by each of the parties to the arbitral proceedings.

It may be difficult to enforce arbitration awards and foreign judgments against Ooredoo

Under the Terms and Conditions of the Notes, the parties have agreed that any dispute arising out of or in connection with the Notes shall be referred to and finally resolved by arbitration in accordance with the Arbitration Rules of the London Court of International Arbitration, with a Noteholder having the right to require that the courts of England have exclusive jurisdiction to settle the dispute. A unilateral right to litigate, as on the part of a Noteholder has not been specifically raised before the Qatari courts. Accordingly, it is possible that a Qatari court may not accept that the Noteholder's right to litigate is exclusive to such Noteholder and may afford Ooredoo the same right.

In the event that proceedings are brought against Ooredoo in Qatar, the Qatari courts would, in accordance with their normal practice, enforce the contractual terms of the Notes (including the contractual choice of a governing law other than Qatari law to govern the Notes, **provided that**, this would not apply to any provision of that law which Qatari courts held to be contrary to any mandatory provision of Qatari law or to public order or morality in Qatar). Qatari courts have consistently enforced commercial interest obligations computed in accordance with the terms of the relevant agreement. It is, however, uncertain whether the Qatari courts would enforce the payment of interest on interest, or the payment of accrued interest which exceeds the amount of the principal sum.

There is currently no treaty or convention for the reciprocal enforcement of judgments between Qatar on the one hand and England on the other. A judgment obtained from a court in England will be enforceable in Qatar subject to the provisions of Articles 379 and 380 of the Civil and Commercial Procedure Law, which provides, in the case of Article 379, that judgments and orders pronounced in a foreign country may be ordered to be executed in Qatar upon the conditions determined in that country for the execution of Qatari judgments and orders and provides, in the case of Article 380, that an order for execution of a foreign judgment or order will not be made unless and until the following have been ascertained, that: (i) the judgment or order was delivered by a competent court of the foreign jurisdiction in question; (ii) the parties to the action were properly served with notice of proceedings and properly represented; (iii) the judgment or order is one that is capable of being executed by the successful party to the proceedings in conformity with the laws of the foreign jurisdiction in question; and (iv) the foreign judgment or order does not conflict with a previous judgment or order of a competent Qatari court and is not contrary to public policy or morality in Qatar.

A Qatari court would be entitled to call for textual evidence on the laws of England concerning the conditions that would be applicable for the execution of the judgment of a Qatari court in England and the Qatari court would then be entitled to execute the judgment of the English court upon those conditions. Accordingly, although a judgment obtained from a court in England would be admissible in evidence in any proceedings brought in Qatar to enforce such judgment it would still be necessary to initiate proceedings in Qatar.

In accordance with their normal practice, Qatari courts would uphold the choice of arbitration as a dispute resolution method. However, this would be subject to the same qualifications as are stated above with regard to choice of law and a Qatari court may not accept that its own jurisdiction had been excluded by any provision providing that the submission to any particular jurisdiction was exclusive.

Qatar is a party to the New York Convention, with effect from 30 March 2003. The United Kingdom is also a party to the New York Convention and therefore an arbitration award made in England should be enforceable in Qatar in accordance with the terms of the New York Convention.

The interpretation and application of the New York Convention provisions by the Qatari courts and the enforcement of foreign arbitration awards by the Qatari courts in accordance with the New York Convention is developing. The parameters of enforcement are starting to be tested more and more in the Qatari courts. While the Qatari courts tend to be pro-enforcement, the jurisprudence is still evolving and there is a risk that a foreign arbitral award rendered in connection with the Notes may be refused enforcement by the Qatari courts.

Risks Related to Taxation

Potential investors should consider the tax consequences of investing in the Notes and consult their tax advisors about their own tax situation. See "*Taxation*" below.

Bermuda taxation and exchange of information with the United States, the United Kingdom and Australia

The duration of the assurance granted to the Issuer under the Exempted Undertakings Tax Protection Act, 1966, as more particularly detailed in the taxation section on page 157, is limited and initially expires on 31 March 2035. Tax policy and legislation in Bermuda could change in the future (as is the case in other jurisdictions) and as such no guarantee can be given as to whether the current tax treatment afforded to the Issuer will continue after 31 March 2035.

Bermuda has currently signed tax information exchange agreements with 34 different countries and territories including Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, South Africa, South Korea, the United Kingdom and the United States. The agreements provide that the competent authorities of the participating countries shall provide assistance through the exchange of information that is relevant to the administration or enforcement of the domestic laws of the participating countries concerning taxes covered by the agreements. Such information shall include information that is relevant to the determination, assessment and collection of such taxes, the recovery and enforcement of tax claims or the investigation or prosecution of tax matters. Information shall be exchanged in accordance with the provisions of the agreements and shall be treated as confidential in the manner provided therein. Bermuda may agree to sign similar tax information exchange agreements with other countries in the future.

In addition, in 2014, the Organisation for Economic Co operation and Development announced the Common Reporting Standard ("**CRS**"), which has now been widely accepted as the international standard for financial account reporting for tax purposes outside the United States. The CRS sets out the financial account information to be exchanged between participating countries, the financial institutions required to report, the different types of accounts and taxpayers covered, as well as common due diligence procedures to be followed by financial institutions. Bermuda became a participant of the CRS pursuant to a multilateral competent authority agreement executed in 2014. Unlike FATCA, which requires the direct reporting of requisite information to the United States authorities, under the CRS reporting financial institutions are required to report requisite data to the Minister of Finance, in his capacity as the Competent Authority in Bermuda, for onward inter-governmental exchange. Bermuda legislation has been amended to ensure all Bermuda persons comply with the obligations of the CRS, FATCA and any other arrangements or agreements entered into by the Government of Bermuda for the exchange of information for tax purposes. The Issuer is required to collect certain information for each calendar year from and including 2016 from new accountholders (holders of Notes) where accounts are opened on or after January 1, 2016, and complete due diligence on all pre-existing accounts (being those existing as at December 31, 2015) and begin to report such information to the Minister of Finance for exchange under the CRS from 2017.

Payment by the Issuer may be subject to withholding tax in Qatar

The Income Tax Law No.21 of 2009 (the "**Income Tax Law**") and the Executive Regulations of the Income Tax Law issued in June 2011 (the "**Executive Regulations**") provide that any interest payments made to "non-residents" in respect of activities not connected with a permanent establishment in Qatar will be subject to withholding tax. However, the Executive Regulations provide for certain exemptions to such application of withholding tax and in accordance with Paragraph 2 of Article 21(4) of the Executive Regulations, "interest on bonds and securities issued by the State and public authorities, establishments and corporations owned wholly or partly by the State" shall not be subject to withholding tax. The Issuer is wholly-owned by Ooredoo, which is indirectly partly owned by Qatar (through Qatar Holding LLC (an entity established by the Qatar Investment Authority) and Ooredoo believes that, as a result, payments made by the Issuer to the Noteholders should not be subject to any withholding tax in Qatar. If the Issuer and/or Ooredoo cease to be partly owned by Qatar, the exemption at Paragraph 2 of Article 21(4) of the Executive Regulations will cease to apply and interest payments by the Issuer will be subject to withholding tax. The Issuer and Ooredoo would benefit from an exemption under Paragraph 3 of Article 21(4) of the Executive Regulations which provides that interest on transactions, facilities and loans with banks and financial institutions shall not be subject to withholding tax. Such exemption would apply provided interest is being paid to a bank or financial institution.

However, to the extent that a different official interpretation of the Executive Regulations is taken in the future, or if any law or regulation relating to withholding tax is changed, then, in relation to any then outstanding Notes, the Issuer may be entitled to redeem the Notes pursuant to Condition 7(b) (*Redemption and Purchase – Redemption for tax reasons*). If the State were to divest itself of its ownership of Ooredoo or if Ooredoo were to divest itself of ownership of the Issuer, payments under the transaction documents may also become subject to withholding tax. However, if the State were to divest itself of its ownership of Ooredoo and the Change of Control Put is specified as applicable in the applicable Final Terms, the holder of any Note may, in accordance with Condition 7(e) (*Redemption and Purchase – Redemption for Change of Control* (*Change of Control Put*)), redeem the note by giving not less than 15 nor more than 30 days' notice to the Issuer for an amount equal to 100 per cent. of the principal amount of such Note together with interest accrued to (but excluding) the relevant Put Date. If Ooredoo were to divest itself of ownership of the Issuer, this would result in an event of default in accordance with Condition 10(ix) (*Events of Default*) and a holder of a Note may declare such note to be forthwith due and payable, together with any interest accrued to the date of repayment.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a "**foreign financial institution**" (as defined by FATCA) may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be classified as a foreign financial institution for these purposes. A number of jurisdictions (including Bermuda) have entered into, or have agreed in substance to, intergovernmental agreements ("**IGAs**") with the United States to implement FATCA, which modify the way in which FATCA applies in their jurisdictions. Under the provisions of the IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to 1 January 2019 and Notes issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under Condition 16 (*Further Issues*)) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

DOCUMENTS INCORPORATED BY REFERENCE

The Terms and Conditions of the Notes contained on pages 54 to 82 (inclusive) in the base prospectus dated 7 December 2012 (the "**2012 Terms and Conditions**") prepared by the Issuer and the Guarantor in connection with the Programme (an electronic copy of which is available at http://www.ise.ie/debt_documents/Base%20Prospectus_e89d963c-e025-4fa5-89a4-7ed82d7eb6be.PDF) which have previously been published and have been filed with the Central Bank of Ireland shall be incorporated in, and form part of, this Base Prospectus.

Copies of the 2012 Terms and Conditions which are incorporated by reference in this Base Prospectus can be obtained from the registered office of Ooredoo and from the specified office of the Paying Agent for the time being in London.

Any documents themselves incorporated by reference in the 2012 Terms and Conditions which are incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus. Additionally, information included in the base prospectus dated 7 December 2012 which is not incorporated by reference herein is either not relevant to investors or is covered elsewhere in this Base Prospectus.

If at any time the Issuer shall be required to prepare a supplement to the Base Prospectus pursuant to Part 8, Paragraph 51 of the Prospectus (Directive 2003/71/EC) Regulations 2005 of the Republic of Ireland (S.I. No. 324 of 2005) (the "**Irish Prospectus Regulations**"), the Issuer will prepare and make available an appropriate amendment or supplement to this Base Prospectus or a further base prospectus which, in respect of any subsequent issue of Notes to be listed on the Official List and admitted to trading on the Main Securities Market of the Irish Stock Exchange, shall constitute a supplemental base prospectus as required by Part 8, Paragraph 51 of the Irish Prospectus Regulations. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached. Bearer Notes will be issued outside the United States in reliance on Regulation S under the Securities Act and Registered Notes will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A or Regulation D under the Securities Act.

Bearer Notes

Each Tranche of Bearer Notes will be initially issued in the form of a temporary global note (a "**Temporary Bearer Global Note**") or, if so specified in the applicable Final Terms, a permanent global note (a "**Permanent Bearer Global Note**") which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depositary (the "**Common Depositary**") for, Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**").

Bearer Notes will only be delivered outside the United States and its possessions.

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will only be made (against presentation of the Temporary Bearer Global Note) outside the United States and its possessions and only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury Regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the "**Exchange Date**") which is forty days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for: (i) interests in a Permanent Bearer Global Note of the same Series; or (ii) for definitive Bearer Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms and **provided that** no definitive Bearer Note will be delivered to an address in the U.S. or its possessions), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made only outside the United States and its possessions through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Bearer Global Note) without any requirement for certification if such Note is being issued in accordance with the TEFRA C Rules or if certification has already been given (as described in the preceding paragraph).

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon either: (a) not less than sixty days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Principal Paying Agent as described therein; or (b) only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that: (i) an Event of Default (as defined in Condition 10 (*Events of Default*)) has occurred and is continuing; or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of fourteen days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than forty-five days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on the face of all Bearer Notes which have an original maturity of more than one year (including unilateral roll overs and extensions) and on all receipts, interest coupons or talons relating to such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(J) AND 1287(A) OF THE INTERNAL REVENUE CODE."

The sections of the Code referred to in the legend above provide that U.S. Holders (as defined in "*Taxation – United States – U.S. Federal Income Taxation*"), with certain limited exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Registered Notes

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global note in registered form (a "**Regulation S Global Note**"). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 (*Transfers of Registered Notes*) of the Terms and Conditions of the Notes, contained herein, and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

The Registered Notes of each Tranche may only be offered and sold in the United States or to U.S. persons in private transactions: (i) to QIBs; or (ii) to Institutional Accredited Investors who agree to purchase the Notes for their own account and not with a view to the distribution thereof. The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form (a "**Rule 144A Global Note**" and, together with a Regulation S Global Note, the "**Registered Global Notes**").

Registered Global Notes will either: (i) be deposited with a custodian for, and registered in the name of a nominee of, the Depository Trust Company ("**DTC**") for the accounts of Euroclear and Clearstream, Luxembourg; or (ii) be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

The Registered Notes of each Tranche sold to Institutional Accredited Investors will be in definitive form, registered in the name of the holder thereof ("**Definitive IAI Registered Notes**"). Unless otherwise set forth in the applicable Final Terms, Definitive IAI Registered Notes will be issued only in minimum denominations of U.S.$500,000 and integral multiples of U.S.$1,000 in excess thereof (or the approximate equivalents in the applicable Specified Currency). Definitive IAI Registered Notes will be subject to the restrictions on transfer set forth therein and will bear the restrictive legend described under "*Subscription and Sale and Transfer and Selling Restrictions – Transfer Restrictions*". The Rule 144A Global Notes and the Definitive IAI Registered Notes will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the relevant Register (as defined in Condition 6(d) (*Payments – Payments in respect of Registered Notes*) of the Terms and Conditions of the

Notes) as the registered holder of the Registered Global Notes. All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. Dollars shall be paid by transfer by the relevant Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. Dollars in accordance with the provisions of the Agency Agreement. None of the Issuer, the Guarantor, any Paying Agent or the Registrars will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the relevant Register on the relevant Record Date (as defined in Condition 6(d) (*Payments – Payments in respect of Registered Notes*) of the Terms and Conditions of the Notes) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that: (i) an Event of Default has occurred and is continuing; (ii) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the United States Securities Exchange Act of 1934 (as amended) ("**Exchange Act**"); or (iii) in the case of Notes registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 (*Notices*) of the Terms and Conditions of the Notes if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the relevant Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the relevant Registrar.

Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note or in the form of a Definitive IAI Registered Note and Definitive IAI Registered Notes may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such Notes in the form of an interest in a Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable.

Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions. See "Subscription and Sale and Transfer and Selling Restrictions".

General

The option for Global Notes to be exchangeable for definitive Notes by giving notice shall not be expressed to be applicable under paragraph 21 (*Form of Notes*) in Part A of the applicable Final Terms if the relevant Notes have denominations consisting of a minimum specified denomination plus one or more higher integral multiples of another smaller amount. Furthermore, Notes shall not be issued which have such denominations if such Notes are to be represented on issue by a Temporary Global Note exchangeable for definitive Notes.

Pursuant to the Agency Agreement, the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CUSIP and CINS number which are different from the common code, ISIN, CUSIP and CINS assigned to

Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, Ooredoo and the Principal Paying Agent.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 10 (*Events of Default*) of the Terms and Conditions of the Notes. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then the Global Note will become void at 8.00 pm (London time) on such day. At the same time, holders of interests in such Global Note credited to their accounts with Euroclear and/ or Clearstream, Luxembourg and/or DTC, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear, Clearstream, Luxembourg and DTC on and subject to the terms of a deed of covenant (the "**Deed of Covenant**") dated 14 June 2016 and executed by the Issuer. In addition, holders of interests in such Global Note credited to their accounts with DTC may require DTC to deliver definitive Notes in registered form in exchange for their interest in such Global Note in accordance with DTC's standard operating procedures.

APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

[*Date*]

OOREDOO INTERNATIONAL FINANCE LIMITED

Issue of [•] [•]

unconditionally and irrevocably guaranteed by
OOREDOO Q.S.C.

under the U.S.$5,000,000,000 Global Medium Term Note Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes set forth in the base prospectus dated 14 June 2016 (the "**Base Prospectus**") [and the supplement(s) to it dated [•]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC, as amended (including by Directive 2010/73/EU) (the "**Prospectus Directive**"). This document constitutes the applicable Final Terms of the Notes described herein [for the purposes of Article 5.4 of the Prospectus Directive][1] and must be read in conjunction with the Base Prospectus [as so supplemented]. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these applicable Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [as so supplemented] is available for viewing in accordance with Article 14 of the Prospectus Directive on the website of the Central Bank of Ireland (http://www.centralbank.ie) and the website of the Irish Stock Exchange (http://www.ise.ie) and during normal business hours at the registered office of the Issuer at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda and copies may be obtained during normal business hours from the registered office of the Principal Paying Agent at One Canada Square, London, E14 5AL, United Kingdom.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") contained in the Amended and Restated Agency Agreement dated [•] and set forth in the base prospectus dated 7 December 2012 [and the supplement(s) to it dated [•]] which are incorporated by reference into the base prospectus dated 14 June 2016 (the "**Base Prospectus**"). [This document constitutes the applicable Final Terms of the Notes described herein [for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC, as amended (including by Directive 2010/73/EU)) (the "**Prospectus Directive**")][2] and must be read in conjunction with the Base Prospectus dated 14 June 2016 [and the supplement(s) to it dated [•]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive], save in respect of the Conditions. The Base Prospectus [as so supplemented] is available for viewing in accordance with Article 14 of the Prospectus Directive on the website of the Central Bank of Ireland (http://www.centralbank.ie) and the website of the Irish Stock Exchange (http://www.ise.ie) and during normal business hours at the registered office of the Issuer at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda and copies may be obtained during normal business hours from the registered office of the Principal Paying Agent at One Canada Square, London, E14 5AL, United Kingdom.]

1.	(a)	Issuer:	Ooredoo International Finance Limited
	(b)	Guarantor:	Ooredoo Q.S.C.
2.	(a)	Series Number:	[•]
	[(b)	Tranche Number:	[•]]

[1] *Delete where the Notes are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive.*

[2] *Delete where the Notes are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive.*

	[(c)	Date on which the Notes become fungible:	[•]]
3.	Specified Currency or Currencies:		[•]
4.	Aggregate Nominal Amount:		[•]
	(a)	Series:	[•]
	[(b)	Tranche:	[•]]
5.	Issue Price:		[•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]]
6.	(a)	Specified Denominations:	[•]
	(b)	Calculation Amount:	[•]
7.	(a)	Issue Date:	[•]
	(b)	Interest Commencement Date:	[[•]/Issue Date/Not Applicable]
8.	Maturity Date:		[•]
9.	Interest Basis:		[[•] per cent. Fixed Rate] [+/- [•] per cent. Floating Rate] [Zero Coupon]
10.	Redemption/Payment Basis:		Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount
11.	Change of Interest Basis or Redemption/ Payment Basis:		[Applicable/Not Applicable]
12.	Put/Call Options:		[Investor Put] [Issuer Call] [Change of Control Put]
13.	Date Board approval for issuance of Notes and Guarantee obtained:		[•] and [•], respectively

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Note Provisions:		[Applicable/Not Applicable]
	(a)	Rate(s) of Interest:	[•] per cent, per annum payable in arrear on each Interest Payment Date
	(b)	Interest Payment Date(s):	[•] in each year [up to and including the Maturity Date]
	(c)	Fixed Coupon Amount(s):	[•] per Calculation Amount
	(d)	Broken Amount(s):	[[•] per Calculation Amount payable on the Interest Payment Date falling in/on [•]]/Not Applicable]
	(e)	Day Count Fraction:	[30/360]

			[Actual/Actual (ICMA)]
	(f)	Determination Date(s):	[•] in each year
15.	Floating Rate Note Provisions:		[Applicable/Not Applicable]
	(a)	Specified Period(s)/ Specified Interest Payment Dates:	**[•]**
	(b)	Interest Payment Date(s):	**[•]**
	(c)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
	(d)	Additional Business Centre(s):	**[•]**
	(e)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination]
	(f)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	**[•]**
	(g)	Screen Rate Determination:	
		• Reference Rate:	[LIBOR/EURIBOR]
		• Interest Determination Date(s):	**[•]**
		• Relevant Screen Page:	**[•]**
	(h)	ISDA Determination:	
		• Floating Rate Option:	**[•]**
		• Designated Maturity:	**[•]**
		• Reset Date:	**[•]**
	(i)	Linear Interpolation:	[Not Applicable]/[Applicable – the Rate of Interest for the [long]/[short] [first]/[last] Interest Period shall be calculated using Linear Interpolation]
	(j)	Margin(s):	[+/ -][•] per cent, per annum
	(k)	Minimum Rate of Interest:	[•] per cent, per annum
	(l)	Maximum Rate of Interest:	[•] per cent, per annum
	(m)	Day Count Fraction:	[Actual/Actual (ISDA) Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360 30E/360 30E/360 (ISDA)]

16.	Zero Coupon Note Provisions:	Applicable/Not Applicable]
	(a) Accrual Yield:	[•] per cent, per annum
	(b) Reference Price:	[•]
	(c) Day Count Fraction in relation to Early Redemption Amounts and late payment:	[•]

PROVISIONS RELATING TO REDEMPTION

17.	Issuer Call:	Applicable/Not Applicable]
	(a) Optional Redemption Date(s):	**[•]**
	(b) Optional Redemption Amount:	[•I per Calculation Amount
	(c) If redeemable in part:	
	(i) Minimum Redemption Amount:	[•I per Calculation Amount
	(ii) Maximum Redemption Amount:	[•I per Calculation Amount
18.	Investor Put:	Applicable/Not Applicable]
	(a) Optional Redemption Date(s):	**[•]**
	(b) Optional Redemption Amount:	[•] per Calculation Amount
19.	Final Redemption Amount:	100 per cent, of nominal amount
20.	Early Redemption Amount payable on redemption for taxation reasons or on event of default or other early redemption:	[Not Applicable/Final Redemption Amount/[•] per Calculation Amount]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

21.	Form of Notes:	[Bearer Notes: [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Bearer Notes [on 60 days' notice given at any time/only upon an Exchange Event]] [Temporary Bearer Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date] [Permanent Bearer Global Note exchangeable for Definitive Bearer Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]] [Registered Notes: [Regulation S Global Note (U.S.$[•] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear

		and Clearstream, Luxembourg]] [Rule 144A Global Note (U.S.$[•] nominal amount) registered in the name of a nominee for [DTC] [Definitive IAI Registered Notes]
22.	Additional Financial Centre:	[Not Applicable/Qatar/[•]]
23.	Talons for future Coupons or Receipts to be attached to definitive Notes (and dates on which such Talons mature):	[Yes/No]
24.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which payment is to be made and consequences	[Not Applicable/[•]]
25.	Details relating to Instalment Notes:	
	(a) Instalment Amount(s):	[Not Applicable/[•]]
	(b) Instalment Date(s):	[Not Applicable/[•]]

Signed on behalf of	Signed on behalf of
Ooredoo International Finance Limited:	Ooredoo Q.S.C.:
By:	By: ....
Duly authorised	*Duly authorized*

PART B – OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING**

(i)	Listing and Admission to trading:	[Application has been made to the [Irish Stock Exchange for Notes to be admitted to the Official List and trading on the Main Securities Market]/[•] with effect from [•]] [Not Applicable.]
(ii)	Estimate of total expenses related to admission to trading:	[•]

2. **RATINGS**

Ratings: The Notes to be issued have been rated:

[S&P	[•]]
[Moody's:	[•]]
[Fitch:	[•]]

3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE]**

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer or the Guarantor is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business for which they may receive fees.

4. **[YIELD (Fixed Rate Notes only)]** [•] per cent, per annum on a [quarterly/[semi-] annual] basis

5. **TEFRA** [Reg. S Compliance Category]

[TEFRA C/TEFRA D/ TEFRA not applicable]

[Not] Rule 144A Eligible]

6. **OPERATIONAL INFORMATION**

ISIN Code:	[•]
Common Code:	[•]
CUSIP:	[•]
CINS:	[•]
Any clearing system(s) other than DTC, Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant Identification number(s):	[Not Applicable/[•]]
Names and addresses of additional Paying Agent(s) (if any):	**[•]**

Name and address of Registrars:	[The Bank of New York Mellon (Luxembourg) S.A. of Vertigo Building, Polaris 2-4 rue Eugene Ruppert, 2453 Luxembourg, Luxembourg/ The Bank of New York Mellon, New York Branch of 101 Barclay Street, New York, NY 10286 United States]

7. **THIRD PARTY INFORMATION**

[[•] has been extracted from [•]. Each of the Issuer and the Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading.]/[Not applicable]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer, Ooredoo and the relevant Dealer(s) at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes shall complete the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Form of the Notes" for a description of the content of the Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Ooredoo International Finance Limited (the "**Issuer**") pursuant to the Agency Agreement (as defined below).

References herein to the "**Notes**" shall be references to the Notes of this Series and shall mean:

(i) in relation to any Notes represented by a global Note (a "**Global Note**"), units of the lowest Specified Denomination in the Specified Currency;

(ii) any Global Note;

(iii) any definitive Notes in bearer form ("**Bearer Notes**") issued in exchange for a Global Note in bearer form; and

(iv) any definitive Notes in registered form ("**Registered Notes**") (whether or not issued in exchange for a Global Note in registered form).

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an amended and restated Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") dated 14 June 2016 between the Issuer, Ooredoo Q.S.C. (the "**Guarantor**") as guarantor, The Bank of New York Mellon, London Branch as issuing and principal paying agent (the "**Principal Paying Agent**", which expression shall include any successor principal paying agent), The Bank of New York Mellon, New York Branch as exchange agent (the "**Exchange Agent**", which expression shall include any successor exchange agent) and as U.S. registrar (the "**U.S. Registrar**", which expression shall include any successor U.S. registrar), The Bank of New York Mellon (Luxembourg) S.A. as non-U.S. registrar (the "**Non-U.S. Registrar**", which expression shall include any successor non-U.S. registrar and, together with the U.S. Registrar, the "**Registrars**"), the other paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents) and a transfer agent and the other transfer agents named therein (together with the Registrars, the "**Transfer Agents**", which expression shall include any additional or successor transfer agents).

Interest bearing definitive Bearer Notes have interest coupons ("**Coupons**") and, if indicated in the applicable Final Terms, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The Final Terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which complete these Terms and Conditions (the "**Conditions**") for the purposes of this Note. References to the "**applicable Final Terms**" are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

The payment of all amounts in respect of this Note has been guaranteed by the Guarantor pursuant to a guarantee (such Guarantee as amended and/or supplemented and/or restated from time to time, the "**Guarantee**") dated 14 June 2016 and executed by the Guarantor. The original of the Guarantee is held by the Principal Paying Agent on behalf of the Noteholders, the Receiptholders and the Couponholders at its specified office.

Any reference to "**Noteholders**" or "**holders**" in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to "**Receiptholders**" shall mean the holders of the Receipts and any reference herein to "**Couponholders**" shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are: (a) expressed to be consolidated and form a single series; and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant (the "**Deed of Covenant**") dated 14 June 2016 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement, the Guarantee, a deed poll (the "**Deed Poll**") dated 14 June 2016 made by the Issuer and the Guarantor and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Principal Paying Agent, the Registrars and the other Paying Agents and Transfer Agents (such agents and the Registrars, being together referred to as the "**Agents**"). Copies of the applicable Final Terms are available for viewing at the registered office of the Issuer and of the Principal Paying Agent and copies may be obtained from those offices save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Guarantee, the Deed Poll, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and, **provided that**, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. **Form, Denomination And Title**

The Notes are in bearer form or in registered form as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis specified in the applicable Final Terms.

This Note may be an Instalment Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis specified in the applicable Final Terms.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the Guarantor and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"), each person (other than Euroclear or Clearstream, Luxembourg) who is for

the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Guarantor and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

For so long as The Depository Trust Company ("**DTC**") or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Agency Agreement and the Notes, except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear and Clearstream, Luxembourg, as the case may be. References to DTC, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may be approved by the Issuer, the Guarantor and the Principal Paying Agent.

2. **Transfers of Registered Notes**

(a) ***Transfers of interests in Registered Global Notes***

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

(b) ***Transfers of Registered Notes in definitive form***

Subject as provided in paragraphs (e), (f) and (g) below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer: (i) the holder or holders must: (A) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing; and (B) complete and deposit such other certifications as may be required by the relevant Transfer Agent; and (ii) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrars may from time to time prescribe (such initial regulations being set out in Schedule 8 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(c) ***Registration of transfer upon partial redemption***

In the event of a partial redemption of Notes under Condition 7 (*Redemption and Purchase*), the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

(d) ***Costs of registration***

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(e) ***Transfers of interests in Regulation S Global Notes***

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States or who is a U.S. person will only be made:

(i) upon receipt by the relevant Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a "**Transfer Certificate**"), copies of which are available from the specified office of any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made:

(A) to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or

(B) to a person who is an Institutional Accredited Investor,

together with, in the case of (B), a duly executed investment letter from the relevant transferee substantially in the form set out in the Agency Agreement (an "**IAI Investment Letter**"); or

(ii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer or the Principal Paying Agent may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States, and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

In the case of (A) above, such transferee may take delivery through a Legended Note in global or definitive form and, in the case of (B) above, such transferee may take delivery only through a Legended Note in definitive form. After expiry of the applicable Distribution Compliance Period: (i) beneficial interests in Regulation S Global Notes registered in the name of a nominee for DTC may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC; and (ii) such certification requirements will no longer apply to such transfers.

(f) ***Transfers of interests in Legended Notes***

Transfers of Legended Notes or beneficial interests therein may be made:

(i) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the relevant Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that in the case of a Regulation S Global Note registered in the name of a nominee for DTC, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or

(ii) to a transferee who takes delivery of such interest through a Legended Note:

(A) where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or

(B) where the transferee is an Institutional Accredited Investor, subject to delivery to the relevant Registrar of a Transfer Certificate from the transferor to the effect that such transfer is being made to an Institutional Accredited Investor, together with a duly executed IAI Investment Letter from the relevant transferee; or

(iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer or the Principal Paying Agent may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Notes transferred by Institutional Accredited Investors to QIBs pursuant to Rule 144A or outside the United States pursuant to Regulation S will be eligible to be held by such QIBs or non-U.S. investors through DTC, Euroclear or Clearstream, Luxembourg, as appropriate, and the relevant Registrar will arrange for any Notes which are the subject of such a transfer to be represented by the appropriate Registered Global Note, where applicable.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the legend, the relevant Registrar shall deliver only Legended Notes or refuse to remove the legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer or the Principal Paying Agent, which may include an opinion of U.S. counsel, that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

(g) ***Exchanges and transfers of Registered Notes generally***

Holders of Registered Notes in definitive form, other than Institutional Accredited Investors, may exchange such Notes for interests in a Registered Global Note of the same type at any time.

(h) ***Definitions***

In this Condition, the following expressions shall have the following meanings:

"**Distribution Compliance Period**" means the period that ends forty days after the completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer(s) (in the case of a nonsyndicated issue) or the relevant Lead Manager (in the case of a syndicated issue);

"**Institutional Accredited Investor**" means accredited investors (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) that are institutions;

"**Legended Note**" means Registered Notes in definitive form that are issued to Institutional Accredited Investors and Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A;

"**QIB**" means a "qualified institutional buyer" within the meaning of Rule 144A;

"**Regulation S**" means Regulation S under the Securities Act;

"**Regulation S Global Note**" means a Registered Global Note representing Notes sold outside the United States in reliance on Regulation S;

"**Rule 144A**" means Rule 144A under the Securities Act;

"**Rule 144A Global Note**" means a Registered Global Note representing Notes sold in the United States or to QIBs; and

"**Securities Act**" means the United States Securities Act of 1933, as amended.

3. **Status of the Notes and the Guarantee**

(a) ***Status of the Notes***

The Notes and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

(b) ***Status of the Guarantee***

The obligations of the Guarantor under the Guarantee are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 (*Negative Pledge*)) unsecured obligations of the Guarantor and (save for certain obligations required to be preferred by law) rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.

4. **Negative Pledge**

So long as any of the Notes remains outstanding, neither the Issuer nor the Guarantor shall, and the Guarantor shall procure that no Material Subsidiary will create or have outstanding any mortgage, charge, lien, pledge or other security interest (each, a "**Security Interest**"), other than a Permitted Security Interest, upon, or with respect to, any of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant

Indebtedness, without at the same time or prior thereto according to the Notes, the Receipts and the Coupons the same security as is created or subsisting to secure any such Relevant Indebtedness or such other security as shall be approved by an Extraordinary Resolution of the Noteholders.

In the Conditions, the following expressions shall have the following meanings: "**Financial Indebtedness**" means any indebtedness for or in respect of:

(a) moneys borrowed;

(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with IFRS, be treated as a finance or capital lease;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;

(g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);

(h) any amount raised under a transaction carried out in compliance with *Shari'a* principles;

(i) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(j) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in subparagraphs (a) to (h) (inclusive) above.

"**Infrastructure Sharing Arrangement**" means an arrangement entered into by the Guarantor or any Material Subsidiary for the sale and leaseback of any assets used in the operation of its business.

"**Material Subsidiary**" means, at any time, any Subsidiary of the Guarantor (other than a Project Financed Entity) whose net assets are more than 5 per cent. of the consolidated net assets of the Guarantor. For the purposes of this definition, the assets of the relevant Subsidiary will be determined from its latest audited financial statements. If there is a dispute as to whether or not a company is a Material Subsidiary, a certificate of the auditors of the company will be, in the absence of manifest error, conclusive.

"**Non-recourse Project, Securitisation or Asset Financing**" means any securitisation (Islamic or otherwise) of existing or future assets, or the financing of all or part of the costs of the acquisition, construction or development of any project or asset, **provided that**: (i) any Security Interest given by the Issuer, the Guarantor or any Material Subsidiary is limited solely to assets of the securitisation, the project or to the value of the asset (as applicable); (ii) the person or persons participating in such securitisation or providing such financing expressly agrees or agree to limit their recourse to the project or asset (as applicable) so securitised or financed and the revenues derived from such project or asset (as applicable) as the principal source of repayment for the moneys advanced; and (iii) there is no other recourse to the Issuer, the Guarantor or a Material Subsidiary in respect of any default by any person under the securitisation or financing.

"**Permitted Security Interest**" means:

(a) any Security Interest existing on the date on which agreement is reached to issue the first Tranche of any Notes;

(b) any Security Interest upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of a person and/or its subsidiaries existing at the time that such person is merged into or consolidated with the Issuer, the Guarantor or any Subsidiary of the Guarantor, **provided that** such Security Interest was not created in contemplation of such merger or consolidation and does not extend to any other assets or property of the Issuer, the Guarantor or any Subsidiary of the Guarantor;

(c) any Security Interest existing on any property or assets prior to the acquisition thereof by the Issuer, the Guarantor or any Subsidiary of the Guarantor and not created in contemplation of such acquisition;

(d) any Security Interest created pursuant to a *Shari'a* compliant financing;

(e) any Security Interest upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of a person and/or its subsidiaries created in connection with any Non-recourse Project, Securitisation or Asset Financing;

(f) any netting or set-off arrangement entered into by the Issuer, the Guarantor, or any Material Subsidiary in the ordinary course of its banking arrangements including, but not limited to, any cash management and hedging activities;

(g) any lien arising by operation of law and in the ordinary course of trading;

(h) any Security Interest arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to the Issuer, the Guarantor, or any Material Subsidiary in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by the Issuer, the Guarantor, or the relevant Material Subsidiary (as applicable);

(i) any Security Interest created in connection with any Infrastructure Sharing Arrangement; or

(j) any renewal of or substitution for any Security Interest permitted by any of the preceding subparagraphs (a) through (c) (inclusive), **provided that**, with respect to any such Security Interest incurred pursuant to this subparagraph (f), the principal amount secured has not increased and the Security Interest has not been extended to any additional property (other than the proceeds of such property), in each case, **provided that** the amount of any Relevant Indebtedness secured by any such Security Interest (either alone or when aggregated with the amount of Relevant Indebtedness secured by the other Security Interests permitted pursuant to subparagraphs (a) through (f) (inclusive) above) does not exceed 30 per cent. of the book value of the consolidated total assets of the Guarantor and its consolidated Subsidiaries, as shown in the most recent audited consolidated financial statements of the Guarantor and its consolidated Subsidiaries.

"**Project Financed Entity**" means any Subsidiary or joint venture (to the extent consolidated) of the Guarantor which has incurred Project Finance Indebtedness and no other Financial Indebtedness, **provided that** a Project Financed Entity shall not include any Subsidiary or joint venture (to the extent consolidated) of the Guarantor with commercial operations (including commercial operations through a subsidiary) in Indonesia, Kuwait, Oman or Qatar. For the purposes of this definition, a Project Financed Entity shall cease to be a Project Financed Entity (and may not be redesignated a Project Financed Entity) at such time as: (i) it incurs any Financial Indebtedness other than Project Finance Indebtedness; (ii) it has no Project Finance Indebtedness outstanding; or (iii) the Guarantor determines that such Project Finance Entity is no longer a Project Finance Entity.

"**Project Finance Indebtedness**" means any Financial Indebtedness incurred by a Subsidiary or joint venture (to the extent consolidated) of the Guarantor to finance the ownership, acquisition, construction, development and/or operation of assets (or any refinancing thereof) to the extent to which the person or persons to whom such Financial Indebtedness is, or may be, owed have no recourse whatsoever for the repayment of or payment of such Financial Indebtedness, other than:

(a) recourse to that Subsidiary or joint venture (to the extent consolidated) for amounts limited to the aggregate cash flow or net cash flow (other than historic cash flow or historic net cash flow) from such assets; and/or

(b) recourse to that Subsidiary or joint venture (to the extent consolidated), which recourse is limited to a claim for damages (other than liquidated damages and damages required to be calculated in a specified way) for breach of an obligation, representation or warranty (not being a payment obligation, representation or warranty or an obligation, representation or warranty to procure payment by another or an obligation, representation or warranty to comply or to procure compliance by another with any financial ratios or other test of financial condition) by the person against whom such recourse is available; and/or

(c) if that Subsidiary or joint venture (to the extent consolidated) has been established specifically for the purpose of constructing, developing, owning and/or operating the relevant asset or that Subsidiary or joint venture (to the extent consolidated) has been established specifically for the purpose of constructing, developing, owning and/or operating a specific asset and the relevant asset, construction or development is to further develop or equip that asset and that Subsidiary or joint venture (to the extent consolidated) owns no other significant assets and carries on no other business, recourse to all of the assets and undertaking of that Subsidiary or joint venture (to the extent consolidated) and the shares in the capital of that Subsidiary or joint venture (to the extent consolidated); and/or

(d) any guarantee given by any Subsidiary or joint venture (to the extent consolidated) of the Guarantor for Project Finance Indebtedness, **provided that** the recourse to that Subsidiary or joint venture (to the extent consolidated) under that guarantee is limited to its shares in a Subsidiary or joint venture (to the extent consolidated) of the Guarantor referred to in subparagraph (c).

"**Relevant Indebtedness**" means: (i) any present or future Financial Indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities (including trust certificates) which are for the time being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market; and (ii) any guarantee or indemnity in respect of any such indebtedness.

"**Subsidiary**" means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership and "control" for the purposes of this definition means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise.

5. **Interest**

(a) ***Interest on Fixed Rate Notes***

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, "**Fixed Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(i) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(ii) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest, in accordance with this Condition 5(a):

(i) if "Actual/Actual (ICMA)"is specified in the applicable Final Terms:

(A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of: (1) the number of days in such Determination Period; and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of: (x) the number of days in such Determination Period; and (y) the number of Determination Dates that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of: (x) the number of days in such Determination Period; and (y) the number of Determination Dates that would occur in one calendar year; and

(iii) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12-30 day months) divided by 360.

In the Conditions, the following expressions shall have the following meanings:

"**Determination Period**" means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

"**sub-unit**" means, with respect to any currency other than Euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to Euro, one cent.

(b) ***Interest on Floating Rate Notes***

(i) *Interest Payment Dates*

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an "**Interest Payment Date**") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in the Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and: (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur; or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(1) in any case where Specified Periods are specified in accordance with Condition 5(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date: (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis*; or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event: (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day; and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next

calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, "**Business Day**" means a day which is both:

(A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre specified in the applicable Final Terms; and

(B) either: (1) in relation to any sum payable in a Specified Currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which if the Specified Currency is Australian Dollars or New Zealand Dollars shall be Sydney and Auckland, respectively); or (2) in relation to any sum payable in Euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the "**TARGET2 System**") is open.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(A) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (A), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "**ISDA Definitions**") and under which:

(1) the Floating Rate Option is as specified in the applicable Final Terms;

(2) the Designated Maturity is a period specified in the applicable Final Terms; and

(3) the relevant Reset Date is either: (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate ("**LIBOR**") or on the Euro-zone inter-bank offered rate ("**EURIBOR**"), the first day of that Interest Period; or (ii) in any other case, as specified in the applicable Final Terms.

For the purposes of this subparagraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated**

Maturity" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(B) *Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement provides that if the Relevant Screen Page is not available or if, in the case of (1) above, no offered quotation appears or, if, in the case of (2) above, fewer than three offered quotations appear, in each case as at the Specified Time, the Principal Paying Agent shall request each of the Reference Banks to provide the Principal Paying Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Paying Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent.

The Agency Agreement further provides that, if on any Interest Determination Date one only or none of the Reference Banks provides the Principal Paying Agent with an offered quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Principal Paying Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Principal Paying Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter bank market (if the Reference Rate is

LIBOR) or the Euro zone inter bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Principal Paying Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Principal Paying Agent it is quoting to leading banks in the London inter bank market (if the Reference Rate is LIBOR) or the Euro zone inter bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), **provided that**, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

For the purposes of this sub-paragraph (B), "**Specified Time**" and "**Reference Banks**" have the meanings given to those terms in the Agency Agreement.

(C) *Linear Interpolation*

Where Linear Interpolation is specified hereon as applicable in respect of an Interest Period, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided that, if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

"**Applicable Maturity**" means: (i) in relation to Screen Rate Determination, the period of time designated in the Reference Rate; and (ii) in relation to ISDA Determination, the Designated Maturity.

(iii) *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 5(b)(ii) (*Interest – Interest on Floating Rate Notes*) is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such

Interest Period determined in accordance with the provisions of Condition 5(b)(ii) (*Interest – Interest on Floating Rate Notes*) is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) *Determination of Rate of Interest and calculation of Interest Amounts*

The Principal Paying Agent, in the case of Floating Rate Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Principal Paying Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Floating Rate Notes in definitive form, the Calculation Amount, and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 5(b):

(i) if "**Actual/Actual (ISDA)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of: (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366; and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(iii) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and "D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vi) if "**30E/360**" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and "D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30; and

(vii) if "**30E/360 (ISDA)**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Interest Period, unless: (i) that day is the last day of February; or (ii) such number would be 31, in which case D_1 will be 30; and "D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless: (i) that day is the last day of February but not the Maturity Date; or (ii) such number would be 31, in which case D_2 will be 30.

(viii) *Notification of Rate of Interest and Interest Amounts*

The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 14 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 14 (*Notices*). For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(ix) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(b), whether by the Principal Paying Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error or proven error) be binding on the Issuer, the Guarantor, the Principal Paying Agent, the Calculation Agent (if applicable), the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Guarantor, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal

Paying Agent or, if applicable, the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) ***Interest on Partly Paid Notes***

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

(d) ***Accrual of interest***

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(A) the date on which all amounts due in respect of such Note have been paid; and

(B) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Principal Paying Agent or the relevant Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 14 (*Notices*).

6. **Payments**

(a) ***Method of payment***

Subject as provided below:

(i) payments in a Specified Currency other than Euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian Dollars or New Zealand Dollars, shall be Sydney and Auckland, respectively); and

(ii) payments in Euro will be made by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the payee or, at the option of the payee, by a Euro cheque.

Payments will be subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*); and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(b) ***Presentation of definitive Bearer Notes, Receipts and Coupons***

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9 (*Prescription*) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "**Long Maturity Note**" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon **provided that** such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

(c) ***Payments in respect of Bearer Global Notes***

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global Note in bearer form, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented and such record shall be *prima facie* evidence that the payment in question has been made.

(d) ***Payments in respect of Registered Notes***

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the relevant Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the relevant Registrar (the "**Register**") at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if: (i) a holder does not have a Designated Account; or (ii) the principal amount of the Notes held by a holder is less than U.S.$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account maintained by a holder with a Designated Bank and identified as such in the relevant Register and "**Designated Bank**" means (in the case of payment in a Specified Currency other than Euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian Dollars or New Zealand Dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in Euro) any bank which processes payments in Euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the relevant Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the relevant Register at the close of business on the business day prior to the payment date) before the relevant due date (the "**Record Date**") at his address shown in the relevant Register on the Record Date and at his risk. Upon application of the holder to the specified office of the relevant Registrar not less than three business days in the city where the specified office of the relevant Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the relevant Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the relevant Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. Dollars shall be paid by transfer by the relevant Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. Dollars in accordance with the provisions of the Agency Agreement.

None of the Issuer, the Guarantor or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

(e) ***General provisions applicable to payments***

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. Dollars, such U.S. Dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. Dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;

(ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. Dollars; and

(iii) such payment is then permitted under U.S. law without involving, in the opinion of the Issuer and the Guarantor, adverse tax consequences to the Issuer or the Guarantor.

(f) ***Payment Day***

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day which (subject to Condition 9 (*Prescription*)) is:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(A) the relevant place of presentation;

(B) London; and

(C) each Additional Financial Centre specified in the applicable Final Terms;

(ii) either: (1) in relation to any sum payable in a Specified Currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre and which if the Specified Currency is Australian Dollars or New Zealand Dollars shall be

Sydney and Auckland, respectively); or (2) in relation to any sum payable in Euro, a day on which the TARGET2 System is open; and

(iii) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. Dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in U.S. Dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

(g) ***Interpretation of principal and interest***

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(i) any additional amounts which may be payable with respect to principal under Condition 8 (*Taxation*);

(ii) the Final Redemption Amount of the Notes;

(iii) the Early Redemption Amount of the Notes;

(iv) the Optional Redemption Amount(s) (if any) of the Notes;

(v) in relation to Notes redeemable in instalments, the Instalment Amounts;

(vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7(f) (*Redemption and Purchase – Early Redemption Amounts*); and

(vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 (*Taxation*).

7. **Redemption and Purchase**

(a) ***Redemption at maturity***

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

(b) ***Redemption for tax reasons***

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Principal Paying Agent and, in accordance with Condition 14 (*Notices*), the Noteholders (which notice shall be irrevocable), if:

(i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) or the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 8 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

(ii) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it, **provided that**, no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Principal Paying Agent a certificate signed by two Directors of the Issuer or, as the case may be, two Directors of the Guarantor, stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisors of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor has or will become obliged to pay such additional amounts as a result of such change or amendment which shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

Notes redeemed pursuant to this Condition 7(b) will be redeemed at their Early Redemption Amount referred to in paragraph Condition 7(f) (*Redemption and Purchase – Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) ***Redemption at the option of the Issuer* (*Issuer Call*)**

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

(i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 14 (*Notices*); and

(ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Principal Paying Agent and, in the case of a redemption of Registered Notes, the relevant Registrar(s);

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg and/or DTC, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 (*Notices*) not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 (*Notices*) at least five days prior to the Selection Date.

(d) ***Redemption at the option of the Noteholders* (*Investor Put*)**

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 14 (*Notices*) not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount (each as specified in the applicable Final Terms) together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. Registered Notes may be redeemed under this Condition 7(d) in any multiple of their lowest Specified Denomination.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the relevant Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the relevant Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the relevant Registrar (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2(b) (*Transfers of Registered Notes - Transfers of Registered Notes in definitive form*). If this Note is in definitive bearer form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear, Clearstream, Luxembourg or DTC, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg and DTC (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg, DTC or any depositary for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear, Clearstream, Luxembourg and DTC from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Principal Paying Agent for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg and DTC given by a holder of any Note pursuant to this Condition 7(d) shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 7(d) and instead to declare such Note forthwith due and payable pursuant to Condition 10 (*Events of Default*).

(e) ***Redemption for Change of Control* (*Change of Control Put*)**

If a Change of Control Put is specified in the applicable Final Terms, and a Change of Control Event occurs, upon the holder of any Note giving to the Issuer in accordance with Condition 14 (*Notices*) not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem such Note on the Put Date at an amount equal to 100 per cent. of the principal amount of such Note together, if appropriate, with interest accrued to (but excluding) the Put Date. Registered Notes may be redeemed under this Condition 7(e) in any multiple of their lowest Specified Denomination.

Immediately upon the Issuer or the Guarantor becoming aware that a Change of Control Event has occurred, the Issuer shall give notice to the Noteholders in accordance with Condition 14 (*Notices*) specifying the nature of the Change of Control Event.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the relevant Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the relevant Registrar falling within the notice period, a duly completed and signed Put Notice in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2(b) (*Transfers of Registered Notes – Transfers of Registered Notes in definitive form*). If this Note is in definitive bearer form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear, Clearstream, Luxembourg or DTC, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg and DTC (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg, DTC or any depositary for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear, Clearstream, Luxembourg and DTC from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Principal Paying Agent for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg and DTC given by a holder of any Note pursuant to this Condition 7(e) shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 7(e) and instead to declare such Note forthwith due and payable pursuant to Condition 10 (*Events of Default*).

In this Condition, the following expressions shall have the following meanings:

(i) "**Change of Control Event**" means that Qatar either ceases to have direct or indirect ownership of at least 50.1 per cent. of the issued share capital of the Guarantor or ceases to have direct or indirect ownership of such amount of shares in the capital of the Guarantor as carry at least 50.1 per cent. of the voting rights normally exercisable at a general assembly (or general meeting) of the Guarantor; and

(ii) "**Put Date**" means the first Business Day after the expiry of the notice given by the holder of the Note pursuant to this Condition 7(e).

(f) ***Early Redemption Amounts***

For the purpose of Condition 7(b) (*Redemption and Purchase-Redemption for tax reasons*) and Condition 10 (*Events of Default*), each Note will be redeemed at its Early Redemption Amount calculated as follows:

(i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

(ii) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or

(iii) in the case of a Zero Coupon Note, at an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

Early Redemption Amount = $RP \times (1 + AY)y$

where:

"**RP**" means the Reference Price; and

"**AY**" means the Accrual Yield expressed as a decimal; and

"**y**" is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360.

(g) ***Instalments***

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 7(f) (*Redemption and Purchase – Early Redemption Amounts*).

(h) ***Partly Paid Notes***

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition as supplemented and completed by the applicable Final Terms.

(i) ***Purchases***

The Issuer, the Guarantor or any Subsidiary of the Guarantor may at any time purchase Notes (**provided that**, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer or the Guarantor, surrendered to any Paying Agent and/or the relevant Registrar for cancellation.

(j) ***Cancellation***

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 7(i) (*Redemption and Purchase – Purchases*) above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

(k) ***Late payment on Zero Coupon Notes***

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 7(a) (*Redemption and Purchase – Redemption at maturity*), Condition 7(b) (*Redemption and Purchase – Redemption for tax reasons*), Condition 7(c) (*Redemption and Purchase – Redemption at the option of the Issuer* (*Issuer Call*)), Condition 7(d) (*Redemption and Purchase – Redemption at the option of the Noteholders* (*Investor Put*)) and Condition 7(e) (*Redemption and Purchase – Redemption at the option of the Noteholders* (*Change of Control Put*)), or upon its becoming due and repayable as provided in Condition 10 (*Events of Default*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 7(f)(iii) (*Redemption and Purchase – Early Redemption Amounts*) as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of

(i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(ii) (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent or the relevant Registrar(s) and notice to that effect has been given to the Noteholders in accordance with Condition 14 (*Notices*).

8. **Taxation**

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer or, as the case may be, the Guarantor will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Relevant Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as shall be necessary in order that payments received by the holder will equal the amounts that the holder would have received, in the absence of such withholding or deduction, except that no such additional amounts shall be payable by the Issuer or, as the case may be, the Guarantor, with respect to any Note, Receipt or Coupon:

(a) presented for payment in a Relevant Jurisdiction; or

(b) presented for payment by or on behalf of a holder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Relevant Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or

(c) presented for payment more than 30 days after the Relevant Date (as defined below), except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6(f) (*Payments – Payment Day*)).

Notwithstanding anything to the contrary in this Condition 8, none of the Issuer, the Guarantor, any paying agent or any other person shall be required to pay any additional amounts in respect of FATCA.

In this Condition, the following expressions shall have the following meanings:

(i) "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent or the relevant Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14 (*Notices*); and

(ii) "**Relevant Jurisdiction**" means Bermuda or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Issuer) or Qatar or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Guarantor).

9. **Prescription**

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8 (*Taxation*)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6(b)

(*Payments – Presentation of definitive Bearer Notes, Receipts and Coupons*) or any Talon which would be void pursuant to Condition 6(b) (*Payments – Presentation of definitive Bearer Notes, Receipts and Coupons*).

10. **Events of Default**

If any one or more of the following events (each, an "**Event of Default**") shall occur and be continuing with respect to any Note:

(i) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal and fourteen days in the case of interest; or

(ii) if the Issuer or the Guarantor fails to perform or observe any of its other obligations under these Conditions or, in the case of the Guarantor, the Guarantee and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by a Noteholder on the Issuer or the Guarantor (as the case may be) of notice requiring the same to be remedied; or

(iii) if: (a) any Financial Indebtedness of the Issuer, the Guarantor or a Material Subsidiary becomes capable of being declared due and repayable prematurely by reason of an event of default (however described); (b) the Issuer, the Guarantor or a Material Subsidiary fails to make any payment in respect of any Financial Indebtedness on the due date (as extended by any originally applicable grace period) for payment; (c) any Security Interest given by the Issuer, the Guarantor or a Material Subsidiary for any Financial Indebtedness becomes enforceable and any step is taken to enforce the Security Interest (including the taking of possession or the appointment of a receiver, manager or other similar person, but excluding the issue of any notification to the Issuer, the Guarantor or the relevant Material Subsidiary, as the case may be, that such Security Interest has become enforceable); or (d) default is made by the Issuer, the Guarantor or a Material Subsidiary in making any payment due under any guarantee and/ or indemnity given by it in relation to any Financial Indebtedness of any other person, **provided that** no event described in this subparagraph (iii) shall constitute an Event of Default unless the Financial Indebtedness or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Financial Indebtedness and/or liabilities due and unpaid relating to all (if any) of the events specified in (a) to (d) (inclusive) above which have occurred and are continuing, amounts to at least U.S.$50,000,000 (or its equivalent in any other currency); or

(iv) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer, the Guarantor or any of its Material Subsidiaries, save in connection with a Permitted Reorganisation; or

(v) if the Issuer, the Guarantor or any of its Material Subsidiaries ceases or threatens to cease to carry on the whole or a substantial part of its business, save in connection with a Permitted Reorganisation, or if the Issuer, the Guarantor or any of its Material Subsidiaries stops or threatens to stop payment of, or is unable to, or admits its inability to pay its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

(vi) if: (a) proceedings are initiated against the Issuer, the Guarantor or a Material Subsidiary under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer, the Guarantor or a Material Subsidiary or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them; and (b) in any case (other than the appointment of an administrator) is not discharged within thirty days; or

(vii) if the Issuer, the Guarantor or a Material Subsidiary initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors), save in connection with a Permitted Reorganisation; or

(viii) if any event occurs which, under the laws of any Relevant Jurisdiction, has or may have, an analogous effect to any of the events referred to in paragraphs (iv) to (vii) above; or

(ix) if the Issuer ceases to be a subsidiary wholly-owned and controlled, directly or indirectly, by the Guarantor; or

(x) if the Guarantee ceases to be, or is claimed by the Issuer or the Guarantor not to be, in full force and effect,

then any holder of a Note may, by written notice to the Issuer and the Guarantor at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare any Notes held by the holder to be forthwith due and

payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

In this Condition, the following expression shall have the following meaning:

"**Permitted Reorganisation**" means:

(A) any disposal by a Material Subsidiary of the whole or a substantial part of its business, undertaking or assets to the Guarantor or any Subsidiary of the Guarantor;

(B) any amalgamation, consolidation or merger of a Material Subsidiary with the Guarantor or any other Subsidiary of the Guarantor; or

(C) any amalgamation, consolidation, restructuring, merger or reorganisation on terms previously approved by an Extraordinary Resolution.

11. Replacement of Notes, Receipts, Coupons and Talons

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Receipts or Coupons) or the relevant Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12. Agents

The names of the initial Agents and their initial specified offices are set out below.

The Issuer and the Guarantor are entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, **provided that**:

(a) so long as any Notes are listed on any stock exchange, there will at all times be a Paying Agent, which may be the Principal Paying Agent, and a Transfer Agent, which may be the relevant Registrar, with a specified office in the place required by the rules and regulations of the relevant stock exchange or any other relevant authority;

(b) there will at all times be a Principal Paying Agent and a relevant Registrar; and

(c) so long as any Registered Global Notes are registered in the name of a nominee for DTC, there will at all times be an Exchange Agent with a specified office in New York City.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6(e) (*Payments – General provisions applicable to payments*). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14 (*Notices*).

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and the Guarantor and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

13. Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9 (*Prescription*).

14. Notices

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the Financial Times in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the relevant Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the relevant Registrar(s) (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the relevant Registrar through Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Principal Paying Agent, the relevant Registrar and Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, may approve for this purpose.

15. **Meetings of Noteholders and Modification**

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or the Guarantor and shall be convened by the Issuer if required in writing by Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

The Principal Paying Agent and the Issuer (following consultation with the Guarantor) may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

(a) any modification (except such modifications in respect of which an increased quorum is required as provided in Schedule 4 to the Agency Agreement), of the Notes, the Receipts, the Coupons, the Deed of Guarantee, the Deed Poll, the Deed of Covenant or the Agency Agreement which is, in the sole opinion of the Issuer (following consultation with the Guarantor), not prejudicial to the interests of the Noteholders; or

(b) any modification of the Notes, the Receipts, the Coupons, the Deed of Guarantee, the Deed of Covenant or the Agency Agreement which is, in the sole opinion of the Issuer (following consultation with the Guarantor): (i) of a formal, minor or technical nature; or (ii) is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 (*Notices*) as soon as practicable thereafter.

16. **Further Issues**

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

17. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18. **Governing Law and Dispute Resolution**

(a) ***Governing law***

The Notes, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with any of the above are governed by, and shall be construed in accordance with, English law.

(b) ***Dispute resolution***

(i) Subject to Condition 18(b)(ii), any dispute, claim, difference or controversy arising out of, relating to or having any connection with the Notes, the Receipts and/or the Coupons (including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them) (a "**Dispute**") shall be referred to and finally resolved by arbitration in accordance with the Arbitration Rules (the "**Rules**") of the London Court of International Arbitration ("**LCIA**"), which Rules (as amended from time to time) are deemed to be incorporated by reference into this Condition. For these purposes:

(A) the seat of arbitration shall be London, England;

(B) there shall be three arbitrators, each of whom shall be disinterested in the arbitration, shall have no connection with any party thereto and shall be an attorney experienced in international securities transactions. The parties to the Dispute shall each nominate one arbitrator and both arbitrators in turn shall appoint a further arbitrator who shall be the chairman of the tribunal. In cases where there are multiple claimants and/or multiple respondents, the class of claimants jointly, and the class of respondents jointly shall each nominate one arbitrator. Without prejudice to Article 8 of the LCIA Rules, in the event that one party or both fails to nominate an arbitrator within the time limits specified by the Rules, such arbitrator(s) shall be appointed by the LCIA. If the party nominated arbitrators fail to nominate the third arbitrator within 15 days of the appointment of the second arbitrator, such arbitrator shall be appointed by the LCIA; and

(C) the language of the arbitration shall be English.

(ii) Notwithstanding Condition 18(b)(i) above, the Noteholders, the Receiptholders or any Couponholders (where permitted to do so) may, in the alternative, and at its sole discretion, by notice in writing to the Issuer:

(A) within 28 days of service of a Request for Arbitration (as defined in the Rules); or

(B) in the event no arbitration is commenced, require that a Dispute be heard by a court of law. If the Noteholders, Receiptholders and/or Couponholders give such notice, the Dispute to which such notice refers shall be determined in accordance with Condition 18(b)(iii) and, subject as provided below, any arbitration commenced under Condition 18(b)(i) in respect of that Dispute will be terminated. Each person who gives such notice and the recipient of that notice will bear its own costs in relation to the terminated arbitration.

If any notice to terminate is given after service of any Request for Arbitration in respect of any Dispute, the Noteholders, Receiptholders and/or Couponholders, as the case may be, must also promptly give notice to the LCIA Court and to any Tribunal (each as defined in the Rules) already appointed in relation to the Dispute that such Dispute will be settled by the courts. Upon receipt of such notice by the LCIA Court, the arbitration and any appointment of any arbitrator in relation to such Dispute will immediately terminate. Any such arbitrator will be deemed to be functus officio. The termination is without prejudice to:

(A) the validity of any act done or order made by that arbitrator or by the court in support of that arbitration before his appointment is terminated;

(B) his entitlement to be paid his proper fees and disbursements; and

(C) the date when any claim or defence was raised for the purpose of applying any limitation bar or any similar rule or provision.

(iii) In the event that a notice pursuant to Condition 18(b)(ii) is issued, the following provisions shall apply:

(A) subject to paragraph (C) below, the courts of England shall have exclusive jurisdiction to settle any Dispute and the Issuer submits to the exclusive jurisdiction of such courts;

(B) the Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary; and

(C) this Condition 18(b)(iii) is for the benefit of the Noteholders, the Receiptholders and the Couponholders only. As a result, and notwithstanding paragraph (A) above, the Noteholders, Receiptholders and any Couponholders (where permitted to do so) may take proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the Noteholders, the Receiptholders and the Couponholders may take concurrent Proceedings in any number of jurisdictions.

(c) ***Appointment of Process Agent***

Each of the Issuer and the Guarantor have appointed Law Debenture Corporate Services Limited at its registered office at Fifth Floor, 100 Wood Street, London EC2V 7EX as its agent for service of process, and undertake that, in the event of Law Debenture Corporate Services Limited ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings or Disputes and notify the Noteholders, the Receiptholders and the Couponholders of such appointment in accordance with Condition 14 (*Notices*). Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

(d) **Waiver of immunity**

The Guarantor hereby irrevocably and unconditionally waives with respect to the Notes, the Receipts and the Coupons any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence and irrevocably and unconditionally consents to the giving of any relief or the issue of any process, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order, judgment or award made or given in connection with any Proceedings or Disputes.

(e) ***Other Documents and the Guarantor***

The Issuer and, where applicable, the Guarantor have in the Agency Agreement, the Deed of Guarantee, the Deed of Covenant and the Deed Poll made provision for governing law, arbitration, submission, process agent appointment and waiver of immunity in terms substantially similar to those set out above.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be used by Ooredoo within the Group for general corporate purposes, including, amongst other things, refinancing existing indebtedness.

CAPITALISATION OF THE GROUP

The following table sets out the Group's consolidated capitalisation, bank balances and cash and short term debt as at 31 March 2016. The information provided was derived from the Group's unaudited condensed consolidated interim financial statements as at 31 March 2016 and should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the Condensed Consolidated Interim Financial Statements included elsewhere in this Base Prospectus.

	As at 31 March 2016	
	(QRm)	*(U.S.$m)*
	(unaudited)	
Bank balances and cash[(1)]	17,804.6	4,891.4
Debt:		
Short-term debt[(2)]	10,669.7	2,931.2
Long-term debt[(3)]	33,483.7	9,198.8
Total debt	**44,153.4**	**12,130.0**
Equity:		
Share capital	3,203.2	880.0
Legal reserve	12,434.3	3,416.0
Fair value reserve	435.2	119.6
Employment benefit reserve	41.5	11.4
Translation reserve	(5,036.1)	(1,383.6)
Other statutory reserves	1,094.7	300.7
Retained earnings	10,074.3	2,767.7
Non-controlling interests	6,615.6	1,817.5
Total equity	**28,862.7**	**7,929.3**
Total capitalisation[(4)]	**62,346.4**	**17,128.1**

(1) Comprises cash and bank balances, call deposits and short-term deposits with banks that management believes are readily convertible into cash and restricted bank deposits of QR106.3 million (U.S.$29.2 million).

(2) Comprises debt with a maturity of up to 12 months and bank overdrafts, net of deferred financing costs.

(3) Comprises debt with a maturity of greater than 12 months, net of deferred financing costs.

(4) Total equity plus long-term debt.

BUSINESS DESCRIPTION OF THE ISSUER

The Issuer was incorporated as an exempted company with limited liability in Bermuda under the Companies Act on 8 May 2009 under the name QTEL International Finance Limited (with registered number 43194) and changed its name on 15 November 2011 to Qtel International Finance Limited and subsequently changed its name on 3 March 2014 to Ooredoo International Finance Limited. The registered office of the Issuer is at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda, telephone number +1 141 295 1443. The issued share capital of the Issuer is comprised of 100 common shares of par value U.S.$1.00 each. The Issuer is a wholly-owned subsidiary of Ooredoo Q.S.C.

The principal objects of the Issuer are unrestricted and, as set out in paragraph 7 of its Memorandum of Association, the Issuer has the following powers:

- the powers of a natural person;
- subject to the provisions of Section 42 of the Companies Act, the powers to issue preference shares which at the option of the holders thereof are liable to be redeemed;
- the powers to purchase its own shares in accordance with the provisions of Section 42A of the Companies Act; and
- the powers to acquire its own shares to be held as treasury shares in accordance with the provisions of Section 42B of the Companies Act.

The rights of Ooredoo Q.S.C. as a shareholder in the Issuer are contained in the memorandum articles of association and the by-laws of the Issuer and the Issuer will be managed in accordance with those articles and with the provisions of Bermuda law, including, but not limited to, the Companies Act 1981.

The Issuer was established to raise capital by the issue of the Notes.

The Issuer has not engaged, since its incorporation, in any activities other than those incidental to: (i) its registration as an exempted company; (ii) the authorisation of the establishment and/or update of the Programme and issue of any Notes under the Programme; (iii) the ownership of such interests and other assets referred to herein; (iv) the other matters contemplated in this Base Prospectus; (v) the authorisation and execution of the other documents referred to in this Base Prospectus to which it is or will be a party; and (vi) other matters which are incidental or ancillary to those activities.

The Issuer's ongoing activities will principally comprise: (i) the issue of the Notes under the Programme; (ii) the entering into of any documents related to the update of the Programme and the issue of Notes under the Programme; and (iii) the exercise of related rights and powers and other activities referred to in this Base Prospectus or reasonably incidental to those activities.

The Issuer has no subsidiaries, employees or non-executive directors.

The Directors of the Issuer and their respective business addresses and principal activities are:

Name	Business Address	Principal Activities
Dr. Nasser Marafih	Ooredoo Q.S.C., 100 West Bay, P.O. Box 217, Doha, Qatar	Chairman of the Issuer
Mr. Ajay Bahri	Ooredoo Q.S.C., 100 West Bay, P.O. Box 217, Doha, Qatar	Chief Financial Officer of Ooredoo Group
Alison Dyer-Fagundo	Estera Services (Bermuda) Limited, Canon's Court, 22 Victoria Street HM 12 Hamilton, Bermuda	Client Director, Estera Services (Bermuda) Limited
James Bodi	Estera Services (Bermuda) Limited, Canon's Court, 22 Victoria Street HM 12 Hamilton, Bermuda	Client Director, Estera Services (Bermuda) Limited

The Corporate Administrator and Company Secretary of the Issuer is Estera Services (Bermuda) Limited, whose business address is Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda.

There are no potential conflicts of interest between the private interests or other duties of the Directors, Corporate Administrator and Company Secretary of the Issuer listed above and their duties to the Issuer.

The Corporate Services Provider of the Issuer is Estera Services (Bermuda) Limited, whose principal business address is Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda. Its duties include the provision of registered office and company secretarial and related services.

The Issuer, Ooredoo and the Corporate Services Provider have entered into a corporate services agreement (the "**Corporate Services Agreement**") on 21 May 2009 pursuant to which the Corporate Services Provider agreed to provide certain administrative services to the Issuer.

Pursuant to the terms of the Corporate Services Agreement, either the Issuer or the Corporate Services Provider may, on not less than three months' prior written notice, terminate the Corporate Services Agreement, **provided that** either the Issuer or, as the case may be, the Corporate Services Provider, may terminate the Corporate Services Agreement forthwith by written notice on the occurrence of certain events of default by the other party.

The Corporate Services Agreement is governed by Bermuda law.

The Issuer published its first financial statements in respect of the period ending on 31 December 2009. The Issuer's financial statements in respect of the periods ending on 31 December 2013, 2014 and 2015 are included in this Base Prospectus on pages F-1 to F-32. The financial year of the Issuer ends on 31 December in each year.

The independent auditors of the Issuer are Deloitte & Touche, Qatar Branch ("**Deloitte**"). Deloitte were appointed as the independent auditors of the Issuer in 2016 as part of the Group's five –year audit firm rotation. The audits for the years ended 31 December 2013, 2014 and 2015 were performed by KPMG, Qatar ("**KPMG**").

SELECTED HISTORICAL FINANCIAL INFORMATION OF THE ISSUER

The Issuer's selected historical financial data as at and for the periods ending 31 December 2013, 2014 and 2015 set forth below has been derived from the Issuer's financial statements appearing elsewhere in this Base Prospectus.

The selected historical financial data set forth below should be read in conjunction with, and are qualified by reference to the Issuer's financial statements. The results of operations for any period are not necessarily indicative of the results to be expected for any future period.

Statement of Profit or Loss Data

	Year ended 31 December		
	2013	**2014**	**2015**
	(U.S.$ thousands)		
Finance income	304,393	274,116	247,022
Finance costs	(304,393)	(274,116)	(247,022)
Profit for the year	—	—	—

Statement of Financial Position Data

	As at 31 December		
	2013	**2014**	**2015**
	(U.S.$ thousands)		
Assets			
Non-current assets			
Interest bearing loan to parent company	5,283,031	5,289,362	4,297,060
Current assets			
Interest bearing loan to parent company	898,590	—	998,949
Amounts due from parent company	67,170	63,920	63,920
Total assets	**6,248,791**	**5,353,282**	**5,359,929**
Equity			
Share capital*	—	—	—
Total equity	—	—	—
Non-current liabilities			
Interest bearing borrowings	5,283,031	5,289,362	4,297,060
Current liabilities			
Interest bearing borrowings	898,590	—	998,949
Interest payable and accrued expenses	67,170	63,920	63,920
Total liabilities	**6,248,791**	**5,353,282**	**5,359,929**
Total equity and liabilities	**6,248,791**	**5,353,282**	**5,359,929**

Statement of Cash flows Data

	Year ended 31 December		
	2013	**2014**	**2015**
	(U.S.$ thousands)		
Net cash used in operating activities	—	—	—
Net cash (used in)/from investing activities	(979,345)	900,000	—
Net cash (used in)/from financing activities	979,345	(900,000)	—
Net change in cash and cash equivalents	—	—	—
Cash and cash equivalents at 31 December	—	—	—

* The share capital of the Issuer is U.S.$100.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

Ooredoo's selected historical consolidated financial data as of and for the three-month periods ended 31 March 2015 and 2016 and the years ended 31 December 2013, 31 December 2014 and 31 December 2015 set forth below has been derived from the unaudited Condensed Consolidated Interim Financial Statements and audited Consolidated Financial Statements appearing elsewhere in this Base Prospectus.

The selected historical consolidated financial data set forth below should be read in conjunction with, and are qualified by reference to, "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", the unaudited Condensed Consolidated Interim Financial Statements and the audited Consolidated Financial Statements of the Group. The results of operations for any period are not necessarily indicative of the results to be expected for any future period.

Income Statement

	Year ended 31 December			
	2013	**2014**	**2015**	**2015**
		(QRm)		*(U.S.$m)*
Continuing operations				
Revenue from wireless services	29,639.8	28,981.0	27,696.5	7,608.9
Revenue from wireline services	4,211.5	4,226.2	4,464.4	1,226.5
Revenue	33,851.3	33,207.2	32,160.9	8,835.4
Operating expenses	(11,084.4)	(12,043.0)	(11,400.4)	(3,132.0)
Selling, general and administrative expenses	(8,225.1)	(8,305.4)	(7,756.9)	(2130.9)
Depreciation and amortisation	(7,662.8)	(7,626.3)	(7,945.4)	(2182.8)
Finance costs – net	(2,020.9)	(2,031.8)	(2,016.8)	(554.1)
Impairment loss of goodwill and other assets	(41.6)	(26.0)	(333.1)	(91.5)
Other income/(expenses) – net	(684.8)	209.5	310.5	85.3
Share in results of associates and joint venture – net of tax	97.9	89.1	14.7	4.0
Royalties and fees	(334.5)	(392.8)	(408.6)	(112.3)
Profit before income taxes	**3,895.1**	**3,080.5**	**2,624.9**	**721.1**
Income tax	(611.9)	(598.8)	(331.4)	(91.0)
Profit from continuing operations	**3,283.2**	**2,481.7**	**2,293.5**	**630.1**
Discontinued operation				
Profit from discontinued operation – net of tax	10.1	46.7	—	—
Profit for the year	**3,293.3**	**2,528.4**	**2,293.5**	**630.1**
Attributable to:				
Shareholders of the parent	2,578.6	2,134.3	2,118.3	582.0
Non-controlling interests	714.7	394.1	175.2	48.1
Basic and Diluted Earnings per share				
(attributable to shareholders of the parent) (expressed in QR and U.S.$ per share)	8.1	6.7	6.6	1.8

	For the three months ended 31 March		
	2015	**2016**	**2016**
	(QRm)		*(U.S.$m)*
		(unaudited)	
Revenue from wireless services	6,913.6	6,789.2	1,865.2
Revenue from wireline services	1,123.5	1,098.9	301.9
Revenue	**8,037.1**	**7,888.1**	**2,167.1**
Operating expenses	(2,993.7)	(2,882.5)	(791.9)
Selling, general and administrative expenses	(1,895.6)	(1,830.6)	(503.0)
Depreciation and amortisation	(1,958.8)	(2,021.3)	(555.3)
Finance costs – net	(486.0)	(463.9)	(127.4)
Impairment of financial assets	-	(1.6)	(0.4)
Other income/(expenses) – net	(88.6)	544.5	149.5
Share in results of associates and joint venture – net of tax	57.1	4.2	1.2
Royalties and fees	(94.6)	(105.1)	(28.9)
Profit before income taxes	**576.9**	**1,131.8**	**310.9**
Income tax	(76.6)	(135.8)	(37.3)
Profit for the period	**500.3**	**996.0**	**273.6**
Attributable to:			
Shareholders of the parent	501.2	878.7	241.4

	For the three months ended 31 March		
	2015	2016	2016
	(QRm)		(U.S.$m)
		(unaudited)	
Non-controlling interests	(0.9)	117.3	32.2
Basic and Diluted Earnings per share			
(attributable to shareholders of the parent) (expressed in QR and U.S.$ per share)	1.6	2.7	0.7

Statement of Financial Position

	As at 31 December				As at 31 March	
	2013	2014	2015	2015	2016	2016
		(QRm)		(U.S.$m)	(QRm)	(U.S.$m)
					(unaudited)	
Non-current assets						
Property, plant and equipment	32,315.8	33,690.6	33,745.4	9,270.7	33,913.6	9,316.9
Intangible assets and goodwill	31,473.8	33,524.2	30,139.9	8,280.2	31,618.8	8,686.5
Investment property	60.4	55.1	49.9	13.7	48.6	13.4
Investment in associates and joint venture	1,752.2	2,604.4	2,296.4	630.9	2,404.7	660.6
Available-for-sale investments	2,704.5	1,627.1	747.2	205.3	740.8	203.5
Other non-current assets	697.2	750.6	665.1	182.7	709.7	195.0
Deferred tax asset	50.7	59.9	54.6	15.0	59.3	16.3
Total non-current assets	**69,054.6**	**72,311.9**	**67,698.5**	**18,598.5**	**69,495.5**	**19,092.2**
Current assets						
Inventories	537.3	666.7	697.1	191.5	809.0	222.2
Trade and other receivables	6,835.5	7,583.3	7,598.3	2,087.5	7,542.1	2,072.0
Bank balances and cash	20,304.6	17,437.4	18,158.2	4,988.5	17,804.6	4,891.4
Assets held for distribution	375.1	—	—	—	—	—
Total current assets	**28,052.5**	**25,687.4**	**26,453.6**	**7,267.5**	**26,155.7**	**7,185.6**
Total assets	**97,107.1**	**97,999.3**	**94,152.1**	**25,866.0**	**95,651.2**	**26,277.8**
Equity						
Share capital	3,203.2	3,203.2	3,203.2	880.0	3,203.2	880.0
Legal reserve	12,434.3	12,434.3	12,434.3	3,416.0	12,434.3	3,416.0
Fair value reserve	1,326.4	892.6	448.2	123.1	435.2	119.6
Employees benefit reserve	43.2	17.7	39.1	10.7	41.5	11.4
Translation reserve	(1,665.3)	(3,503.5)	(5,565.6)	(1,528.9)	(5,036.1)	(1,383.6)
Other statutory reserves	980.8	1,057.8	1,094.7	300.7	1,094.7	300.7
Retained earnings	8,645.3	9,386.1	10,155.9	2,790.1	10,074.3	2,767.7
Attributable to shareholders of the parent	**24,967.9**	**23,488.2**	**21,809.8**	**5,991.7**	**22,247.1**	**6,111.8**
Non-controlling interests	7,459.4	6,980.3	6,563.1	1,803.1	6,615.6	1,817.5
Total equity	**32,427.3**	**30,468.5**	**28,372.9**	**7,794.8**	**28,862.7**	**7,929.3**
Liabilities						
Non-current liabilities						
Loans and borrowings	37,254.5	35,641.2	36,108.1	9,919.8	33,483.7	9,198.8
Employee benefits	697.0	837.5	812.1	223.1	898.5	246.8
Deferred tax liability	879.2	755.5	467.0	128.3	500.1	137.4
Other non-current liabilities	2,625.8	3,658.1	2,016.3	553.9	2,664.5	732.1
Total non-current liabilities	**41,456.5**	**40,892.3**	**39,403.5**	**10,825.1**	**37,546.8**	**10,315.1**
Current liabilities						
Loans and borrowings	8,057.9	7,155.5	6,663.8	1,830.7	10,669.7	2,931.2
Trade and other payables	12,364.7	16,998.1	17,243.5	4,737.3	16,101.6	4,423.5
Deferred income	1,739.3	1,914.9	1,775.2	487.7	1,772.5	487.0
Income tax payable	561.1	570.0	693.2	190.4	697.9	191.7
Liabilities held for distribution	500.3	—	—	—	—	—
Total current liabilities	**23,223.3**	**26,638.5**	**26,375.7**	**7,246.1**	**29,241.7**	**8,033.4**
Total liabilities	**64,679.8**	**67,530.8**	**65,779.2**	**18,071.2**	**66,788.5**	**18,348.5**
Total equity and liabilities	**97,107.1**	**97,999.3**	**94,152.1**	**25,866.0**	**95,651.2**	**26,277.8**

Statement of Cash Flow Summary

	Year ended 31 December				For the three months ended 31 March		
	2013	**2014**	**2015**	**2015**	**2015**	**2016**	**2016**
		(QRm)		*(U.S.$m)*	*(QRm)*		*(U.S.$m)*
						(unaudited)	
Cash flow statement data:							
Net cash from operating activities......................	11,534.6	10,753.8	9,886.6	2,716.1	833.4	2,663.6	731.8
Net cash used in investing activities.......	(8,747.2)	(9,166.7)	(8,510.3)	(2,338.0)	(1,923.3)	(3,105.5)	(853.2)
Net cash from/(used in) financing activities.......	2,016.8	(4,587.0)	(1,343.4)	(369.1)	(102.8)	711.7	195.5
Net increase/ (decrease) in cash and cash equivalents................	**4,804.2**	**(2,999.9)**	**32.9**	**9.0**	**(1,192.7)**	**269.8**	**74.1**
Effect of exchange rate fluctuations	598.5	111.6	689.7	189.5	355.5	(609.6)	(167.4)
Cash and cash equivalents as at 1 January.....................	14,801.1	20,203.8	17,315.5	4757.0	17,315.5	18,038.1	4,955.5
Cash and cash equivalents at the end of the year/period.......	**20,203.8**	**17,315.5**	**18,038.1**	**4955.5**	**16,478.3**	**17,698.3**	**4,862.2**

Certain Non-IFRS Financial Information

The non-IFRS financial information on the Group set out in the two tables below has not been prepared in accordance with IFRS and is not subject to audit or review by the independent auditors.

	Year ended 31 December				For the three months ended 31 March		
	2013	**2014**	**2015**	**2015**	**2015**	**2016**	**2016**
		(QRm)		*(U.S.$m)*	*(QRm)*		*(U.S.$m)*
Adjusted EBITDA[(1)]......	**14,639.7**	**12,947.9**	**13,018.3**	**3,576.5**	**3,204.9**	**3,179.2**	**873.4**

(1) Adjusted EBITDA equals earnings before interest, taxes, depreciation and amortisation excluding the effects of royalties and other statutory fees and certain other income and expenses that are considered to be non-operating. Adjusted EBITDA is not a measure of profit for the year/period, operating performance or liquidity and is not recognised under IFRS. For a discussion of how the Group uses Adjusted EBITDA, see "*Presentation of Financial and Other Information*" and for a reconciliation of Adjusted EBITDA to profit for the year/period, see "*Selected Historical Consolidated Financial Information of the Group*".

The following table shows the reconciliation of the Group's profit for the period to Adjusted EBITDA for the three months ended 31 March 2015 and 2016 and the years ended 31 December 2013, 2014 and 2015. For a discussion of Adjusted EBITDA, see "*Presentation of Financial and Other Information—Non-IFRS Measures—Adjusted EBITDA*".

	Year ended 31 December				For the three months ended 31 March		
	2013	2014	2015	2015	2015	2016	2016
		(QRm)		*(U.S.$m)*	*(QRm)*		*(U.S.$m)*
						(unaudited)	
Profit for the year/period	3,293.3	2,528.4	2,293.5	630.1	500.3	996.0	273.6
Finance cost – net	2,020.9	2,031.8	2,016.8	554.1	486.0	463.9	127.4
Taxes, royalties and fees[1]	946.4	991.6	740.0	203.3	171.2	240.9	66.2
Depreciation and amortisation	7,662.8	7,626.3	7,945.4	2,182.8	1,958.8	2,021.3	555.3
Other income/ (expenses) - net[2]........	726.4	(183.5)	22.6	6.2	88.6	(542.9)	(149.1)
Profit from discontinued operation....................	(10.1)	(46.7)	—	—	—	—	—
Adjusted EBITDA[3]	**14,639.7**	**12,947.9**	**13,018.3**	**3,576.5**	**3,204.9**	**3,179.2**	**873.4**

(1) Comprises income tax, royalties and fees.

(2) Comprises loss(profit) on disposal of available-for-sale investments, Impairment loss of goodwill and other assets, loss(gain) on foreign currency exchange(net) and other income/(expense) that are considered to be non-operating.

(3) Adjusted EBITDA equals earnings before interest, taxes, depreciation and amortisation excluding the effects of royalties and other statutory fees and certain other income and expenses that are considered to be non-operating. Adjusted EBITDA is not a measure of profit for the year/period, operating performance or liquidity and is not recognised under IFRS. For a discussion of how the Group uses Adjusted EBITDA, see "*Presentation of Financial and Other Information*" and for a reconciliation of Adjusted EBITDA to profit for the year/period, see "*Selected Historical Consolidated Financial Information of the Group*".

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of the Group's financial condition and results of operations should be read in conjunction with the information in "*Selected Historical Consolidated Financial Information*", "*Business Description of the Group*" and the unaudited Condensed Consolidated Interim Financial Statements and the audited Consolidated Financial Statements appearing elsewhere in this Base Prospectus. Prospective investors should read the entire Base Prospectus and not rely solely on the information set out below.

This discussion and analysis contains forward-looking statements that involve risks and uncertainties. The Group's actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed below and elsewhere in this Base Prospectus, particularly under the headings "*Forward-Looking Statements*" and "*Risk Factors*".

Overview

The Group is an international telecommunications company primarily operating mobile telecommunications networks in 12 markets in the MENA and the Asia Pacific regions, with a total customer base of approximately 118 million as at 31 March 2016. The Group's most significant operations in terms of revenue are in Qatar (where it operates through Ooredoo Q.S.C.), Indonesia (where it operates through Indosat Ooredoo), Kuwait (where it operates through Ooredoo Kuwait), Algeria (where it operates through Ooredoo Algeria) and Iraq (where it operates through Asiacell). Together, these five operations accounted for 81.6 per cent. of the Group's revenue for the three-month period ended 31 March 2016. The Group believes it has a geographically diverse mobile telecommunications business, with operations in relatively developed markets, such as Qatar, Oman and Kuwait and in markets with a potential for high growth, such as Myanmar and Indonesia. The Group also operates a number of other telecommunications businesses, which are complementary to its existing voice or mobile businesses, such as television services, wireless broadband services, fixed-line telecommunications services and corporate managed services.

The Group has developed its mobile telecommunications businesses primarily by acquiring and developing mobile telecommunications operators with existing network infrastructures (Iraq, Algeria, Kuwait, Tunisia and Maldives in 2007 and Indonesia in 2008). The Group has also sought to expand its business by acquiring licences and developing new networks, for example, in Oman in 2005 and in Myanmar in 2013. Based on the Group's internal analysis (see "*Presentation of Financial and Other Information—Market Share*"), it is one of the three largest providers of mobile telecommunications services in each of the key markets of Qatar, Indonesia, Kuwait, Algeria and Iraq, as measured both by revenues and by the number of customers as at 31 December 2015. Wireless services, which are predominantly related to the Group's mobile telecommunications businesses, contributed 86.1 per cent. to its revenue for the three-month period ended 31 March 2016.

The following table shows selected financial data for the three months ended 31 March 2016 and 2015 and the years ended 31 December 2013, 2014 and 2015:

	Year ended 31 December				For the three months ended 31 March		
	2013	**2014**	**2015**	**2015**	**2015**	**2016**	**2016**
		(QRm)		*(U.S.$m)*	*(QRm)*		*(U.S.$m)*
						(unaudited)	
Consolidated income statement data:							
Revenue from wireless services......................	29,639.8	28,981.0	27,696.5	7,608.9	6,913.6	6,789.2	1,865.2
Revenue from wireline services......................	4,211.5	4,226.2	4,464.4	1,226.5	1,123.5	1,098.9	301.9
Total Revenue	**33,851.3**	**33,207.2**	**32,160.9**	**8,835.4**	**8,037.1**	**7,888.1**	**2,167.1**
Profit for the year/period................	**3,293.3**	**2,528.4**	**2,293.5**	**630.1**	**500.3**	**996.0**	**273.6**

	Year ended 31 December				For the three months ended 31 March		
	2013	2014	2015	2015	2015	2016	2016
		(QRm)		*(U.S.$m)*	*(QRm)*		*(U.S.$m)*
						(unaudited)	
Shareholders of the parent.........................	2,578.6	2,134.3	2,118.3	582.0	501.2	878.7	241.4
Non-controlling interests	714.7	394.1	175.2	48.1	(0.9)	117.3	32.2

(1) For a discussion on the increase in profit for the three months ended 31 March 2016 compared to the three months ended 31 March 2015, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Financial Condition and Results of Operations—ARPU*". ARPU data has not been audited or otherwise reviewed by external auditors, consultants or independent experts.

The following table shows selected other data for the years ended 31 December 2013, 2014 and 2015 and the three months ended 31 March 2015 and 2016:

	Year ended 31 December				For the three months ended 31 March		
	2013	2014	2015	2015	2015	2016	2016
		(QRm)		*(U.S.$m)*	*(QRm)*		*(U.S.$m)*
Adjusted EBITDA[(1)].......	14,639.7	12,947.9	13,018.3	3,576.5	3,204.9	3,179.2	873.4
Total number of customers (in thousands)[(2)]	96,184	107,254	116,751		110,969	117,936	

(1) Adjusted EBITDA equals earnings before interest, taxes, depreciation and amortisation excluding the effects of royalties and other statutory fees and certain other income and expenses that are considered to be non-operating. Adjusted EBITDA is not a measure of profit for the period, operating performance or liquidity and is not recognised under IFRS. For a discussion of how the Group uses Adjusted EBITDA, see "*Presentation of Financial and Other Information*" and for a reconciliation of Adjusted EBITDA to profit for the period, see "*Selected Historical Consolidated Financial Information*".

(2) Each of the Group's operating companies calculates the number of its customers differently. For a discussion of how the Group's operating companies calculate customer numbers, see "*Presentation of Financial and Other Information*". Customer number data has not been audited or otherwise reviewed by external auditors, consultants or independent experts.

The table below provides certain information in relation to the Group's five principal markets of Qatar, Indonesia, Kuwait, Algeria and Iraq for the three months ended 31 March 2016 and the year ended 31 December 2015.

	Group Effective Shareholding as of 31 March	Revenue for the year ended 31 December	Revenue for the year ended 31 December	Revenue for the three months ended 31 March	Revenue for the three months ended 31 March	Percentage of Group's consolidated revenue for the year ended 31 December	Percentage of Group's consolidated revenue for the three months ended 31 March	Number of customers as at 31 March
Market	2016	2015	2015	2016	2016	2015	2016	2016
		(QRm)	*(U.S.$m)*	*(QRm)*	*(U.S.$m)*			*(thousands)*
				(unaudited)			*(unaudited)*	
Qatar	100.0%	7,897.4	2,169.6	1,994.3	547.9	25%	25%	3,485
Indonesia	65.0%	7,274.0	1,998.4	1,837.0	504.7	23%	23%	69,780
Kuwait	92.1%	2,275.1	625.0	603.6	165.8	7%	8%	2,379
Algeria...........................	74.4%	4,023.1	1,105.2	927.9	254.9	13%	12%	13,184
Iraq................................	64.1%	4,884.5	1,341.9	1,075.7	295.5	15%	14%	10,697

The Group's operations in these five principal markets generated QR6,438.5 million (U.S.$1,768.8 million), or 81.6 per cent., of the Group's consolidated revenue for the three-month period ended 31 March 2016 and contributed 84.4 per cent. of its customers as at 31 March 2016.

Current Strategic Focus

The Group continually seeks to develop innovative products and services that address the particular needs of the individual markets in which it operates. These initiatives are part of the Group's continuous effort to provide customers with technologically advanced and value-added telecommunications and information services, such as mobile and fixed broadband services, in a cost-effective manner.

The Group is focused on improving its operational performance by (i) maintaining or striving to acquire (as applicable) market leadership in each of the markets in which it operates, (ii) instilling a performance-focused culture within its organisation and (iii) implementing and operating efficient business models across the organisation, including implementation of a centralised procurement model to leverage benefits deriving from economies of scale. Specifically, the Group is focused on increasing its wireless services revenues by improving and maintaining the quality of the Group's networks and focusing on its distribution capabilities and smart services offerings. The Group has introduced 4G+ (LTE Advanced) services across its operations in the Gulf, providing an improved service to data customers in Qatar, Kuwait, Maldives, Tunisia and Oman. 4G has also been deployed in Indonesia and will be deployed in Algeria and Myanmar. The Group has also introduced fibre optic mobile networks in a number of markets in which it operates, and fibre to the premises in Qatar, Oman, Tunisia, and Indonesia. In Qatar, over 268,000 homes and businesses are now connected to Ooredoo Fibre. Ooredoo Qatar expects that the final phase of its fibre to the home project will make Qatar one of the leading fibre penetrated countries in the world by the end of 2016. Ooredoo Oman also has plans to provide e-government services, which it expects will lead to growth in its fibre to the home services. In December 2015, Ooredoo Maldives announced it was deploying a nationwide fibre optic submarine cable, with the intention of making the Maldives the most advanced country in information and communication technology across the South Asia Association for Regional Cooperation (SAARC) region. In February 2016, Indosat Ooredoo commercially launched its first fibre to the home internet service in Jakarta. It is planning to extend this service to secondary cities over the next few months.

The Group is focused on the MENA and the Asia Pacific regions. At present, the Group's business includes a diverse mix of relatively developed markets (for example, Qatar and Kuwait) and emerging markets with a high potential for growth (for example Myanmar and Indonesia). This combination of established and emerging markets is intended to allow the Group to take advantage of the historically stable returns on equity in lower-risk relatively established markets and the potential for greater returns on equity in higher risk emerging markets. In addition, the Group believes that its strategic focus on three diverse geographic regions allows it to reduce the risk to it of economic downturns in any single region.

Factors Affecting Financial Condition and Results of Operations

Overview

The Group generates most of its revenues from the provision of mobile telecommunications services. The Group's mobile telecommunications businesses account for most of the Group's wireless services revenues, which contributed 86.1 per cent. to the Group's revenue for the three-month period ended 31 March 2016, compared to 86.0 per cent. for the three-month period ended 31 March 2015. The Group generates revenues from its fixed-line telecommunications services in Qatar, Indonesia, Tunisia and Oman and from fixed broadband services. Revenue from wireline services contributed 13.9 per cent. to the Group's revenue for the three-month period ended 31 March 2016, compared to 14.0 per cent. for the three-month period ended 31 March 2015.

Wireless services

The Group generates most of its wireless services revenues from the provision of mobile telecommunication services to its customers. The Group's mobile telecommunications services revenues are primarily affected by the number of mobile customers it has, churn and ARPU (average revenue per user), each of which varies significantly across the markets in which the Group operates. Mobile customer growth in any particular market depends on a number of factors, including pricing, quality of service, availability of new services, the overall growth of the market, the level of competition to obtain new customers and retain existing ones and general economic conditions. The Group believes that most of the markets in which it operates have not yet reached the point of saturation, unlike the wireless markets in Europe, for example. The ability of each of the Group's operating companies to increase its mobile customer base also depends increasingly on its success in providing competitive services and attractive products, its ability to attract new mobile customers and to acquire existing customers from competitors and its success in reducing churn. ARPU is driven primarily by traffic volume, data services utilisation, interconnection rates and tariffs. Tariffs in turn are mainly driven by the competitive and the regulatory environments. The Group believes that future ARPU growth will be primarily driven by growth in data traffic and value-added services utilisation and will be offset by declining tariffs and interconnection rates. In addition, as markets mature and penetration increases, the incremental revenue expected from marginal customers tends to be lower, and so ARPU in maturing markets tends to fall.

Each of the Group's operating companies calculates its churn and ARPU differently and thus such data is not directly comparable. For a discussion of the methods by which the Group's mobile telecommunications operating companies calculate the number of their respective customers, churn and ARPU, see "*Presentation of Financial and Other Information*" and "*Management's Discussion and Analysis of Financial Conditions and Results of Operations—Factors Affecting Financial Condition and Results of Operations*".

Wireline services

The Group offers fixed-line telecommunications services in Qatar, Tunisia, Indonesia and Oman. These services include direct exchange services in Qatar, international long-distance, cable television, satellite leasing and fixed internet services.

The following is a discussion of the most significant factors that have affected, or are expected to affect, the Group's financial condition and results of operations.

Customer base

The Group had approximately 118 million total customers globally as at 31 March 2016, a 6.3 per cent. increase compared to approximately 111 million total customers as at 31 March 2015. This increase was primarily attributable to new customers of the Group in Myanmar, Indonesia and Algeria.

The table below shows mobile customer information in relation to the Group's principal mobile services markets.

	Number of Prepaid Mobile Customers				Number of Postpaid Mobile Customers			
	As at 31 December			As at 31 March	As at 31 December			As at 31 March
	2013	2014	2015	2016	2013	2014	2015	2016
	(in thousands)							
Qatar	2,123.4	2,324.6	2,609.3	2,567.7	325.7	386.3	414.1	426.2
Indonesia	58,785.9	62,407.6	68,958.1	69,027.1	794.6	813.3	779.1	753.0
Kuwait	1,627.1	2,103.5	1,691.7	1,640.0	308.2	273.7	285.7	303.2
Algeria	7,939.8	9,717.1	11,168.4	11,251.6	619.6	671.4	691.4	700.7
Iraq	10,734.1	12,301.9	10,793.6	10,697.3	—[1]	—[1]	—[1]	—[1]
Group	91,310.6	101,483.5	111,605.7	112,671.6	2,550.8	2,706.2	2,789.0	2,821.9

(1) The Group offers limited postpaid services in Iraq.

An increase in the number of its customers has been a significant factor affecting the Group's mobile telecommunications revenues during the years under review. The number and usage behaviour of new mobile customers in each market varies, depending in part on the pricing packages the Group offers in such markets during a particular period relative to those offered by its competitors.

As the market penetration for mobile customers in regions in which the Group operates increases, the average voice usage levels of new customers declines. Several factors have contributed to this trend, including increased usage of internet-based messaging services such as WhatsApp, Viber and Facebook, rather than voice services, and the various tariff packages the Group has offered to attract such new customers. Many new consumer mobile customers are either young retail customers or low income customers, some of whom typically use data services heavily, but generate less mobile voice traffic than the Group's existing mobile customers. Such consumer mobile customers typically have higher price sensitivity and are more likely to switch telecommunications operators based on price and promotional factors. However, such customers typically use mobile data services more regularly and the increase in mobile data revenues as a percentage of total wireless revenues has also been a significant factor positively impacting the Group's telecommunications revenues during the periods under review. See "*Risk Factors – Risks Relating to the Telecommunications Industry – The Group's revenue from voice services is declining and unlikely to improve while the Group's future revenue will be increasingly dependent on data services*".

Churn

"**Churn**" refers to how the Group measures mobile customer disconnections. Customer disconnections can occur on a voluntary basis, when customers switch to competing telecommunications operators which can be caused by a number of factors, such as pricing, the availability of data and value-added service offerings and quality of service. Customer disconnections also occur when a customer decides that it no longer requires, or cannot afford, mobile telecommunications services, or through termination by the Group following non-payment by the relevant customer.

The Group has generally experienced relatively stable churn in Qatar. The introduction of mobile number portability services in Qatar in 2013 has resulted in customers having greater incentive to switch providers, although this has so far been favourable to Ooredoo Qatar as more subscribers initially ported to Ooredoo Qatar than ported out. In contrast, the introduction of mobile number portability services Kuwait in 2013 initially resulted in more subscribers porting away from Ooredoo Kuwait than porting in although the trend reversed in 2015 and since then more subscribers have ported in than away. The Group operates in some markets where churn is structurally high due to the relatively high percentage of prepaid customers compared to postpaid customers. Many of the Group's markets are also characterised by a high degree of multiple SIM ownership, whereby many customers own SIM cards from different operators and frequently switch between networks in order to take advantage of the lowest tariffs. Customers may switch to a competing carrier for a few hours or days or limit consumption to a restricted set of services on the network in order to optimise their monthly telephone bills. This is the case for instance in Indonesia, Tunisia and Algeria. In order to optimise its share of revenues among these customers, the Group has emphasised its superior network quality, its attractive portfolio of services, and its superior value for money. It has also encouraged prepaid subscribers to move to postpaid plans. See "*Risk Factors – Risks Relating to the Group – If the Group does not continue to provide telecommunications or related services that are useful and attractive to customers, it may not remain competitive, and its revenues, results of operations and prospects may be adversely affected*".

As each of the Group's operating companies calculate churn differently, these figures are not directly comparable and thus the Group does not present in this Base Prospectus its churn rate on a consolidated basis. For a description of how the Group's five principal operations calculate churn, see "*Presentation of Financial and Other Information—Industry, Market and Customer Data—Customers*".

ARPU

In addition to customer numbers, the revenue generated by the Group's mobile telecommunications services is influenced by the amount of revenue generated by each of those customers. ARPU is the measure of total service revenues for a given period, divided by the number of months in that period and divided again by that period's average total customers. ARPU includes outgoing and incoming voice and data revenues and value-added services (such as digital content). In addition, blended ARPU is the weighted average of prepaid and postpaid customer ARPU's of wireless services.

As each of the Group's operating companies calculate ARPU differently, these figures are not directly comparable and thus the Group does not present in this Base Prospectus its ARPU on a consolidated basis. For a description of how the Group's five principal operations calculate ARPU, see "*Presentation of Financial and Other Information—Industry, Market and Customer Data—ARPU*".

Local Currency Depreciation

Since 2013, the Group's ARPU (in Qatari Riyal terms) in certain markets and therefore its revenues (in Qatari Riyal terms) have been negatively impacted due to the depreciation of emerging market currencies (such as the Indonesian Rupiah and the Algerian Dinar) against the U.S. Dollar, and therefore the Qatari Riyal (the Group's reporting currency) which is currently fully pegged to the U.S. Dollar. Of all the markets where the Group operates, only Qatar and Oman have currencies that are currently pegged to the U.S. Dollar, and the Group's Algerian, Tunisian, and Indonesian operations in particular have been exposed to weakening local currencies against the U.S. Dollar, and therefore the Qatari Riyal, which has led in some instances to decreases in revenues in Qatari Riyal terms in those markets during the periods under review even though revenues may have increased in local currency terms. However, the local currency depreciations have also had a positive impact on the Group's operating expenses and selling, general and administrative expenses in the affected markets. See "*Risk Factors – Risks Relating to the Group – Fluctuations in currency exchange rates could materially adversely affect the Group's business, financial condition or results of operations*".

Demographic, political and economic trends

The Group's revenues are driven by overall market demand for mobile telecommunications services in the markets the Group serves, which is in turn directly affected by a number of macroeconomic and other trends. In particular, demand for the Group's services depends primarily on a number of demographic, political and economic factors, all of which are outside of its control, in particular population growth and GDP.

The demographic, political and economic dynamics affecting the Group's business vary substantially across the markets in which it operates. In addition, a number of these dynamics, such as population growth and GDP per capita, can differ significantly between individual countries within a region and this can impact upon the number of customers as well as ARPU that the Group can attain in a particular market.

In particular, during the periods under review, the significant declines in the price of oil since the second half of 2014 have negatively affected the economies of a number of countries in which the Group operates (such as Qatar, Kuwait, Oman and Iraq) and have therefore caused a decline in the disposable income of many residents of those countries, which has had an impact on the Group's operations in those countries, particularly in Iraq. In addition, the Group's revenues from its operations in Iraq have been negatively affected by the deteriorating security situation in the country in general and in particular the seizure by ISIS of approximately 20 per cent. of the country's telecommunications network, which has caused a decline in the number of customers.

These factors can vary significantly from period to period and do vary significantly from country to country and region to region and have historically impacted the Group's results of operations. Future changes in these demographic and economic factors could have a material effect on the Group's business, financial condition, results of operations and prospects. See "*Risk Factors – Risks Relating to the Group – Declines in international crude oil prices and natural gas could materially and adversely affect oil-revenue dependent economies*".

Competition in the markets in which the Group operates

The Group faces intensifying competition in the markets in which it operates, both from existing competitors and new telecommunications services providers. Increasing competition has also led, in certain markets, to declines in the prices the Group is able to charge for its services and may lead to further price declines in the future.

For example, the profitability of the Group's Qatari operations has in the past been driven in large part by the provision of telecommunications services in Qatar. However, the Group ceased to be the only provider of mobile telecommunications services in March 2009 when Vodafone Qatar launched commercial operations on a limited basis and began providing mobile telecommunications services. The market share that Vodafone Qatar gained from the Group in the years following its launch negatively impacted upon the Group's ARPU in Qatar in those years, although the Group has subsequently regained market share from Vodafone Qatar during the periods under review.

In Indonesia, Telkomsel and XL Axiata are the main competitors to Indosat Ooredoo's operations; in Iraq, Zain and Korek Telecom are the main competitors to Asiacell's operations; in Algeria, Djezzy and Mobilis (Algerie Telecom) are the main competitors to Ooredoo Algeria's operations; and in Kuwait, Zain and Viva are the main competitors to Ooredoo Kuwait's operations. Competition from these companies has historically resulted in a reduction in the Group's tariffs in those markets due to increased promotional offers and the incurrence of additional marketing costs by the Group to maintain its customer base in and to maintain revenues from those markets. See "*Risk Factors – Risks Relating to the Group –* T*he Group may face increased competition from new entrants or established telecommunications operators in the markets in which it operates*".

Network development and maintenance

The expansion of capacity in the Group's existing networks, the increase in coverage across the markets in which the Group operates, and improvements in network quality, have had a positive impact on the Group's revenues. The Group's strategy is to increase its capacity in targeted regions if it believes that there is or will be increased demand in that region for its telecommunications services. When the Group makes decisions with respect to capacity development it also considers whether the expansion in areas for which coverage is provided will have a significant impact on its ability to attract new customers, retain existing customers, and/or increase its share of revenues from its existing customers. The Group has made significant investments to upgrade its networks and improve its quality of service over past three years, particularly in Indonesia, Kuwait, Algeria and Iraq. In addition, the Group has recently acquired a 4G license in Tunisia, Myanmar and Algeria and the Group expects to incur significant capital expenditures in these two markets over the next two years to upgrade its networks from 3G to 4G in order to increase its network capacity and improve its quality of user experience. For a discussion of the Group's capital expenditures, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Cash Flow—Capital Expenditures*" below.

Royalties and fees

Qatar

In accordance with a Decree by the Minister of Economy and Finance of Qatar in March 2010 and under its operating licence granted by the CRA, the Group is liable to pay to the CRA an annual industry fee of 12.5 per cent. on adjusted profit generated from Ooredoo Q.S.C.'s operations in Qatar.

Oman

In accordance with the terms of the licence granted to Ooredoo Oman to operate wireless telecommunications services in Oman, a royalty is payable to the Government of Oman, calculated based on 7.0 per cent. of the net of pre-defined sources of revenue and operating expenses.

Kuwait

Contributions by Ooredoo Kuwait to the Kuwait Foundation for the Advancement of Sciences, National Labour Support Tax and Zakat are recognised as expenses in the period during which the Group's contribution is legally required.

Potential developments

If GCC countries continue to suffer declines in oil prices, the governments of those GCC countries may seek to increase non-oil related revenues to offset budget deficits, and may take actions such as increasing direct or indirect taxes, fees or royalties payable by companies such as Ooredoo.

International acquisitions

The acquisition of existing telecommunications providers has been a primary driver of the Group's growth in its operations in the past, although the Group has not made any significant acquisitions during the periods under review. Generally, the Group's acquisition strategy has involved identifying and acquiring assets, either in the form of companies with existing networks or licences to operate a network, in target markets and then investing to increase their efficiency and improve both coverage and capacity. Although acquisitions of companies with existing networks generally allow for the rapid expansion of capacity and immediate generation of cash flow, they often require a greater capital investment than would typically be necessary to achieve organic growth. In addition, acquisitions involve risks inherent in identifying and assessing the value, strengths and weaknesses of acquisition targets, as well as the potential for significant integration and efficiency improvement costs. Significant capital expenditures and risks are also involved when the Group acquires a licence to operate and is required to build its own network, as it did, for example, in Oman in 2005 when it became the first operator to compete with the majority state-owned incumbent provider of telecommunication services.

In addition, although liberalisation of the telecommunications markets (for example, the opening of Oman's markets, which enabled the Group to establish Omani Qatari Telecommunications Company S.A.O.G. ("**Nawras**") in 2005, currently known as Ooredoo Oman) provides an opportunity for the Group to expand into new markets, it also exposes the Group and its operating companies to greater levels of competition, which could have a negative impact on the Group's profitability, particularly in light of the relatively higher levels of profit margin experienced by the Group's Qatari operations compared to its operations outside Qatar. For example, for the three-month period ended 31 March 2016, the Group's Qatari operations generated revenue and profit of QR1,994.3 million (U.S.$547.9 million) and QR483.9 million (U.S.$132.9 million), respectively, reflecting a profit margin of 24.3 per cent., compared to revenue and profit of QR5,893.8 million (U.S.$1,619.2 million) and QR512.1 million (U.S.$140.7 million), respectively, for the Group's operations outside Qatar, reflecting a profit margin of 8.7 per cent.

The Group is currently focused on extracting value and leveraging synergies from its past acquisitions rather than expanding its portfolio. It will however continue to consider and review potential acquisition targets, including infrastructure acquisitions, if and when they present themselves, as a strategic means of entering new markets within the regions in which it operates, increasing its customer numbers and expanding its capacity.

Critical Accounting Policies and Estimates

The preparation of Ooredoo's consolidated financial statements in conformity with IFRS requires it to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Those judgments, estimates and assumptions are based on historical experience, available information, future expectations and other factors and assumptions that Ooredoo believes are reasonable under the circumstances. Ooredoo reviews its estimates and underlying assumptions on an ongoing basis and revises them when necessary. Ooredoo has identified below those of its accounting policies that it believes could potentially produce materially different results if it were to change its underlying assumptions, estimates and judgments. Actual results may differ from the original or revised estimates. Summaries of Ooredoo's significant accounting policies are contained in Note 3, "*Significant accounting policies*" of the Notes to the consolidated financial statements for 2015, and Notes 2 and 3, "*Basis of preparation*" and "*Significant accounting policies*" of the Notes to the condensed consolidated interim financial statements for the three-month period ended 31 March 2016.

Revenue

Revenue represents the fair value of consideration received or receivable for communication services and equipment sales net of discounts and sales taxes. Revenue from rendering of services and sale of equipment is recognised when it is probable that the economic benefits associated with the transaction shall flow to the Group and the amount of revenue and the associated costs can be measured reliably.

The Group principally obtains revenue from providing the telecommunication services, comprising access charges, airtime usage, messaging, interconnect fee, data services and infrastructure provision, connection fees, equipment sales and other related services. The specific revenue recognition criteria applied to significant elements of revenue are set out below:

Revenue from rendering of services

Revenue for access charges, airtime usage and messaging by contract customers is recognised as revenue as services are performed with unbilled revenue resulting from services already provided accrued at the end of each period and unearned revenue from services to be provided in future periods deferred. Revenue arising from separable installation and connection services is recognised when it is earned. Subscription fee is recognised as revenue as the services are provided.

Interconnection revenue

Revenues from network interconnection with other domestic and international telecommunications carriers are based on the actual recorded traffic minutes.

Sales of prepaid cards

Sale of prepaid cards is recognised as revenue based on the actual utilisation of the prepaid cards sold. Sales relating to unutilised prepaid cards are accounted as deferred income. Deferred income related to unused prepaid cards is recognised as revenue when utilised by the customer or upon termination of the customer relationship.

Sales of equipment

Revenue from sales of peripheral and other equipment is recognised when the significant risks and rewards of ownership are transferred to the buyer which is normally when the equipment is delivered and accepted by the customer.

Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the fair value as at the acquisition date and the amount of any non-controlling interest in the acquired company. For each business combination, the acquirer measures the non-controlling interest in the acquired company either at fair value or at the proportionate share of the acquired company's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts executed by the acquired company. If the business combination is achieved in stages, the fair value of the acquirer's previously held equity interest in the acquired company is remeasured to fair value at the acquisition date through the consolidated income statement. Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IAS 39 either as profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquired company; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquired company; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the acquired company, the difference is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquired company are assigned to those units. Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained. Goodwill is tested for impairment annually (as at 31 December) and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating unit (or group of cash generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount of the cash-generating unit (group of cash-generating units) to which goodwill has been allocated, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Property, plant and equipment

Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Assets in the course of construction are carried at cost, less any impairment.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The costs of self-constructed assets include the following:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Cost also includes transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the consolidated income statement as incurred.

Depreciation

Items of property, plant and equipment are depreciated on a straight line basis in profit or loss over the estimated useful lives of each component. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Depreciation of these assets commences from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the consolidated income statement in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated income statement in the expense category consistent with the nature of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Taxation

Some of the Group's subsidiaries and associates are subject to taxes on income in various jurisdictions. Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

Current income tax assets and liabilities for the current year and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities.

The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the financial reporting year and any adjustment to tax payable in respect of previous years.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the end of the financial reporting year between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Tax exposure

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgments regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Results of operations

Comparison of the three-month period ended 31 March 2016 with the three-month period ended 31 March 2015

The following table sets forth selected condensed consolidated income statement data for the three-month periods ended 31 March 2015 and 2016:

	For the three months ended 31 March		
	2015	**2016**	**2016**
	(QRm)		*(U.S.$m)*
		(unaudited)	
Revenue from wireless services	6,913.6	6,789.2	1,865.2
Revenue from wireline services	1,123.5	1,098.9	301.9
Revenue	**8,037.1**	**7,888.1**	**2,167.1**
Operating expenses	(2,993.7)	(2,882.5)	(791.9)
Selling, general and administrative expenses	(1,895.6)	(1,830.6)	(503.0)
Depreciation and amortisation	(1,958.8)	(2,021.3)	(555.3)
Finance costs – net	(486.0)	(463.9)	(127.4)
Impairment of financial assets	—	(1.6)	(0.4)
Other income/(expenses) – net	(88.6)	544.5	149.5
Share in results of associates and joint venture – net of tax	57.1	4.2	1.2
Royalties and fees	(94.6)	(105.1)	(28.9)
Profit before income taxes	**576.9**	**1,131.8**	**310.9**
Income tax	(76.6)	(135.8)	(37.3)
Profit for the period	**500.3**	**996.0**	**273.6**
Attributable to:			

	For the three months ended 31 March		
	2015	2016	2016
	(QRm)		*(U.S.$m)*
		(unaudited)	
Shareholders of the parent	501.2	878.7	241.4
Non-controlling interests	(0.9)	117.3	32.2

Revenue

The Group derives most of its revenue from providing mobile telecommunications services to its customers. It provides such services in each of the markets in which it operates. Mobile telecommunications services revenue principally arises from initial connection fees, prepaid cards, monthly subscription fees and airtime usage fees, as well as interconnection fees and roaming fees. The Group also generates revenues from providing internet services, international gateway services and other miscellaneous services.

The Group's revenue for the three-month period ended 31 March 2016 was QR7,888.1 million (U.S.$2,167.1 million) compared to QR8,037.1 million (U.S.$2,208.0 million) for the three-month period ended 31 March 2015, a decrease of 1.9 per cent. This decrease in revenues was primarily due to currency depreciation and decreases in revenues from the Group's operations in Iraq and Algeria, partially offset by increases in revenues from the Group's operations in Indonesia, Myanmar and Kuwait.

Wireless Services: Most of the Group's wireless services revenue is derived from providing mobile telecommunications services to its customers. In the three-month period ended 31 March 2016, the Group derived revenues of QR6,789.2 million (U.S.$1,865.2 million) (86.1 per cent. of its total revenue) from providing wireless services compared to revenues of QR6,913.6 million (U.S.$1,899.3 million) for the three-month period ended 31 March 2015, a decrease of 1.8 per cent. This decrease in wireless services revenues was primarily due to decreases in wireless revenue in Iraq, primarily as a result of the deteriorating security situation in the country and deteriorating economic conditions following the oil price decreases since 2014, and Algeria, as a result the depreciation of the Algerian Dinar against the Qatari Riyal, partially offset by increases in wireless revenue in Indonesia, Myanmar and Kuwait.

Wireline Services: The Group's wireline services business consists primarily of its consumer broadband and fixed-line telephone services. In the three-month period ended 31 March 2016, the Group derived revenues of QR1,098.9 million (U.S.$301.9 million) (13.9 per cent. of its total revenue) from providing wireline services compared to revenues of QR1,123.5 million (U.S.$308.7 million) for the three-month period ended 31 March 2015, a decrease of 2.2 per cent., which was in line with the Group's decrease in revenues as a whole across this period.

Analysis of the Group's principal geographic markets: The following table sets forth the Group's revenue for the three-month periods ended 31 March 2015 and 2016 together with ARPU and customer numbers as at 31 March 2016 from each of its principal geographic markets, as well as for the Group itself.

	Revenue for the three months ended 31 March			As at 31 March 2016	
	2015	2016	2016	ARPU[(1)] (blended)[(3)]	Customer numbers[(2)]
	(QRm)		*(U.S.$m)*	*(QRm)*	*(in thousands)*
			(Unaudited)		
Qatar	1,986.3	1,994.3	547.9	114.3	3,485
Indonesia	1,732.4	1,837.0	504.7	7.0	69,780
Kuwait	544.6	603.6	165.8	69.9	2,379
Algeria	1,011.1	927.9	254.9	22.7	13,184
Iraq	1,265.9	1,075.7	295.5	32.9	10,697
Group	8,037.1	7,888.1	2,167.1	—[(4)]	117,936

(1) For the three months ended 31 March 2016 for wireless services. ARPU, with respect to the five operations presented, is calculated on different bases and is thus not directly comparable. For a discussion of the differences in the calculation of ARPU for these five operations, see "*Presentation of Financial and Other Information—Industry, Market and Customer Data—ARPU*". ARPU data has not been audited or otherwise reviewed by external auditors, consultants or independent experts.

(2) As at 31 March 2016, includes both wireless and wireline customers. The customer data has not been audited or otherwise reviewed by external auditors, consultants or independent experts.

(3) Blended ARPU is the weighted average of prepaid and postpaid customer ARPUs of wireless services.
(4) The Group does not calculate ARPU on a consolidated basis.

The majority of the Group's revenue (81.6 per cent.) is derived from its operations in Qatar, Indonesia, Kuwait, Algeria and Iraq.

Revenues for the Group's operations in Qatar increased by 0.4 per cent. for the three-month period ended 31 March 2016 compared to the three-month period ended 31 March 2015, primarily due to a slight increase in customer numbers, despite a decrease in ARPU, as a result of price reductions introduced by the Group in Qatar in response to the competitive environment.

Revenues for the Group's operations in Indonesia increased by 6.0 per cent. for the three-month period ended 31 March 2016 compared to the three-month period ended 31 March 2015, due to increases in both customer numbers and ARPU, the latter being supported by the appreciation of the Indonesian Rupiah against the Qatari Riyal.

Revenue for the Group's operations in Kuwait increased by 10.8 per cent for the three-month period ended 31 March 2016 compared to the three-month period ended 31 March 2015. This increase was primarily due to an increase in ARPU, although customer numbers marginally decreased, as a result of the increased product offering of the Group in Kuwait.

Revenue for the Group's operations in Algeria decreased by 8.2 per cent. for the three-month period ended 31 March 2016 compared to the three-month period ended 31 March 2015, primarily due to a decrease in ARPU in Qatar Riyal terms as a result of the depreciation of the Algerian Dinar against the Qatari Riyal (although ARPU in Algerian Dinar terms remained relatively stable), partially offset by an increase in customer numbers.

Revenue for the Group's operations in Iraq decreased by 15.0 per cent. for the three-month period ended 31 March 2016 compared to the three-month period ended 31 March 2015, primarily due to a decrease in customer numbers as a result of security concerns in the country due to ISIS and the deteriorating economic environment following the fall in oil prices.

Operating expenses

Operating expenses are mainly comprised of outpayments, interconnection charges (to other operators in the same markets), cost of equipment sold, leased circuit network costs, rental, utilities, regulatory fees, repairs and maintenance costs. In the three-month period ended 31 March 2016, the Group's operating expenses amounted to QR2882.5 million (U.S.$791.9 million) compared to QR2,993.7 million (U.S.$822.4 million) for the three-month period ended 31 March 2015, a decrease of 3.7 per cent. This decrease was primarily due to cost control measures and depreciation of local currencies against the U.S. Dollar.

Selling, general and administrative expenses

Selling, general and administrative expenses consist primarily of employee costs including salaries and end-of-service benefits, marketing costs, commissions on SIM cards and legal and other professional fees. In the three-month period ended 31 March 2016, the Group's selling, general and administrative expenses amounted to QR1,830.6 million (U.S.$503.0 million) compared to QR1,895.6 million (U.S.$520.8 million) for the three-month period ended 31 March 2015, a decrease of 3.4 per cent. This decrease was primarily due to cost control measures and depreciation of local currencies against the U.S. Dollar.

Depreciation and amortisation

In the three-month period ended 31 March 2016, depreciation and amortisation was QR2,021.3 million (U.S.$555.3 million) compared to QR1,958.8 million (U.S.$538.1 million) for the three-month period ended 31 March 2015, an increase of 3.2 per cent. This increase was primarily due to additional investments in the Group's network made in 2015, causing depreciation of assets to increase.

Finance costs - net

Finance costs - net consist of interest on the Group's debt reduced by interest income earned. For the three-month period ended 31 March 2016, the Group's finance costs - net amounted to QR463.9 million

(U.S.$127.4 million) compared to QR486.0 million (U.S.$133.5 million) for the three-month period ended 31 March 2015, a decrease of 4.6 per cent. This decrease was primarily due to the refinancing of certain borrowings at lower rates of interest and higher amounts of interest earned on Qatari Riyal deposits in Qatar.

Impairment of intangibles and available-for-sale investments

For the three-month period ended 31 March 2016, the Group recognised impairment of intangibles and available-for-sale investments of QR1.6 million (U.S.$0.4 million) compared to nil for the three-month period ended 31 March 2015. This increase was primarily due to the impairment of a portfolio of investments held by Ooredoo Kuwait.

Other income/(expenses) - net

Other income/(expenses) - net is comprised mainly of dividend income, rental income, gain or loss in fair value of derivatives, foreign exchange gain or loss and other miscellaneous income. In the three-month period ended 31 March 2016, other income was QR544.5 million (U.S.$149.5 million) compared to other expenses of QR88.6 million (U.S.$24.3 million) for the three-month period ended 31 March 2015. This change was primarily due to a foreign currency gain of QR454.5 million (U.S.$124.9 million) in the first three months of 2016 compared to a loss of QR385.1 million (U.S.$105.8 million) for the same period in 2015 as a result of currency appreciations in Indonesia and Myanmar, partially off-set by lower gains on disposals of available-for-sale investments in the first three months of 2016 compared to the same period in 2015.

Royalties and fees

Royalties and fees comprise those royalties and fees payable in Qatar and Oman in connection with the terms and conditions of the Group's licences to operate in those countries and Kuwait statutory fees. For the three-month period ended 31 March 2016, royalties and fees expenses amounted to QR105.1 million (U.S.$28.9 million) compared to QR94.6 million (U.S.$26.0 million) for the three-month period ended 31 March 2015, an increase of 11.1 per cent. This increase was primarily due to increases in royalty fees paid to the Government of the Sultanate of Oman and other statutory fees paid to Kuwait as a result of increased profits in those markets.

Profit for the period

The Group's profit for the three-month period ended 31 March 2016 was QR996.0 million (U.S.$273.6 million) compared to QR500.3 million (U.S.$137.4 million) for the three-month period ended 31 March 2015, an increase of 99.1 per cent. This increase was primarily due to the increase in other income as a result of the foreign currency gain of QR454.5 million (U.S.$124.9 million) in the first three months of 2016 compared to a loss of QR385.1 million (U.S.$105.8 million) for the same period in 2015 as a result of currency appreciations in Indonesia and Myanmar partially off-set by lower gains on disposals of available-for-sale investments in the first three months of 2016 compared to the same period in 2015.

During the three-month period ended 31 March 2016, Qatar was the most profitable operation for the Group, followed by operations in Oman, Algeria, Indonesia and Iraq.

For a breakdown of segment revenue and profitability, see Note 20 "*Segment Information*" to the condensed consolidated interim financial statements for the three months ended 31 March 2016.

Comparison of the years ended 31 December 2013, 2014 and 2015

The following tables sets forth selected consolidated income statement data for the years ended 31 December 2013, 2014 and 2015:

	Year ended 31 December			
	2013	**2014**	**2015**	**2015**
		(QRm)		*(U.S.$m)*
Continuing operations				
Revenue from wireless services	29,639.8	28,981.0	27,696.5	7,608.9
Revenue from wireline services	4,211.5	4,226.2	4,464.4	1,226.5
Revenue	**33,851.3**	**33,207.2**	**32,160.9**	**8,835.4**

	Year ended 31 December			
	2013	2014	2015	2015
		(QRm)		(U.S.$m)
Operating expenses	(11,084.4)	(12,043.0)	(11,400.4)	(3,132.0)
Selling, general and administrative expenses	(8,225.1)	(8,305.4)	(7,756.9)	(2,130.9)
Depreciation and amortisation	(7,662.8)	(7,626.3)	(7,945.4)	(2182.8)
Finance costs – net	(2,020.9)	(2,031.8)	(2,016.8)	(554.1)
Impairment loss of goodwill and other assets	(41.6)	(26.0)	(333.1)	(91.5)
Other income/(expenses) – net	(684.8)	209.5	310.5	85.3
Share in results of associates and joint venture – net of tax	97.9	89.1	14.7	4.0
Royalties and fees	(334.5)	(392.8)	(408.6)	(112.3)
Profit before income taxes	**3,895.1**	**3,080.5**	**2,624.9**	**721.1**
Income tax	(611.9)	(598.8)	(331.4)	(91.0)
Profit from continuing operations	**3,283.2**	**2,481.7**	**2,293.5**	**630.1**
Discontinued operation				
Profit from discontinued operation – net of tax	10.1	46.7	—	—
Profit for the year	**3,293.3**	**2,528.4**	**2,293.5**	**630.1**
Attributable to:				
Shareholders of the parent	2,578.6	2,134.3	2,118.3	582.0
Non-controlling interests	714.7	394.1	175.2	48.1

Revenue

The Group's revenue for the year ended 31 December 2015 was QR32,160.9 million (U.S.$8,835.4 million) compared to QR33,207.2 million (U.S.$9,122.9 million) for the year ended 31 December 2014, a decrease of 3.2 per cent. Revenue for the year ended 31 December 2014 decreased by 1.9 per cent., from QR33,851.3 million (U.S.$9,299.8 million) for the year ended 31 December 2013.

The decrease in revenue in 2015 compared to 2014 was primarily due to decreases in revenues from the Group's revenues from Indonesia, Algeria and, in particular, Iraq, which was partially offset by increases in revenues from the Group's operations in Qatar and Kuwait.

The decrease in revenue in 2014 compared to 2013 was primarily due to decreases in revenues from the Group's revenues from Indonesia, Iraq and Kuwait, which was partially offset by increases in revenues from the Group's operations in Qatar and Algeria.

Wireless Services: The Group derived QR27,696.5 million (U.S.$7,608.9 million) (86.1 per cent. of its total revenue), for the year ended 31 December 2015 from its wireless services, as compared to revenue of QR28,981.0 million (U.S.$7,961.8 million) (87.3 per cent. of its total revenue) for the year ended 31 December 2014, a decrease of 4.4 per cent. The Group's revenues from wireless services for the year ended 31 December 2014 decreased by 2.2 per cent., from QR29,639.8 million (U.S.$8,142.8 million) (87.6 per cent. of its total revenue) for the year ended 31 December 2013.

The decrease in wireless services revenues in 2015 was primarily due to decreases in wireless revenue in Iraq, primarily due to the security concerns in the country due to ISIS and the deteriorating economic environment in the wake of the declining price of oil, and in Algeria and Indonesia as a result of currency depreciations in those countries, partially offset by increases in wireless revenue in Qatar.

The decrease in wireless services revenue in 2014 compared to 2013 was primarily due to decreases in wireless revenue in Iraq due to security concerns due to ISIS and a worsening economic environment and Indonesia as a result of the depreciation of the Indonesian Rupiah against the Qatari Riyal, partially offset by increases in wireless revenue in Algeria.

Wireline Services: The Group derived QR4,464.4 million (U.S.$1,226.5 million) (13.9 per cent. of the Group's total revenue) for the year ended 31 December 2015, from such services, as compared to revenue of QR4,226.2 million (U.S.$1,161.0 million) (12.7 per cent. of the Group's total revenue) for the year ended 31 December 2014, an increase of 5.6 per cent. The Group's revenues from wireline services for the year ended 31 December 2014 increased by 0.3 per cent. from QR4,211.5 million (U.S.$1,157.0 million) (12.4 per cent. of its total revenue) for the year ended 31 December 2013. The increase in wireline services revenue in 2015 compared to 2014 and 2013 was primarily due to increases in wireline revenue in Qatar and Oman as a result of increased numbers of wireline customers, partially offset by a decrease in wireline revenue in Indonesia.

Analysis of the Group's principal geographic markets: The following table sets forth the Group's revenue for the years ended 31 December 2013, 2014 and 2015, together with ARPU and customer numbers as at 31 December 2015 from each of its principal geographic markets, as well as for the Group itself.

	Revenue for the year ended 31 December				**As at 31 December 2015**	
	2013	**2014**	**2015**	**2015**	**ARPU (blended)(1)**	**Customer numbers(2)**
		(QRm)		*(U.S.$m)*	*(QR)*	*(thousands)*
					(unaudited)	
Qatar	6,590.0	7,148.0	7,897.4	2,169.6	118.5	3,506
Indonesia	8,371.0	7,394.8	7,274.0	1,998.4	7.3	69,737
Kuwait	2,499.7	2,149.5	2,275.1	625.0	71.7	2,269
Algeria	3,883.8	4,623.4	4,023.1	1,105.2	22.9	13,037
Iraq	7,070.7	6,298.0	4,884.5	1,341.9	36.6	10,794
Total Group	**33,851.3**	**33,207.2**	**32,160.9**	**8,835.4**	—(3)	**116,751**

(1) For the three months ended 31 December 2015. Blended ARPU is calculated based on a weighted average of postpaid and prepaid customers for wireless services. For a discussion of the calculation of ARPU, see "*Presentation of Financial and Other Information—Industry, Market and Customer Data—ARPU*". ARPU data has not been audited or otherwise reviewed by external auditors, consultants or independent experts.

(2) As at 31 December 2015, inclusive of wireless and wireline customers. The customer data has not been audited or otherwise reviewed by external auditors, consultants or independent experts.

(3) The Group does not calculate ARPU on a consolidated basis.

Revenues for the Group's operations in Qatar increased by 10.5 per cent. for the year ended 31 December 2015 compared to the year ended 31 December 2014, which itself represented an increase in revenues of 8.5 per cent. compared to the year ended 31 December 2013. These increases were primarily due to increases in customer numbers, partially offset by declining ARPU, primarily as a result of increasing market share due to the introduction of competitive pricing offers by Ooredoo Qatar.

Revenues for the Group's operations in Indonesia decreased by 1.6 per cent. for the year ended 31 December 2015 compared to the year ended 31 December 2014, which itself represented a decrease in revenues of 11.7 per cent. compared to the year ended 31 December 2013. These decreases were primarily due to decreases in ARPU as a result of the depreciation of the Indonesian Rupiah against the Qatari Riyal, partially offset by an increased customer base.

Revenue for the Group's operations in Kuwait increased by 5.8 per cent for the year ended 31 December 2015 compared to the year ended 31 December 2014, which itself however represented a decrease in revenues of 14.0 per cent. compared to the year ended 31 December 2013. The overall decrease between 2013 and 2015 was primarily due to decreases in ARPU, as a result of competitive pressures driving down the rates that Ooredoo Kuwait is able to charge in Kuwait, partially offset by an increased customer base.

Revenue for the Group's operations in Algeria decreased by 13.0 per cent for the year ended 31 December 2015 compared to the year ended 31 December 2014, which however represented an increase in revenues of 19.0 per cent. compared to the year ended 31 December 2013. The overall increase between 2013 and 2015 was primarily due to increases in customer numbers, partially offset by declining ARPU, as a result of the depreciation of the Algerian Dinar in 2015 as well as increased competition affecting prices that Ooredoo Algeria can charge.

Revenues for the Group's operations in Iraq decreased by 22.4 per cent. for the year ended 31 December 2015 compared to the year ended 31 December 2014, which itself represented a decrease in revenues of 10.9 per cent. compared to the year ended 31 December 2013. These decreases were primarily due to the deteriorating security situation in 2015 and 2014 and the worsening economic situation following the decline in oil prices from 2014 onwards and decrease in ARPU, partially offset by an increased customer base.

Operating expenses

Operating expenses for the year ended 31 December 2015 were QR11,400.4 million (U.S.$3,132.0 million) as compared to QR12,043.0 million (U.S.$3,308.5 million) for the year ended 31 December 2014, a decrease of 5.3 per cent, primarily due to a decrease in outpayments and interconnect charges, primarily due to a decrease in voice usage amongst customers, and a decrease in the cost of equipment, particularly as regards handsets that the Group includes in bundles offered to its customers. Operating expenses for the year ended 31 December 2014 increased by 8.6 per cent., from QR11,084.4 million (U.S.$3,045.2 million) for the year ended 31 December 2013, primarily due to an increase in the cost of equipment sold and other services as a result of the cost of mobile handsets included as part of bundles offered to customers in Kuwait and Algeria.

During the years under review, Ooredoo's operating expenses in Qatar were significantly lower relative to revenue generated, compared to the Group's operations outside Qatar. Operating expenses for Ooredoo's Qatari operations amounted to 24.4 per cent., 25.2 per cent. and 26.1 per cent. of the revenue from Ooredoo for the years ended 31 December 2013, 2014 and 2015, respectively, compared to 34.8 per cent., 39.3 per cent., and 38.5 per cent., respectively, for the Group's operations outside Qatar during these years. The higher proportion of operating expenses relative to revenue for operations outside Qatar were primarily due to relatively lower ARPU in the Group's operations outside Qatar.

Selling, general and administrative expenses

Selling, general and administrative expenses for the year ended 31 December 2015 were QR7,756.9 million (U.S.$2,130.9 million) as compared to QR8,305.4 million (U.S.$2,281.7 million) for the year ended 31 December 2014, a decrease of 6.6 per cent, primarily due to the costs associated with the rebranding that were incurred in 2014 but not in 2015 as well as cost control measures such as the introduction of centralised procurement. Selling, general and administrative expenses for the year ended 31 December 2014 increased by 1.0 per cent., from QR8,225.1 million (U.S.$2,259.6 million) for the year ended 31 December 2013, primarily due to an increase in marketing costs and sponsorship as a result of the rebranding exercise.

During the years under review, Ooredoo's total selling, general and administrative expenses, depreciation and amortisation expenses for its Qatari operations were significantly lower relative to the revenue generated by its Qatari operations as compared to the Group's operations outside Qatar. Total selling, general and administrative expenses, depreciation and amortisation expenses for Ooredoo's Qatari operations amounted to 36.8 per cent., 37.0 per cent., and 35.6 per cent. of the revenue from Ooredoo's Qatari operations for the years ended 31 December 2013, 2014 and 2015, respectively, compared to 49.4 per cent., 51.0 per cent. and 53.1 per cent., respectively, for the Group's operations outside Qatar. The higher general and administrative expenses relative to the revenue for operations outside Qatar were primarily due to the relatively lower ARPU in the Group's operations outside Qatar.

Finance costs - net

Finance costs - net for the year ended 31 December 2015 were QR2,016.8 million (U.S.$554.1 million) as compared to QR2,031.8 million (U.S.$558.2 million) for the year ended 31 December 2014, a decrease of 0.7 per cent. Finance costs - net for the year ended 31 December 2014 increased by 0.5 per cent. from QR2,020.9 million (U.S.$555.2 million) for the year ended 31 December 2013. Finance costs - net were relatively flat across the periods under review as the Group did not significantly increase its aggregate net indebtedness during this period. The majority of the Group's consolidated debt is owed by Ooredoo Q.S.C. (which includes debt held by the Issuer and Ooredoo Tamweel Limited) and Indosat Ooredoo. For a discussion of the Group's liquidity and capital resources, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources*".

Impairment of intangibles and available-for-sale investments

For the year ended 31 December 2015 the Group recognised impairment losses on intangibles and available-for-sale investments of QR333.1 million (U.S.$91.5 million) compared to QR26.0 million (U.S.$7.1 million) for the year ended 31 December 2014 and QR41.6 million (U.S.$11.4 million) for the year ended 31 December 2013. The increase in impairment losses on intangibles and available-for-sale investments in the year ended 31 December 2015 was primarily due to a goodwill impairment of QR227.4 million (U.S.$62.5 million) recorded in respect of Ooredoo Tunisia following recent declines in revenue and margins leading to the possibility of the carrying amount exceeding the estimated recoverable amount of the investment.

Other income/(expenses) - net

Other income for the year ended 31 December 2015 was QR310.5 million (U.S.$85.3 million) as compared to QR209.5 million (U.S.$57.6 million) for the year ended 31 December 2014. Other income for the year ended 31 December 2014 increased from an expense of QR684.8 million (U.S.$188.1 million) for the year ended 31 December 2013. The increase in other income in 2015 was primarily due to a provision of QR397.7 million in respect of litigation relating to a cooperation agreement between Indosat Ooredoo and IM2 to provide broadband internet services using spectrum license to Indosat Ooredoo which was recorded in 2014 but not in 2015. This increase was partially offset by an increase in foreign currency losses in 2015 due to currency depreciations in Indonesia and Algeria. The increase in other income in 2014 was primarily due to a significant decrease in foreign currency losses in 2014 due to reduced currency depreciations in Indonesia and Algeria as compared to 2013 and the sale by Indosat Ooredoo of its investment of shares in Tower Bersama resulting in a profit of QR131.8 million.

Royalties and fees

Royalties and fees for the year ended 31 December 2015 were QR408.6 million (U.S.$112.3 million) as compared to QR392.8 million (U.S.$107.9 million) for the year ended 31 December 2014, an increase of 4.0 per cent. Royalties and fees for the year ended 31 December 2014 increased by 17.4 per cent., from QR334.5 million (U.S.$91.9 million) for the year ended 31 December 2013. The increase in royalties and fees in the year ended 31 December 2015 was primarily due to an increase in fees payable in Qatar and the increase in 2014 as compared to 2013 was primarily due to an increase in fees payable in Qatar and Oman.

Of these royalties and fees, QR225.9 million (U.S.$62.1 million) was payable to Qatar for the year ended 31 December 2015 compared to QR191.3 million (U.S.$52.6 million) and QR167.3 million (U.S.$46.0 million) in the years ended 31 December 2014 and 2013, respectively. See "*Business Description of the Group—Corporate History—Qatari Origins*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Financial Condition and Results of Operations—Royalties and fees—Qatar*" above for a discussion of Ooredoo's royalty liabilities.

Profit for the year

As a result of the factors described above, net profit for the year ended 31 December 2015 was QR2,293.5 million (U.S.$630.1 million), as compared to QR2,528.4 million (U.S.$694.6 million), for the year ended 31 December 2014, a decrease of 9.3 per cent. Profit for the year ended 31 December 2014 decreased by 23.2 per cent. from QR3,293.3 million (U.S.$904.8 million) for the year ended 31 December 2013. During the years under review, Ooredoo's operations in Qatar were more profitable than the Group's operations outside Qatar. Profit as a percentage of revenue from Ooredoo's operations in Qatar was 20.8 per cent., 26.8 per cent. and 27.1 per cent. for the years ended 31 December 2013, 2014 and 2015, respectively, compared to 7.0 per cent., 2.3 per cent. and 0.6 per cent., respectively, for the Group's operations outside Qatar taken as a whole. The difference in profit margins during the years under review was primarily due to the significantly lower expenses as a percentage of revenue and relatively higher ARPU in Qatar compared to operations outside Qatar.

Liquidity and Capital Resources

Historically, the Group's principal sources of funding have been cash flow from operations, borrowings under loan facilities and bond issuances. The Group has used cash generated from operating activities and borrowings to fund its operating costs and capital expenditures. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Cash Flow—Indebtedness*" for a description of the Group's indebtedness and related borrowings.

Cash Flow

The following tables set forth certain information about the Group's consolidated cash flows for the three-month periods ended 31 March 2015 and 2016 and the years ended 31 December 2013, 2014 and 2015:

	Year ended 31 December				For the three months ended 31 March		
	2013	**2014**	**2015**	**2015**	**2015**	**2016**	**2016**
	(QRm)			*(U.S.$m)*	*(QRm)*		*(U.S.$m)*
						(unaudited)	
Cash flow statement data:							
Net cash from operating activities....................	11,534.6	10,753.8	9,886.6	2,716.1	833.4	2,663.6	731.8
Net cash used in investing activities......	(8,747.2)	(9,166.7)	(8,510.3)	(2,338.0)	(1,923.3)	(3,105.5)	(853.2)
Net cash from/(used in) financing activities......	2,016.8	(4,587.0)	(1,343.4)	(369.1)	(102.8)	711.7	195.5
Net increase/ (decrease) in cash and cash equivalents...............	**4,804.2**	**(2,999.9)**	**32.9**	**9.0**	**(1,192.7)**	**269.8**	**74.1**
Effect of exchange rate fluctuations	598.5	111.6	689.7	189.5	355.5	(609.6)	(167.4)
Cash and cash equivalents as at 1 January	14,801.1	20,203.8	17,315.5	4757.0	17,315.5	18,038.1	4,955.5
Cash and cash equivalents at the end of the year/period......	**20,203.8**	**17,315.5**	**18,038.1**	**4955.5**	**16,478.3**	**17,698.3**	**4,862.2**

Net cash from operating activities

For the three-month period ended 31 March 2016, net cash from operating activities was QR2,663.6 million (U.S.$731.8 million) compared to QR833.4 million (U.S.$229.0 million) for the three-month period ended 31 March 2015, an increase of 219.6 per cent. This increase was primarily due to an increase in profits and a decrease in working capital requirements.

Net cash from operating activities for the year ended 31 December 2015 was QR9,886.6 million (U.S.$2,716.1 million) as compared to QR10,753.8 million (U.S.$2,954.3 million) for the year ended 31 December 2014, a decrease of 8.1 per cent. This decrease was primarily due to a decrease in profits and an increase in working capital requirements.

Net cash from operating activities for the year ended 31 December 2014 decreased by 6.8 per cent. as compared to QR11,534.6 million (U.S.$3,168.8 million) for the year ended 31 December 2013. This decrease was primarily due to a decrease in profits partially off-set by a decrease in working capital requirements.

Net cash used in investing activities

For the three-month period ended 31 March 2016, net cash used in investing activities was QR3,105.5 million (U.S.$853.2 million) compared to QR1,923.3 million (U.S.$528.4 million) for the three-month period ended 31 March 2015, an increase of 61.5 per cent. This increase was primarily due to the payment of licence fees in Tunisia and Myanmar and spectrum fees in Indonesia in the first three months of 2016.

Net cash used in investing activities for the year ended 31 December 2015 was QR8,510.3 million (U.S.$2,338.0 million) as compared to QR9,166.7 million (U.S.$2,518.3 million) for the year ended 31 December 2014, a decrease of 7.2 per cent. This decrease was primarily due to lower licence payments in 2015 as compared to 2014 (particularly in Myanmar).

Net cash used in investing activities for the year ended 31 December 2014 increased by 4.8 per cent. to QR9,166.7 million (U.S.$2,518.3 million) as compared to QR8,747.2 million (U.S.$2,403.1 million) for the year ended 31 December 2013. This increase was primarily due to licence fees paid in Myanmar, partially offset by the proceeds of the sales of available-for-sale investments.

Net cash from/(used in) financing activities

For the three-month period ended 31 March 2016, net cash from financing activities was QR711.7 million (U.S.$195.5 million) compared to net cash used in financing activities of QR102.8 million (U.S.$28.2 million) for the three-month period ended 31 March 2015. This change was primarily due to an increase in fees payable for licences, partially offset by reduced dividend payments in the first three months of 2016.

Net cash used in financing activities for the year ended 31 December 2015 was QR1,343.4 million (U.S.$369.1 million) as compared to QR4,587.0 million (U.S.$1,260.2 million) used in financing activities for the year ended 31 December 2014. This decrease was primarily due to a decrease in repayments of the Group's indebtedness in 2015 as compared to 2014.

Net cash used in financing activities for the year ended 31 December 2014 was QR4,587.0 million (U.S.$1.260.2 million) as compared to net cash from financing activities of QR2,016.8 million (U.S.$554.1 million) for the year ended 31 December 2013. This change was primarily due to higher indebtedness repayments in 2014 as well as higher borrowings in 2013 and the increase of the Group's stake in Asiacell following its IPO in 2013.

Indebtedness

Most of the Group's indebtedness has been incurred by Ooredoo Q.S.C., the Issuer, Ooredoo Tamweel Limited and Indosat Ooredoo. As at 31 March 2016, the Group had outstanding indebtedness of QR44.2 billion (U.S.$12.1 billion). In addition, the Group had an additional QR6.4 billion (U.S.$1.7 billion) under its facilities that remain undrawn. As at 31 March 2016, 75.7 per cent. of the Group's indebtedness was owed by Ooredoo Q.S.C. (which includes debt held by the Issuer and Ooredoo Tamweel Limited), 13.8 per cent. by Indosat Ooredoo and the remaining 10.5 per cent. by other companies within the Group. As at 31 March 2016, the Group's consolidated indebtedness included QR4.7 billion (U.S.$1.3 billion) in outstanding indebtedness of its subsidiaries (excluding Indosat Ooredoo), including term loan facilities and syndicated loans, of which approximately 55 per cent. were secured by pledges of assets and shares of those subsidiaries and parent guarantees.

In order to reduce foreign exchange exposure, Group companies increasingly seek to borrow funds in local currencies where possible; however local currency denominated facilities are not available, or are not available in acceptable terms, in certain countries in which the Group operates, including Iraq and Myanmar. During 2015 and early 2016, the Group transformed the debt composition of Indosat Ooredoo’s operations such that as of 31 March 2016, a majority of its debt funding was denominated in local currency. The Group’s funding at the operating subsidiary level in Tunisia, Algeria and Kuwait is entirely local currency denominated. Indosat Ooredoo also implemented a short-term hedging program; see "*Risk Factors – Risks Relating to the Group – Fluctuations in currency exchange rates could materially adversely affect the Group's business, financial condition or results of operations*".

The following table sets out a breakdown of the outstanding indebtedness of the Group as of 31 March 2016:

Description of Indebtedness

	Total financing amount		**Total indebtedness outstanding**[(1)]		**Maturity**
	(QRm)	*(U.S.$m)*	*(QRm)*	*(U.S.$m)*	
			(unaudited)		
Ooredoo International Finance Limited					
Global Medium Term Note Programme[(2)]	12,194	3,350	12,194	3,350	2016-2025
Global Medium Term Note Programme[(3)]	7,280	2,000	7,280	2,000	2023-2043
Ooredoo Tamweel Limited					
Trust Certificate Issuance Programme[(3)]	4,550	1,250	4,550	1,250	2018
Ooredoo Q.S.C.					
Revolving credit facility	3,000	824	0	0	2017
Revolving credit facility	3,640	1,000	3,640	1,000	2017
Revolving credit facility	3,640	1,000	3,640	1,000	2019
Revolving credit facility	1,820	500	1,820	500	2020
Term loan	546	150	546	150	2020
Indosat Ooredoo and its subsidiaries					
Various local and international loans and local	9,582	2,631	6,149	1,689	2016-2025

	Total financing amount		Total indebtedness outstanding[1]		Maturity
	(QRm)	(U.S.$m)	(QRm)	(U.S.$m)	
		(unaudited)			
bonds					
Ooredoo Kuwait and its subsidiaries					
Revolving credit facility (Ooredoo Kuwait)........	880	242	96	26	2016
Various local loans (Ooredoo Algeria)	1,823	501	1,454	399	2016-2020
Various local loans (Ooredoo Tunisia)	984	270	985	271	2018-2021
Various international loans (Ooredoo Maldives) .	76	21	49	13	2016-2018
Various international loans (Wataniya Palestine)	473	130	269	74	2016-2021
Asiacell					
Various international term loans	903	248	261	72	2015-2019
Ooredoo Oman					
Various international term loans	1,198	329	442	121	2017-2021
Various local credit facilities	654	180	161	44	2017-2021
Ooredoo Myanmar					
Term loan..	1092	300	925	254	2020

(1) Amounts excluding deferred financing costs.
(2) Listed on London Stock Exchange.
(3) Listed on Irish Stock Exchange.

Global Medium Term Note and Sukuk Programmes

In May 2009, the Group established a U.S.$5.0 billion (QR18.2 billion) Global Medium Term Note Programme (the "**2009 GMTN Programme**"), listed on the London Stock Exchange, to allow for the issuance of notes. The first tranche of notes issued under the 2009 GMTN Programme, amounting to U.S.$1.5 billion (QR5.4 billion), was issued in June 2009 (of which U.S.$600 million (QR2.2 billion) are still outstanding), and the second tranche of notes under the 2009 GMTN Programme, amounting to U.S.$2.75 billion (QR10.0 billion), was issued in October 2010 (all of which is still outstanding). Ooredoo Q.S.C., had, as at 31 March 2016, provided an unconditional and irrevocable guarantee in respect of the notes issued under the 2009 GMTN Programme.

In December 2012, the Group established another U.S.$3.0 billion (QR10.9 billion) Global Medium Term Note Programme (the "**2012 GMTN Programme**"), listed on the Irish Stock Exchange to allow for the issuance of notes. The first tranche of notes issued under the 2012 GMTN Programme, amounting to U.S.$1.0 billion (QR3.6 billion), was issued in December 2012, and the second and third tranches of notes issued under the 2012 GMTN Programme, in aggregate amounting to U.S.$1.0 billion (QR3.6 billion), were issued in January 2013. Ooredoo Q.S.C., had, as at 31 March 2016, provided an unconditional and irrevocable guarantee in respect of the notes issued under the 2012 GMTN Programme.

The documentation relating to the notes under each of the 2009 GMTN Programme and the 2012 GMTN Programme contain customary operating and financial covenants common to agreements of this type which include covenants that restrict the Group's ability to dispose of the whole or substantially the whole of its undertaking or the whole or the greater part of its assets. The documentation relating to the notes also contains customary events of default, including, but not limited to, non-payment, breach of other obligations set forth in the agreement, misrepresentation of or material non-compliance with a representation or warranty, and certain insolvency, winding-up and related events.

In November 2013, the Group established a U.S.$2 billion (QR7.28 billion) Trust Certificate Issuance Programme (the "**Sukuk Programme**"), listed on the Irish Stock Exchange for the issuance of sukuk trust certificates. The first trust certificates under the Sukuk Programme were issued in December 2013, in principal amount of U.S.$1.25 billion (QR4.55 billion).

The documentation relating to the trust certificates under the Sukuk Programme contain customary operating covenants and events of default common to agreements of this type, including, but not limited to, non-payment, breach of other obligations set forth in the agreement, misrepresentation of or material non-compliance with a representation or warranty, and certain insolvency, winding-up and related events.

Indebtedness of Ooredoo Q.S.C.

In April 2013, Ooredoo Q.S.C. entered into a four-year revolving credit facility for a principal amount of U.S.$1,000.0 million, maturing in March 2017 and bearing interest at a floating interest rate of LIBOR plus 115 basis points. Ooredoo Q.S.C. used the proceeds of this facility to repay and cancel part of its U.S.$1.25 billion revolving credit facility that matured in May 2013. The remaining balance of U.S.$250 million was repaid using Ooredoo Q.S.C.'s available cash. Ooredoo Q.S.C. is in the process of refinancing its U.S.$1,000.0 million revolving credit facility and expects such refinancing to be completed on or about the date of this Base Prospectus.

In May 2014, Ooredoo Q.S.C. executed a five year revolving credit facility for an amount of U.S.$1,000 million maturing May 2019. The loan has a floating interest rate of LIBOR plus 100 basis points. The amount was used to prepay the U.S.$750 million revolving credit facility maturing May 2015.

In May 2015, Ooredoo Q.S.C. executed another five year revolving credit facility for an amount of U.S.$500 million at an interest of LIBOR plus 88 basis points. The proceeds were used to repay the U.S.$498 million Commodity Murabaha facility.

In August 2015, Ooredoo Q.S.C. obtained a U.S.$150 million term loan from KFW IPEX Bank GMBH at an interest of LIBOR plus 90 basis points and a bullet repayment at final maturity (August 2020). The proceeds were used to fund the current and future rollout of telecommunications network equipment and services provided by European equipment vendors.

In addition, a QR3,000 million (U.S.$824 million) uncommitted facility is available from Qatar National Bank at market rates.

Indebtedness of Indosat Ooredoo and its subsidiaries

Indosat Ooredoo has entered into several loan agreements denominated in IDR and USD, issued fixed rate bonds and sukuk denominated in IDR, and guaranteed notes issued by its financing subsidiary. As at 31 March 2016, outstanding indebtedness of Indosat Ooredoo was Rp22.1 trillion (U.S.$1.7 billion).

The documentation relating to these credit facilities contains certain covenants to be applied at the Indosat Ooredoo level, including, but not limited to, financial covenants relating to the maintenance of debt service, interest cover and leverage ratios, and certain restrictive covenants relating to the business of Indosat Ooredoo and its subsidiaries including, but not limited to, restrictions on disposals and change in business. The documentation relating to these credit facilities also contains customary events of default, including, but not limited to, non-payment, breach of other obligations set forth in the agreement, misrepresentation of or material non-compliance with a representation or warranty, and certain insolvency, winding-up and related events.

In May 2013, Indosat Ooredoo delisted its American Depositary Receipts ("**ADRs**") from the New York Stock Exchange. Indosat Ooredoo's ADR programme was originally undertaken in 1994 in order to provide access to liquidity from investors unable to invest directly in the Indonesian domestic market. The Group believes that the Indonesian Stock Exchange has matured significantly throughout the ensuing period and has developed a significant foreign institutional equity base.

Indebtedness of Asiacell

In June 2012, Asiacell entered into a U.S.$200 million facility with Qatar National Bank for a term of 3 years, and bearing interest rate at 1-month LIBOR plus 1.75 per cent. per annum. This facility is fully guaranteed by Ooredoo Q.S.C.

In September 2014, Asiacell entered into a facility agreement with Ahli Bank for a principal amount of U.S.$48 million, maturing in 30 September 2019 and bearing interest at 6-month LIBOR plus 2.95 per cent.

Indebtedness of Ooredoo Algeria

In July 2015, Ooredoo Algeria entered into a five year term loan facility of DZD38.5 billion with a syndicate of domestic and international banks based in Algeria, bearing interest at the rate of 5.5 per cent. per annum.

In addition, Ooredoo Algeria has entered into several overdraft facilities and one short term loan with different bank lenders. These facilities were entered into at various fixed and floating interest rates and together amount to indebtedness of DZD15.8 billion.

Indebtedness of Ooredoo Myanmar

In October 2015, Ooredoo Myanmar entered into facility agreements with Asian Development Bank and International Finance Corporation for a principal amount of U.S.$150 million each, maturing in 30 June 2020 and bearing interest at LIBOR plus 1.5 per cent. The facilities are fully guaranteed by Ooredoo Q.S.C. for a fee of 4.5 per cent. per annum.

Contractual Obligations

The following table presents the Group's contractual obligations as at 31 December 2015:

	Payment due by period							
	Total	Less than 1 year	1-5 years	More than 5 years	Total	Less than 1 year	1-5 years	More than 5 years
	(QRm)				(U.S.$m)			
Loans and borrowings[1]	52,435.1	8,573.2	26,401.7	17,460.2	14,405.3	2,355.3	7,253.2	4,796.8
Trade payables............	4,978.1	4,978.1	—	—	1,367.6	1,367.6	—	—
Licence costs payable..	1,606.0	1,285.2	320.8	—	441.2	353.1	88.1	—
Finance lease liabilities	1,439.9	246.0	1,118.8	75.1	395.6	67.6	307.4	20.6
Other financial liabilities	1,077.3	844.0	233.3	—	296.0	231.9	64.1	—
Total.........................	**61,536.4**	**15,926.5**	**28,074.6**	**17,535.3**	**16,905.7**	**4,375.5**	**7,712.8**	**4,817.4**

(1) Loans and borrowings include all of the Group's current and non-current loans and borrowings as at 31 December 2015. See note 25, "*Loans and borrowings*", of the Notes to the Consolidated Financial Statements for the year ended 31 December 2015. For a discussion of the tender offer term agreement, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Indebtedness*" above.

The Group also had capital expenditure commitments as at 31 March 2016 for QR4,787.9 million (U.S.$1,315.4 million).

Capital Expenditures

For the year ended 31 December 2015 the Group incurred capital expenditures for property, plant and equipment of QR8,536.9 million (U.S.$2,345.3 million), as compared to capital expenditures of QR8,391.0 million (U.S.$2,305.2 million) for the year ended 31 December 2014 and QR9,297.9 million (U.S.$2,554.4 million) for the year ended 31 December 2013. The Group's capital expenditures are predominantly for the expansion of the coverage, capacity and network quality in the Group's mobile networks and the deployment of new technologies.

The Group expects that most of its capital expenditures in the near future will be related to expanding, developing and improving its networks in all of its key markets and expects its capital expenditures in 2016 to be between approximately QR6.5 billion (U.S.$1.79 billion) and QR7.5 billion (U.S.$2.06 billion), of which approximately QR1 billion (U.S.$274.7 million) had already been spent as at 31 March 2016. The Group currently expects its level of capital expenditures to decrease slightly over the next two years due to significant capital expenditure already incurred in connection with the upgrade of its existing network infrastructure in the past few years.

Off-Balance Sheet Arrangements

The Group does not have any off-balance sheet arrangements that have or are reasonably expected to have a material current or future effect on its financial condition, revenue, expenses, results of operations, liquidity, capital expenditures or capital resources. As at 31 March 2016, Ooredoo had QR985.0 million (U.S.$270.6 million) of contingent liabilities in the form of letters of guarantee and QR156.8 million (U.S.$43.1 million) of contingent liabilities in the form of letters of credit, which Ooredoo utilises in the ordinary course of business in connection with its operations. See Note 18, "*Contingent Liabilities and Litigations*", to the condensed consolidated interim financial statements for the three months ended 31 March 2016 for a description of Ooredoo's commitments and contingencies.

Quantitative and Qualitative Disclosures About Market Risk

The Group is exposed to market risks from changes in both foreign currency exchange rates and interest rates. It is also exposed to credit and liquidity risks. The Group uses financial instruments, such as foreign exchange forward contracts, foreign currency options and interest rate swaps to manage these market risks. For further information regarding the Group's market risk, see Note 33, "*Financial Risk Management*", to the consolidated financial statements for the year ended 31 December 2015.

Interest Rate Risk

The Group is subject to market risk resulting from changes in interest rates, which may affect the cost of its current floating rate borrowings and future financing. The Group's interest bearing financial liabilities subject to a floating interest rate amounted to 34 per cent. of the Group's borrowings as at 31 December 2015, compared to approximately 29 per cent. as at 31 December 2014. The increase is primarily due to refinancing of certain fixed rate bonds of the Group by floating rate debt. A hypothetical 25 basis point change in interest rates on the floating rate portion of the Group's borrowings would result in a change in its finance costs of approximately QR36.4 million (U.S.$10.0 million) per year.

Currency Risk

The Group has operations across the MENA and the Asia Pacific regions and operates in a number of foreign currencies, which gives rise to transactional and translational foreign exchange risk. The Group's various assets and liabilities are denominated mainly in U.S. Dollars, Indonesian Rupiah, Tunisian Dinar, Kuwaiti Dinar, Algerian Dinar, Myanmar Kyat and certain other currencies. The Group's main functional currency, the Qatari Riyal, is pegged to the U.S. Dollar. The Group manages currency risks by either off-setting the currency position (through borrowing in the same currency) or through the use of derivatives, as appropriate, in accordance with internal policies.

Credit Risk

Credit risk represents the loss that would be recognised if counterparties fail to perform as contracted. The Group provides telecommunications services to a variety of customers and distributors of its prepaid cards. The Group seeks to limit its credit risk with respect to customers by: subjecting all customers receiving credit to credit verification procedures; monitoring, on an ongoing basis, receivable balances; and setting limits on the amount of service each customer may purchase, which are reviewed regularly with regard to the level of past transactions and settlement. In addition, the Group's receivable balances are monitored on an ongoing basis to limit its exposure to bad debts. The Group seeks to limit its credit risk with respect to distributors by selling prepaid cards through its own shops and through subsidiary distributors and by obtaining bank guarantees from third-party distributors. With respect to credit risk arising from the Group's other financial assets, which comprise cash and cash equivalents and other receivables, the Group's exposure to credit risk arises from default of the counterparty (mainly financial institutions), with a maximum exposure equal to the carrying amount of these instruments. The Group maintains credit limits with respect to counterparties that are financial institutions and evaluates the credit status of those financial institutions on an annual basis.

Liquidity Risk

The Group seeks to maintain a balance between continuity of funding and flexibility through the use of cash in hand, overdrafts, bank facilities and a conservative debt maturity profile to reduce its exposure to liquidity risk. Specifically, it seeks to limit liquidity risk by ensuring that bank facilities are available.

As at 31 March 2016, the Group had cash balances and undrawn committed facilities to provide liquidity as required, including approximately QR6.4 billion (U.S.$1.7 billion) available under the Group's facility agreements and cash and bank balances of QR17.8 billion (U.S.$4.9 billion).

Recent Accounting Pronouncements

A number of new standards, amendments to standards and interpretations of IFRS have been issued but are not yet effective. For a discussion of these recent accounting pronouncements, see Note 3.3, "*IASB Standards and Interpretations Issued not yet Effective*" in the Notes to the consolidated financial statements for the year ended 31 December 2015.

The Group anticipates that all of these standards and interpretations will be adopted in its consolidated financial statements from their effective dates. The Group does not expect that the application of these new standards and amendments will have a material effect on its consolidated financial statements.

BUSINESS DESCRIPTION OF THE GROUP

Overview

The Group is an international telecommunications company primarily operating mobile telecommunications networks in 12 countries in the MENA and Asia Pacific regions, with a total customer base of 118 million as at 31 March 2016. The Group operates a portfolio of brands including Ooredoo, Indosat Ooredoo, Wataniya and Asiacell. The Group's principal activity is the provision of wireless (comprising cellular telephone technologies and services) and wireline (comprising broadband solutions and fibre technologies) services to both the consumer and business markets.

The Group's parent company is Ooredoo Q.S.C., whose shares are listed on the Qatar Stock Exchange, the London Stock Exchange (via global depositary receipts) and the Abu Dhabi Securities Exchange. Ooredoo was originally established as Qatar Public Telecommunications Corporation on 29 June 1987, to provide domestic and international telecommunication services within Qatar. Ooredoo is one of two telecommunications service providers licensed by the Ministry of Transport and Communications to provide both fixed and mobile telecommunications services in Qatar. As a licensed service provider, the conduct and activities of Ooredoo are regulated by the CRA pursuant to Law No. 34 of 2006 (the "**Qatari Telecommunications Law**") and the Applicable Regulatory Framework. Ooredoo's registered office is located at 100 West Bay, P.O. Box 217, Doha, Qatar. Ooredoo's commercial registration number is 21183.

The Group believes that its five most significant markets by revenue are as follows:

- ***Qatar***: the Group operates in Qatar through Ooredoo Q.S.C. (formerly "**Qatar Telecom (Qtel) Q.S.C.**"), which, until March 2009, was the only provider of fixed line and mobile telecommunications services in Qatar. Ooredoo provides mobile telecommunications to both postpaid and prepaid customers, fixed line telephony and internet access, corporate data services, cable television and international gateway services in Qatar. For the three-month period ended 31 March 2016, Ooredoo's operations contributed 25.3 per cent. of the Group's revenue and Ooredoo had a combined 3.5 million mobile and fixed line customers as at 31 March 2016.

- ***Indonesia***: the Group operates in Indonesia through Indosat Ooredoo, formerly known as Indosat, a fixed line and mobile telecommunications provider that the Group acquired in June 2008. Indosat Ooredoo provides a variety of mobile telecommunications services, mostly to prepaid customers, fixed line telephony, internet access and internet telephony services, operates its own international gateway in Indonesia, provides a fixed closed network and operates two satellites. As at 31 March 2016, the Group held a 65.0 per cent. effective stake in Indosat Ooredoo. For the three-month period ended 31 March 2016, Indosat Ooredoo contributed 23.3 per cent. of the Group's revenue and had a combined 69.8 million mobile and fixed line customers as at 31 March 2016.

- ***Kuwait***: in March 2007, the Group acquired National Mobile Telecommunications Company K.S.C.P. ("**Wataniya**"). Wataniya has shareholdings in telecommunications providers operating in Algeria, Maldives, Tunisia and Palestine, and its operations in Kuwait have since been rebranded as "Ooredoo Kuwait". Ooredoo Kuwait provides mobile telecommunications services to both postpaid and prepaid customers. In October 2012, the Group increased its stake in Wataniya from 52.5 per cent. to 92.1 per cent. following a tender offer. Ooredoo Kuwait's operations contributed 7.7 per cent. of the Group's revenue for the three-month period ended 31 March 2016 and had 2.4 million mobile customers as at 31 March 2016.

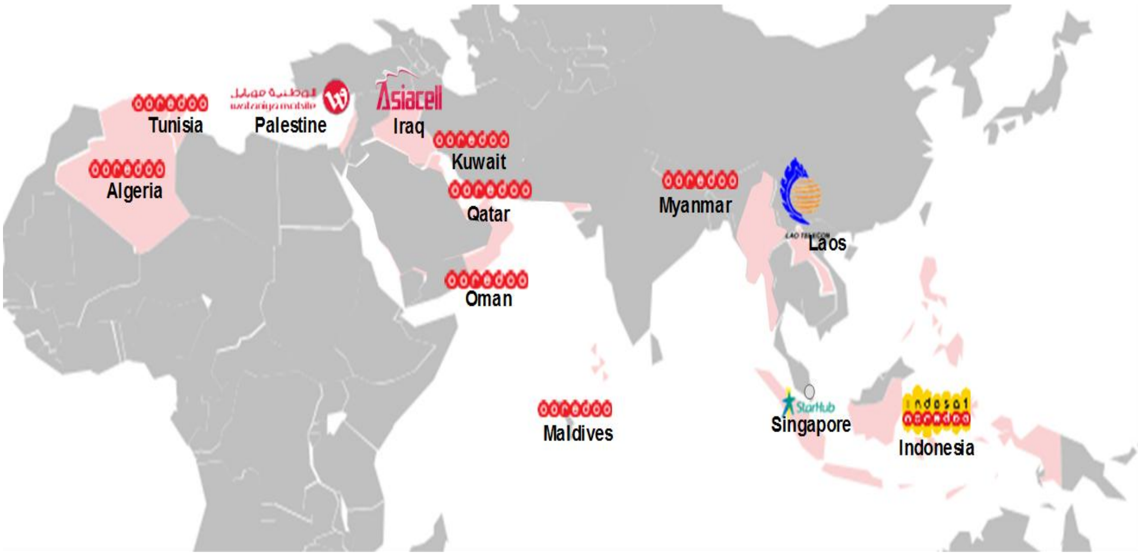
- ***Iraq***: in August 2007, the Group acquired a 30.0 per cent. direct shareholding in Asiacell, an Iraqi mobile telecommunications provider, increasing its economic interest up to 53.9 per cent. in June 2012, and then to 64.1 per cent. in February 2013, following Asiacell's initial public offering. Asiacell provides services to prepaid and postpaid customers and contributed 13.6 per cent. of the Group's revenue for the three-month period ended 31 March 2016 and had 10.7 million mobile customers as at 31 March 2016.

- ***Algeria***: Ooredoo Algeria, formerly known as "Nedjma", is a provider of mobile telecommunication services to both postpaid and prepaid customers in Algeria and is a direct subsidiary of Wataniya. "Nedjma" was rebranded as "Ooredoo" in 2013. Its operations contributed 11.8 per cent. of the Group's revenue for the three-month period ended 31 March 2016 and had 13.2 million mobile customers as at 31 March 2016. Ooredoo Q.S.C. owns a 92.1 per cent. stake in Wataniya. Ooredoo Q.S.C. directly, and indirectly through Wataniya, holds an 80 per cent. stake in the operations of Ooredoo Algeria. This gives Ooredoo an effective 74.4 per cent. economic interest in Ooredoo Algeria.

Together, operations in these five countries accounted for 81.6 per cent. of the Group's revenue for the three months ended 31 March 2016. The Group believes it has geographically diverse mobile telecommunications businesses, with operations in relatively developed markets, such as Qatar, Kuwait and Oman, which generate significant cash flow for the Group, and in developing telecommunications markets with potential for high growth, such as Indonesia, Myanmar and Iraq, among others. The Group also operates a number of other telecommunications businesses, which are complementary to its existing mobile telecommunications businesses, such as cable television services, broadband internet services, fixed-line telecommunications services and corporate managed services. However, the Group's revenue is primarily derived from the operation of its mobile networks. In the three-month period ended 31 March 2016, the Group's wireless services, which are predominantly related to its mobile telecommunications businesses, contributed 86.1 per cent. of the Group's revenue.

The Group has developed its mobile telecommunications businesses by acquiring new licences and building its own network infrastructure, for example in Oman in 2005, and by acquiring existing operators with established network infrastructure, such as in Iraq, Algeria, Kuwait, Maldives, Palestine and Tunisia in 2007 and Indonesia in 2008. In June 2013, following a government bid process, Ooredoo was one of the successful bidders for the two 15-year licences made available to foreign operators in Myanmar. Based on the Group's internal analysis (see "Presentation of Financial and Other Information—Market Share"), as at 31 December 2015 the Group was one of the top three largest operators by both revenue and number of customers in each of the key markets of Qatar, Indonesia, Kuwait, Algeria and Iraq, as well as Myanmar, Tunisia and Oman. The Group regularly evaluates opportunities to acquire other mobile operators and licences in the MENA and Asia Pacific regions.

The following illustration highlights Ooredoo's presence across the various markets in which it operates worldwide, as at the date of this Base Prospectus:



Corporate History

Qatari Origins

Prior to Ooredoo Q.S.C.'s incorporation in 1987, domestic telecommunication services in Qatar were provided by a partnership between Qatar and a U.K. telecommunications company. The Telecommunications Department of the Ministry of Transport and Communications of Qatar supervised all technical aspects of domestic and international civilian telecommunications in Qatar. Ooredoo Q.S.C. was originally established as Qatar Public Telecommunications Corporation on 29 June 1987 pursuant to

Law No. 13 of 1987, to provide domestic and international telecommunication services within Qatar. Under this law, Ooredoo Q.S.C. was granted sole responsibility for the provision of telecommunications services in Qatar. During this period, Ooredoo Q.S.C. served as the telecommunications regulator for Qatar.

Qatar Public Telecommunications Corporation was converted into a Qatari Shareholding Company under the name of Qatar Telecom (Qtel) Q.S.C. on 25 November 1998, pursuant to Law No. 21 of 1998. In March 2013, Ooredoo Q.S.C., previously branded as "*Qatar Telecom*" and "*Qtel*", announced that its operating subsidiaries would adopt the "**Ooredoo**" brand over time, and in June 2013, Qatar Telecom (Qtel) Q.S.C. legally changed its name to Ooredoo Q.S.C.

Ooredoo Q.S.C.'s shares were listed on the Qatar Stock Exchange (then known as the Doha Securities Market) in 1998, on the London Stock Exchange (by way of global depositary receipts) in 1999 and on the Abu Dhabi Securities Exchange in 2002.

The terms of the legislative concession of 1998 granting Ooredoo Q.S.C. the right to be the exclusive provider of domestic and international telecommunications services in Qatar for a period of 15 years required Ooredoo Q.S.C. to pay an annual royalty to the Government equivalent to 25 per cent. of Ooredoo Q.S.C.'s net profit attributable to the shareholders of Ooredoo Q.S.C. The Qatari Telecommunications Law provided for the repeal of this exclusive concession and **provided that** Ooredoo Q.S.C. should continue paying the royalty until a competing and licensed service provider commenced offering its services to the public. Ooredoo Q.S.C. discontinued payment of the royalties from 1 March 2009, when Vodafone Qatar switched on its network for two way communication.

Subsequently, in March 2010, the Minister of Economy and Finance of Qatar issued a Decree requiring Ooredoo Q.S.C. to cease payment of the royalty to the Government with effect from 7 October 2007, which is the commencement date of the licence granted to Ooredoo Q.S.C. under the Qatari Telecommunications Law. As at the date of this Base Prospectus, Ooredoo Q.S.C. has satisfied all outstanding royalty payments to the Government. Under its operating licence granted by the CRA, Ooredoo Q.S.C. is instead obligated to pay to the CRA an annual industry fee of 12.5 per cent. on adjusted profits generated from Ooredoo Q.S.C.'s operations in Qatar. For the purposes of calculating the industry fee, adjusted net profits are calculated as the difference between Ooredoo Q.S.C.'s net revenue and any allowable operating expenses that Ooredoo Q.S.C. has incurred in the relevant calendar year that are directly related to its regulated activities under its telecommunications licence.

See "*—Principal Operations—Qatar—Regulation*" for a discussion of the industry fee that Ooredoo Q.S.C. and other service providers are required to pay in respect of licensed activities in Qatar.

International Expansion

The growth of the Group's business since 2005 has been driven in significant part by a number of acquisitions in the MENA and Asia Pacific regions. A summary of the significant acquisitions by the Group during this period is set out below.

- ***Oman***: In March 2005, the Group began its international expansion by acquiring a licence in Oman and establishing Nawras to offer mobile telecommunications services. In November 2010, Nawras completed its initial public offering, the largest in Oman since 2005, which was fully subscribed and raised around OMR182.3 million (U.S.$474.2 million). Shares of Nawras began trading on the Muscat Securities Exchange in November 2010. In 2014, Nawras was rebranded as "Ooredoo Oman".

- ***Kuwait***: In March 2007, the Group acquired a 51.0 per cent. direct shareholding in Wataniya, now known as Ooredoo Kuwait, a Kuwaiti telecommunications company with subsidiaries in Algeria, Maldives, Tunisia and Palestine. In October 2008, Ooredoo increased its direct shareholding to 52.5 per cent., and in October 2012, Ooredoo completed a tender offer to acquire 39.6 per cent. of the remaining issued shares of Ooredoo Kuwait, for a total consideration of KD519.1 million (U.S.$1.8 billion). Following the completion of this tender offer, Ooredoo increased its direct shareholding in Ooredoo Kuwait to around 92.1 per cent. In March 2016, Ooredoo Kuwait signed an agreement to acquire 100 per cent. of FASTtelco's shares in exchange for KWD 11 million, and the relevant regulators granted the necessary approvals in May 2016.

- ***Tunisia***: In March 2007, the Group acquired a 25.5 per cent. indirect shareholding in "Tunisiana", now known as Ooredoo Tunisia, through its acquisition of Ooredoo Kuwait, which held a direct shareholding of 50.0 per cent. in Ooredoo Tunisia. In January 2011, Ooredoo Kuwait increased its direct shareholding in Ooredoo Tunisia to 75.0 per cent., as part of a consortium with a third party to acquire the remaining 50.0 per cent. shareholding in Ooredoo Tunisia not owned by Ooredoo Kuwait. Following completion of Ooredoo's tender offer in October 2012, increasing its stake in Ooredoo Kuwait to 92.1 per cent., Ooredoo's indirect shareholding in Ooredoo Tunisia increased to 69.1 per cent. In December 2012, the Group purchased a 15.0 per cent. direct shareholding in Ooredoo Tunisia from the Republic of Tunisia for a total consideration of U.S.$360 million. As a result of this acquisition, Ooredoo's direct and indirect shareholding in Ooredoo Tunisia increased from 69.1 per cent. to 84.1 per cent.

- ***Palestine***: In March 2007, the Group acquired a 29.1 per cent. indirect shareholding in Wataniya Palestine Mobile Telecommunications P.S.C. ("**Wataniya Palestine**") through its acquisition of Ooredoo Kuwait, which held a direct shareholding of 57.0 per cent. in Wataniya Palestine. In January 2011, Wataniya Palestine completed its initial public offering, the largest to take place in Palestine since 2000, raising a total of U.S.$50.3 million and reducing Ooredoo Kuwait's direct shareholding in Wataniya Palestine to 48.5 per cent. The shares of Wataniya Palestine are listed on the Palestine Exchange. Following completion of Ooredoo's tender offer in October 2012 increasing its stake in Ooredoo Kuwait to 92.1 per cent., Ooredoo's indirect shareholding in Wataniya Palestine increased to 44.6 per cent.

- ***Singapore***: In March 2007, the Group purchased a 25.0 per cent. direct shareholding in Asia Mobile Holdings, a joint venture with Singapore Technologies Telemedia. Asia Mobile Holdings held a 49.0 per cent. direct shareholding in StarHub, a telecommunications company in Singapore. In November 2011, Asia Mobile Holdings acquired a further 7.5 per cent. of StarHub, increasing its direct shareholding to 56.6 per cent. and the Group's indirect shareholding to 14.1 per cent.

- ***Iraq***: In August 2007, the Group acquired a 30.0 per cent. direct shareholding in Asiacell, an Iraqi mobile telecommunications provider, increasing its economic interest up to 53.9 per cent. in June 2012 and then to 64.1 per cent. in February 2013, following Asiacell's initial public offering.

- ***Qatar***: In October 2007, the Group acquired a 51.0 per cent. direct shareholding in communications and media retail and logistics business Starlink Company W.L.L. ("**Starlink**"). In December 2010, the Group increased its direct shareholding in Starlink to 60.0 per cent. and in July 2012, the Group further increased its direct shareholding in Starlink to 72.5 per cent.

- ***Indonesia***: In June 2008, the Group acquired a 40.8 per cent. direct shareholding in Indosat Ooredoo. In March 2009, the Group increased its direct shareholding in Indosat Ooredoo to 65.0 per cent. when it successfully completed a cash tender offer for 24.2 per cent. of Indosat Ooredoo's voting shares.

- ***Myanmar***: In June 2013, following a government bid process, Ooredoo was one of the successful bidders for the two 15-year licences made available to foreign operators in Myanmar. Ooredoo received its licence to operate in Myanmar in February 2014 and launched its mobile services in Myanmar in August 2014.

Separately, in August 2014 Ooredoo and Rocket Internet created the Asia Pacific Internet Group ("**APACIG**") (formerly known as Asia Internet Holding), a joint venture that aims to build and fund online start-ups. Each of Ooredoo and Rocket Internet holds a 50 per cent. stake in the venture. As at 31 March 2016, APACIG manages the operations of 16 companies over 15 markets within the Asia Pacific region. Its portfolio of companies includes online retail and marketplaces, travel and hotel bookings and classified services. Ooredoo's total financial commitment to APACIG is EUR180 million, of which approximately EUR125 million has been contributed as at 31 March 2016.

Capital Structure

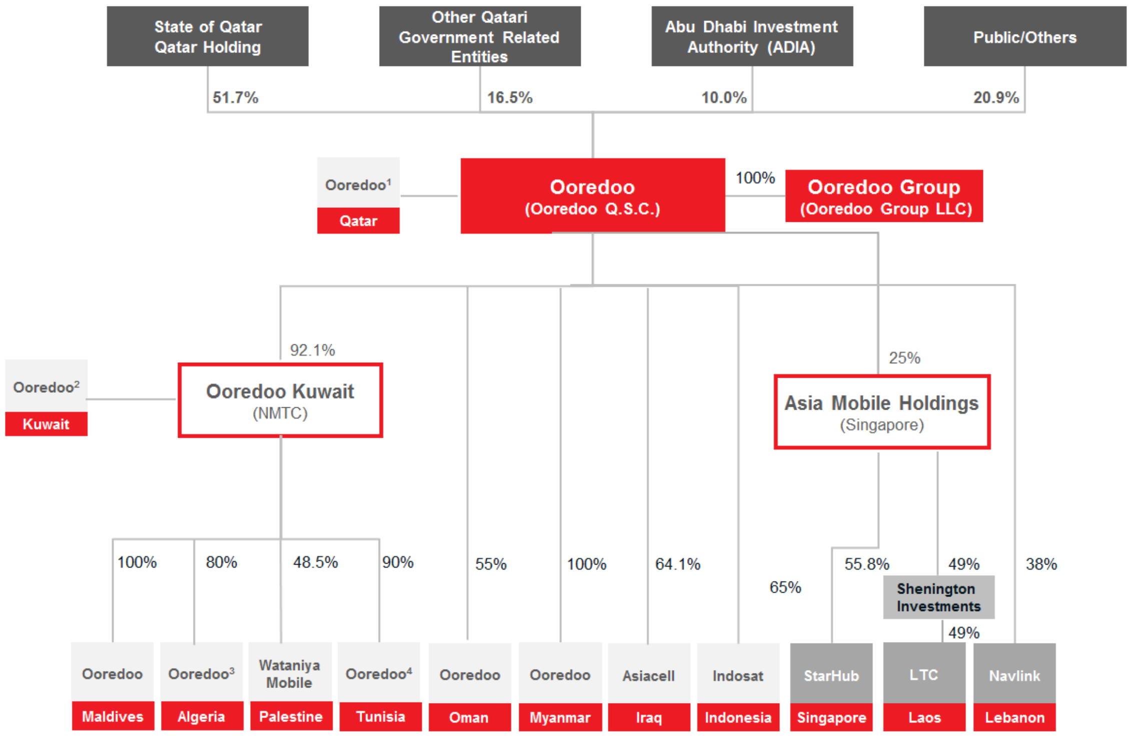
As at 31 March 2016, the authorised share capital of Ooredoo Q.S.C. consisted of 500,000,000 ordinary shares of QR10 each, of which 320,320,000 ordinary shares were in issue. In May 2012, the Group announced an increase in Ooredoo's share capital by way of offering 91,520,000 new shares to existing shareholders in the proportion of two shares for every five shares held at a rights price of QR75 per share. This rights issue was fully subscribed and raised around QR6.9 billion (U.S.$1.9 billion).

The State of Qatar is Ooredoo's largest shareholder, holding, through its wholly-owned subsidiary Qatar Holding LLC (an entity established by the Qatar Investment Authority), 51.7 per cent. of Ooredoo's outstanding voting shares as at the date of this Base Prospectus. In addition, Qatar holds the Golden Share, which, in accordance with the Articles of Association, gives Qatar the exclusive right to, amongst other things, appoint and remove five of the 10 members of the Board, including the Chairman of the Board, together with the right to approve, veto and reverse certain decisions of Ooredoo. Qatar's right to appoint and remove five of the 10 members of the Board applies for so long as its shareholding is maintained.

Any remaining directors not appointed by Qatar are appointed by the General Assembly of Ooredoo by way of a secret ballot in which Qatar has no voting rights. As at 31 March 2016, other than Qatar Holding LLC, major shareholders include, but are not limited to, a variety of Government-related entities, including the General Retirement and Social Insurance Authority, General Military Retirement and Social Insurance Authority and other Government-related entities, together owning an additional 16.5 per cent. of Ooredoo's outstanding issued voting shares, and the Abu Dhabi Investment Authority ("**ADIA**") which holds a 10.0 per cent. shareholding and has two representatives on the Board. Several members of the Board have held or currently hold positions in the Government of Qatar. See "*Corporate Governance*".

Operational Structure

The following diagram sets forth the Group's corporate structure as at the date of this Base Prospectus:



Notes:

(1) Qatar Operations integrated within Ooredoo Q.S.C., which also holds 72.5% of Starlink Qatar.

(2) Operations integrated within Wataniya.

(3) 71 per cent. in Ooredoo Algeria is held via Wataniya and a 9 per cent. stake is held via direct special purpose vehicles of Ooredoo Q.S.C., resulting in an effective holding of 74.4 per cent.

(4) 75 per cent. in Ooredoo Tunisia is held via Wataniya and a 15 per cent. stake is held via a direct special purpose vehicle of Ooredoo Q.S.C., resulting in an effective holding of 84.1 per cent.

Although the Group's subsidiaries operate independently of one another, the Group exercises control over the quality and direction of the services provided by each subsidiary through oversight procedures conducted by the Group's management.

Strategy

The Group underwent a phase of international expansion in the period between 2006 and 2014 during which time it focused on acquisitions in a number of different markets, see further "—*Corporate History—International Expansion*". This was subsequently followed by the launch of a unified "Ooredoo" brand and the roll-out of the brand in the majority of the markets in which it operates. The Group has now scaled up and is focused on optimising its portfolio, extracting value from its past acquisitions and creating shareholder value. It will continue to assess and seek out further opportunities for inorganic growth through acquisitions on a case-by-case basis where such acquisition strategically supplements a gap in the Group's portfolio, but the main strategic focus of the Group at present is to consolidate its market position by focusing on operational speed, execution excellence and robust performance management. In 2016, the Group announced its new strategy, named "LEAD", which is designed to provide the appropriate strategic focus for its operating companies while allowing for local implementation to take into account the competitive dynamics and business environment of each local market.

LEAD is comprised of three pillars: (i) the first pillar is for the Group to become a market leader in each of the market in which it operates, (ii) the second pillar is to instil a performance-focused culture within the Ooredoo organisation and lastly (iii) the third pillar is to implement and operate efficient business models across the organisation.

Market leadership

Although the Group has become one of the market leaders in a number of the markets in which it operates, it strives to attain above-market growth rates by:

- *Providing leading networks*. This can be achieved by differentiating the quality and user experience of Ooredoo's network in each of the relevant markets. For instance, given the increasing importance of data-related revenue to the revenue mix of the Group (data revenue is expected to exceed voice revenue by 2018), the Group has strategically focused on investing in advanced telecommunication technology and infrastructure in emerging markets to position itself as the leading data-service provider. For example, Ooredoo Myanmar by-passed 2G network services and began its operation with a 3G roll out even though there was originally not a high level of smart phone penetration in the market. In addition, the Group has deployed 4G services in Qatar, Oman, Kuwait, Indonesia, Maldives, Tunisia and Myanmar and will soon launch 4G services in Algeria, where Ooredoo Algeria is the leading data service and 3G provider. In markets where there is a high level of smart phone and smart device penetration, the Group has invested in and rolled out 4G+ (LTE Advanced) services including in Qatar, Kuwait, Maldives, Tunisia and Oman, thereby providing a better user experience for data customers.

- *Improving distribution.* The Group aims to build superior distribution capabilities in each of the markets in which it operates by having superior reach (ensuring that the Group's products and services are distributed through the highest number of outlets and having accessible outlets for credit top-ups in markets dominated by prepaid mobile users), proximity (ensuring that its products and services are available for distribution through retail channels which are close to large concentrations of the local population) and by implementing superior programmes to incentivise retailers to promote Ooredoo products and services over those of its competitors. For instance, in Indonesia, Indosat Ooredoo is seeking to exert greater control over its retail distribution channel and has entered into a joint venture / cooperation agreement with Erajaya, one of Indonesia's leading mobile phone distributors, under which Erajaya will construct and operate retail outlets that exclusively sell Indosat Ooredoo products.

- *Providing smart services.* In view of the increasing demand for data services, the Group seeks to have its various operating subsidiaries deploy the most relevant smart services in each market. This will in turn support customer acquisition and retention in those markets, stimulate data monetisation and open up new sources of revenue for the Group. For example, in February 2016, Ooredoo became the first operator in the Gulf region to offer a commercial 4K TV service. The 4K picture quality allows viewers to enjoy a high definition experience even on the largest screens. The new service has been designed as an evolution in home entertainment services, combining mobile "apps", on-demand and live television in one easy-to-use box. In addition, the Group is developing a comprehensive machine-to-machine ("**M2M**") and Internet of Things

("**IoT**") portfolio for customers across its footprint, and is partnering with third parties to provide best-in-class entertainment and other smart applications and services to its customers. Other smart services include the launch of "Mobile Money" in Qatar which is a mobile wallet service that allows customers to deposit, withdraw, pay and send money through their phones.

Performance culture

In order to promote a performance-driven "Ooredoo culture" across all of its operations, the Group focuses on:

- recruiting and retaining the best talent in each area across its operations;
- empowering local teams to make timely and effective decisions thereby increasing operational accountability in each local business; and
- instilling a corporate culture of accountability focused on business results.

The Group has implemented various internal policies to support each of the above objectives, including the adoption of a variable compensation system for management, linked with financial performance and short and long term value creation objectives. The Group has also been working to refine its operating model.

Efficient business models

The Groups strives to become leaner and more agile as an organisation and to fully leverage opportunities for synergies across its business. This involves:

- *Adopting asset-light business models*. Although the industry in which the Group operates is characterised by substantial capital expenditure and investment, the Group believes there are opportunities to improve efficiencies by moving into asset-light business models, for example, by sharing network infrastructure. The Group is currently sharing fibre networks in Indonesia and towers in Qatar and Myanmar under infrastructure sharing agreements with other telecommunications services operators. Infrastructure sharing is also in progress in Iraq, Indonesia, Oman and Tunisia.
- *Optimising its customer touch points and digitising customer interactions*. The Group aims to manage costs through the implementation of, and investments in, online and mobile platforms for customer interaction.
- *Deploying group synergies across its business*. The Group believes that managerial synergies can be created across its business through knowledge pooling and sharing of best practices between its various operating companies with its central organisation performing the role of an "active performance manager". In addition, the Group is focusing on driving synergies in areas such as sourcing and treasury through collective procurement and funding to leverage the benefits deriving from economies of scale. In particular, the Group established in 2013 a strategic sourcing business unit which is currently implementing a centralised strategic sourcing approach across the Group to leverage the Group's scale and greater collective negotiating power and achieve higher savings in areas such as radio access network (RAN), core network equipment procurement, information technology and professional services.

Competitive Strengths

The Group believes that its business is characterised by the following key competitive strengths.

Government ownership

The State of Qatar is Ooredoo's largest shareholder, owning through its wholly-owned subsidiary Qatar Holding LLC, 51.7 per cent of Ooredoo's outstanding issued voting shares. In addition, Qatar holds the Golden Share in Ooredoo (see "*Business Description of the Group—Capital Structure*"). Other Government-related entities together own an additional 16.5 per cent of Ooredoo's outstanding issued voting shares.

Furthermore, several members of the Board have held or currently hold positions in the Government. The State of Qatar's representatives on the Board also hold other key roles in Qatar's political, governing and corporate arenas. Ooredoo believes that it has the support of the State of Qatar with regard to the operation of its businesses as demonstrated by the State of Qatar's participation in all of Ooredoo Q.S.C.'s rights issue offerings to date. As at the date of this Base Prospectus, the State of Qatar has investment grade sovereign credit ratings of AA (S&P), AA (Fitch) and Aa2 (Moody's), with Moody's assigning a negative outlook.

Leading market position

The Group believes that it is among the leaders, in terms of revenue and number of customers, in the mobile telecommunications industry in the markets in which it operates. Because of its position as the sole telecommunications provider in Qatar prior to March 2009, Ooredoo has been able to build and maintain a strong domestic market position and a consistent revenue base. These strengths have allowed the Group to expand internationally between 2006 and 2014. For example, the Group believes that Ooredoo's acquisition of Indosat Ooredoo in June 2008, the joint acquisition of an additional 25.0 per cent of Ooredoo Tunisia, via Ooredoo Kuwait, in January 2011 and the increases in Ooredoo's stake in Asiacell in June 2012 and February 2013, Ooredoo Kuwait in October 2012 and the acquisition of FASTtelco in 2016 were all supported by its strong capital and revenue base. The Group believes that its acquisitions and increases in stakes from 2007 onwards have strengthened its overall competitive position and improved its growth prospects.

Diversified and balanced international portfolio

The Group has established a diversified and balanced international portfolio of telecommunications assets in 12 countries in the MENA and Asia Pacific regions, with a total customer base of approximately 118 million as at 31 March 2016. The Group believes that it has a geographically diverse mobile telecommunications business, with operations in relatively developed markets, such as Qatar, Kuwait and Oman, and in markets with a higher potential for growth, such as Myanmar, Indonesia and Iraq. Moreover, the Group believes it has demonstrated an ability to grow telecommunications businesses in emerging markets, and that its diverse geographic base along with its leading market position in most of the markets in which it operates mitigates certain risks that would otherwise be associated with a narrow focus on fewer markets.

Experienced international management team

The Group's management team of industry professionals has significant experience in the mobile and fixed-line telecommunications sectors and a proven track record in growing telecommunications business in Qatar and internationally. In addition, the Group continues to appoint key personnel to better position its business for its next growth phase. The Group believes that the composition of its management team puts it in a strong position to successfully implement its strategies, as well as to improve its operating performance as the Group encounters opportunities to further monetise its significant investments in infrastructure to date.

Senior Ooredoo executives sit on the boards of directors of all of Ooredoo's direct subsidiaries, including some of those in which the Group maintains only a minority shareholding, such as Asia Mobile Holdings and NavLink, ensuring consistency with and implementation of the Group's overall strategy.

Products and Services

The Group derives its revenue by providing telecommunications services to its customers. For the three-month period ended 31 March 2016, the Group's revenue was QR7,888.1 million (U.S.$2,167.1 million), of which QR6,789.2 million (U.S.$1,865.2 million) or 86.1 per cent. was from providing wireless services, which are predominantly related to providing mobile telecommunications services. The following table sets forth details of the Group's principal products and services offerings or licences it offers in the markets indicated. For a description of these products and services, see "*Business Description of the Group—Products and Services—Wireless Businesses*".

Market	Operator	Wireless Technologies: Mobile Telecommunications	Wireless Technologies: Mobile Broadband	Wireline Businesses: Fixed Network	Wireline Businesses: Other Services
Operations					
MENA					
Qatar	Ooredoo Q.S.C.	Tetra, GSM, WCDMA, LTE	HSPA/HSPA+ LTE/LTE+	Telephony, Fixed Internet Access, IPX FTTX	International Gateway TV, Corporate Managed Services VSAT Services Fibre Home Broadband, IPTV, Business Cloud Storage
Kuwait	Ooredoo Kuwait	GSM, WCDMA, LTE	HSPA/HSPA+ LTE/LTE+	FTTX[(1)]	
Iraq.................	Asiacell	GSM,WCDMA	HSPA/HSPA+		
Oman	Ooredoo Oman	GSM, WCDMA, LTE	HSPA/HSPA+ LTE/LTE+	Telephony, Fixed Internet Access, FTTX, TD-LTE	International Gateway
Algeria	Ooredoo Algeria	GSM, WCDMA, LTE	HSPA/HSPA+ LTE	Internet access	
Tunisia	Ooredoo Tunisia	GSM, WCDMA, LTE	HSPA/HSPA+LTE/LTE+	Telephony, Fixed Internet Access, FTTX	International Gateway
Lebanon..........	Navlink[(2)]				Corporate Managed Services
Palestine	Wataniya Palestine	GSM[(3)]			International Gateway[(4)]
Asia Pacific					
Indonesia	Indosat Ooredoo	GSM, WCDMA, CDMA[(5)], LTE	HSPA/HSPA+ LTE	Telephony, Fixed Internet Access, FTTX	International Gateway, Satellite Services, Corporate Managed Services[(6)]
Myanmar	Ooredoo Myanmar[(7)]	WCDMA, LTE	HSPA/HSPA+ LTE		International Gateway
Maldives	Ooredoo Maldives	GSM,WCDMA LTE	HSPA/HSPA+ LTE/LTE+		International Gateway

(1) FTTX in Kuwait offered through FASTtelco subsidiary.
(2) NavLink provides managed services, data hosting and other enterprise services.
(3) 3G/WCDMA/HSPA is being rolled out in Palestine.
(4) Wataniya Palestine has an International Gateway licence but it is not operational since the Gateway is under the control of the Israeli authorities.
(5) Indosat Ooredoo is in the process of converting its CDMA spectrum to eGSM spectrum to be used for regular GSM cellular business.
(6) Indosat Ooredoo Corporate Managed services delivered through Lintasarta and other Indosat Ooredoo subsidiaries.
(7) Ooredoo Myanmar is licensed to provide both wireless and fixed line services. However, it currently does not provide any fixed line services.

Wireless Businesses

Mobile Telecommunications

The Group operates a number of different types of mobile technologies in the markets in which it operates:

- *TETRA*: stands for Terrestrial Trunked Radio. It is a digital trunked mobile radio standard developed to meet the needs of traditional Professional Mobile Radio (PMR) user organisations such as various governmental, military, commercial and industrial organisations and companies. It is a digital mobile telecommunication system that allows two-way radio communications.

- *GSM*: stands for Global System for Mobile Communications, a comprehensive digital network for the operation of all aspects of a cellular telephone system. GSM operates in the 900MHz and 1.8GHz bands. By having a harmonised spectrum across most of the globe, GSM's international roaming capability is designed to allow users to access the same services when travelling abroad as they can at home. This type of mobile technology includes:

    - *GPRS*: stands for General Packet Radio Service, a packet-based telecommunications service designed to send and receive data at rates from 56 Kbps to 114 Kbps that is designed to allow continuous connection to the internet for mobile phone and computer uses. GPRS is a specification for data transfer over GSM networks.

    - *EDGE*: stands for Enhanced Data Rates for Global (GSM) Evolution, a technology providing up to three times the data capacity of GPRS. EDGE uses a new modulation scheme designed to enable data speeds of up to 384 Kbps within the existing GSM spectrum. EDGE uses the same structure as today's GSM networks, which allows it to be overlaid directly onto an existing GSM network. For many existing GSM/GPRS networks, EDGE is a simple software-upgrade.

- *CDMA*: stands for Code Division Multiple Access. CDMA is a multiple access scheme for digital radio, to send voice, data and signalling information (such as a dialled telephone number) between mobile telephones and cell sites. CDMA permits several radios to share the same frequencies and network capacity and does not directly limit the number of active radios. Since larger numbers of phones can be served by smaller numbers of cell-sites, CDMA-based standards have a significant economic advantage over older standards.

- *WCDMA*: stands for Wideband CDMA and is also known as spread spectrum or 3G cellular system which utilises a single frequency band for all traffic, differentiating the individual transmissions by assigning them unique codes before transmission. WCDMA operates in the 900MHz and 2100MHz band. WCDMA enables the continued support of voice, text and MMS services in addition to richer mobile multimedia services such as: music, TV, video, entertainment content and internet access. This type of mobile technology includes:

    - *HSPA*: stands for High Speed Packet Access, an upgrade to the 3G/WCDMA network. It is a 3G wireless technology enhancement enabling significant increases in data transmission speeds. It allows increased mobile data traffic and improves the customer experience through the availability of 3G broadband services and significantly shorter data transfer times. In particular, HSDPA or High Speed Downlink Packet Access focuses on improving the speed of the download between network and mobile whereas HSUPA or High Speed Uplink Packet Access does the same for the data upload between mobile and network. HSDPA-DC or HSDPA Dual Carrier is an evolution of HSDPA which allows two frequency carriers to be used simultaneously in order to increase data speeds. The set of technologies including higher order modulations and Multiple Input Multiple Output antenna techniques, together with HSDPA-DC, are commonly known as HSPA+.

- *LTE (4G)*: stands for Long Term Evolution and is the fourth generation of mobile phone mobile communications standards. An LTE/4G system provides mobile ultra-broadband internet access, for example to laptops with USB wireless modems, to smartphones, and to other mobile devices. LTE refers to the ongoing process of improving wireless technology standards and increasing broadband speeds. LTE Advanced, also known as LTE+ or 4G+, is an evolution of LTE, comprising several technologies like carrier aggregation (which refers to frequency carriers being used simultaneously) and multiple input multiple output antenna techniques. LTE+ technologies allow for higher data transmission rates than all the previous wireless cellular systems.

Mobile Broadband

The Group offers mobile broadband services through HSPA and LTE technologies (each discussed above).

Wireline Businesses

Fixed Network

The Group provides fixed line telecommunications services to both corporate and individual customers primarily in Qatar, Indonesia, Oman and Tunisia. The Group's fixed line network provides fixed line telecommunications services such as fixed-line telephony, television services and fixed narrowband and broadband internet access.

Fixed line telephony. The Group's fixed line telephony services are available in Qatar, Indonesia, Tunisia and Oman and provide connections from a customer's premises to the Group's fixed line telecommunications network. Throughout Qatar, Ooredoo provides digital fixed line telephony service, internet protocol telephony services and other related services such as caller ID, voicemail, conference calls, call restriction, information services and call forwarding.

Fixed Internet Access. In response to the changing dynamics in the fixed line telecommunications market, such as fixed-to-mobile substitution and migration from narrowband usage to broadband usage, the Group has focused its efforts in the fixed-line market primarily on building its direct access and broadband customer bases. The Group's consumer fixed broadband was first launched in Qatar in 2002, and offers customers a number of products and services to enhance their access to data services. For example:

- Indosat Ooredoo offers high-speed point-to-point international and domestic digital leased line broadband and narrowband services, a high-performance packet-switching service and satellite transponder leasing and broadcast services; and

- Ooredoo previously offered television services in Qatar under its brand "Mozaic", an internet protocol television offering, which delivered digital television services over a broadband connection. "Ooredoo TV" is Ooredoo's new entertainment service, which has replaced Mozaic, and was designed as an improvement in home entertainment services, combining applications, on-demand and live television in a single box. The Ooredoo TV service deploys new fibre and Wi-Fi technology and delivers a range of channels in order to enable customers to pick a package that suits their viewing preferences. In addition, Ooredoo TV offers television in 4k (or Ultra HD) resolution and is the first commercial 4k television service to be offered in the Gulf region. Since its launch on 14 February 2016, Ooredoo TV has been installed in more than 20,000 Qatari households, whilst Mozaic remains installed in more than 90,000 Qatari households, and Ooredoo expects that its customers will continue to migrate from Mozaic to Ooredoo TV during the course of 2016.

Ooredoo has invested in a modern fibre optic network in Qatar, Oman, Tunisia and Indonesia, commonly known as "**FTTP**", and Ooredoo Oman has replaced its Wi-max network with LTE-TDD. FTTP is a fibre access network together with all its components, typically offering services like high-speed internet, IPTV, video on demand and business-to-business ("**B2B**") services. In some markets, taking advantages of the synergies it offers, the FTTX network is also used for meeting some transport network requirements (like backhaul) of the mobile network.

*Internetwork Packet Exchange ("**IPX**")*. IPX is a connectivity platform offering integrated access to multiple data transport options over a converged IP network, supporting multiple services across networks. It supports a combination of services, including VoIPX, LTE roaming over IPX and messaging. IPX Connect is a key component of the LTE Roaming service, and supports data roaming from GRX to IPX.

Corporate Managed Services. These are offered in most markets, but the key markets are Indosat Ooredoo and Ooredoo Qatar. Indosat Ooredoo offers Connectivity and Managed services through its MIDI offering, as well as subsidiaries such as Lintasarta and others. Ooredoo Qatar offers hosting & managed services to the domestic, regional & international businesses using its network of Datacenters located in and around Doha, Qatar. Equipped with colocation facilities and network platforms, these Datacenters provide highly reliable and secure facilities. In addition, they offer collaboration services based on Cisco HCS platform, Microsoft's cloud-based office 365 product suites for large and medium enterprise markets and private cloud bespoke solutions in response to the specific requirements of large businesses in Qatar and the surrounding region. Separately, Ooredoo Qatar also offers a whole suite of ICT products & solutions catering to various business verticals, security suites, Infrastructure as a Service ("**Iaas**") and Software as a Service ("**SaaS**").

Other Services International Gateway. The Group operates its own International Gateways in all of the markets in which it operates, except Algeria, Kuwait and Iraq. International Gateways provide a point of interconnection between an international carrier and a national carrier. An International Gateway commonly serves not only as a physical gate between the international and the national networks, but also as a point-of-protocol conversion.

Satellite. Indosat Ooredoo leases transponder capacity on its Palapa-C2 and Palapa D satellites, which are in orbit over the Asia Pacific region, to broadcasters and telecommunications operators. Indonesia has a large television market in which a number of privately owned domestic broadcasters and international programmers compete with the state-owned broadcaster. Many of these domestic and international broadcasters lease capacity on Indosat Ooredoo's satellites. Indosat Ooredoo has entered into lease arrangements governing transponders on the Palapa D satellite that vary in duration but generally terminate within two to five years of the effective date of the lease. Indosat Ooredoo also leases transponder capacity on the Palapa-C2 satellite, with a maximum lease term of four years, to other telecommunications operators. The transponder leases may be terminated for breach of the lease agreement and, in addition, most of the leases provide that the lessee may terminate the lease with notice (generally six to 12 months) subject to the lessee paying a termination fee equal to a percentage of the lease payments that would have been due had the lease not been terminated.

Indosat Ooredoo also provides a variety of other supplementary satellite services, including occasional use for TV services, telecast services, telemetry, tracking and control services, private network services, Internet access and multimedia and video conferencing.

Telecommunications Operations

Customers and Tariffs

The Group's wireless services activities, which are predominantly related to providing mobile telecommunications services, accounted for 86.1 per cent. of its revenues for the three-month period ended 31 March 2016 and generate revenue primarily as a function of:

- the number of customers served, which in turn is a function of the Group's ability to acquire new customers and retain existing customers; and
- the revenue generated from each customer, which in turn is a function of the types and amount of services utilised by each customer and the rates that the Group charges for those services.

The Group offers mobile services to both corporate and individual customers. The services are sold through "postpaid" and "prepaid" plans. Postpaid customers subscribe for a minimum fixed term, payable on a monthly basis, while prepaid customers pay in advance for a fixed amount of airtime and services. The tariff structure differs between postpaid and prepaid plans, with prepaid customers subject to higher tariffs to offset the absence of monthly subscription fees. For example, in Qatar the CRA sets out the framework for the determination of tariffs, prices and charges and acts as an adjudicator in disputes. Various provisions of Ooredoo's licence and the Qatari Telecommunications Law require Ooredoo to disclose and in some cases obtain prior approval for its tariffs.

Postpaid and prepaid customers generally have access to the same local and long-distance telecommunications services, including telephone calls and international direct long-distance dialling except with respect to international roaming where prepaid customers have access to fewer countries than do postpaid customers. In addition, the Group usually offers a variety of additional, connectivity and value added services, functions and features, including SMS, mobile data and facsimile services, voicemail, caller identification, call holding, call waiting and call forwarding.

Increasingly, revenue from data services is making up a greater share of the Group's revenues, accounting for 38 per cent. of its revenues in the three-month period up to 31 March 2016, as compared to 30 per cent. and 20 per cent. for the three-month periods ended 31 March 2015 and 31 March 2014 respectively. Similar increases in revenue from data services are evident in the wider industry trend. See "*Risk Factors – Risks Relating to the Telecommunications Industry – The Group's revenue from voice services is declining and unlikely to improve while the Group's future revenue will be increasingly dependent on data services*".

In all of the markets in which the Group operates, it offers operator-branded and non-branded digital and lifestyle services to its customers, such as Mobile Games, Music (full track streaming, downloading and ring back tones), Video on Demand, Sports updates, News Alerts and Infotainment. In some markets the Group offers more advanced services such as IPTV, mobile money and carrier billing facilities for services such as Google Play. In almost all cases, the operators partner with third parties to provide the services to their customers.

Network Infrastructure

The Group has developed integrated network infrastructure providing extensive coverage throughout the countries in which it operates. The Group's network infrastructure is fundamental to its ability to provide wireless and wireline services to its customers. The Group uses a variety of suppliers for its infrastructure throughout its operations.

Wireless Network

The Group offers and maintains mobile telecommunications services, whether telephony or internet, or both, over its wireless network in every country in which it operates. When a voice call or a data transmission is made on a mobile device, voice or data is sent from the device and transmitted by low powered radio signals to the nearest base station, which in turn is connected to the core network of the relevant Group operating company via the access transmission infrastructure. Each base station provides coverage over a given geographic area, often referred to as a cell. Cells can be as small as an individual building or as large as 20 miles across and each is equipped with its own radio transmitter and receiver antenna. This network of cells provides, within certain limitations, coverage over the service area. When a customer using a mobile device approaches the boundary of one cell, the mobile network senses that the signal is becoming weak and automatically hands over the call to the transmission unit in the next cell into which the device is moving.

The principal components of a mobile telecommunications network are:

- *base transceiver stations*: consisting of a transmitter and receiver and serving as a bridge between mobile users in one cell and the mobile switching centre via base station controllers and radio network controllers;
- *base station controllers/radio network controller*: devices that connect to and control the base station within each cell site;
- *mobile switching centres*: control the base station controllers and the routing of telephone calls;
- *transmission lines*: lines that link the mobile switching centres, base station controllers, base stations and fixed telecommunications networks;
- *home location register*: a database residing in a local wireless network that contains service profiles and checks the identity of a local customer;
- *visitor location register*: a network database that holds information about roaming wireless customers;
- *various platforms for other mobile services*: for example the SMSC (the SMS centre) and the MMSC (the MMS centre); and

- *billing centre*: a network database holding information about customer accounts and, for prepaid customers, a real time accounting of airtime and services used.

Although these components are utilised in all of the countries in which the Group operates, each of the Group's subsidiaries operates and maintains its own network infrastructure. Under the laws of most of the jurisdictions in which the Group operates, an owner of telecommunications infrastructure must also hold a licence to install, operate and provide services over the network, with the exception of Iraq and Kuwait, where a holder of a licence is required to acquire, lease or otherwise obtain from other authorised telecommunication service providers transmission, back-haul or long distance capabilities for routing and transport of telecommunications traffic originating or terminating on its network.

Wireline Network

The Group currently offers fixed line telecommunications services, to both individual and corporate customers in Qatar, Indonesia, Oman and Tunisia. As at the date of this Base Prospectus, the regulatory authorities in Kuwait have announced their plans to liberalise Kuwait's infrastructure services, but have not undertaken any further action in relation to this. See "*Business Description of the Group—Principal Operations— Kuwait—Regulation*". When communication takes place over fixed-line networks, the traffic flows over a traditional wired infrastructure until the point it reaches the operator's access gateway where it connects to the core transmission infrastructure.

Marketing and Distribution

Although the Group provides guidance to its subsidiaries as to best practices for developing their marketing and distribution activities, each subsidiary is responsible for marketing its services in the countries and regions in which it operates. As the number of products and services offered by the Group, particularly value-added and digital network services, continues to grow, the Group believes that increasing customer awareness of these new products and services is critical to its success. The Group seeks to increase consumer awareness of its new products and services, build customer loyalty, differentiate its services from those of its competitors, pick unique selling points, enhance customer experience and improve ease of use.

In addition, the Group seeks to supplement its marketing efforts with corporate and event sponsorships. For example, Ooredoo has appointed FC Barcelona and Argentina National Team football player Lionel Messi as its global brand ambassador in 2013, in which role he will support Ooredoo in various community initiatives around the world.

The Group's sales structure utilises different types of distribution channels, adapted for different customer segments. In each market, the Group deploys the mix of channels that it believes is best suited for the demographics of the customers in that market. This typically includes a combination of direct account managers, owned shops, third party branded shops, third party unbranded shops, telephone and internet based sales. The Group typically controls its physical distribution network in any market in which it operates, but also seeks to distribute a significant portion of its products and services through third parties that have their own distribution networks.

Customer Relationship Management

The Group provides after sales support through three channels: contact centres; its own and third party branded shops; and online through its web portals and self-care applications. Each subsidiary of the Group maintains its own database relating to services used by each customer in order to facilitate and tailor its customer care.

In general, the Group believes customer care is an important mechanism for growing its revenue and increasing its customer base and all of its subsidiaries conduct detailed surveys relating to levels of customer satisfaction on at least a quarterly basis. In addition, the Group provides guidance on best practices to its subsidiaries to improve the efficiency of customer care channels and to reduce costs.

Competition

Based on the Group's internal analysis (see "*Presentation of Financial and Other Information—Market Share*"), as at 31 December 2015 the Group was one of the top three largest operators by both revenue and number of customers in each of the key markets of Qatar, Indonesia, Kuwait, Algeria and Iraq, as well as Myanmar, Tunisia and Oman. Telecommunications markets are competitive, with a number of providers in most countries in which the Group operates. The Group's principal competitors are other mobile network operators (and in some markets, integrated operators) in each of its geographic markets, many of whom are, or were, the original incumbent operators in their respective markets. Moreover, the mobile telecommunications business, in particular, has become increasingly competitive during recent years. Competition is based principally on brand, network coverage and technical quality, price, the availability of data services and value added features and quality and responsiveness of customer service. The consumer broadband business is principally competitive based on speed of connection, data usage allowances and price of services. For a discussion of competition concerns for each of the Group's principal operations see "*—Principal Operations—Qatar—Competition*", "*—Principal Operations—Indonesia—Competition*", "*—Principal Operations—Kuwait—Competition*", "*—Principal Operations—Iraq—Competition*" and "*—Principal Operations—Algeria—Competition*" below.

Regulation

Regulatory activities by national authorities in the countries in which the Group operates have a significant impact on the telecommunications sector and on the Group's business. The competitive environment is also impacted by regulation in a number of other areas, including the allocation of radio spectrum, the provision of network access to third parties and network sharing. The Group anticipates that regulation will continue to have a major influence on both the Group and the telecommunications industry. For a discussion of the regulatory framework in each of the Group's principal operations see "*—Principal Operations—Qatar—Regulation*", "*—Principal Operations—Indonesia—Regulation*", "*—Principal Operations—Kuwait—Regulation*", "*—Principal Operations—Iraq—Regulation*" and "*—Principal Operations—Algeria—Regulation*" below.

Licences

The Group is dependent on the licences that each operating company holds to provide their telecommunications services. Further detail on the issue and regulation of licences is in the "Regulation" descriptions for each of the principal operations below. The table below summarises the significant fixed and mobile licences held by the Group as at the date of this Base Prospectus.

Each of the Group's licences requires that the operating company complies with the terms of the licence and other relevant legislation in order to maintain the validity of the licences.

Country	**Fixed Licence Expiry Date**	**Mobile Licence Expiry Date**
Qatar	6 October 2032	6 October 2027
Kuwait		Indefinite
Iraq		29 August 2022
Oman	6 June 2034	18 February 2020[(1)]
Algeria	-	10 January 2019
Tunisia	May 2027	2G: 14 May 2017[(2)], 3G: 10 July 2027, 4G: 29 March 2031
Indonesia	Unlimited[(3)]	Indefinite[(4)]
Maldives	-	31 January 2020
Palestine	-	10 September 2029
Myanmar	31 January 2029	31 January 2029

(1) Ooredoo Oman has commenced licence renewal registration with the Omani Ministry of Transport and Communications.
(2) Ooredoo Tunisia has sent a letter to the relevant regulator to request for the commencement of licence renewal negotiation.
(3) The licence is of unlimited validity subject to compliance with laws and regulations and subject to an evaluation every year and a comprehensive evaluation every five years. The provision of fixed wireless access also depends on the validity of each radio frequency band licence.
(4) The licence is of indefinite validity subject to compliance with legislation and operating business and subject to a comprehensive evaluation every five years. The provision of mobile services also depends on the validity of each radio frequency band licence.

Principal Operations

Although the Group provides mobile telecommunications services in all of the countries and regions in which it operates, the Group considers its principal operations to be its mobile telecommunications operations in Qatar, Indonesia, Kuwait, Iraq and Algeria, principally on the basis of percentage of Group revenue generated by, and the Group's holding in, these operations.

Qatar

Overview

Qatar is an Arab state in the Middle East, which shares a land border as well as maritime borders with Saudi Arabia and maritime borders with the Kingdom of Bahrain, the United Arab Emirates and the Islamic Republic of Iran. According to the United Nations Statistics Division Demographic Yearbook 2014, Qatar has an area of approximately 11,607 square kilometres and a population of 2.4 million based on the 2015 Census Report (the "**2015 Census**") issued by the Ministry of Development Planning and Statistics of Qatar. According to the Qatar Central Bank and Ministry of Development Planning and Statistics, Qatar's estimated GDP per capita for the year ended 2015 was U.S.$69,223, its estimated real GDP annual growth rate for 2015 was 3.7 per cent., and its estimated consumer price inflation rate for 2015 was 1.6 per cent. As at the date of this Base Prospectus, sovereign credit ratings for Qatar stood at AA (S&P), AA (Fitch) and Aa2 (Moody's), with Moody's assigning a negative outlook. Ooredoo believes that Qatar's demographic profile forms a strong base for long-term demand for its consumer mobile services. Based on the Group's internal analysis (see "*Presentation of Financial and Other Information—Industry, Market and Customer Data*"), as at 31 December 2015, market penetration in Qatar's mobile telecommunications market stood at 192 per cent.

Ooredoo Q.S.C. is responsible for the Group's operations in Qatar, where it operates under the trading name "Ooredoo Qatar". As at 31 March 2016, Ooredoo Qatar provided mobile telecommunications services in Qatar to 3.1 million mobile customers. Based on the Group's internal analysis (see "*Presentation of Financial and Other Information—Market Share*"), as at 31 December 2015 Ooredoo Qatar was the largest cellular operator in Qatar by number of customers, with an estimated 68 per cent. market share by subscribers. In the three months ended 31 March 2016, the Group's operations in Qatar generated revenues of QR1,994.3 million (U.S.$547.9 million), which amounted to 25.3 per cent. of the Group's consolidated revenues.

Customers and Tariffs. The following table presents information about Ooredoo Qatar's mobile customers in Qatar as at 31 March 2015 and 2016 and 31 December 2013, 2014 and 2015.

	As at 31 December			**As at 31 March**	
	2013	**2014**	**2015**	**2015**	**2016**
Mobile customers:(1)					
Prepaid customers	2,123,419	2,324,601	2,609,267	2,451,870	2,567,660
Postpaid customers	325,704	386,349	414,061	398,531	426,224
Wireless broadband	83,092	86,440	110,595	86,721	116,337
Total	**2,532,215**	**2,797,390**	**3,133,923**	**2,937,122**	**3,110,221**

(1) "Mobile customers" includes total registered and active mobile customers at the end of the relevant period. Ooredoo Qatar defines an active customer as: (i) in the case of a postpaid customer, the customer has activated the SIM and has no outstanding balance on the account more than 120-145 days after the last statement date; or (ii) in the case of a prepaid customer, the customer has activated the SIM and has not failed to recharge after 120 days of validity expiry. In each of "prepaid customers" and "postpaid customers", customer mobile numbers include both voice customers and mobile broadband customers.

Ooredoo Qatar, as the incumbent telecommunications provider in Qatar, has an established brand, a robust network infrastructure and an extensive distribution network. Vodafone Qatar launched its mobile telecommunications services in Qatar from March 2009. Until March 2009, Ooredoo Qatar (then known as "**Qatar Telecom (Qtel) Q.S.C.**") was the sole telecommunications provider in Qatar.

The following table presents information about Ooredoo Qatar's ARPU in Qatar for the periods indicated.

	For the three months ended 31 December			**For the three months ended 31 March**	
	2013	**2014**	**2015**	**2015**	**2016**
			(QR)		
			(unaudited)		
ARPU:(1)					
Postpaid	424.5	419.0	390.3	418.5	373.2

	For the three months ended 31 December			For the three months ended 31 March	
	2013	2014	2015	2015	2016
			(QR)		
			(unaudited)		
Prepaid	85.0	74.3	68.5	74.0	65.8
Blended APRU	133.0	128.1	118.5	127.3	114.3

(1) For a discussion of the calculation of ARPU, see "*Presentation of Financial and Other Information—Industry, Market and Customer Data—ARPU*". ARPU data has not been audited or otherwise reviewed by external auditors, consultants or independent experts.

Ooredoo Qatar is a full-service telecommunications provider, offering a comprehensive range of mobile, fixed, broadband internet and corporate managed services tailored to the needs of consumers and businesses.

Ooredoo Qatar offers wireless services in Qatar on both a prepaid basis and a postpaid basis and through various tariff plans. As at 31 March 2016, 14.2 per cent. of Ooredoo Qatar's mobile customers in Qatar were postpaid customers and 85.8 per cent. were prepaid customers.

Ooredoo Qatar offers prepaid plans to individual customers in Qatar under the brand name "Hala". Customers accessing the Hala service pay an up-front fee for a set amount of services and receive a prepaid SIM card that has an initial credit. This credit can be replenished by a variety of means, including at physical points of sale, such as news-stands, grocery shops, kiosks, ATMs, by using the Ooredoo Mobile application and over the Internet. Ooredoo Qatar offers a variety of branded consumer and business-oriented products and services to its prepaid customers in Qatar. In addition to the standard Hala service, Ooredoo Qatar offers Hala Packs, which offer bundles of call time, SMS messages and mobile data.

Ooredoo Qatar offers postpaid plans to individual customers in Qatar under the brand name "Shahry". The Shahry monthly service enables customers to choose from a variety of packages, most of which includes a number of local voice minutes, SMS, MMS and internet download options at rates lower than those available under Ooredoo Qatar's prepaid services.

In line with the Group's strategy to be a leading provider of data services, Ooredoo Qatar also offers mobile internet packs for smartphones, tablets, laptops and computers, as well other connected devices, as well as a roaming service called "Ooredoo Passport", which is a roaming service that provides voice, SMS and mobile data when travelling overseas.

Consistent with Ooredoo's strategy to develop value-added smart services to compliment the increasing trend for data, Ooredoo Qatar offers a service called "Mobile Money", which is a mobile wallet service that allows customers in Qatar to deposit, withdraw, pay and send money securely through their phones.

Ooredoo Qatar offers a varied portfolio of fixed line services for homes and businesses. It provides landlines across Qatar, offering free calls to other landlines and mobile and international calling. In addition, Ooredoo Qatar's nationwide FTTP network provides super-fast internet connections for homes and businesses. Ooredoo Qatar is a leading provider of digital entertainment services for the home, through Ooredoo TV, the region's first commercial 4K TV offering, combining apps, on-demand and live television in one box.

Ooredoo Qatar's investment in nationwide infrastructure, including 4G+ networks, fibre networks and Ooredoo Data Centre, enables the company to provide a broad range of business services for companies ranging from small and home offices through to large-scale enterprises. Launched in 2006, Ooredoo Data Centre offers a full suite of enterprise services, supporting innovative new technologies and delivering security and control for organisations' important digital and data assets. The Data Centre has enabled Ooredoo Qatar to provide Cloud Services to companies across Qatar, including Cloud Security, Infrastructure as a Service, Voice and Collaboration Suites, Fleet Management, Disaster Recovery and Data Centre Services. It also provides co-location and hosted Cloud Services.

For the business sector, Ooredoo Qatar provides fixed line connectivity services with high-quality and self-managed voice services as well through advanced ISDN-PRI and BRI.

In addition, Ooredoo Qatar also supports machine-to-machine services, known as "M2M", which lets companies enable their business assets to communicate directly with each other and automate day-to-day tasks. It provides TETRA, a two-way transceiver system (popularly known as the walkie-talkie) that is designed for professional mobile radio applications, and for use in mission critical scenarios.

Ooredoo Qatar offers business SMS and USSD services, ISDN and toll-free line support, Internet and Ethernet VPN, and VSAT Internet services for remotely located offices and worksites.

Network Infrastructure. As at 31 March 2016, Ooredoo Qatar's mobile telecommunications network in Qatar comprised 1,300 cell sites (the definition of which differs from company to company, although Ooredoo Qatar defines a cell site as the infrastructure and radio equipment associated with a cellular transmitting and receiving station, including land, building, tower, antennas and electrical equipment) and 4 mobile switching centre servers and 8 media gateways. Ooredoo Qatar regularly monitors congestion on its network to assess whether the network has sufficient capacity to meet the volume of traffic. In early 2010, Ooredoo Qatar completed the upgrade of its existing mobile broadband network and base stations, allowing it to provide high speed downlink packet access (HSDPA) for Qatar, allowing users to benefit from improved data download speeds and is currently rolling out "Fibre to the Home" ("**FTTH**"), with a stated aim of linking homes across Qatar with fibre connections and allowing them to enjoy ultra-high speed internet and other additional services such as high definition (HD) digital television. As at 31 March 2016, Ooredoo Qatar connected around 268,000 households to its FTTH network, and Ooredoo Qatar expects the roll out to be completed in 2016.

In 2009, Ooredoo Qatar entered into a strategic partnership with Vodafone Qatar for outdoor and indoor site sharing. This allows, *inter alia*, the sharing of mobile towers between the two companies and the sharing of other infrastructure.

As a result of increasing international capacity requirements, Ooredoo has invested in a number of global cables in order to connect to important and strategic internet data centres in Europe, the United States and Asia. The first of these global cables, the FALCON cable, was connected to Qatar in 2005. In November 2009, Ooredoo entered into a second global cable agreement with TATA Communications for the connection of the TGN (TATA Global Network) Gulf Cable in Qatar. The TGN Gulf Cable system became operational in 2012, facilitating access for carriers and businesses with a direct route into emerging markets of the Gulf region. A third global cable, the Gulf Bridge International (GBI) submarine cable, was connected to Qatar in 2012, further enhancing the diversity and resilience of the Ooredoo network.

Ooredoo owns capacity on multiple global cables (SMW3, SMW4 and IMEWE) connecting Qatar to Europe, the US and Asia through the UAE and Saudi Arabia. Ooredoo is part of the Fibre Optic Gulf (FOG) and Qatar-UAE Bilateral (Das-Halul) Cable Consortiums and is interconnected terrestrially with all three operators in Saudi Arabia. In 2014 and 2015, Ooredoo invested in the global consortiums, AAE-1 and SMW5 Cable, for landing in Qatar and Oman. The cables are expected to be ready for services by 2017.

Ooredoo Qatar launched 4G services in Qatar in three phases: 4G for mobile broadband in April 2013, and 4G on smartphones in October 2013. In addition to Doha, 4G is now available in Wakra, Dukhan, Shahaniya and Sumaysimah, the Sealine Beach Resort and the Lusai International Circuit. All inhabited areas of Qatar had been covered by Ooredoo Qatar's 4G services by the first half of 2014. Ooredoo Qatar launched its new 4G+ network in December 2014 and in 2015, a network optimisation programme was undertaken which covered Ooredoo Qatar's thousands of outdoor sites and indoor sites that were upgraded to 4G+.

Marketing and Distribution. Ooredoo Qatar sells its mobile telecommunications services in Qatar through indirect channels (third party distributors and electronic channels), Ooredoo-owned shops and through a sales force focused on the corporate sector. In addition, Ooredoo Qatar also currently sells a limited number of handsets through its subsidiary Starlink.

As at 31 March 2016, customers in Qatar can apply for prepaid mobile services, postpaid mobile services, fixed services and can pay their bills at 103 outlets operated by 9 premium dealers throughout Qatar.

Ooredoo Qatar has agreements with five principal national distributors that together cater to over 3,000 sales outlets. These distributors sell mostly prepaid services to the middle-to lower-income market. In addition to this indirect channel, Ooredoo Qatar owns and operates 20 shops, which also act as points of service and support its customers. Ooredoo's sales force focuses on selling telecommunications services to corporate customers and high-value users.

Competition. Until March 2009, Ooredoo Qatar was the sole telecommunications provider in Qatar and was not subject to competition from other service providers, except in certain limited circumstances, including where it permitted third parties to sell products or provide services that competed with products and services that it provided. However, in keeping with the trend throughout the MENA region toward liberalising telecommunications markets, the CRA issued a licence to provide mobile telecommunications services in Qatar to Vodafone Qatar. Vodafone Qatar began offering its mobile services in Qatar in March 2009 and obtained a licence to operate a fixed line service on 29 April 2010. Although Ooredoo Qatar lost some of its market share when Vodafone Qatar was first launched, based on the Group's internal analysis (see "*Presentation of Financial and Other Information—Market Share*"), it has in recent years maintained its revenue market share at a range between 75.8 per cent. and 78.4 per cent. in the period between 2014 and 2015.

Regulation. The telecommunications regulatory authority in Qatar, the CRA (and formerly ictQATAR), grants licences to service providers, implements policies designed to promote competition in the telecommunications sector in Qatar and imposes and monitors specific regulatory obligations for dominant operators. For a discussion of the financial impact of granting a licence to competitors, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Results of Operations—Royalties, Fees and Tax in Qatar*".

In 2008, the CRA granted Vodafone Qatar a licence to provide mobile telecommunications services in Qatar. Vodafone Qatar's licence is similar to Ooredoo Q.S.C's licence in most respects. In April 2010 Vodafone Qatar was granted a fixed telecommunications licence.

In October 2011, following the MDDD Review, the CRA designated Ooredoo Qatar as a dominant service provider in all 14 telecommunications markets in Qatar. The telecommunications markets were split into retail markets, which include publicly available fixed and mobile services, broadband services and retail leased lines; and wholesale markets, which include call origination and call termination, transit services, wholesale leased lines and access to and the use of physical passive network infrastructure (such as ducts, dark fibre, copper, sites, towers and international gateway facilities) at fixed locations. From the MDDD Review, Vodafone Qatar was also designated as a dominant service provider in two wholesale telecommunications markets. Under the Qatari Telecommunications Law, the licences issued to Ooredoo Q.S.C. and Vodafone Qatar, and other regulatory instruments, the designation as a dominant service provider triggers a range of regulatory obligations, such as the requirement to obtain tariff approval from the CRA and the prohibition of activities constituting an abuse of dominant position, such as undue price discrimination, certain forms of bundling and tying, some forms of cross-subsidisation and refusal to supply. The CRA currently is consulting with the public to review market definitions and dominance designation in the Qatari telecommunications market.

The CRA has, over the years, intervened to set the rates that Ooredoo Q.S.C. and Vodafone Qatar should pay each other in respect of interconnection charges and for other types of access, typically based on cost. Moreover, the CRA requires mobile operators to obtain its prior approval before setting retail tariffs for public telecommunication services.

The CRA has held a number of public consultations in a range of areas, including the rollout of infrastructure for new large-scale projects and developments, amendments to licensing requirements, wholesale reference offers and service quality. If required, the CRA (or the Minister of Transport and Communications as the case may require) may issue additional licences. The CRA has previously issued two licenses (to United Development Company PSC and the Qatar National Broadband Network ("**QNBN**")) that enable these companies to construct passive telecommunications networks, consisting of the cables and towers capable of transmitting telecommunications services. The holders of such passive licences may lease or rent such network facilities to certain qualifying persons, including licensed telecommunications providers, on a non-discriminatory basis. The CRA is also planning to introduce internet exchange providers in Qatar, although the timeline for this is currently unclear.

QNBN was established by ictQATAR in 2011, and is focused upon deploying passive dark fibre network infrastructure and providing equal and open access to telecommunications services providers on a wholesale basis, and owners and operators on a private basis. In April 2012, Ooredoo Qatar signed an agreement with QNBN providing QNBN access to all public telecommunications ducts and associated network elements owned by Ooredoo Qatar prior to the execution of the agreement.

Mobile number portability services, allowing customers to switch mobile service providers whilst retaining their existing telephone numbers, were introduced in Qatar in January 2013. The CRA has established a centralised "Numbering Management System" to be used by licensed telecommunications service providers, automating all the numbering resource management functions, including numbering block allocations, reservations and reporting.

Indonesia

Overview

According to the World Factbook published by the Central Intelligence Agency, Indonesia is made up of 17,508 islands in the Asia Pacific region. According to the United Nations Statistics Division Demographic Yearbook 2014, Indonesia has an area of approximately 1,910,931 square kilometres and, according to its official census in 2010, it had an estimated total population of 237.6 million, the fourth largest population in the world. According to the World Bank, Indonesia's estimated GDP per capita for the year ended 2014 was U.S.$3,491.9, its GDP annual growth rate for 2014 was 5.0 per cent., and its consumer price annual inflation rate was 6.4 per cent for 2015. As at the date of this Base Prospectus, sovereign credit ratings for Indonesia stood at BB+ (S&P), Baa3 (Moody's) and BBB- (Fitch).

As at 31 December 2015, Indosat Ooredoo provided mobile telecommunications services in Indonesia to 69.7 million mobile customers and was among the three largest cellular operators in Indonesia by number of customers, with an estimated 26 per cent. market share based on the Group's internal analysis (see "*Presentation of Financial and Other Information—Market Share*"). Indonesia's market is developing and based on the Group's internal analysis *(see* "*Presentation of Financial and Other Information—Industry, Market and Customer Data*"), as at 31 December 2015, the market penetration in its mobile telecommunications market was 139 per cent. compared to 136 per cent. as at 31 December 2014, an increase of 3 per cent. As at 31 March 2016, Ooredoo held a 65.0 per cent. stake in Indosat Ooredoo. In the three months ended 31 March 2016, Indosat Ooredoo generated revenues of QR1,837.0 million (U.S.$504.7 million), which amounted to 23.3 per cent. of the Group's revenues.

Indosat Ooredoo has an established brand and a distribution network covering major cities in Java and Sumatra, as well as population centres in Kalimantan, Papua, Sulawesi and Bali. The Group believes that given the size of the population and the growth of the mobile telecommunications sector, network capacity and coverage in Indonesia will remain a key strategic differentiator. Indosat Ooredoo's network in Java has been fully modernised as a result of investments made by Indosat Ooredoo between 2013 and 2015.

Customers and Tariffs. The following table sets out Indosat Ooredoo's mobile customer numbers as at 31 March 2015 and 2016 and 31 December 2013, 2014 and 2015.

	As at 31 December			**As at 31 March**	
	2013	**2014**	**2015**	**2015**	**2016**
Mobile customers:[(1)]					
Prepaid (in millions)	58.8	62.4	69.0	65.7	69.0
Postpaid (in millions)	0.8	0.8	0.8	0.8	0.8
Total (in millions)	**59.6**	**63.2**	**69.7**	**66.5**	**69.8**

(1) Mobile customers means total registered and active mobile customers at the end of the relevant period. Indosat Ooredoo defines an "active mobile customer" as a mobile customer: (i) who, in the case of a postpaid cellular customer, has no outstanding balance remaining due more than 120 days after the last statement date; or (ii) who, in the case of a prepaid customer, recharges the SIM card within 33 days by adding certain minimum amounts to the SIM card. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Financial Condition and Results of Operations—Customer base*".

When mobile services were first introduced in Indonesia, customers consisted primarily of wealthy individuals and business customers, including civil servants working for government entities. As activation fees and handset prices declined, mobile services became increasingly affordable and popular with the broader middle-income market. These customers typically have lower average monthly usage and higher price-sensitivity than the cellular customers during the early development of the Indonesian market, and this has been reflected in a slight decline in Indosat Ooredoo's ARPU over the period 2013 to 2015, with a stabilisation of ARPU achieved during the first quarter of 2016. Blended ARPU for cellular customers for the first quarter of 2016 increased by 3 per cent. compared to the first quarter of 2015. Pricing competition and pressure on ARPU have also increased as a result of significant competitive pressures in Indonesia but operators are increasingly deploying various strategies through proactive base and yield management initiatives. The following table presents selected information regarding Indosat Ooredoo's ARPU for the periods indicated.

	For the three months ended 31 December			For the three months ended 31 March	
	2013	2014	2015	2015	2016
			(QR)		
			(unaudited)		
ARPU:[(1)]					
Postpaid	44.8	39.7	40.4	36.7	40.3
Prepaid	8.3	7.5	6.9	6.4	6.7
Blended ARPU	8.8	8.0	7.3	6.8	7.0

(1) For a discussion of the calculation of ARPU, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Financial Condition and Results of Operations—ARPU*". ARPU data has not been audited or otherwise reviewed by external auditors, consultants or independent experts.

Indosat Ooredoo offers postpaid plans to individual customers in Indonesia under the brand name "Matrix Ooredoo". Given the international trend towards convergence, the Matrix Ooredoo, a "triple play" bundle package, was offered in Indonesia to include allowances for local voice minutes, SMS and high speed data options. In addition, the Matrix Ooredoo service can also be customised to enable customers to choose from a variety of packages which include a mix of local voice minutes, SMS and high speed data.

Indosat Ooredoo offers prepaid plans under the brand names "Mentari Ooredoo" and "IM3 Ooredoo". Mentari Ooredoo and IM3 Ooredoo offer free national roaming, and the Group believes that Indosat Ooredoo's products have a high degree of brand awareness, thereby providing a competitive advantage when attempting to attract and retain customers in a competitive market. Indosat Ooredoo has differentiated its two prepaid brands based on market segments. Specifically, the IM3 Ooredoo brand is the leading brand of Indosat Ooredoo aimed at the general market offering bundled services for different market segments, while Mentari Ooredoo is aimed at high-value customers such as professionals and business people that require premium packages.

In order to increase the market appeal locally and leverage the positive attributes of the global Ooredoo brand, the Indosat brand was replaced by the Indosat Ooredoo co-brand in November 2015. The new brand reflects the ambitions of Indosat Ooredoo to be the leading digital telecommunications company in Indonesia with the fastest growing data revenues.

Network Infrastructure. As at 31 March 2016, Indosat Ooredoo's mobile telecommunications network in Indonesia comprised of approximately 15,000 physical sites. Indosat Ooredoo regularly monitors congestion on its network to assess whether the network has sufficient capacity to meet the volume of traffic.

Its network is an integrated and predominantly intellectual property-based system employing switching equipment, cell site equipment and a transmission network. Most of Indosat Ooredoo's cell sites and radio base stations are located in or on buildings or on vacant lots, which it owns, or for which leases have been negotiated by Indosat Ooredoo for terms typically varying from five to 20 years. In 2016, Indosat Ooredoo outsourced its information technology operations to IBM as a third party service provider in order to achieve cost efficiencies and improve its information technology support delivery.

In February 2012, Indosat Ooredoo entered into an agreement with PT Tower Bersama Infrastructure Tbk ("**Tower Bersama**") and its 91.0 per cent. owned subsidiary, PT Solusi Menara Indonesia, entities specialising in the management and maintenance of telecommunications towers, for the sale and leaseback of 2,500 towers, representing approximately 25 per cent. of Indosat Ooredoo's tower assets, for upfront consideration of U.S.$429.2 million plus a potential maximum deferred payment of U.S.$112.5 million over the ten-year life of the leaseback period. The upfront consideration included cash as well as newly issued Tower Bersama shares. The share component represented approximately 5 per cent. of Tower Bersama's share capital, which was subsequently disposed of in 2014. Under the terms of the sale, Indosat Ooredoo will lease the towers for a minimum period of 10 years at negotiated rates. This transaction allowed Indosat Ooredoo to free up capital from its tower portfolio and reduce the costs of managing and maintaining the assets.

Indosat Ooredoo's cellular network operates on 2x12.5MHz bandwidth in 900MHz spectrum for 2G, 3G and 4G services, 2x20 Mhz bandwidth in 1800MHz spectrum for 2G and 4G services and 2x10MHz in 2100MHz spectrum for 3G services. The 1800 and 900MHz bands are technology neutral.

In August 2015, Indosat Ooredoo purchased 15 years of Indefeasible Right of Use (IRU) for 1 fibre pair in the B2JS submarine cable that connects Jakarta to Singapore and has cable drops in Pangkal Pinang (Bangka Belitung Province) and Batam. The initial capacity of this cable is 500 Gbps and the capacity is expandable to 800 Gbps.

Since 31 December 2015, Indosat Ooredoo has started the rollout of its 4G services. As at the date of this Base Prospectus, over 3,500 cell sites are enabled for LTE.

Marketing and Distribution. Indosat Ooredoo sells its mobile telecommunications services in Indonesia mainly through indirect channels (third party distributors) and through a sales force focused on the corporate sector.

Indosat Ooredoo maintains a network of independent dealers who have their own distribution networks throughout Indonesia and sell prepaid services primarily to individuals. In addition Indosat Ooredoo operates integrated walk-in centres under the name "Galeri Indosat" and "Griya Indosat" which are operated by Indosat Ooredoo and exclusive distributors. These walk-in centres provide customer service, sales and product information.

As part of Indosat Ooredoo's strategy to exert greater control over its retail distribution channel, it has entered into a joint-venture agreement with Erajaya, one of Indonesia's leading mobile phone distributors, under which Erajaya will construct retail outlets that exclusively sell Indosat Ooredoo products.

Competition. Indosat Ooredoo competes primarily with foreign and domestic providers of mobile telecommunications services, satellite, IDD services, ISPs, OTT, fibre broadband and mobile financial services.

The mobile telecommunications business in Indonesia has become one of Ooredoo's most competitive markets during recent years. Competition is based principally on network coverage and technical quality, price, the availability of data services and special features and quality and responsiveness of customer service. Based on the Group's estimates made using available market data, the three major providers of wireless services in Indonesia, Telkomsel (which is majority-owned by PT Telekomunikasi Indonesia Tbk ("**Telkom**")), Indosat Ooredoo and XL Axiata (which is majority-owned by Axiata Group), provided approximately 90 per cent. of Indonesia's wireless telecommunications services as at 31 March 2016.

In addition to increased price competition for mobile telecommunications services, several telecommunications operators have been granted a licence to operate a 4G mobile telecommunications network. The Group believes competition for 4G services will be intense as telecommunications operators begin to upgrade their existing 3G networks in major population centres to 4G technology. Currently, there are four telecommunications operators holding licences that enable them to provide 4G services: PT Telekomunikasi Selular (Telkomsel), PT XL Axiata Tbk ("**XL Axiata**"), PT Smartfren Telecom and Indosat Ooredoo.

In the fourth quarter of 2015, the Indonesian government announced the upcoming auction of 2x10MHz at 2100MHz spectrum band. The auction is expected to conclude in the fourth quarter of 2016 this year with all four GSM operators in Indonesia having expressed interest in bidding for this frequency.

The Group believes barriers to entry in the Indonesian mobile and fixed line telecommunications services industry are currently comparatively high due to limited availability of frequency spectrum, a capital intensive operating environment, difficulties in acquiring sites for network expansion and the established market presence of the three incumbents. Nevertheless, the Group anticipates continued intense competition within the Indonesian telecommunications industry generally. In response to this, the Group intends to dedicate future capital expenditure to its mobile telecommunications services in an effort to increase network capacity and service quality in an effective way.

Regulation. Through the Ministry of Communication and Information Technology, the government of Indonesia regulates telecommunications network operations and the provision of telecommunications services. In addition, the Ministry of Communication and Information Technology regulates the radio frequency spectrum allocation for all telecommunications operators, which are required to be licensed by the Directorate General of Resources and Apparatus of Post and Information Technology for each service utilising radio frequency spectrum. The deregulation of the telecommunications sector is closely linked with Indonesia's national economic recovery programme. While the government of Indonesia has historically maintained a monopoly over telecommunications services in Indonesia, reforms, the majority of which came into effect in September 2000, have attempted to create a regulatory framework to promote competition and accelerate infrastructure investment in telecommunications facilities.

The reforms of the regulatory environment for the Indonesian telecommunications sector have their foundation in Law No. 36 of 1999 regarding Telecommunications ("**Indonesian Telecommunications Law**"). The Indonesian Telecommunications Law became effective on 8 September 2000, and provides key guidelines for industry reforms, including industry liberalisation, facilitation of new entrants and enhanced competition.

In 1995, Telkom was granted a monopoly to provide local fixed-line telecommunications services until December 2010 and Direct Long Distance services until December 2005. Indosat Ooredoo and Satelindo (later merged with Indosat Ooredoo) were granted a duopoly for exclusive provision of basic international telecommunications services until 2004. As a consequence of promulgating the Indonesian Telecommunications Law and various decrees thereunder, the government of Indonesia terminated the exclusive rights of Telkom and the duopoly previously given to Indosat Ooredoo and Satelindo.

Under the Indonesian Telecommunications Law, each operator must provide guarantees to consumers in relation to certain matters including quality of service, usage and service fees and compensation. The law also allows customers who are injured or sustain damages to file claims against negligent providers. In 2014, the government of Indonesia issued a regulation establishing penalties for telecommunication operators which, among other requirements, do not meet the requisite quality requirements for their services and development commitments. Moreover, the Ministry is in the process of passing a new regulation on IP interconnection services but this has not been yet issued. Indosat Ooredoo is currently in discussion with the Ministry to renegotiate its obligations in respect of roll out commitment for local fixed network.

Each telecommunications operator is required to pay to the government of Indonesia a telecommunications operation fee and a frequency fee and, in addition, is required to contribute to a fund to finance universal service obligations. The telecommunications operation fee for each telecommunications operator is 0.5 per cent. of adjusted gross revenues per financial year, consisting of items such as revenues from leasing of networks, interconnection charges, activation of new customers, usage charges, roaming charges and SIM cards, and excluding revenues from leasing of premises, vehicle rental, consultation services, infrastructure construction and installation services, systems integration and development, sale and purchase or lease of non-telecommunication equipment, sale and purchase of telecommunication equipment and other business activities not related to telecommunications, **provided that** the services are not bundled with telecommunications services. The frequency fee for GSM 900, DCS 1800, 3G 2100, and FWA networks is calculated by applying a formula principally based on the bandwidth owned by the telecommunications operator.

In addition, each telecommunications operator is required to pay the government of Indonesia a "universal service obligations" fee of 1.25 per cent. of adjusted gross revenue per financial year.

Kuwait

Overview

The State of Kuwait is a sovereign Arab emirate on the coast of the Arabian Gulf, bordered by Saudi Arabia to the south and Iraq to the north and west. According to the United Nations Statistics Division Demographic Yearbook 2014, Kuwait has an area of approximately 17,818 square kilometres and has an estimated population of 3.753 million. Kuwait has a GDP per capita of U.S.$43,593.7 for 2014 and a negative GDP annual growth rate of 1.6 per cent. in 2014, according to the World Bank. As at the date of this Base Prospectus, sovereign credit ratings for Kuwait stood at AA (S&P), Aa2 (Moody's) and AA (Fitch). Based on the Group's internal analysis (see "*Presentation of Financial and Other Information—*

Industry, Market and Customer Data"), as at 31 December 2015, mobile penetration in Kuwait had reached approximately 181 per cent. Ooredoo believes that the market will grow at a moderate pace but that revenue growth is attainable in Kuwait through provision of enhanced services and value management activities.

As at 31 December 2015, based on the Group's internal analysis (see *"Presentation of Financial and Other Information—Market Share"*), Ooredoo Kuwait's estimated market share by subscribers was at 30 per cent. with an established brand and distribution network in all major areas. As at 31 March 2016, Ooredoo Kuwait provided mobile telecommunications services in Kuwait to 2.4 million mobile customers. As at the date of this Base Prospectus, Ooredoo owns a 92.1 per cent. stake in Ooredoo Kuwait, which is listed on the Kuwait Stock Exchange. In order to increase its revenue in Kuwait, the Group has invested in the expansion of its capacity and coverage for both voice and data services, including the launch of LTE services in 2013, which now covers 92 per cent. of the population. In the three months ended 31 March 2016, the Group's operations in Kuwait generated revenues of QR603.6 million (U.S.$165.8 million), which amounted to 7.7 per cent. of the Group's consolidated revenues.

Customers and Tariffs. The following table sets out Ooredoo Kuwait's mobile customer numbers as at 31 March 2015 and 2016 and 31 December 2013, 2014 and 2015.

	As at 31 December			As at 31 March	
	2013	**2014**	**2015**	**2015**	**2016**
Mobile customers:[(1)]					
Prepaid	1,627,092	2,103,461	1,691,673	1,999,538	1,640,011
Postpaid	308,249	273,670	285,699	274,181	303,210
Wireless broadband	34,837	138,000	291,357	193,167	435,367
Total	**1,970,178**	**2,515,131**	**2,268,729**	**2,466,886**	**2,378,588**

(1) "Mobile customers" includes total registered mobile customers at the end of the relevant period. Ooredoo Kuwait defines a registered customer as one that has activated its SIM and in the case of a prepaid customer, has not failed to recharge its expired credit within 100 days of its expiry.

	For the three months ended 31 December			For the three months ended 31 March	
	2013	**2014**	**2015**	**2015**	**2016**
			(QR)		
			(unaudited)		
ARPU:[(1)]					
Postpaid	239.7	260.8	268.4	277.3	254.6
Prepaid	56.8	38.7	38.6	35.8	35.9
Blended ARPU	86.6	65.6	71.7	65.1	69.9

(1) For a discussion of the calculation of ARPU, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Financial Condition and Results of Operations—ARPU*". ARPU data has not been audited or otherwise reviewed by external auditors, consultants or independent experts.

For a discussion of the competitive environment in Kuwait, see "*Business Description of the Group—Principal Operations—Kuwait—Competition*".

There are three mobile operators in Kuwait, and it is one of the most competitive markets in the region, which has forced Ooredoo Kuwait to offer handset subsidies and data allowances to customers in order to remain competitive in the market.

In Kuwait, Ooredoo Kuwait offers predominantly postpaid, prepaid and data packages to its customers. Ooredoo Kuwait's services are offered through various tariff plans for both prepaid and postpaid customers. Customers are able to choose from a variety of packages, including bundle offers of local voice minutes, SMS, MMS and internet.

Ooredoo Kuwait also offers various handset schemes for the postpaid and prepaid customers. These handsets are sold to the customer via various bundles at different levels of subsidy and contract period.

Network Infrastructure. As of 31 March 2016, the Group's mobile telecommunications network in Kuwait comprised 1,790 cell sites and 2 switches. Ooredoo Kuwait regularly monitors congestion on its network to assess whether the network has sufficient capacity to meet the volume of traffic.

Marketing and Distribution. Ooredoo Kuwait sells its mobile telecommunications services in Kuwait through indirect channels (third party distributors), Ooredoo Kuwait-owned shops and through a sales force focused on the corporate sector.

As at 31 March 2016, Ooredoo Kuwait has agreements with one exclusive national distributor that has approximately 42 sales outlets. This authorised dealer network can provide network connections from points of sale. This distributor sells postpaid, prepaid and data services to the middle-to lower-income market. In addition, Ooredoo Kuwait operates 32 shops, which also act as points of service and support for its customers.

Competition. Historically, there were two mobile telecommunications operators in Kuwait: Zain and Ooredoo Kuwait. However, in December 2008, STC entered the market and began operating under the brand "VIVA". In Kuwait, operators compete for the business of relatively affluent consumers on the basis of network coverage and technical quality, price, the availability of data services and value-added features and quality and responsiveness of customer service. The market is dominated by handset offers and high data allowances over the 4G network.

Regulation. Ooredoo Kuwait is authorised to provide 2G, 3G and 4G services in Kuwait. The authorisation is of unlimited term and validity but subject to compliance with laws and regulations and to regular evaluations by the regulator. The general obligations of Ooredoo Kuwait and other mobile operators are set out in Kuwaiti telecommunications regulations such as the newly enacted Communication and Information Technology Regulatory Authority Law of 2014, as amended in 2015, and the related Bylaw no. 993 of 2015.

The Ministry of Communications was responsible for all telecommunications-related regulations. In 2014, the state of Kuwait issued a law to establish the Communication Information Technology Regulatory Authority ("**CITRA**"), as amended in 2015. The CITRA law divided the jurisdiction over the regulation of the communication sector between CITRA and the Ministry of Communications. The Ministry of Communications is responsible for drawing up public policy while CITRA is broadly responsible for all the telecommunications-related regulations including frequency allocation, licensing, competition laws and tariff regulations. As a newly created regulator, CITRA is currently working on passing many new regulations relating to pricing, licensing rules, regulatory fees, competition and anti-competitive practices and network roll-out.

The Ministry of Communications continues to have a monopoly over the Kuwaiti public switched telephone network and has sole responsibility for local circuits and international gateways. In 2016, the Ministry of Communications has announced plans to privatise fixed lines and long-distance services and infrastructure, although the timeline for such plans is not clear.

Iraq

Overview

Iraq shares a border with Jordan, Iran, Kuwait, Saudi Arabia, Syria and Turkey. A small part of its territory also borders the Arabian Gulf. According to the United Nations Statistics Division Demographic Yearbook 2014, Iraq covers an area of approximately 435,052 square kilometres and, according to the Iraqi Central Statistical Organisation, it had an estimated population of 37.9 million inhabitants in 2016.

As the first company to achieve nationwide coverage in Iraq, Asiacell was the second largest cellular operator in Iraq by number of customers as at 31 December 2015 based on the Group's internal analysis (see *"Presentation of Financial and Other Information—Market Share"*), with an estimated 36 per cent. market share by subscribers and having an established brand and distribution network covering all 18 governorates of Iraq. In the three months ended 31 March 2016, the Group's operations in Iraq generated revenues of QR1,075.7 million (U.S.$295.5 million), which amounted to 13.6 per cent. of the Group's consolidated revenues.

In February 2013, Asiacell completed its initial public offering, which raised around IQD 1.5 trillion (U.S.$1.3 billion). As at 31 March 2016, Ooredoo held a 64.1 per cent. effective economic stake in

Asiacell. Asiacell provided mobile telecommunications services in Iraq to 10.7 million mobile customers as at 31 March 2016.

In Iraq, telecommunications services have achieved comparatively low levels of market penetration. While Iraq has a relatively low per capita GDP of U.S.$15,057.1 in 2014, according to the World Bank, the Group believes that Iraq's attractive demographic profile and the significant economic growth opportunities available to Iraq, principally through hydrocarbons, forms a strong base for long-term demand growth for consumer mobile services.

Customers and Tariffs. The following table presents information about Asiacell's total mobile customers in Iraq as at 31 March 2015 and 2016 and 31 December 2013, 2014 and 2015.

	As at 31 December			**As at 31 March**	
	2013	**2014**	**2015**	**2015**	**2016**
Mobile customers:(1)..	10,734,096	12,301,895	10,793,583	11,187,176	10,697,288

(1) "Mobile customers" includes all registered mobile customers at the end of the relevant period. Asiacell defines a registered mobile customer as one that has any chargeable event in the previous 90 days.

The ARPU of Asiacell has declined in recent years primarily due to the deteriorating security situation in Iraq, see "*Risk Factors— Risks Relating to Countries in which the Group Operates—The Group is subject to the risks of political, social and economic instability associated with countries and regions in which it operates or may seek to operate*".

The following table presents information about Asiacell's ARPU in Iraq for the periods indicated.

	For the three months ended 31 December			**For the three months ended 31 March**	
	2013	**2014**	**2015**	**2015**	**2016**
			(QR)		
			(unaudited)		
ARPU:(1)...	54.8	40.0	36.6	34.4	32.9

(1) For a discussion of the calculation of ARPU, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Financial Condition and Results of Operations—ARPU*". ARPU data has not been audited or otherwise reviewed by external auditors, consultants or independent experts.

Asiacell offers wireless services in Iraq on a postpaid and prepaid basis, with eight main product lines. Asiacell offers a variety of branded consumer and business-oriented prepaid services that allow customers in Iraq to select the plan most suitable to their patterns of usage, with a particular emphasis on offering packages that are simpler and more basic than those offered by the Group in its more developed markets.

Customers accessing Asiacell's prepaid services in Iraq pay an up-front fee for a set amount of services and receive a prepaid SIM card that has a fixed credit that can be replenished at physical points of sale, such as newsstands, own shops and tobacco shops. Asiacell offers a variety of branded consumer and business-oriented prepaid services that allow customers in Iraq to select the plan most suitable to their patterns of usage.

Network Infrastructure. As at 31 December 2015, Asiacell's mobile telecommunications network in Iraq comprised approximately 5,800 cell sites, 21 media gateways and six mobile switching systems. Asiacell regularly monitors congestion on its network to assess whether the network has sufficient capacity to meet the volume of traffic. The service network is backed up by five call centres, two of which offer 24-hour service and three of which offer 16-hour service. Four of these call centres offer services to customers in three languages (being Arabic, English and Kurdish) and one offers service to customers in two languages (being Arabic and English).

Marketing and Distribution. Asiacell sells its mobile telecommunications services in Iraq through indirect channels (third-party distributors) and stores managed by Asiacell. Asiacell operates 18 directly-owned branded retail outlets, and 37 franchised stores.

Asiacell has agreements with a large number of regional distributors that together distribute to over 18,000 sales outlets.

Competition. There are three national mobile telecommunications operators in Iraq which hold nationwide licences: Asiacell, Zain and Korek Telecom. In general, competition in Iraq is characterised by an emphasis on pricing, tariffs, promotions, capacity, coverage and reliability.

Regulation. In March 2004, the Coalition Provisional Authority issued Order No. 65, which established the Communications and Media Commission (the "**CMC**") as an independent regulator of the Iraqi telecommunications sector. The CMC assumed this role from the Iraqi Ministry of Communications. The CMC's responsibilities include: (i) licensing and regulating telecommunications, broadcasting, information services and other media in Iraq; (ii) assisting with the development of telecommunications infrastructure in Iraq; (iii) establishing a framework for full and fair competition among all telecommunications providers; and (iv) encouraging the evolution of electronic media and communications networks for all Iraqi residents. There is no telecommunication law in Iraq as at the date of this Base Prospectus and the CMC is issuing different regulations to bridge any material gaps until the telecommunications draft legislation is finalised. Currently the CMC is conducting public consultation on various areas relating to quality of service obligations, national roaming and interconnection, interconnection cost, tower sharing, competition and mobile number portability. It is expected that, at the end of the process, the CMC will issue the relevant regulations to govern these different areas of the telecommunications sector.

In addition, in response to the challenging security conditions in Iraq, on 17 November 2015 the CMC issued new instructions on the registration of SIM cards. These instructions require Asiacell to register all of its dealers and point of sales ("**POS**") with the Iraqi National Security Agency and compel Asiacell, all of its dealers and POS to register SIM cards through an electronic registration system which will verify the user of each SIM card. Such instructions impose significant fines on non-compliant operators. Asiacell is currently implementing the new e-registration system and coordinating such implementation with the CMC to ensure compliance with the CMC's instructions.

In August 2007, the CMC granted Asiacell a fifteen-year licence, which may be extended by an additional five years, to provide 2G mobile telecommunication services throughout Iraq. This licence is the main source of Asiacell's regulatory obligations. The licence required that Asiacell pay a licence fee of U.S.$1.25 billion to the CMC, the final instalment of which was paid in September 2011, making Asiacell the first telecommunications company in Iraq to pay the licence fee in full. In addition, the licence requires that Asiacell pays a regulatory fee of 18.0 per cent. of its gross revenues, reduced to 15.0 per cent. **provided that** the level of Iraqi participation in Asiacell remains at 51.0 per cent. or above. There is ongoing dispute between the CMC and Asiacell as to whether Asiacell is a domestic company under Iraqi law and therefore is able to benefit from the lower fee rate, see "*Risk Factors—Risks Relating to Countries in which the Group operates – The Group is subject to the risks of political, social and economic instability associated with countries and regions in which it operates or may seek to operate—the Regulatory Uncertainties in Iraq*".

In November 2014, the CMC authorised Asiacell and the other two mobile operators to provide 3G services in Iraq for a licence fee of U.S.$307.0 million. Asiacell launched its 3G services in January 2015.

Furthermore, the CMC announced, in October 2015, its intention to introduce a fourth mobile operator in Iraq. A request for expression of interest was issued by the CMC in November 2015. The CMC has stated that this fourth mobile licence will be subject to a bidding process but no date has been set for the bid as at the date of this Base Prospectus.

Algeria

Overview

Algeria is a sovereign state in North Africa on the Mediterranean coast, bordered to the north-east by Tunisia, to the east by Libya, to the west by Morocco, to the southwest by Western Sahara, Mauritania, and Mali, to the south-east by Niger, and to the north by the Mediterranean Sea. According to the United Nations Statistics Division Demographic Yearbook 2014, Algeria has an area of approximately 2,381,741 square kilometres and has an estimated population of 39 million. Algeria has a GDP per capita of U.S.$5,484.1 for 2014 and a GDP annual growth rate of 3.8 per cent. in 2014, according to the World Bank.

As at 31 December 2015, Ooredoo Algeria was the second largest cellular operator in Algeria by number of customers based on the Group's internal analysis (see "*Presentation of Financial and Other Information—Market Share*"), with an estimated 32 per cent. market share. It has an established brand and extensive distribution network covering 48 provinces (or Wilayas) in Algeria. Based on the Group's internal analysis (see "*Presentation of Financial and Other Information— Industry, Market and Customer Data*"), as at 31 December 2015, the market penetration in Algeria's mobile telecommunications market was 103 per cent. In the three months ended 31 March 2016, the Group's operations in Algeria generated revenues of QR927.9 million (U.S.$254.9 million), which amounted to 11.8 per cent. of the Group's consolidated revenues.

Ooredoo Algeria is one of the market leaders in Algeria in 3G and data services by revenue for the year ended 31 December 2015 and it was the first mobile operator in Algeria to introduce multimedia services. By the end of 2015, Ooredoo Algeria has deployed 3G to cover 36 Wilayas, up from 25 Wilayas in 2014. Ooredoo Algeria has captured 47 per cent. of data users and 53 per cent. of all data market revenues and reached a customer base of 13 million by the end of 2015.

In April 2016, Ooredoo Algeria submitted a bid to the Autorité de Regulation de la Poste et des Télécommunications (the "**ARPT**") for a 4G licence, and this licence was granted on 23 May 2016.

Customers and Tariffs. The following table presents information about Ooredoo Algeria's prepaid and postpaid mobile customers in Algeria as at 31 March 2015 and 2016 and 31 December 2013, 2014 and 2015.

	As at 31 December			As at 31 March	
	2013	**2014**	**2015**	**2015**	**2016**
Mobile customers:[(1)]					
Prepaid	7,939,831	9,717,144	11,168,368	10,038,305	11,251,584
Postpaid	619,638	671,371	691,366	682,652	700,717
Wireless broadband	931,954	1,836,019	1,177,499	1,909,314	1,231,708
Total	**9,491,423**	**12,224,534**	**13,037,232**	**12,630,271**	**13,184,009**

(1) Ooredoo Algeria does not count postpaid customers as customers if they have any outstanding balance remaining more than 120 days after their last statement date. Prepaid customers are not counted as customers if they have not recharged their SIM card within 90 days of the grace period following their SIM card's expiry date.

While the mobile telecommunications market in Algeria is competitive and often driven by pricing competition, Ooredoo Algeria believes that there remains room for revenue growth. Formerly known as "Nedjma", the company has been in operation in Algeria since 2004, and was subsequently rebranded as "Ooredoo" in 2013. Ooredoo Algeria offers mobile voice, data and broadband services to both retail and business customers and has recently launched mobile voice and data "bundle" packages to its retail customers. Mobile voice and data services are offered to retail customers on both a pre-paid and post-paid basis.

To enhance Ooredoo Algeria's business services portfolio, in 2014, Ooredoo Algeria launched an internet caching solution to facilitate greater internet service to business customers, and "OCloud Solution", an Ooredoo cloud service platform.

Until 2013, mobile usage was driven largely by voice calls as data services relied on GPRS and EDGE technologies with limited bandwidths. With the issuance of 3G licences in the last quarter of 2013 to each of Ooredoo Algeria, Mobilis and Djezzy and the development of infrastructure by each of the three operators to support 3G technology, there has been a rapid increase in data usage between 2014 and 2015. For the year ended 31 December 2015, the average usage per user was 381 million bits, as compared to 300 million bits for the year ended 31 December 2014.

The following table presents information about Ooredoo Algeria's ARPU in Algeria for the periods indicated.

	For the three months ended 31 December			For the three months ended 31 March	
	2013	2014	2015	2015	2016
			(QR)		
			(unaudited)		
ARPU[(1)]					
Prepaid	31.5	22.3	22.3	26.1	22.3
Postpaid	47.7	62.4	62.4	78.3	60.7
Blended ARPU	33.9	29.4	22.9	26.1	22.7

(1) For a discussion of the calculation of ARPU, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Financial Condition and Results of Operations—ARPU*". ARPU data has not been audited or otherwise reviewed by external auditors, consultants or independent experts.

Network Infrastructure. As at 31 March 2016, Ooredoo Algeria's mobile telecommunications network in Algeria comprised 4,784 physical cell sites and 6 switches. Ooredoo Algeria's network infrastructure was constructed to meet the coverage and service of quality requirements under its 2G and 3G licences. This network infrastructure consists of GSM/UMTS network deployed on Single RAN Technology, Core CS/PS deployed on four different locations, a NGN IP-MPLS at the heart of the technical architecture, four points of presence and internet traffic exchange and an extensive fibre optic network of 2,200 km connecting major network elements across the country.

Marketing and Distribution. Ooredoo Algeria distributes its products and services through direct and indirect channels. As at 31 March 2016, its direct sales network covers 48 provinces (or Wilayas) and is comprised of 126 own-branded shops called "Ooredoo Spaces", 484 franchised shops called "Ooredoo Services Space" and 92 "City Shops". Ooredoo Algeria also has an indirect sales network comprised of approximately 60,000 points-of-sale in 48 Wilayas including distribution through 8,000 preferred partners with which a direct distribution policy is applied to such distribution partners. In addition, in 2013, Ooredoo Algeria entered into a strategic partnership with Algéria Post to allow for the distribution of Ooredoo Algeria products and services through Algéria Post's 3,500 post offices.

Competition. There are three national mobile telecommunications operators in Algeria which hold nationwide licences: Djezzy, Mobilis (which is a subsidiary of Algérie Telecom) and Ooredoo Algeria. With the Algerian state holding 51 per cent. of the shares in Djezzy and Mobilis being a subsidiary of the state-owned Algérie Telecom, Ooredoo Algeria is the only privately owned mobile telecommunications operator in Algeria.

Competition between the three national mobile telecommunications operators in recent years has been characterised by intensifying price competition, however, as market penetration continues to increase, focus has shifted to raising ARPU and investing in mobile data services based on HSPA and LTE technologies. To this end, the government has offered LTE/4G licences for tender to existing operators and submissions were due in April 2016. Ooredoo Algeria has made a tender offer for a LTE/4G licence along with the other two Algerian mobile telecommunications operators and was granted this licence on 23 May 2016.

Regulation. The telecommunications sector is regulated by the ARPT, which was created by the Algerian Telecommunications Law no. 3 of 2000. The ARPT is responsible for regulating postal services and the telecommunications sector. The 03-2000 law establishes general rules on the organisation of the telecommunication sector, creates and determines the scope of the mandate of the national regulatory authority, defines general rules for the licensing and authorisation of telecommunications networks and services and introduces principles allowing the development of competition in the sector. The ARPT has been provided with power from January 2015 to issue financial sanctions against operators who are not compliant with applicable law. Although this law only provides for the ARPT to recommend to the Ministry of Post, Information Technology and Communications (the "**MPTIC**") the maximum price of universal telecom services, mobile operators also need to submit all their retail offers to ARPT for approval.

With the issuance of the 3-2000 law, the ARPT liberalised the mobile telecommunication sector by issuing three mobile licences; Algerie Telecom (also known as Mobilis) in 2003, Orascom Telecom

Algérie (now known as "**Djezzy**") in 2002 and Wataniya Telecom Algérie (also formerly known as "Nedjma" and has since been rebranded as "Ooredoo") in 2004. The ARPT has not yet liberalised the fixed telephony services and the country's international gateway, which is still operated exclusively by Algerie Telecom.

Ooredoo Algeria was issued with a 15 year national mobile licence to provide 2G services in Algeria in 2004. The 2G licence will expire in 2019 In December 2014, Ooredoo Algeria was granted a 15 year licence to provide 3G services, and Ooredoo Algeria launched its 3G services on 22 December 2014 in ten major cities – Algiers, Constantine, Oran, Ouargla, Setif, Djelfa and exclusively in Bejaia, Chlef, Bouira and Ghardaia. Furthermore, in 2014 Ooredoo Algeria received a 5 year general authorisation to provide broadband internet service ("**ISP**"). The ARPT recently conducted a national bid for licences for the provision of 4G services. Ooredoo Algeria and the other two mobile operators had all participated in the bid. Ooredoo Algeria was successful in its bid and was granted a 4G licence on 23 May 2016.

The ARPT is active in the regulatory space and has been passing a range of regulations to regulate and govern the mobile services sector. For example, the ARPT requires that all mobile operators publish reference interconnection offers and set all interconnection prices by reference to the cost-base of the relevant mobile operator. All interconnection agreements and interconnection prices must be approved by the ARPT prior to such agreements and prices becoming effective. The ARPT has also established rules regulating the promotions which mobile operators may offer. These rules limit the frequency and duration, as well as the minimum interval between promotions. This has, to some extent, reduced the intensity of competitive promotions. The ARPT is currently conducting a public consultation on the definition of telecommunications markets and dominant designation, which could mean that Ooredoo Algeria could be designated as being "dominant" in some retail and wholesale mobile markets. If Ooredoo Algeria were to be designated as being "dominant" in any mobile markets, the company may be subject to additional regulations, including in relation to non-discrimination, transparency and price control obligations. There is currently no number portability, either for mobile or fixed, in Algeria. Moreover, the ARPT has issued a call for tender for the provision of universal telecoms services in Algeria. The bid was concluded in February 2016, and Ooredoo Algeria bid's was not accepted.

Pursuant to Article 4 quinquiès of the Ordinance 01-03, as amended by Article 62 of Ordinance 09-01 dated 26 July 2009 and Article 46 of Ordinance 10-01 dated 26 August 2010, the Algerian government has a first right of refusal in respect of any transfer of shares made by foreign shareholders or for the benefit of foreign shareholders. Accordingly, the Group's ability to transfer its shareholding in Ooredoo Algeria including by way of an internal restructuring that may involve the transfer of shares in Ooredoo Algeria to another entity in the Group is subject to such first right of refusal.

Employees of the Group

As at 31 December 2015, the Group had approximately 17,582 full-time equivalent employees. The following table sets out the number of the Group's employees as at 31 December 2013, 2014 and 2015 in each of the principal markets in which it maintains operations:

	As at 31 December		
	2013	**2014**	**2015**
Qatar	1,715	1,614	1,554
Indonesia	3,956	4,100	4,320
Kuwait	950	856	737
Iraq	2,811	2,771	2,733
Algeria	2,846	2,895	3,008
Others	4,693	5,322	5,230
Group Total	**16,971**	**17,558**	**17,582**

In general, the Group's employees do not participate in any collective bargaining or similar agreements. However some of Indosat Ooredoo's and Ooredoo Tunisia's employees belong to a union and benefit from a collective labour agreement. See "*Risk Factors—Risks Relating to the Telecommunications Industry—Industrial action or adverse labour relations could disrupt the Group's business operations and have an adverse effect on operating results*".

The Group provides a variety of benefits to their employees that vary based on the country and region in which they operate. The Group does not maintain employee pension plans but does contribute to a statutory pension plan for Qatari employees.

Insurance

The Group's operations are subject to operational and geographic risks, including accidents, natural disasters, war, terrorism, fire, weather-related perils and other events beyond the Group's control. The Group maintains various types of insurance policies to protect against the financial impact arising from unexpected events when the amount of the potential loss would be significant enough to prevent normal business operations. The Group cannot, however, give any assurance that this insurance will be adequate to protect it from all expenses related to potential future claims for personal injury and property damage or that these levels of insurance will be available in the future at commercially reasonable prices. The Group does not fully insure against certain risks to the extent that such risks may not be fully insurable or related coverage is unavailable at what it considers to be appropriate price levels. In addition, insurance policies for certain types of operational risks that are typically available outside Iraq are not available in Iraq.

The Group has not historically experienced difficulty renewing its insurance policies and it believes that its insurance is reasonable and consistent with industry standards.

Intellectual Property

In general, each of the Group's operations has sought to legally protect its trademarks and copyrights for its name, logos and services in its own market. However, none has sought such protection outside its own market.

Litigation

The Group is from time to time a party to various legal actions arising in the ordinary course of its business. Other than the litigation described below, the Group does not believe that the resolution of these legal actions will, individually or in the aggregate, have a material adverse effect on its financial condition or results of operations.

Proceedings against PT Indosat Mega Media relating to misuse of radio frequencies

In early 2012, the Attorney General's Office in Jakarta (the "**AGO**") initiated corruption proceedings against PT Indosat Mega Media ("**IM2**"), a 99 per cent owned subsidiary of PT Indosat Tbk., a subsidiary of the Group, for unlawful use of a radio frequency band allocation that had been granted to Indosat Ooredoo.

On 8 July 2013, the Indonesia Corruption Court imposed a fine of QR474 million (U.S.$130.2 million) against IM2 in a related case against the former President Director of IM2. Both the former President Director of IM2 and the AGO lodged appeals to the Jakarta High Court. A written decision of the Supreme Court was received in January 2015 which confirmed that the Supreme Court had upheld the former IM2 President Director's prison sentence of eight years and that the fine against IM2 of approximately U.S.$130.2 million had been reinstated.

On 16 March 2015, the former IM2 President Director's submission of judicial review was officially registered at the Corruption Court. Since the criminal case verdict and the administrative case verdict were contradictory, on 16 March 2015 BPKP (State Audit Bureau) filed a judicial review on the administrative case in order to annul the previous administrative case verdict. Due to the BPKP's Judicial Review, on 13 October 2015 the Supreme Court has issued a verdict (on the administrative case) which stated that the BPKP audit report held by BPKP is valid.

On the Supreme Court's official website, the Supreme Court on 4 November 2015 issued a verdict (on the criminal case) that rejected the Judicial Review submitted by the former President Director of IM2. To date, PT Indosat Tbk. has not yet received the official copy of the verdict. PT Indosat Tbk. is preparing a second judicial review for the criminal case.

Indosat Ooredoo and IM2 have constituted provisions in their accounts, with Indosat Ooredoo's provision being Rp1,358.6 billion (U.S.$101.4 million) as at 31 March 2016.

Deduction disallowed in corporate income tax assessment

On 20 November 2014, Indosat Ooredoo received an assessment letter of tax overpayment ("**SKPLB**") from the Director General of Taxation ("**DGT**") where the DGT made a correction totalling QR88 million (U.S.$24.2 million), which decreased the tax loss carried forward as of 31 December 2012. On 18 February 2015, Indosat Ooredoo submitted an objection letter to the Tax Office regarding the above correction. The tax objection was declined by the Tax Authority, however, Indosat Ooredoo is preparing to file an appeal with the Tax Court.

On 27 December 2013, Indosat Ooredoo received an SKPLB from the DGT for Indosat Ooredoo's 2007 and 2008 corporate income tax amounting to QR29.0 million (U.S.$8.0 million) and QR25.5 million (U.S.$7.0 million), respectively, which was paid on 24 January 2014. On 20 March 2014, Indosat Ooredoo submitted objection letters to the Tax Office regarding this correction on Indosat Ooredoo's 2007 and 2008 corporate income tax amounting to QR32.3 million (U.S.$8.9 million) and QR28.5 million (U.S.$7.8 million), respectively. The tax objection was declined by the Tax Authority and Indosat Ooredoo has filed an appeal with the Tax Court.

Withholding tax deducted by Indosat Ooredoo at lower rate

On 20 November 2014, Indosat Ooredoo received SKPLBs from the DGT for Indosat Ooredoo's 2012 income tax article 26 amounting to QR82 million (U.S.$22.5 million) (including penalties). On 18 February 2015, Indosat Ooredoo submitted an objection letters to the Tax Office regarding the correction that was declined by the Tax Authorities. Indosat Ooredoo is preparing to file an appeal with the Tax Court.

Tax demand notices against Asiacell

As at 31 December 2015, Asiacell was subject to tax demand notice by the General Commission for Taxes, Iraq (the "**GCT**") for the years 2004 to 2007 for an amount of QR245.0 million (U.S.$67.3 million) and a further tax demand notice by the GCT for the years 2008, 2009 to 2010 for amounts of QR141.0 million (U.S.$38.7 million) and QR244.0 million (U.S.$67.0 million), respectively, relating to corporate income tax.

Asiacell has raised an objection against each of these claims and has paid all the above contested amounts under protest to comply with the requirements of tax laws in Iraq. As at the date of this Base Prospectus, Asiacell has not received a tax clearance certificate from the GCT in relation to the above contested amounts.

The Group has set up a provision of QR425 million (U.S.$117 million) for the period between 2004 to 2010 against these claims and management is of the view that Asiacell has strong grounds to challenge each of these claims.

Proceedings against Asiacell relating to regulatory fee

On 10 June 2014, the CMC issued a letter notifying Asiacell that due to the shareholding structure of Asiacell, it would be treated as a non-Iraqi company and required to pay 18 per cent. of its gross revenue as a regulatory fee, as per its license agreement. Asiacell is of the opinion that it is an Iraqi company, and only required to pay 15 per cent. of its gross revenues as a regulatory fee.

Consequently, the CMC requested that Asiacell pay a regulatory fee of 18 per cent. of gross revenues, instead of 15 per cent.

The amount requested by CMC was QR278.2 million (U.S.$76.4 million), from the period that the CMC is claiming that the Iraqi ownership had changed (being February 2013) until 30 June 2013. Asiacell has lodged an appeal against this claim. On 11 November 2014, the CMC issued a letter notifying Asiacell that they have revised the claim relating to the additional 3 per cent. and that the total new amount from June 2012 to 30 June 2014 should be equal to QR370.7 million (U.S.$101.8 million). The Company has a full provision for this claim amounting to QR598.8 million (U.S.$164.4 million), which covers the period to 31 December 2015. Asiacell appealed the CMC's decision to the Appeal Board and subsequently to the Iraqi courts on the basis that Asiacell should not be considered a foreign company because its majority shareholders are Iraqi. In January 2016, the Kurdistan Court of Cassation issued a final decision in favour of Asiacell by concluding that the CMC is not entitled to apply the 18 per cent. licence fee rate to Asiacell, as it is a domestic company with Iraqi shareholders owning more than 83 per cent. of its shares.

On 4th February 2016, the CMC sent a letter requiring the banks to restrict the use of certain bank accounts of Asiacell. This is against a disputed amount for which Asiacell already has a court decision in their favour.

Proceedings against Asiacell relating to frequency spectrum fee

On 10 September 2014, the CMC issued a letter notifying Asiacell to pay frequency spectrum usage fees of QR239.1 million (U.S.$65.7 million) for the period from 30 August 2007 to 31 December 2013. Asiacell has been making all payments for microwave spectrum as per the microwave spectrum fees regulations of 2010 and 2011. In 2015, CMC purported to retroactively apply the higher 2011 microwave fee rate/formula to the fees payable by Asiacell in the period between 2010 and 2013, and the 2010 microwave fee rate/formula to fees payable by Asiacell between 2007 and 2010. Asiacell has made an appeal against this claim.

On 29 January 2015, the appeal panel issued a decision in relation to the objection filed by Asiacell. The decision was to dismiss the claim issued by the CMC's general manager and the appeal panel instructed the CMC to determine the spectrum fees payable by Asiacell in consultation with Asiacell.

As of the date of issuance of Asiacell's 2015 audited financial statements, the new claim amount as per the appeal panel recommendations had not yet been determined. Asiacell made a provision of QR207.0 million (U.S.$56.9 million) in its 2015 financial statements for the period 30 August 2007 to 31 December 2015, which Asiacell's management believes is sufficient at this stage.

Environmental Matters

The Group is subject to a broad range of environmental laws and regulations. These laws and regulations impose increasingly stringent environmental obligations regarding, among other things, radiation emissions, zoning, the protection of employee health and safety, noise and historical and artistic preservation. The Group could therefore be exposed to costs and liabilities, including liabilities associated with past activities.

The Group's operations are subject to obligations to obtain environmental permits, licences and/or authorisations, or to provide prior notification to the appropriate authorities. The Group's objective is to comply in all material respects with applicable environmental and health control laws, and all related permit requirements. The Group believes that the principal environmental risks arising from its current operations relate to the potential for electromagnetic pollution and for damage to cultural and environmental assets. The Group deploys various network infrastructure strategies in order to achieve radiation emission ranges lower than the minimum levels required by applicable regulations.

Commercial Property

The principal property, plant and equipment of the Group consists of its cable and switching stations located throughout the jurisdictions in which it operates, including its international exchanges, its satellite earth stations, its mobile switching centres, base stations, transmission equipment, cables and other technical, administrative and commercial property plant and equipment.

Ooredoo owns its head office at 100 West Bay, P.O. Box 217, Doha, Qatar.

The net book value of property, plant and equipment as at 31 March 2016 was QR33.9 billion (U.S.$9.3 billion).

Information Technology

Each operating company of the Group maintains its own information technology ("**IT**") systems. The Group's IT systems are comparable to those typically used by other telecommunications service providers, and comprise operational support systems (which support the Group's telecommunications network and include processes such as maintaining network inventory, provisioning services, configuring network components and managing faults) and business support systems (which support processes related to the Group's customers, such as taking orders, processing bills, collecting payments and customer relationship management). The Group believes that its existing IT systems are adequate for the purposes of its existing business.

Each operating company of the Group maintains its own disaster recovery systems in order to ensure the recovery and continuation of its technology infrastructure following potential disruptive events, such as natural disaster or terrorism. Each operating company has procedures in place to either back up critical data on-site or automatically copy this backed-up data to off-site storage, or to back-up and replicate critical data directly to off-site storage.

CORPORATE GOVERNANCE

Supervisory Governance of Ooredoo Q.S.C.

Board of Directors

The Board is responsible for the Group's management and has unrestricted management powers, except to the extent provided by law, the Articles of Association or a resolution of the shareholders at a General Assembly of the shareholders.

The Board acts as the overall supervisory and monitoring body of the Group, approving all important new business proposals presented to it, including the acquisitions of any subsidiaries or affiliates, major capital projects and the acquisition or disposal of assets. In addition, the Board reviews the Group's development plans, monitors the performance of those development plans and reviews and approves the Group budget. The Board is also responsible for the timely and accurate disclosure of information to the Group's shareholders and to the Qatar Stock Exchange, the Abu Dhabi Securities Exchange and the London Stock Exchange. In carrying out its activities, the Board represents the interests of the shareholders of Ooredoo Q.S.C. and is accountable to the shareholders of Ooredoo Q.S.C.

Meetings of the Board must be held at least six times per year. Ooredoo Q.S.C.'s Articles of Association require that no more than three months may elapse between meetings.

The Board currently consists of 10 non-executive members, five of whom, including the Chairman of the Board, are appointed by, and cannot be removed except through, a decision of the State of Qatar, which holds the Golden Share. Therefore, the State of Qatar may exercise influence in relation to decisions pertaining to the Group. See "*Risk Factors—Risks Relating to the Group—Qatar exerts significant control over Ooredoo and its interests may conflict with those of Noteholders and/or Ooredoo itself and "—Supervisory Governance of Ooredoo—Rights of Qatar*". The General Assembly elects the remaining five members of the Board by way of a secret ballot in which Qatar has no voting rights.

The State of Qatar's right to appoint and remove five of the 10 members of the Board applies for so long as Qatar's shareholding is maintained. Should the State of Qatar cease to own 50.0 per cent. or more of Ooredoo Q.S.C.'s outstanding voting shares the State of Qatar would only be able to appoint a number of board members *pro rata* to the number of shares it holds with the remaining members of the Board being elected by the General Assembly. Notwithstanding its ownership percentage, Qatar shall always have the right to appoint not less than two members of the Board, one of them being the Chairman of the Board.

The General Assembly may, on the application of shareholders holding at least 25.0 per cent. of Ooredoo Q.S.C.'s issued share capital, remove by a majority vote a member of the Board who has not been appointed by the State of Qatar. The State of Qatar is not permitted to vote and its shares are not counted in determining such a majority. The State of Qatar may replace or remove any member of the Board appointed by it.

Members of the Board elected by the General Assembly are required to own at least 5,000 shares (the "**Collateral Shares**"), which are used as a collateral guarantee against the relevant board members' liability to Ooredoo Q.S.C., the other shareholders, debtors and third parties. The Collateral Shares are, immediately after the election of a member of the Board, deposited with an approved bank until the end of that member's term on the Board.

Resolutions of the Board are passed by the majority of those present and, in the event of a tie, the Chairman's, or Acting Chairman's, vote prevails. See "*Risk Factors—Risks Relating to the Group—Qatar exerts significant control over Ooredoo and its interests may conflict with those of Noteholders and/or Ooredoo itself*".

Rights of Qatar

The Golden Share is required at all times to remain the property of the State of Qatar.

Whilst Qatar has the same rights as any holder of an ordinary share, the Articles of Association provide that the Golden Share also grants the right to approve, veto and reverse any decision of Ooredoo Q.S.C. (whether made by the General Assembly or by the members of the Board) relating to certain matters (the "**Entrenched Rights**").

The Entrenched Rights comprise the following:

- a reduction in the share capital of Ooredoo Q.S.C.;
- any amendment, waiver, deletion of any provision, or any addition to the Articles of Association of Ooredoo Q.S.C., which in the opinion of Qatar, is prejudicial to the rights of Qatar;
- any sale or disposal of any property which alone, or in conjunction with other incidental or related sales or disposals in the same transaction or connected transactions, constitutes a disposal of the whole or, in the opinion of Qatar, a material part of the assets of Ooredoo Q.S.C.;
- any matter which, in the opinion of Qatar, may affect the national security of Qatar or the relations of Qatar with other countries; and
- the winding up, dissolution, sale, merger or restructuring of Ooredoo Q.S.C.

General Assembly

The General Assembly represents all of the shareholders of Ooredoo Q.S.C. and all of its meetings are to be held in Doha, Qatar. Every shareholder has the right to attend the General Assembly, either in person or by way of proxy, and has a number of votes equivalent to the number of shares held. The Board is required to be represented in the General Assembly by not less than the quorum required for meetings of the Board, which must include the Chairman or the Deputy Chairman.

An Ordinary General Assembly must be convened at least once a year, within the first four months following the end of Ooredoo Q.S.C.'s financial year. The Board can call a meeting of the General Assembly or one can be called upon the request of the auditor of Ooredoo Q.S.C. or at the request of a number of shareholders representing not less than 10.0 per cent. of the issued share capital of Ooredoo Q.S.C. A meeting of the Ordinary General Assembly is not valid unless it is attended by a number of shareholders representing at least 50.0 per cent. of Ooredoo Q.S.C.'s issued share capital. If a quorum is not achieved, another meeting may be called and is valid, irrespective of the number of attendees.

An Extraordinary General Assembly may be called by the Board or by a written request addressed to the Board from a number of shareholders holding not less than 25.0 per cent. of Ooredoo Q.S.C.'s issued share capital. A meeting of the Extraordinary General Assembly is not valid unless it is attended by a number of shareholders representing at least 75.0 per cent. of Ooredoo Q.S.C.'s issued share capital. If a quorum is not achieved, another meeting may be called and is valid if shareholders representing at least 50.0 per cent. of Ooredoo Q.S.C.'s issued share capital attend. If a quorum is not secured at this second meeting, a third meeting may be called which will be valid regardless of the number of attendees. Subject to the Entrenched Rights of Qatar, an Extraordinary General Assembly may amend the Articles of Association.

Decisions at meetings of the Extraordinary General Assembly require a vote in favour of the relevant resolution by two-thirds of the percentage of Ooredoo Q.S.C.'s issued share capital represented at the meeting. As an exception, if a third meeting is called, as mentioned above, resolutions at that meeting can be passed by a majority of the votes of those present, but shall not be effective until they have been approved by the Minister of Economy and Commerce.

Members of the Board

As at the date of this Base Prospectus, the members of the Board, their current positions in Ooredoo Q.S.C., age and the years of their appointment are as follows:

Name	Age	Position	Month of Appointment
H.E. Sheikh Abdulla Bin Mohammed Bin Saud Al Thani	57	Chairman	July 2000
H.E. Ali Shareef Al Emadi	47	Deputy Chairman	March 1999
H.E. Mohammed Bin Issa Al Mohannadi	61	Member	July 2000
H. E. Turki Mohammed Al Khater	58	Member	March 2011
Mr. Aziz Aluthman Fakhroo	39	Member	March 2011
Mr. Nasser Rashid Al-Humaidi	51	Member	March 2011
Mr. Ibrahim Abdullah Al Mahmoud	49	Member	March 2014
Dr. Nasser Marafih	55	Member	November 2015

Name	Age	Position	Month of Appointment
Mr. Khalifa Matar Almheiri	45	Member	March 2015
Mr. Mohamed Ahmed Al Qamzi	44	Member	March 2015

The business address for each member of the Board of Ooredoo Q.S.C. is 100 West Bay, P.O. Box 217, Doha, Qatar.

Set forth below is a short biography of each of the members of the Board:

H.E. Sheikh Abdulla Bin Mohammed Bin Saud Al Thani

H.E. Sheikh Abdulla is the Chairman of Ooredoo Q.S.C. His Excellency joined the Board as Chairman in July 2000. His Excellency has held several high profile positions in Qatar, including the Chief of the Royal Court (Amiri Diwan) from 2000 to 2005 and currently is the Chief Executive Officer of Qatar Investment Authority. His Excellency has also held positions as the Chairman of Ooredoo Kuwait, President of the Board of Commissioners of Indosat Ooredoo and a Member of the Planning Council. His Excellency has a background in the aviation industry and experience in the fields of administration, government and international relations.

H.E. Ali Shareef Al Emadi

H.E. Ali Shareef Al Emadi is the Deputy Chairman of Ooredoo Q.S.C. He joined the Board in March 1999 and has subsequently been re-elected to the position. His Excellency was appointed Deputy Chairman in 2011. His Excellency is the Minister of Finance in Qatar and Chairman of Qatar National Bank S.A.Q. His Excellency has also held positions as a board member of Ooredoo Group LLC and Ooredoo Kuwait. His Excellency has experience in the fields of finance and banking.

H.E. Mohammed Bin Issa Al Mohannadi

H.E. Mohammed Bin Issa Al Mohannadi is a member of the Board and an appointee of the Government. His Excellency joined the Board in July 2000 and has subsequently been re-elected to the position. His Excellency is the former Chief Financial Officer of the Royal Court (Amiri Diwan) and is a former State Minister. He is also a member of the board of directors of Ooredoo Group LLC and Asiacell and is active on the board of directors of a number of Qatari companies. His Excellency has experience in administration, finance and government.

H. E. Turki Mohammed Al Khater

H.E. Turki Mohammed Al Khater is a member of the Board. He joined the Board in March 2011, and is also the President of General Retirement and Social Insurance Authority, Chairman of Dlala Holding, board member of Masraf Al Rayan and a board member of Al Ahli United Bank in Bahrain. His Excellency has previously held the position as the Managing Director and undersecretary of Health Ministry of Hamad Medical Corporation.

Aziz Aluthman Fakhroo

Mr. Aziz Aluthman Fakhroo is a member of the Board and an appointee of the Government of Qatar. He joined the Board in March 2011. He is currently the Director of the Public Budget Department in the Ministry of Finance. Prior to his current position, he was an Acting Director in the Mergers and Acquisitions Department of Qatar Holding LLC, which is part of the Qatar Investment Authority. He was previously the Chairman of Ooredoo Myanmar, the founder and Chief Executive Officer of Idealys, and currently represents Qatar Holding LLC on the boards of United Arab Shipping Company, Canary Wharf Group and Chelsfield LLP.

Nasser Rashid Al-Humaidi

Mr. Nasser Rashid Al-Humaidi is a member of the Board and an appointee of the Government of Qatar. He joined the Board in March 2011, and is also the Group Chief Operating Officer of the Barwa Bank Group. Prior to his current positions, he held various management and business technologies roles in multi-industry sectors including utilities, telecommunications, oil & gas, real estate and banking, and contributed to the national steering committees. He has also worked as an advisor in the field of information and communication technology.

Ibrahim Abdullah Al Mahmoud

Mr. Ibrahim Abdullah Al Mahmoud is a member of the Board. He had held senior positions in a number of private sector companies and in academic organisations including Qatar Foundation for Education, Science and Community Development and Calgary University in Qatar.

Dr. Nasser Marafih

Dr. Marafih is a member of the Board, and an advisor to the Chairman of the Board. Previously, he served as the CEO of the Ooredoo Group from 2006 until 2015 and as Ooredoo Qatar CEO from 2002 until 2011. He serves as Chairman of the Board of the GSMA Mobile for Development Foundation and as a member of the Board of GSMA.

Khalifa Matar Al Mheiri

Mr. Almheiri is a member of the Board. He is also the Executive Director, Alternative Investments Department of ADIA, overseeing the departments investments in the hedge fund industry. He is the Vice Chairman of ADIA's Management Committee. Prior to his current position, he held a range of positions in ADIA, including Executive Director of the Information Technology Department and senior positions in the Far East and Europe divisions.

Mohamed Ahmed Al Qamzi

Mr. Al Qamzi is a member of the Board. He is also an Executive Director for the Internal Equities Department of ADIA. Since joining ADIA in 1996, he has assumed different responsibilities and played an active role within the organisation. In addition, he is a member of the National Consultative Council for the emirate of Abu Dhabi, a Board member at the National Marine Dredging Company, and a Board member at the Khalidiya Co-Operative Society.

Directors' Interests

As at the date of this Base Prospectus, the members of the Board own, in aggregate, approximately 29,400 ordinary shares, representing approximately 0.009 per cent. of the issued share capital of Ooredoo Q.S.C.

There are no interests of the members of the Board in transactions which are or were unusual in their nature or conditions or significant to the business of Ooredoo Q.S.C. Ooredoo Q.S.C. is not aware of any potential conflicts of interest between the duties owed by the members of the Board and their private interests or other duties.

In the five years preceding the date of this Base Prospectus, no member of the Board has been convicted of any fraudulent offence, served as a director, partner, founder or senior manager of any organisation at the time of any bankruptcy, receivership, any official public incrimination or sanctions by statutory or regulatory authorities, including designated professional bodies, or has been disqualified by a court from acting as a director of an issuer or from acting in the management or conduct of affairs of any issuer.

Compensation of the Board

For their services, members of the Board are entitled to remuneration, which is determined by a meeting of the General Assembly. For the year ended 31 December 2015, Ooredoo Q.S.C. paid or accrued compensation (including salary, benefits and bonuses) to the Board of QR17.6 million (U.S.$4.8 million).

Committees of the Board

The Board has established three principal committees to review and decide on specific matters (together, the "**Committees**"). The Committees are given responsibility for specific areas of significance to the Group's corporate governance and assist the Board in discharging its responsibilities by advising and making recommendations to the Board. Each Committee comprises a chairman and is composed of at least three members of the Board and operates in accordance with a written charter approved by the members of the Board.

The Board has established the following primary Committees:

Executive Committee

The Executive Committee oversees the decision making process of the Group and ensures that the objectives of Ooredoo Q.S.C. are achieved in accordance with the authorities delegated to the Executive Committee by the Board. The Committee is also responsible for reviewing any matters requiring detailed review before presentation to the Board for final decision. The Executive Committee also oversees Ooredoo Q.S.C.'s strategy and method deployed for adopting financial and strategic investments. The membership of the Executive Committee comprises H.E. Mohammed Bin Issa Al-Mohannadi (as Chairman), Mr. Turki Mohammed Al-Khater (as Vice-Chairman) and Mr. Khalifa Matar Al-Meheiri.

Audit & Risk Management Committee

The Audit & Risk Management Committee oversees Ooredoo Q.S.C.'s relationships with its internal and external auditors. The committee has recommended Ooredoo Q.S.C.'s auditors, Deloitte for the financial year starting 1 January 2016, and reviews the quarterly internal and annual audit reports, as well as compliance with legal and regulatory requirements, including the performance of Ooredoo Q.S.C.'s internal audit function. See "*Corporate Governance—Internal Audit*". The membership of the Audit Committee comprises Mr. Nasser Rashid Al-Humaidi (as Chairman), Mr. Ibrahim Abdullah Al-Mahmoud and Mr. Mohamed Ahmed Al-Qomzi.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee assists the Board in executing its responsibilities with regard to nominating and appointing Board members to the Board and the boards of its subsidiaries, and determining the compensation of the Chairman, members of the Board, members of Executive Management and senior employees, and assesses the work of the Board. The membership of the Nomination and Remuneration Committee comprises H.E. Turki Mohammed Al Khater (as Chairman), H.E. Mohammed Bin Issa Al Mohannadi (as Vice-Chairman) and Mr. Aziz Aluthman Fakhroo.

Ooredoo Group LLC

In August 2007, the Board established Qtel International LLC, which, in January 2012, was renamed Qtel Group LLC and, in March 2013, was again renamed Ooredoo Group LLC ("**Ooredoo Group**"). Ooredoo Group is a wholly-owned subsidiary which has a separate management team and is responsible for providing the Group with corporate governance services, strategy and treasury services and a mechanism for communicating strategic and operational direction to the Group's subsidiaries and realising synergies between operations. Although the Group implements its international strategy on a centralised basis and manages its mobile telecommunications businesses through its controlling interests in subsidiaries, it allows local management to carry out the day-to-day management of its operations based on the policies Ooredoo Group establishes. Ooredoo Group's management team focuses primarily on the Group's international operations, international strategy and investment opportunities.

By virtue of the Group's ownership interests in its consolidated subsidiaries and, in some cases, of shareholders agreements, the Group is able to control the appointment of all or a portion of such subsidiaries' board of directors such that it has control over these subsidiaries. Ooredoo Group acts as an intermediary between these board members and the Group, reviewing and assisting in the preparation of the board agendas, budgets and annual plans of each subsidiary and advising the members of the subsidiary boards that are appointed by the Group. In addition to its governance role, Ooredoo Group also develops the Group's strategy and is responsible for delivering synergies across operations. The Group also has management services agreements in place with its operations in Qatar, Iraq, Algeria, Kuwait (including Tunisia support), Oman, Maldives, Myanmar and Palestine. These management services agreements allow such subsidiaries to receive certain services from Ooredoo Group as well as allowing the subsidiary to benefit from framework agreements negotiated by Ooredoo Group with suppliers and providing marketing assistance and expertise, in exchange for which such subsidiaries are required to pay a management fee to the Ooredoo Group.

In addition, Ooredoo Group's business development team is responsible for researching and evaluating potential acquisition targets for the Group. Ooredoo Group's acquisition recommendations are then considered by the Executive Committee, a sub-committee of the Board. If such recommendations pass the Executive Committee, they are voted on by the entire Board. See "*Corporate Governance—Committees of the Board—Executive Committee*".

Executive Governance of Ooredoo Group

Ooredoo Group is responsible for providing the Group with management and corporate governance services, strategy and treasury services and provides a mechanism for communicating strategic and operational direction to the Group's subsidiaries and realising synergies between operations. Between November 2015 and February 2016, Ooredoo Q.S.C. replaced over half of the members of its Group management team to align the composition of its management team with the new strategic focus of the Group.

As at the date of this Base Prospectus, the current Executive Directors of Ooredoo Group, their current positions in Ooredoo Group, age and the years of their appointment are as follows:

Name	Age	Position	Month of Appointment
Sheikh Saud bin Nasser Al Thani	50	Group Chief Executive Officer	November 2015
Waleed Mohamed Al-Sayed	53	Group Deputy Chief Executive Officer	November 2015
Mohanna Nasser Al Nuaimi	42	Group Chief Human Resources Officer	December 2008
Khalid Ibrahim Al Mahmoud	52	Group Chief Officer of Small and Medium Business Unit	March 2012
Ajay Bahri	52	Group Chief Financial Officer	November 2007
Ian Charles Dench	50	Group Chief Commercial Officer	February 2016
Bjorn Johan Lundstorm	51	Group Chief Technology Officer	February 2016
Izzeldin Hamed Mohamed Salih Hussein	76	Group Chief Legal & Regulatory Officer	February 2016
Christian Linhart	45	Group Chief Procurement Officer	February 2016

The business address for each Executive Director of Ooredoo Group is 100 West Bay, P.O. Box 217, Doha, Qatar.

Set forth below is a short biography of each of the Executive Directors of Ooredoo Group:

Sheikh Saud bin Nasser Al Thani

Sheikh Saud bin Nasser Al Thani was appointed as Chief Executive Officer of the Ooredoo Group in November 2015. Sheikh Saud joined Ooredoo (when it was Qtel) in 1990. During his time at Ooredoo, he has served as Assistant GM Human Resources, Director of Internal Communications, and Executive Director, General Services. Sheikh Saud became CEO of Ooredoo Qatar in 2011. He has led Ooredoo Qatar to build on its position as the country's preferred communications provider and has supported the expansion of its product and service portfolio, in addition to making Qatar a consistent market in the group. He holds positions across the Ooredoo Group, including Chairman of the Board of Ooredoo Kuwait, Deputy Chairman of Ooredoo Oman, and Deputy Chairman of the Board of Asiacell. Sheikh Saud has a Bachelor of Arts in Public Administration from Western International University, in Phoenix, Arizona.

Waleed Mohamed Al-Sayed

Mr. Al-Sayed serves as both Deputy Chief Executive Officer of the Ooredoo Group and Chief Executive Officer of Ooredoo Qatar since November 2015. Through his managerial and board duties at Ooredoo Group companies, Mr. Al-Sayed has developed experience in the information and technology sector in Qatar, the wider region and internationally. He was previously Chief Operating Officer of Ooredoo Qatar and currently serves as Chairman of the Board of Indosat Ooredoo; Chairman of Ooredoo Myanmar Limited; and as Board Member of MEEZA (a technology joint venture between Ooredoo and Qatar Foundation). Mr. Al-Sayed was previously Chairman of the Board of Ooredoo Tunisia, Deputy Chairman of Ooredoo Algeria and Chairman of Starlink. He holds an Executive Masters in Business Administration from HEC Paris with full honours. Mr. Al-Sayed's career spans senior managerial positions in sales, marketing and public relations, business development, strategy, project management, communications and customer services. He has received many professional accolades, including a record number of honours at the "Contact Centre World Awards" in 2010, where Mr. Al-Sayed's presentation won the Gold Award for Best Customer Service in the MENA (Middle East & North Africa) region.

Mr Al-Sayed was appointed as a President Commissioner of Indosat Ooredoo in March 2016.

Mohanna Nasser Al Nuaimi

Mr. Al Nuaimi has played a key role in developing Ooredoo Group's human resource strategy and operating model. Mr. Al Nuaimi is also a member of the Ooredoo Group Management Committee, and is a Member of the Board and served on the Board committees of several Ooredoo Group operating companies. Before being appointed as Group Chief Human Resources Officer in 2008, Mr. Al Nuaimi had been Executive Director of Group Human Resources at Ooredoo Qatar, and Senior Manager of Human Resources Services and Policies of Group Human Resources at Ooredoo Qatar. He holds a Bachelor of Science in Mechanical Engineering from Qatar University.

Khalid Ibrahim Al Mahmoud

Mr. Al Mahmoud manages a portfolio of Small and Medium Businesses for the Group such as Wataniya Palestine, and Ooredoo Maldives. Before joining the Group in 2012, he served as Chief Operating Officer of Ooredoo Oman, from 2005-2011, and of wi-tribe limited from 2011-2012. He holds a Bachelor of Science in Electrical Engineering – Computer Engineering from University of Pittsburgh.

Ajay Bahri

Mr. Bahri is currently the Group's Chief Financial Officer. He has more than twenty years of experience in international organisations including Ernst & Young, Etisalat and Ooredoo. Prior to taking the group role he was the Chief Financial Officer and Executive Director of General Services for Qatar operations where he managed the finance function of Qatar operations as well as shared services such as information technology and supply chain. Mr. Bahri has a Bachelor's degree in Commerce obtained in India, a Master's degree in Engineering from the Massachusetts Institute of Technology, USA, and is certified as a Chartered Management Accountant in the United Kingdom and as a Chartered Accountant in India.

He is a member of the Board of Directors of various Ooredoo Group operating companies such as Indosat Ooredoo and Ooredoo Myanmar.

Ian Charles Dench

Mr. Dench became the Group's Chief Commercial Officer on 21 February 2016. Mr. Dench joined Ooredoo Qatar operations in 2006 as Executive Director, Corporate & VIP Accounts. In 2008, he was named as Executive Director, Consumer Services. In 2012, he was appointed as the Chief Marketing Officer. Mr. Dench is a Member of the Board of Indosat Ooredoo and ICT Company NavLink and an advisory board member for the Asia Pacific Internet Group. His management experience spans mobile, fixed, multimedia and digital services in emerging and developed markets. Ian has more than 25 years of experience with leading telecommunications companies across Europe, Asia and the Middle East. Prior to joining Ooredoo, he was the Head of Sales & Marketing operations for Batelco. He held senior management positions in British Telecom and O_2, starting in the United Kingdom and later moving to Singapore to cover the Asia Pacific region. He is a Fellow of the Chartered Institute of Marketing (FCIM) and a Chartered Marketer with a Master's in Business Administration from CASS Business School in London.

Bjorn Johan Lundstorm

Mr. Lundstorm was appointed as Group Chief Technology Officer on 21 February 2016. Mr. Lundstorm was the Chief Technology Officer for Ooredoo Qatar since 2012 and has been instrumental in building Ooredoo Qatar's current network and information technology infrastructure. Mr. Lundstorm is also a member of the Board of Ooredoo Tunisia and Ooredoo Myanmar. Before joining Ooredoo, Mr. Lundstorm had more than two decades of experience with a European telecommunications operator – Tele2 where he was the Group Chief Technology Officer for nine years. Mr. Lundstorm holds a Master of Science in Telecommunication from KTH Royal University of Technology, Stockholm.

Izzeldin Hamed Mohamed Salih Hussein

Mr. Hamed was appointed as the Group Chief Legal & Regulatory Officer on 21 February 2016. Mr. Hamed joined Ooredoo Qatar operations in October 1992. He held the position of Chief Legal & Regulatory Officer since December 2011. Prior to that, he worked in various roles in Legal & Regulatory. He holds a Bachelor's degree in Law from the University of Khartoum, Sudan.

Christian Linhart

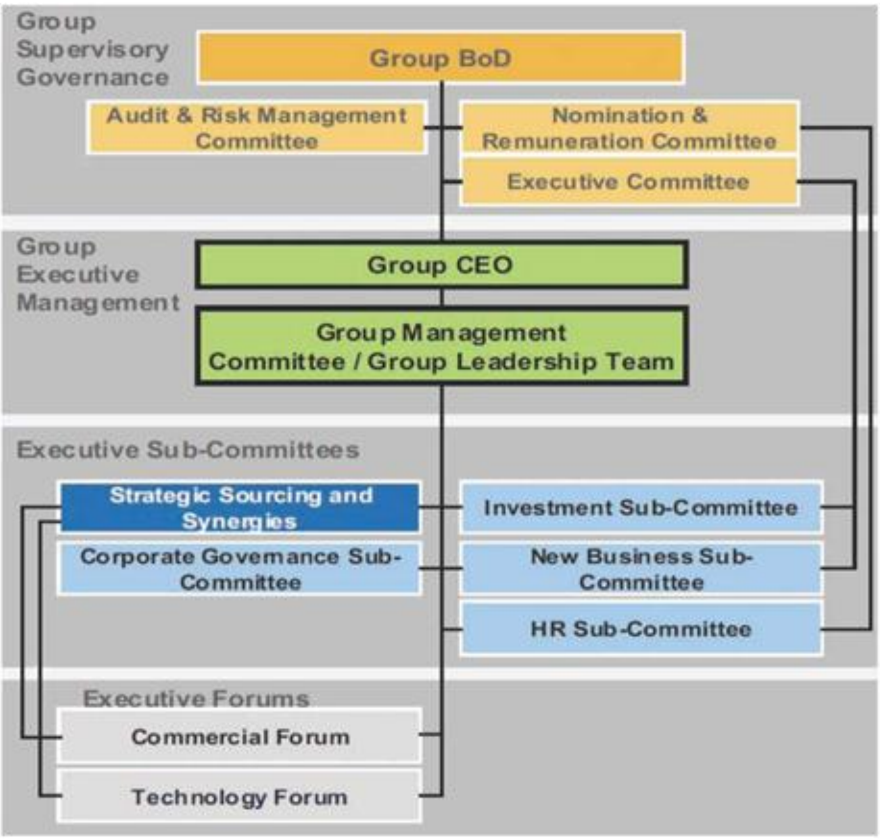
Mr. Linhart was appointed Ooredoo Group Chief Procurement Officer in February 2016, after a period as Ooredoo's Executive Director of Group Procurement. Mr. Linhart first joined Ooredoo in 2015 and has played a key role in the company's ongoing organisational transformation programme, which aims to align Ooredoo's local procurement and sourcing strategies more closely with its global capabilities. He has experience as a procurement specialist, and in the last 10 years has secured more than 15 major procurement projects in the telecommunications space in three continents. Before joining Ooredoo, Mr. Linhart was Deputy Group Chief Procurement Officer in MobileTelesystems (MTS). Mr. Linhart has more than 18 years' experience in the procurement field, and has received a number of significant industry awards, including a 2012 Global Procurement Leader Award, and the Russian Procurement Transparency Award, in 2011 and 2012. He has a joint Master's degree in Business Administration and Mechanical Engineering from the Technical University of Darmstadt, Germany and he has also spent a year at the University of Illinois at Urbana-Champaign, US.

Conflicts

There are no potential conflicts of interest between the duties of the Executive Directors listed above to Ooredoo Group and their private interests or other duties.

Executive Level Committees and Forums

The Group has developed a structure for its executive level committees, sub-committees and forums, in order to ensure effective collaboration between business units, the delegation of appropriate levels of executive authority and the distribution of decision-making power within the Group. This structure is illustrated in the following diagram:



Corporate Governance Manual

In 2008 the Board published a corporate governance manual in order to establish a uniform set of corporate governance rules and guidelines for the Group. At the same time, the Office of Corporate Governance was created within Ooredoo Group legal department. The Office of Corporate Governance is specifically tasked with managing the corporate governance relationships within the Group and providing day-to-day corporate governance services, guidance and advice to the Group. The Head of Corporate Governance is responsible for maintaining, among other things, the Group's corporate governance records and policies and establishing internal controls for governance and regulatory compliance.

Accordingly, governance manuals in respect of the Group have been adopted to take into account specific local laws and requirements and are broadly consistent with Ooredoo Q.S.C.'s corporate governance policies.

Internal Audit

Ooredoo also conducts an internal auditing process designed to ensure that adequate and effective internal control mechanisms are implemented through an independent evaluation of Ooredoo Q.S.C.'s systems and operations (the "**Internal Audit Department**"). The Internal Audit Department's principal responsibilities include presenting to the Audit Committee an annual audit plan and acting as liaison with the external auditor. Under its charter, the Audit Committee recommends to the Board a chief officer of the Internal Audit Department. The Group Chief Audit Executive, Mr. Mohammed Al Emadi, is responsible for the Internal Audit Department.

Related Party Transactions

In the ordinary course of business, the Group enters into transactions with related parties. Related parties include associated or subsidiary companies, including Government and Government-related entities, associates, major shareholders, directors and key management personnel of the Group, and companies of which they are principal owners. Pricing policies and terms of transactions with related parties are approved by the Group's management. The Group also enters into commercial transactions with Government-related entities in the ordinary course of business, such as providing telecommunication services, placement of deposits and obtaining credit facilities. Summaries of Ooredoo's related party transactions are contained in Note 35, "Related party transactions and balances" of the Notes to the consolidated financial statements of Ooredoo Q.S.C. for the year ended 31 December 2015, and Note 19, "Related party disclosures" of the Notes to the condensed consolidated interim financial statements of Ooredoo Q.S.C. for the three-month period ended 31 March 2016.

OVERVIEW OF QATAR

Qatar

Unless indicated otherwise, information in this section has been derived from Government publications.

Country Profile

Qatar is an independent state in the Southern Arabian Gulf. Qatar shares a land border and maritime boundaries with Saudi Arabia and maritime boundaries with Bahrain, the UAE and Iran. Qatar covers an area of approximately 11,493 square kilometres. Doha is the capital city of Qatar, the seat of government and Qatar's cultural, commercial and financial centre. It includes the country's main seaport and international airport and has an advanced road system linking it with the international road network. Based on Qatar's 2015 Census, Qatar had a total population of 2,404,776, as of April 2015, indicating a 41.5 per cent. growth since the last census carried out in 2010 when, as of April 2010, Qatar had a total population of 1,699,435. A large portion of Qatar's population is comprised of non-Qatari nationals. According to the Ministry of Development Planning and Statistics, as at 31 March 2016 Qatar's total population stood at 2,526,994.

Qatar, which gained independence from the United Kingdom on 3 September 1971, was ruled from 27 June 1995 until 2013 by the former Emir, His Highness Sheikh Hamad Bin Khalifa Al-Thani. On 25 June 2013, His Highness Sheikh Tamim bin Hamad bin Khalifa Al-Thani (former Heir Apparent and the former Emir's fourth son) became the Emir of Qatar after his father handed power over to him. During his rule, His Highness Sheikh Hamad Bin Khalifa Al-Thani implemented various initiatives designed to exploit Qatar's oil and gas resources in a responsible manner, thereby making rapid economic development and the construction of modern infrastructure possible in Qatar. During this period of rapid economic and social progress, Qatar has maintained its cultural and traditional values as an Arab and Islamic nation.

In terms of foreign relations and membership of international organisations, Qatar, together with Bahrain, Kuwait, Oman, Saudi Arabia and the UAE form the Gulf Cooperation Council. Furthermore, Qatar is a member of the Organisation of the Petroleum Exporting Countries (OPEC), the Gas Exporting Countries Forum (which was established in 2008 and has its headquarters in Doha) and the United Nations. It is also a member of numerous international and multilateral organisations, including the International Monetary Fund, the International Bank for Reconstruction and Development, the World Trade Organisation, the League of Arab States, The Organisation of the Islamic Conference, the Multinational Investment Guarantee Organisation and UNESCO.

Legal System

Over the last decade, Qatar's legal system has been significantly reformed by the enactment of various pieces of legislation intended to bring Qatari laws in line with international laws, standards and practices. Qatar's civil law sets forth civil law principles, including with respect to conflict of laws, contracts, rights and obligations, security, ownership and torts. Qatar's commercial law addresses commercial affairs and entities, competition, commercial obligations and contracts, and commercial paper. The commercial law also provides comprehensive provisions addressing bankruptcy matters, permitting creditors to file claims against any corporate entity, except for certain professional companies and other companies that are at least majority owned by the Government. Finally, the new Commercial Companies Law, which came into effect on 6 August 2015, addresses matters with respect to the ownership of shares, limited liability, capital contributions, payment of dividends, shareholder rights and obligations and general principles of corporate governance, and also includes the concept of a limited liability company owned by a single shareholder, which was introduced by the previous commercial companies law, and is not dissimilar to the companies laws of more mature legal systems.

The Government has passed other significant legislation in recent years, including the Foreign Investment Law, the Central Bank Law, the Money Laundering Law, the Qatar Stock Exchange Law and the Qatar Financial Centre Law (the "**QFC Law**"), as well as competition, intellectual property, labour, property and environmental laws. Following the establishment of the QFC in 2005, the QFC Law established a legal and regulatory regime to govern the QFC that is generally parallel to and separate from Qatari laws and the Qatari legal system, except for Qatari criminal law. The QFC has established its own rules and regulations applicable to, among others, financial services companies, and which cover such topics as employment, companies, anti-money laundering, contracts and insolvency.

National Vision

Recognising that Qatar's considerable wealth creates a host of opportunities as well as challenges, in October 2008, the State's former General Secretariat for Development Planning (which was merged with the Qatar Statistics Authority in 2013 to form the Ministry of Development Planning and Statistics) launched the Qatar National Vision 2030 (the "**National Vision**"). This defines broad future trends and long-term objectives for Qatar, providing the framework within which national strategies and implementation plans can be developed. Besides establishing the foundation for developing Qatar's future strategies and policies, the National Vision has also helped to strengthen the coordination among governmental agencies and integrate planning efforts for the Government, the private sector and civic organisations. The four cornerstones of the National Vision are human, social, economic and environmental development, in the context of which the State aims to balance modernisation and the preservation of traditions; the needs of the current generation and the needs of future generations; managed growth and uncontrolled expansion; the size and quality of the expatriate labour force; and economic growth and social development, and environment management.

In March 2011, Qatar published the National Development Strategy 2011-2016 ("**NDS**") which translated the goals identified in the National Vision into actionable targets. The NDS seeks to address the State's expected decline in the growth of the oil and gas sector by strengthening the structure and performance of the non-hydrocarbon sectors of the economy. The NDS discusses the need for concerted institutional and organisational capacity building, efficient and transparent delivery of public services, fruitful public private cooperation and partnerships, a vibrant business climate and a larger space for civil society. It further notes that the State's investment in foreign currency assets and planned investments in physical and social infrastructure beyond the needs of the 2022 FIFA World Cup (the "**2022 World Cup**") is part of the State's broader strategy to diversify its income base. The State also aims to maximise the value of the income it receives from the exploitation of its mineral assets. The structures governing hydrocarbon linked investments, upstream and downstream, will be expected to provide adequate flexibility to deal with project specifics, changing costs or market conditions and equitable risk sharing arrangements. In addition, the State intends to ensure that the hydrocarbon rents it shares with private investors are compensated by other benefits that flow to the country such as the acquisition of technology, infrastructure or knowledge and skills. Qatar also intends to leverage its cheap domestic feedstock and energy to contribute to the expansion of its production base and to long-term economic diversification. A follow-up plan, the National Development Strategy 2017-2022, is currently under development and the Ministry of Development Planning and Statistics is holding consultations with relevant stakeholders.

Economic Overview

Qatar is one of the most prosperous countries in the world, with a nominal GDP per capita of QR251,972 (U.S.$69,223) calculated by taking Qatar's 2015 nominal GDP of QR605,937 million (U.S.$166,466 million) and dividing it by its population of 2,404,776 based on the 2015 Census. In recent years, Qatar has been one of the fastest growing economies in the world. As at 31 December 2014, Qatar's proven reserves of hydrocarbons amounted to approximately 187.6 billion barrels of oil equivalent, according to BP's Statistical Review of World Energy 2015. These hydrocarbons consist of proven reserves of approximately 24.5 trillion cubic metres of natural gas and 25.7 billion barrels of oil (comprising crude oil, gas condensate and natural gas liquids). Qatar's natural gas reserves are the third largest in the world and translated into 13.1 per cent. of overall global reserves in 2014. Virtually all of Qatar's proven reserves of natural gas and condensate are located in the North Field, which is estimated by the International Energy Agency (IEA) to be the largest non-associated gas field in the world. Qatar has over 138 years of proven gas reserves at 2014 reserves and production levels, according to the BP's Statistical Review of World Energy 2015.

For most of the past two decades, Qatar's was one of the fastest growing economies of the world. Such growth was driven by the development of its important natural gas reserves, including for the production and export of LNG. Following the completion of all planned liquefied natural gas ("**LNG**") export facilities in 2011, growth slowed, and this slowdown has been compounded more recently by lower energy prices. As a result, according to the 31 March 2016 Quarterly Statistical Bulletin oil and gas revenues decreased by 43.7 per cent. between 31 December, 2014 and 31 December 2015, resulting in an overall decrease in nominal GDP of 20.8 per cent. during the same period. However, the share of the non-oil and gas sector in nominal GDP has increased to 63.7 per cent. in 2015, compared with 48.9 per cent. in 2014.

In recent years, Qatar has focused on developing and exploiting its natural gas resources beyond the LNG industry by implementing a downstream strategy driven by opportunities to generate additional revenue from its existing oil and gas production. Qatar Petroleum ("**QP**") has developed pipeline gas projects both for regional export markets and for domestic petrochemicals and industrial consumption. In addition, QP is the majority shareholder in a number of industrial companies located primarily at Ras Laffan City and Mesaieed Industrial City, which use natural gas as feedstock and/or fuel to produce various value added products, such as petrochemicals, fertiliser, steel, iron and metal coating, both for domestic consumption and for export. Qatar has also invested in exploiting various gas-to-liquid ("**GTL**") technologies and has two joint venture projects currently in operation to generate GTL products, such as distillates.

Although Qatar is focused on ensuring optimal and sustainable development and commercialisation of the oil and gas sector, which continues to be the backbone of the economy, one of the cornerstones of Qatar's current economic policy is a commitment to diversify the overall economy so that Government revenues from the oil and gas sector are supplemented by an increased percentage of Government revenues from non-oil and gas-related activities. As set forth in the National Vision, Qatar's long-term economic objectives include developing its infrastructure and strengthening its private sector.

Throughout a period characterised by rapid growth and development, Qatar has demonstrated fiscal responsibility by managing its budget and public finances prudently. Qatar has historically had low levels of indebtedness but there was an increase in indebtedness from 2009 onwards mainly due to the support given by Qatar to the commercial banking sector during the global financial crisis in 2009 and the issuance of bonds and treasury bills by the Qatar Central Bank to absorb excess liquidity among domestic commercial banks and to develop a yield curve for riyal-denominated domestic bonds. Most of Qatar's significant energy projects are funded on a stand-alone, limited recourse basis.

In recent years, Qatar has used its budget surpluses to diversify the economy through increased spending on infrastructure, social programmes, healthcare and education, which have modernised Qatar's economy. Qatar's economic growth has also enabled it to diversify its economy through domestic and international investment into different classes of assets. This diversification will be important to Qatar's future as the growth rate of Qatar's revenue from the oil and gas sector is expected to stabilise, given the completion of several of Qatar's long-term hydrocarbon investment programmes.

In 2005, Qatar established the Qatar Investment Authority ("**QIA**") to propose and implement investments for Qatar's growing financial reserves, both domestically and abroad. Through the QIA, Qatar has invested in private equity, the banking sector, real estate, publicly traded securities and alternative assets. With its growing portfolio of international and domestic long-term strategic investments, the QIA has continued to develop Qatar's economic diversification strategy while contributing to the nation's significant economic expansion. In December 2010, Qatar was awarded the right to host the Federation Internationale de Football Association (FIFA) 2022 World Cup, which will provide opportunities for Qatar to invest in further developing its infrastructure and diversifying its economy.

The following table illustrates certain key macro-economic data for Qatar:

	Year ended 31 December			
	2012	**2013**	**2014**	**2015**
	(QR m, unless otherwise stated)			
Nominal GDP	692,655	734,863	764,797	605,937
Growth rate (%)	12.1	6.1	4.1	(20.8)
Oil and gas sector				
Growth rate (%)	9.8	2.1	(3.0)	(43.7)
Share in nominal GDP (%)	57.8	54.8	51.1	36.3
Non-oil and gas sector				
Growth rate (%)	15.1	11.4	12.7	3.2
Share in nominal GDP (%)	43.0	45.2	48.9	63.7
GDP per Capita (QR thousands)	377.9	366.8	345.1	-(1)
Inflation (%)	1.87	3.05	3.35	1.61
Total revenues	251,859	344,058	342,973	-(1)
Total expenditures	158,342	204,659	250,707	-(1)
Deficit or Surplus	93,517	139,399	92,266	-(1)

	Year ended 31 December			
	2012	**2013**	**2014**	**2015**
Deficit or Surplus / GDP (%)	13.5	19.0	12.1	-(1)

Source: Qatar Central Bank, 31 March 2016 Quarterly Statistical Bulletin
Notes:
(1) This data not available from the 31 March 2016 Quarterly Statistical Bulletin.

Gross Domestic Product

Qatar's GDP growth was strong between 2011 and 2014, increasing from QR618,089 million (U.S.$169,805 million) in 2011 to QR764,797 million (U.S.$210,109 million) in 2014. However, preliminary data for 2015 indicate a decrease in nominal GDP growth, with GDP amounting to QR605,937 million (U.S.$166,466 million) representing a 20.8 per cent. decrease compared with 2014. This decrease is mainly due to a decrease in hydrocarbon production and prices.

Qatar's economic situation

Overall, Qatar's stable economic situation has improved its credit ratings over the past decade. Through a series of increases, Qatar's long-term credit rating by S&P improved from BBB as of February 1996 to AA as of July 2010, with a stable outlook. Qatar's long-term credit rating by S&P improved from BBB as of February 1996 to AA as of July 2010 which was most recently confirmed on 4 March 2016 with a stable outlook. Similarly, Qatar's foreign and local currency bond ratings by Moody's have improved from Baa2 as of September 1999 to Aa2 as of July 2007, which were confirmed on 9 December 2014 with a stable outlook. However, on 4 March 2016, Moody's placed Qatar's Aa2 government bond and issuer ratings on review for downgrade, along with those of all other oil exporters in the region. On 14 May 2016, it confirmed Qatar's Aa2 government bond and issuer ratings and assigned a negative outlook citing the comparatively stronger general government debt increases from already high levels. Moody's also took into account implementation risks relating to the Governments reform plans.

Inflation

According to the Qatar Central Bank, between 2005 and 2015 the rate of inflation in Qatar reached a high of 17.0 per cent. in the second quarter of 2008 and a low of -10.0 per cent. in the fourth quarter of 2009. After falling to 1.5 per cent. in the second quarter of 2015, the rate of inflation has since been steadily climbing to reach 3.3 per cent. in the first quarter of 2016.

BOOK ENTRY CLEARANCE SYSTEMS

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear, Clearstream, Luxembourg or DTC (together, the "**Clearing Systems**") currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, Ooredoo nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Book entry Systems

DTC

DTC has advised the Issuer that it is a limited purpose trust company organised under the New York Banking Law, a member of the Federal Reserve System, a "**banking organisation**" within the meaning of the New York Banking Law, a "**clearing corporation**" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is a wholly-owned subsidiary of The Depository Trust and Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**" and, together with Direct Participants, "**Participants**"). More information about DTC can be found at www.dtcc.com and www.dtc.org.

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "**DTC Rules**"), DTC makes book entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC's book entry settlement system ("**DTC Notes**") as described below and receives and transmits distributions of principal and interest on DTC Notes. The DTC Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes ("**Owners**") have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the DTC Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC's records. The ownership interest of each actual purchaser of each DTC Note ("**Beneficial Owner**") is in turn to be recorded on the Direct Participant's and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant's or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorised representative of DTC. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to DTC Notes unless authorised by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the relevant agent (or such other nominee as may be requested by an authorised representative of DTC), on the relevant payment date in accordance with their respective holdings shown in DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct Participants and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Note, will be legended as set forth under "*Subscription and Sale and Transfer and Selling Restrictions – Selling Restrictions – United States*".

A Beneficial Owner shall give notice to elect to have its DTC Notes purchased or tendered, through its Participant, to the relevant agent, and shall effect delivery of such DTC Notes by causing the Direct Participant to transfer the Participant's interest in the DTC Notes, on DTC's records, to the relevant agent. The requirement for physical delivery of DTC Notes in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the DTC Notes are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered DTC Notes to the relevant agent's DTC account.

DTC may discontinue providing its services as depository with respect to the DTC Notes at any time by giving reasonable notice to the Issuer or the relevant agent. Under such circumstances, in the event that a successor depository is not obtained, DTC Note certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, DTC Note certificates will be printed and delivered to DTC.

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Book-Entry Ownership of and Payments in respect of DTC Notes

The Issuer may apply to DTC in order to have any Tranche of Notes represented by a Registered Global Note accepted in its book-entry settlement system. Upon the issue of any such Registered Global Note, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer(s). Ownership of beneficial interests in such a Registered Global Note will be limited to Direct Participants or Indirect Participants, including, in the case of any Regulation S Global Note, the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Note accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. Dollars of principal and interest in respect of a Registered Global Note accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. Dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Note in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. Dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Paying Agent, the Registrars or the Issuer. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the Issuer.

Transfers of Notes Represented by Registered Global Notes

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a Direct Participant or Indirect Participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "*Subscription and Sale and Transfer and Selling Restrictions – Transfer Restrictions*", cross market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other hand, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrars, the Paying Agents and any custodian ("**Custodian**") with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Euroclear and Clearstream, Luxembourg and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross market transfers between accountholders in Euroclear or Clearstream, Luxembourg and DTC participants will need to have an agreed settlement date between the parties to such transfer. As there is no direct link between DTC, on the one hand, and Euroclear and Clearstream, Luxembourg, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrars, the Paying Agents and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Euroclear and Clearstream, Luxembourg have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Euroclear and Clearstream, Luxembourg. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, Ooredoo, the Agents or any Dealer(s) will be responsible for any performance by DTC, Euroclear and Clearstream, Luxembourg or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

TAXATION

The following summary of certain tax consequences of ownership of Notes is based upon laws, regulations, decrees, rulings, income tax conventions, administrative practice and judicial decisions in effect at the date of this Base Prospectus. Legislative, judicial or administrative changes or interpretations may, however, be forthcoming that could alter or modify the statements and conclusions set forth herein. Any such changes or interpretations may be retroactive and could affect the tax consequences to holders of the Notes. This summary does not purport to be a legal opinion or to address all tax aspects that may be relevant to a holder of Notes. Each prospective holder is urged to consult its own tax adviser as to the particular tax consequences to such holder of the acquisition, ownership and disposition of Notes, including the applicability and effect of any other tax laws or tax treaties, and of pending or proposed changes in applicable tax laws as at the date of this Base Prospectus, and of any actual changes in applicable tax laws after such date.

Bermuda

Taxation of Noteholders

Currently, there is no Bermuda withholding or other tax payable on principal or interest paid to Noteholders.

Taxation of the Issuer

Under current Bermuda law, there is no income, corporate or profits tax or withholding tax, capital gains tax or capital transfer tax payable by the Issuer. The Issuer has obtained from the Minister of Finance under The Exempted Undertaking Tax Protection Act 1966, as amended, an assurance that, in the event that Bermuda enacts legislation imposing tax computed on profits, income, any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance, then the imposition of any such tax shall not be applicable to the Issuer or to any of its operations or its shares, debentures or other obligations, until March 31, 2035. The Issuer could be subject to taxes in Bermuda after that date. This assurance is subject to the proviso that it is not to be construed so as to prevent the application of any tax or duty to such persons as are ordinarily resident in Bermuda or to prevent the application of any tax payable in accordance with the provisions of the Land Tax Act 1967 or otherwise payable in relation to any property leased to the Issuer. The Issuer pays annual Bermuda government fees, and pays annual insurance license fees. In addition, all entities employing individuals in Bermuda are required to pay a payroll tax and there are other sundry taxes payable, directly or indirectly, to the Bermuda government.

The Issuer is required to pay an annual government fee (the "**AGF**"), which is determined on a sliding scale by reference to a company's authorised share capital and share premium account, with the minimum fee for exempted companies being $1,995.00 in Bermuda dollars and the maximum being $31,120.00 in Bermuda dollars (the Bermuda dollar is treated at par with the U.S. Dollar). The AGF is payable each year on or before the end of January in the year to which the AGF is applicable and is based on the authorised share capital and share premium account as they stood at 31 August in the preceding year.

In Bermuda, stamp duty is not chargeable in respect of the incorporation, registration, licensing of an exempted company or, subject to certain minor exceptions, on their transactions. Accordingly no stamp duty will be payable on the issue of any Notes by the Issuer.

Bermuda has currently signed tax information exchange agreements with 34 different countries and territories including Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, South Africa, South Korea, the United Kingdom and the United States. The agreements provide that the competent authorities of the participating countries shall provide assistance through the exchange of information that is relevant to the administration or enforcement of the domestic laws of the participating countries concerning taxes covered by the agreements. Such information shall include information that is relevant to the determination, assessment and collection of such taxes, the recovery and enforcement of tax claims or the investigation or prosecution of tax matters. Information shall be exchanged in accordance with the provisions of the agreements and shall be treated as confidential in the manner provided therein. Bermuda may agree to sign similar tax information exchange agreements with other countries in the future.

Qatar

The following is a summary of the principal Qatari tax consequences of ownership of the Notes by beneficial owners who or which are not incorporated in or residents of Qatar for Qatari tax purposes and do not conduct business activities in Qatar ("**Non-Qatari Holders**"). The summary below of the taxation in Qatar is based upon: (a) the Income Tax Law No. 21 of 2009 ("**Income Tax Law**"); (b) the Executive Regulations to the Income Tax Law ("**Executive Regulations**" or "**Regulations**"); and (c) the practice that has been adopted and is applied by the Income Tax Department of the Ministry of Finance, each as in effect on the date of this Base Prospectus. This general description is subject to any subsequent change in the Income Tax Law, Regulations and practice that may come into effect after such date.

Under the Income Tax Law, tax is levied on a tax payer's income arising from activities within Qatar, including tax on profits realised on any contract implemented in Qatar. In particular, Article 11(2) of the Income Tax Law states:

"*Subject to the provisions of tax agreements, payments made to non-residents with respect to activities not connected with a permanent establishment in the State shall be subject to a final withholding tax, as follows:*

(*A*) *5%* (*five percent*) *of the gross amount of royalties and technical fees;*

(*B*) *7%* (*seven percent*) *of the gross amount of interest, commissions, brokerage fees, director's fees, attendance fees and any other payments for services carried out wholly or partly in the State."* (*Unofficial translation.*)

The Income Tax Law and the Executive Regulations of the Income Tax Law issued in June 2011 provide that any payment of interest and fees made in relation to bonds issued by a Qatari corporate entity will be subject to withholding tax. However, the Executive Regulations provide for certain exemptions to such application of withholding tax. In particular, Paragraph 2 of Article 21.4 of the Executive Regulations provides that ***interest*** on bonds and securities issued by Qatar and public authorities, establishments and corporations owned wholly or partly by the State shall not be subject to withholding tax. As the Issuer is partly owned by Qatar, any payment by the Issuer of interest payable under any Notes or guaranteed by Ooredoo would fall within the exemption.

If the Issuer and/or Ooredoo which is are presently partly owned by Qatar cease to be partly owned by Qatar, the exemption at Paragraph 2 of Article 21.4 of the Executive Regulations will cease to apply. The Issuer and Ooredoo would benefit from an exemption under Paragraph 3 of Article 21.4 of the Executive Regulations which provides that interest on transactions, facilities and loans with banks and financial institutions shall not be subject to withholding tax. Such exemption would apply provided interest is being paid to a bank or financial institution.

However, the Issuer and Ooredoo have agreed that all payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes payable in Qatar and the Issuer and Ooredoo will be required to pay additional amounts in respect of any such withholding or deduction imposed by or on behalf of Qatar in certain circumstances, including where an exemption is no longer available.

No Qatari stamp duty will be imposed on Non-Qatari Holders of the Notes either upon the issuance of the Notes or upon a subsequent transfer of the Notes.

Capital gains of the Non-Qatari Holders will not be subject to tax in Qatar.

United States

U.S. Federal Income Taxation

The following summary discusses the certain U.S. federal income tax consequences of the acquisition, ownership and disposition of the Notes. Except as specifically noted below, this discussion applies only to:

- Notes held as capital assets; and

- U.S. Holders (as defined below).

This discussion assumes that the Notes will be treated as debt for U.S. federal income tax purposes. Prospective investors should note, however, that the classification of an instrument as debt or equity is highly factual, and it is possible that Notes might be issued that might be classified as equity for U.S. federal income tax purposes. No rulings have been or will be sought from the U.S. Internal Revenue Service (the "**IRS**") with respect to the classification of the Notes in general or with respect to any particular Notes. Prospective investors should consult their tax advisors with respect to the proper classification of the Notes and the consequences of investing in any Notes that are not classified as debt for U.S. federal income tax purposes, including whether any such notes might be considered to be interests in a passive foreign investment company for U.S. federal income tax purposes, which could have materially adverse consequences for U.S. taxable investors.

This discussion does not describe all of the tax consequences that may be relevant in light of a Noteholder's particular circumstances or to Noteholders subject to special rules, such as:

- financial institutions;
- insurance companies;
- dealers in securities or foreign currencies;
- traders in securities or foreign currencies electing to mark their positions to market;
- regulated investment companies;
- real estate investment trusts;
- grantor trusts;
- tax-exempt organizations;
- persons subject to the alternative minimum tax;
- persons holding Notes as part of a hedging transaction, "straddle," conversion transaction or other integrated transaction;
- certain former citizens and long-term residents of the United States;
- U.S. Holders whose functional currency is not the U.S. Dollar; or
- persons holding notes through partnerships or other pass-through entities.

This summary is based on Code, administrative pronouncements, judicial decisions and final, temporary and proposed U.S. Treasury Regulations, changes to any of which subsequent to the date of this Base Prospectus may affect the tax consequences described below. This summary does not address any U.S. federal tax consequences other than U.S. federal income tax consequences, such as the estate tax, gift tax or the medicare tax on net investment income. Moreover, this summary deals only with Notes with a term of 30 years or less. Persons considering the purchase of a particular Tranche of Notes should consult the relevant supplemental base prospectus issued in connection with that Tranche of Notes for any discussion regarding U.S. federal income taxation and should consult their tax advisors with regard to the application of the U.S. federal income tax laws to their particular situations, as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

The tax treatment of certain Notes such as Floating Rate Notes and Notes that are not principal protected will be specified in the relevant supplemental base prospectus issued in connection with those Notes. This summary does not discuss Bearer Notes. In general, U.S. federal income tax law imposes significant limitations on U.S. Holders of Bearer Notes, including the limitations provided in Sections 165(j) and 1287(a) of the Code. U.S. Holders should consult their tax advisors regarding the U.S. federal income and other tax consequences of the acquisition, ownership and disposition of Bearer Notes.

As used herein, the term "**U.S. Holder**" means a beneficial owner of a Note that is for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation created or organised in or under the laws of the United States or of any political subdivision thereof;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust (i) if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) if such trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds Notes, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and upon the activities of the partnership. Partners of partnerships holding Notes should consult with their tax advisors regarding the U.S. federal tax consequences of an investment in the Notes.

Payments of Stated Interest

Interest paid on a Note will be taxable to a U.S. Holder as ordinary interest income at the time it accrues or is received in accordance with the Noteholder's method of accounting for U.S. federal income tax purposes, **provided that** the interest is "qualified stated interest" (as defined below). "Qualified stated interest" is stated interest that is unconditionally payable, or constructively received under Section 451 of the Code, in cash or property (other than in debt instruments of the issuer) at least annually during the entire term of the Note and equal to the outstanding principal balance of the Note multiplied by a single fixed rate of interest. In addition, interest on a Floating Rate Note that is unconditionally payable, or will be constructively received under Section 451 of the Code, in cash or property (other than debt instruments issued by the Issuer) at least annually will constitute "qualified stated interest" if the Note is a "variable rate debt instrument" ("**VRDI**") under the rules described below and the interest is payable at a single "qualified floating rate" or single "objective rate" (each as defined below). If the Note is a VRDI but the interest is payable other than at a single qualified floating rate or at a single objective rate, special rules apply to determine the portion of such interest that constitutes "qualified stated interest." See "*Original Issue Discount – Floating Rate Notes that are VRDIs,*" below. Interest income earned by a U.S. Holder with respect to a Note will generally constitute foreign source income for U.S. federal income tax purposes, which may be relevant in calculating the Noteholder's foreign tax credit limitation. The rules regarding foreign tax credits are complex and prospective investors should consult their tax advisors about the application of such rules to them in their particular circumstances. Special rules governing the treatment of interest paid with respect to short-term Notes, original issue discount Notes, contingent payment debt instruments and foreign currency Notes are described under "*Short-Term Notes*", "*Original Issue Discount*", "*Contingent Payment Debt Instruments*" and "*Foreign Currency Notes*".

Definition of Variable Rate Debt Instrument. A Note is a VRDI if all of the four following conditions are met. First, the "issue price" of the Note (as described below) must not exceed the total noncontingent principal payments by more than an amount equal to the lesser of (i) 0.015 multiplied by the product of the total noncontingent principal payments and the number of complete years to maturity from the issue date (or, in the case of a Note that provides for payment of any amount other than qualified stated interest before maturity, its weighted average maturity) and (ii) 15 per cent. of the total noncontingent principal payments. Second, the Note must generally provide for stated interest (compounded or paid at least annually) at (a) one or more qualified floating rates, (b) a single fixed rate and one or more qualified floating rates, (c) a single objective rate or (d) a single fixed rate and a single objective rate that is a "qualified inverse floating rate" (as defined below). Third, the Note must provide that a qualified floating rate or objective rate in effect at any time during the term of the Note is set at the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day. Fourth, the Note may not provide for any principal payments that are contingent except as provided in the first requirement set forth above.

Subject to certain exceptions, a variable rate of interest on a Note is a "qualified floating rate" if variations in the value of the rate can reasonably be expected to measure contemporaneous fluctuations in the cost of newly borrowed funds in the currency in which the Note is denominated. A variable rate will be considered a qualified floating rate if the variable rate equals (i) the product of an otherwise qualified floating rate and a fixed multiple (i.e., a spread multiplier) that is greater than 0.65, but not more than 1.35 or (ii) an otherwise qualified floating rate (or the product described in clause (i)) plus or minus a fixed rate (i.e., a spread). If the variable rate equals the product of an otherwise qualified floating rate and a single spread multiplier greater than 1.35 or less than or equal to 0.65, however, such rate will generally constitute an objective rate, described more fully below. A variable rate will not be considered a qualified floating rate if the variable rate is subject to a cap, floor, governor (i.e., a restriction on the amount of increase or decrease in the stated interest rate) or similar restriction that is reasonably expected as of the issue date to cause the yield on the Note to be significantly more or less than the expected yield determined without the restriction (other than a cap, floor or governor that is fixed throughout the term of the Note).

Subject to certain exceptions, an "objective rate" is a rate (other than a qualified floating rate) that is determined using a single fixed formula and that is based on objective financial or economic information that is neither within the Issuer's control (or the control of a related party) nor unique to the Issuer's circumstances (or the circumstances of a related party). Notwithstanding the first sentence of this paragraph, a rate on a Note is not an objective rate if it is reasonably expected that the average value of the rate during the first half of the Note's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Note's term. An objective rate is a "qualified inverse floating rate" if (a) the rate is equal to a fixed rate minus a qualified floating rate and (b) the variations in the rate can reasonably be expected to reflect inversely contemporaneous variations in the cost of newly borrowed funds (disregarding any caps, floors, governors or similar restrictions that would not, as described above, cause a rate to fail to be a qualified floating rate).

Unless otherwise provided in the relevant supplemental base prospectus issued in connection with a particular Tranche of Notes, it is expected, and this discussion assumes, that a Floating Rate Note will qualify as a VRDI. If a Floating Rate Note does not qualify as a VRDI, then the Floating Rate Note will generally be treated as a contingent payment debt instrument, as discussed below under "*Contingent Payment Debt Instruments*."

Original Issue Discount

Except in the case of a short-term Note, a Note that has an "issue price" that is less than its "stated redemption price at maturity" will be considered to have been issued at an original issue discount ("**OID**") for U.S. federal income tax purposes (and will be referred to as an "original issue discount Note") unless the Note satisfies a *de minimis* threshold (as described below). The "issue price" of a Note generally will be the first price at which a substantial amount of the Notes are sold to the public (which does not include sales to bond houses, brokers or similar persons or organisations acting in the capacity of underwriters, placement agents or wholesalers). The "stated redemption price at maturity" of a Note generally will equal the sum of all payments required to be made under the Note other than payments of qualified stated interest.

If the difference between a Note's stated redemption price at maturity and its issue price is less than a *de minimis* amount, i.e., 1/4 of 1 per cent. of the stated redemption price at maturity multiplied by the number of complete years to maturity (or, in the case of a Note that provides for payment of any amount other than qualified stated interest prior to maturity, the weighted average maturity of the Note), the Note will not be considered to have OID. U.S. Holders of Notes with a *de minimis* amount of OID will include this OID in income, as capital gain, on a *pro rata* basis as principal payments are made on the Note.

A U.S. Holder of original issue discount Notes will be required to include any qualified stated interest payments in income in accordance with the Noteholder's method of accounting for U.S. federal income tax purposes.

A U.S. Holder may make an election to include in gross income all interest that accrues on any Note (including qualified stated interest, OID, *de minimis* OID, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortisable bond premium or acquisition premium) in accordance with a constant yield method based on the compounding of interest, and may revoke such election only with the permission of the IRS (a "**constant yield election**").

We may have an unconditional option to redeem, or U.S. Holders may have an unconditional option to require us to redeem, a Note prior to its stated maturity date. Under applicable regulations, if we have an unconditional option to redeem a Note prior to its stated maturity date, this option will be presumed to be exercised if, by utilising any date on which the Note may be redeemed as the maturity date and the amount payable on that date in accordance with the terms of the Note as the stated redemption price at maturity, the yield on the Note would be lower than its yield to maturity. If the U.S. Holders have an unconditional option to require us to redeem a Note prior to its stated maturity date, this option will be presumed to be exercised if making the same assumptions as those set forth in the previous sentence, the yield on the Note would be higher than its yield to maturity. If this option is not in fact exercised, the Note would be treated, solely for purposes of calculating OID, as if it were redeemed, and a new Note were issued, on the presumed exercise date for an amount equal to the Note's adjusted issue price on that date. The adjusted issue price of an original issue discount Note is defined as the sum of the issue price of the Note and the aggregate amount of previously accrued OID, less any prior payments other than payments of qualified stated interest.

Fixed Rate Notes. In the case of a Fixed Rate Note that is an original issue discount Note, U.S. Holders of such Note will be required to include OID in income for U.S. federal tax purposes as it accrues in accordance with a constant yield method based on a compounding of interest, regardless of whether cash attributable to this income is received.

Floating Rate Notes that are VRDIs. In the case of a Floating Rate Note that is a VRDI and that provides for interest at a single variable rate, the amount of qualified stated interest and the amount of OID, if any, includible in income during a taxable year are determined under the rules applicable to Fixed Rate Notes (described above) by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or a qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), the rate that reflects the yield that is reasonably expected for the Note. Qualified stated interest allocable to an accrual period is increased (or decreased) if the interest actually paid during an accrual period exceeds (or is less than) the interest assumed to be paid during the accrual period.

If a Note that is a VRDI does not provide for interest at a single variable rate as described above, the amount of interest and OID accruals are determined by constructing an equivalent fixed rate debt instrument, as follows.

First, in the case of an instrument that provides for stated interest at one or more qualified floating rates or at a qualified inverse floating rate and, in addition, at a fixed rate (other than a fixed rate that is treated as, together with a variable rate, a single qualified floating rate or objective rate), replace the fixed rate with a qualified floating rate (or qualified inverse floating rate) such that the fair market value of the instrument, so modified, as of the issue date would be approximately the same as the fair market value of the unmodified instrument.

Second, determine the fixed rate substitute for each variable rate provided by the Note. The fixed rate substitute for each qualified floating rate provided by the Note is the value of that qualified floating rate on the issue date. If the Note provides for two or more qualified floating rates with different intervals between interest adjustment dates (for example, the 30-day commercial paper rate and quarterly LIBOR), the fixed rate substitutes are based on intervals that are equal in length (for example, the 90-day commercial paper rate and quarterly LIBOR, or the 30-day commercial paper rate and monthly LIBOR). The fixed rate substitute for an objective rate that is a qualified inverse floating rate is the value of the qualified inverse floating rate on the issue date. The fixed rate substitute for an objective rate (other than a qualified inverse floating rate) is a fixed rate that reflects the yield that is reasonably expected for the Note.

Third, construct an equivalent fixed rate debt instrument that has terms that are identical to those provided under the Note, except that the equivalent fixed rate debt instrument provides for the fixed rate substitutes determined in the second step, in lieu of the qualified floating rates or objective rate provided by the Note.

Fourth, determine the amount of qualified stated interest and OID for the equivalent fixed rate debt instrument under the rules (described above) for Fixed Rate Notes. These amounts are taken into account as if the US Holder held the equivalent fixed rate debt instrument. See "*Payments of Stated Interest*" and "*Original Issue Discount – Fixed Rate Notes*," above.

Fifth, make appropriate adjustments for the actual values of the variable rates. In this step, qualified stated interest or, in certain circumstances, OID allocable to an accrual period is increased (or decreased) if the interest actually accrued or paid during the accrual period exceeds (or is less than) the interest assumed to be accrued or paid during the accrual period under the equivalent fixed rate debt instrument.

Market Discount

If a U.S. Holder purchases a Note (other than a short-term Note) for an amount that is less than its stated redemption price at maturity or, in the case of an original issue discount Note, its adjusted issue price, the amount of the difference will be treated as market discount for U.S. federal income tax purposes, unless this difference is less than a specified *de minimis* amount.

A U.S. Holder will be required to treat any principal payment (or, in the case of an original issue discount Note, any payment that does not constitute qualified stated interest) on, or any gain on the sale, exchange, retirement or other disposition of a Note, including disposition in certain non-recognition transactions, as ordinary income to the extent of the market discount accrued on the Note at the time of the payment or disposition unless this market discount has been previously included in income by the U.S. Holder pursuant to an election by the Noteholder to include market discount in income as it accrues, or pursuant to a constant yield election (as described under "*Original Issue Discount*") by the Noteholder. In addition, the U.S. Holder may be required to defer, until the maturity of the Note or its earlier disposition (including certain non-taxable transactions), the deduction of all or a portion of the interest expense on any indebtedness incurred or maintained to purchase or carry such Note.

If a U.S. Holder makes a constant yield election for a Note with market discount, such election will result in a deemed election for all market discount bonds acquired by the Noteholder on or after the first day of the first taxable year to which such election applies. This election may only be revoked with the consent of the IRS.

Acquisition Premium and Amortisable Bond Premium

A U.S. Holder who purchases a Note for an amount that is greater than the Note's adjusted issue price, but less than or equal to the sum of all amounts payable on the Note after the purchase date other than payments of qualified stated interest will be considered to have purchased the Note at an acquisition premium. Under the acquisition premium rules, the amount of OID that the U.S. Holder must include in its gross income with respect to the Note for any taxable year will be reduced by the portion of acquisition premium properly allocable to that year.

If a U.S. Holder purchases a Note for an amount in excess of the sum of the remaining amounts payable on the Note (other than qualified stated interest), the Noteholder will be considered to have purchased the Note with amortisable bond premium equal in amount to such excess. The Noteholder may elect to amortise this premium as an offset to qualified stated interest, using a constant yield method, over the remaining term of the Note. Special rules may apply in the case of a Note that is subject to optional redemption. A Noteholder who elects to amortise bond premium must reduce its tax basis in the Note by the amount of the premium amortised in any year. An election to amortise bond premium applies to all taxable debt obligations then owned and thereafter acquired by the Noteholder and may be revoked only with the consent of the IRS.

If a U.S. Holder makes a constant yield election (as described under "*Original Issue Discount*") for a Note with amortisable bond premium, such election will result in a deemed election to amortise bond premium for all of the Noteholder's debt instruments with amortisable bond premium. This election may only be revoked with the consent of the IRS.

Sale, Exchange, Retirement or the Taxable Disposition of the Notes

Upon the sale, exchange, retirement or other taxable disposition of a Note, a U.S. Holder will generally recognise taxable gain or loss equal to the difference between the amount realised on the sale, exchange, retirement or other taxable disposition and the Noteholder's adjusted tax basis in the Note. A U.S. Holder's adjusted tax basis in a Note generally will equal the acquisition cost of the Note increased by the amount of OID and market discount included in the Holder's gross income and decreased by any payment received from the Issuer other than a payment of qualified stated interest and any amortisable bond premium taken into account. Gain or loss, if any, will generally be U.S. source income for purposes of computing a U.S. Holder's foreign tax credit limitation. For these purposes, the amount realised does not include any amount attributable to accrued interest on the Note. Amounts attributable to accrued interest (including OID) are treated as interest as described under "*Payments of Stated Interest*" and "*Original Issue Discount*".

Except as described below, gain or loss realised on the sale, exchange, retirement or other taxable disposition of a Note will generally be capital gain or loss and will be long-term capital gain or loss if at the time of sale, exchange, retirement or other taxable disposition the U.S. Holder has held the Note for more than one year. Exceptions to this general rule apply to the extent of any accrued market discount or, in the case of a short-term Note, to the extent of any accrued discount not previously included in the Noteholder's taxable income. See "*Original Issue Discount*" and "*Market Discount*". In addition, other exceptions to this general rule apply in the case of short-term Notes, foreign currency Notes, and contingent payment debt instruments. See "*Short-Term Notes*", "*Foreign Currency Notes*" and "*Contingent Payment Debt Instruments*". The deductibility of capital losses is subject to limitations.

Short-Term Notes

A Note that matures one year or less from its date of issuance (a "**short-term Note**") will be treated as being issued at a discount and none of the interest paid on the Note will be treated as qualified stated interest. In general, a cash method U.S. Holder of a short-term Note is not required to accrue the discount for U.S. federal income tax purposes unless it elects to do so, with the consequence that the reporting of such income is deferred until it is received. Noteholders who so elect and certain other Noteholders, including those who report income on the accrual method of accounting for U.S. federal income tax purposes, are required to include the discount in income as it accrues on a straight-line basis, unless another election is made to accrue the discount according to a constant yield method based on daily compounding. In the case of a U.S. Holder who is not required and who does not elect to include the discount in income currently, any gain realised on the sale, exchange, or retirement of the short-term Note will be ordinary income to the extent of the discount accrued on a straight-line basis (or, if elected, according to a constant yield method based on daily compounding) through the date of sale, exchange or retirement. In addition, those U.S. Holders will be required to defer deductions for any interest paid on indebtedness incurred to purchase or carry short-term Notes in an amount not exceeding the accrued discount (which includes interest that is payable but that has not been included in gross income) interest income with respect to such short-term Note until the accrued discount is included in income. A U.S. Holder's tax basis in a short-term Note is increased by the amount included in such holder's income on such a Note.

Contingent Payment Debt Instruments

If the terms of the Notes provide for certain contingencies that affect the timing and amount of payments (including certain Floating Rate Notes that do not qualify as VRDIs) they will be "contingent payment debt instruments" for U.S. federal income tax purposes. Under the rules that govern the treatment of contingent payment debt instruments, no payment on such Notes qualifies as qualified stated interest. Rather, a U.S. Holder must accrue interest for U.S. federal income tax purposes based on a "comparable yield" and account for differences between actual payments on the Note and the Note's "projected payment schedule" as described below. The comparable yield is determined by us at the time of issuance of the Notes and equals the greater of (i) annual yield an issuer would pay, as of the issue date, on a fixed-rate, nonconvertible debt instrument with no contingent payments, but with terms and conditions otherwise comparable to the contingent payment debt instrument and (ii) the applicable federal rate. The comparable yield may be greater than or less than the stated interest, if any, with respect to the Notes. Solely for the purpose of determining the amount of interest income that a U.S. Holder will be required to accrue on a contingent payment debt instrument, we will be required to construct a "projected payment schedule" that represents a series of payments the amount and timing of which would produce a yield to maturity on the contingent payment debt instrument equal to the comparable yield.

Neither the comparable yield nor the projected payment schedule constitutes a representation by us regarding the actual amount, if any, that the contingent payment debt instrument will pay

For U.S. federal income tax purposes, a U.S. Holder will be required to use the comparable yield and the projected payment schedule established by us in determining interest accruals and adjustments in respect of an contingent payment debt instrument, unless the Noteholder timely discloses and justifies the use of a different comparable yield and projected payment schedule to the IRS.

A U.S. Holder, regardless of its method of accounting for U.S. federal income tax purposes, will be required to accrue interest income on a contingent payment debt instrument at the comparable yield, adjusted upward or downward to reflect the difference, if any, between the actual and the projected amount of any contingent payments on the contingent payment debt instrument (as set forth below). As such, a U.S. Holder may be required to include interest in income each year in excess of any stated interest payments actually received in that year, if any.

A U.S. Holder will be required to recognise interest income equal to the amount of any net positive adjustment, i.e., the excess of actual payments over projected payments, in respect of a contingent payment debt instrument for a taxable year. A net negative adjustment, i.e., the excess of projected payments over actual payments, in respect of a contingent payment debt instrument for a taxable year:

- will first reduce the amount of interest in respect of the contingent payment debt instrument that a Noteholder would otherwise be required to include in income in the taxable year;
- to the extent of any excess, will give rise to an ordinary loss equal to the extent of the U.S. Holder's interest income on the contingent debt obligation during prior taxable years, reduced to the extent such interest was offset by prior net negative adjustments; and
- to the extent of any excess after the application of the previous two bullet points, will be carried forward as a negative adjustment to offset future interest income with respect to the contingent debt obligation or to reduce the amount realised on a sale, exchange or retirement of the contingent debt obligation.

A net negative adjustment is not subject to the two per cent. floor limitation imposed on miscellaneous deductions. Where a U.S. Holder purchases a contingent payment debt instrument for a price other than its adjusted issue price, the difference between the purchase price and the adjusted issue price must be reasonably allocated to the daily portions of interest or projected payments with respect to the contingent payment debt instrument over its remaining term and treated as a positive or negative adjustment, as the case may be, with respect to each period to which it is allocated.

Upon a sale, exchange, retirement or other taxable disposition of a contingent payment debt instrument, a U.S. Holder generally will recognise taxable gain or loss equal to the difference between the amount realised on the sale, exchange or retirement and the Noteholder's adjusted basis in the contingent payment debt instrument. A U.S. Holder's adjusted basis in a Note that is a contingent payment debt instrument generally will be the acquisition cost of the Note, increased by the interest previously accrued by the U.S. Holder on the Note under these rules, disregarding any net positive and net negative adjustments, and decreased by the amount of any non-contingent payments and the projected amount of any contingent payments previously made on the Note. A U.S. Holder generally will treat any gain as interest income, and any loss as ordinary loss to the extent of the excess of previous interest inclusions in excess of the total net negative adjustments previously taken into account as ordinary losses, and the balance as capital loss. The deductibility of capital losses is subject to limitations. In addition, if a Noteholder recognises loss above certain thresholds, the Noteholder may be required to file a disclosure statement with the IRS (as described under "*Reportable Transactions*").

Special rules will apply if one or more contingent payments on a contingent debt obligation become fixed. For purposes of the preceding sentence, a payment (including an amount payable at maturity) will be treated as fixed if (and when) all remaining contingencies with respect to it are remote or incidental within the meaning of the contingent debt regulations. A U.S. Holder's tax basis in the contingent debt obligation and the character of any gain or loss on the sale of the contingent debt obligation would also be affected. U.S. Holders are urged to consult their tax advisers concerning the application of these special rules.

Foreign Currency Notes

The following discussion summarises the principal U.S. federal income tax consequences to a U.S. Holder of the ownership and disposition of Notes that are denominated in a specified currency other than the U.S. Dollar or the payments of interest or principal on which are payable in a currency other than the U.S. Dollar ("**foreign currency Notes**"). However, the U.S. federal income tax consequences to a U.S. Holder of the ownership and disposition of currency-linked Notes and non-functional currency contingent payment debt instruments are not discussed herein and will be discussed in any supplemental base prospectus issued in connection with the issuance of such Notes and instruments.

The rules applicable to foreign currency Notes could require some or all gain or loss on the sale, exchange or other disposition of a foreign currency Note to be recharacterised as ordinary income or loss. The rules applicable to foreign currency Notes are complex and may depend on the Noteholder's particular U.S. federal income tax situation. For example, various elections are available under these rules, and whether a Noteholder should make any of these elections may depend on the Noteholder's particular U.S. federal income tax situation. U.S. Holders are urged to consult their tax advisors regarding the U.S. federal income tax consequences of the ownership and disposition of foreign currency Notes.

A U.S. Holder who uses the cash method of accounting and who receives a payment of qualified stated interest in a foreign currency with respect to a foreign currency Note will be required to include in income the U.S. Dollar value of the foreign currency payment (determined on the date the payment is received) regardless of whether the payment is in fact converted to U.S. Dollars at the time, and this U.S. Dollar value will be the U.S. Holder's tax basis in the foreign currency. A cash method Noteholder who receives a payment of qualified stated interest in U.S. Dollars pursuant to an option available under such Note will generally be required to include the amount of this payment in income upon receipt.

An accrual method U.S. Holder will be required to include in income the U.S. Dollar value of the amount of interest income (including OID or market discount, but reduced by acquisition premium and amortisable bond premium, to the extent applicable) that has accrued and is otherwise required to be taken into account with respect to a foreign currency Note during an accrual period. The U.S. Dollar value of the accrued income generally will be determined by translating the income at the average rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the taxable year. The U.S. Holder will recognise ordinary income or loss with respect to accrued interest income on the date the income is actually received. The amount of ordinary income or loss recognised will equal the difference between the U.S. Dollar value of the foreign currency payment received (determined on the date the payment is received) in respect of the accrual period (or, where a Noteholder receives U.S. Dollars, the amount of the payment in respect of the accrual period) and the U.S. Dollar value of interest income that has accrued during the accrual period (as determined above). Rules similar to these rules apply in the case of a cash method taxpayer required to currently accrue OID or market discount.

An accrual method U.S. Holder may elect to translate interest income (including OID) into U.S. Dollars at the spot rate on the last day of the interest accrual period (or, in the case of a partial accrual period, the spot rate on the last day of the taxable year) or, if the date of receipt is within five business days of the last day of the interest accrual period, the spot rate on the date of receipt. A U.S. Holder that makes this election must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the IRS.

OID, market discount, acquisition premium and amortisable bond premium on a foreign currency Note are to be determined in the relevant foreign currency. Where the taxpayer elects to include market discount in income currently, the amount of market discount will be determined for any accrual period in the relevant foreign currency and then translated into U.S. Dollars on the basis of the average rate in effect during the accrual period. Exchange gain or loss realised with respect to such accrued market discount shall be determined in accordance with the rules relating to accrued interest described above.

If an election to amortise bond premium is made, amortisable bond premium taken into account on a current basis shall reduce interest income in units of the relevant foreign currency. Exchange gain or loss is realised on amortised bond premium with respect to any period by treating the bond premium amortised in the period in the same manner as on the sale, exchange or retirement of the foreign currency Note. Any exchange gain or loss will be ordinary income or loss as described below. If the election is not made, any loss realised on the sale, exchange or retirement of a foreign currency Note with amortisable bond premium by a U.S. Holder who has not elected to amortise the premium will be a capital loss to the extent of the bond premium.

A U.S. Holder's tax basis in a foreign currency Note, and the amount of any subsequent adjustment to the Noteholder's tax basis, will be the U.S. Dollar value amount of the foreign currency amount paid for such foreign currency Note, or of the foreign currency amount of the adjustment, determined on the date of the purchase or adjustment. A U.S. Holder who purchases a foreign currency Note with previously owned foreign currency will recognise ordinary income or loss in an amount equal to the difference, if any, between such U.S. Holder's tax basis in the foreign currency and the U.S. Dollar fair market value of the foreign currency Note on the date of purchase.

Gain or loss realised upon the sale, exchange, retirement or other taxable disposition of a foreign currency Note that is attributable to fluctuation in currency exchange rates will be ordinary income or loss which will not be treated as interest income or expense. Gain or loss attributable to fluctuations in exchange rates will equal the difference between (i) the U.S. Dollar value of the foreign currency principal amount of the Note, determined on the date the payment is received or the Note is disposed of, and (ii) the U.S. Dollar value of the foreign currency principal amount of the Note, determined on the date the U.S. Holder acquired the Note. Payments received attributable to accrued interest will be treated in accordance with the rules applicable to payments of interest on foreign currency Notes described above. The foreign currency gain or loss will be recognised only to the extent of the total gain or loss realised by the Noteholder on the sale, exchange, retirement or other taxable disposition of the foreign currency Note. The source of the foreign currency gain or loss will be determined by reference to the residence of the Noteholder or the "qualified business unit" of the Noteholder on whose books the Note is properly reflected. Any gain or loss realised by these Noteholders in excess of the foreign currency gain or loss will be capital gain or loss except that any gain will be treated as ordinary income to the extent of any accrued market discount or, in the case of short term Note, to the extent of any discount not previously included in the Noteholder's income. Noteholders should consult their tax advisors with respect to the tax consequences of receiving payments in a currency different from the currency in which payments with respect to such Note accrue.

A U.S. Holder will have a tax basis in any foreign currency received on the sale, exchange, retirement or other taxable disposition of a foreign currency Note equal to the U.S. Dollar value of the foreign currency, determined at the time of sale, exchange or retirement. A cash method taxpayer who buys or sells a foreign currency Note is required to translate units of foreign currency paid or received into U.S. Dollars at the spot rate on the settlement date of the purchase or sale. Accordingly, no exchange gain or loss will result from currency fluctuations between the trade date and the settlement date of the purchase or sale. An accrual method taxpayer may elect the same treatment for all purchases and sales of foreign currency obligations **provided that** the Notes are traded on an established securities market. This election cannot be changed without the consent of the IRS. Any gain or loss realised by a U.S. Holder on a sale or other disposition of foreign currency (including its exchange for U.S. Dollars or its use to purchase foreign currency Notes) will be ordinary income or loss.

Backup Withholding and Information Reporting

Information returns may be filed with the IRS in connection with payments on the Notes (including any accrued OID) and the proceeds from a sale or other disposition of the Notes. A U.S. Holder may be subject to U.S. backup withholding on these payments if it fails to provide its tax identification number to the paying agent and comply with certain certification procedures or otherwise establish an exemption from backup withholding. Backup withholding is not a tax and the amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the Noteholder's U.S. federal income tax liability and may entitle such U.S. Holder to a refund, **provided that** the required information is timely furnished to the IRS.

Other Reporting Requirements

A U.S. taxpayer that participates in a "reportable transaction" will be required to disclose its participation to the IRS by attaching Form 8886 to its tax return and retaining a copy of all documents and records relating to the transaction. The scope and application of these rules is not entirely clear and whether an investment in a Note constitutes a "reportable transaction" for any holder depends on the holder's particular circumstances. For example, a U.S. Holder may be required to treat a foreign currency exchange loss from the Notes as a reportable transaction if the loss exceeds U.S.$50,000 in a single taxable year if the U.S. Holder is an individual or trust, or higher amounts for other U.S. Holders. In the event the acquisition, ownership or disposition of Notes constitutes participation in a "reportable transaction" for purposes of these rules, a U.S. Holder will be required to disclose its investment by filing Form 8886 with the IRS. Prospective purchasers should consult their tax advisors regarding the application of these rules to the acquisition, ownership or disposition of Notes and should be aware that we (or other participants in the transaction) may determine that the investor list maintenance requirement applies to the transaction and comply accordingly with this requirement.

The U.S. federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a Noteholder's particular situation. Noteholders should consult their tax advisors with respect to the tax consequences to them of the ownership and disposition of the Notes, including the tax consequences under state, local, foreign and other tax laws and the possible effects of changes in U.S. federal or other tax laws.

The proposed financial transactions tax

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transaction tax ("**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "participating Member States"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including: (i) by transacting with a person established in a participating Member State; or (ii) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

CERTAIN ERISA AND OTHER CONSIDERATIONS

The U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), imposes certain requirements on "employee benefit plans"(as defined in section 3(3) of ERISA) subject to Title I of ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, "**ERISA Plans**") and on those persons who are fiduciaries with respect to ERISA Plans.

Section 406 of ERISA and Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), prohibit certain transactions involving the assets of an ERISA Plan (Section 4975 of the Code also imposes prohibitions for certain plans that are not subject to Title I of ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts (together with ERISA Plans, "**Plans**")) and certain persons (referred to as "**parties in interest**" or "**disqualified persons**") having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. In addition, the U.S. Department of Labor has issued a final regulation concerning the definition of what constitutes plan assets. This regulation provides that, as a general rule, the underlying assets and properties of corporations, partnerships, trusts and certain other entities in which a Plan makes an equity investment will be deemed for purposes of ERISA to be assets of the investing Plan if benefit plan investors own 25 per cent. or more of any class of equity interests of the Issuer, subject to certain exceptions that are not expected to be applicable. Prohibited transactions within the meaning of Section 406 of ERISA or Section 4975 of the Code may arise in connection with the purchase and holding of Notes (or any interest therein), particularly if any Notes are acquired by a Plan with respect to which any of the Issuer, the Guarantor, the Arranger or the Dealers or any of their respective affiliates are a party in interest or a disqualified person. Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may be applicable, however, depending in part on the type of Plan fiduciary making the decision to acquire Notes and the circumstances under which such decision is made. There can be no assurance that any exemption will be available with respect to any particular transaction involving the Notes, or that, if an exemption is available, it will cover all aspects of any particular transaction. No assurance is given regarding whether the purchase or holding of any Notes would be considered to involve an extension of credit to the Issuer for purposes of ERISA or Section 4975 of the Code. A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and Section 4975 of the Code. In addition no assurance is given regarding whether the Notes may be deemed to be equity interests in the Issuer for ERISA purposes or whether benefit plan investors may own 25 per cent. or more of the Notes. Accordingly, unless otherwise stated in the Final Terms, by its purchase of any Notes each original or subsequent purchaser or transferee of a Note will be deemed to have represented and agreed either that (i) it is not and for so long as it holds a Note (or any interest therein) will not be a Plan, an entity whose underlying assets include the assets of any such Plan, or a governmental or other employee benefit plan which is subject to any U.S. federal, state, local or non-U.S. law, that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code, or (ii) its purchase and holding of a Note will not constitute or result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of such a governmental or other employee benefit plan, any such substantially similar U.S. federal, state, local or non-U.S. law) for which an exemption is not available.

Governmental plans and certain church and other U.S. or non-U.S. plans, while not subject to the fiduciary responsibility provisions of ERISA or the provisions of Section 4975 of the Code, may nevertheless be subject to state, other federal or non-U.S. laws that are substantially similar to ERISA and the Code. Fiduciaries of any such plans should consult with their counsel before purchasing any Notes.

THE PRECEDING DISCUSSION IS ONLY A SUMMARY OF CERTAIN ERISA IMPLICATIONS OF AN INVESTMENT IN THE NOTES AND DOES NOT PURPORT TO BE COMPLETE. PROSPECTIVE INVESTORS SHOULD CONSULT WITH THEIR OWN LEGAL, TAX, FINANCIAL AND OTHER ADVISORS PRIOR TO INVESTING IN THE NOTES TO REVIEW THESE IMPLICATIONS IN LIGHT OF SUCH INVESTOR'S PARTICULAR CIRCUMSTANCES.

THE SALE OF NOTES TO A PLAN IS IN NO RESPECT A REPRESENTATION BY THE ISSUER, THE GUARANTOR, THE ARRANGER OR THE DEALERS THAT SUCH AN INVESTMENT MEETS ALL RELEVANT REQUIREMENTS WITH RESPECT TO INVESTMENTS BY PLANS GENERALLY OR ANY PARTICULAR PLAN, OR THAT SUCH

AN INVESTMENT IS APPROPRIATE FOR PLANS GENERALLY OR ANY PARTICULAR PLAN.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

The Dealers have, in a programme agreement (the "**Programme Agreement**") dated 14 June 2016, agreed with the Issuer and Ooredoo a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*".

In accordance with the terms of the Programme Agreement, the Issuer (failing which, Ooredoo) has agreed to reimburse the Dealers for certain of their expenses in connection with the update and any future update of the Programme and the issue of Notes under the Programme and the Issuer and Ooredoo have agreed to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

Certain of the Dealers and their respective affiliates have, in the past, performed investment banking and advisory services for, and provided credit facilities to, Ooredoo for which they have received customary fees and expenses. Each of the Dealers and their respective affiliates may, from time to time, engage in further transactions with, and perform services for, Ooredoo in the ordinary course of their respective businesses. Ooredoo may apply all or part of the proceeds of any Notes issued pursuant to the Programme in repayment of all or part of any such credit facilities. See "*Use of Proceeds*".

In order to facilitate the offering of any Tranche of the Notes, certain persons participating in the offering of the Tranche may engage in transactions that stabilise, maintain or otherwise affect the market price of the relevant Notes during and after the offering of the Tranche. Specifically, such persons may over-allot or create a short position in the Notes for their own account by selling more Notes than have been sold to them by the Issuer. Such persons may also elect to cover any such short position by purchasing Notes in the open market. In addition, such persons may stabilise or maintain the price of the Notes by bidding for or purchasing Notes in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Notes are reclaimed if Notes previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions may be to stabilise or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Notes to the extent that it discourages resales thereof. No representation is made as to the magnitude or effect of any such stabilising or other transactions. Such transactions, if commenced, may be discontinued at any time. Under United Kingdom laws and regulations, stabilising activities may only be carried on by the Stabilisation Manager named in the relevant subscription agreement (or persons acting on its behalf) and only for a limited period following the Issue Date of the relevant Tranche of Notes.

To the extent the Dealers intend to make any offers or sales of the Notes in the United States, or to nationals or residents of the United States, they will do so only through one or more registered broker-dealers in compliance with applicable securities laws and regulations, as well as with applicable laws of the various states.

Transfer Restrictions

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes

Each purchaser of Registered Notes (other than a person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note) or person wishing to transfer an interest from one Registered Global Note to another or from global to definitive form or *vice versa*, will be required to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

(i) that either: (a) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance on Rule 144A; or (b) it is an Institutional Accredited Investor which has delivered an IAI Investment Letter; or (c) it is outside the United States and is not a U.S. person;

(ii) that the Notes and the Guarantee are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S.

State securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(iii) that, unless it holds an interest in a Regulation S Global Note and either is a person located outside the United States or is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the date which is one year after the later of the last Issue Date for the Series (or the date on which full consideration has been paid for Partly Paid Notes) and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Notes, only: (a) to the Issuer or any affiliate thereof; (b) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A or, if the applicable Final Terms so permit, to an Institutional Accredited Investor that has delivered a duly executed IAI Investment Letter in a private transaction exempt from the registration requirements of the Securities Act; (c) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act; (d) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available); or (e) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. State securities laws;

(iv) it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (iii) above, if then applicable;

(v) unless otherwise stated in the Final Terms, either (A) it is not and for so long as it holds a Note (or any interest therein) will not be (i) an "employee benefit plan" as defined in Section 3(3) of ERISA that is subject to Title I of ERISA, (ii) a "plan" as defined in and subject to Section 4975 of the Code (iii) an entity whose underlying assets include the assets of any such employee benefit plan subject to Title I of ERISA or other plan subject to Section 4975 of the Code, or (iv) a governmental or other benefit plan which is subject to any U.S. federal, state, local or non-U.S. law, that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code, or (B) its purchase and holding of a Note will not constitute or result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of such a governmental or other employee benefit plan, any such substantially similar U.S. federal, state, local or non-U.S. law) for which an exemption is not available;

(vi) that Notes initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Notes, that Notes offered to Institutional Accredited Investors will be in the form of Definitive IAI Registered Notes and that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;

(vii) that the Notes, other than the Regulation S Global Notes, will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT [(1)] IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS [OR (2) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR"(AS DEFINED IN RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) (AN "**INSTITUTIONAL ACCREDITED INVESTOR**")]; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES (OR THE DATE ON WHICH FULL CONSIDERATION HAS BEEN PAID FOR PARTLY PAID NOTES) AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A

QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A OR, IF THE APPLICABLE FINAL TERMS SO PERMIT, TO AN INSTITUTIONAL ACCREDITED INVESTOR THAT HAS DELIVERED A DULY EXECUTED IAI INVESTMENT LETTER IN A PRIVATE TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON);

UNLESS OTHERWISE STATED IN THE APPLICABLE FINAL TERMS, BY ITS PURCHASE AND HOLDING OF THIS SECURITY (OR ANY INTEREST THEREIN), THE PURCHASER OR HOLDER WILL BE DEEMED TO HAVE REPRESENTED AND AGREED EITHER THAT (A) IT IS NOT AND FOR SO LONG AS IT HOLDS THIS SECURITY (OR ANY INTEREST HEREIN) WILL NOT BE (I) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") THAT IS SUBJECT TO TITLE I OF ERISA, (II) A "PLAN" AS DEFINED IN AND SUBJECT TO THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE THE ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN SUBJECT TO TITLE I OF ERISA OR OTHER PLAN SUBJECT TO SECTION 4975 OF THE CODE, OR (IV) A GOVERNMENTAL OR OTHER BENEFIT PLAN WHICH IS SUBJECT TO ANY U.S. FEDERAL, STATE, LOCAL, OR NON-U.S. LAW, THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR (B) ITS PURCHASE AND HOLDING OF THIS SECURITY WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF SUCH A GOVERNMENTAL OR OTHER EMPLOYEE BENEFIT PLAN, ANY SUCH SUBSTANTIALLY SIMILAR U.S. FEDERAL, STATE OR LOCAL LAW) FOR WHICH AN EXEMPTION IS NOT AVAILABLE.";

(viii) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Notes prior to the expiration of the distribution compliance period (defined as 40 days after the later of the commencement of the offering and the closing date with respect to the original issuance of the Notes), it will do so only: (a)(i) outside the United States in compliance with Rule 903 or 904 under the Securities Act; or (ii) to a QIB in compliance with Rule 144A; and (b) in accordance with all applicable U.S. State securities laws; and it acknowledges that the Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING AND THE CLOSING DATE WITH RESPECT TO ORIGINAL ISSUANCE OF THIS SECURITY, THIS SECURITY AND ANY INTEREST HEREIN MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE SECURITIES ACT AND ALL APPLICABLE LAWS OF ANY OTHER JURISDICTION.";

(ix) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and

(x) the Notes, when registered in the name of a nominee of DTC, will bear a legend to the following effect unless otherwise agreed by the Issuer;

"UNLESS THIS GLOBAL NOTE IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION, ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY REGISTERED NOTE ISSUED IN EXCHANGE FOR THIS GLOBAL NOTE OR ANY PORTION HEREOF IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUIRED BY AN AUTHORISED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON OTHER THAN DTC OR A NOMINEE THEREOF IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS GLOBAL SECURITY MAY NOT BE EXCHANGED, IN WHOLE OR IN PART, FOR A SECURITY REGISTERED IN THE NAME OF ANY PERSON OTHER THAN THE DEPOSITORY TRUST COMPANY OR A NOMINEE THEREOF EXCEPT IN THE LIMITED CIRCUMSTANCES SET FORTH IN THIS GLOBAL SECURITY, AND MAY NOT BE TRANSFERRED, IN WHOLE OR IN PART, EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THIS LEGEND. BENEFICIAL INTERESTS IN THIS GLOBAL SECURITY MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH THIS LEGEND."

Institutional Accredited Investors who purchase Registered Notes in definitive form offered and sold in the United States in reliance upon the exemption from registration provided by Section 4(2) or Regulation D of the Securities Act are required to execute and deliver to the relevant Registrar an IAI Investment Letter. Upon execution and delivery of an IAI Investment Letter by an Institutional Accredited Investor, Notes will be issued in definitive registered form. See "*Form of the Notes*".

The IAI Investment Letter will state, among other things, the following:

(i) that the Institutional Accredited Investor has received a copy of the Base Prospectus and such other information as it deems necessary in order to make its investment decision;

(ii) that the Institutional Accredited Investor understands that any subsequent transfer of the Notes is subject to certain restrictions and conditions set forth in the Base Prospectus and the Notes (including those set out above) and that it agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes except in compliance with, such restrictions and conditions and the Securities Act;

(iii) that, in the normal course of its business, the Institutional Accredited Investor invests in or purchases securities similar to the Notes;

(iv) that the Institutional Accredited Investor is an Institutional Accredited Investor within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Notes, and it and any accounts for which it is acting are each able to bear the economic risk of its or any such accounts' investment for an indefinite period of time;

(v) that the Institutional Accredited Investor is acquiring the Notes purchased by it for its own account or for one or more accounts (each of which is an Institutional Accredited Investor) as to each of which it exercises sole investment discretion and not with a view to any distribution of the Notes, subject, nevertheless, to the understanding that the disposition of its property shall at all times be and remain within its control; and

(vi) that, in the event that the Institutional Accredited Investor purchases Notes, it will acquire Notes having a minimum purchase price of at least U.S.$500,000 (or the approximate equivalent in another Specified Currency).

No sale of Legended Notes in the United States to any one purchaser will be for less than U.S.$200,000 (or its foreign currency equivalent) principal amount or, in the case of sales to Institutional Accredited Investors, U.S.$500,000 (or its foreign currency equivalent) principal amount and no Legended Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.$200,000 (or its foreign currency equivalent) or, in the case of sales to Institutional Accredited Investors, U.S.$500,000 (or its foreign currency equivalent) principal amount of Registered Notes.

Selling Restrictions

United States

The Notes and the Guarantee have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States or any other jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the U.S. Treasury regulations promulgated thereunder.

Where the D Rules are specified in the applicable Final Terms as being applicable in relation to any Tranche of Notes, each Dealer will be required to represent, undertake and agree that:

(i) except to the extent permitted under U.S. Treasury Regulation section 1.163-5(c)(2)(i)(D) (or any substantially identical successor United States Treasury Regulation section including, without limitation, substantially identical successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "**D Rules**") that it has not offered or sold and during the restricted period it will not offer or sell, Bearer Notes to a person who is within the United States or its possessions or to, or for the account or benefit of, a United States person and it has not delivered and that it will not deliver within the United States or its possessions definitive Bearer Notes that are sold during the restricted period;

(ii) it has, and throughout the restricted period it will have in effect, procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Bearer Notes are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

(iii) if it is a United States person, it is acquiring the Notes for purposes of resale in connection with their original issuance and if it retains Bearer Notes for its own account, it will only do so in accordance with the requirements of U.S. Treasury Regulation section 1.163-5(c)(2)(i)(D)(6) (or any substantially identical successor United States Treasury Regulation section including, without limitation, substantially identical successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010);

(iv) with respect to each affiliate that acquires Notes from it for the purpose of offering or selling such Notes during the restricted period, it either: (a) repeats and confirms the representations and agreements contained in subparagraphs (i), (ii) and (iii) above on such affiliate's behalf; or (b) agrees that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in subparagraphs (i), (ii) and (iii) of this paragraph; and

(v) it shall obtain for the benefit of the Issuer the representations, undertakings and agreements contained in subparagraphs (i), (ii), (iii), (iv) and (v) of this paragraph from any person other than its affiliate with whom it enters into a written contract, (a "distributor" as defined in U.S. Treasury Regulation section 1.163-5(c)(2)(i)(D)(4)(ii) (or any substantially identical successor United States Treasury Regulation section including, without limitation, substantially identical successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010)), for the offer or sale during the restricted period of the Notes.

Where the TEFRA C Rules are specified in the applicable Final Terms as being applicable in relation to any Tranche of Notes, the Notes must, in accordance with their original issuance, be issued and delivered outside the United States and its possessions and, accordingly, each Dealer will be required to represent, warrant and undertake that, in connection with the original issuance of the Notes:

(i) it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, any Notes within the United States or its possessions; and

(ii) it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if it or such prospective purchaser is within the United States or its possessions and will not otherwise involve its United States office in the offer and sale of Notes.

In connection with any Notes which are offered or sold outside the United States in reliance on an exemption from the registration requirements of the Securities Act provided under Regulation S ("**Regulation S Notes**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver such Regulation S Notes: (i) as part of their distribution at any time; or (ii) otherwise until forty days after the completion of the distribution, as determined and certified by the relevant Dealer(s) or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager(s), of all Notes of the Tranche of which such Regulation S Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Regulation S Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until forty days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Dealers may arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Notes which may be purchased by a QIB pursuant to Rule 144A is U.S.$200,000 (or the approximate equivalent thereof in any other currency). To the extent that the Issuer is not subject to or does not comply with the reporting requirements of Section 13 or 15(d) of the Exchange Act or the information furnishing requirements of Rule 12g3-2(b) thereunder, the Issuer has agreed to furnish to holders of Notes and to prospective purchasers designated by such holders, upon request, such information as may be required by Rule 144A(d)(4).

Dealers may also arrange for the sale of Notes to Institutional Accredited Investors in private transactions exempt from the registration requirements of the Securities Act. Each Institutional Accredited Investor will be required to deliver a duly executed IAI Investment Letter. The minimum aggregate principal amount of Notes which may be purchased by an Institutional Accredited Investor is U.S.$500,000.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes, except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**"), other than: (i) to "**professional investors**" within the meaning of the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**CO**") or which do not constitute an offer to the public within the meaning of the CO; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue (in each case whether in Hong Kong or elsewhere), any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to any Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "**professional investors**" within the meaning of the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed that, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Qatar

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that, it has not offered, delivered or sold, and will not offer, deliver or sell at any time, directly or indirectly, any Notes in Qatar (including the Qatar Financial Centre), except (a) in compliance with all applicable laws and regulations of Qatar (including the Qatar Financial Centre) and (b) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in Qatar.

Bermuda

Securities may be offered or sold in Bermuda only in compliance with the provisions of the Companies Act, the Investment Business Act 2003, the Exchange Control Act 1972 and related regulations of Bermuda which regulate the sale of securities in Bermuda. In addition, specific permission is required from the BMA, pursuant to the provisions of the Exchange Control Act 1972 and related regulations, for all issuances and transfers of securities of Bermuda companies, other than in cases where the BMA has granted a general permission. The BMA, in its policy dated 1 June 2005, provides that, in respect of a Bermuda company, which does not have any equity securities (an equity security is defined as a share issued by a Bermuda company which entitles the holder to vote for or appoint one or more directors or a security which by its terms is convertible into a share which entitles the holder to vote for or appoint one or more directors) listed on an appointed stock exchange (which the Issuer does not), general permission is given for the issue and subsequent transfer of any securities, other than equity securities, from and/or to a non-resident of Bermuda. The general permission does not apply to securities held in bearer form. The BMA has granted specific permission to the Issuer for: (i) the issue of the Notes to "Qualified Institutional Buyers" (as defined in Rule 144A promulgated under the Securities Act in compliance with Rule 144A) and "Accredited Investors" as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act in the United States; and outside the United States pursuant to and in reliance on Regulation S under the Securities Act and in accordance with local securities laws and regulations, in all cases with a minimum Note denomination of €100,000; and (ii) the free transferability of Notes so long as the Notes are admitted to the Official List of the Irish Stock Exchange or any other Appointed Stock Exchange (as defined in the Companies Act); and the free transferability of the Notes if not so listed in accordance with local securities laws and regulations, in all cases with a minimum Note denomination of €100,000.

The BMA consent referred to above covers the issue and free transferability of the Notes being offered by the Issuer pursuant to this Base Prospectus but not any supplement thereto. The Issuer has also obtained a direction from the Minister of Finance of Bermuda that Part III and Section 35 of Part IV of the Companies Act relating to the offering of the Notes shall not apply to the offering of the Notes under the Programme, **provided that** they are only offered, up to the maximum aggregate nominal amount, to "Qualified Institutional Buyers" (as defined in Rule 144A promulgated under the Securities Act in compliance with Rule 144A) and "Accredited Investors" as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act in the United States; and (ii) outside the United States pursuant to and in reliance on Regulation S under the Securities Act and in accordance with local securities laws and regulations, in all cases with a minimum Note denomination of €100,000. The BMA, the Minister of Finance of Bermuda and the Registrar of Companies accept no responsibility for the financial soundness of any proposal or for the correctness of any of the statements made or opinions expressed in this Base Prospectus or in any prospectus supplement.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not invited and will not invite members of the public in Bermuda to subscribe for or purchase the Notes, that it has not and will not offer the Notes for subscription, sale or transfer in Bermuda or to, or for the account of, persons resident in Bermuda and that it has complied, and will comply, with all applicable provisions of, the Companies Act, the Investment Business Act 2003 of Bermuda and any other relevant legislation of Bermuda with respect to anything done by it in relation to the Notes in, from or otherwise involving Bermuda.

Although incorporated and registered in Bermuda, the Issuer has been classified as non-resident in Bermuda for Bermuda exchange control purposes by the BMA. Accordingly, the Issuer may convert currency (other than Bermuda Dollars) held for its account to any other currency and transfer such currency from Bermuda without legal restriction.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "**FIEA**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws and regulations of Japan.

United Arab Emirates (excluding the Dubai International Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

Dubai International Financial Centre

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Notes to be issued under the Programme to any person in the Dubai International Financial Centre unless such offer is:

(a) an "**Exempt Offer**" in accordance with the Market Rules (MKT Module) of the Dubai Financial Services Authority (the "**DFSA**") rulebook; and

(b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook.

Kingdom of Saudi Arabia

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public offering of the Notes. Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires any Notes pursuant to an offering should note that the offer of Notes is a private placement under Article 10 or Article 11 of the "**Offers of Securities Regulations**" as issued by the Board of the Capital Market Authority resolution number 2-11-2004 dated 4 October 2004 and amended by the Board of the Capital Market Authority resolution number 1-28-2008 dated 18 August 2008 (the "**KSA Regulations**"), made through a person authorised by the Capital Market Authority ("**CMA**") to carry on the securities activity of arranging and following a notification to the CMA under the KSA Regulations.

The Notes may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to "sophisticated investors" under Article 10 of the KSA Regulations or by way of a limited offer under Article 11 of the KSA Regulations. Each Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that any offer of Notes to a Saudi Investor will be made in compliance with the KSA Regulations.

Investors are informed that Article 17 of the KSA Regulations places restrictions on secondary market activity with respect to the Notes, including as follows:

(a) a Saudi Investor (referred to as a "**transferor**") who has acquired Notes pursuant to a private placement may not offer or sell Notes to any person (referred to as a "**transferee**") unless the offer or sale is made through an authorised person where one of the following requirements is met:

    (i) the price to be paid for the Notes in any one transaction is equal to or exceeds Saudi Riyals one million or an equivalent amount;

    (ii) the Notes are offered or sold to a sophisticated investor; or

    (iii) the Notes are being offered or sold in such other circumstances as the CMA may prescribe for these purposes;

(a) if the requirement of paragraph (a)(i) above cannot be fulfilled because the price of the Notes being offered or sold to the transferee has declined since the date of the original private placement, the transferor may offer or sell the Notes to the transferee if their purchase price during the period of the original private placement was equal to or exceeded Saudi Riyals 1 million or an equivalent amount;

(b) if the requirement in paragraph (b) above cannot be fulfilled, the transferor may offer or sell Notes if he/she sells his entire holding of Notes to one transferee; and

(c) the provisions of paragraphs (a), (b) and (c) above shall apply to all subsequent transferees of the Notes.

Kingdom of Bahrain

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Notes except on a private placement basis to persons in the Kingdom of Bahrain who are "accredited investors".

For this purpose, an "**accredited investor**" means:

(a) an individual holding financial assets (either singly or jointly with a spouse) of U.S.$1,000,000 or more;

(b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.$1,000,000; or

(c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

(a) at any time to any legal entity which is a qualified investor under the Prospectus Directive;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in paragraphs (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

General

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws, regulations and directives in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, Ooredoo nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer, Ooredoo or the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer(s) will be required to comply with such other restrictions as the Issuer, Ooredoo and the relevant Dealer(s) shall agree and as shall be set out in the applicable subscription agreement.

GENERAL INFORMATION

Authorisation

The update of the Programme and the issue of Notes by the Issuer was duly authorised by resolutions of the Board of Directors of the Issuer dated 8 June 2016. The establishment of the Programme and the giving of the Guarantee was duly authorised by resolutions of the Board of Directors of Ooredoo dated 27 November 2012 and the update of the Programme (including the increase in the Programme amount) was duly authorised by resolutions of the Board of Directors of Ooredoo dated 12 December 2015. Each of the Issuer and Ooredoo has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes and the giving of the Guarantee.

Listing of Notes

It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the Main Securities Market will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche.

Application has been made to the Irish Stock Exchange for Notes issued under the Programme to be admitted to the Official List and admitted to trading on the Main Securities Market. The approval of the Programme in respect of Notes is expected to be granted on or around 14 June 2016. Unlisted Notes may be issued pursuant to the Programme.

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to the Official List of the Irish Stock Exchange or to trading on the Main Securities Market for the purposes of the Prospectus Directive.

Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection in hard copy from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London:

(i) the constitutional documents of the Issuer and Ooredoo;

(ii) the audited financial statements of the Issuer as at and for the years ended 31 December 2015 and 31 December 2014, together with the audit reports prepared in connection therewith;

(iii) the unaudited condensed consolidated interim financial statements of Ooredoo as at and for the three-month period ended 31 March 2016, together with the review report prepared in connection therewith;

(iv) the audited consolidated financial statements of Ooredoo as at and for the years ended 31 December 2015 and 31 December 2014, together with the audit reports prepared in connection therewith;

(v) the most recently published audited annual financial statements of the Issuer and Ooredoo, together with any audit reports prepared in connection therewith;

(vi) the most recently published unaudited consolidated interim financial statements of Ooredoo, together with any review reports prepared in connection therewith;

(vii) the Agency Agreement, the Deed of Covenant, the Deed of Guarantee and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;

(viii) a copy of this Base Prospectus; and

(ix) any future offering circulars, prospectuses, information memoranda and supplements including Final Terms (save that the applicable Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the

Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of Notes and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference.

Material Contracts

Neither the Issuer nor Ooredoo or any of its subsidiaries has entered into any material contracts outside the ordinary course of business which could result in its being under an obligation or entitlement which is, or may be, material to the ability of the Issuer or Ooredoo to meet its obligations in respect of the Notes.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. In addition, the Issuer may make an application for any Notes in registered form to be accepted for trading in book entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of such Registered Notes, together with the relevant ISIN and (if applicable) Common Code, will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is Clearstream Banking, S.A., 42 Avenue JF Kennedy L-1885 Luxembourg. The address of DTC is 55 Water Street, New York, New York 10041, United States of America.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer, Ooredoo and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

There has been no significant change in the financial or trading position, or material adverse change in the prospects, of the Issuer since 31 December 2015.

There has been no significant change in the financial or trading position of Ooredoo or the Group since 31 March 2016 and there has been no material adverse change in the prospects of Ooredoo or the Group since 31 December 2015.

Litigation

Save as disclosed in this Base Prospectus on pages 143 to 145 (inclusive), neither the Issuer nor Ooredoo nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or Ooredoo is aware) in the 12 months preceding the date of this Base Prospectus which may have or have in such period had a significant effect on the financial position or profitability of the Issuer, Ooredoo or the Group.

Independent Auditors

The unaudited condensed consolidated interim financial statements of Ooredoo as at and for the three-month period ending 31 March 2016 included in this Base Prospectus have been reviewed by Deloitte & Touche, Qatar Branch, independent auditors, as stated in their review report appearing herein.

The audited consolidated financial statements of Ooredoo Q.S.C. as at and for the years ended 31 December 2015 and 2014 included in this Base Prospectus have been audited by KPMG, Qatar, independent auditors, as stated in their audit reports appearing herein.

The audited financial statements of Ooredoo International Finance Limited as at for the years ended 31 December 2015 and 2014 included in this Base Prospectus have been audited by KPMG, independent auditors, as stated in their audit report appearing herein.

Dealers transacting with the Issuer and the Guarantor

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer, Ooredoo and the Group in the ordinary course of business for which they may receive fees. In particular, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, Ooredoo and their affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer, Ooredoo and their affiliates routinely hedge their credit exposure to the Issuer, Ooredoo and their affiliates consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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OOREDOO INTERNATIONAL FINANCE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2015

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF

Ooredoo International Finance Limited
Bermuda

Report on the financial statements

We have audited the accompanying financial statements of Ooredoo International Finance Limited ("the Company"), which comprise the statement of financial position as at 31 December 2015, the statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

28 April 2016
Doha
State of Qatar

Gopal Balasubramaniam
KPMG
Qatar Auditors' Registration No. 251

STATEMENT OF PROFIT OR LOSS
Year ended 31 December 2015

In USD'000

	Note	**2015**	2014
Finance income		247,022	274,116
Finance costs	4	(247,022)	(274,116)
Profit for the year		-	-

The attached notes on pages 8 to 14 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2015 In USD'000

	2015	2014
Profit for the year	-	-
Other comprehensive income	-	-
Total comprehensive income for the year	-	-

The attached notes on pages 8 to 14 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2015

In USD'000

	Note	2015	2014
Assets			
Non-current asset			
Interest bearing loan to parent company	5	4,297,060	5,289,362
Total non-current assets		4,297,060	5,289,362
Current assets			
Interest bearing loan to parent company	5	998,949	-
Amounts due from parent company	6	63,920	63,920
Total current assets		1,062,869	63,920
Total assets		**5,359,929**	**5,353,282**
Equity			
Share capital *	7	-	-
Total equity		-	-
Liabilities			
Non-current liabilities			
Interest bearing borrowings	8	4,297,060	5,289,362
Total non-current liabilities		4,297,060	5,289,362
Current liabilities			
Interest bearing borrowings	8	998,949	-
Interest payable and accrued expenses		63,920	63,920
Total current liabilities		1,062,869	63,920
Total liabilities		5,359,929	5,353,282
Total equity and liabilities		**5,359,929**	**5,353,282**

(* The share capital of the Company is USD 100)

These financial statements were approved by the Board of Directors and signed on their behalf by the following on 28 April 2016:

Dr. Nasser Marafih
Director

Ajay Bahri
Director

The attached notes on pages 8 to 14 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2015

	Share capital (USD)	Total (USD)
Balance as at 1 January 2014	100	100
Balance as at 31 December 2014	100	100
Balance as at 1 January 2015	100	100
Balance as at 31 December 2015	**100**	**100**

The attached notes on pages 8 to 14 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
Year ended 31 December 2015 In USD'000

	2015	2014
OPERATING ACTIVITIES		
Profit for the year	-	-
Working capital changes in:		
Amount due from parent company	-	3,250
Interest payable and accrued expenses	-	(3,250)
Net cash used in operating activities	-	-
INVESTING ACTIVITIES		
Net movement in Interest bearing loan to parent company	-	900,000
Net cash used in investing activities	-	**900,000**
FINANCING ACTIVITIES		
Net movement in interest bearing borrowings	-	(900,000)
Net cash from financing activities	-	**(900,000)**
NET CHANGE IN CASH AND CASH EQUIVALENTS	-	-
Cash and cash equivalents at 1 January	-	-
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	-	-

The attached notes on pages 8 to 14 form an integral part of these financial statements.

1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Ooredoo International Finance Limited formerly known as "Qtel International Finance Limited" (the "Company") is registered as an exempt company with limited liability. The Company was incorporated in Bermuda under the Companies Act 1981 on 8 May 2009. The Company's registration number is 43194, and its registered office at Canon's court, 22 Victoria Street, Hamilton HM 12.

The Company is a fully owned subsidiary of Ooredoo Q.S.C. ("the parent company"), a Qatari Shareholding Company listed on the Qatar Exchange. The Company's registered office is at P.O. Box 217, Ooredoo building, 100 West Bay Tower, Doha, Qatar.

The purpose of Ooredoo International Finance Limited is to raise notes and capital for the parent company's financing requirements.

2 BASIS OF PREPARATION

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB) and with the relevant provisions of the Bermuda Companies Act.

b) Basis of measurement

These financial statements have been prepared under the historical cost convention.

c) Functional and presentation currency

These financial statements are presented in US Dollar ("USD"), which is the Company's functional currency. All financial information other than statement of changes in equity presented in US Dollar has been rounded to the nearest thousands (USD'000).

d) Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected.

e) Changes in accounting policies and disclosures

During the current year, the Company adopted the below amendments and improvements to the International Financial Reporting Standards that are relevant to its operations and are effective for annual periods beginning on 1 January 2015:

- Annual Improvements to IFRSs 2010–2012 Cycle - various standards
- Annual Improvements to IFRSs 2011–2013 Cycle - various standards

The adoption of the above amendments and interpretations had no significant impact on the Company's financial statements.

2 BASIS OF PREPARATION (CONTINUED)

f) IASB standards and interpretations issued and not yet effective

The below International Financial Reporting Standards and amendments thereto that are available for early adoption for annual periods beginning on 1 January 2015 are not effective until a later period, and they have not been applied in preparing these financial statements. The Company is not expecting a significant impact from the adoption of these standards.

Standard/ Interpretation	*Content*	*Effective date*
IFRS 9	Financial Instruments	1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IAS 1 (amendments)	Disclosure Initiative	1 January 2016
IAS 16 and IAS 38 (amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
IAS 27 (amendments)	Equity Method in Separate Financial Statements	1 January 2016
IFRS 11 (amendments)	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
IFRS 10 and IAS 28	Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	1 January 2016
IFRS 10, IFRS 12 and IAS 28	Investment Entities Applying the Consolidation Exception	1 January 2016
IAS 16 and IAS 41 (amendments)	Agriculture: Bearer Plants	1 January 2016
IFRS 14	Regulatory Deferral Accounts	1 January 2016
IFRSs 2010-2012 cycle and 2011-2013 cycle	Annual improvements	1 January 2016

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Company.

a) Finance income

Finance income is recognised using the effective interest method.

b) Finance costs

Finance costs comprise interest expense on borrowings and unwinding of the unamortised finance costs. Finance costs are recognised using the effective interest method.

c) Financial instruments

The Company classifies its non-derivative financial assets into the following category: loans and receivables (interest bearing loans to parent company). The Company classifies its non-derivative financial liabilities into the other financial liabilities category (interest bearing borrowings and interest payable).

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Financial instruments (Continued)

Non derivative financial instruments

The Company initially recognizes loans and receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognized on the trade date.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expires, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Non-derivative financial assets – measurement

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Non-derivative financial liabilities – measurement

Non-derivative financial liabilities are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

Derivative financial assets

The Company does not hold any derivative financial instruments as at the reporting date.

d) Impairment

Non-derivative financial assets

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that an event has occurred after the initial recognition of the asset which has an impact on the estimated future cash flows of that asset and such cash flows can be measured reliably.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is measurable decrease in expected cash flows from a Company of financial assets.

Year ended 31 December 2015 In USD' 000

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Impairment (continued)

Financial assets measured at amortized cost

The Company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by combining together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

4 FINANCE COSTS

	2015	2014
Interest expenses	240,375	266,375
Amortised finance costs	6,647	7,741
	247,022	274,116

Some immaterial general and administrative expenses such as audit fees are borne directly by the Parent company, hence, they are not recorded in these financial statements.

5 INTEREST BEARING LOAN TO PARENT COMPANY

	2015	2014
Loan face value	5,350,000	5,350,000
Less: Deferred financing costs	(53,991)	(60,638)
	5,296,009	5,289,362
Presented in the statement of financial position as follows:		
Non-current	4,297,060	5,289,362
Current	998,949	-
	5,296,009	5,289,362

Year ended 31 December 2015 In USD' 000

6 RELATED PARTY DISCLOSURES

Related parties represent the parent company, the shareholder, associated companies and key management personnel of the Company, and companies of which they are principal owners. Pricing policies and terms of these transactions are approved by the Company's management.

Related party balance:

	2015	2014
Amounts due from parent company	**63,920**	63,920

Related party transactions:
Transactions with related party included in the statement of comprehensive income are as follows:

	2015	2014
Finance income	**247,022**	274,116

7 SHARE CAPITAL

As at 31 December 2015, the authorized and paid up share capital of the Company comprises 100 shares with nominal value of USD 1 each (2014: 100 shares with nominal value of USD 1 each).

8 INTEREST BEARING BORROWINGS

	2015	2014
Global medium term note programme	5,350,000	5,350,000
Less: Deferred financing costs	(53,991)	(60,638)
	5,296,009	5,289,362
Presented in the statement of financial position as follows:		
Non-current	4,297,060	5,289,362
Current	998,949	-
	5,296,009	5,289,362

Sl.No.	Facility outstanding amount as at		Maturity	Interest rate	Facility details
	2015	2014			
1	-	-	June 2014	6.50%	USD 5.0 billion Global Medium Term Note Programme ("Notes") listed on London Stock Exchange. First tranche covering Loans 1 and 2 amounting to USD 1500 million issued on June 2009.
2	600,000	600,000	June 2019	7.88%	
3	1,000,000	1,000,000	October 2016	3.38%	The second tranche covering Loans 3, 4 and 5 amounting to USD 2.75 billion was issued on October 2010.
4	1,000,000	1,000,000	February 2021	4.75%	
5	750,000	750,000	October 2025	5.00%	

Year ended 31 December 2015 In USD' 000

8 INTEREST BEARING BORROWINGS (CONTINUED)

Sl.No.	Facility outstanding amount as at		Maturity	Interest rate	Facility details
6	1,000,000	1,000,000	February 2023	3.25%	New USD 3.0 billion Global Medium Term Note Programme ("Notes") listed on Irish Stock Exchange. First tranche under this programme Loan 6 amounting to USD 1.0 billion was issued in Dec 2012.
7	500,000	500,000	January 2028	3.88%	A further dual tranche issuance was made in Jan 2013 covering Loan 7 and 8 of USD 500 million each.
8	500,000	500,000	January 2043	4.50%	
	5,350,000	5,350,000			

All loans are unconditionally and irrevocably guaranteed by Ooredoo (Parent).

9 FINANCIAL RISK MANAGEMENT

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk and
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The note also presents certain quantitative disclosures in addition to the disclosures throughout the financial statements.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is as indicated by the carrying amount of its assets which consist principally of interest bearing loan to parent company amounting to USD 5,296,009 thousands (2014: USD 5,289,362 thousands).

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company limits its liquidity risk by ensuring that the parent company's funding are available.

Year ended 31 December 2015 In USD' 000

9 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

The table below summarizes the maturity profile of the Company's financial liabilities at 31 December based on contractual undiscounted payments.

	Within 1 year	1 to 5 years	>5 years	Total
Year ended 31 December 2015				
Interest bearing borrowings	1,000,000	600,000	3,750,000	5,350,000
Interest payable	240,375	755,625	944,063	1,940,063
Total	**1,240,375**	**1,355,625**	**4,694,063**	**7,290,063**

	Within 1 year	1 to 5 years	>5 years	Total
Year ended 31 December 2014				
Interest bearing borrowings	-	1,600,000	3,750,000	5,350,000
Interest payable	240,375	836,625	1,103,438	2,180,438
Total	240,375	2,436,625	4,853,438	7,530,438

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign currency exchange rates and equity prices will affect the Company's profit, equity or value of its holding of financial instruments. The objective of market risk management is to manage and control the market risk exposure.

Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's financial assets and liabilities with floating interest rates. The Company does not have floating rate interest bearing financial liabilities and the financial assets that are subject to interest rate risk.

Currency risk

Foreign currency risk is the risk that the value of the financial instruments will fluctuate due to changes in foreign exchange rates. The Company is not exposed to foreign currency risk as the Company's assets and liabilities are not denominated in foreign currencies at 31 December 2015.

10 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The accounting convention under which the financial statements have been prepared is disclosed in Note 2(b) i.e. historical cost convention. The carrying value of the Company's financial instruments as recorded could therefore be different from the fair value.

OOREDOO INTERNATIONAL FINANCE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

OOREDOO INTERNATIONAL FINANCE LIMITED

FINANCIAL STATEMENTS
For the year ended 31 December 2014

Contents **Page(s)**

KPMG

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER

Ooredoo International Finance Limited
Bermuda

Report on the financial statements

We have audited the accompanying financial statements of Ooredoo International Finance Limited ("the Company") which comprise the statement of financial position as at 31 December 2014, the statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

20 August 2015
Doha
State of Qatar

Gopal Balasubramaniam
KPMG
Qatar Auditors' Registration No. 251

STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2014 In USD'000

	Note	**2014**	2013
Finance income		274,116	304,393
Finance costs	4	(274,116)	(304,393)
Net profit for the year		-	-

The attached notes on pages 8 to 14 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

In USD'000

	2014	2013
Net profit for the year	-	-
Other comprehensive income	-	-
Total comprehensive income for the year	-	-

The attached notes on pages 8 to 14 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2014

	Note	2014	2013
Assets			
Non-current asset			
Interest bearing loan to parent company	5	5,289,362	5,283,031
Total non-current assets		5,289,362	5,283,031
Current assets			
Interest bearing loan to parent company	5	-	898,590
Amounts due from parent company	6	63,920	67,170
Total current assets		63,920	965,760
Total assets		**5,353,282**	6,248,791
Equity			
Share capital *	7	-	-
Total equity		-	-
Liabilities			
Non-current liabilities			
Interest bearing borrowings	8	5,289,362	5,283,031
Total non-current liabilities		5,289,362	5,283,031
Current liabilities			
Interest bearing borrowings	8	-	898,590
Interest payable and accrued expenses		63,920	67,170
Total current liabilities		63,920	965,760
Total liabilities		5,353,282	6,248,791
Total equity and liabilities		**5,353,282**	6,248,791

(* The share capital of the Company is USD 100)

These financial statements were approved by the Board of Directors and signed on their behalf by the following on 20 August 2015:

Dr. Nasser Marafih
Director

Ajay Bahri
Director

The attached notes on pages 8 to 14 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2014

	Share capital (USD)	Total (USD)
Balance as at 1 January 2013	100	100
Balance as at 31 December 2013	100	100
Balance as at 1 January 2014	100	100
Balance as at 31 December 2014	**100**	**100**

The attached notes on pages 8 to 14 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
For the year ended 31 December 2014

In USD'000

	2014	2013
OPERATING ACTIVITIES		
Net profit for the year	-	-
Working capital changes:		
Amount due from parent company	3,250	(28,101)
Interest payable and accrued expenses	(3,250)	28,101
Net cash used in operating activities	-	-
INVESTING ACTIVITIES		
Net movement in interest bearing loan to parent company	900,000	(979,345)
Net cash used in investing activities	**900,000**	(979,345)
FINANCING ACTIVITIES		
Net movement in interest bearing borrowings	(900,000)	979,345
Net cash from financing activities	**(900,000)**	979,345
NET CHANGE IN CASH AND CASH EQUIVALENTS	-	-
Cash and cash equivalents at 1 January	-	-
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	-	-

The attached notes on pages 8 to 14 form an integral part of these financial statements.

1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Ooredoo International Finance Limited formerly known as "Qtel International Finance Limited" (the "Company") is registered as an exempt company with limited liability. The Company was incorporated in Bermuda under the Companies Act 1981 on 8 May 2009. The Company's registration number is 43194, and its registered office at Canon's court, 22 Victoria Street, Hamilton HM 12.

The Company is a fully owned subsidiary of Ooredoo Q.S.C. ("the parent company"), a Qatari Shareholding Company listed on the Qatar Exchange. The Company's registered office is at P.O. Box 217, Ooredoo building, 100 West Bay Tower, Doha, Qatar.

The purpose of Ooredoo International Finance Limited is to raise notes and capital for the parent company's financing requirements.

2 BASIS OF PREPARATION

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB) and with the relevant provisions of the Bermuda Companies Act.

b) Basis of measurement

These financial statements have been prepared under the historical cost convention.

c) Functional and presentation currency

These financial statements are presented in US Dollar ("USD"), which is the Company's functional currency. All financial information other than statement of changes in equity presented in US Dollar has been rounded to the nearest thousands (USD'000).

d) Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected.

e) Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the new and amended IAS, IFRS and IFRIC interpretations effective as of 1 January 2014. The following standards, amendments and interpretations, which became effective 1 January 2014, are relevant to the Company and do not have significant impact on financial statements:

Standard/ Interpretation	*Content*
IFRS 10, IFRS 12 and IAS 27(amendments)	Investment Entities
IAS 32 (amendments)	Offsetting Financial Assets and Financial Liabilities
IAS 36 (amendments)	Recoverable Amount Disclosures for Non-Financial Assets
IAS 39 (amendments)	Novation of Derivatives and Continuation of Hedge Accounting
IFRIC 21	Levies

2 BASIS OF PREPARATION (CONTINUED)

f) IASB standards and interpretations issued and not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2015, and have not been applied in preparing these financial statements. Those which are relevant to the Company are set out below. The Company does not plan to early adopt these standards. The Company is not expecting a significant impact from the adoption of these standards.

Standard/ Interpretation	*Content*	*Effective date*
IFRS 9	Financial Instruments	1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2017
IFRS 11 (amendments)	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
IAS 16 and IAS 38 (amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
IAS 16 and IAS 41 (amendments)	Agriculture: Bearer Plants	1 January 2016
IAS 19 (amendments)	Defined Benefit Plans: Employee Contributions	Not specified
IFRSs 2010-2012 cycle and 2011-2013 cycle	Annual improvements	1 July 2014

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Company.

a) Finance income

Finance income is recognised using the effective interest method.

b) Finance costs

Finance costs comprise interest expense on borrowings and unwinding of the unamortised finance costs. Finance costs are recognised using the effective interest method.

c) Financial instruments

The Company classifies its non-derivative financial assets into the following category: loans and receivables (interest bearing loans to parent company). The Company classifies its non-derivative financial liabilities into the other financial liabilities category (interest bearing borrowings and interest payable).

Non derivative financial instruments

The Company initially recognizes loans and receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognized on the trade date.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expires, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Financial instruments (Continued)

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Non-derivative financial assets – measurement

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Non-derivative financial liabilities – measurement

Non-derivative financial liabilities are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

Derivative financial assets

The Company does not hold any derivative financial instruments as at the reporting date.

d) Impairment

Non-derivative financial assets

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that an event has occurred after the initial recognition of the asset which has an impact on the estimated future cash flows of that asset and such cash flows can be measured reliably.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is measurable decrease in expected cash flows from a Company of financial assets.

Financial assets measured at amortized cost

The Company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by combining together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

For the year ended 31 December 2014 In USD' 000

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Impairment (continued)

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

4 FINANCE COSTS

	2014	2013
Interest expenses	266,375	295,386
Amortised finance costs	7,741	9,007
	274,116	304,393

5 INTEREST BEARING LOAN TO PARENT COMPANY

	2014	2013
Loan face value	5,350,000	6,250,000
Less: Deferred financing costs	(60,638)	(68,379)
	5,289,362	6,181,621
Presented in the statement of financial position as follows:		
Non-current	5,289,362	5,283,031
Current	-	898,590
	5,289,362	6,181,621

6 RELATED PARTY DISCLOSURES

Related parties represent the parent company, the shareholder, associated companies and key management personnel of the Company, and companies of which they are principal owners. Pricing policies and terms of these transactions are approved by the Company's management.

Related party balance:

	2014	2013
Amounts due from parent company	**63,920**	67,170

Related party transactions:
Transactions with related party included in the statement of comprehensive income are as follows:

	2014	2013
Finance income	**274,116**	304,393

For the year ended 31 December 2014 In USD' 000

7 SHARE CAPITAL

As at 31 December 2014, the authorized and paid up share capital of the Company comprises 100 shares with nominal value of USD 1 each (2013: 100 shares with nominal value of USD 1 each).

8 INTEREST BEARING BORROWINGS

	2014	2013
Global medium term note programme	5,350,000	6,250,000
Less: Deferred financing costs	(60,638)	(68,379)
	5,289,362	6,181,621
Presented in the statement of financial position as follows:		
Non-current	5,289,362	5,283,031
Current	-	898,590
	5,289,362	6,181,621

Sl.No.	**Facility outstanding amount as at**		**Maturity**	**Interest rate**	**Facility details**
	2014	2013			
1	-	900,000	June 2014	6.50%	USD 5.0 billion Global Medium Term Note Programme ("Notes") listed on London Stock Exchange. First tranche covering Loans 1 and 2 amounting to USD 1500 million issued on June 2009.
2	600,000	600,000	June 2019	7.88%	
3	1,000,000	1,000,000	October 2016	3.38%	The second tranche covering Loans 3, 4 and 5 amounting to USD 2.75 billion was issued on October 2010.
4	1,000,000	1,000,000	February 2021	4.75%	
5	750,000	750,000	October 2025	5.00%	
6	1,000,000	1,000,000	February 2023	3.25%	New USD 3.0 billion Global Medium Term Note Programme ("Notes") listed on Irish Stock Exchange. First tranche under this programme Loan 6 amounting to USD 1.0 billion was issued in Dec 2012.
7	500,000	500,000	January 2028	3.88%	A further dual tranche issuance was made in Jan 2013 covering Loan 7 and 8 of USD 500 million each.
8	500,000	500,000	January 2043	4.50%	
	5,350,000	6,250,000			

All loans are unconditionally and irrevocably guaranteed by Ooredoo (Parent).

For the year ended 31 December 2014 In USD' 000

9 FINANCIAL RISK MANAGEMENT

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk and
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The note also presents certain quantitative disclosures in addition to the disclosures throughout the financial statements.

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is as indicated by the carrying amount of its assets which consist principally of interest bearing loan to parent company amounting to USD 5,289,362 thousands (2013: USD 6,181,621 thousands).

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company limits its liquidity risk by ensuring that the parent company's funding are available.

The table below summarizes the maturity profile of the Company's financial liabilities at 31 December based on contractual undiscounted payments.

	Within 1 year	**1 to 5 years**	**>5 years**	**Total**
Year ended 31 December 2014				
Interest bearing borrowings	-	1,600,000	3,750,000	5,350,000
Interest payable	240,375	836,625	1,103,438	2,180,438
Total	**240,375**	**2,436,625**	**4,853,438**	**7,530,438**

	Within 1 year	1 to 5 years	>5 years	Total
Year ended 31 December 2013				
Interest bearing borrowings	900,000	1,000,000	4,350,000	6,250,000
Interest payable	269,625	894,000	1,286,438	2,450,063
Total	1,169,625	1,894,000	5,636,438	8,700,063

9 FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk
Market risk is the risk that changes in market prices, such as interest rates, foreign currency exchange rates and equity prices will affect the Company's profit, equity or value of its holding of financial instruments. The objective of market risk management is to manage and control the market risk exposure.

Interest rate risk
The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's financial assets and liabilities with floating interest rates. The Company does not have floating rate interest bearing financial liabilities and the financial assets that are subject to interest rate risk.

Currency risk
Foreign currency risk is the risk that the value of the financial instruments will fluctuate due to changes in foreign exchange rates. The Company is not exposed to foreign currency risk as the Company's assets and liabilities are not denominated in foreign currencies at 31 December 2014.

10 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The accounting convention under which the financial statements have been prepared is disclosed in Note 2(b) i.e. historical cost convention. The carrying value of the Company's financial instruments as recorded could therefore be different from the fair value.

11 COMPARATIVE FIGURES

The comparative figures for the previous year have been reclassified, where necessary, in order to conform to the current year's presentation. However, such reclassification does not have any impact on the net income, net assets and equity for the previous year.

OOREDOO Q.S.C.
DOHA - QATAR

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

OOREDOO Q.S.C.

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

For the three-month period ended 31 March 2016

CONTENTS	**Page (s)**

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QR. 99-8

INDEPENDENT AUDITOR'S REVIEW REPORT

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

Introduction

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

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of the condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Emphasis of matter

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

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

INDEPENDENT AUDITOR'S REVIEW REPORT (CONTINUED)

Other matter

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

Doha – Qatar
27 April 2016

For **Deloitte & Touche**
Qatar Branch

M. Salha

Midhat Salha
Partner
License No. 257

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

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

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

OOREDOO Q.S.C.

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

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

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

....
Ali Shareef Al Emadi
Deputy Chairman

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

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

	Note	For the three-month period ended 31 March	
		2016	2015
		(Reviewed)	
		QR'000	QR'000
FINANCING ACTIVITIES			
Proceeds from loans and borrowings		**1,886,971**	1,921,604
Repayment of loans and borrowings		**(715,989)**	(521,816)
Additions to deferred financing costs		**(35,484)**	(4,503)
Dividend paid to shareholders of the parent	14	**(960,960)**	(1,281,280)
Dividend paid to non-controlling interests		**(110,930)**	(138,848)
Movement in other non-current liabilities		**648,097**	(77,927)
Net cash from / (used in) financing activities		**711,705**	(102,770)
NET CHANGE IN CASH AND CASH EQUIVALENTS		**269,757**	(1,192,705)
Effect of exchange rate fluctuations		**(609,546)**	355,496
Cash and cash equivalents at 1 January		**18,038,068**	17,315,463
CASH AND CASH EQUIVALENTS 31 MARCH	10	**17,698,279**	16,478,254

	Note	Share capital QR'000	Legal reserve QR'000	Fair value reserve QR'000	Employees benefit reserve QR'000	Translation reserve QR'000	Other statutory reserves QR'000	Retained earnings QR'000	Total QR'000	Non – controlling interests QR'000	Total equity QR'000
		Attributable to shareholders of the parent									
At 1 January 2016 (audited)		**3,203,200**	**12,434,282**	**448,184**	**39,102**	**(5,565,599)**	**1,094,696**	**10,155,924**	**21,809,789**	**6,563,076**	**28,372,865**
Profit for the period		-	-	-	-	-	-	878,639	878,639	117,336	995,975
Other comprehensive income		-	-	(12,974)	2,419	529,491	-	-	518,936	93,798	612,734
Total comprehensive income for the period		-	-	(12,974)	2,419	529,491	-	878,639	1,397,575	211,134	1,608,709
Transactions with shareholders of the parent, recognised directly in equity											
Dividend for 2015	14	-	-	-	-	-	-	(960,960)	(960,960)	-	(960,960)
Transactions with non-controlling interest, recognised directly in equity											
Change in non-controlling interest of an associate		-	-	-	-	-	-	676	676	-	676
Dividends for 2015		-	-	-	-	-	-	-	-	(158,591)	(158,591)
At 31 March 2016 (Reviewed)		**3,203,200**	**12,434,282**	**435,210**	**41,521**	**(5,036,108)**	**1,094,696**	**10,074,279**	**22,247,080**	**6,615,619**	**28,862,699**

	Note	Share capital QR'000	Legal reserve QR'000	Fair value reserve QR'000	Employees benefit reserve QR'000	Translation reserve QR'000	Other statutory reserves QR'000	Retained earnings QR'000	Total QR'000	Non – controlling interests QR'000	Total equity QR'000
		Attributable to shareholders of the parent									
At 1 January 2015 (audited)		3,203,200	12,434,282	892,562	17,659	(3,503,511)	1,057,820	9,386,147	23,488,159	6,980,354	30,468,513
Profit for the period		-	-	-	-	-	-	501,164	501,164	(898)	500,266
Other comprehensive income		-	-	(246,708)	(955)	(1,323,675)	-	-	(1,571,338)	(208,272)	(1,779,610)
Total comprehensive income for the period		-	-	(246,708)	(955)	(1,323,675)	-	501,164	(1,070,174)	(209,170)	(1,279,344)
Transactions with shareholders of the parent, recognised directly in equity											
Dividend for 2014	14	-	-	-	-	-	-	(1,281,280)	(1,281,280)	-	(1,281,280)
Transactions with non-controlling interest, recognised directly in equity											
Change in non-controlling interest of an associate		-	-	-	-	-	-	1,989	1,989	-	1,989
Dividends for 2014		-	-	-	-	-	-	-	-	(138,848)	(138,848)
At 31 March 2015 (Reviewed)		**3,203,200**	**12,434,282**	**645,854**	**16,704**	**(4,827,186)**	**1,057,820**	**8,608,020**	**21,138,694**	**6,632,336**	**27,771,030**

1 REPORTING ENTITY

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

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

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

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

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

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

2 BASIS OF PREPARATION

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

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

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

Risk management, judgments and estimates

The preparation of the condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual consolidated financial statements for the year ended 31 December 2015, except as mentioned below.

Determination of functional currency

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES

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

(i) New Standard:

Effective for annual periods beginning on or after 1 January 2016

• IFRS 14	*Regulatory Deferral Accounts.*

(ii) Revised Standards:

Effective for annual periods beginning on or after 1 January 2016

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

Standards and amendments issued but not yet effective

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

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

4 OTHER INCOME / (EXPENSE) - NET

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

5 ROYALTIES AND FEES

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

i. Royalty is payable to the Government of the Sultanate of Oman based on 7% of the net of predefined sources of revenue and operating expenses.

ii. The Group provides for a 12.5% industry fee on profits generated from the Group's operations in Qatar.

iii. Contributions by National Mobile Telecommunications Company K.S.C. to Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST") and Zakat are included under other statutory fees.

6 BASIC AND DILUTED EARNINGS PER SHARE

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

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

	For the three-month period ended 31 March	
	2016	*2015*
	(Reviewed)	
	QR'000	*QR'000*
Profit for the period attributable to shareholders of the parent (QR'000)	**878,639**	501,164
Weighted average number of shares (In '000)	**320,320**	320,320
Basic and diluted earnings per share (QR)	**2.74**	1.56

7 PROPERTY, PLANT AND EQUIPMENT

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

i) *Uncertainty in Iraq*

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

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

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

8 INTANGIBLE ASSETS AND GOODWILL

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

9 INVESTMENT IN ASSOCIATES AND JOINT VENTURE

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

	31 March 2016 (Reviewed) QR'000	*31 December 2015 (Audited) QR'000*
Group's share in associates and joint venture's statement of financial position:		
Current assets	**950,961**	940,942
Non-current assets	**2,595,342**	2,476,159
Current liabilities	**(826,304)**	(811,208)
Non-current liabilities	**(1,646,436)**	(1,577,696)
Net assets	**1,073,563**	1,028,197
Goodwill	**1,331,168**	1,268,224
Carrying amount of the investment	**2,404,731**	2,296,421

	For the three-month period ended 31 March	
	2016	*2015*
	(Reviewed)	
	QR'000	*QR'000*
Share in revenues of associates and joint venture	**424,719**	438,715
Share in results of associates and joint venture – net of tax	**4,241**	57,164

10 CASH AND CASH EQUIVALENTS

For the purpose of the condensed consolidated interim statement of cash flows, cash and cash equivalents comprise the following items:

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

11 SHARE CAPITAL

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

12 TRANSLATION RESERVE

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

13 INCOME TAX

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

	For the three-month period ended 31 March	
	2016	*2015*
	(Reviewed)	
	QR'000	*QR'000*
Current income tax		
Current income tax charge	**131,511**	122,239
Deferred income tax		
Relating to origination and reversal of temporary differences	**4,305**	(45,652)
	135,816	76,587

14 DIVIDEND

Dividend paid and proposed:

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

15 LOANS AND BORROWINGS

	31 March 2016 (Reviewed) QR'000	*31 December 2015 (Audited) QR'000*
Loans and borrowings	**44,498,766**	43,100,642
Less: deferred financing costs	**(345,369)**	(328,800)
	44,153,397	42,771842

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

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

16 COMPONENTS OF OTHER COMPREHENSIVE INCOME

	For the three-month period ended 31 March	
	2016	*2015*
	(Reviewed)	
	QR'000	*QR'000*
Items that may be reclassified subsequently to profit or loss		
Available-for-sale investments		
Loss arising during the period	**(7,206)**	(40,510)
Reclassification to profit or loss	**1**	(207,644)
Transfer to profit or loss on impairment	**1,625**	-
	(5,580)	(248,154)
Cash flow hedges		
Loss arising during the period	**(1,373)**	(893)
Deferred tax effect	**66**	104
	(1,307)	(789)
Associates and joint venture		
Share of changes in fair value of cash flow hedges	**(8,111)**	1,326
Translation reserve		
Foreign exchange translation differences – foreign operations	**599,707**	(1,530,524)
Transferred to profit or loss	**3,861**	-
Deferred tax effect	**20,443**	-
	624,011	(1,530,524)
Items that will not be reclassified subsequently to profit or loss		
Employees benefit reserve		
Net movement in employees benefit reserve	**3,721**	(1,956)
Deferred tax effect	**-**	487
	3,721	(1,469)
Other comprehensive income for the period – net of tax	**612,734**	(1,779,610)

17 COMMITMENTS

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

18 CONTINGENT LIABILITIES AND LITIGATIONS

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

Litigation

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

19 RELATED PARTY DISCLOSURES

Related parties represent associated companies including Government and semi Government agencies, associates, major shareholders, directors and key management personnel of the Group, and companies of which they are principal owners. In the ordinary course of business, the Group enters into transactions with related parties. Pricing policies and terms of transactions are approved by the Group's management. The Group enters into commercial transactions with Government related entities in the ordinary course of business in terms of providing telecommunication services, placement of deposits and obtaining credit facilities etc.

a) Transactions with Government and related entities

The Group enters into commercial transactions with other Government related entities in the ordinary course of business which includes providing telecommunication services, placement of deposits and obtaining credit facilities. All these transactions are at arm's length and in the normal course of business.

b) Transactions with Directors and other key management personnel

Key management personnel comprise the Board of Directors and key members of management having authority and responsibility of planning, directing and controlling the activities of the Group.

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

20 SEGMENT INFORMATION

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

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

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

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

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

20 SEGMENT INFORMATION (CONTINUED)

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

For the three month period ended 31 March 2016 (Reviewed)

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

20 SEGMENT INFORMATION (CONTINUED)

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

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

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

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

	For the three-month period ended 31 March	
	2016	*2015*
	(Reviewed)	
	QR'000	*QR'000*
Amortisation of intangibles	**(99,609)**	(106,929)

(iii) Amortisation relating to additional intangibles identified from business combination was not considered as part of segment expense.

20 SEGMENT INFORMATION (CONTINUED)

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

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

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

21 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value hierarchy

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

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

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

Financial assets

	31 March 2016 (Reviewed) QR'000	***Level 1 QR'000***	***Level 2 QR'000***	***Level 3 QR'000***
Available-for-sale investments	**705,109**	**12,446**	**692,663**	**-**
Derivative financial instruments	**5,145**	**-**	**5,145**	**-**
	710,254	**12,446**	**697,808**	**-**

	31 December 2015 (Audited) QR'000	*Level 1 QR'000*	*Level 2 QR'000*	*Level 3 QR'000*
Available-for-sale investments	711,692	17,846	693,846	-
Derivative financial instruments	2,690	-	2,690	-
	714,382	17,846	696,536	-

Financial liabilities

	31 March 2016 (Reviewed) QR'000	***Level 1 QR'000***	***Level 2 QR'000***	***Level 3 QR'000***
Derivative financial instruments	**55,986**	**-**	**55,986**	**-**

	31 December 2015 (Audited) *QR'000*	Level 1 *QR'000*	Level 2 *QR'000*	Level 3 *QR'000*
Derivative financial instruments	138,019	-	138,019	-

22 DISPOSAL OF A SUBSIDIARY

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

23 EVENT AFTER THE REPORTING DATE

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

OOREDOO Q.S.C.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

OOREDOO Q.S.C.

CONSOLIDATED FINANCIAL STATEMENTS
As at and for the year ended 31 December 2015

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Independent auditors' report

To The shareholders of Ooredoo Q.S.C.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Ooredoo Q.S.C. ("the Company") which comprise the consolidated statement of financial position as at 31 December 2015, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2015, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 12 (ii) and 12 (iii) of the consolidated financial statements, which describe:

- the effects on the property, plant and equipment of the Company's subsidiary in Iraq due to the current security situation in certain locations there; and
- certain properties received as part of the settlement arrangement agreed with one of the banks in Iraq, whose titles are yet to be transferred in the name of the Company's subsidiary in Iraq.

Report on other legal and regulatory requirements

We have obtained all the information and explanations which we considered necessary for the purposes of our audit. The Company has maintained proper accounting records and the consolidated financial statements are in agreement therewith. We confirm that physical count of inventories was carried out in accordance with established principles. We have reviewed the accompanying report of the Board of Directors and confirm that the financial information contained therein is in agreement with the books and records of the Company. We are not aware of any violations of the provisions of the Qatar Commercial Companies Law No 11 of 2015 or the terms of the Company's Articles of Association during the year which might have had a material adverse effect on the business of the Company or on its consolidated financial position as at 31 December 2015.

01 March 2016
Doha
State of Qatar

Gopal Balasubramaniam
KPMG
Qatar Auditors Registration No. 251

	Note	***2015***	*2014*
		QR'000	*QR'000*
Continuing operations			
Revenue	4	**32,160,855**	33,207,209
Operating expenses	5	**(11,400,368)**	(12,043,019)
Selling, general and administrative expenses	6	**(7,756,835)**	(8,305,408)
Depreciation and amortisation	7	**(7,945,360)**	(7,626,309)
Net finance costs	8	**(2,016,798)**	(2,031,844)
Impairment loss of goodwill and other assets	13(ii)	**(333,086)**	(25,963)
Other income – net	9	**310,442**	209,528
Share of results in associates and joint venture – net of tax	15	**14,677**	89,098
Royalties and fees	10	**(408,578)**	(392,834)
Profit before income taxes		**2,624,949**	3,080,458
Income tax	18	**(331,466)**	(598,796)
Profit from continuing operations		**2,293,483**	2,481,662
Discontinued operation			
Profit from discontinued operation – net of tax	40	**-**	46,725
Profit for the year		**2,293,483**	2,528,387
Profit attributable to:			
Shareholders of the parent		**2,118,278**	2,134,334
Non-controlling interests		**175,205**	394,053
		2,293,483	2,528,387
Basic and diluted earnings per share	11	**6.61**	6.66
(Attributable to shareholders of the parent)			
(Expressed in QR per share)			

	Note	***2015*** ***QR'000***	*2014* *QR'000*
Profit for the year		**2,293,483**	2,528,387
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Net change in fair value of available-for-sale investments	24	**(448,125)**	(479,044)
Effective portion of changes in fair value of cash flow hedges	24	**(214)**	(318)
Net changes in fair value of employee's benefit reserve	24	**38,918**	(41,266)
Share of other comprehensive income of associates and joint venture	24	**(1,932)**	1,352
Foreign currency translation differences	24	**(2,440,760)**	(1,986,245)
Other comprehensive income for the year – net of tax		**(2,852,113)**	(2,505,521)
Total comprehensive income for the year		**(558,630)**	22,866
Total comprehensive income attributable to:			
Shareholders of the parent		**(366,745)**	(163,258)
Non-controlling interests		**(191,885)**	186,124
		(558,630)	22,866

	Note	***2015*** ***QR'000***	*2014* *QR'000*
ASSETS			
Non-current assets			
Property, plant and equipment	12	**33,745,408**	33,690,589
Intangible assets and goodwill	13	**30,139,906**	33,524,208
Investment property	14	**49,861**	55,112
Investment in associates and joint venture	15	**2,296,421**	2,604,367
Available-for-sale investments	16	**747,196**	1,627,146
Other non-current assets	17	**665,115**	750,626
Deferred tax assets	18	**54,561**	59,884
Total non-current assets		**67,698,468**	72,311,932
Current assets			
Inventories	19	**697,069**	666,670
Trade and other receivables	20	**7,598,348**	7,583,319
Bank balances and cash	21	**18,158,180**	17,437,426
Total current assets		**26,453,597**	25,687,415
TOTAL ASSETS		**94,152,065**	97,999,347
EQUITY			
Share capital	22	**3,203,200**	3,203,200
Legal reserve	23 (a)	**12,434,282**	12,434,282
Fair value reserve	23 (b)	**448,184**	892,562
Employees benefit reserve	23 (c)	**39,102**	17,659
Translation reserve	23 (d)	**(5,565,599)**	(3,503,511)
Other statutory reserves	23 (e)	**1,094,696**	1,057,820
Retained earnings		**10,155,924**	9,386,147
Equity attributable to shareholders of the parent		**21,809,789**	23,488,159
Non-controlling interests		**6,563,076**	6,980,354
Total equity		**28,372,865**	30,468,513

OOREDOO Q.S.C.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
At 31 December 2015

	Note	*2015* *QR'000*	*2014* *QR'000*
LIABILITIES			
Non-current liabilities			
Loans and borrowings	25	**36,108,055**	35,641,221
Employees benefits	26	**812,142**	837,458
Deferred tax liabilities	18	**466,953**	755,494
Other non-current liabilities	27	**2,016,333**	3,658,173
Total non-current liabilities		**39,403,483**	40,892,346
Current liabilities			
Loans and borrowings	25	**6,663,787**	7,155,509
Trade and other payables	28	**17,243,549**	16,998,045
Deferred income		**1,775,181**	1,914,890
Income tax payable		**693,200**	570,044
Total current liabilities		**26,375,717**	26,638,488
Total liabilities		**65,779,200**	67,530,834
TOTAL EQUITY AND LIABILITIES		**94,152,065**	97,999,347

Abdulla Bin Mohammed Bin Saud Al-Thani
Chairman

Ali Shareef Al-Emadi
Deputy Chairman

The attached notes 1 to 42 form part of these consolidated financial statements

	Note	Attributable to shareholders of the Parent									
		Share capital	***Legal reserve***	***Fair value reserve***	***Employee benefit reserve***	***Translation reserve***	***Other statutory reserves***	***Retained earnings***	***Total***	***Non – controlling interests***	***Total Equity***
		QR'000	***QR'000***	***QR'000***	***QR'000***	***QR'000***	***QR'000***	***QR'000***	***QR'000***	***QR'000***	***QR'000***
At 1 January 2015		3,203,200	12,434,282	892,562	17,659	(3,503,511)	1,057,820	9,386,147	23,488,159	6,980,354	30,468,513
Profit for the year		-	-	-	-	-	-	2,118,278	2,118,278	175,205	2,293,483
Other comprehensive income		-	-	(444,378)	21,443	(2,062,088)	-	-	(2,485,023)	(367,090)	(2,852,113)
Total comprehensive income for the year		-	-	(444,378)	21,443	(2,062,088)	-	2,118,278	(366,745)	(191,885)	(558,630)
Transactions with shareholders of the Parent, recognised directly in equity											
Dividend for 2014	29	-	-	-	-	-	-	(1,281,280)	(1,281,280)	-	(1,281,280)
Transfer to other statutory reserves		-	-	-	-	-	36,876	(36,876)	-	-	-
Transactions with non-controlling interest, recognised directly in equity											
Change in non-controlling interest of an associate		-	-	-	-	-	-	4,824	4,824	-	4,824
Dividend for 2014		-	-	-	-	-	-	-	-	(225,393)	(225,393)
Transactions with non-owners of the Group, recognised directly in equity											
Transfer to social and sports fund		-	-	-	-	-	-	(35,169)	(35,169)	-	(35,169)
At 31 December 2015		**3,203,200**	**12,434,282**	**448,184**	**39,102**	**(5,565,599)**	**1,094,696**	**10,155,924**	**21,809,789**	**6,563,076**	**28,372,865**

	Note	Share capital	Legal reserve	Fair value reserve	Employee benefit reserve	Translation reserve	Other statutory reserves	Retained earnings	Total	Non – controlling interests	Total Equity
		Attributable to shareholders of the parent									
		QR'000	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*
At 1 January 2014		3,203,200	12,434,282	1,326,369	43,165	(1,665,232)	980,788	8,645,312	24,967,884	7,459,448	32,427,332
Profit for the year		-	-	-	-	-	-	2,134,334	2,134,334	394,053	2,528,387
Other comprehensive income		-	-	(433,807)	(25,506)	(1,838,279)	-	-	(2,297,592)	(207,929)	(2,505,521)
Total comprehensive income for the year		-	-	(433,807)	(25,506)	(1,838,279)	-	2,134,334	(163,258)	186,124	22,866
Transactions with shareholders of the Parent, recognised directly in equity											
Dividend for 2013	29	-	-	-	-	-	-	(1,281,280)	(1,281,280)	-	(1,281,280)
Transfer to other statutory reserves		-	-	-	-	-	77,032	(77,032)	-	-	-
Transactions with non-controlling interest, recognised directly in equity											
Change in non-controlling interest of an associate		-	-	-	-	-	-	12,635	12,635	-	12,635
Dividend for 2013		-	-	-	-	-	-	-	-	(665,218)	(665,218)
Transactions with non-owners of the group, recognised directly in equity											
Transfer to social and sports fund		-	-	-	-	-	-	(47,822)	(47,822)	-	(47,822)
At 31 December 2014		3,203,200	12,434,282	892,562	17,659	(3,503,511)	1,057,820	9,386,147	23,488,159	6,980,354	30,468,513

	Note	*2015*	*2014*
		QR'000	*QR'000*
OPERATING ACTIVITIES			
Profit before income taxes		**2,624,949**	3,080,458
Profit from discontinued operation		**-**	46,725
Adjustments for:			
Depreciation and amortisation		**7,945,360**	7,633,592
Dividend income	9	**(24,545)**	(60,567)
Impairment loss of goodwill and other assets	13(ii)	**333,086**	25,963
Gain on disposal of available-for-sale investments	9	**(430,487)**	(703,182)
Gain on disposal of an investment in associate		**(228,074)**	-
Gain on disposal of property, plant and equipment		**(54,995)**	(18,641)
Gain on disposal of a subsidiary	40	**-**	(46,438)
Net finance costs		**2,016,798**	2,031,837
Provision for employees' benefits		**191,380**	276,458
Provision against doubtful debts		**176,264**	181,451
Share of results in associates and joint venture – net of tax	15	**(14,677)**	(89,098)
Operating profit before working capital changes		**12,535,059**	12,358,558
Working capital changes in:			
Inventories		**(30,399)**	(129,359)
Trade and other receivables		**(420,814)**	(1,021,973)
Trade and other payables		**601,740**	2,612,161
Cash from operations		**12,685,586**	13,819,387
Finance costs paid		**(2,207,701)**	(2,184,491)
Employees' benefits paid	26	**(155,859)**	(183,100)
Income taxes paid		**(435,460)**	(698,028)
Net cash from operating activities		**9,886,566**	10,753,768
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	12	**(8,536,918)**	(8,391,008)
Acquisition of intangible assets		**(1,796,600)**	(2,346,751)
Acquisition of available-for-sale investments		**-**	(21,432)
Investment in an associate		**(19,020)**	(59,688)
Investment in a joint venture		**(301,685)**	(232,593)
Proceeds from disposal of property, plant and equipment		**300,833**	120,495
Proceeds from disposal of available-for-sale investments		**819,976**	1,303,201
Proceeds from disposal of an investment in associate		**536,646**	-
Proceeds from disposal of a subsidiary	40	**-**	(77,881)
Movement in restricted deposits		**1,851**	178,450
Movement in other non-current assets		**88,857**	(66,542)
Dividend received		**152,362**	182,654
Interest received		**243,381**	244,401
Net cash used in investing activities		**(8,510,317)**	(9,166,694)

	Note	***2015***	*2014*
		QR'000	*QR'000*
FINANCING ACTIVITIES			
Proceeds from loans and borrowings		**10,047,874**	8,938,909
Repayment of loans and borrowings		**(9,518,936)**	(11,267,384)
Additions to deferred financing costs	25	**(38,978)**	(29,165)
Dividend paid to shareholders of the parent		**(1,281,280)**	(1,281,280)
Dividend paid to non-controlling interests		**(225,393)**	(665,218)
Movement in other non-current liabilities		**(326,639)**	(282,885)
Net cash used in financing activities		**(1,343,352)**	(4,587,023)
NET CHANGE IN CASH AND CASH EQUIVALENTS		**32,897**	(2,999,949)
Effect of exchange rate fluctuations		**689,708**	111,593
Cash and cash equivalents at 1 January		**17,315,463**	20,203,819
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	21	**18,038,068**	17,315,463

1 REPORTING ENTITY

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

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

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

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

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

2 BASIS OF PREPARATION

a) Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements of the Group for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 01 March 2016.

b) Basis of measurement
The consolidated financial statements have been prepared on a historical cost basis except for the following:

- Financial instruments at fair value through profit or loss are measured at fair value;
- Available-for-sale investments are measured at fair value;
- Derivative financial instruments are measured at fair value; and
- Liabilities for cash-settled share-based payment arrangements are measured at fair value through profit or loss;

The methods used to measure fair values are discussed further in note 34.

c) Functional and presentation currency
These consolidated financial statements are presented in Qatari Riyals, which is the Company's functional currency. All the financial information presented in these consolidated financial statements has been rounded off to the nearest thousand (QR'000) except where otherwise indicated.

d) Use of estimates and judgments
The preparation of consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in note 36.

3 SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements comprise the financial statements of Ooredoo Q.S.C and its subsidiaries (together referred to as the "Group"). The accounting policies set out below have been applied consistently to all the periods presented in these consolidated financial statements, and have been applied consistently by the Group entities, where necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with those used by the Group.

Certain comparative amounts in the consolidated financial statements have been reclassified to conform with the current year's presentation (see note 41).

3.1 BASIS OF CONSOLIDATION

a) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

b) Non-controlling interests ("NCI")

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

d) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 BASIS OF CONSOLIDATION (CONTINUED)

e) Interests in associates and joint venture

Associates are those entities in which the Group has significant influence, but not control or joint control. A joint venture is a joint arrangement whereby the Group has joint control of the arrangement and has corresponding rights to the net assets of the arrangement.

Interests in associates and joint venture are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of associates and joint ventures less any impairment in the value of individual investments. Losses of the associates and joint ventures in excess of the Group's interest are not recognised unless the Group has incurred legal or constructive obligations. The carrying values of investments in associates and joint ventures are reviewed on a regular basis and if an impairment in the value has occurred, it is written off in the period in which those circumstances are identified.

Any excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets of the associates and joint venture at the date of acquisition is recognised as goodwill and included as part of the cost of investment. Any deficiency of the cost of acquisition below the Group's share of the fair values of the identifiable net assets of the associates and joint venture at the date of acquisition is credited to the consolidated statement of profit or loss in the year of acquisition.

The Group's share of associates' and joint ventures' results is based on the most recent financial statements or interim financial statements drawn up to the Group's reporting date.

Profits and losses resulting from upstream and downstream transactions between the Group (including its consolidated subsidiaries) and its associate or joint venture are recognised in the Group's financial statements only to the extent of unrelated group's interests in the associates or joint ventures.

f) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee .Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. 1 BASIS OF CONSOLIDATION (CONTINUED)

The principal subsidiaries of the Group, incorporated in the consolidated financial statements of Ooredoo Q.S.C. are as follows:

Name of subsidiary	***Country of incorporation***	***Group effective shareholding percentage***	
		2015	***2014***
Ooredoo Investment Holding S.P.C. (formerly known as "Qtel Investment Holdings S.P.C.")	Bahrain	**100%**	100%
Qtel International Investments L.L.C.	Qatar	**100%**	100%
Ooredoo Group L.L.C.	Qatar	**100%**	100%
Ooredoo South East Asia Holding S.P.C (formerly known as "Qtel South East Asia Holding S.P.C.")	Bahrain	**100%**	100%
West Bay Holding S.P.C (formerly known as "Qtel West Bay Holding S.P.C.")	Bahrain	**100%**	100%
Ooredoo Asian Investments Pte. Ltd.	Singapore	**100%**	100%
Al Dafna Holding S.P.C (formerly known as "Qtel Al Dafna Holding S,P.C")	Bahrain	**100%**	100%
Al Khor Holding S.P.C (formerly known as "Qtel Al Khor Holding S.P.C)	Bahrain	**100%**	100%
IP Holdings Limited	Cayman Islands	**100%**	100%
Ooredoo Myanmar Tower Holding Co.	Cayman Islands	**100%**	100%
wi-tribe Asia Limited	Cayman Islands	**100%**	100%
Ooredoo Asia Pte. Ltd.	Singapore	**100%**	100%
Indonesia Communications Limited	Mauritius	**100%**	100%
Ooredoo International Finance Limited	Bermuda	**100%**	100%
Qtel MENA Investcom S.P.C	Bahrain	**100%**	100%
Omani Qatari Telecommunications Company S.A.O.G. ("Ooredoo Oman")	Oman	**55.0%**	55.0%
Starlink W.L.L.	Qatar	**72.5%**	72.5%
National Mobile Telecommunications Company K.S.C. (" Ooredoo Kuwait")	Kuwait	**92.1%**	92.1%
Wataniya International FZ – L.L.C.	United Arab Emirates	**92.1%**	92.1%
Al-Bahar United Company W.L.L. ("Fono")	Kuwait	**92.1%**	92.1%
Al Wataniya Gulf Telecommunications Holding Company S.P.C	Bahrain	**92.1%**	92.1%
Al-Wataniya International for Intellectual Properties S.P.C	Bahrain	**92.1%**	92.1%
Ooredoo Maldives Pvt. Ltd.	Maldives	**92.1%**	92.1%
WARF Telecom International Pvt. Ltd.	Maldives	**59.9%**	59.9%
Wataniya Telecom Algerie S.P.A. ("Ooredoo Algeria")	Algeria	**74.4%**	74.4%
Ooredoo Consortium Ltd. (formerly known as "Carthage Consortium Ltd.")	Malta	**92.1%**	92.1%
Ooredoo Tunisia Holdings Ltd. (formerly known as "Qtel Tunisia Holding Company Ltd.")	Malta	**92.1%**	92.1%
Ooredoo Malta Holdings Ltd. (formerly known as "Qtel Malta Holding Company Ltd.")	Malta	**100.0%**	100.0%
Ooredoo Tunisie S.A.	Tunisia	**84.1%**	84.1%
Tunisia Network S.A.	Tunisia	**-**	84.1%
Wataniya Palestine Mobile Telecommunications Public Shareholding Company ("Wataniya Palestine") (i)	Palestine	**44.6%**	44.6%
Raywood Inc.	Cayman Islands	**100.0%**	100.0%
Newood Inc.	Cayman Islands	**100.0%**	100.0%
Midya Telecom Company Limited ("Fanoos") (ii)	Iraq	**49.0%**	49.0%
Al-Rowad General Services Limited	Iraq	**100.0%**	100.0%
Asiacell Communications PJSC	Iraq	**64.1%**	64.1%
wi-tribe Limited	Cayman Islands	**86.1%**	86.1%
wi-tribe Pakistan Limited	Pakistan	**86.1%**	86.1%

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. 1 BASIS OF CONSOLIDATION (CONTINUED)

Name of subsidiary	*Country of incorporation*	*Group effective shareholding percentage*	
		31 Dec 2015	*31Dec 2014*
Barzan Holding S.P.C. (formerly known as "Barzan Holding Company S.P.C.")	Bahrain	**100%**	100%
Laffan Holding S.P.C. (formerly known as "Laffan Holding Company S.P.C.")	Bahrain	**100%**	100%
Zekreet Holding S.P.C. (formerly known as "Zekreet Holding Company S.P.C.")	Bahrain	**100%**	100%
Ideabox Investment Pte. Ltd.	Singapore	**100%**	100%
Ideabox Holding Pte. Ltd.	Singapore	**100%**	100%
Ooredoo Myanmar Ltd.	Myanmar	**100%**	100%
Al Wokaer Holding S.P.C.	Bahrain	**100%**	100%
Al Wakrah Holding S.P.C.	Bahrain	**100%**	100%
Ooredoo Tamweel Ltd.	Cayman Islands	**100%**	100%
Ooredoo IP L.L.C.	Qatar	**100%**	100%
Ooredoo Global Services FZ-L.L.C	United Arab Emirates	**100%**	100%
Seyoula International Investments S.P.C	Qatar	**100%**	100%
Ooredoo Innovate FZ – L.L.C	United Arab Emirates	**100%**	-
Duqm Data Centre SAOC (iii)	Oman	**28.1%**	-
Guney Telekomunikayson A.S.	Turkey	**92.1%**	92.1%
PT. Indosat Tbk ("Indosat Ooredoo")	Indonesia	**65.0%**	65.0%
Indosat Singapore Pte. Ltd.	Singapore	**65.0%**	65.0%
PT Indosat Mega Media	Indonesia	**64.9%**	64.9%
PT Starone Mitra Telekomunikasi	Indonesia	**64.8%**	54.7%
PT Aplikanusa Lintasarta (iv)	Indonesia	**47.0%**	47.0%
PT Artajasa Pembayaran Elektronis (iv)	Indonesia	**25.9%**	25.9%
Indosat Palapa Company B.V.	Netherlands	**65.0%**	65.0%
Indosat Mentari Company B.V.	Netherlands	**65.0%**	65.0%
PT Lintas Media Danawa (iv)	Indonesia	**32.9%**	32.9%
PT Interactive Vision Media	Indonesia	**64.9%**	64.9%
PT Portal Bursa Digital (iv)	Indonesia	**40.3%**	-

(i) The Group has the power, indirectly through National Mobile Telecommunications Company K.S.C. ("NMTC") by virtue of NMTC having more than 51% of the voting interests in Wataniya Palestine Mobile Telecommunications Public Shareholding Company ("WPT"), which exposes the Group to variable return from its investment and gives ability to affect those returns through its power over WPT, hence, WPT has been considered as a subsidiary of the Group.

(ii) The Group incorporated Raywood Inc ("Raywood"), a special purpose entity registered in Cayman Islands with 100% (2014: 100%) voting interest held by the Group to carry out investment activities in Iraq. Raywood acquired 49% voting interest of Midya Telecom Company Limited ("MTCL") in Iraq. The group is exposed to variable return from its investment and gives ability to affect those returns through its power over MTCL, Iraq by virtue of the shareholders' agreement entered into between Raywood and MTCL, Iraq, hence, MTCL, Iraq has been considered as a subsidiary of the Group.

(iii) The Group has the power, indirectly through Omani Qatari Telecommunications Company S.A.O.G. ("Ooredoo Oman") by virtue of Ooredoo Oman having more than 51% of the voting interest or control in this company, to which exposes the Group to variable return from its investment and gives ability to affect those returns through its power over them, hence, this company has been considered as a subsidiary of the Group.

(iv) The Group has the power, indirectly through PT Indosat Tbk ("Indosat Ooredoo") by virtue of Indosat Ooredoo having more than 51% of the voting interest or control in these companies, to which exposes the Group to variable return from its investment and gives ability to affect those returns through its power over them, hence, these companies have been considered as subsidiaries of the Group.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted are consistent with those of the previous financial year, except for the new and amended IAS, IFRS and IFRIC interpretations effective as of 1 January 2015. The following standards, amendments and interpretations, which became effective 1 January 2015, are relevant to the Group:

a) Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)
The amendments to IAS 19 clarify how an entity should account for contributions made by employees or third parties to define benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.

For contributions that are independent of the number of years of service, the entity may either recognize the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees periods of service using the project unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees periods of service.

The adoption of these amendments had no significant impact on the consolidated financial statements.

b) Annual Improvements to IFRSs 2010–2012 and 2011–2013 Cycles various standards
The annual improvements to IFRSs to 2010-2012 and 2011 -2013 cycles include a number of amendments to various IFRSs. Most amendments will apply prospectively for annual periods beginning on or after 1 July 2014; earlier application is permitted (along with the special transitional requirement in each case), in which case the related consequential amendments to other IFRSs would also apply.

The following are the key amendments in brief:

- The amendments to IFRS 2 changes the definitions of “vesting condition” and “market condition” ; and add definitions for “performance condition” and “service condition” which were previously included in the definition of vesting condition.

- The amendments to IFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 or IAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognized in profit or loss. IAS 37 Provisions, Contingent Liabilities and Contingent Assets is amended to exclude provisions related to contingent consideration. IFRS 3 is also not applicable to the accounting for the formation of all types of joint arrangements in IFRS 11 Joint Arrangements (including joint operations) in the financial statements of joint arrangements themselves.

IFRS 8 has been amended to explicitly require the disclosure of judgments made by management in applying the aggregation criteria. The disclosures include:

• a brief description of the operating segments that have been aggregated; and

• the economic indicators that have been assessed in determining that the operating segments share similar economic characteristics.

In addition, this amendment clarifies that a reconciliation of the total of the reportable segments assets to the entity’s assets is required only if this information is regularly provided to the entity’s chief operating decision maker.

The IASB has clarified that, in issuing IFRS 13 and making consequential amendments to IAS 39 and IFRS 9, it did not prevent entities from measuring short term receivables and payables that have no stated interest rate at their invoiced amounts without discounting, if the effect of not discounting is not material. IFRS 13 has also been amended to clarify that portfolio exception applies to contracts in the scope of IAS 39 and IFRS 9 regardless of whether they meet the definition of a financial asset or financial liability under IAS 32.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

b) Annual Improvements to IFRSs 2010–2012 and 2011–2013 Cycles various standards (continued)

The amendments to IAS 16 and IAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses. The accumulated depreciation (amortization) is eliminated against the gross carrying amount of the asset.

The amendments to IAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required. The reporting entity will also need to disclose other transactions with the management entity under the existing disclosure requirements of IAS 24.

- IAS 40 has been amended to clarify that an entity should:

- assess whether an acquired property is an investment property under IAS 40; and
- perform a separate assessment under IFRS 3 to determine whether the acquisition of the investment property constitutes a business combination.
- Entities will still need to use judgement to determine whether the acquisition of an investment property is an acquisition of a business under IFRS 3.

The adoption of these amendments had no significant impact on the consolidated financial statements.

3.3 IASB STANDARDS AND INTERPRETATIONS ISSUED NOT YET EFFECTIVE

The following standards and interpretations have been issued and are expected to be relevant to the Group in future periods, with effective dates on or after 1 January 2015:

New standards, amendments and interpretations issued but not yet effective
A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2015 and earlier application is permitted; however, the Group has not early adopted the following new or amended standards in preparing these consolidated financial statements.

a) IFRS 9 - Financial Instruments
IFRS 9 published in July 2014, replaces the existing IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 9.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 IASB STANDARDS AND INTERPRETATIONS ISSUED NOT YET EFFECTIVE (CONTINUED)

b) IFRS 15 – Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

This will have major impact on revenue and results. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 15.

c) Accounting for Acquisitions of Interests in Joint Operations (amendments to IFRS 11)

The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 Business Combinations. The amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards should be applied.

The amendments to IFRS 11 apply prospectively for annual periods beginning on or after 1 January 2016. Early adoption is permitted.

The Group does not expect to have a significant impact from the adoption of these amendments.

d) Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38).

The amendments to IAS 16 prohibits entities from using a revenue based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted if the intangible asset is expressed as a measure of revenue or when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Early adoption is permitted.

The Group does not expect to have a significant impact from the adoption of these amendments.

e) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).

The IASB has made limited scope amendments to IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint ventures.

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment dependson whether the non-monetary assets sold or contributed to an associate or joint venture constitute a ‘business’ (as defined in IFRS 3 Business Combinations).

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 IASB STANDARDS AND INTERPRETATIONS ISSUED NOT YET EFFECTIVE (CONTINUED)

f) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) (continued)

Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's investors in the associate or joint venture.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Early adoption is permitted.

The Group does not expect to have a significant impact from the adoption of these amendments.

g) Annual Improvements to IFRSs 2012–2014 Cycle – various standards.

The annual improvements to IFRSs to 2012-2014 cycles include a number of amendments to various IFRSs. Most amendments will apply prospectively for annual periods beginning on or after 1 January 2016; earlier application is permitted (along with the special transitional requirement in each case), in which case the related consequential amendments to other IFRSs would also apply.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application.

The following are the key amendments in brief:

- IFRS 5 – when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution' or vice versa, this does not constitute a change to a plan of sale or distribution and does not have to be accounted for as such
- IFRS 7 – specific guidance for transferred financial assets to help management determine whether the terms of a servicing arrangement constitute 'continuing involvement' and, therefore, whether the asset qualifies for derecognition that the additional disclosures relating to the offsetting of financial assets and financial liabilities only need to be included in interim reports if required by IAS 34
- IAS 19 – that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise
- IAS 34 – what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report' and adds a requirement to cross-reference from the interim financial statements to the location of that information.

h) Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28).

Amendments made to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in associates and joint ventures clarify that:

- The exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities.
- An investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities.
- Entities which are not investment entities but have an interest in an associate or joint venture which is an investment entity have a policy choice when applying the equity method of accounting. The fair value measurement applied by the investment entity associate or joint venture can either be retained, or a consolidation may be performed at the level of the associate or joint venture, which would then unwind the fair value measurement.

The amendments to IFRS 10 apply prospectively for annual periods beginning on or after 1 January 2016. Early adoption is permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 IASB STANDARDS AND INTERPRETATIONS ISSUED NOT YET EFFECTIVE (CONTINUED)

i) Disclosure Initiative (Amendments to IAS 1).

The amendments to IAS 1 Presentation of Financial Statements are made in the context of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved. The amendments provide clarifications on a number of issues, however, these amendments will not result in material change in presentation of these consolidated financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue

Revenue represents the fair value of consideration received or receivable for communication services and equipment sales net of discounts and sales taxes. Revenue from rendering of services and sale of equipment is recognised when it is probable that the economic benefits associated with the transaction shall flow to the Group and the amount of revenue and the associated costs can be measured reliably.

The Group principally obtains revenue from providing telecommunication services comprising access charges, airtime usage, messaging, interconnect fee, data services and infrastructure provision, connection fees, equipment sales and other related services.The specific revenue recognition criteria applied to significant elements of revenue are set out below:

Revenue from rendering of services

Revenue for access charges, airtime usage and messaging by contract customers is recognised as revenue as services are performed with unbilled revenue resulting from services already provided accrued at the end of each period and unearned revenue from services to be provided in future periods deferred.

Interconnection revenue

Revenues from network interconnection with other domestic and international telecommunications carriers are recognised based on the actual recorded traffic minutes.

Sales of prepaid cards

Sale of prepaid cards is recognised as revenue based on the actual utilisation of the prepaid cards sold. Sales relating to unutilised prepaid cards are accounted as deferred income. Deferred income related to unused prepaid cards is recognised as revenue when utilised by the customer or upon termination of the customer relationship.

Multiple element deliverables

In revenue arrangements including more than one deliverable that have value to a customer on standalone basis, the arrangement consideration is allocated to each deliverable based on the consideration received from the individual elements. The cost of elements are immediately recognised in profit or loss.

Third party projects

Network infrastructure projects undertaken on behalf of third parties is measured at costs incurred plus profits recognized to date less progress billings and recognized losses.

In the statement of financial position, projects in progress for which costs incurred plus recognized profits exceed progress billings and recognized losses are presented as trade and other receivables. Advances received from customers are presented as deferred income/revenue.

Sales of equipment

Revenue from sales of peripheral and other equipment is recognised when the significant risks and rewards of ownership are transferred to the buyer which is normally when the equipment is delivered and ‘accepted by the customer.

Investment property rental income

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Rental income from other property is recognised as other income. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue (continued)

Loyalty program
The group has a customer loyalty programme whereby customers are awarded credits ("Points") based on the usage of products and services, entitling customers to the right to redeem the accumulated points via specified means. The fair value of the consideration received or receivable in respect of the initial sale is allocated between the Points and the other components of sale. The amount allocated to Points is estimated by reference to the fair value of the right to redeem it at a discount for the products of the Group or for products or services provided by third parties. The fair value of the right to redeem is estimated based on the amount of discount, adjusted to take into account the expected forfeiture rate. The amount allocated to Points is deferred and included in deferred revenue. Revenue is recognised when these Points are redeemed and the Group has fulfilled its obligations to the customer. The amount of revenue recognised in those circumstances is based on the number of Points that have been redeemed, relative to the total number of Points that is expected to be redeemed. Deferred revenue is also released to revenue when it is no longer considered probable that the Points will be redeemed.

Licence and spectrum fees
Amortisation periods for licence and spectrum fees are determined primarily by reference to the unexpired licence period, the conditions for licence renewal and whether licences are dependent on specific technologies.

Amortisation is charged to the statement of profit or loss on a straight-line basis over the estimated useful lives from the commencement of service of the network.

The Group is dependent on the licenses that each operating company holds to provide their telecommunications services.

Leases
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor
The amounts due from lessees under finance leases are recorded as receivables at the amount of Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of leases.

Revenues from the sale of transmission capacity on terrestrial and submarine cables are recognized on a straight-line basis over the life of the contract. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

The Group as lessee
Rentals payable under operating leases are charged to the consolidated statement of profit or loss on a straight –line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Sale and leaseback transactions – where the Group is the lessee
A sale and leaseback transaction involves the sale of an asset by the Group and the leasing of the same asset back to the Group. The lease payments and the sale price are usually interdependent as they are negotiated as a package. The accounting treatment of a sale and leaseback transaction depends upon the type of lease involved and the economic and commercial substance of the whole arrangement.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

(a) Finance leases
Sale and leaseback arrangements that result in the Group retaining the majority of the risks and rewards of ownership of assets are accounted for as finance leases. Any excess of sales proceeds over the carrying amount is deferred and amortised over the lease term.

(b) Operating leases
Sale and leaseback arrangements that result in substantially all of the risks and rewards of ownership of assets being transferred to the lessor are accounted for as operating leases. Any excess of sales proceeds over the carrying amount is recognised in the statement of profit or loss as gain on disposal.

Other income
Other income represents income generated by the Group that arises from activities outside of the provision for communication services and equipment sales. Key components of other income are recognised as follows:

Dividend income
Dividend income is recognised when the Group's right to receive the dividend is established.

Commission income
When the Group acts in the capacity of an agent rather than as the principal in the transaction, the revenue recognised is the net amount of commission made by the Group.

Taxation
Some of the subsidiaries and the joint venture are subject to taxes on income in various foreign jurisdictions. Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax
Current income tax assets and liabilities for the current year and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities.

The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the financial reporting year and any adjustment to tax payable in respect of previous years.

Deferred income tax
Deferred income tax is provided using the liability method on temporary differences at the end of the financial reporting year between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Deferred income tax (continued)
Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unutilised tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unutlised tax losses can be utilised except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each end of the financial reporting year and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each end of the financial reporting year and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the financial reporting year.

Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit or loss.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Tax exposure
In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgments regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Discontinued operations
A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held-for-sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss or other comprehensive income is represented as if the operation had been discontinued from the start of the comparative year.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Finance income and finance cost

Finance income comprises interest income on funds invested, fair value gains on financial assets at fair value through profit or loss, gains on the remeasurement to fair value of any pre-existing interest in an acquire in a business combination, gains on hedging instruments that are recognised in profit or loss and reclassifications of net gains previously recognised in other comprehensive income. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, fair value losses on financial assets at fair value through profit or loss, losses on hedging instruments that are recognised in profit or loss and reclassifications of net losses previously recognised in other comprehensive income.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

Property, plant and equipment

Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Assets in the course of construction are carried at cost, less any impairment.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The costs of self constructed assets include the following:

- The cost of materials and direct labour;
- Any other costs directly attributable to bringing the assets to a working condition for their intended use;
- When the group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- Capitalized borrowing costs

Cost also includes transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Transfer to investment property

When the use of property changes from owner-occupied to investment property, the property is reclassified accordingly at the carrying amount on the date of transfer in accordance with cost model specified under IAS 40.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (continued)

Expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the consolidated statement of profit or loss as incurred.

Depreciation

Items of property, plant and equipment are depreciated on a straight line basis in profit or loss over the estimated useful lives of each component. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Depreciation of these assets commences from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use. The estimated useful lives of the property, plant and equipment are as follows:

Land lease rights under finance lease	50 years
Buildings	5 – 40 years
Exchange and networks assets	5 – 25 years
Subscriber apparatus and other equipment	1 – 8 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the consolidated statement of profit or loss in the year the asset is derecognised. The asset's residual values, useful lives and method of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed as incurred. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

Government grants
Government grants relating to non-monetary assets are recognised at nominal value. Grants that compensate the Group for expenses are recognised in the consolidated statement of profit or loss on a systematic basis in the same period in which the expenses are recognised. Grants that compensate the Group for the cost of an asset are recognised in the consolidated statement of profit or loss on a systematic basis over the expected useful life of the related asset upon capitalisation.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets and goodwill
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the consolidated statement of profit or loss in the year in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss in the expense category consistent with the nature of the intangible asset.

Research and development
Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.
Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognized in profit or loss as incurred. Capitalised development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Indefeasible rights of use ("IRU")
IRUs correspond to the right to use a portion of the capacity of a terrestrial or submarine transmission cable granted for a fixed period. IRUs are recognised at cost as an asset when the Group has the specific indefeasible right to use an identified portion of the underlying asset, generally optical fibres or dedicated wavelength bandwidth, and the duration of the right is for the major part of the underlying asset's economic life. They are amortised on a straight line basis over the shorter of the expected period of use and the life of the contract which ranges between 10 to 15 years.

The useful lives of intangible assets are assessed to be either finite or indefinite.

A summary of the useful lives and amortisation methods of Group's intangible assets other than goodwill are as follows:

		License costs	*Customer contracts and related customer relationship*	*Brand/ Trade names*	*Concession intangible assets*	*IRU, software and other intangibles*
Useful lives	:	Finite (10 – 50 years)	Finite (2 – 8 years)	Finite (6-25 years)	Finite (15 years)	Finite (3-15 years)
Amortisation method used	:	Amortised on a straight line basis over the periods of availability	Amortised on a straight line basis over the periods of availability.	Amortised on a straight line basis over the periods of availability	Amortised on a straight line basis over the periods of availability	Amortised on a straight line basis over the periods of availability
Internally generated or acquired	:	Acquired	Acquired	Acquired	Acquired	Acquired

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment property
Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

When the use of a property changes such that it is reclassified as property and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Investment properties are depreciated on straight line basis using estimated useful life of 20 years.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of retirement or disposal.

Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.
Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.
The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale investments.

Financial assets at fair value through profit or loss
A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Loans and receivables
Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise bank balances and cash and trade receivables and prepayments.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

(i) Non-derivative financial assets (continued)

Bank balances and cash
Bank balances and cash comprise cash on hand, call deposits and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash on hand, call deposits and demand deposits with original maturity of less than three months.

Trade and other receivable
Trade receivables and prepayments that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method less impairment.

Appropriate allowances for estimated irrecoverable amounts are recognized in the consolidated statement of profit or loss where there is objective evidence that the asset is impaired. The allowance recognized is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Available-for-sale investments
Available-for-sale investments are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Available-for-sale investments are recognised initially at fair value plus directly attributable transaction costs. After initial recognition, available for sale investments are subsequently remeasured at fair value, with any resultant gain or loss directly recognised as a separate component of equity as fair value reserve under other comprehensive income until the investment is sold, collected, or the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the consolidated statement of profit or loss for the year. Interest earned on the investments is reported as interest income using the effective interest rate. Dividend earned on investments are recognised in the consolidated statement of profit or loss as "Dividend income" when the right to receive dividend has been established. All regular way purchases and sales of investment are recognised on the trade date when the Group becomes or cease to be a party to contractual provisions of the instrument.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the end of the financial reporting year. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to current market value of another instrument which is substantially the same, discounted cash flow analysis or other valuation models. For investment in funds, fair value is determined by reference to net asset values provided by the fund administrators.

Due to the uncertain nature of cash flows arising from certain unquoted equity investments of the Group, the fair value of these investments cannot be reliably measured. Consequently, these investments are carried at cost, less any impairment losses.

If an available-for-sale investment is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognised in the consolidated statement of profit or loss, is transferred from equity to the consolidated statement of profit or loss. Impairment losses on equity instruments recognised in the consolidated statement of profit or loss are not subsequently reversed. Reversals of impairment losses on debt instruments are reversed through the consolidated statement of profit or loss; if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in the consolidated statement of profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

(i) Non-derivative financial assets (continued)

Available-for-sale investments (continued)
When the investment is disposed off, the cumulative gain or loss previously recorded in equity is recognised in the consolidated statement of profit or loss.

Derecognition of financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the contractual rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment and uncollectibility of financial assets
An assessment is made at each end of the reporting period to determine whether there is objective evidence that a specific financial asset may be impaired. If any such evidence exists, impairment loss is recognised in the consolidated statement of profit or loss. Impairment is determined as follows:

(a) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the consolidated statement of profit or loss;
(b) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
(c) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

(ii) Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

Non derivative financial liabilities include loans and borrowings and trade payables and accruals.

Loans and borrowings
Loans and borrowings are recognised initially at fair value of the consideration received, less directly attributable transaction costs. Subsequent to initial recognition, loans and borrowings are measured at amortised cost using the effective interest method. Instalments due within one year at amortised cost are shown as a current liability.

Gains or losses are recognised in the consolidated statement of profit or loss when the liabilities are derecognised as well as through the amortisation process. Interest costs are recognised as an expense when incurred except those qualify for capitalisation.

Trade and other payables
Liabilities are recognised for amounts to be paid in the future for services received or when the risks and rewards associated with goods are transferred to the Group, whether billed by the supplier or not.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

(ii) Non-derivative financial liabilities (continued)

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated statement or profit or loss.

(iii) Share capital

Ordinary shares
Ordinary shares are classified as equity. The bonus shares and rights issued during the year are shown as an addition to the share capital. Issue of bonus shares are deducted from the accumulated retained earnings of the Group. Any share premium on rights issue are accounted in compliance with local statutory requirements.

Dividend on ordinary share capital
Dividend distributions to the Group's shareholders are recognized as a liability in the consolidated financial statements in the period in which the dividend are approved by the shareholders. Dividend for the year that are approved after the statement of financial position date are dealt with as an event after the reporting date.

(iv) Derivative financial instruments and hedge accounting

Derivative financial instruments are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in described below for those derivative instruments designated for hedging cash flows, while changes in the fair value of derivative instruments not designated for cash flow hedges are charged directly to profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or unrecognised firm commitment (except for foreign currency risk); or

- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting change in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods of which they were designated.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

(iv) Derivative financial instruments and hedge accounting (continued)

Hedges which meet the criteria for hedge accounting are accounted for as follows:

Fair value hedges
The change in the fair value of a hedging derivative is recognised in the consolidated statement of profit or loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying value of the hedged item and is also recognised in consolidated statement of profit or loss.

Cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognised as other comprehensive income and is taken directly to equity, while any ineffective portion is recognised immediately in the consolidated statement of profit or loss.

The Group uses interest rate swap contracts to hedge its risk associated primarily with interest rate fluctuations relating to the interest charged on its loans and borrowings. These are included in the consolidated statement of financial position at fair value and any resultant gain or loss on interest rate swaps contracts that qualify for hedge accounting is recognised as other comprehensive income and subsequently recognised in the consolidated statement of profit or loss when the hedged transaction affects profit or loss.

The Group uses cross currency swap contracts and forward currency contracts to hedge its risks associated with foreign exchange rate fluctuations. Further, the Group also have an interest rate swap which is not designated as a hedge. These cross currency swaps, forward currency contracts and the interest rate swaps which is not designated as hedge are included in the consolidated statement of financial position at fair value and any subsequent resultant gain or loss in the fair value is recognised in the consolidated statement of profit or loss.

The fair value of cross currency swaps and forward currency contracts is calculated by reference to respective instrument current exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is calculated by reference to the market valuation of the swap contracts.

Embedded derivative is presented with the host contract on the consolidated statement of financial position which represents an appropriate presentation of overall future cash flows for the instrument taken as a whole.

(v) Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into a current and non-current portion based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows).

- where the Group will hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the reporting date, the derivative is classified as non-current (or separated into current and non-current portions) consistent with the classification of the underlying item.

- embedded derivates that are not closely related to the host contract are classified consistent with the cash flows of the host contract.

- derivative instruments that are designated as, and are effective hedging instruments, are classified consistent with the classification of the underlying hedged item. The derivative instrument is separated into a current portion and non-current portion only if a reliable allocation can be made.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

(vi) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined with reference to quoted market prices or dealer price quotations, without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models. An analysis of fair values of financial instruments and further details as to how they are measured are provided in note 34.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Earnings per share
The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees, if any.

Inventories
Inventories are stated at the lower of cost and net realisable value.

The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition

Net realisable value is based on estimated selling price less any further costs expected to be incurred on completion and disposal.

Provisions
Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured as a best estimate of the expenditure required to settle the obligation at the statement of financial position date, and are discounted to present value where the effect is material.

Employee benefits

End of service benefits
The Group provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period, calculated under the provisions of the Labour Law and is payable upon resignation or termination of the employee. The expected costs of these benefits are accrued over the period of employment.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefits (continued)

Pensions and other post employment benefits
Pension costs under the Group's defined benefit pension plans are determined by periodic actuarial calculation using the projected-unit-credit method and applying the assumptions on discount rate, expected return on plan assets and annual rate of increase in compensation.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

With respect to the Qatari nationals, the Company makes contributions to Qatar Retirement and Pension Authority as a percentage of the employees' salaries in accordance with the requirements of respective local laws pertaining to retirement and pensions. The Company's share of contributions to these schemes, which are defined contribution schemes under International Accounting Standard (IAS) – 19 Employee Benefits are charged to the consolidated statement of profit or loss.

Cash settled share-based payment transactions
The Group provides long term incentives in the form of shadow shares ("the benefit") to its employees. The entitlement to these benefits is based on individual performance and overall performance of the Group, subject to fulfilling certain conditions ("vesting conditions") under documented plan and is payable upon end of the vesting period ("the exercise date"). The benefit is linked to the share price of the Group, and the Group proportionately recognise the liability against these benefits over the vesting period through the consolidated statement of profit or loss, until the employees become unconditionally entitled to the benefit.

The fair value of the liability is reassessed on each reporting date and any changes in the fair value of the benefit are recognized through the consolidated statement of profit or loss.

Once the benefit is settled in cash at the exercise date, the liability is derecognised. The amount of cash settlement is determined based on the share price of the Group at the exercise date. On breach of the vesting conditions, the liability is derecognised through the consolidated statement of profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency

Foreign currency transactions
Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the end of the financial reporting year.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity investments which are recognised in other comprehensive income.

Translation of foreign operations
The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Qatari riyals at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Qatari Riyals at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to consolidated statement of profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to consolidated statement of profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the translation reserve in equity.

Non-financial assets
The carrying amounts of the Group’s non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”).

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the consolidated statement of profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non-financial assets (continued)
Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Segment reporting
Segment results that are reported to the Group's Chief Operating Decision Maker ("CODM") include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Events after the reporting date
The consolidated financial statements are adjusted to reflect events that occurred between the reporting date and the date when the consolidated financial statements are authorised for issue, provided they give evidence of conditions that existed at the reporting date.

4 REVENUE

	2015 ***QR'000***	*2014* *QR'000*
Revenue from rendering of telecommunication services	**30,956,989**	31,947,438
Sale of telecommunications equipment	**965,383**	1,005,439
Revenue from use of assets by others	**238,483**	254,332
	32,160,855	33,207,209

5 OPERATING EXPENSES

	2015 ***QR'000***	*2014* *QR'000*
Outpayments and interconnect charges	**2,746,000**	3,360,152
Regulatory and related fees	**2,299,825**	2,442,612
Rentals and utilities – network	**1,648,242**	1,568,247
Network operation and maintenance	**2,045,235**	1,775,186
Cost of equipment sold and other services	**2,656,292**	2,891,943
Provision for obsolete and slow moving inventories	**4,774**	4,879
	11,400,368	12,043,019

6 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	2015	*2014*
	QR'000	*QR'000*
Employee salaries and associated costs	**3,606,641**	3,719,530
Marketing costs and sponsorship	**1,325,148**	1,541,428
Commission on cards	**1,064,030**	1,174,715
Legal and professional fees	**324,271**	363,825
Rental and utilities	**322,049**	369,940
Allowance for impairment of trade receivables	**176,264**	181,451
Repairs and maintenance	**89,163**	78,070
Other expenses	**849,269**	876,449
	7,756,835	8,305,408

7 DEPRECIATION AND AMORTISATION

	2015	*2014*
	QR'000	*QR'000*
Depreciation of property, plant and equipment and investment property	**6,135,373**	6,033,066
Amortisation of intangible assets	**1,809,987**	1,593,243
	7,945,360	7,626,309

8 NET FINANCE COSTS

	2015	*2014*
	QR'000	*QR'000*
Finance cost		
Interest expenses	**1,982,611**	1,992,659
Profit element of islamic financing obligation	**170,487**	179,265
Amortisation of deferred financing costs (note 25)	**99,539**	99,069
Other finance charges	**7,542**	5,252
	2,260,179	2,276,245
Finance income		
Interest income	**(243,381)**	(244,401)
Net finance costs	**2,016,798**	2,031,844

9 OTHER INCOME – NET

		2015	*2014*
	Note	***QR'000***	*QR'000*
Foreign currency losses – net		**(514,186)**	(235,812)
Gain on disposal of investments	(i)	**658,561**	703,182
Gain on disposal of property, plant and equipment		**54,995**	18,641
Dividend income		**24,545**	60,567
Rental income		**27,332**	28,215
Change in fair value of derivatives – net		**(64,160)**	(36,401)
Miscellaneous income / (expense) – net	(ii)	**123,355**	(328,864)
		310,442	209,528

9 OTHER INCOME – NET (CONTINUED)

i. Gain on disposal of investments include a profit of QR 228,074 thousand recognized on the disposal in the Company's entire stake in one of the associates, Liberty Telecommunications Holdings Inc. (LTHI) (refer note 15)

   In 2014, one of the Group's subsidiaries, Indosat Ooredoo, sold its investment in shares of Tower Bersama at a consideration of Rp 5,800 per share for 239.83 million shares resulting in a profit of QR 131,800 thousand.

ii. In 2014, miscellaneous income / (expense) – net included an amount of QR 397,709 thousand towards the provision on account of litigation relating to cooperation agreement between Indosat Ooredoo and IM2 to provide 3G based broadband internet services using spectrum license to Indosat Ooredoo (Note 32(a)).

10 ROYALTIES AND FEES

	Note	***2015 QR'000***	*2014 QR'000*
Royalty	(i)	**168,378**	174,960
Industry fees	(ii)	**225,940**	191,337
Other statutory fees	(iii)	**14,260**	26,537
		408,578	392,834

i. Royalty is payable to the Government of the Sultanate of Oman based on 7% of the net of predefined sources of revenue and operating expenses.

ii. The Group provides for a 12.5% industry fee on profits generated from the Group's operations in Qatar.

iii. Contributions by National Mobile Telecommunications Company K.S.C to Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST") and Zakat are included under other statutory fees.

11 BASIC AND DILUTED EARNINGS PER SHARE

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

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

	2015	*2014*
Profit for the year attributable to shareholders of the parent (QR'000)	**2,118,278**	2,134,334
Weighted average number of shares (in '000)	**320,320**	320,320
Basic and diluted earnings per share (QR)	**6.61**	6.66

12 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings QR'000	*Exchange and networks assets QR'000*	*Subscriber apparatus and other equipment QR'000*	*Capital work in progress QR'000*	*Total QR'000*
Cost					
At 1 January 2014	6,867,071	45,627,169	5,043,943	5,804,962	63,343,145
Additions	226,902	2,765,486	514,369	4,884,251	8,391,008
Transfers	1,057,630	5,774,163	496,764	(7,328,557)	-
Disposals	(26,539)	(425,559)	(164,063)	(144)	(616,305)
Reclassification	-	-	-	(25,231)	(25,231)
Exchange adjustment	(136,469)	(1,315,410)	(118,002)	(251,604)	(1,821,485)
At 31 December 2014	7,988,595	52,425,849	5,773,011	3,083,677	69,271,132
Additions	539,927	2,557,103	626,311	4,813,577	8,536,918
Transfers	299,977	3,503,845	416,506	(4,220,328)	-
Disposals	(34,764)	(1,322,380)	(87,030)	(8)	(1,444,182)
Reclassification	-	(9,833)	9,992	(9,807)	(9,648)
Exchange adjustment	(593,545)	(3,826,009)	(235,991)	(255,240)	(4,910,785)
At 31 December 2015	**8,200,190**	**53,328,575**	**6,502,799**	**3,411,871**	**71,443,435**
Accumulated depreciation					
At 1 January 2014	2,868,062	24,360,430	3,798,821	-	31,027,313
Provided during the year	512,764	4,960,512	554,539	-	6,027,815
Impairment during the year	-	23,307	-	-	23,307
Disposals	(18,523)	(367,663)	(93,262)	-	(479,448)
Reclassification	(10)	(9,162)	9,284	-	112
Exchange adjustment	(83,372)	(837,170)	(98,014)	-	(1,018,556)
At 31 December 2014	3,278,921	28,130,254	4,171,368	-	35,580,543
Provided during the year	511,040	5,010,734	608,348	-	6,130,122
Disposals	(29,688)	(1,082,502)	(86,523)	-	(1,198,713)
Reclassification	443	70,723	(71,177)	-	(11)
Exchange adjustment	(298,665)	(2,292,045)	(223,204)	-	(2,813,914)
At 31 December 2015	**3,462,051**	**29,837,164**	**4,398,812**	**-**	**37,698,027**
Carrying value					
At 31 December 2015	**4,738,139**	**23,491,411**	**2,103,987**	**3,411,871**	**33,745,408**
At 31 December 2014	4,709,674	24,295,595	1,601,643	3,083,677	33,690,589

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

i) Exchange and network assets include finance lease assets recognized on account of sale and lease back transaction of one of the Group subsidiaries' Indosat Ooredoo.

ii) *Uncertainty in Iraq*

One of the Group's subsidiaries, Asiacell which operates in Iraq, due to the current security situation of certain locations in Iraq, Asiacell may be unable to effectively exercise control over some of its property and equipment in certain locations, with a net book value of QR 200,283 thousand as at 31 December 2015. Based on an assessment performed by Asiacell, an insignificant amount of damage has occurred which has been provided for.

iii) In 2015, one of the Group's subsidiaries, Asiacell reached a settlement agreement with one of the banks in Iraq to receive properties in certain locations in Iraq in lieu of a portion of available balance in the name of Asiacell at that bank. So far, Asiacell has received properties worth of QR 440,600 thousand under this arrangement, which is based on an independent fair valuation.

Asiacell is currently in the process of transferring legal title of these properties in its name, which is expected to be transferred in the foreseeable future.

iv) During the previous year, the Company entered into an agreement to acquire land under master development plan for which an amount of QR 378,619 thousand is paid to master developer. The company is the beneficial owner of the land and the legal ownership is expected to be transferred in the foreseeable future.

13 INTANGIBLE ASSETS AND GOODWILL

	Goodwill QR'000	*License costs QR'000*	*Customer contracts and related customer relationship QR'000*	*Brand/ Trade names QR'000*	*IRU, software and other intangibles QR'000*	*Total QR'000*
Cost						
At 1 January 2014	11,493,503	24,494,513	756,007	2,995,497	2,406,874	42,146,394
Additions	-	4,795,888	-	-	228,276	5,024,164
Disposals	-	-	-	-	(2,229)	(2,229)
Reclassification	-	-	-	-	25,231	25,231
Exchange adjustment	(638,014)	(996,056)	(28,678)	(118,525)	(82,388)	(1,863,661)
At 31 December 2014	10,855,489	28,294,345	727,329	2,876,972	2,575,764	45,329,899
Additions	-	93,303	-	-	224,848	318,151
Disposals	-	-	-	-	(1,814)	(1,814)
Reclassification	-	-	-	-	9,648	9,648
Exchange adjustment	(774,266)	(1,047,522)	(69,306)	(224,285)	(133,917)	(2,249,296)
At 31 December 2015	**10,081,223**	**27,340,126**	**658,023**	**2,652,687**	**2,674,529**	**43,406,588**

13 INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

	Goodwill QR'000	*License costs QR'000*	*Customer contracts and related customer relationship QR'000*	*Brand/ Trade names QR'000*	*IRU, software and other intangibles QR'000*	*Total QR'000*
Accumulated amortisation and impairment losses						
At 1 January 2014	325,285	6,926,012	735,590	1,267,544	1,418,194	10,672,625
Amortisation during the year	-	1,189,497	17,961	125,714	260,071	1,593,243
Impairment during the year	-	-	-	-	1,310	1,310
Disposals	-	-	-	-	(2,176)	(2,176)
Reclassification	-	-	-	-	(112)	(112)
Exchange adjustment	(5,488)	(280,704)	(28,923)	(83,223)	(60,861)	(459,199)
At 31 December 2014	319,797	7,834,805	724,628	1,310,035	1,616,426	11,805,691
Amortisation during the year	-	1,414,761	2,701	138,067	254,458	1,809,987
Impairment during the year	332,235	-	-	-	-	332,235
Disposals	-	-	-	-	(1,445)	(1,445)
Reclassification	-	-	-	-	11	11
Exchange adjustment	(31,228)	(393,958)	(69,306)	(83,516)	(101,789)	(679,797)
At 31 December 2015	620,804	8,855,608	658,023	1,364,586	1,767,661	13,266,682
Carrying value						
At 31 December 2015	**9,460,419**	**18,484,518**	**-**	**1,288,101**	**906,868**	**30,139,906**
At 31 December 2014	10,535,692	20,459,540	2,701	1,566,937	959,338	33,524,208

13 INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

i. Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to individual cash generating units (CGUs) for impairment testing as follows:

Cash generating units	***Carrying value 2015 QR'000***	*Carrying value 2014 QR'000*
Ooredoo, Kuwait	**563,549**	583,589
Ooredoo, Algeria	**2,122,023**	2,197,483
Ooredoo Tunisie	**3,209,869**	3,721,008
Indosat Ooredoo	**3,160,103**	3,522,496
Asiacell, Iraq	**353,408**	353,408
Others	**51,467**	157,708
	9,460,419	10,535,692

Goodwill was tested for impairment as at 31 December 2015. The recoverable amount of the CGUs was determined based on value in use calculated using cash flows projections by the management covering a period of ten years.

Key Assumptions used in value in use calculations

Key Assumptions
The principal assumptions used in the projections relate to the number of subscribers, in roaming revenue, average revenues per user, operating costs, capital expenditure, taxes and EBITDA. The assumptions are constructed based upon historic experience and management's best estimate of future trends and performance and take into account anticipated efficiency improvements over the forecasted period.

Discount rates
Discount rates reflect management's estimate of the risks specific to each unit. Discount rates are based on a weighted average cost of capital for each CGU. In determining the appropriate discount rates for each unit, the yield on a ten-year US Treasury bond and specific risk factors for each country has been taken into consideration.

Terminal value growth rate estimates
For the periods beyond that covered by the projections, long-term growth rates are based on management's best estimates of the growth rates relevant to telecommunications industry in the particular country.

Budgeted EBITDA growth rate
Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for the anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past years and the estimated subscribers and price growth for the forecasted period.

Budgeted Capex
The cash flow forecasts for budgeted capital expenditure are based on past experience and include the ongoing capital expenditure required to continue rolling out networks in emerging markets, providing enhanced voice and data products and services, and meeting the population coverage requirements of certain licenses of the Group. Capital expenditure includes cash outflows for the purchase of property, plant and equipment and other intangible assets

13 INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

i. Impairment testing of goodwill (continued)

Key Assumptions used in value in use calculations (continued)

	(Expressed in percentage)			
Cash generating units	***Discount rate***		***Terminal value growth rate***	
	2015	*2014*	***2015***	*2014*
Ooredoo, Kuwait	**9.4%**	9.0%	**2.75%**	2.75%
Ooredoo, Algeria	**11.2%**	10.5%	**2.75%**	2.75%
Ooredoo Tunisie	**10.8%**	11.1%	**2.75%**	2.75%
Indosat Ooredoo	**11.7%**	11.6%	**2.75%**	2.75%
Asiacell, Iraq	**16.4%**	16.4%	**2.75%**	2.75%
Ooredoo Myanmar	**16.1%**	15.8%	**4.00%**	2.75%

Management considers that changes to the discount rate could cause the carrying value of the following CGUs to exceed their recoverable amount. If the discount rate is increased by the percentages as mentioned below, the recoverable amount equals the carrying value:

	2015	*2014*
Ooredoo, Kuwait	**0.7%**	0.9%
Ooredoo, Algeria	**7.0%**	9.3%
Indosat Ooredoo	**3.8%**	2.3%
Asiacell, Iraq	**4.8%**	14.2%
Ooredoo Myanmar	**1.2%**	4.7%

ii. Impairment loss of goodwill and other assets

	Note	***2015*** ***QR'000***	*2014* *QR'000*
Impairment loss of goodwill	(a), (b)	**332,235**	-
Impairment loss of other assets		**851**	25,963
		333,086	25,963

(a) In the case of Ooredoo Tunisie ("the CGU"), Revenue and margins have declined in recent years leading to the recoverable amount of the investment being more sensitive to an impairment loss. The CGU is witnessing competitive challenges and instability in the economic and political environment of the country. The estimated recoverable amount based on value-in-use calculations were subjected to sensitivities for certain key assumptions due to the historical underperformance against budgets. A reasonably possible change in two key assumptions i.e. Budgeted Revenue growth and budgeted EBITDA margin could cause the carrying amount to exceed the estimated recoverable amount.

Based on the above sensitivities, an impairment of QR 227,360 thousand is recorded in these consolidated financial statements. This impairment loss has been fully allocated to goodwill.

Any further adverse movements in the key assumptions would lead to additional impairment as summarised below:

	%Movement	***2015***	*2014*
		QR'000	*QR'000*
Budgeted revenue growth	**-0.5%**	**(33,367)**	-
Budgeted EBITDA margins	**-0.5%**	**(72,727)**	-

13 INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

ii. Impairment loss of goodwill and other assets (continued)

(b) Revenue in one of the subsidiaries, Midya Telecom Company Limited ("Fanoos") is lower compared to historical performance due to security situation in Iraq. This has caused carrying amount of goodwill to exceed the estimated recoverable amount of the business based on value-in-use calculations. Hence, an impairment of QR 104,875 thousand is recorded in these consolidated financial statements. This impairment loss has been fully allocated to goodwill.

iii. In 2014, one of the subsidiaries of the Group, Ooredoo Myanmar Limited (OML) was awarded a 15 year nationwide telecommunication license and associated spectrum license by Myanmar Post and Telecommunications Department, Ministry of Information and Technology with an effective date of 5 February 2014. Additions to the intangible assets include the full cost of license fees.

14 INVESTMENT PROPERTY

	2015 ***QR'000***	*2014* *QR'000*
Cost		
At 1 January	**105,018**	105,018
At 31 December	**105,018**	105,018
Accumulated depreciation		
At 1 January	**49,906**	44,655
Provided during the year	**5,251**	5,251
At 31 December	**55,157**	49,906
Carrying value		
At 31 December	**49,861**	55,112

Investment property comprises of the portion of the Group's head quarter building rented to an external party. As per valuation performed by external valuers, the fair value of Investment property is QR 63,000 thousand (2014: QR 63,000 thousand) which approximates the carrying amount as at 31 December 2015.

15 INVESTMENT IN ASSOCIATES AND JOINT VENTURE

The Group has the following investment in associates and joint venture

Associate/Joint Venture companies	*Principal activity*	*Country of incorporation*	***Effective ownership* 2015**	*2014*
Navlink, Inc., a Delaware Corporation	*Managed Service Provider delivering technology solutions in the enterprise data market*	*United States of America*	***38%***	*38%*
Asia Mobile Holdings Pte Ltd ("AMH")	*Holding company*	*Singapore*	***25%***	*25%*
PT Multi Media Asia Indonesia	*Satellite based telecommunication services*	*Indonesia*	***17%***	*17%*
Liberty Telecoms Holdings Inc. ("LTHI")	*Telecommunication services*	*Philippines*	***-***	*40%*
MEEZA QSTP LLC	*Information technology services*	*Qatar*	***20%***	*20%*
PT Citra Bakti, Indonesia	*Product certification and testing*	*Indonesia*	***9%***	*9%*
Titan Bull Holdings Limited	*Holding Company*	*Cayman Islands*	***20%***	*20%*
Asia Internet Holding S.a r.l.,	*Holding Company*	*Luxembourg*	***50%***	*50%*
Sadeem Telecom	*Telecommunication Services and Investment*	Qatar	**50%**	50%

The following table is the summarised financial information of the Group's investments in the associates and joint venture:

	2015 QR'000	*2014 QR'000*
Group's share of associates' and joint venture's statement of financial position:		
Current assets	**940,942**	1,131,532
Non-current assets	**2,476,159**	2,876,017
Current liabilities	**(811,208)**	(1,032,442)
Non-current liabilities	**(1,577,696)**	(1,730,186)
Net assets	**1,028,197**	1,244,921
Goodwill	**1,268,224**	1,359,446
Carrying amount of the investment	**2,296,421**	2,604,367
Group's share of associates' and joint ventures' revenues and results:		
Revenues	**1,777,758**	1,865,805
Share of results – net of tax	**14,677**	89,098

During the year, management has performed impairment test and based on the currently available information, there is no evidence of impairment in the value of investment in associates and joint venture.

On 16 July 2015, the Group announced the sale of its entire stake in Liberty Telecommunications Holdings, Inc ("LTHI") to Vega, Inc., a subsidiary of San Miguel Corporation ("San Miguel") and a major stockholder of Liberty which was classified as a non-current asset held for sale as at 30 June 2015.

Subsequently, on 02 September 2015, the disposal of LTHI was completed. After adjusting certain loans and advances earlier due from LTHI and taking into account the net assets on the date of its classification to non-current asset held for sale, a net gain of QR 228,074 thousand was recognised on disposal of LTHI.

15 INVESTMENT IN ASSOCIATES AND JOINT VENTURE (CONTINUED)

During the year, the Company invested a sum of QR 301,685 thousand (2014: QR 232,593 thousand) in Asia Internet Holding (AIH), a joint venture with Rocket Internet to fund new ventures in the e-commerce sector. The Group is also committed to invest further QR 216,452 thousand in the future and the same is considered as contingent consideration and recorded as part of investment costs. The share of net assets from the joint venture after this investment have been included in the consolidated financial statements. Included within the carrying amount is goodwill amounting to QR 215,867 thousand.

16 AVAILABLE-FOR-SALE INVESTMENTS

	2015	*2014*
	QR'000	*QR'000*
Quoted equity investments	**17,846**	13,278
Unquoted equity investments	**724,791**	658,172
Investments in funds	**4,559**	955,696
	747,196	1,627,146

At 31 December 2015, certain unquoted equity investments amounting to QR 35,504 thousand (2014: QR 36,867 thousand) are carried at cost less impairment due to non-availability of quoted market prices or other reliable measures of their fair value.

During the year, the Group has recorded an impairment loss of QR 851 thousand (2014: QR 1,346 thousand) on certain available-for-sale investments. In the opinion of the management, based on the currently available information, there is no evidence of further impairment in the value of available-for-sale investments.

17 OTHER NON-CURRENT ASSETS

	2015	*2014*
	QR'000	*QR'000*
Prepaid rentals	**265,821**	263,000
Other long term receivables	**290,507**	398,440
Others	**108,787**	89,186
	665,115	750,626

18 INCOME TAX

Income tax represents amounts recognised by subsidiary companies. The major components of income tax expense for the years 2015 and 2014 are:

	2015	*2014*
	QR'000	*QR'000*
Current income tax		
Current income tax charge	**339,197**	541,291
Adjustments in respect of previous years' income tax	**219,419**	165,659
Deferred income tax		
Relating to origination and reversal of temporary differences	**(227,150)**	(108,154)
Income tax included in the consolidated statement of profit or loss	**331,466**	598,796

18 INCOME TAX (CONTINUED)

The Parent company is not subject to income tax in the State of Qatar. The tax rate applicable to the taxable subsidiaries which is in the range of 10% to 35% (2014: 10% to 35%). For the purpose of determining the taxable results for the year, the accounting profit of the companies were adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense allowed in accordance with respective tax laws of subsidiaries.

The adjustments are based on the current understanding of the existing laws, regulations and practices of each subsidiaries jurisdiction. In view of the operations of the Group being subject to various tax jurisdictions and regulations, it is not practical to provide a detailed reconciliation between accounting and taxable profits together with the details of the effective tax rates. As a result, the reconciliation includes only the identifiable major reconciling items. The tax reconciliation is presented as follows:

	2015 ***QR'000***	*2014* *QR'000*
Profit before tax	**2,624,949**	3,080,458
Profit of parent and subsidiaries not subject to corporate income tax	**(1,715,864)**	(1,766,354)
Profit of parent and subsidiaries subject to corporate income tax	**909,085**	1,314,104
Add/(Less):		
Allowances, accruals and other temporary differences	**277,767**	543,091
Expenses and income that are not subject to corporate tax	**588,874**	686,757
Depreciation – net of accounting and tax	**445,286**	269,701
Unutilised tax losses brought forward	**(54,437)**	-
Taxable profit of subsidiaries and associates that are subject to corporate income tax	**2,166,575**	2,813,653
Income tax charge at the effective income tax rate of 16% (2014: 19%)	**339,197**	541,291

	Consolidated statement of financial position		***Consolidated statement of profit or loss***	
	2015 ***QR'000***	*2014* *QR'000*	***2015*** ***QR'000***	*2014* *QR'000*
Accelerated depreciation for tax purposes	**(105,229)**	(346,243)	**225,258**	48,039
Losses available to offset against future taxable income	**44,478**	50,592	**(1,313)**	(6,452)
Allowances, accruals and other temporary differences	**63,750**	90,022	**(21,842)**	38,307
Deferred tax origination on purchase price allocation	**(415,391)**	(489,981)	**25,047**	28,260
Deferred tax liability / deferred tax expense (income) - net	**(412,392)**	(695,610)	**227,150**	108,154

Reflected in the consolidated statement of financial position as follows:

	2015 ***QR'000***	*2014* *QR'000*
Deferred tax asset	**54,561**	59,884
Deferred tax liability	**(466,953)**	(755,494)
	(412,392)	(695,610)

18 INCOME TAX (CONTINUED)

Movement of deferred tax liability – net

	2015 *QR'000*	*2014* *QR'000*
At 1 January	**695,610**	828,513
Tax income during the year	**(227,150)**	(108,154)
Tax on other comprehensive income	**12,909**	(13,131)
Exchange adjustment	**(68,977)**	(11,618)
At 31 December	**412,392**	695,610

Unrecognised deferred tax assets
At 31 December 2015, deferred tax assets of QR 125,597 thousand (2014: QR 139,619 thousand) for temporary differences of QR 380,598 thousand (2014: QR 398,911 thousand) related to investments in subsidiaries were not recognised because the subsidiaries were unable to assess with reasonable certainty that sufficient taxable profit would be available to recover the asset in the foreseeable future.

19 INVENTORIES

	2015 ***QR'000***	*2014* *QR'000*
Subscribers' equipment	**348,527**	288,421
Other equipment	**285,679**	337,053
Cables and transmission equipment	**108,005**	83,761
	742,211	709,235
Less: Provision for obsolete and slow moving inventories	**(45,142)**	(42,565)
	697,069	666,670

Inventories consumed are recognised as expense and included under operating expenses, amounting to QR 2,038,028 thousand (2014: QR 2,209,182 thousand).

Movement in the provision for obsolete and slow moving inventories is as follows:

	2015 ***QR'000***	*2014* *QR'000*
At 1 January	**42,565**	39,092
Provided during the year	**4,774**	4,879
Amounts written off	**(1,078)**	(865)
Exchange adjustment	**(1,119)**	(541)
At 31 December	**45,142**	42,565

20 TRADE AND OTHER RECEIVABLES

	2015	*2014*
	QR'000	*QR'000*
Trade receivables – net of impairment allowances	**2,733,964**	2,428,184
Other receivables and prepayments	**3,662,538**	3,829,171
Unbilled subscribers revenue	**661,392**	347,237
Amounts due from international carriers - net	**537,451**	905,762
Positive fair value of derivatives contracts	**2,690**	72,080
Net prepaid pension costs	**313**	885
	7,598,348	7,583,319

At 31 December, trade receivables amounting to QR1,068,765 thousand (2014: QR 982,683 thousand) were impaired and fully provided for.

Movement in the allowance for impairment of trade receivables is as follows:

	2015	*2014*
	QR'000	*QR'000*
At 1 January	**982,683**	912,443
Charge for the year	**176,264**	181,451
Amounts written off	**(30,757)**	(83,670)
Amounts recovered	**(16,172)**	-
Exchange adjustment	**(43,253)**	(27,541)
At 31 December	**1,068,765**	982,683

At 31 December 2015, the ageing of unimpaired trade receivables is as follows:

			Past due not impaired			
	Total *QR '000*	*Neither past due nor impaired* *QR '000*	*< 30days* *QR '000*	*30-60 Days* *QR '000*	*60-90 Days* *QR '000*	*> 90 days* *QR '000*
2015	**2,733,964**	**1,039,981**	**402,986**	**246,106**	**167,483**	**877,408**
2014	2,428,184	869,915	347,791	260,745	158,690	791,043

Unimpaired receivables are expected on the basis of past experience to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables and the vast majorities are therefore, unsecured.

21 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following items:

	Note	***2015*** ***QR'000***	*2014* *QR'000*
Bank balances and cash	(i),(ii)	**18,158,180**	17,437,426
Less: Restricted deposits		**(120,112)**	(121,963)
Cash and cash equivalents as per consolidated statement of cash flows at 31 December		**18,038,068**	17,315,463

(i) Bank balances and cash equivalents include fixed deposits maturing after three months amounting to QR 6,637,547 thousand (2014: QR 6,311,017 thousand). The Group is of the opinion that these fixed deposits are readily convertible to cash and is held to meet short-term commitments.

(ii) Short term deposits are made for varying periods depending on the immediate cash requirements of the Group and earn interest on the respective short term deposit rates range from 0.35% to 10.50% (2014 : 0.25% to 11.50%).

22 SHARE CAPITAL

	2015		*2014*	
	No of shares (000)	***QR'000***	*No of shares (000)*	*QR'000*
Authorised				
Ordinary shares of QR 10 each				
At 1 January/31 December	**500,000**	**5,000,000**	500,000	5,000,000
Issued and fully paid up				
Ordinary shares of QR 10 each				
At 1 January/31 December	**320,320**	**3,203,200**	320,320	3,203,200

23 RESERVES

a) Legal reserve
In accordance with Qatar Commercial Companies' Law No. 11 of 2015 and the Company's Articles of Association, 10% of the profit of the Company for the year should be transferred to the legal reserve until such reserves reach 50% of the issued share capital. During 2008, an amount of QR 5,494,137 thousand, being the net share premium amount arising out of the rights issue was transferred to legal reserve. During 2012, an amount of QR 5,940,145 thousand, being the net share premium amount arising out of the rights issue was transferred to legal reserve.

The reserve is not available for distribution except in the circumstances stipulated in the Companies' law and the Company's Articles of Association.

b) Fair value reserve
The fair value reserve comprises the cumulative net change in the fair value of available-for-sale investments and effective portion of qualifying cash flow hedges.

23 RESERVES (CONTINUED)

	2015 *QR'000*	*2014* *QR'000*
Fair value reserve of available for sale investments	**434,894**	881,103
Cash flow hedge reserve	**13,290**	11,459
	448,184	892,562

c) Employee benefit reserve
Employment benefit reserve is created on account of adoption of revised IAS – 19 "Employee benefits". Employee benefit reserve comprises actuarial gains / (losses) pertaining to defined benefit plans.

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

e) Other statutory reserves
In accordance with the statutory regulations of the various subsidiaries, a share of their respective annual profits should be transferred to a non-distributable statutory reserve.

24 COMPONENTS OF OTHER COMPREHENSIVE INCOME

	2015 *QR'000*	*2014* *QR'000*
Available-for-sale investments		
Gain arising during the year	**(17,530)**	207,500
Reclassification to profit or loss	**(430,595)**	(687,890)
Transferred to profit or loss on impairment	**-**	1,346
	(448,125)	(479,044)
Cash flow hedges		
Loss arising during the year	**(281)**	(361)
Deferred tax effect	**67**	43
	(214)	(318)
Employee benefit reserve		
Net movement in employee benefit reserve	**51,894**	(54,354)
Deferred tax effect	**(12,976)**	13,088
	38,918	(41,266)
Associates and joint venture		
Share of changes in fair value	**1,922**	1,352
Share of net movement in employment benefit reserve	**(3,854)**	-
	(1,932)	1,352
Translation reserves		
Foreign currency translation differences - foreign operations	**(2,434,158)**	(1,995,070)
Exchange differences transferred to profit or loss	**(6,602)**	8,825
	(2,440,760)	(1,986,245)
Other comprehensive income for the year – net of tax	**(2,852,113)**	(2,505,521)

25 LOANS AND BORROWINGS

Presented in the consolidated statement of financial position as:

	2015	*2014*
	QR'000	*QR'000*
Non-current liabilities		
Secured loan	1,237,855	553,723
Unsecured loan	12,059,359	9,117,465
Islamic Finance	4,803,386	4,745,809
Bonds	18,285,718	21,526,815
Less: Deferred financing cost	**(278,263)**	(302,591)
	36,108,055	35,641,221
Current liabilities		
Secured loan	386,265	191,953
Unsecured loan	2,323,616	2,773,430
Islamic Finance	59,658	1,813,468
Bonds	3,944,785	2,462,528
Less: Deferred financing cost	**(50,537)**	(85,870)
	6,663,787	7,155,509
	42,771,842	42,796,730

The deferred financing costs consist of arrangement and other related fees. Movement in deferred financing costs was as follows:

	2015	*2014*
	QR'000	*QR'000*
At 1 January	**388,461**	456,920
Additions during the year	**38,978**	29,165
Amortised during the year (note 8)	**(99,539)**	(99,069)
Exchange adjustment	**900**	1,445
At 31 December	**328,800**	388,461

25 LOANS AND BORROWINGS (CONTINUED)

The loans and borrowings presented in the consolidated statement of financial position consist of the following:

	Currency	*Nominal Interest / Profit rate*	*Year of maturity*	*2015 QR'000*	*2014 QR'000*
Unsecured	USD	LIBOR + 1.15%	March 2017	**3,641,500**	3,641,500
Islamic Finance	USD	LIBOR + 0.95%	May 2015	**-**	1,813,467
Unsecured	USD	LIBOR + 1.00%	May 2019	**3,641,500**	3,641,500
Unsecured	USD	LIBOR+ 0.88%	May 2020	**1,820,750**	-
Unsecured	USD	LIBOR+ 0.90%	August 2020	**546,225**	-
Bonds	USD	7.88%	June 2019	**2,184,901**	2,184,901
Bonds	USD	3.38%	October 2016	**3,641,501**	3,641,501
Bonds	USD	4.75%	February 2021	**3,641,501**	3,641,501
Bonds	USD	5.00%	October 2025	**2,731,127**	2,731,127
Bonds	USD	3.25%	February 2023	**3,641,501**	3,641,501
Bonds	USD	3.88%	January 2028	**1,820,751**	1,820,751
Bonds	USD	4.50%	January 2043	**1,820,751**	1,820,751
Islamic Finance	USD	3.04%	December 2018	**4,551,877**	4,551,877
Unsecured	USD	LIBOR + 2.00%	February 2017	**79,299**	142,738
Unsecured	USD	LIBOR + 1.80%	January 2018	**426,572**	308,080
Unsecured	TND	TMM Rate + 1.10%	June 2018	**245,480**	375,471
Unsecured	TND	TMM Rate + 1.50%	June 2019	**192,478**	224,427
Unsecured	TND	TMM Rate + 1.10%	June 2020	**32,136**	-
Unsecured	TND	TMM Rate + 0.5%	December 2016	**26,591**	-
Secured	USD	LIBOR + 5.00%	June 2019	**225,318**	259,457
Secured	USD	LIBOR + 5.25%	December 2016	**43,698**	43,698
Unsecured	USD	LIBOR + 5.85%	December 2020	**10,460**	9,986
Secured	USD	LIBOR + 3.00%	August 2015	**-**	3,277
Secured	USD	LIBOR + 5.50%	February 2016	**971**	6,798
Secured	USD	LIBOR + 5.50%	December 2016	**7,283**	14,566
Secured	USD	6.00%	January 2016	**455**	5,917
Secured	USD	LIBOR+2.00%	December 2015	**-**	5,463
Secured	USD	LIBOR + 4.60%	September 2018	**31,560**	-
Secured	USD	6.00%	March 2017	**4,853**	-
Secured	USD	LIBOR + 2.00%	May 2016	**1,821**	-
Unsecured	DZD	5.00%	December 2015	**-**	319,823
Secured	DZD	5.50%	September 2020	**1,308,161**	-
Unsecured	DZD	6.00%	June 2016	**27,200**	-
Unsecured	DZD	4.50%	November 2016	**4,592**	125,506
Unsecured	DZD	4.50%	April 2016	**34,935**	61,258
Unsecured	DZD	4.50%	June 2016	**47,369**	62,744
Unsecured	DZD	5.00%	August 2016	**37,400**	122,810
Unsecured	DZD	4.90%	October 2016	**43,982**	75,009
Unsecured	DZD	4.90%	September 2015	**-**	64,880
Unsecured	DZD	4.50%	June 2016	**20,833**	-
Unsecured	DZD	5.50%	May 2016	**17,782**	-
Unsecured	KWD	CBK discount rate	October 2016	**-**	410,021
Unsecured	KWD	CBK + 1.00%	September 2016		75,792
Unsecured	USD	LIBOR + 1.75%	December 2015	**121,383**	145,661
Unsecured	USD	LIBOR + 1.40%	November 2015	**-**	121,383

25 LOANS AND BORROWINGS (CONTINUED)

	Currency	*Nominal Interest / Profit rate*	*Year of maturity*	***2015 QR'000***		*2014 QR'000*
Unsecured	USD	LIBOR + 2.50%	December 2015	**-**		29,962
Unsecured	USD	LIBOR + 2.95%	September 2019	**139,834**		174,792
Unsecured	USD	5.69% p.a.	September 2019	**227,950**		286,416
Unsecured	USD	USD LIBOR + 0.35% p.a.	September 2019	**64,098**		80,539
Unsecured	USD	USD LIBOR + 1.05% p.a.	May 2017	**362,547**		-
Unsecured	USD	USD LIBOR + 0.90% p.a.	February 2017	**217,528**		-
Unsecured	USD	USD LIBOR+1.20% p.a	December 2016	**181,273**		-
Unsecured	USD	JIBOR +2.45% p.a	December 2016	**65,703**		-
Unsecured	USD	USD LIBOR + 0.90% p.a.	April 2017	**181,273**		-
Unsecured	USD	USD LIBOR + 1.35% p.a.	February 2017	**108,764**		-
Unsecured	IDR	JIBOR + 2.50% p.a payable monthly	February 2016	**262,811**		292,949
Unsecured	IDR	JIBOR + 2.50%	August 2018	**236,529**		-
Bonds	USD	7.38% Payable semi-annually	July 2020	**-**		2,368,784
Unsecured	USD	6 month LIBOR + 1.45%	November 2016	**14,703**		29,559
Unsecured	USD	Facility A: 6 Month LIBOR + 2.87% Facility B: Commercial Interest Reference Rate ("CIRR") + 1.66% Facility C: CIRR+ 1.64% - payable semi-annually.	Facility A: May 2016 Facility B: February 2017 Facility C: November 2017	**208,464**		373,539
Bonds	IDR	Series B 10.65% - payable quarterly	Series B: May 2017	**360,050**		401,340
Bonds (Series A) and Unsecured (Series B)	IDR	Series A 10.25% and Series B 10.80% - payable quarterly	April 2015	**-**		93,744
Bonds	IDR	Series B 11.75% – payable quarterly	Series B: December 2016	**157,686**		175,769
Islamic Finance	IDR	Series B bonds IDR 20.21 billion	Series B: December 2016	**45,203**		50,387
Bonds	IDR	Fixed rate of 8.63% p.a. payable quarterly	June 2019	**315,372**		351,538
Bonds	IDR	Fixed rate of 8.88% p.a. payable quarterly	June 2022	**394,215**		439,423
Islamic Finance	IDR	Annual Ijarah payment of IDR 25.875 billion	June 2019	**78,843**		87,885
Unsecured	IDR	3 months Jibor + 2.25%	October 2016	**197,108**		219,712
Unsecured	IDR	10% payable quarterly	December 2018	**210,248**		263,654
Unsecured	IDR	3month Jibor +1.25%	December 2016	**144,546**		190,416

25 LOANS AND BORROWINGS (CONTINUED)

	Currency	*Nominal Interest / Profit rate*	*Year of maturity*	*2015 QR'000*	*2014 QR'000*
Unsecured	IDR	Jibor +2.50%	October 2017	**91,984**	102,532
Unsecured	IDR	1 month Jibor +1.50%	October 2016	**65,703**	73,237
Unsecured	IDR	3 months Jibor +2.45%	December 2017	**26,281**	29,295
Unsecured	IDR	1 month Jibor +2.50%	June 2016	**315,372**	175,770
Bonds	IDR	10.00%	December 2017	**249,670**	278,301
Bonds	IDR	10.30%	December 2019	**197,108**	219,713
Bonds	IDR	10.50%	December 2021	**65,703**	73,237
Bonds	IDR	10.70%	December 2024	**94,612**	105,461
Bonds	IDR	10.00%	December 2018	**52,825**	-
Bonds	IDR	10.25%	December 2020	**79,106**	-
Bonds	IDR	10.60%	December 2022	**34,165**	-
Bonds	IDR	11.20%	December 2025	**42,575**	-
Bonds	IDR	8.55%	June 2016	**145,597**	-
Bonds	IDR	9.25%	June 2018	**205,518**	-
Bonds	IDR	10.00%	June 2020	**153,481**	-
Bonds	IDR	10.25%	June 2022	**88,567**	-
Bonds	IDR	10.40%	June 2025	**112,220**	-
Islamic Finance	IDR	10.00%	December 2017	**16,820**	18,750
Islamic Finance	IDR	10.30%	December 2019	**4,205**	4,687
Islamic Finance	IDR	10.50%	December 2021	**28,909**	32,224
Islamic Finance	IDR	10.60%	December 2022	**17,083**	-
Islamic Finance	IDR	11.20%	December 2025	**10,775**	-
Islamic Finance	IDR	8.55%	June 2016	**14,454**	-
Islamic Finance	IDR	9.25%	June 2018	**19,974**	-
Islamic Finance	IDR	10.00%	June 2020	**17,608**	-
Islamic Finance	IDR	10.25%	June 2022	**11,301**	-
Islamic Finance	IDR	10.40%	June 2025	**45,992**	-
Unsecured	IDR	10.50%	November 2017	**-**	4,614
Unsecured	IDR	2.00%	April 2018	**184**	205
Unsecured	IDR	2.00%	August 2018	**92**	102
Unsecured	USD	NIL	On demand	**41,513**	41,513
				43,100,642	43,185,191
Less: Deferred financing costs				**(328,800)**	(388,461)
				42,771,842	42,796,730

(i) Loans and borrowings are availed for general corporate purposes or specific purposes which include purchase of telecommunication and related equipment, financing working capital requirements and repayment or refinancing of existing borrowing facilities.

(ii) Secured loans and borrowings are secured against property plant and equipment and cash collateral.

(iii) Bonds are listed on London, Irish, Singapore and Indonesia Stock Exchanges.

(iv) Islamic Finance includes notes issued under Sukuk Trust Programme on the Irish and Indonesia Stock Exchange.

26 EMPLOYEE BENEFITS

	2015	*2014*
	QR'000	*QR'000*
Employees' end of service benefits	**409,673**	378,068
Post-retirement health care plan	**139,156**	183,083
Cash settled share based payments	**245,990**	279,751
Defined benefit pension plan/Labour Law No. 13/2003	**88,428**	88,166
Other employee benefits	**11,268**	10,164
Total employee benefits	**894,515**	939,232
Current portion of cash settled share based payments (note 28)	**(82,373)**	(101,774)
Employee benefits – non current	**812,142**	837,458

Movement in the provision for employee benefits are as follows:

	2015	*2014*
	QR'000	*QR'000*
At 1 January	**939,232**	817,240
Provided during the year	**191,380**	276,458
Paid during the year	**(155,859)**	(183,100)
Other comprehensive income	**(48,548)**	41,194
Exchange adjustment	**(31,690)**	(12,560)
At 31 December	**894,515**	939,232

The details of the benefit plans operated by one of the Group's subsidiaries are as follows:

Plan A - Post-retirement healthcare plan

The subsidiary provides post-retirement healthcare benefits to its employees who leave after the employees fulfill the early retirement requirement. The immediate family of employees who have been officially registered in the records of the Company are also eligible to receive benefits.

Plan B - Defined Benefit Pension Plan - Labour Law No. 13/2003

Indosat Ooredoo, Lintasarta and IMM also accrue benefits under Indonesian Labor Law No. 13/2003 ("Labor Law") dated 25 March 2003. Their employees will receive the benefits under this law or the defined benefit pension plan, whichever amount is higher.

Plan C - Defined Benefit Pension Plan

The subsidiaries, Indosat Ooredoo, Satelindo and Lintasarta provide defined benefit pension plans to their respective employees under which pension benefits to be paid upon retirement. A state-owned life insurance company, PT Asuransi Jiwasraya ("Jiwasraya") manages the plans. Pension contributions are determined by periodic actuarial calculations performed by Jiwasraya.

Based on the agreement, a participating employee will receive:

- Expiration benefit equivalent to the cash value at the normal retirement age, or
- Death benefit not due to accident equivalent to 100% of insurance money plus cash value when the employee dies not due to accident, or

Death benefit due to accident equivalent to 200% of insurance money plus cash value when the employee dies due to accident.

26 EMPLOYEE BENEFITS (CONTINUED)

Actuarial assumptions

The actuarial valuations were prepared by an independent actuary, using the projected-unit-credit method, the following were the principal actuarial assumptions at the reporting date.

		2015			2014	
	Plan A	**Plan B**	**Plan C**	Plan A	Plan B	Plan C
Annual discount rate	**9.5%**	**8.5%**	**9.0% - 9.25%**	9.0%	9 and 9.5%	8.0% -8.5%
Ultimate cost trend rate	**6.0%**	**-**	**-**	6.0%	-	-
Next year trend rate	**16.0%**	**-**	**-**	6.0%	-	-
Period to reach ultimate cost trend rate	**10 Year**	**-**	**-**	0 Year	-	-
Increase in compensation	**-**	**7.5%**	**3.0%-9.0%**	-	7.5 and 8.5%	3.0% - 9.0%
Mortality rate	**-**	**-**	**TMI 2011**	-	-	TMI 2011

Movement in net defined benefit (asset) / liability

The following table shows the reconciliation from the opening balances to the closing balances for net defined benefit liability (asset) and its components.

		2015			2014	
	Plan A *QR'000*	**Plan B** *QR'000*	**Plan C** *QR'000*	Plan A *QR'000*	Plan B *QR'000*	Plan C *QR'000*
At 1 January	**187,648**	**90,075**	**(26,293)**	144,382	73,272	(38,196)
Included in profit or loss						
Interest cost	**15,535**	**7,031**	**(1,963)**	13,896	6,999	(3,323)
Service cost	**5,600**	**8,803**	**7,187**	4,885	7,913	7,719
Curtailment gain	**(3,565)**	**-**	**-**	(3,007)	(649)	259
Immediate recognition of past service cost – vested benefit	**-**	**2,952**	**1,048**	-	1,944	83
Cost of employee transfer	**-**	**-**	**-**	153	(57)	-
	17,570	**18,786**	**6,272**	15,927	16,150	4,738
Included in other comprehensive income						
Other comprehensive income	**(41,431)**	**(7,117)**	**(3,346)**	35,742	5,452	13,160
Other movements						
Contribution	**-**	**-**	**(338)**	-	-	(3,156)
Benefit payment	**(2,383)**	**(1,397)**	**-**	(4,613)	(2,488)	-
Refund	**-**	**-**	**147**	-	-	429
Exchange adjustment	**(19,859)**	**(9,861)**	**(1,564)**	(3,790)	(2,311)	(3,268)
	(22,242)	**(11,258)**	**(1,755)**	(8,403)	(4,799)	(5,995)
At 31 December	**141,545**	**90,486**	**(25,122)**	187,648	90,075	(26,293)
Current portion	**2,389**	**2,058**	**(313)**	4,565	1,909	(885)
Non-current portion	**139,156**	**88,428**	**(24,809)**	183,083	88,166	(25,408)

26 EMPLOYEE BENEFITS (CONTINUED)

Plan assets comprises of time deposits, debt securities, long-term investment in shares of stock and property as follows:

	2015	*2014*
Investments in:		
- Shares of stocks and properties	**30.22%**	45.90%
- Mutual fund	**44.58%**	43.92%
- Time deposits	**17.33%**	8.40%
- Debt securities	**7.66%**	1.75%
- Others	**0.21%**	0.03%

27 OTHER NON-CURRENT LIABILITIES

	2015 ***QR'000***	*2014* *QR'000*
Communications and Media Commission ("CMC"), Iraq	**-**	279,485
Ministry of Communication and Technology ('MOCIT'), Indonesia	**74,568**	165,993
Ministry of Telecommunications and Information Technology, Palestine	**197,903**	197,903
Post and Telecommunications Department, Ministry of Information and Technology, Myanmar	**-**	919,479
Site restoration provision	**69,721**	63,938
Finance lease liabilities (note 31)	**906,475**	1,066,404
Deferred gain on finance leases	**206,971**	272,026
Others	**560,695**	692,945
	2,016,333	3,658,173

28 TRADE AND OTHER PAYABLES

	2015 ***QR'000***	*2014* *QR'000*
Trade payables	**4,978,058**	4,451,146
Accrued expenses	**5,788,466**	6,335,568
Interest payable	**400,198**	448,206
Profit payable on islamic financing obligation	**12,416**	11,469
License costs payable	**1,284,734**	1,610,276
Amounts due to international carriers -net	**623,650**	605,046
Negative fair value of derivatives	**138,019**	17,075
Finance lease liabilities (note 31)	**138,590**	126,914
Cash settled share based payments (note 26)	**82,373**	101,774
Other payables	**3,797,045**	3,290,571
	17,243,549	16,998,045

29 DIVIDEND

Dividend paid and proposed

	2015	*2014*
	QR'000	*QR'000*
Declared, accrued and paid during the year		
Final dividend for 2014, QR 4 per share (2013 : QR 4 per share)	**1,281,280**	1,281,280
Proposed for approval at Annual General Meeting		
(not recognised as a liability as at 31 December)		
Final dividend for 2015, QR 3 per share		
(2014 : QR 4 per share)	**960,960**	1,281,280

The proposed final dividend will be submitted for formal approval at the Annual General Meeting.

30 DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives not designated as hedging instruments

The Group uses cross currency swap contracts, currency forward contracts and interest rate swaps to manage some of the currency transaction exposure and interest rate exposure. These contracts are not designated as cash flow, fair value or net investment hedges and are accounted for as derivative financial instruments:

	Notional amounts	
	2015	*2014*
	QR'000	*QR'000*
Currency forward contracts	**1,269,225**	1,582,883
Interest rate swaps	**86,534**	259,410
Fair value hedge	**304,633**	304,559
	1,660,392	2,146,852

	Fair values			
	2015		*2014*	
	Positive	***Negative***	*Positive*	*Negative*
	QR'000	***QR'000***	*QR'000*	*QR'000*
Currency forward contracts	**-**	**72,908**	22,260	1,444
Interest rate swaps	**-**	**4,936**	-	7,909
Fair value hedge	**2,246**	**60,046**	48,354	6,852
	2,246	**137,890**	70,614	16,205

Cash flow hedges

At 31 December 2015, the Group has several interest rates swap and basis swap agreements with a view to limit its floating interest rate exposure on its term loans. Under the interest rate swap arrangements, the Group will pay an agreed fixed interest rate and receive floating interest rates based on USD LIBOR.

The swap arrangements qualify for hedge accounting under IAS 39, the hedging relationship and objective, including details of the hedged items and hedging instruments are formally documented as the transactions are accounted as cash flow hedges.

30 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Cash flow hedges (continued)
The table below shows the positive and negative fair values of derivative financial instruments held as cash flow hedges together with the notional amounts:

	Negative fair value	*Positive fair value*	*Notional Amounts*
	QR'000	*QR'000*	*QR'000*
Interest rate swaps			
31 December 2015	**129**	**444**	**571,961**
31 December 2014	870	1,466	207,811

31 COMMITMENTS

Capital expenditure commitments

	2015	*2014*
	QR'000	*QR'000*
Estimated capital expenditure contracted for at the end of the financial reporting year but not provided for:	**4,366,324**	4,803,664

Operating lease commitments

	2015	*2014*
	QR'000	*QR'000*
Future minimum lease payments:		
Not later than one year	**418,559**	284,617
Later than one year and not later than five years	**1,690,402**	1,009,745
Later than five years	**2,700,587**	998,799
Total operating lease expenditure contracted for at 31 December	**4,809,548**	2,293,161

Finance lease commitments

	2015	*2014*
	QR'000	*QR'000*
Amounts under finance leases		
Minimum lease payments		
Not later than one year	**245,988**	254,229
Later than one year and not later than five years	**874,853**	948,486
Later than five years	**319,034**	523,149
	1,439,875	1,725,864
Less: unearned finance income	**(394,810)**	(532,546)
Present value of minimum lease payments	**1,045,065**	1,193,318

		2015	*2014*
		QR'000	*QR'000*
Present value of minimum lease payments	*Note*		
Current portion	28	**138,590**	126,914
Non-current portion	27	**906,475**	1,066,404
		1,045,065	1,193,318

32 CONTINGENT LIABILITIES

	2015 QR'000	2014 QR'000
Letters of guarantees	**874,020**	946,070
Letters of credit	**167,801**	200,041
Claims against the Group not acknowledged as debts	**12,652**	1,647

Litigation and claims

The Group is from time to time a party to various legal actions and claims arising in the ordinary course of its business. The Group does not believe that the resolution of these legal actions and claims will, individually or in the aggregate, have a material adverse effect on its financial condition or results of operations, except as noted below.

(a) Proceedings against PT Indosat Mega Media relating to misuse of radio frequencies

In early 2012, the Attorney General's Office in Jakarta (the "AGO") initiated corruption proceedings against PT Indosat Mega Media ("IM2"), a 99 per cent owned subsidiary of PT Indosat Tbk., a subsidiary of the Group, for unlawful use of a radio frequency band allocation that had been granted to Indosat.

On 8 July 2013, the Indonesia Corruption Court imposed a fine of QR 474 million (USD 130 million) against IM2 in a related case against the former President Director of IM2. Both the former President Director of IM2 and the AGO lodged appeals to the Jakarta High Court. A written decision of the Supreme Court was received in January 2015 which confirmed that the Supreme Court had upheld the former President Director's of IM2 prison sentence of eight years and that the fine against IM2 of approximately USD 130 million had been reinstated.

On March 16, 2015, the former President Director's of IM2 submission of judicial review was officially registered at the Corruption Court. Since the Criminal Case Verdict and the Administrative Case Verdict were contradictory, BPKP (State Audit Bureau) filed on 16 March, 2015 a Judicial Review on the Administrative Case in order to annul the previous Administrative Case Verdict. Due to the BPKP's Judicial Review, on 13 October, 2015 the Supreme Court has issued a verdict (on Administrative Case) which stated that the BPKP audit report held by BPKP is valid.

On the Supreme Court's official website, the Supreme Court on 4 November, 2015 issued a verdict (on Criminal Case) that rejected the Judicial Review submitted by the former President Director of IM2. To date PT Indosat Tbk. has not yet received the official copy of the verdict. PT Indosat Tbk. is preparing a second judicial review for the Criminal Case.

lndosat and IM2 have constituted provisions, and Ooredoo has included a provision in its accounts.

(b) Tax demand notices against Asiacell

As at the reporting date, one of the Group's subsidiaries, Asiacell Communication PJSC ("ACL") was subject to tax demand notice by the General Commission for Taxes, Iraq (the "GCT") for the years 2004 to 2007 for an amount of QR 245.0 million and a further tax demand notice by the GCT for the years 2008, 2009-2010 for an amount of QR 141.0 million and QR 244.0 million respectively relating to corporate income tax.

Asiacell has raised an objection against each of these claims and has paid all the above amounts under protest to comply with the requirements of tax laws in Iraq.

The Group has set up adequate provision against these claims and management is of the view that ACL has strong grounds to challenge each of these claims.

(c) Proceedings against Asiacell relating to regulatory fee

On 10 June 2014, the Communications and Media Commission (CMC) issued a letter notifying the Company that the structure of the Company in relation to ownership of the shares in its capital does not fulfill the License requirements as an Iraqi Company to pay 15% of its gross revenue as a regulatory fee, as per license agreement.

32 CONTINGENT LIABILITIES (CONTINUED)

(c) Proceedings against Asiacell relating to regulatory fee (continued)

Consequently the CMC requested the Company to pay a regulatory fee of 18% of gross revenues instead of 15%. The amount requested by CMC was QR 276 million (USD 76 million) from the period that the CMC is claiming that the Iraqi ownership had changed until the end of first half of 2013. The Company has made an appeal against this claim. On 11 November 2014, the CMC issued a letter notifying the Company that they revised the claim relating to the additional 3% and that the total new amount from June 2012 to 30 June 2014 should be equal to QR 370.7 million (USD 101.8 million). The Company has a full provision against this claim amounting to QR 598.8 million (USD 164.4 million). In January 2016, the Erbil Court of Cassation has issued a final decision in favor of the company.

On 4th February 2016, the CMC sent a letter for restricted use of certain bank accounts of Asiacell , for CMC's benefit. This is against a disputed amount for which the company already has a court decision in their favor.

(d) Proceedings against Asiacell relating to frequency spectrum fee

On 10 September 2014, the Communication and Media Commission (CMC) issued a letter notifying the Company to pay frequency spectrum usage fees of QR 239.1 million (USD 65.5 million) for the period from the date frequencies were allocated to the Company to 31 December 2013. The Company has made an appeal against this claim. The CMC has not provided the method of calculation and the Company is disputing the basis for its calculation.

On 29 January 2015, the appeal panel issued a decision in relation to the objection filed by the Company. The decision was to dismiss the claim issued by the CMC's general manager and to recalculate the frequency spectrum usage fees based on the appeal panel recommendations.

Up to the date of issuance of the Company's financial statements, the new claim amount as per the appeal panel recommendations has not yet been determined. The Company has a total provision for the period from the date frequencies were allocated to the Company to 31 December 2015 of QR 207.0 million (USD 57.0 million), which is sufficient at this current stage.

(e) Deduction disallowed in corporate income tax assessment

On November 20, 2014, Indosat received an assessment letter of tax overpayment ("SKPLB") from the DGT where, the DGT made a correction totaling QR 88 million, which decreased the tax loss carried forward as of December 31, 2012. On February 18, 2015, Indosat submitted an objection letter to the Tax Office regarding the above correction. The tax objection was declined by the Tax Authority, however, Indosat is preparing to file an appeal with the Tax Court.

On December 27, 2013, Indosat received the assessment letter on tax underpayment ("SKPKB") from the DGT for Indosat's 2007 and 2008 corporate income tax amounting to QR 29 million and QR 25.5 million, respectively, which was paid on January 24, 2014. On March 20, 2014, Indosat submitted objection letters to the Tax Office regarding this correction on Indosat's 2007 and 2008 corporate income tax amounting to QR 32.3 million and QR 28.5 million, respectively. The tax objection was declined by the Tax Authority and Indosat has filed an appeal with the Tax Court.

(f) Withholding tax deducted by Indosat at lower rate

On November 20, 2014, Indosat received SKPLBs from the DGT for Indosat's 2012 income tax article 26 amounting to QR 82 million (including penalties). On February 18, 2015, Indosat submitted an objection letters to the Tax Office regarding the correction that was declined by the Tax Authorities. Indosat is preparing to file an appeal with the Tax Court.

33 FINANCIAL RISK MANAGEMENT

Objectives and policies
The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, finance leases, and trade payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade receivables, investments and cash and short-term deposits, which arise directly from its operations.

The Group also enters into derivative transactions, primarily interest rate swaps, cross currency swaps and forward currency contracts. The purpose is to manage the interest rate and currency risks arising from the Group's operations and its sources of finance.

The main risks arising from the Group's financial instruments are market risk, credit risk, liquidity risk and operational risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:

Market risk
Market risk is the risk that changes in market prices, such as interest rates, foreign currency exchange rates and equity prices will affect the Group's profit, equity or value of its holding of financial instruments. The objective of market risk management is to manage and control the market risk exposure within acceptable parameters, while optimizing return.

Interest rate risk
The Group's financial assets and liabilities that are subject to interest rate risk comprise bank deposits, loans receivable, available-for-sale debt instruments, loans and borrowings. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's financial assets and liabilities with floating interest rates and fixed interest instruments maturing within three months from the end of the financial reporting year.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Group enters into interest rate swaps, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon notional amount. The swaps are designated to hedge underlying debt obligations. At 31 December 2015, after taking into the effect of interest rate swaps, approximately 66%of the Group's borrowings are at a fixed rate of interest (2014: 71%).

The following table demonstrates the sensitivity of the consolidated statement of profit or loss and equity to reasonably possible changes in interest rates by 25 basis points, with all other variables held constant. The sensitivity of the consolidated statement of profit or loss and equity is the effect of the assumed changes in interest rates for one year, based on the floating rate financial assets and financial liabilities held at 31 December. The effect of decreases in interest rates is expected to be equal and opposite to the effect of the increases shown.

	Consolidated statement of profit or loss +25b.p QR'000	*Equity +25 b p QR'000*
At 31 December 2015		
USD LIBOR	**(28,280)**	**1,430**
Others	**(8,151)**	**-**
At 31 December 2014		
USD LIBOR	(25,582)	520
Others	(5,424)	-

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities and the Group's net investment in foreign subsidiaries.

The Group had the following significant net exposure denominated in foreign currencies.

	2015	*2014*
	QR'000	*QR'000*
	Assets	*Assets*
	(Liabilities)	*(Liabilities)*
Indonesian Rupiah (IDR)	**6,012,239**	5,545,615
Kuwaiti Dinar (KD)	**9,873,226**	9,144,786
US Dollars (USD)	**(2,512,749)**	(4,210,966)
Euro (EUR)	**(31,273)**	154,395
Great British Pounds (GBP)	**(2,984)**	(7,051)
Tunisian Dinar (TND)	**134,331**	206,364
Algerian Dinar (DZD)	**(2,201,692)**	(2,414,783)
Iraqi Dinar (IQD)	**(896,819)**	(654,213)
Others	**1,838**	(4,342)

The US Dollar denominated balances are not considered to represent a significant currency risk as Qatari Riyal is pegged to US Dollar.

The following table demonstrates the sensitivity to consolidated statement of profit or loss and equity for a reasonably possible change in the following currencies against Qatari Riyal, with all other variables held constant, of the Group's profit due to changes in the fair value of monetary assets and liabilities and the Group's equity on account of translation of foreign subsidiaries. The effect of decreases in foreign exchange rates is expected to be equal and opposite to the effect of the increases shown:

	Effect on consolidated statement of profit or loss		*Effect on equity*	
	2015	*2014*	***2015***	*2014*
	+ 10%	*+10%*	***+ 10%***	*+10%*
	QR'000	*QR'000*	***QR'000***	*QR'000*
Indonesian Rupiah (IDR)	**-**	-	**601,224**	554,562
Kuwaiti Dinar (KD)	**-**	-	**987,323**	914,479
Tunisian Dinar (TND)	**-**	-	**13,433**	20,636
Algerian Dinar (DZD)	**-**	-	**(220,169)**	(241,478)
US Dollars (USD)	**(251,275)**	(421,097)	**-**	-
Euro (EUR)	**(3,127)**	15,440	**-**	-
Great British Pounds (GBP)	**(298)**	(705)	**-**	-
Iraqi Dinar (IQD)	**(89,682)**	(65,421)	**-**	-

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

Equity price risk

The following table demonstrates the sensitivity of the fair value reserve to reasonably possible changes in quoted equity share prices, with all other variables held constant. The effect of decreases in equity prices is expected to be equal and opposite to the effect of the increases shown.

	Changes in equity indices	*Effect on equity QR'000*
2015		
Qatar Exchange (QE)	**10%**	**483**
Kuwait Stock Exchange (KSE)	**15%**	**569**
Indonesia Stock Exchange (IDX)	**10%**	**922**
2014		
Qatar Exchange (QE)	+10%	921
Kuwait Stock Exchange (KSE)	+15%	611
Indonesia Stock Exchange (IDX)	+10%	-

The Group also has unquoted investments carried at cost where the impact of changes in equity prices will only be reflected when the investment is sold or deemed to be impaired, when the consolidated statement of profit or loss will be impacted.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group's exposure to credit risk is as indicated by the carrying amount of its assets which consist principally of trade receivables, bank balances, available-for-sale debt instruments and loans receivable and positive fair value of derivatives.

The Group provides telecommunication services to various parties. It is the Group's policy that all customers who wish to obtain on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the purchase of service limits are established for each customer, which are reviewed regularly based on the level of past transactions and settlement. The Group's maximum exposure with regard to the trade receivables net of allowance for impairment as at 31 December is as follows:

	2015 QR'000	*2014 QR'000*
Qatar	**1,090,958**	888,126
Other countries	**1,643,006**	1,540,058
	2,733,964	2,428,184

With respect to credit risk arising from the other financial assets of the Group, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments are as follows:

	2015 QR'000	*2014 QR'000*
Bank balances (excluding cash)	**18,054,582**	17,280,460
Positive fair value of derivatives	**2,690**	72,080
Amounts due from international carriers	**537,451**	905,762
Unbilled subscriber revenue	**661,392**	347,237
	19,256,115	18,605,539

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)
The Group reduces the exposure of credit risk arising from bank balances by maintaining bank accounts in reputed banks, 67% of bank balances represents balances maintained with local banks in Qatar with a rating of atleast BBB+. Credit risk arising from derivative financial instruments is at any time, limited to those with positive fair values, as recorded on the consolidated statement of financial position. With gross settled derivatives, the Group is also exposed to settlement risk.

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of Groups own reserves and bank facilities. The Group's terms of sales require amounts to be paid within 30 days from the invoiced date. The table below summarizes the maturity profile of the Group's financial liabilities at 31 December based on contractual undiscounted payments:

	Less than 1 year QR'000	***1 to 2 years QR'000***	***2 to 5 years QR'000***	***> 5 years QR'000***	***Total QR'000***
At 31 December 2015					
Loans and borrowings	**8,573,202**	**7,780,319**	**18,621,429**	**17,460,203**	**52,435,153**
Trade payables	**4,978,058**	**-**	**-**	**-**	**4,978,058**
License costs payable	**1,285,213**	**64,135**	**256,694**	**-**	**1,606,042**
Finance lease liabilities	**245,989**	**244,458**	**874,328**	**75,100**	**1,439,875**
Other financial liabilities	**844,042**	**233,338**	**-**	**-**	**1,077,380**
	15,926,504	**8,322,250**	**19,752,451**	**17,535,303**	**61,536,508**

	Less than 1 year QR'000	*1 to 2 years QR'000*	*2 to 5 years QR'000*	*> 5 years QR'000*	*Total QR'000*
At 31 December 2014					
Loans and borrowings	9,089,483	6,376,517	20,050,643	17,605,064	53,121,707
Trade payables	4,451,146	-	-	-	4,451,146
License costs payable	1,668,689	1,297,057	341,782	-	3,307,528
Finance lease liabilities	254,229	239,095	709,391	523,149	1,725,864
Other financial liabilities	723,895	241,915	-	-	965,810
	16,187,442	8,154,584	21,101,816	18,128,213	63,572,055

Capital management
The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group makes adjustments to its capital structure, in light of changes in economic and business conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31 December 2015 and 31 December 2014.

Capital includes share capital, legal reserve, other statutory reserves and retained earnings and is measured at QR 26,888,102 thousand at 31 December 2015 (2014: QR 26,081,449 thousand).

34 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair values

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are carried in the consolidated financial statements:

	Carrying amounts		*Fair values*	
	2015	*2014*	***2015***	*2014*
	QR'000	*QR'000*	***QR'000***	*QR'000*
Financial assets				
Available-for-sale investments	**747,196**	1,627,146	**747,196**	1,627,146
Trade and other receivables	**3,935,497**	3,753,263	**3,935,497**	3,753,263
Bank balances and cash	**18,158,180**	17,437,426	**18,158,180**	17,437,426
Financial liabilities				
Loans and borrowings	**43,100,642**	43,185,191	**41,079,267**	40,926,677
Other non-current liabilities	**272,471**	1,562,860	**272,471**	1,562,860
Finance lease liabilities	**1,045,065**	1,193,318	**1,045,065**	1,193,318
Trade and other payables	**11,316,493**	10,535,563	**11,316,493**	10,535,563
Income tax payable	**693,200**	570,044	**693,200**	570,044

The following methods and assumptions were used to estimate the fair values.

- Cash and short-term deposits, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

- Long-term fixed-rate and variable-rate receivables are evaluated by the Group based on parameters such as interest rates, specific country risk factors, and individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. At the end of the reporting period, the carrying amounts of such receivables, net of allowances, approximate their fair values.

- Fair value of quoted investments is based on price quotations at the end of the reporting period. The fair value of unquoted investments, loans from banks and other financial indebtedness, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates applicable for similar risks and maturity profiles. Fair values of unquoted financial assets are estimated using appropriate valuation techniques.

- The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps, foreign exchange forward contracts and currency swaps. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counter parties, foreign exchange spot and forward rates and interest rate curves.

34 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

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

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

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

Financial assets

	2015 QR'000	***Level 1 QR'000***	***Level 2 QR'000***	***Level 3 QR'000***
Available- for- sale investments	**711,692**	**17,846**	**693,846**	**-**
Derivative financial instruments	**2,690**	**-**	**2,690**	**-**
	714,382	**17,846**	**696,536**	**-**

	2014 QR'000	*Level 1 QR'000*	*Level 2 QR'000*	*Level 3 QR'000*
Available- for- sale investments	1,590,279	13,278	1,577,001	-
Derivative financial instruments	72,080	-	72,080	-
	1,662,359	13,278	1,649,081	-

Financial liabilities

	2015 QR'000	***Level 1 QR'000***	***Level 2 QR'000***	***Level 3 QR'000***
Derivative financial instruments	**138,019**	**-**	**138,019**	**-**

	2014 QR'000	*Level 1 QR'000*	*Level 2 QR'000*	*Level 3 QR'000*
Derivative financial instruments	17,075	-	17,075	-

35 RELATED PARTY DISCLOSURES

Related party transactions and balances
Related parties represent associated companies including Government and semi Government agencies, associates, major shareholders, directors and key management personnel of the Group, and companies of which they are principal owners. In the ordinary course of business the Group enters into transactions with related parties. Pricing policies and terms of transactions are approved by the Group's management. The Group enters into commercial transactions with Government related entities in the ordinary course of business in terms of providing telecommunication services, placement of deposits and obtaining credit facilities etc.

a) Transactions with Government and related entities
The Group enters into commercial transactions with other Government related entities in the ordinary course of business which includes providing telecommunication services, placement of deposits and obtaining credit facilities. All these transactions are at arm's length and in the normal course of business.

b) Transactions with Directors and other key management personnel
Key management personnel comprise the Board of Directors and key members of management having authority and responsibility of planning, directing and controlling the activities of the Group.

Directors' remuneration including committee fees of QR 17,560 thousand was proposed for the year ended 31 December 2015 (2014: QR 16,940 thousand). The compensation and benefits related to key management personnel amounted to QR 291,398 thousand (2014: QR 280,330 thousand) and end of service benefits amounted to QR 20,892 thousand (2014: QR 30,463 thousand). The remuneration to the Board of Directors has been included under the caption "employee salaries and associated costs" in Selling, general and administration expenses in note 6.

36 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Impairment of non-financial assets
The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill and other indefinite life intangibles are tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Useful lives of property, plant and equipment and investment property
The Group's management determines the estimated useful lives of its property, plant and equipment and investment property for calculating depreciation. This estimate is determined after considering the expected usage of the asset, physical wear and tear, technical or commercial obsolescence.

Useful lives of intangible assets
The Group's management determines the estimated useful lives of its intangible assets for calculating amortisation. This estimate is determined after considering the expected usage of the asset, technical or commercial obsolescence.

Classification of investment securities
On acquisition of an investment security, the Group decides whether it should be classified as "investments at fair value through consolidated statement of profit or loss" or "available-for-sale". The Group follows the guidance of IAS 39 on classifying its investments. All investments are classified as "available-for-sale".

Provision and contingent liabilities
The Group's management determines provision on best estimate of the expenditure required to settle the present obligation as a result of the past event at the reporting date.

The Group's management measures contingent liabilities as a possible obligation depending on whether some uncertain future event occurs or a present obligation but payment is not probable or the amount cannot be measured reliably.

36 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Classification of associates, joint ventures and subsidiaries
The appropriate classification of certain investments as subsidiaries, associates and joint ventures requires significant analysis and management judgement as to whether the Group exercises control, significant influence or joint control over these investments. This may involve consideration of a number of factors, including ownership and voting rights, the extent of Board representation, contractual arrangements and indicators of de fact control.

Changes to these indicators and management's assessment of the power to control or influence may have a material impact on the classification of such investments and the Group's consolidated financial position, revenue and results.

Impairment of available-for-sale equity investments
The Group treats available-for-sale equity investments as impaired when there has been a significant or prolonged decline in fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires considerable judgment. The Group treats "significant" generally as 20-30% or more and 'prolonged' greater than nine (9) months. In addition, the Group evaluates other factors, including normal volatility in share price for quoted equities and the future cash flows and the discount factors for unquoted equities.

Fair value of unquoted equity investments
Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Deferred tax assets
Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Impairment of inventories
Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts, this estimation is performed on an individual basis. Inventories which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

Impairment of trade receivables
An estimate of the collectible amount of trade receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

Presentation: gross versus net
When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the Group and its business partners are reviewed to determine each party's respective role in the transaction.

Where the Group's role in a transaction is that of principal, revenue is recognised on a gross basis. This requires revenue to comprise the gross value of the transaction billed to the customer, after trade discounts, with any related expenditure charged as an operating cost.

Where the Group's role in a transaction is that of an agent, revenue is recognised on a net basis with revenue representing the margin earned.

36 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Business combinations
The recognition of business combinations requires the excess of the purchase price of acquisitions over the net book value of assets acquired to be allocated to the assets and liabilities of the acquired entity.

The Group makes judgements and estimates in relation to the fair value allocation of the purchase price. If any unallocated portion is positive it is recognised as goodwill and if negative, it is recognised in the consolidated statement of profit or loss.

Licences and spectrum fees
The estimated useful life is generally the term of the licence unless there is a presumption of renewal at negligible cost. Using the licence term reflects the period over which the Group will receive economic benefit. For technology specific licences with a presumption of renewal at negligible cost, the estimated useful economic life reflects the Group's expectation of the period over which the Group will continue to receive economic benefit from the licence. The economic lives are periodically reviewed taking into consideration such factors as changes in technology. Historically any changes to economic lives have not been material following these reviews.

Revenue recognition – fair value determination for customer loyalty programmes
The Group estimates the fair value of points awarded under the customer loyalty programme estimating the weighted average cost for redemption of the points. Inputs to the models include making assumptions about expected redemption rates, the mix of products that will be available for redemption in the future and customer preferences.

Hedge effectiveness for cash flow hedges
Management reviews its hedging relationship between the interest rate swaps and the underlying loans on a regular basis. The fair values of the interest rate swaps and basis swaps are determined based on future expected LIBOR rates.

37 SUMMARISED FINANCIAL INFORMATION OF SUBSIDIARIES WITH MATERIAL NON – CONTROLLING INTERESTS

The following table summarizes the information relating to each of the Group's subsidiaries that have material non-controlling interests, before any intra-group eliminations:

31 December 2015	***Asiacell, Iraq QR'000***	***Ooredoo, Kuwait QR'000***	***Ooredoo, Algeria QR'000***	***Ooredoo, Tunisie QR'000***	***Indosat, Ooredoo QR'000***	***Ooredoo, Oman QR'000***
Non-current assets	**8,464,133**	**10,734,048**	**4,244,570**	**1,963,014**	**12,298,160**	**3,235,559**
Current assets	**2,348,369**	**1,558,054**	**1,122,592**	**465,979**	**2,564,643**	**664,614**
Non-current liabilities	**(585,228)**	**(61,509)**	**(1,034,322)**	**(338,923)**	**(6,119,600)**	**(317,264)**
Current liabilities	**(4,468,487)**	**(1,867,390)**	**(2,478,077)**	**(1,177,144)**	**(5,360,909)**	**(1,543,852)**
Net assets	**5,758,787**	**10,363,203**	**1,854,763**	**912,926**	**3,382,294**	**2,039,057**
Carrying amount of NCI	**2,069,758**	**817,105**	**474,784**	**145,279**	**1,388,357**	**917,576**
Revenue	**4,884,464**	**2,277,367**	**4,023,133**	**1,802,790**	**7,274,024**	**2,475,401**
Profit / (loss)	**159,077**	**212,425**	**244,122**	**146,548**	**(320,004)**	**394,164**
Profit / (loss) allocated to NCI	**57,174**	**16,749**	**62,491**	**23,321**	**(86,214)**	**177,374**

31 December 2014	*Asiacell, Iraq QR'000*	*Ooredoo, Kuwait QR'000*	*Ooredoo, Algeria QR'000*	*Ooredoo, Tunisie QR'000*	*Indosat, Ooredoo QR'000*	*Ooredoo, Oman QR'000*
Non-current assets	8,570,389	12,157,531	5,054,767	2,204,723	13,548,019	3,084,032
Current assets	2,317,868	1,065,655	1,982,408	823,036	2,520,573	571,364
Non-current liabilities	(923,641)	(55,749)	(1,174,067)	(506,563)	(5,631,519)	(347,184)
Current liabilities	(4,364,906)	(2,519,006)	(3,579,409)	(1,432,770)	(6,331,640)	(1,428,648)
Net assets	5,599,710	10,648,431	2,283,699	1,088,426	4,105,433	1,879,564
Carrying amount of NCI	2,012,584	839,594	584,584	173,207	1,635,633	845,804
Revenue	6,297,970	2,145,940	4,623,388	2,288,286	7,394,834	2,231,254
Profit / (loss)	1,031,438	(726,424)	227,864	299,458	(563,694)	329,004
Profit / (loss) allocated to NCI	370,707	(57,276)	58,329	47,654	(171,435)	148,052

38 SEGMENT INFORMATION

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

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

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

1. *Ooredoo Qatar* is a provider of domestic and international telecommunication services within the State of Qatar;

2. *Asiacell* is a provider of mobile telecommunication services in Iraq;

3. *NMTC* is a provider of mobile telecommunication services in Kuwait and elsewhere in the Middle East and North African (MENA) region;

4. *Indosat Ooredoo* is a provider of telecommunication services such as cellular services, fixed telecommunications, multimedia, data communication and internet services in Indonesia;

5. *Ooredoo Oman* is a provider of mobile and fixed telecommunication services in Oman; and

6. Others include some of the Group's subsidiaries which are providers of wireless and telecommunication services.

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

38 SEGMENT INFORMATION (CONTINUED)

Operating segments

The following tables' present revenue and profit information regarding the Group's operating segments for the year ended 31 December 2015 and 2014:

Year ended 31 December 2015

	Ooredoo Qatar QR'000	*Asiacell QR'000*	*NMTC QR'000*	*Indosat Ooredoo QR'000*	*Ooredoo Oman QR'000*	*Others QR'000*	*Adjustments and eliminations QR'000*	*Total QR'000*
Revenue								
Third party	**7,472,374**	**4,875,349**	**8,407,546**	**7,249,710**	**2,466,757**	**1,689,119**	**-**	**32,160,855**
Inter-segment	**425,007**	**9,115**	**284,445**	**24,314**	**8,644**	**166,327**	**(917,852)**	**-**
Total revenue	**7,897,381**	**4,884,464**	**8,691,991**	**7,274,024**	**2,475,401**	**1,855,446**	**(917,852)**	**32,160,855**
Results								
Segment profit / (loss) before tax	**2,409,885**	**572,681**	**1,022,308**	**(483,621)**	**531,591**	**(644,563)**	**(783,332)**	**2,624,949**
Depreciation and amortisation	**783,624**	**1,412,311**	**1,717,680**	**2,499,039**	**542,532**	**539,077**	**451,097**	**7,945,360**
Net finance costs	**1,010,380**	**51,398**	**148,379**	**785,273**	**23,423**	**(2,055)**	**-**	**2,016,798**

38 SEGMENT INFORMATION (CONTINUED)

Year ended 31 December 2014

	Ooredoo Qatar QR'000	*Asiacell QR'000*	*NMTC QR'000*	*Indosat Ooredoo QR'000*	*Ooredoo Oman QR'000*	*Others QR'000*	*Adjustments and Eliminations QR'000*		*Total QR'000*
Revenue									
Third party	7,087,048	6,288,658	9,504,045	7,367,737	2,223,043	736,678	-		33,207,209
Inter-segment	60,994	9,312	74,163	27,097	8,211	112,373	(292,150)	(i)	-
Total revenue	7,148,042	6,297,970	9,578,208	7,394,834	2,231,254	849,051	(292,150)		33,207,209
Results									
Segment profit / (loss) before tax	2,061,281	1,553,533	1,139,112	(588,516)	443,787	(1,059,498)	(469,241)	(ii)	3,080,458
Depreciation and amortisation	748,597	1,205,656	1,838,548	2,651,605	471,678	240,984	469,241	(iii)	7,626,309
Net finance costs	1,111,876	41,157	98,400	764,600	22,879	(7,068)	-		2,031,844

Note:

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

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

	2015 QR'000	*2014 QR'000*
Amortisation of intangibles	**(451,097)**	(469,241)
Impairment of goodwill	**(332,235)**	-
	(783,332)	(469,241)

(iii) Amortisation relating to additional intangibles identified from business combination was not considered as part of segment expense.

38 SEGMENT INFORMATION (CONTINUED)

The following table presents segment assets of the Group's operating segments as at 31 December 2015 and 2014.

	Ooredoo Qatar QR'000	*Asiacell QR'000*	*NMTC QR'0000*	*Indosat Ooredoo QR'000*	*Ooredoo Oman QR'000*	*Others QR'000*	*Adjustments and Eliminations QR'000*	*Total QR'000*
Segment assets (i)								
At 31 December 2015	**21,075,725**	**10,661,121**	**22,842,380**	**15,898,290**	**3,882,774**	**10,331,356**	**9,460,419**	**94,152,065**
At 31 December 2014	20,630,223	10,726,691	25,468,737	17,280,107	3,644,133	9,713,764	10,535,692	97,999,347
Capital expenditure (ii)								
At 31 December 2015	**982,346**	**1,415,328**	**1,726,961**	**2,643,371**	**731,565**	**1,355,498**	**-**	**8,855,069**
At 31 December 2014	1,317,041	2,295,887	2,129,621	2,063,552	803,175	4,805,896	-	13,415,172

Note:

(i) Goodwill amounting to QR 9,460,419 thousand (31 December 2014: QR 10,535,692 thousand) was not considered as part of segment assets.

(ii) Capital expenditure consists of additions to property, plant and equipment and intangibles excluding goodwill and assets from business combinations.

39 CONTRIBUTION TO SOCIAL AND SPORTS FUND

According to Qatari Law No. 13 for the year 2008 and the related clarifications issued in January 2010, the group is required to contribute 2.5% of its annual net profits to the state social and sports fund. The clarification relating to Law No. 13 requires the payable amount to be recognised as a distribution of income. Hence, this is recognised in statement of changes in equity.

During the year, the Group appropriated an amount of QR 35,169 thousand (2014: QR 47,822 thousand) representing 2.5% of the net profit generated from Qatar Operations.

40 DISCONTINUED OPERATION

On 31 January 2014, the Group completed the legal formalities relating to the disposal of one of its subsidiaries, PTC to Saudi Telecom at a net settlement of QR 77,881 thousand. The net assets of the subsidiary at the date of disposal was QR 55,553 thousand and a gain of QR 46,438 thousand was recognised on this disposal. As a result of this disposal, the Group no longer controls the subsidiary and ceases to consolidate its results and net assets after 31 January 2014.

41 COMPARATIVE INFORMATION

Corresponding figures for 2014 have been reclassified in order to conform with the presentation for the current year. Such reclassifications were made to improve the quality of presentation and do not affect previously reported profit or shareholder’s equity.

42 EVENTS AFTER THE REPORTING DATE

There are no material events subsequent to the reporting date, which have a bearing on the understanding of these consolidated financial statements.

OOREDOO Q.S.C.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2014

OOREDOO Q.S.C.

CONSOLIDATED FINANCIAL STATEMENTS
As at and for the year ended 31 December 2014

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Website www.kpmg.com.qa

Independent auditors' report

To The shareholders of Ooredoo Q.S.C.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Ooredoo Q.S.C. ("the Company") which comprise the consolidated statement of financial position as at 31 December 2014, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and, for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2014, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 13(ii) of the consolidated financial statements which describes the effects on property, plant and equipment of one of the Company's subsidiaries due to the current security situation in certain locations of Iraq.

Report on other legal and regulatory requirements

We have obtained all the information and explanation which we considered necessary for the purpose of our audit. The Company has maintained proper accounting records and the consolidated financial statements are in agreement therewith. We confirm that physical count of inventory was carried out in accordance with established principles. We have reviewed the accompanying report of the Board of Directors and confirm that the financial information contained therein is in agreement with the books and records of the Company. We are not aware of any violations of the provisions of the Qatar Commercial Companies Law No 5 of 2002 or the terms of the Company's Articles of Association and the amendments thereto having occurred during the year which might have had a material adverse effect on the business of the Company or on its consolidated financial position as at 31 December 2014.

10 March 2015
Doha
State of Qatar

Gopal Balasubramaniam
KPMG
Qatar Auditors Registration No. 251

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
Year ended 31 December 2014

	Note	***2014 QR'000***	*2013 QR'000*
Continuing operations			
Revenue	5	**33,207,209**	33,851,340
Operating expenses	6	**(12,043,019)**	(11,084,389)
Selling, general and administrative expenses	7	**(8,305,408)**	(8,225,083)
Depreciation and amortisation	8	**(7,626,309)**	(7,662,849)
Net finance costs	9	**(2,031,844)**	(2,020,882)
Impairment of assets	14(ii)	**(25,963)**	(41,638)
Other income / (expense) – net	10	**209,528**	(684,748)
Share of results in associates and joint venture – net of tax	16	**89,098**	97,869
Royalties and fees	11	**(392,834)**	(334,474)
Profit before income taxes		**3,080,458**	3,895,146
Income tax	19	**(598,796)**	(611,889)
Profit from continuing operations		**2,481,662**	3,283,257
Discontinued operation			
Profit from discontinued operation – net of tax	41	**46,725**	10,073
Profit for the year		**2,528,387**	3,293,330
Profit attributable to:			
Shareholders of the parent		**2,134,334**	2,578,657
Non-controlling interests		**394,053**	714,673
		2,528,387	3,293,330
Basic and diluted earnings per share (Attributable to shareholders of the parent) (Expressed in QR per share)	12	**6.66**	8.05

The attached notes 1 to 42 form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2014

	Note	***2014*** ***QR'000***	*2013* *QR'000*
Profit for the year		**2,528,387**	3,293,330
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Net change in fair value of available-for-sale investments	25	**(479,044)**	231,204
Effective portion of changes in fair value of cash flow hedges	25	**(318)**	903
Net changes in fair value of employee's benefit reserve	25	**(41,266)**	237,111
Share of other comprehensive income of associates and joint venture	25	**1,352**	2,843
Foreign currency translation differences	25	**(1,986,245)**	(3,097,213)
Other comprehensive income for the year – net of tax		**(2,505,521)**	(2,625,152)
Total comprehensive income for the year		**22,866**	668,178
Total comprehensive income attributable to:			
Shareholders of the parent		**(163,258)**	552,327
Non-controlling interests		**186,124**	115,851
		22,866	668,178

The attached notes 1 to 42 form part of these consolidated financial statements

OOREDOO Q.S.C.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2014

	Note	*2014* *QR'000*	*2013* *QR'000*
ASSETS			
Non-current assets			
Property, plant and equipment	13	**33,690,589**	32,315,832
Intangible assets and goodwill	14	**33,524,208**	31,473,769
Investment property	15	**55,112**	60,363
Investment in associates and joint venture	16	**2,604,367**	1,752,172
Available-for-sale investments	17	**1,627,146**	2,704,493
Other non-current assets	18	**750,626**	697,244
Deferred tax assets	19	**59,884**	50,703
Total non-current assets		**72,311,932**	69,054,576
Current assets			
Inventories	20	**666,670**	537,311
Trade and other receivables	21	**7,583,319**	6,835,505
Bank balances and cash	22	**17,437,426**	20,304,571
Assets held for distribution	41	**-**	375,136
Total current assets		**25,687,415**	28,052,523
TOTAL ASSETS		**97,999,347**	97,107,099
EQUITY			
Share capital	23	**3,203,200**	3,203,200
Legal reserve	24 (a)	**12,434,282**	12,434,282
Fair value reserve	24 (b)	**892,562**	1,326,369
Employment benefit reserve	24 (c)	**17,659**	43,165
Translation reserve	24 (d)	**(3,503,511)**	(1,665,232)
Other statutory reserves	24 (e)	**1,057,820**	980,788
Retained earnings		**9,386,147**	8,645,312
Equity attributable to shareholders of the parent		**23,488,159**	24,967,884
Non-controlling interests		**6,980,354**	7,459,448
Total equity		**30,468,513**	32,427,332

The attached notes 1 to 42 form part of these consolidated financial statements

OOREDOO Q.S.C.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
At 31 December 2014

	Note	*2014* *QR'000*	*2013* *QR'000*
LIABILITIES			
Non-current liabilities			
Loans and borrowings	26	**35,641,221**	37,254,452
Employees benefits	27	**837,458**	696,964
Deferred tax liabilities	19	**755,494**	879,216
Other non-current liabilities	28	**3,658,173**	2,625,857
Total non-current liabilities		**40,892,346**	41,456,489
Current liabilities			
Loans and borrowings	26	**7,155,509**	8,057,873
Trade and other payables	29	**16,998,045**	12,364,647
Deferred income		**1,914,890**	1,739,333
Income tax payable		**570,044**	561,122
Liabilities held for distribution	41	**-**	500,303
Total current liabilities		**26,638,488**	23,223,278
Total liabilities		**67,530,834**	64,679,767
TOTAL EQUITY AND LIABILITIES		**97,999,347**	97,107,099

Abdullah Bin Mohamed Bin Saud Al-Thani
Chairman

H.E. Mohammed Bin Issa Al Mohannadi
Member

The attached notes 1 to 42 form part of these consolidated financial statements

OOREDOO Q.S.C.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2014

	Note	*Attributable to shareholders of the parent*									
	Note	***Share capital***	***Legal reserve***	***Fair value reserve***	***Employee benefit reserve***	***Translation reserve***	***Other statutory reserves***	***Retained earnings***	***Total***	***Non – controlling interests***	***Total equity***
		QR'000	***QR'000***	***QR'000***	***QR'000***	***QR'000***	***QR'000***	***QR'000***	***QR'000***	***QR'000***	***QR'000***
At 1 January 2014		3,203,200	12,434,282	1,326,369	43,165	(1,665,232)	980,788	8,645,312	24,967,884	7,459,448	32,427,332
Profit for the year		-	-	-	-	-	-	2,134,334	2,134,334	394,053	2,528,387
Other comprehensive income		-	-	(433,807)	(25,506)	(1,838,279)	-	-	(2,297,592)	(207,929)	(2,505,521)
Total comprehensive income for the year		-	-	(433,807)	(25,506)	(1,838,279)	-	2,134,334	(163,258)	186,124	22,866
Transactions with shareholders of the Parent, recognised directly in equity											
Dividend for 2013	30	-	-	-	-	-	-	(1,281,280)	(1,281,280)	-	(1,281,280)
Transfer to other statutory reserves		-	-	-	-	-	77,032	(77,032)	-	-	-
Transactions with non-controlling interest, recognised directly in equity											
Changes in non-controlling interest of associate		-	-	-	-	-	-	12,635	12,635	-	12,635
Dividend for 2013		-	-	-	-	-	-	-	-	(665,218)	(665,218)
Transactions with non-owners of the Group, recognised directly in equity											
Transfer to social and sports fund		-	-	-	-	-	-	(47,822)	(47,822)	-	(47,822)
At 31 December 2014		**3,203,200**	**12,434,282**	**892,562**	**17,659**	**(3,503,511)**	**1,057,820**	**9,386,147**	**23,488,159**	**6,980,354**	**30,468,513**

The attached notes 1 to 42 form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
Year ended 31 December 2014

	Note	*Share capital*	*Legal reserve*	*Fair value reserve*	*Employee benefit reserve*	*Translation reserve*	*Other statutory reserves*	*Retained earnings*	*Total*	*Non – controlling interests*	*Total Equity*
		Attributable to shareholders of the parent									
		QR'000	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*
At 1 January 2013		3,203,200	12,434,282	1,084,494	(110,958)	757,096	825,245	9,442,505	27,635,864	9,095,772	36,731,636
Profit for the year		-	-	-	-	-	-	2,578,657	2,578,657	714,673	3,293,330
Other comprehensive income		-	-	241,875	154,123	(2,422,328)	-	-	(2,026,330)	(598,822)	(2,625,152)
Total comprehensive income for the year		-	-	241,875	154,123	(2,422,328)	-	2,578,657	552,327	115,851	668,178
Transactions with shareholders of the Parent, recognised directly in equity											
Dividend for 2012	30	-	-	-	-	-	-	(1,601,600)	(1,601,600)	-	(1,601,600)
Transfer to other statutory reserves		-	-	-	-	-	155,543	(155,543)	-	-	-
Transactions with non-controlling interest, recognised directly in equity											
Acquisition of non-controlling interests	4.1	-	-	-	-	-	-	(1,590,459)	(1,590,459)	(592,669)	(2,183,128)
Acquisition of non-controlling interests		-	-	-	-	-	-	(3,385)	(3,385)	1,256	(2,129)
Dilution of ownership interest		-	-	-	-	-	-	9,375	9,375	-	9,375
Dividend for 2012		-	-	-	-	-	-	-	-	(1,160,762)	(1,160,762)
Transactions with non-owners of the group, recognised directly in equity											
Transfer to social and sports fund		-	-	-	-	-	-	(34,238)	(34,238)	-	(34,238)
At 31 December 2013		3,203,200	12,434,282	1,326,369	43,165	(1,665,232)	980,788	8,645,312	24,967,884	7,459,448	32,427,332

The attached notes 1 to 42 form part of these consolidated financial statements

OOREDOO Q.S.C.

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 31 December 2014

	Note	***2014 QR'000***	*2013 QR'000*
OPERATING ACTIVITIES			
Profit before income taxes		**3,080,458**	3,895,146
Profit from discontinued operation	41	**46,725**	10,073
Adjustments for:			
Depreciation and amortisation		**7,633,592**	7,750,832
Dividend income	10	**(60,567)**	(43,851)
Impairment of financial assets	14(ii)	**25,963**	41,638
Gain on disposal of available-for-sale investments	10	**(703,182)**	(84,065)
Gain on disposal of property, plant and equipment		**(18,641)**	(64,527)
(Profit) / loss on disposal of a subsidiary	41	**(46,438)**	1,071
Net finance costs		**2,031,837**	2,021,028
Provision for employees' benefits		**276,458**	299,392
Provision for trade receivables		**181,451**	209,589
Share of results in associates and joint venture – net of tax	16	**(89,098)**	(97,869)
Operating profit before working capital changes		**12,358,558**	13,938,457
Working capital changes:			
Change in inventories		**(129,359)**	(184,580)
Change in trade and other receivables		**(1,021,973)**	(1,169,385)
Change in trade and other payables		**2,612,161**	2,027,835
Cash from operations		**13,819,387**	14,612,327
Finance costs paid		**(2,184,491)**	(2,088,862)
Employees' benefits paid	27	**(183,100)**	(129,884)
Income taxes paid		**(698,028)**	(858,947)
Net cash from operating activities		**10,753,768**	11,534,634
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	13	**(8,391,008)**	(9,297,933)
Acquisition of intangible assets		**(2,346,751)**	(493,731)
Investment in an associate		**(59,688)**	-
Investment in a joint venture		**(232,593)**	-
Acquisition of available-for-sale investments		**(21,432)**	(18,601)
Proceeds from disposal of property, plant and equipment		**120,495**	517,520
Proceeds from disposal of available-for-sale investments		**1,303,201**	183,594
Proceeds from disposal of a subsidiary	41	**(77,881)**	510
Movement in restricted deposits		**178,450**	(90,626)
Movement in other non-current assets		**(66,542)**	98,861
Dividend received		**182,654**	70,223
Interest received		**244,401**	282,908
Net cash used in investing activities		**(9,166,694)**	(8,747,275)

The attached notes 1 to 42 form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
Year ended 31 December 2014

	Note	**2014** **QR'000**	2013 QR'000
FINANCING ACTIVITIES			
Proceeds from loans and borrowings		**8,938,909**	16,141,243
Repayment of loans and borrowings		**(11,267,384)**	(9,010,541)
Acquisition of non-controlling interest		**-**	(2,185,257)
Additions to deferred financing costs	26	**(29,165)**	(156,063)
Dividend paid to shareholders of the parent		**(1,281,280)**	(1,601,600)
Dividend paid to non-controlling interests		**(665,218)**	(1,160,762)
Movement in other non-current liabilities		**(282,885)**	(10,195)
Net cash (used in) / from financing activities		**(4,587,023)**	2,016,825
NET CHANGE IN CASH AND CASH EQUIVALENTS		**(2,999,949)**	4,804,184
Effect of exchange rate fluctuations		**111,593**	598,553
Cash and cash equivalents at 1 January		**20,203,819**	14,801,082
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	22	**17,315,463**	20,203,819

The attached notes 1 to 42 form part of these consolidated financial statements

1 REPORTING ENTITY

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

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

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

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

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

2 BASIS OF PREPARATION

a) Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements of the Group for the year ended 31 December 2014 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 10 March 2015.

b) Basis of measurement
The consolidated financial statements have been prepared on a historical cost basis except for the following:

- Financial instruments at fair value through profit or loss are measured at fair value;
- Available-for-sale investments are measured at fair value;
- Derivative financial instruments are measured at fair value; and
- Liabilities for cash-settled share-based payment arrangements are measured at fair value through profit or loss;

The methods used to measure fair values are discussed further in note 35.

c) Functional and presentation currency
These consolidated financial statements are presented in Qatari Riyals, which is the Company's functional currency. All the financial information presented in these consolidated financial statement has been rounded off to the nearest thousand (QR'000) except where otherwise indicated.

d) Use of estimates and judgments
The preparation of consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in note 37.

3 SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements comprise the financial statements of Ooredoo Q.S.C and its subsidiaries (together referred to as the "Group"). The accounting policies set out below have been applied consistently to all the periods presented in these consolidated financial statements, and have been applied consistently by the Group entities, where necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with those used by the Group.

Certain comparative amounts in the consolidated financial statements have been reclassified to conform with the current year's presentation (see note 42). In addition, the comparative consolidated statement of profit or loss and statement of cash flow has been re-presented as if an operation discontinued during the current year had been discontinued from the start of the comparative year (see note 41).

3.1 BASIS OF CONSOLIDATION

a) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

b) Non-controlling interests ("NCI")

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

d) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 BASIS OF CONSOLIDATION (CONTINUED)

e) Interests in associates and joint venture

Associates are those entities in which the Group has significant influence, but not control or joint control. A joint venture is a joint arrangement whereby the Group has joint control of the arrangement and has corresponding rights to the net assets of the arrangement.

Interests in associates and joint venture are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of associates and joint ventures less any impairment in the value of individual investments. Losses of the associates and joint ventures in excess of the Group’s interest are not recognised unless the Group has incurred legal or constructive obligations. The carrying values of investments in associates and joint ventures are reviewed on a regular basis and if an impairment in the value has occurred, it is written off in the period in which those circumstances are identified.

Any excess of the cost of acquisition over the Group’s share of the fair values of the identifiable net assets of the associates and joint venture at the date of acquisition is recognised as goodwill and included as part of the cost of investment. Any deficiency of the cost of acquisition below the Group’s share of the fair values of the identifiable net assets of the associates and joint venture at the date of acquisition is credited to the consolidated statement of profit or loss in the year of acquisition.

The Group’s share of associates’ and joint ventures’ results is based on the most recent financial statements or interim financial statements drawn up to the Group’s reporting date.

Profits and losses resulting from upstream and downstream transactions between the Group (including its consolidated subsidiaries) and its associate or joint venture are recognised in the Group’s financial statements only to the extent of unrelated group’s interests in the associates or joint ventures.

f) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee .Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. 1 BASIS OF CONSOLIDATION (CONTINUED)

The principal subsidiaries of the Group, incorporated in the consolidated financial statements of Ooredoo Q.S.C. are as follows:

Name of subsidiary	*Country of incorporation*	*Group effective shareholding percentage*	
		2014	*2013*
Qtel Investment Holdings S.P.C	Bahrain	**100%**	100%
Qtel International Investments L.L.C.	Qatar	**100%**	100%
Ooredoo Group L.L.C.	Qatar	**100%**	100%
Qtel South East Asia Holding S.P.C	Bahrain	**100%**	100%
Qtel West Bay Holding S.P.C	Bahrain	**100%**	100%
Ooredoo Asian Investments Pte. Ltd.	Singapore	**100%**	100%
Qtel Al Dafna Holding S.P.C	Bahrain	**100%**	100%
Qtel Al Khore Holding S.P.C	Bahrain	**100%**	100%
IP Holdings Limited	Cayman Islands	**100%**	100%
Ooredoo Myanmar Tower Holding Co. (formerly known as “Qtel Gharafa Holdings Limited”)	Cayman Islands	**100%**	100%
wi-tribe Asia Limited	Cayman Islands	**100%**	100%
Ooredoo Asia Pte. Ltd.	Singapore	**100%**	100%
Indonesia Communications Limited	Mauritius	**100%**	100%
Ooredoo International Finance Limited (formerly known as “QTEL International Finance Limited”)	Bermuda	**100%**	100%
Qtel MENA Investcom S.P.C	Bahrain	**100%**	100%
Omani Qatari Telecommunications Company S.A.O.G. (“Ooredoo Oman”)	Sultanate of Oman	**55.0%**	55.0%
Starlink W.L.L.	Qatar	**72.5%**	72.5%
National Mobile Telecommunications Company K.S.C. (“Ooredoo Kuwait”)	Kuwait	**92.1%**	92.1%
Wataniya International FZ – L.L.C.	United Arab Emirates	**92.1%**	92.1%
Al-Bahar United Company W.L.L. ("Fono")	Kuwait	**92.1%**	92.1%
Al Wataniya Gulf Telecommunications Holding Company S.P.C	Bahrain	**92.1%**	92.1%
Al-Wataniya International for Intellectual Properties S.P.C	Bahrain	**92.1%**	92.1%
Ooredoo Maldives Pvt. Ltd.	Maldives	**92.1%**	92.1%
WARF Telecom International Private Limited	Maldives	**59.9%**	59.9%
Wataniya Telecom Algerie S.P.A.	Algeria	**74.4%**	74.4%
Carthage Consortium Ltd.	Malta	**92.1%**	92.1%
Qtel Tunisia Holding Company Ltd.	Malta	**92.1%**	92.1%
Qtel Malta Holding Company Ltd.	Malta	**100.0%**	100.0%
Ooredoo Tunisie S.A. (formerly known as “Tunisiana S.A”)	Tunisia	**84.1%**	84.1%
Tunisia Network S.A	Tunisia	**84.1%**	84.1%
Public Telecommunication Company Ltd.	Saudi Arabia	**-**	92.1%
Wataniya Palestine Mobile Telecommunications Public Shareholding Company (i)	Palestine	**44.7%**	44.7%

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. 1 BASIS OF CONSOLIDATION (CONTINUED)

Name of subsidiary	*Country of incorporation*	*Group effective shareholding percentage*	
		2014	*2013*
Raywood Inc. ("Raywood")	Cayman Islands	**100.0%**	100.0%
Newood Inc.	Cayman Islands	**100.0%**	100.0%
Midya Telecom Company Limited ("Fanoos") (ii)	Iraq	**49.0%**	49.0%
Al-Rowad General Services Limited	Iraq	**100.0%**	100.0%
Asiacell Communications PJSC	Iraq	**64.1%**	64.1%
wi-tribe Limited	Cayman Islands	**86.1%**	86.1%
wi-tribe Pakistan Limited	Pakistan	**86.1%**	86.1%
Barzan Holding Company S.P.C.	Bahrain	**100%**	100%
Laffan Holding Company S.P.C.	Bahrain	**100%**	100%
Zekreet Holding Company S.P.C.	Bahrain	**100%**	100%
Ideabox Investment Pte. Ltd. (formerly known as "Philippines Multitech Pte. Ltd.")	Singapore	**100%**	100%
Ideabox Holding Pte. Ltd. (formerly known as "Bow Arken Pte. Ltd.")	Singapore	**100%**	100%
Ooredoo Myanmar Limited	Myanmar	**100%**	100%
Al Wokaer Holding S.P.C.	Bahrain	**100%**	100%
Al Wakrah Holding S.P.C.	Bahrain	**100%**	100%
Ooredoo Tamweel Limited	Cayman Islands	**100%**	100%
Ooredoo IP L.L.C	Qatar	**100%**	100%
Ooredoo Global Services FZ-L.L.C	UAE	**100%**	-
Seyoula International Investments S.P.C	Qatar	**100%**	-
PT. Indosat Tbk ("Indosat")	Indonesia	**65.0%**	65.0%
Indosat Singapore Pte. Ltd.	Singapore	**65.0%**	65.0%
PT Indosat Mega Media	Indonesia	**64.9%**	64.9%
PT Starone Mitra Telekomunikasi	Indonesia	**54.7%**	54.7%
PT Aplikanusa Lintasarta ("Lintasarta") (iii)	Indonesia	**47.0%**	47.0%
PT Artajasa Pembayaran Elektronis ("APE") (iii)	Indonesia	**25.9%**	25.9%
Indosat Palapa Company B.V.	Netherlands	**65.0%**	65.0%
Indosat Mentari Company B.V.	Netherlands	**65.0%**	65.0%
PT Lintas Media Danawa ("LMD") (iii)	Indonesia	**32.9%**	32.9%
PT Interactive Vision Media	Indonesia	**64.9%**	64.9%

(i) The Group has the power, indirectly through National Mobile Telecommunications Company K.S.C. ("NMTC") by virtue of NMTC having more than 51% of the voting interests in Wataniya Palestine Mobile Telecommunications Public Shareholding Company ("WPT"), which exposes the Group to variable return from its investment and gives ability to affect those returns through its power over WPT, hence, WPT has been considered as a subsidiary of the Group.

(ii) The Group incorporated Raywood Inc ("Raywood"), a special purpose entity registered in Cayman Islands with 100% (2013: 100%) voting interest held by the Group to carry out investment activities in Iraq. Raywood acquired 49% voting interest of Midya Telecom Company Limited ("MTCL") in Iraq. The group is exposed to variable return from its investment and gives ability to affect those returns through its power over MTCL, Iraq by virtue of the shareholders' agreement entered into between Raywood and MTCL, Iraq, hence, MTCL, Iraq has been considered as a subsidiary of the Group.

(iii) The Group has the power, indirectly through PT Indosat Tbk ("Indosat ") by virtue of Indosat having more than 51% of the voting interest or control in these companies, to which exposes the Group to variable return from its investment and gives ability to affect those returns through its power over them, hence, these companies have been considered as subsidiaries of the Group.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted are consistent with those of the previous financial year, except for the new and amended IAS, IFRS and IFRIC interpretations effective as of 1 January 2014. The following standards, amendments and interpretations, which became effective 1 January 2014, are relevant to the Group:

Standard/ Interpretation	***Content***
IFRS 10, IFRS 12 and IAS 27(amendments)	Investment Entities
IAS 32 (amendments)	Offsetting Financial Assets and Financial Liabilities
IAS 36 (amendments)	Recoverable Amount Disclosures for Non-Financial Assets
IAS 39 (amendments)	Novation of Derivatives and Continuation of Hedge Accounting
IFRIC 21	Levies

a) IFRS 10, IFRS 12 and IAS 27 (amendments) - "Investment Entities"
The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities.

The adoption of these amendments had no significant impact on the consolidated financial statements.

b) IAS 32 - Offsetting Financial Assets and Financial Liabilities (amendments)
The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'. The amendments have been applied retrospectively.

The adoption of these amendments had no significant impact on the consolidated financial statements.

c) IAS 36 – Recoverable Amount Disclosures for Non-Financial Assets (amendments)
The amendments to IAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by IFRS 13 Fair Value Measurements.

The adoption of these amendments had no significant impact on the consolidated financial statements.

d) IAS 39 - Novation of Derivatives and Continuation of Hedge Accounting (amendments)
IFRS 7 introduces disclosures about the impact of netting arrangements on an entity's financial position. Based on the new disclosure requirements the Group will have to provide information about what amounts have been offset in the statement of financial position and the nature and extent of rights of set off under master netting arrangements or similar arrangements.

The adoption of this amendments had no significant impact on the consolidated financial statements.

e) IFRIC 21 - Levies
IFRIC 21 on Levies (amendments to IAS 32) provide guidance on the accounting for levies in the financial statements of the entity that is paying the levy. The Group is not expecting a significant impact from the adoption of these amendments.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 IASB STANDARDS AND INTERPRETATIONS ISSUED NOT YET EFFECTIVE

The following standards and interpretations have been issued and are expected to be relevant to the Group in future periods, with effective dates on or after 1 January 2015:

Standard/ Interpretation	*Content*	*Effective date*
IFRS 9	Financial Instruments	1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2017
IFRS 11 (amendments)	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
IAS 16 and IAS 38 (amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
IAS 16 and IAS 41 (amendments)	Agriculture: Bearer Plants	1 January 2016
IAS 19 (amendments)	Defined Benefit Plans: Employee Contributions	Not specified
IFRSs 2010-2012 cycle and 2011-2013 cycle	Annual improvements	1 July 2014

New standards, amendments and interpretations issued but not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2015, and have not been applied in preparing these consolidated financial statements. Those, which are relevant to the Group, are set out below. The Group does not plan to early adopt these standards.

a) IFRS 9 - Financial Instruments

IFRS 9 published in July 2014, replaces the existing IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 9.

b) IFRS 15 – Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2017, with early adoption permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 15.

c) IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations (amendments)

The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 Business Combinations. The amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards should be applied.

The amendments to IFRS 11 apply prospectively for annual periods beginning on or after 1 January 2016. The Group does not expect to have a significant impact from the adoption of these amendments.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 IASB STANDARDS AND INTERPRETATIONS ISSUED NOT YET EFFECTIVE (CONTINUED)

d) IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation (amendments)

The amendments to IAS 16 prohibits entities from using a revenue based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted if the intangible asset is expressed as a measure of revenue or when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016.The above amendments does not have any material impact on the consolidated financial statements of the Group.

e) IAS 16 and IAS 41 – Agriculture: Bearer Plants (amendments)

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, IAS 20 Accounting for Government Grants and Disclosure of Government Assistance will apply. The amendments are retrospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted.

The Group does not expect to have a significant impact from the adoption of these amendments.

f) IAS 19 – Defined Benefit Plans: Employee Contributions (amendments)

The amendments to IAS 19 clarify how an entity should account for contributions made by employees or third parties to define benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.

For contributions that are independent of the number of years of service, the entity may either recognize the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees periods of service using the project unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees periods of service.

The above amendments does not have any material impact on the consolidated financial statements of the Group.

g) IFRSs 2010-2012 cycle and 2011-2013 cycle – Annual improvements

The annual improvements to IFRSs to 2010-2012 and 2011 -2013 cycles include a number of amendments to various IFRSs. Most amendments will apply prospectively for annual periods beginning on or after 1 July 2014; earlier application is permitted (along with the special transitional requirement in each case), in which case the related consequential amendments to other IFRSs would also apply.

The amendments are not expected to have any material impact on the consolidated financial statements of the Group.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue
Revenue represents the fair value of consideration received or receivable for communication services and equipment sales net of discounts and sales taxes. Revenue from rendering of services and sale of equipment is recognised when it is probable that the economic benefits associated with the transaction shall flow to the Group and the amount of revenue and the associated costs can be measured reliably.

The Group principally obtains revenue from providing telecommunication services comprising access charges, airtime usage, messaging, interconnect fee, data services and infrastructure provision, connection fees, equipment sales and other related services.The specific revenue recognition criteria applied to significant elements of revenue are set out below:

Revenue from rendering of services
Revenue for access charges, airtime usage and messaging by contract customers is recognised as revenue as services are performed with unbilled revenue resulting from services already provided accrued at the end of each period and unearned revenue from services to be provided in future periods deferred.

Interconnection revenue
Revenues from network interconnection with other domestic and international telecommunications carriers are recognised based on the actual recorded traffic minutes.

Sales of prepaid cards
Sale of prepaid cards is recognised as revenue based on the actual utilisation of the prepaid cards sold. Sales relating to unutilised prepaid cards are accounted as deferred income. Deferred income related to unused prepaid cards is recognised as revenue when utilised by the customer or upon termination of the customer relationship.

Multiple element deliverables
In revenue arrangements including more than one deliverable that have value to a customer on standalone basis, the arrangement consideration is allocated to each deliverable based on the consideration received from the individual elements. The cost of elements are immediately recognised in profit or loss.

Third party projects
Network infrastructure projects undertaken on behalf of third parties is measured at costs incurred plus profits recognized to date less progress billings and recognized losses.

In the statement of financial position, projects in progress for which costs incurred plus recognized profits exceed progress billings and recognized losses are presented as trade and other receivables. Advances received from customers are presented as deferred income/revenue.

Sales of equipment
Revenue from sales of peripheral and other equipment is recognised when the significant risks and rewards of ownership are transferred to the buyer which is normally when the equipment is delivered and ‘accepted by the customer.

Investment property rental income
Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Rental income from other property is recognised as other income. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue (continued)

Loyalty program
The group has a customer loyalty programme whereby customers are awarded credits ("Points") based on the usage of products and services, entitling customers to the right to redeem the accumulated points via specified means. The fair value of the consideration received or receivable in respect of the initial sale is allocated between the Points and the other components of sale. The amount allocated to Points is estimated by reference to the fair value of the right to redeem it at a discount for the products of the Group or for products or services provided by third parties. The fair value of the right to redeem is estimated based on the amount of discount, adjusted to take into account the expected forfeiture rate. The amount allocated to Points is deferred and included in deferred revenue. Revenue is recognised when these Points are redeemed and the Group has fulfilled its obligations to the customer. The amount of revenue recognised in those circumstances is based on the number of Points that have been redeemed, relative to the total number of Points that is expected to be redeemed. Deferred revenue is also released to revenue when it is no longer considered probable that the Points will be redeemed.

Licence and spectrum fees
Amortisation periods for licence and spectrum fees are determined primarily by reference to the unexpired licence period, the conditions for licence renewal and whether licences are dependent on specific technologies.

Amortisation is charged to the statement of profit or loss on a straight-line basis over the estimated useful lives from the commencement of service of the network.

The Group is dependent on the licenses that each operating company holds to provide their telecommunications services.

Leases
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor
The amounts due from lessees under finance leases are recorded as receivables at the amount of Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of leases.

Revenues from the sale of transmission capacity on terrestrial and submarine cables are recognized on a straight-line basis over the life of the contract. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

The Group as lessee
Rentals payable under operating leases are charged to the consolidated statement of profit or loss on a straight –line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Sale and leaseback transactions – where the Group is the lessee
A sale and leaseback transaction involves the sale of an asset by the Group and the leasing of the same asset back to the Group. The lease payments and the sale price are usually interdependent as they are negotiated as a package. The accounting treatment of a sale and leaseback transaction depends upon the type of lease involved and the economic and commercial substance of the whole arrangement.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

(a) Finance leases
Sale and leaseback arrangements that result in the Group retaining the majority of the risks and rewards of ownership of assets are accounted for as finance leases. Any excess of sales proceeds over the carrying amount is deferred and amortised over the lease term.

(b) Operating leases
Sale and leaseback arrangements that result in substantially all of the risks and rewards of ownership of assets being transferred to the lessor are accounted for as operating leases. Any excess of sales proceeds over the carrying amount is recognised in the statement of profit or loss as gain on disposal.

Other income
Other income represents income generated by the Group that arises from activities outside of the provision for communication services and equipment sales. Key components of other income are recognised as follows:

Dividend income
Dividend income is recognised when the Group's right to receive the dividend is established.

Commission income
When the Group acts in the capacity of an agent rather than as the principal in the transaction, the revenue recognised is the net amount of commission made by the Group.

Taxation
Some of the subsidiaries and the joint venture are subject to taxes on income in various foreign jurisdictions. Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax
Current income tax assets and liabilities for the current year and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities.

The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the financial reporting year and any adjustment to tax payable in respect of previous years.

Deferred income tax
Deferred income tax is provided using the liability method on temporary differences at the end of the financial reporting year between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Deferred income tax (continued)
Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unutilised tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unutlised tax losses can be utilised except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each end of the financial reporting year and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each end of the financial reporting year and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the financial reporting year.

Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit or loss.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Tax exposure
In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgments regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Discontinued operations
A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:
- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held-for-sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss or other comprehensive income is represented as if the operation had been discontinued from the start of the comparative year.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Finance income and finance cost
Finance income comprises interest income on funds invested, fair value gains on financial assets at fair value through profit or loss, gains on the remeasurement to fair value of any pre-existing interest in an acquire in a business combination, gains on hedging instruments that are recognised in profit or loss and reclassifications of net gains previously recognised in other comprehensive income. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, fair value losses on financial assets at fair value through profit or loss, losses on hedging instruments that are recognised in profit or loss and reclassifications of net losses previously recognised in other comprehensive income.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

Property, plant and equipment

Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Assets in the course of construction are carried at cost, less any impairment.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The costs of self constructed assets include the following:

- The cost of materials and direct labour;
- Any other costs directly attributable to bringing the assets to a working condition for their intended use;
- When the group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- Capitalized borrowing costs

Cost also includes transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Transfer to investment property

When the use of property changes from owner-occupied to investment property, the property is reclassified accordingly at the carrying amount on the date of transfer in accordance with cost model specified under IAS 40.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (continued)

Expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the consolidated statement of profit or loss as incurred.

Depreciation

Items of property, plant and equipment are depreciated on a straight line basis in profit or loss over the estimated useful lives of each component. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Depreciation of these assets commences from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use. The estimated useful lives of the property, plant and equipment are as follows:

Land lease rights under finance lease	50 years
Buildings	5 – 40 years
Exchange and networks assets	5 – 25 years
Subscriber apparatus and other equipment	1 – 8 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the consolidated statement of profit or loss in the year the asset is derecognised. The asset's residual values, useful lives and method of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed as incurred. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

Government grants

Government grants relating to non-monetary assets are recognised at nominal value. Grants that compensate the Group for expenses are recognised in the consolidated statement of profit or loss on a systematic basis in the same period in which the expenses are recognised. Grants that compensate the Group for the cost of an asset are recognised in the consolidated statement of profit or loss on a systematic basis over the expected useful life of the related asset upon capitalisation.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets and goodwill
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the consolidated statement of profit or loss in the year in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss in the expense category consistent with the nature of the intangible asset.

Research and development
Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.
Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognized in profit or loss as incurred. Capitalised development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Indefeasible rights of use ("IRU")
IRUs correspond to the right to use a portion of the capacity of a terrestrial or submarine transmission cable granted for a fixed period. IRUs are recognised at cost as an asset when the Group has the specific indefeasible right to use an identified portion of the underlying asset, generally optical fibres or dedicated wavelength bandwidth, and the duration of the right is for the major part of the underlying asset's economic life. They are amortised on a straight line basis over the shorter of the expected period of use and the life of the contract which ranges between 10 to 15 years.

The useful lives of intangible assets are assessed to be either finite or indefinite.

A summary of the useful lives and amortisation methods of Group's intangible assets other than goodwill are as follows:

		License costs	*Customer contracts and related customer relationship*	*Brand/ Trade names*	*Concession intangible assets*	*IRU, software and other intangibles*
Useful lives	:	Finite (10 – 50 years)	Finite (2 – 8 years)	Finite (6-25 years)	Finite (15 years)	Finite (3-15 years)
Amortisation method used	:	Amortised on a straight line basis over the periods of availability	Amortised on a straight line basis over the periods of availability.	Amortised on a straight line basis over the periods of availability	Amortised on a straight line basis over the periods of availability	Amortised on a straight line basis over the periods of availability
Internally generated or acquired	:	Acquired	Acquired	Acquired	Acquired	Acquired

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment property
Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

When the use of a property changes such that it is reclassified as property and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Investment properties are depreciated on straight line basis using estimated useful life of 20 years.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of retirement or disposal.

Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.
Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.
The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale investments.

Financial assets at fair value through profit or loss
A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Loans and receivables
Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise bank balances and cash and trade receivables and prepayments.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

(i) Non-derivative financial assets (continued)

Bank balances and cash
Bank balances and cash comprise cash on hand, call deposits and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash on hand, call deposits and demand deposits with original maturity of less than three months.

Trade and other receivable
Trade receivables and prepayments that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method less impairment.

Appropriate allowances for estimated irrecoverable amounts are recognized in the consolidated statement of profit or loss where there is objective evidence that the asset is impaired. The allowance recognized is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Available-for-sale investments
Available-for-sale investments are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Available-for-sale investments are recognised initially at fair value plus directly attributable transaction costs. After initial recognition, available for sale investments are subsequently remeasured at fair value, with any resultant gain or loss directly recognised as a separate component of equity as fair value reserve under other comprehensive income until the investment is sold, collected, or the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the consolidated statement of profit or loss for the year. Interest earned on the investments is reported as interest income using the effective interest rate. Dividend earned on investments are recognised in the consolidated statement of profit or loss as "Dividend income" when the right to receive dividend has been established. All regular way purchases and sales of investment are recognised on the trade date when the Group becomes or cease to be a party to contractual provisions of the instrument.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the end of the financial reporting year. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to current market value of another instrument which is substantially the same, discounted cash flow analysis or other valuation models. For investment in funds, fair value is determined by reference to net asset values provided by the fund administrators.

Due to the uncertain nature of cash flows arising from certain unquoted equity investments of the Group, the fair value of these investments cannot be reliably measured. Consequently, these investments are carried at cost, less any impairment losses.

If an available-for-sale investment is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognised in the consolidated statement of profit or loss, is transferred from equity to the consolidated statement of profit or loss. Impairment losses on equity instruments recognised in the consolidated statement of profit or loss are not subsequently reversed. Reversals of impairment losses on debt instruments are reversed through the consolidated statement of profit or loss; if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in the consolidated statement of profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

(i) Non-derivative financial assets (continued)

Available-for-sale investments (continued)
When the investment is disposed off, the cumulative gain or loss previously recorded in equity is recognised in the consolidated statement of profit or loss.

Derecognition of financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the contractual rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment and uncollectibility of financial assets
An assessment is made at each end of the reporting period to determine whether there is objective evidence that a specific financial asset may be impaired. If any such evidence exists, impairment loss is recognised in the consolidated statement of profit or loss. Impairment is determined as follows:

(a) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the consolidated statement of profit or loss;
(b) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
(c) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

(ii) Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

Non derivative financial liabilities include loans and borrowings and trade payables and accruals.

Loans and borrowings
Loans and borrowings are recognised initially at fair value of the consideration received, less directly attributable transaction costs. Subsequent to initial recognition, loans and borrowings are measured at amortised cost using the effective interest method. Instalments due within one year at amortised cost are shown as a current liability.

Gains or losses are recognised in the consolidated statement of profit or loss when the liabilities are derecognised as well as through the amortisation process. Interest costs are recognised as an expense when incurred except those qualify for capitalisation.

Trade and other payables
Liabilities are recognised for amounts to be paid in the future for services received or when the risks and rewards associated with goods are transferred to the Group, whether billed by the supplier or not.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

(ii) Non-derivative financial liabilities (continued)

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated statement or profit or loss.

(iii) Share capital

Ordinary shares
Ordinary shares are classified as equity. The bonus shares and rights issued during the year are shown as an addition to the share capital. Issue of bonus shares are deducted from the accumulated retained earnings of the Group. Any share premium on rights issue are accounted in compliance with local statutory requirements.

Dividend on ordinary share capital
Dividend distributions to the Group's shareholders are recognized as a liability in the consolidated financial statements in the period in which the dividend are approved by the shareholders. Dividend for the year that are approved after the statement of financial position date are dealt with as an event after balance sheet date.

(iv) Derivative financial instruments and hedge accounting

Derivative financial instruments are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in described below for those derivative instruments designated for hedging cash flows, while changes in the fair value of derivative instruments not designated for cash flow hedges are charged directly to profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or unrecognised firm commitment (except for foreign currency risk); or

- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting change in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods of which they were designated.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

(iv) Derivative financial instruments and hedge accounting (continued)

Hedges which meet the criteria for hedge accounting are accounted for as follows:

Fair value hedges
The change in the fair value of a hedging derivative is recognised in the consolidated statement of profit or loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying value of the hedged item and is also recognised in consolidated statement of profit or loss.

Cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognised as other comprehensive income and is taken directly to equity, while any ineffective portion is recognised immediately in the consolidated statement of profit or loss.

The Group uses interest rate swap contracts to hedge its risk associated primarily with interest rate fluctuations relating to the interest charged on its loans and borrowings. These are included in the consolidated statement of financial position at fair value and any resultant gain or loss on interest rate swaps contracts that qualify for hedge accounting is recognised as other comprehensive income and subsequently recognised in the consolidated statement of profit or loss when the hedged transaction affects profit or loss.

The Group uses cross currency swap contracts and forward currency contracts to hedge its risks associated with foreign exchange rate fluctuations. Further, the Group also have an interest rate swap which is not designated as a hedge. These cross currency swaps, forward currency contracts and the interest rate swaps which is not designated as hedge are included in the consolidated statement of financial position at fair value and any subsequent resultant gain or loss in the fair value is recognised in the consolidated statement of profit or loss.

The fair value of cross currency swaps and forward currency contracts is calculated by reference to respective instrument current exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is calculated by reference to the market valuation of the swap contracts.

Embedded derivative is presented with the host contract on the consolidated statement of financial position which represents an appropriate presentation of overall future cash flows for the instrument taken as a whole.

(v) Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into a current and non-current portion based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows).

- where the Group will hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the reporting date, the derivative is classified as non-current (or separated into current and non-current portions) consistent with the classification of the underlying item.

- embedded derivates that are not closely related to the host contract are classified consistent with the cash flows of the host contract.

- derivative instruments that are designated as, and are effective hedging instruments, are classified consistent with the classification of the underlying hedged item. The derivative instrument is separated into a current portion and non-current portion only if a reliable allocation can be made.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

(vi) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined with reference to quoted market prices or dealer price quotations, without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models. An analysis of fair values of financial instruments and further details as to how they are measured are provided in note 35.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Earnings per share
The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees, if any.

Inventories
Inventories are stated at the lower of cost and net realisable value.

The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition

Net realisable value is based on estimated selling price less any further costs expected to be incurred on completion and disposal.

Provisions
Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured as a best estimate of the expenditure required to settle the obligation at the statement of financial position date, and are discounted to present value where the effect is material.

Employee benefits

End of service benefits
The Group provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period, calculated under the provisions of the Labour Law and is payable upon resignation or termination of the employee. The expected costs of these benefits are accrued over the period of employment.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefits (continued)

Pensions and other post employment benefits
Pension costs under the Group's defined benefit pension plans are determined by periodic actuarial calculation using the projected-unit-credit method and applying the assumptions on discount rate, expected return on plan assets and annual rate of increase in compensation.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

With respect to the Qatari nationals, the Company makes contributions to Qatar Retirement and Pension Authority as a percentage of the employees' salaries in accordance with the requirements of respective local laws pertaining to retirement and pensions. The Company's share of contributions to these schemes, which are defined contribution schemes under International Accounting Standard (IAS) – 19 Employee Benefits are charged to the consolidated statement of profit or loss.

Cash settled share-based payment transactions
The Group provides long term incentives in the form of shadow shares ("the benefit") to its employees. The entitlement to these benefits is based on individual performance and overall performance of the Group, subject to fulfilling certain conditions ("vesting conditions") under documented plan and is payable upon end of the vesting period ("the exercise date"). The benefit is linked to the share price of the Group, and the Group proportionately recognise the liability against these benefits over the vesting period through the consolidated statement of profit or loss, until the employees become unconditionally entitled to the benefit.

The fair value of the liability is reassessed on each reporting date and any changes in the fair value of the benefit are recognized through the consolidated statement of profit or loss.

Once the benefit is settled in cash at the exercise date, the liability is derecognised. The amount of cash settlement is determined based on the share price of the Group at the exercise date. On breach of the vesting conditions, the liability is derecognised through the consolidated statement of profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency

Foreign currency transactions
Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the end of the financial reporting year.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity investments which are recognised in other comprehensive income.

Translation of foreign operations
The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Qatari riyals at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Qatari Riyals at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to consolidated statement of profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to consolidated statement of profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the translation reserve in equity.

Non-financial assets
The carrying amounts of the Group's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the consolidated statement of profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non-financial assets (continued)
Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Segment reporting
Segment results that are reported to the Group's Chief Operating Decision Maker ("CODM") include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Events after the reporting date
The consolidated financial statements are adjusted to reflect events that occurred between the reporting date and the date when the consolidated financial statements are authorised for issue, provided they give evidence of conditions that existed at the reporting date.

4 BUSINESS COMBINATIONS AND CHANGES IN NON-CONTROLLING INTERESTS

4.1 ACQUISITION OF NON-CONTROLLING INTERESTS IN 2013

Acquisition of non-controlling interest of Asiacell Communication PJSC ("Asiacell")
In February 2013, on conclusion of an Initial Public Offer (IPO) made by one of the Group subsidiaries Asiacell, the Group acquired an additional stake of 10.16%. With this, the Group's effective interest in Asiacell has increased from 53.90% to 64.06%.

As a result of this change in ownership interest, the Group recognised a decrease in non-controlling interest amounting to QR 592,669 thousands and a decrease in retained earnings amounting to QR 1,590,459 thousands.

The consideration paid and effects of change in ownership interest were as follows:

	QR'000
Consideration paid for additional 10.16% interest	2,183,128
Less: share of net assets acquired	(592,669)
Consideration paid in excess of additional interest in carrying value of net assets	**1,590,459**

5 REVENUE

	2014 ***QR'000***	*2013* *QR'000*
Revenue from rendering of telecommunication services	**31,947,438**	32,941,756
Sale of telecommunications equipment	**1,005,439**	675,203
Revenue from use of assets by others	**254,332**	234,381
	33,207,209	33,851,340

6 OPERATING EXPENSES

	2014	*2013*
	QR'000	*QR'000*
Outpayments and interconnect charges	**3,360,152**	3,660,046
Regulatory and related fees	**2,442,612**	2,429,761
Rentals and utilities – network	**1,568,247**	1,274,566
Network operation and maintenance	**1,775,186**	1,805,328
Cost of equipment sold and other services	**2,891,943**	1,907,117
Provision for obsolete and slow moving inventories	**4,879**	7,571
	12,043,019	11,084,389

7 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	2014	*2013*
	QR'000	*QR'000*
Employee salaries and associated costs	**3,719,530**	3,575,764
Marketing costs and sponsorship	**1,541,428**	1,288,219
Legal and professional fees	**363,825**	432,771
Commission on cards	**1,174,715**	1,216,627
Allowance for impairment of trade receivables	**181,451**	209,589
Rental and utilities	**369,940**	458,626
Repairs and maintenance	**78,070**	91,744
Other expenses	**876,449**	951,743
	8,305,408	8,225,083

8 DEPRECIATION AND AMORTISATION

	2014	*2013*
	QR'000	*QR'000*
Depreciation of property, plant and equipment and investment property	**6,033,066**	6,095,116
Amortisation of intangible assets	**1,593,243**	1,567,733
	7,626,309	7,662,849

9 NET FINANCE COSTS

	2014	*2013*
	QR'000	*QR'000*
Finance cost		
Interest expenses	**1,992,659**	2,092,748
Profit element of islamic financing obligation	**179,265**	69,678
Amortisation of deferred financing costs (note 26)	**99,069**	122,787
Other finance charges	**5,252**	18,577
	2,276,245	2,303,790
Finance income		
Interest income	**(244,401)**	(282,908)
Net finance costs	**2,031,844**	2,020,882

10 OTHER INCOME / (EXPENSE) – NET

	2014 QR'000	*2013 QR'000*
Foreign currency losses – net	**(235,812)**	(1,015,340)
Gain on disposal of available-for-sale investments (i)	**703,182**	84,065
Gain on disposal of property, plant and equipment	**18,641**	64,527
Dividend income	**60,567**	43,851
Rental income	**28,215**	21,034
Change in fair value of derivatives – net	**(36,401)**	90,430
Miscellaneous (expense) / income – net (ii)	**(328,864)**	26,685
	209,528	(684,748)

i. During the year, one of the Group's subsidiaries, PT. Indosat Tbk, sold its investment in shares of Tower Bersama at a consideration of Rp 5,800 per share for 239.83 shares resulting in a profit of QR 131,800 thousands.

ii. Included within Miscellaneous (expense) / income – net is an amount of QR 397,709 thousands on account of litigation relating to cooperation agreement between Indosat and IM2 to provide 3G based broadband internet services using spectrum license to Indosat (Note 33(a)).

11 ROYALTIES AND FEES

	Note	***2014 QR'000***	*2013 QR'000*
Royalty	(i)	**174,960**	130,763
Industry fees	(ii)	**191,337**	167,327
Other statutory fees	(iii)	**26,537**	36,384
		392,834	334,474

i. Royalty is payable to the Government of the Sultanate of Oman based on 7% of the net of predefined sources of revenue and operating expenses.

ii. The Group provides for a 12.5% industry fee on profits generated from the Group's operations in Qatar.

iii. Contributions by National Mobile Telecommunications Company K.S.C to Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST") and Zakat are included under other statutory fees.

12 BASIC AND DILUTED EARNINGS PER SHARE

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

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

	2014	*2013*
Profit for the year attributable to shareholders of the parent (QR'000)	**2,134,334**	2,578,657
Weighted average number of shares (in '000)	**320,320**	320,320
Basic and diluted earnings per share (QR)	**6.66**	8.05

13 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings QR'000	*Exchange and networks assets QR'000*	*Subscriber apparatus and other equipment QR'000*	*Capital work in progress QR'000*	*Total QR'000*
Cost					
At 1 January 2013	7,427,731	46,669,440	4,886,108	4,003,317	62,986,596
Additions	246,875	2,218,891	276,326	6,555,841	9,297,933
Transfers	439,667	3,132,486	358,759	(3,930,912)	-
Disposals	(40,979)	(1,721,469)	(62,627)	(3,001)	(1,828,076)
Reclassification	1,394	572,831	13,848	(573,921)	14,152
Discontinued operation	(5,603)	-	(29,036)	-	(34,639)
Exchange adjustment	(1,202,014)	(5,245,010)	(399,435)	(246,362)	(7,092,821)
At 31 December 2013	6,867,071	45,627,169	5,043,943	5,804,962	63,343,145
Additions	226,902	2,765,486	514,369	4,884,251	8,391,008
Transfers	1,057,630	5,774,163	496,764	(7,328,557)	-
Disposals	(26,539)	(425,559)	(164,063)	(144)	(616,305)
Reclassification	-	-	-	(25,231)	(25,231)
Exchange adjustment	(136,469)	(1,315,410)	(118,002)	(251,604)	(1,821,485)
At 31 December 2014	**7,988,595**	**52,425,849**	**5,773,011**	**3,083,677**	**69,271,132**
Accumulated depreciation and impairment losses					
At 1 January 2013	2,923,632	23,926,687	3,700,163	-	30,550,482
Provided during the year	533,411	5,034,342	524,925	-	6,092,678
Disposals	(39,810)	(1,280,416)	(55,167)	-	(1,375,393)
Reclassification	(12)	12	-	-	-
Discontinued operation	(5,049)	-	(24,632)	-	(29,681)
Exchange adjustment	(544,110)	(3,320,195)	(346,468)	-	(4,210,773)
At 31 December 2013	2,868,062	24,360,430	3,798,821	-	31,027,313
Provided during the year	512,764	4,960,512	554,539	-	6,027,815
Impairment during the year	-	23,307	-	-	23,307
Disposals	(18,523)	(367,663)	(93,262)	-	(479,448)
Reclassification	(10)	(9,162)	9,284	-	112
Exchange adjustment	(83,372)	(837,170)	(98,014)	-	(1,018,556)
At 31 December 2014	**3,278,921**	**28,130,254**	**4,171,368**	**-**	**35,580,543**
Carrying value					
At 31 December 2014	**4,709,674**	**24,295,595**	**1,601,643**	**3,083,677**	**33,690,589**
At 31 December 2013	3,999,009	21,266,739	1,245,122	5,804,962	32,315,832

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

i) Exchange and network assets include finance lease assets recognized on account of sale and lease back transaction of one of the Group subsidiaries' Indosat.

ii) *Uncertainty in Iraq*

One of the Group's subsidiaries Asiacell operates in Iraq. Due to the current security situation in certain parts of Iraq, Asiacell may be unable to exercise control over some of its property and equipment in certain locations, with a net book value of QR 487,961 thousands as of 31 December 2014. Based on an assessment performed by Asiacell, an insignificant amount of damage has occurred which has been provided for.

iii) During the year, the Company entered into an agreement to acquire land under master development plan for which an amount of QR 378,619 thousands is paid to master developer. The company is a beneficial owner of the land and the legal ownership is expected to be transferred in foreseeable future.

14 INTANGIBLE ASSETS AND GOODWILL

	Goodwill QR'000	*License costs QR'000*	*Customer contracts and related customer relationship QR'000*	*Brand/ Trade names QR'000*	*Concessions intangible assets QR'000*	*IRU, software and other intangibles QR'000*	*Total QR'000*
Cost							
At 1 January 2013	12,729,200	24,858,599	916,226	3,499,255	792,592	2,280,301	45,076,173
Additions	-	242,225	-	-	4,932	246,574	493,731
Disposals	-	-	-	-	(1,019)	-	(1,019)
Reclassification	-	-	-	-	-	(14,152)	(14,152)
Discontinued operation	-	-	-	-	(796,505)	(49,465)	(845,970)
Exchange adjustment	(1,235,697)	(606,311)	(160,219)	(503,758)	-	(56,384)	(2,562,369)
At 31 December 2013	11,493,503	24,494,513	756,007	2,995,497	-	2,406,874	42,146,394
Additions	-	4,795,888	-	-	-	228,276	5,024,164
Disposals	-	-	-	-	-	(2,229)	(2,229)
Reclassification	-	-	-	-	-	25,231	25,231
Exchange adjustment	(638,014)	(996,056)	(28,678)	(118,525)	-	(82,388)	(1,863,661)
At 31 December 2014	**10,855,489**	**28,294,345**	**727,329**	**2,876,972**	**-**	**2,575,764**	**45,329,899**

14 INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

	Goodwill QR'000	*License costs QR'000*	*Customer contracts and related customer relationship QR'000*	*Brand/ Trade names QR'000*	*Concessions intangible assets QR'000*	*IRU, software and other intangibles QR'000*	*Total QR'000*
Accumulated amortisation and impairment losses							
At 1 January 2013	396,579	6,003,815	837,691	1,209,019	634,259	1,248,639	10,330,002
Amortisation during the year	-	1,098,598	55,133	167,581	80,141	250,559	1,652,012
Impairment during the year	1,707	-	-	-	-	-	1,707
Disposals	-	-	-	-	(670)	(39)	(709)
Discontinued operation	-	-	-	-	(713,068)	(29,620)	(742,688)
Exchange adjustment	(73,001)	(176,401)	(157,234)	(109,056)	(662)	(51,345)	(567,699)
At 31 December 2013	325,285	6,926,012	735,590	1,267,544	-	1,418,194	10,672,625
Amortisation during the year	-	1,189,497	17,961	125,714	-	260,071	1,593,243
Impairment during the year	-	-	-	-	-	1,310	1,310
Disposals	-	-	-	-	-	(2,176)	(2,176)
Reclassification	-	-	-	-	-	(112)	(112)
Exchange adjustment	(5,488)	(280,704)	(28,923)	(83,223)	-	(60,861)	(459,199)
At 31 December 2014	**319,797**	**7,834,805**	**724,628**	**1,310,035**	**-**	**1,616,426**	**11,805,691**
Carrying value							
At 31 December 2014	**10,535,692**	**20,459,540**	**2,701**	**1,566,937**	**-**	**959,338**	**33,524,208**
At 31 December 2013	11,168,218	17,568,501	20,417	1,727,953	-	988,680	31,473,769

14 INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

i. One of the subsidiaries of the Group, Ooredoo Myanmar Limited (OML) was awarded a 15 year nationwide telecommunication license and associated spectrum license by Myanmar Post and Telecommunications Department, Ministry of Information and Technology with an effective date of 5 February 2014. Additions to the intangible assets include the full cost of license fees.

ii. Impairment of assets

	2014 QR'000	*2013 QR'000*
Impairment of available-for-sale investments (note 17)	**1,346**	3,228
Impairment of assets	**24,617**	38,410
	25,963	41,638

iii. Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to individual cash generating units (CGUs) for impairment testing as follows:

Cash generating units	***Carrying value 2014 QR'000***	*Carrying value 2013 QR'000*
Ooredoo, Kuwait	**583,589**	606,122
Wataniya, Algeria	**2,197,483**	2,282,330
Ooredoo Tunisie	**3,721,008**	4,169,216
Indosat, Indonesia	**3,522,496**	3,597,895
Asiacell, Iraq	**353,408**	353,408
Others	**157,708**	159,247
	10,535,692	11,168,218

Goodwill was tested for impairment as at 31 December 2014. The recoverable amount of the CGUs was determined based on value in use calculated using cash flows projections by the management covering a period of ten years.

Key Assumptions used in value in use calculations

Key Assumptions
The principal assumptions used in the projections relate to the number of subscribers, in roaming revenue, average revenues per user, operating costs, capital expenditure, taxes and EBITDA. The assumptions are constructed based upon historic experience and management's best estimate of future trends and performance and take into account anticipated efficiency improvements over the forecasted period.

Discount rates
Discount rates reflect management's estimate of the risks specific to each unit. Discount rates are based on a weighted average cost of capital for each CGU. In determining the appropriate discount rates for each unit, the yield on a ten-year US Treasury bond and specific risk factors for each country has been taken into consideration.

Terminal value growth rate estimates
For the periods beyond that covered by the projections, long-term growth rates are based on management's best estimates of the growth rates relevant to telecommunications industry in the particular country.

14 INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

iii. Impairment testing of goodwill (continued)

Key Assumptions used in value in use calculations (continued)

Budgeted EBITDA growth rate
Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for the anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past years and the estimated subscribers and price growth for the forecasted period.

Budgeted Capex
The cash flow forecasts for budgeted capital expenditure are based on past experience and include the ongoing capital expenditure required to continue rolling out networks in emerging markets, providing enhanced voice and data products and services, and meeting the population coverage requirements of certain licenses of the Group. Capital expenditure includes cash outflows for the purchase of property, plant and equipment and other intangible assets

	(Expressed in percentage)			
Cash generating units	***Discount rate***		***Terminal value growth rate***	
	2014	*2013*	***2014***	*2013*
Ooredoo, Kuwait	**9.0%**	9.4%	**2.75%**	2.75%
Wataniya, Algeria	**10.5%**	10.5%	**2.75%**	2.75%
Ooredoo Tunisie	**11.1%**	11.0%	**2.75%**	2.75%
Indosat, Indonesia	**11.6%**	11.8%	**2.75%**	2.75%
Asiacell, Iraq	**16.4%**	16.2%	**2.75%**	2.75%

Management considers that changes to the discount rate could cause the carrying value of the following CGUs to exceed their recoverable amount. If the discount rate is increased by the percentages as mentioned below, the recoverable amount equals the carrying value:

	2014	*2013*
Ooredoo, Kuwait	**0.9%**	1.5%
Wataniya, Algeria	**9.3%**	7.3%
Ooredoo Tunisie	**0.1%**	1.4%
Indosat, Indonesia	**2.3%**	2.2%
Asiacell, Iraq	**14.2%**	44.2%

iv. The following table demonstrates the sensitivity of the recoverable amount to reasonable possible changes in discount rates by 50 basis points, with all other variables held constant

	2014 QR'000 **+0.5%**	***2014 QR'000*** **-0.5%**
Ooredoo Tunisie	**(354,439)**	**400,000**
Ooredoo, Kuwait	**(1,034,285)**	**1,216,759**

In case of Ooredoo Tunisie and Ooredoo, Kuwait ("the CGUs"), the revenue and margins have declined in recent years compared to past levels leading to a recoverable amount being more sensitive to an impairment loss. The CGUs are facing competition challenges and instability in economic and political environment of the countries. With direction of the board of directors, the management has developed a revised operational and business strategies in these CGUs, coupled with changes in the top level management which has been reflected in the assumptions used in computation of the recoverable amounts and strongly believe that the estimated recoverable amount will improve in the future due to the revised efforts, and the sensitivities towards impairment loss could be lowered.

15 INVESTMENT PROPERTY

	2014	*2013*
	QR'000	*QR'000*
Cost		
At 1 January	**105,018**	105,018
At 31 December	**105,018**	105,018
Accumulated depreciation		
At 1 January	**44,655**	38,559
Provided during the year	**5,251**	6,096
At 31 December	**49,906**	44,655
Carrying value		
At 31 December	**55,112**	60,363

Investment property comprises of the portion of the Group's head quarter building rented to an external party. As per valuation performed by external valuers, the fair value of Investment property is QR 63,000 thousands (2013: QR 63,000 thousands) which approximates the carrying amount as at 31 December 2014.

16 INVESTMENT IN ASSOCIATES AND JOINT VENTURE

The Group has the following investment in associates and joint venture

Associate/Joint Venture companies	***Principal activity***	***Country of incorporation***	***Effective ownership 2014***	*2013*
Navlink, Inc.,	*Managed Service Provider delivering technology solutions in the enterprise data market*	*United States of America*	***38%***	*38%*
Asia Mobile Holdings Pte Ltd ("AMH")	*Holding company*	*Singapore*	***25%***	*25%*
PT Multi Media Asia Indonesia	*Satellite based telecommunication services*	*Indonesia*	***17%***	*17%*
Liberty Telecoms Holdings Inc. ("LTHI")	*Telecommunication services*	*Philippines*	***40%***	*40%*
MEEZA QSTP LLC	*Information technology services*	*Qatar*	***20%***	*20%*
PT Citra Bakti, Indonesia	*Product certification and testing*	*Indonesia*	***9%***	*9%*
Titan Bull Holdings Limited	*Holding Company*	*Cayman Islands*	***20%***	-
Asia Internet Holding S.a r.l.,	*Holding Company*	*Luxembourg*	***50%***	-

16 INVESTMENT IN ASSOCIATES AND JOINT VENTURE (CONTINUED)

The following table is the summarised financial information of the Group's investments in the associates and joint venture:

	2014	*2013*
	QR'000	*QR'000*
Group's share of associates' and joint venture's statement of financial position:		
Current assets	**1,131,532**	868,974
Non-current assets	**2,876,017**	2,386,069
Current liabilities	**(1,032,442)**	(925,498)
Non-current liabilities	**(1,730,186)**	(1,868,586)
Net assets	**1,244,921**	460,959
Goodwill	**1,359,446**	1,291,213
Carrying amount of the investment	**2,604,367**	1,752,172
Group's share of associates' and joint ventures' revenues and results:		
Revenues	**1,865,805**	1,813,684
Results – net of tax	**89,098**	97,869

During the year management has performed impairment test and based on the currently available information, there is no evidence of impairment in the value of investment in associates and joint venture.

In third quarter of 2014, the Group invested a sum of QR 232,593 thousands in Asia Internet Holding (AIH), a joint venture with Rocket Internet to fund new ventures in the e commerce sector. The Group is also committed to invest further QR 604,431 thousands in the future and the same is considered as contingent consideration and recorded as part of investment costs. The share of net assets from the joint venture after this investment have been included in the consolidated financial statements. Included within the carrying amount is goodwill amounting to QR 130,872 thousands.

17 AVAILABLE-FOR-SALE INVESTMENTS

	2014	*2013*
	QR'000	*QR'000*
Quoted equity investments	**13,278**	988,248
Unquoted equity investments	**658,172**	666,847
Unquoted debt securities	**-**	113,505
Investments in funds	**955,696**	935,893
	1,627,146	2,704,493

At 31 December 2014, certain unquoted equity investments amounting to QR 36,867 thousands (2013: QR 62,727 thousands) are carried at cost less impairment due to non-availability of quoted market prices or other reliable measures of their fair value.

During the year, the Group has recorded an impairment loss of QR 1,346 thousands (2013: QR 3,228 thousands) on certain available-for-sale investments. In the opinion of the management, based on the currently available information, there is no evidence of further impairment in the value of available-for-sale investments.

18 OTHER NON-CURRENT ASSETS

	2014 *QR'000*	*2013* *QR'000*
Prepaid rentals	**263,000**	242,473
Other long term receivables	**398,440**	355,213
Others	**89,186**	99,558
	750,626	697,244

19 INCOME TAX

Income tax represents amounts recognised by subsidiary companies. The major components of income tax expense for the years 2014 and 2013 are:

	2014 *QR'000*	*2013* *QR'000*
Current income tax		
Current income tax charge	**541,291**	760,368
Adjustments in respect of previous years' income tax	**165,659**	154,682
Deferred income tax		
Relating to origination and reversal of temporary differences	**(108,154)**	(303,161)
Income tax included in the consolidated statement of profit or loss	**598,796**	611,889

The Parent company is not subject to income tax in the State of Qatar. The tax rate applicable to the taxable subsidiaries which is in the range of 10% to 35% (2013: 10% to 35%). For the purpose of determining the taxable results for the year, the accounting profit of the companies were adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense allowed in accordance with respective tax laws of subsidiaries.
The adjustments are based on the current understanding of the existing laws, regulations and practices of each subsidiaries jurisdiction. In view of the operations of the Group being subject to various tax jurisdictions and regulations, it is not practical to provide a detailed reconciliation between accounting and taxable profits together with the details of the effective tax rates. As a result, the reconciliation includes only the identifiable major reconciling items. The tax reconciliation is presented as follows:

	2014 *QR'000*	*2013* *QR'000*
Profit before tax	**3,080,458**	3,895,146
Profit of parent and subsidiaries not subject to corporate income tax	**(1,766,354)**	(1,132,819)
Profit of parent and subsidiaries subject to corporate income tax	**1,314,104**	2,762,327
Add/(Less):		
Allowances, accruals and other temporary differences	**543,091**	708,050
Expenses and income that are not subject to corporate tax	**686,757**	(161,324)
Depreciation – net of accounting and tax	**269,701**	571,561
Taxable profit of subsidiaries and associates that are subject to corporate income tax	**2,813,653**	3,880,614
Income tax charge at the effective income tax rate of 19% (2013: 20%)	**541,291**	760,368

19 INCOME TAX (CONTINUED)

	Consolidated statement of financial position		*Consolidated statement of profit or loss*	
	2014	*2013*	***2014***	*2013*
	QR'000	*QR'000*	***QR'000***	*QR'000*
Accelerated depreciation for tax purposes	**(346,243)**	(410,222)	**48,039**	237,160
Losses available to offset against future taxable income	**50,592**	60,325	**(6,452)**	(34,470)
Allowances, accruals and other temporary differences	**90,022**	49,384	**38,307**	65,260
Deferred tax origination on purchase price allocation	**(489,981)**	(528,000)	**28,260**	35,211
Deferred tax liability / deferred tax expense (income) - net	**(695,610)**	(828,513)	**108,154**	303,161

Reflected in the consolidated statement of financial position as follows:

	2014	*2013*
	QR'000	*QR'000*
Deferred tax asset	**59,884**	50,703
Deferred tax liability	**(755,494)**	(879,216)
	(695,610)	(828,513)

Movement of deferred tax liability – net

	2014	*2013*
	QR'000	*QR'000*
At 1 January	**828,513**	1,295,555
Tax income during the year	**(108,154)**	(303,161)
Tax on other comprehensive income	**(13,131)**	68,388
Exchange adjustment	**(11,618)**	(232,269)
At 31 December	**695,610**	828,513

Unrecognised deferred tax assets

At 31 December 2014, deferred tax assets of QR 139,619 thousands (2013: QR 110,837 thousands) for temporary differences of QR 398,911 thousands (2013: QR 353,859 thousands) related to investments in subsidiaries were not recognised because the subsidiaries were unable to assess with reasonable certainty that sufficient taxable profit would be available to recover the asset in the foreseeable future.

20 INVENTORIES

	2014	*2013*
	QR'000	*QR'000*
Subscribers' equipment	**288,421**	215,090
Other equipment	**337,053**	267,443
Cables and transmission equipment	**83,761**	93,870
	709,235	576,403
Less: Provision for obsolete and slow moving inventories	**(42,565)**	(39,092)
	666,670	537,311

Inventories consumed are recognised as expense and included under operating expenses, amounting to QR 2,209,182 thousands (2013: QR 1,389,107 thousands).

20 INVENTORIES (CONTINUED)

Movement in the provision for obsolete and slow moving inventories is as follows:

	2014 ***QR'000***	*2013* *QR'000*
At 1 January	**39,092**	42,169
Provided during the year	**4,879**	9,733
Amounts written off	**(865)**	(3,089)
Related to discontinued operation	**-**	(7,831)
Exchange adjustment	**(541)**	(1,890)
At 31 December	**42,565**	39,092

21 TRADE AND OTHER RECEIVABLES

	2014 ***QR'000***	*2013* *QR'000*
Trade receivables – net of impairment allowances	**2,329,676**	2,728,082
Other receivables and prepayments	**3,829,171**	3,003,276
Unbilled subscribers revenue	**347,237**	271,711
Amounts due from international carriers - net	**1,004,270**	692,816
Positive fair value of derivatives contracts	**72,080**	138,471
Net prepaid pension costs	**885**	1,149
	7,583,319	6,835,505

At 31 December, trade receivables amounting to QR 1,081,191 thousands (2013: QR 1,010,951 thousands) were impaired and fully provided for.

Movement in the allowance for impairment of trade receivables is as follows:

	2014 ***QR'000***	*2013* *QR'000*
At 1 January	**1,010,951**	1,007,404
Charge for the year	**181,451**	230,117
Amounts written off	**(83,670)**	(90,807)
Related to discontinued operation	**-**	(91,636)
Exchange adjustment	**(27,541)**	(44,127)
At 31 December	**1,081,191**	1,010,951

21 TRADE AND OTHER RECEIVABLES (CONTINUED)

At 31 December 2014, the ageing of unimpaired trade receivables is as follows:

			Past due not impaired			
	Total QR '000	*Neither past due nor impaired QR '000*	*< 30days QR '000*	*30-60 Days QR '000*	*60-90 Days QR '000*	*> 90 days QR '000*
2014	**2,329,676**	**847,464**	**340,573**	**254,884**	**156,447**	**730,308**
2013	2,728,082	942,910	446,975	333,720	213,154	791,323

Unimpaired receivables are expected on the basis of past experience to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables and the vast majorities are therefore, unsecured.

22 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following items:

	Note	***2014* QR'000**	*2013 QR'000*
Bank balances and cash	(i),(ii)	**17,437,426**	20,304,571
Less: Restricted deposits		**(121,963)**	(300,413)
Cash and cash equivalents of continuing operation		**17,315,463**	20,004,158
Cash and cash equivalents of discontinued operation	41	**-**	199,661
Cash and cash equivalents as per consolidated statement of cash flows at 31 December		**17,315,463**	20,203,819

(i) Bank balances and cash equivalents include fixed deposits maturing after three months amounting to QR 6,311,017 thousands (2013: QR 8,321,931 thousands). The management is of the opinion that these fixed deposits are readily convertible to cash and is held to meet short-term commitments.

(ii) Short term deposits are made for varying periods depending on the immediate cash requirements of the Group and the interest on the respective short term deposit rates range from 0.25% to 11.50% (2013 : 0.25% to 11.00%).

23 SHARE CAPITAL

	2014		*2013*	
	No of shares (000)	***QR'000***	*No of shares (000)*	*QR'000*
Authorised				
Ordinary shares of QR 10 each				
At 1 January/31 December 2014	**500,000**	**5,000,000**	500,000	5,000,000
Issued and fully paid up				
Ordinary shares of QR 10 each				
At 1 January/31 December 2014	**320,320**	**3,203,200**	320,320	3,203,200

24 RESERVES

a) Legal reserve
In accordance with Qatar Commercial Companies' Law No. 5 of 2002 and the Company's Articles of Association, 10% of the profit of the Company for the year should be transferred to the legal reserve until such reserves reach 50% of the issued share capital. During 2008, an amount of QR 5,494,137 thousands, being the net share premium amount arising out of the rights issue was transferred to legal reserve. During 2012, an amount of QR 5,940,145 thousands, being the net share premium amount arising out of the rights issue was transferred to legal reserve.

The reserve is not available for distribution except in the circumstances stipulated in the Companies' law and the Company's Articles of Association.

b) Fair value reserve
The fair value reserve comprises the cumulative net change in the fair value of available-for-sale investments and effective portion of qualifying cash flow hedges.

	2014 ***QR'000***	*2013* *QR'000*
Fair value reserve of available for sale investments	**881,103**	1,316,087
Cash flow hedge reserve	**11,459**	10,282
	892,562	1,326,369

c) Employee benefit reserve
Employment benefit reserve is created on account of adoption of revised IAS – 19 "Employee benefits". Employee benefit reserve comprises actuarial gains / (losses) pertaining to defined benefit plans.

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

e) Other statutory reserves
In accordance with the statutory regulations of the various subsidiaries, a share of their respective annual profits should be transferred to a non-distributable statutory reserve.

25 COMPONENTS OF OTHER COMPREHENSIVE INCOME

	2014	*2013*
	QR'000	*QR'000*
Available-for-sale investments		
Gain arising during the year	**207,500**	312,041
Reclassification to profit or loss	**(687,890)**	(84,065)
Transferred to profit or loss on impairment	**1,346**	3,228
	(479,044)	231,204
Cash flow hedges		
(Loss)/gain arising during the year	**(361)**	1,026
Deferred tax effect	**43**	(123)
	(318)	903
Employee benefit reserve		
Net movement in employee benefit reserve	**(54,354)**	304,827
Deferred tax effect	**13,088**	(67,716)
	(41,266)	237,111
Associates and joint venture		
Share of changes in fair value	**1,352**	2,843
Translation reserves		
Foreign currency translation differences - foreign operations	**(1,995,070)**	(3,096,664)
Exchange differences transferred to profit or loss	**8,825**	-
Deferred tax effect	**-**	(549)
	(1,986,245)	(3,097,213)
Other comprehensive income for the year – net of tax	**(2,505,521)**	(2,625,152)

26 LOANS AND BORROWINGS

Presented in the consolidated statement of financial position as:

	2014 **QR'000**	2013 QR'000
Non-current liabilities		
Secured loan	**553,723**	675,875
Unsecured loan	**9,117,465**	8,927,966
Islamic Finance	**4,745,809**	4,693,110
Bonds	**21,526,815**	23,345,807
Less: Deferred financing cost	**(302,591)**	(388,306)
	35,641,221	37,254,452
Current liabilities		
Secured loan	**191,953**	155,791
Unsecured loan	**2,773,430**	2,167,035
Islamic Finance	**1,813,468**	1,829,128
Bonds	**2,462,528**	3,974,533
Less: Deferred financing cost	**(85,870)**	(68,614)
	7,155,509	8,057,873
	42,796,730	45,312,325

The deferred financing costs consist of arrangement and commitment fees. Movement in deferred financing costs was as follows:

	2014 **QR'000**	2013 QR'000
At 1 January	**456,920**	438,675
Additions during the year	**29,165**	156,063
Amortised during the year (note 9)	**(99,069)**	(122,787)
Exchange adjustment	**1,445**	(15,031)
At 31 December	**388,461**	456,920

26 LOANS AND BORROWINGS (CONTINUED)

The loans and borrowings presented in the consolidated statement of financial position consist of the following:

	Currency	*Nominal Interest / Profit rate*	*Year of maturity*	*2014 QR'000*	*2013 QR'000*
Unsecured	USD	LIBOR + 1.45%	May 2014	**-**	2,731,125
Unsecured	USD	LIBOR + 1.15%	March 2017	**3,641,500**	3,641,500
Unsecured	USD	LIBOR + 1.00%	May 2019	**3,641,500**	-
Islamic Finance	USD	LIBOR + 0.95%	May 2014	**-**	1,820,750
Islamic Finance	USD	LIBOR + 0.95%	May 2015	**1,813,467**	-
Bonds	USD	6.50%	June 2014	**-**	3,277,351
Bonds	USD	7.88%	June 2019	**2,184,901**	2,184,901
Bonds	USD	3.38%	October 2016	**3,641,501**	3,641,501
Bonds	USD	4.75%	February 2021	**3,641,501**	3,641,501
Bonds	USD	5.00%	October 2025	**2,731,127**	2,731,127
Bonds	USD	3.25%	February 2023	**3,641,501**	3,641,501
Bonds	USD	3.88%	January 2028	**1,820,751**	1,820,751
Bonds	USD	4.50%	January 2043	**1,820,751**	1,820,751
Islamic Finance	USD	3.04%	December 2018	**4,551,877**	4,551,877
Unsecured	USD	LIBOR + 2%	February 2017	**142,738**	205,968
Unsecured	USD	LIBOR + 1.8%	January 2018	**308,080**	163,900
Unsecured	TND	TMM Rate + 1.1%	June 2018	**375,471**	487,539
Unsecured	TND	TMM Rate + 1.5%	June 2019	**224,427**	-
Secured	USD	LIBOR + 5.0% to 5.85% per annum	June 2019	**313,141**	326,325
Secured	USD	LIBOR + 3%	August 2015	**3,277**	7,647
Secured	USD	LIBOR + 5.5%	February 2016	**6,798**	12,624
Secured	USD	LIBOR + 5.5%	December 2016	**14,566**	-
Secured	USD	6%	January 2016	**5,917**	-
Secured	USD	LIBOR+2%	December 2015	**5,463**	-
Unsecured	DZD	5%	December 2015	**319,823**	613,332
Unsecured	DZD	4.50%	November 2015	**125,506**	133,123
Unsecured	DZD	4.5%	September 2015	**61,258**	53,602
Unsecured	DZD	4.95%	September 2015	**62,744**	52,596
Unsecured	DZD	5%	April 2016	**122,810**	-
Unsecured	DZD	5%	March 2017	**75,009**	-
Unsecured	DZD	4.90%	September 2015	**64,880**	-
Unsecured	KWD	CBK discount rate	October 2016	**410,021**	232,285
Unsecured	KWD	CBK + 1%	September 2016	**75,792**	-
Unsecured	USD	LIBOR + 1.75%	June 2015	**145,661**	412,703
Unsecured	USD	LIBOR + 1.40%	November 2015	**121,383**	254,905
Unsecured	USD	LIBOR + 2.50%	December 2015	**29,962**	51,814

26 LOANS AND BORROWINGS (CONTINUED)

	Currency	*Nominal Interest / Profit rate*	*Year of maturity*	*2014 QR'000*	*2013 QR'000*
Unsecured	USD	LIBOR + 2.95%	September 2019	**174,792**	-
Secured	USD	5.69% p.a.	September 2019	**286,416**	343,973
Secured	USD	USD LIBOR + 0.35% p.a.	September 2019	**80,539**	96,723
Unsecured	IDR	1-month JIBOR + 1.25% payable monthly	June 2014	**-**	448,829
Unsecured	IDR	JIBOR + 2.75% p.a payable monthly	February 2015	**292,949**	448,829
Bonds	USD	7.375% Payable semi-annually	July 2020	**2,368,784**	2,370,670
Secured	USD	6 month LIBOR + 1.45%	November 2016	**29,559**	44,374
Unsecured	USD	Facility A: 6 Month LIBOR + 2.87% Facility B: Commercial Interest Reference Rate ("CIRR") + 1.66% Facility C: CIRR+ 1.64% - payable semi-annually.	Facility A: May 2016 Facility B: February 2017 Facility C: November 2017	**373,539**	537,960
Bonds	IDR	Series A 10.2% and Series B 10.65% - payable quarterly	Series A: May 2014 Series B: May 2017	**-** **401,340**	358,040 409,930
Bonds (Series A) and Unsecured (Series B)	IDR	Series A 10.25% and Series B 10.80% - payable quarterly	April 2015	**93,744**	95,750
Bonds	IDR	Series A 11.25% and Series B 11.75%	Series A: December 2014 Series B: December 2016 – payable quarterly	**-** **175,769**	209,453 179,532
Bonds	IDR	IDR 10.3 billion annual fixed Ijarah return	May 2014	**-**	119,689
Islamic Finance	IDR	Annual fixed Ijarah return. Series A bonds IDR 3.15 billion and Series B bonds IDR20.21 billion	Series A: December 2014 Series B: December 2016	**-** **50,387**	8,379 51,466
Bonds	IDR	Fixed rate of 8.625% p.a. payable quarterly	June 2019	**351,538**	359,063
Bonds	IDR	Fixed rate of 8.875% p.a. payable quarterly	June 2022	**439,423**	448,829
Islamic Finance	IDR	Annual Ijarah payment of IDR 25.875 billion	June 2019	**87,885**	89,766
Unsecured	IDR	3 months Jibor + 2.25%	October 2016	**219,712**	89,766
Unsecured	IDR	10.25% payable quarterly	December 2018	**263,654**	299,219
Unsecured	IDR	1month Jibor +1.25%	December 2015	**190,416**	194,493

26 LOANS AND BORROWINGS (CONTINUED)

	Currency	*Nominal Interest / Profit rate*	*Year of maturity*	***2014 QR'000***	*2013 QR'000*
Unsecured	IDR	1month Jibor +2.75%	October 2017	**102,532**	-
Unsecured	IDR	1month Jibor +1.5%	November 2021	**73,237**	-
Unsecured	IDR	1month Jibor +2.5%	December 2017	**29,295**	-
Unsecured	IDR	1month Jibor +2.5%	June 2015	**175,770**	-
Bonds	IDR	10%	December 2017	**278,301**	-
Bonds	IDR	10.30%	December 2019	**219,713**	-
Bonds	IDR	10.50%	December 2021	**73,237**	-
Bonds	IDR	10.70%	December 2024	**105,461**	-
Islamic Finance	IDR	10%	December 2017	**18,750**	-
Islamic Finance	IDR	10.30%	December 2019	**4,687**	-
Islamic Finance	IDR	10.50%	December 2021	**32,224**	-
Unsecured	IDR	10.50%	November 2017	**4,614**	-
Unsecured	IDR	2%	November 2016	**307**	-
Unsecured	USD	NIL	On demand	**41,513**	41,513
				43,185,191	45,769,245
Less: Deferred financing costs				**(388,461)**	(456,920)
				42,796,730	45,312,325

(i) Loans and borrowings are availed for general corporate purposes or specific purposes which include purchase of telecommunication and related equipment, financing working capital requirements and repayment or refinancing of existing borrowing facilities.

(ii) Secured loans and borrowings are secured against property, plant and equipment and cash collateral.

(iii) Bonds are listed on London, Irish, Singapore and Indonesia Stock Exchanges.

(iv) Islamic Finance includes notes issued under Sukuk Trust Programme on the Irish and Indonesia Stock Exchange.

27 EMPLOYEE BENEFITS

	2014	2013
	QR'000	*QR'000*
Employees' end of service benefits	**378,068**	337,388
Post-retirement health care plan	**183,083**	140,552
Cash settled share based payments	**279,751**	256,344
Defined benefit pension plan/Labour Law No. 13/2003	**88,166**	71,657
Other employee benefits	**10,164**	11,299
Total employee benefits	**939,232**	817,240
Current portion of cash settled share based payments (note 29)	**(101,774)**	(120,276)
Employee benefits – non current	**837,458**	696,964

Movement in the provision for employee benefits are as follows:

	2014	2013
	QR'000	*QR'000*
At 1 January	**817,240**	1,010,071
Provided during the year	**276,458**	299,392
Paid during the year	**(183,100)**	(129,884)
Other comprehensive income	**41,194**	(230,223)
Relating to discontinued operation	**-**	(13,408)
Exchange adjustment	**(12,560)**	(118,708)
At 31 December	**939,232**	817,240

The details of the benefit plans operated by one of the Group's subsidiaries are as follows:

Plan A - Post-retirement healthcare plan

The subsidiary provides post-retirement healthcare benefits to its employees who leave after the employees fulfill the early retirement requirement. The immediate family of employees who have been officially registered in the records of the Company are also eligible to receive benefits.

Plan B - Defined Benefit Pension Plan - Labour Law No. 13/2003

Indosat, Lintasarta and IMM also accrue benefits under Indonesian Labor Law No. 13/2003 ("Labor Law") dated 25 March 2003. Their employees will receive the benefits under this law or the defined benefit pension plan, whichever amount is higher.

Plan C - Defined Benefit Pension Plan

The subsidiaries, Indosat, Satelindo and Lintasarta provide defined benefit pension plans to their respective employees under which pension benefits to be paid upon retirement. A state-owned life insurance company, PT Asuransi Jiwasraya ("Jiwasraya") manages the plans. Pension contributions are determined by periodic actuarial calculations performed by Jiwasraya.

Based on the agreement, a participating employee will receive:

- Expiration benefit equivalent to the cash value at the normal retirement age, or
- Death benefit not due to accident equivalent to 100% of insurance money plus cash value when the employee dies not due to accident, or

Death benefit due to accident equivalent to 200% of insurance money plus cash value when the employee dies due to accident.

27 EMPLOYEE BENEFITS (CONTINUED)

Actuarial assumptions

The actuarial valuations were prepared by an independent actuary, using the projected-unit-credit method, the following were the principal actuarial assumptions at the reporting date.

	2014			2013		
	Plan A	**Plan B**	**Plan C**	Plan A	Plan B	Plan C
Annual discount rate	**9.0%**	**8.5%**	**8.0% -8.5%**	9.5%	9.0-9.5%	9.0%
Ultimate cost trend rate	**6.0%**	**-**	**-**	6.0%	-	-
Next year trend rate	**6.0%**	**-**	**-**	8.0%	-	-
Period to reach ultimate cost trend rate	**0 Year**	**-**	**-**	1 Year	-	-
Increase in compensation	**-**	**7.5%**	**3.0% - 9.0%**	-	7.5-8.5%	3.0-9.0%
Expected annual rate of return on plan assets	**-**	**-**	**4.5% - 9.0%**	-	-	4.5-9.0%
Mortality rate	**-**	**-**	**TMI 2011**	-	-	TMI 2011

Movement in net defined benefit (asset) / liability

The following table shows the reconciliation from the opening balances to the closing balances for net defined benefit liability (asset) and its components.

	2014			2013		
	Plan A *QR'000*	**Plan B** *QR'000*	**Plan C** *QR'000*	Plan A *QR'000*	Plan B *QR'000*	Plan C *QR'000*
At 1 January	**144,382**	**73,272**	**(38,196)**	383,232	138,446	(8,332)
Included in profit or loss						
Interest cost	**13,896**	**6,999**	**(3,323)**	25,914	8,653	(778)
Service cost	**4,885**	**7,913**	**7,719**	14,752	13,682	11,719
Curtailment gain	**(3,007)**	**(649)**	**259**	(7,700)	(2,537)	2,974
Immediate recognition of past service cost – vested benefit	**-**	**1,944**	**83**	-	266	(1,025)
Cost of employee transfer	**153**	**(57)**	**-**	-	-	-
	15,927	**16,150**	**4,738**	32,966	20,064	12,890
Included in other comprehensive income						
Actuarial (gain) / loss	**35,742**	**5,452**	**13,160**	(180,425)	(49,798)	(74,604)
Other movements						
Contribution	**-**	**-**	**(3,156)**	-	-	(3,122)
Benefit payment	**(4,613)**	**(2,488)**	**-**	(6,663)	(3,345)	-
Refund	**-**	**-**	**429**	-	-	469
Exchange adjustment	**(3,790)**	**(2,311)**	**(3,268)**	(84,728)	(32,095)	34,503
	(8,403)	**(4,799)**	**(5,995)**	(91,391)	(35,440)	31,850
At 31 December	**187,648**	**90,075**	**(26,293)**	144,382	73,272	(38,196)
Current portion	**4,565**	**1,909**	**(885)**	3,830	1,615	(1,149)
Non-current portion	**183,083**	**88,166**	**(25,408)**	140,552	71,657	(37,047)

27 EMPLOYEE BENEFITS (CONTINUED)

Plan assets comprises of time deposits, debt securities, long-term investment in shares of stock and property as follows:

	2014	2013
Investments in:		
- Shares of stocks and properties	**45.90%**	45.87%
- Mutual fund	**43.92%**	44.20%
- Time deposits	**8.40%**	6.37%
- Debt securities	**1.75%**	3.56%
- Others	**0.03%**	0.00%

28 OTHER NON-CURRENT LIABILITIES

	2014 QR'000	2013 QR'000
Communications and Media Commission ("CMC"), Iraq	**279,485**	-
Ministry of Communication and Technology ('MOCIT'), Indonesia	**165,993**	440,260
Ministry of Telecommunications and Information Technology, Palestine	**197,903**	197,903
Post and Telecommunications Department, Ministry of Information and Technology, Myanmar	**919,479**	-
Site restoration provision	**63,938**	61,958
Finance lease liabilities (note 32)	**1,066,404**	1,079,601
Deferred gain on finance leases	**272,026**	320,054
Others	**692,945**	526,081
	3,658,173	2,625,857

29 TRADE AND OTHER PAYABLES

	2014 QR'000	2013 QR'000
Trade payables	**4,451,146**	2,790,481
Accrued expenses	**6,335,568**	5,698,003
Interest payable	**448,206**	456,240
Profit payable on islamic financing obligation	**11,469**	10,757
License costs payable (note 14 (i))	**1,610,276**	-
Amounts due to international carriers -net	**605,046**	440,030
Negative fair value of derivatives	**17,075**	22,237
Finance lease liabilities (note 32)	**126,914**	107,318
Cash settled share based payments (note 27)	**101,774**	120,276
Other payables	**3,290,571**	2,719,305
	16,998,045	12,364,647

30 DIVIDEND

Dividend paid and proposed

	2014 ***QR'000***	*2013* *QR'000*
Declared, accrued and paid during the year		
Final dividend for 2013, QR 4 per share (2012 : QR 5 per share)	**1,281,280**	1,601,600
Proposed for approval at Annual General Meeting (not recognised as a liability as at 31 December)		
Final dividend for 2014, QR 4 per share (2013 : QR 4 per share)	**1,281,280**	1,281,280

The proposed final dividend will be submitted for formal approval at the Annual General Meeting.

31 DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives not designated as hedging instruments

The Group uses cross currency swap contracts, currency forward contracts and interest rate swaps to manage some of the currency transaction exposure and interest rate exposure. These contracts are not designated as cash flow, fair value or net investment hedges and are accounted for as derivative financial instruments:

	Notional amounts	
	2014 ***QR'000***	*2013* *QR'000*
Currency forward contracts	**1,582,883**	888,526
Interest rate swaps	**110,014**	259,410
Fair value hedge	**227,177**	304,559
	1,920,074	1,452,495

	Fair values			
	2014		*2013*	
	Positive ***QR'000***	***Negative*** ***QR'000***	*Positive* *QR'000*	*Negative* *QR'000*
Currency forward contracts	**22,260**	**1,444**	58,518	-
Interest rate swaps	**-**	**7,909**	-	11,042
Fair value hedge	**48,354**	**6,852**	77,837	10,036
	70,614	**16,205**	136,355	21,078

Cash flow hedges

The Group has several interest rates swap and basis swap agreements with a view to limit its floating interest rate exposure on its term loans. Under the interest rate swap arrangements, the Group will pay an agreed fixed interest rate and receive floating interest rates based on USD LIBOR.

The swap arrangements qualify for hedge accounting under IAS 39, the hedging relationship and objective, including details of the hedged items and hedging instruments are formally documented as the transactions are accounted as cash flow hedges.

31 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Cash flow hedges (continued)
The table below shows the positive and negative fair values of derivative financial instruments held as cash flow hedges together with the notional amounts:

	Negative fair value *QR'000*	*Positive fair value* *QR'000*	*Notional Amounts* *QR'000*
Interest rate swaps			
31 December 2014	**870**	**1,466**	**207,811**
31 December 2013	1,159	2,116	244,270

32 COMMITMENTS

Capital expenditure commitments

	2014 ***QR'000***	*2013* *QR'000*
Estimated capital expenditure contracted for at the end of the financial reporting year but not provided for:	**4,803,664**	8,393,649

Operating lease commitments

	2014 ***QR'000***	*2013* *QR'000*
Future minimum lease payments:		
Not later than one year	**284,617**	203,376
Later than one year and not later than five years	**1,009,745**	615,681
Later than five years	**998,799**	171,165
Total operating lease expenditure contracted for at 31 December	**2,293,161**	990,222

Finance lease commitments

	2014 ***QR'000***	*2013* *QR'000*
Amounts under finance leases		
Minimum lease payments		
Not later than one year	**254,229**	235,037
Later than one year and not later than five years	**948,486**	906,231
Later than five years	**523,149**	632,179
	1,725,864	1,773,447
Less: unearned finance income	**(532,546)**	(586,528)
Present value of minimum lease payments	**1,193,318**	1,186,919

		2014 ***QR'000***	*2013* *QR'000*
Present value of minimum lease payments	*Note*		
Current portion	29	**126,914**	107,318
Non-current portion	28	**1,066,404**	1,079,601
		1,193,318	1,186,919

33 CONTINGENT LIABILITIES

	2014 ***QR'000***	*2013* *QR'000*
Letters of guarantees	**946,070**	405,961
Letters of credit	**200,041**	139,351
Claims against the Group not acknowledged as debts	**1,647**	764

Litigation and claims

The Group is from time to time a party to various legal actions and claims arising in the ordinary course of its business. The Group does not believe that the resolution of these legal actions and claims will, individually or in the aggregate, have a material adverse effect on its financial condition or results of operations, except as noted below.

(a) Proceedings against PT Indosat Mega Media relating to misuse of radio frequencies

In early 2012, the Attorney General's Office in Jakarta (the "AGO") initiated corruption proceedings against PT Indosat Mega Media ("IM2"), a 99 per cent owned subsidiary of PT Indosat TBK, a subsidiary of the Group, for unlawful use of a radio frequency band allocation that had been granted to Indosat. These proceedings were initiated pursuant to a report from the Indonesian Telecommunication Consumer Non Governmental Organisation, which alleged that IM2 had avoided paying certain spectrum fees by unlawfully using Indosat's 3G spectrum which Indosat had acquired through a tender process in 2006.

On 8 July 2013, the Indonesia Corruption Court imposed a fine of QR 474 million (USD 130 million) against IM2 in a related case against the former President Director of IM2. Both the former President Director of IM2 and the AGO lodged appeals to the Jakarta High Court. On 10 January 2014, the Jakarta High Court issued a decision in favour of IM2 and cancelled the fine of QR 474 million (USD 130 million) against IM2 for the compensation of the state loss.

Following the institution of the Criminal Case, lndosat, IM2 and Mr. lndar Atmanto sued BPKP in the Administrative Court (the "Administrative Case") challenging its calculation of the state's loss, introduced as proof in the Criminal Case. On May 1, 2013, the Administrative Court held that the BPKP Report was unlawful and ordered it revoked. On January 28, 2014 this decision was upheld on appeal to the High Court, and was again upheld on July 21, 2014 by the Supreme Court. It is now deemed to be final and binding, notwithstanding apparent contradictions with the Criminal Case decision and the Administrative Case decision.

A written decision of the Supreme Court was received in January 2015 which confirmed that the Supreme Court had upheld Mr. lndar Atmanto's prison sentence of eight years and that the fine against IM2 of approximately USD 130 million had been reinstated.

Ooredoo, lndosat and IM2 maintain that there is no justification for the decisions against Mr. lndar Atmanto and IM2. However, lndosat and IM2 have constituted provisions, and Ooredoo has included a provision in its accounts.

33 CONTINGENT LIABILITIES (CONTINUED)

Litigation (continued)

(b) Tax demand notices against Asiacell
As at the reporting date, one of the Group's subsidiaries, Asiacell Communication PJSC ("ACL") was subject to tax demand notice by the General Commission for Taxes, Iraq (the "GCT") for the years 2004 to 2007 for an amount of QR 246.5 million and a further tax demand notice by the GCT for the years 2008, 2009-10 for an amount of QR 141.5 million and QR 245.7 million respectively relating to corporate income tax. In addition, Asiacell also received tax demand notice by the GCT for the years 2003 to 2007 for an amount of QR 84.6 million relating to employees' income tax.

Currently the ACL management is in the process of discussing the basis of each of these claims and certain amount is paid under protest to comply with the requirements of tax laws in Iraq.

The Group has set up adequate provision against these claims and management is of the view that ACL has strong grounds to challenge each of these claims.

(c) Proceedings against Asiacell relating to regulatory fee
In June 2014, one of the Group's subsidiaries Asiacell in Iraq received a letter from the Communications and Media Commission, Iraq (CMC) requesting the payment of QR 278.2 million (USD 76.4million). According to their view of Asiacell's shareholding structure, Asiacell should pay the regulatory fee based on an 18% rather than 15% of gross revenues.

Consequently, Asiacell filed an appeal at the CMC's appeal panel in disagreement on the legal aspect of this matter. The appeal was rejected by the CMC appeal panel and Asiacell is now preparing its appeal to the Administrative court.

On 8 September 2014 Asiacell raised a civil lawsuit against the CMC to the Court of First Instance of Erbil/2 in relation to the decisions of CMC and the CMC Appeal Panel. The case was dismissed by the court on the basis that the decision of the Appeal Panel was final. On 3 December 2014 Asiacell then appealed the decision of the court to the Court of Appeal of Erbil Area. The first hearing is expected to occur in February 2015.

The Group has already set up an adequate provision in prior years since it increased ownership interest in Asiacell which can potentially trigger the additional regulatory fees.

(d) Proceedings against Asiacell relating to frequency spectrum fee
On 10 September 2014, Asiacell received a claim from Communications and Media Commission (CMC) towards usage fees of the frequency spectrum for a sum of QR 239.7 million (equivalent to USD 66 million) for the period from 30 August 2007 to 31 December 2013. The Company has already made a provision for QR 174.1 million (equivalent to USD 47.8 million) in its books for the same period.

On enquiry, the company was informed that the rebate on fees was only considered by CMC from 14 August 2011 and not from the date on which the frequency spectrum was provided which was provided (30 August 2007) even though instructions posted on the CMC website clearly mention that the discount should be considered from the date of providing the frequency spectrum. This has mainly resulted in the difference between the amount claimed for by CMC and the amount provided for by the Company.

Asiacell has sent an objection letter to the CMC on 22 September 2014 claiming that discount on the frequency spectrum usage fees should be the date of providing the frequency spectrum. However till date no response has been received from the CMC.

33 CONTINGENT LIABILITIES (CONTINUED)

Litigation (continued)

(e) Proceedings against NMTC relating to misuse of network infrastructure
The Ministry of Communications ("MOC") in Kuwait initiated proceedings against one of the Group's subsidiaries, National Mobile Telecommunication Company ("NMTC") under Article 262 of the Kuwaiti Civil Code, claiming unlawful use of the Ministry's network infrastructure since 1999. The claim was rejected by the Court of First Instance and the MOC appealed.

Subsequent to the appeal, on 18 February 2014, the Kuwaiti Court of Appeal ruled in favour of the MOC. The decision was based on the claimed right of the MOC to charge fees according to Kuwaiti Law for mobile services provided via the Company's mobile network. The judgement was for an amount of QR 474.1 million (equivalent Kuwaiti Dinar 36.7 million). Ooredoo Kuwait appealed to the Court of Cassation and on April 27, 2014, the appeal was refused. Ooredoo Kuwait then appealed to the Supreme Court.

On 5 January 2015 the Court of Cassation issued a judgment rejecting the original lawsuit invalidating the judgment of the Court of Appeal.

The judgment of the Court of Cassation is final and is not subject to any further appeal, so this litigation is now closed.

(f) Deduction disallowed in corporate income tax assessment
On November 20, 2014, Indosat received an assessment letter of tax overpayment ("SKPLB") from the DGT for Indosat's 2012 corporate income tax amounting to QR 38.6 million. On January 20, 2015, Indosat received this amount as tax refund from the DGT. Within this SKPLB, the DGT also made two corrections totaling QR 98.8 million, which decreased the tax loss carried forward as of December 31, 2012. Indosat accepted a part of the corrections amounting to QR 1.7 million. On February 18, 2015, Indosat submitted an objection letter to the Tax Office regarding the remaining correction amounting to QR 97.1 million.

On December 27, 2013, Indosat received the assessment letter on tax underpayment ("SKPKB") from the DGT for Indosat's 2007 and 2008 corporate income tax amounting to QR 32.3 million and QR 28.5 million, respectively, which was paid on January 24, 2014. On March 20, 2014, Indosat submitted objection letters to the Tax Office regarding this correction on Indosat's 2007 and 2008 corporate income tax amounting to QR 32.3 million and QR 28.5 million, respectively. As of December 31, 2014, Indosat has not received any decision from the Tax Office on these objections.

(g) Withholding tax deducted by Indosat at lower rate
On November 20, 2014, Indosat received SKPLBs from the DGT for Indosat's 2012 income tax article 26 and 4(2) amounting to QR 91.9 million (including penalties). Indosat accepted the correction on income tax article 4(2) amounting to QR 4.0 million, which was charged to the 2014 operations as part of "Expenses - Others - Net". Indosat only paid amounting to QR 4.0 million on December 19, 2014. On February 18, 2015, Indosat submitted an objection letters to the Tax Office regarding the correction on income tax article 26 amounting to QR 91.9 million.

34 FINANCIAL RISK MANAGEMENT

Objectives and policies
The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, finance leases, and trade payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade receivables, investments and cash and short-term deposits, which arise directly from its operations.

The Group also enters into derivative transactions, primarily interest rate swaps, cross currency swaps and forward currency contracts. The purpose is to manage the interest rate and currency risks arising from the Group's operations and its sources of finance.

The main risks arising from the Group's financial instruments are market risk, credit risk, liquidity risk and operational risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:

Market risk
Market risk is the risk that changes in market prices, such as interest rates, foreign currency exchange rates and equity prices will affect the Group's profit, equity or value of its holding of financial instruments. The objective of market risk management is to manage and control the market risk exposure within acceptable parameters, while optimizing return.

Interest rate risk
The Group's financial assets and liabilities that are subject to interest rate risk comprise bank deposits, loans receivable, available-for-sale debt instruments, loans and borrowings. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's financial assets and liabilities with floating interest rates and fixed interest instruments maturing within three months from the end of the financial reporting year.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Group enters into interest rate swaps, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon notional amount. The swaps are designated to hedge underlying debt obligations. At 31 December 2014, after taking into the effect of interest rate swaps, approximately 71% of the Group's borrowings are at a fixed rate of interest (2013: 75%).

The following table demonstrates the sensitivity of the consolidated statement of profit or loss and equity to reasonably possible changes in interest rates by 25 basis points, with all other variables held constant. The sensitivity of the consolidated statement of profit or loss and equity is the effect of the assumed changes in interest rates for one year, based on the floating rate financial assets and financial liabilities held at 31 December. The effect of decreases in interest rates is expected to be equal and opposite to the effect of the increases shown.

	Consolidated statement of profit or loss +25b.p QR'000	*Equity +25 b. p QR'000*
At 31 December 2014		
USD LIBOR	**(25,582)**	**520**
Others	**(5,424)**	**-**
At 31 December 2013		
USD LIBOR	(23,489)	611
Others	(4,754)	-

34 FINANCIAL RISK MANAGEMENT (CONTINUED)

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities and the Group's net investment in foreign subsidiaries.

The Group had the following significant net exposure denominated in foreign currencies.

	2014 QR'000 Assets (Liabilities)	*2013 QR'000 Assets (Liabilities)*
Indonesian Rupiah (IDR)	**5,545,615**	5,402,507
Kuwaiti Dinar (KD)	**9,144,786**	8,342,247
US Dollars (USD)	**(4,210,966)**	(4,938,510)
Euro (EUR)	**154,395**	(27,285)
Great British Pounds (GBP)	**(7,051)**	(3,095)
Tunisian Dinar (TND)	**206,364**	210,731
Algerian Dinar (DZD)	**(2,414,783)**	(2,439,777)
Iraqi Dinar (IQD)	**(654,213)**	(179,350)
Others	**(4,342)**	(87)

The US Dollar denominated balances are not considered to represent a significant currency risk as Qatari Riyal is pegged to US Dollar.

The following table demonstrates the sensitivity to consolidated statement of profit or loss and equity for a reasonably possible change in the following currencies against Qatari Riyal, with all other variables held constant, of the Group's profit due to changes in the fair value of monetary assets and liabilities and the Group's equity on account of translation of foreign subsidiaries. The effect of decreases in foreign exchange rates is expected to be equal and opposite to the effect of the increases shown:

	Effect on consolidated statement of profit or loss		*Effect on equity*	
	2014 + 10% QR'000	*2013 +10% QR'000*	***2014 + 10% QR'000***	*2013 +10% QR'000*
Indonesian Rupiah (IDR)	-	-	**554,562**	540,251
Kuwaiti Dinar (KD)	-	-	**914,479**	834,225
Tunisian Dinar (TND)	-	-	**20,636**	21,073
Algerian Dinar (DZD)	-	-	**(241,478)**	(243,978)
US Dollars (USD)	**(421,097)**	(493,851)	-	-
Euro (EUR)	**15,440**	(2,729)	-	-
Great British Pounds (GBP)	**(705)**	(310)	-	-
Iraqi Dinar (IQD)	**(65,421)**	(17,935)	-	-

34 FINANCIAL RISK MANAGEMENT (CONTINUED)

Equity price risk
The following table demonstrates the sensitivity of the fair value reserve to reasonably possible changes in quoted equity share prices, with all other variables held constant. The effect of decreases in equity prices is expected to be equal and opposite to the effect of the increases shown.

	Changes in equity indices	*Effect on equity QR'000*
2014		
Qatar Exchange (QE)	**+10%**	**921**
Kuwait Stock Exchange (KSE)	**+15%**	**611**
Indonesia Stock Exchange (IDX)	**+10%**	**-**
2013		
Qatar Exchange (QE)	+10%	55,911
Kuwait Stock Exchange (KSE)	+15%	1,939
Indonesia Stock Exchange (IDX)	+10%	41,621

The Group also has unquoted investments carried at cost where the impact of changes in equity prices will only be reflected when the investment is sold or deemed to be impaired, when the consolidated statement of profit or loss will be impacted.

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group's exposure to credit risk is as indicated by the carrying amount of its assets which consist principally of trade receivables, bank balances, available-for-sale debt instruments and loans receivable and positive fair value of derivatives.

The Group provides telecommunication services to various parties. It is the Group's policy that all customers who wish to obtain on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the purchase of service limits are established for each customer, which are reviewed regularly based on the level of past transactions and settlement. The Group's maximum exposure with regard to the trade receivables net of allowance for impairment as at 31 December is as follows:

	2014 ***QR'000***	*2013* *QR'000*
Qatar	**888,126**	887,863
Other countries	**1,441,550**	1,840,219
	2,329,676	2,728,082

With respect to credit risk arising from the other financial assets of the Group, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments are as follows:

	2014 ***QR'000***	*2013* *QR'000*
Available-for-sale debt instruments	**-**	113,505
Bank balances (excluding cash)	**17,280,460**	20,228,535
Positive fair value of derivatives	**72,080**	138,471
Amounts due from international carriers	**1,004,270**	692,816
Unbilled subscriber revenue	**347,237**	271,711
	18,704,047	21,445,038

34 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)
The Group reduces the exposure of credit risk arising from bank balances by maintaining bank accounts in reputed banks, 67% of bank balances represents balances maintained with local banks in Qatar with a rating of atleast BBB+. Credit risk arising from derivative financial instruments is at any time, limited to those with positive fair values, as recorded on the consolidated statement of financial position. With gross settled derivatives, the Group is also exposed to settlement risk.

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of Groups own reserves and bank facilities. The Group's terms of sales require amounts to be paid within 30 days from the invoiced date. The table below summarizes the maturity profile of the Group's financial liabilities at 31 December based on contractual undiscounted payments:

	Less than 1 year QR'000	***1 to 2 years QR'000***	***2 to 5 years QR'000***	***> 5 years QR'000***	***Total QR'000***
At 31 December 2014					
Loans and borrowings	**9,089,483**	**6,376,517**	**20,050,643**	**17,605,064**	**53,121,707**
Trade payables	**4,451,146**	**-**	**-**	**-**	**4,451,146**
License costs payable	**1,668,689**	**1,297,057**	**341,782**	**-**	**3,307,528**
Finance lease liabilities	**254,229**	**239,095**	**709,391**	**523,149**	**1,725,864**
Other financial liabilities	**723,895**	**241,915**	**-**	**-**	**965,810**
	16,187,442	**8,154,584**	**21,101,816**	**18,128,213**	**63,572,055**

	Less than 1 year QR'000	*1 to 2 years QR'000*	*2 to 5 years QR'000*	*> 5 years QR'000*	*Total QR'000*
At 31 December 2013					
Loans and borrowings	10,433,708	5,806,428	17,845,652	24,679,931	58,765,719
Trade payables	2,790,481	-	-	-	2,790,481
License costs payable	165,851	153,668	433,836	-	753,355
Finance lease liabilities	235,037	235,356	670,875	632,179	1,773,447
Other financial liabilities	582,543	198,026	-	-	780,569
	14,207,620	6,393,478	18,950,363	25,312,110	64,863,571

Capital management
The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group makes adjustments to its capital structure, in light of changes in economic and business conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31 December 2014 and 31 December 2013.

Capital includes share capital, legal reserve, other statutory reserves and retained earnings and is measured at QR 26,081,449 thousands at 31 December 2014 (2013: QR 25,263,582 thousands).

35 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair values

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are carried in the consolidated financial statements:

	Carrying amounts		*Fair values*	
	2014	*2013*	***2014***	*2013*
	QR'000	*QR'000*	***QR'000***	*QR'000*
Financial assets				
Available-for-sale investments	**1,627,146**	2,704,493	**1,627,146**	2,704,493
Trade and other receivables	**3,753,263**	3,831,080	**3,753,263**	3,831,080
Bank balances and cash	**17,437,426**	20,304,571	**17,437,426**	20,304,571
Financial liabilities				
Loans and borrowings	**43,185,191**	45,769,245	**40,926,677**	44,229,359
Other non-current liabilities	**1,562,860**	638,163	**1,562,860**	638,163
Finance lease liabilities	**1,193,318**	1,186,919	**1,193,318**	1,186,919
Trade and other payables	**10,535,563**	6,559,326	**10,535,563**	6,559,326
Income tax payable	**570,044**	561,122	**570,044**	561,122

The following methods and assumptions were used to estimate the fair values.

- Cash and short-term deposits, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

- Long-term fixed-rate and variable-rate receivables are evaluated by the Group based on parameters such as interest rates, specific country risk factors, and individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. At the end of the reporting period, the carrying amounts of such receivables, net of allowances, approximate their fair values.

- Fair value of quoted investments is based on price quotations at the end of the reporting period. The fair value of unquoted investments, loans from banks and other financial indebtedness, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates applicable for similar risks and maturity profiles. Fair values of unquoted financial assets are estimated using appropriate valuation techniques.

- The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps, foreign exchange forward contracts and currency swaps. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counter parties, foreign exchange spot and forward rates and interest rate curves.

35 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy

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

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

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

Financial assets

	2014 ***QR'000***	***Level 1*** ***QR'000***	***Level 2*** ***QR'000***	***Level 3*** ***QR'000***
Available- for- sale investments	**1,590,279**	**13,278**	**1,577,001**	**-**
Derivative financial instruments	**72,080**	**-**	**72,080**	**-**
	1,662,359	**13,278**	**1,649,081**	**-**

	2013 *QR'000*	*Level 1* *QR'000*	*Level 2* *QR'000*	*Level 3* *QR'000*
Available- for- sale investments	2,475,132	1,088,174	1,386,958	-
Derivative financial instruments	32,220	-	32,220	-
	2,507,352	1,088,174	1,419,178	-

Financial liabilities

	2014 ***QR'000***	***Level 1*** ***QR'000***	***Level 2*** ***QR'000***	***Level 3*** ***QR'000***
Derivative financial instruments	**17,075**	**-**	**17,075**	**-**

	2013 *QR'000*	*Level 1* *QR'000*	*Level 2* *QR'000*	*Level 3* *QR'000*
Derivative financial instruments	13,499	-	13,499	-

36 RELATED PARTY DISCLOSURES

Related party transactions and balances
Related parties represent associated companies including Government and semi Government agencies, associates, major shareholders, directors and key management personnel of the Group, and companies of which they are principal owners. In the ordinary course of business the Group enters into transactions with related parties. Pricing policies and terms of transactions are approved by the Group's management. The Group enters into commercial transactions with Government related entities in the ordinary course of business in terms of providing telecommunication services, placement of deposits and obtaining credit facilities etc.

a) Transactions with Government and related entities
The Group enters into commercial transactions with other Government related entities in the ordinary course of business which includes providing telecommunication services, placement of deposits and obtaining credit facilities. All these transactions are at arm's length and in the normal course of business.

b) Transactions with Directors and other key management personnel
Key management personnel comprise the Board of Directors and key members of management having authority and responsibility of planning, directing and controlling the activities of the Group.

Directors' remuneration including committee fees of QR 19,480 thousands was proposed for the year ended 31 December 2014 (2013: QR 19,480 thousands). The compensation and benefits related to key management personnel amounted to QR 280,330 thousands (2013: QR 192,287 thousands) and end of service benefits amounted to QR 30,463 thousands (2013: QR 22,719 thousands). The remuneration to the Board of Directors has been included under the caption "employee salaries and associated costs" in Selling, general and administration expenses in note 7.

37 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Impairment of non-financial assets
The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill and other indefinite life intangibles are tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Useful lives of property, plant and equipment and investment property
The Group's management determines the estimated useful lives of its property, plant and equipment and investment property for calculating depreciation. This estimate is determined after considering the expected usage of the asset, physical wear and tear, technical or commercial obsolescence.

Useful lives of intangible assets
The Group's management determines the estimated useful lives of its intangible assets for calculating amortisation. This estimate is determined after considering the expected usage of the asset, technical or commercial obsolescence.

Classification of investment securities
On acquisition of an investment security, the Group decides whether it should be classified as "investments at fair value through consolidated statement of profit or loss" or "available-for-sale". The Group follows the guidance of IAS 39 on classifying its investments. All investments are classified as "available-for-sale".

Provision and contingent liabilities
The Group's management determines provision on best estimate of the expenditure required to settle the present obligation as a result of the past event at the balance sheet date.

The Group's management measures contingent liabilities as a possible obligation depending on whether some uncertain future event occurs or a present obligation but payment is not probable or the amount cannot be measured reliably.

37 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Classification of associates, joint ventures and subsidiaries
The appropriate classification of certain investments as subsidiaries, associates and joint ventures requires significant analysis and management judgement as to whether the Group exercises control, significant influence or joint control over these investments. This may involve consideration of a number of factors, including ownership and voting rights, the extent of Board representation, contractual arrangements and indicators of de fact control.

Changes to these indicators and management's assessment of the power to control or influence may have a material impact on the classification of such investments and the Group's consolidated financial position, revenue and results.

Impairment of available-for-sale equity investments
The Group treats available-for-sale equity investments as impaired when there has been a significant or prolonged decline in fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires considerable judgment. The Group treats "significant" generally as 20-30% or more and 'prolonged' greater than nine (9) months. In addition, the Group evaluates other factors, including normal volatility in share price for quoted equities and the future cash flows and the discount factors for unquoted equities.

Fair value of unquoted equity investments
Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Deferred tax assets
Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Impairment of inventories
Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts, this estimation is performed on an individual basis. Inventories which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

Impairment of trade receivables
An estimate of the collectible amount of trade receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

Presentation: gross versus net
When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the Group and its business partners are reviewed to determine each party's respective role in the transaction.

Where the Group's role in a transaction is that of principal, revenue is recognised on a gross basis. This requires revenue to comprise the gross value of the transaction billed to the customer, after trade discounts, with any related expenditure charged as an operating cost.

Where the Group's role in a transaction is that of an agent, revenue is recognised on a net basis with revenue representing the margin earned.

37 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Business combinations
The recognition of business combinations requires the excess of the purchase price of acquisitions over the net book value of assets acquired to be allocated to the assets and liabilities of the acquired entity.

The Group makes judgements and estimates in relation to the fair value allocation of the purchase price. If any unallocated portion is positive it is recognised as goodwill and if negative, it is recognised in the consolidated statement of profit or loss.

Licences and spectrum fees
The estimated useful life is generally the term of the licence unless there is a presumption of renewal at negligible cost. Using the licence term reflects the period over which the Group will receive economic benefit. For technology specific licences with a presumption of renewal at negligible cost, the estimated useful economic life reflects the Group's expectation of the period over which the Group will continue to receive economic benefit from the licence. The economic lives are periodically reviewed taking into consideration such factors as changes in technology. Historically any changes to economic lives have not been material following these reviews.

Revenue recognition – fair value determination for customer loyalty programmes
The Group estimates the fair value of points awarded under the customer loyalty programme estimating the weighted average cost for redemption of the points. Inputs to the models include making assumptions about expected redemption rates, the mix of products that will be available for redemption in the future and customer preferences.

Hedge effectiveness for cash flow hedges
Management reviews its hedging relationship between the interest rate swaps and the underlying loans on a regular basis. The fair values of the interest rate swaps and basis swaps are determined based on future expected LIBOR rates.

38 SUMMARISED FINANCIAL INFORMATION OF SUBSIDIARIES WITH MATERIAL NON – CONTROLLING INTERESTS

The following table summarizes the information relating to each of the Group's subsidiaries that have material non-controlling interests, before any intra-group eliminations:

31 December 2014	***Asiacell, Iraq QR'000***	***Ooredoo, Kuwait QR'000***	***Wataniya, Algeria QR'000***	***Ooredoo, Tunisie QR'000***	***Indosat, Indonesia QR'000***	***Ooredoo, Oman QR'000***
Non-current assets	**8,570,389**	**12,157,531**	**5,054,767**	**2,204,723**	**13,548,019**	**3,084,032**
Current assets	**2,317,868**	**1,065,655**	**1,982,408**	**823,036**	**2,520,573**	**571,364**
Non-current liabilities	**(923,641)**	**(55,749)**	**(1,174,067)**	**(506,563)**	**(5,631,519)**	**(347,184)**
Current liabilities	**(4,364,906)**	**(2,519,006)**	**(3,579,409)**	**(1,432,770)**	**(6,331,640)**	**(1,428,648)**
Net assets	**5,599,710**	**10,648,431**	**2,283,699**	**1,088,426**	**4,105,433**	**1,879,564**
Carrying amount of NCI	**2,012,584**	**839,594**	**584,584**	**173,207**	**1,635,633**	**845,804**
Revenue	**6,297,970**	**2,145,940**	**4,623,388**	**2,288,286**	**7,394,834**	**2,231,254**
Profit / (loss)	**1,031,438**	**(726,424)**	**227,864**	**299,458**	**(563,694)**	**329,004**
Profit / (loss) allocated to NCI	**370,707**	**(57,276)**	**58,329**	**47,654**	**(171,435)**	**148,052**

31 December 2013	*Asiacell, Iraq QR'000*	*Ooredoo, Kuwait QR'000*	*Wataniya, Algeria QR'000*	*Ooredoo, Tunisie QR'000*	*Indosat, Indonesia QR'000*	*Ooredoo, Oman QR'000*
Non-current assets	7,497,195	13,464,177	5,236,653	2,529,807	14,761,942	2,756,548
Current assets	1,531,124	1,396,798	1,755,141	807,228	2,148,818	461,103
Non-current liabilities	(731,005)	(287,856)	(1,400,018)	(457,638)	(7,936,158)	(319,984)
Current liabilities	(2,510,133)	(2,455,322)	(3,240,244)	(1,443,387)	(4,014,315)	(1,112,603)
Net assets	5,787,181	12,117,797	2,351,532	1,436,010	4,960,287	1,785,064
Carrying amount of NCI	2,079,963	955,449	601,948	228,520	1,914,230	803,279
Revenue	7,070,682	2,481,286	3,883,810	2,504,151	8,371,003	1,990,126
Profit / (loss)	1,733,666	179,561	733,393	479,149	(849,760)	313,722
Profit / (loss) allocated to NCI	642,987	14,158	187,735	76,249	(270,301)	141,175

39 SEGMENT INFORMATION

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

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

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

1. *Ooredoo Qatar* is a provider of domestic and international telecommunication services within the State of Qatar;

2. *Asiacell* is a provider of mobile telecommunication services in Iraq;

3. *NMTC* is a provider of mobile telecommunication services in Kuwait and elsewhere in the Middle East and North African (MENA) region;

4. *Indosat* is a provider of telecommunication services such as cellular services, fixed telecommunications, multimedia, data communication and internet services in Indonesia;

5. *Ooredoo Oman* is a provider of mobile and fixed telecommunication services in Oman; and

6. Others include some of the Group's subsidiaries which are providers of wireless and telecommunication services.

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

39 SEGMENT INFORMATION (CONTINUED)

Operating segments

The following tables' present revenue and profit information regarding the Group's operating segments for the year ended 31 December 2014 and 2013:

Year ended 31 December 2014

	Ooredoo Qatar QR'000	*Asiacell QR'000*	*NMTC QR'000*	*Indosat QR'000*	*Ooredoo Oman QR'000*	*Others QR'000*	*Adjustments and eliminations QR'000*		*Total QR'000*
Revenue									
Third party	**7,087,048**	**6,288,658**	**9,504,045**	**7,367,737**	**2,223,043**	**736,678**	**-**		**33,207,209**
Inter-segment	**60,994**	**9,312**	**74,163**	**27,097**	**8,211**	**112,373**	**(292,150)**	(i)	**-**
Total revenue	**7,148,042**	**6,297,970**	**9,578,208**	**7,394,834**	**2,231,254**	**849,051**	**(292,150)**		**33,207,209**
Results									
Segment profit / (loss) before tax	**2,061,281**	**1,553,533**	**1,139,112**	**(588,516)**	**443,787**	**(1,059,498)**	**(469,241)**	(ii)	**3,080,458**
Depreciation and amortisation	**748,597**	**1,205,656**	**1,838,548**	**2,651,605**	**471,678**	**240,984**	**469,241**	(iii)	**7,626,309**
Net finance costs	**1,111,876**	**41,157**	**98,400**	**764,600**	**22,879**	**(7,068)**	**-**		**2,031,844**

39 SEGMENT INFORMATION (CONTINUED)

Year ended 31 December 2013

	Ooredoo Qatar QR'000	*Asiacell QR'000*	*NMTC QR'000*	*Indosat QR'000*	*Ooredoo Oman QR'000*	*Others QR'000*	*Adjustments and Eliminations QR'000*		*Total QR'000*
Revenue									
Third party	6,527,293	7,044,480	9,286,904	8,328,871	1,981,430	682,362	-		33,851,340
Inter-segment	62,695	26,202	91,496	42,132	8,696	103,415	(334,636)	(i)	-
Total revenue	6,589,988	7,070,682	9,378,400	8,371,003	1,990,126	785,777	(334,636)		33,851,340
Results									
Segment profit / (loss) before tax	1,501,318	2,423,173	1,884,378	(1,077,590)	412,527	(703,075)	(545,585)	(ii)	3,895,146
Depreciation and amortisation	712,942	1,047,103	1,604,857	3,275,197	374,088	103,077	545,585	(iii)	7,662,849
Net finance costs	1,125,479	17,480	69,158	794,428	20,430	(6,093)	-		2,020,882

Note:

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

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

	2014 QR'000	*2013 QR'000*
Amortisation of intangibles	**(469,241)**	(545,585)
Impairment of intangibles	**-**	-
	(469,241)	(545,585)

(iii) Amortisation relating to additional intangibles identified from business combination was not considered as part of segment expense.

39 SEGMENT INFORMATION (CONTINUED)

The following table presents segment assets of the Group's operating segments as at 31 December 2014 and 2013.

	Ooredoo Qatar QR'000	*Asiacell QR'000*	*NMTC QR'0000*	*Indosat QR'000*	*Ooredoo Oman QR'000*	*Others QR'000*	*Adjustments and Eliminations QR'000*	*Total QR'000*
Segment assets (i)								
At 31 December 2014	**20,630,223**	**10,726,691**	**25,468,737**	**17,280,107**	**3,644,133**	**9,713,764**	**10,535,692**	**97,999,347**
At 31 December 2013	24,184,671	8,857,432	27,743,561	18,201,410	3,217,092	3,734,715	11,168,218	97,107,099
Capital expenditure (ii)								
At 31 December 2014	**1,317,041**	**2,295,887**	**2,129,621**	**2,063,552**	**803,175**	**4,805,896**	**-**	**13,415,172**
At 31 December 2013	830,876	1,339,812	4,030,160	2,787,936	736,826	66,054	-	9,791,664

Note:

(i) Goodwill amounting to QR 10,535,692 thousands (31 December 2013: QR 11,168,218 thousands) was not considered as part of segment assets.

(ii) Capital expenditure consists of additions to property, plant and equipment and intangibles excluding goodwill and assets from business combinations.

40 CONTRIBUTION TO SOCIAL AND SPORTS FUND

According to Qatari Law No. 13 for the year 2008 and the related clarifications issued in January 2010, the group is required to contribute 2.5% of its annual net profits to the state social and sports fund. The clarification relating to Law No. 13 requires the payable amount to be recognised as a distribution of income. Hence, this is recognised in statement of changes in equity.

During the year, the Group appropriated an amount of QR 47,822 thousands (2013: QR 34,238 thousands) representing 2.5% of the net profit generated from Qatar Operations.

41 DISCONTINUED OPERATION

In May 2013, the Group disposed wi-tribe Limited - Jordan P.S.C. for a net consideration of QR 510 thousands and derecognised net assets amounting to QR 1,581 thousands on the date of disposal. As a result, the Group has recognized a loss of QR 1,071 thousands on disposal of this subsidiary.

On 31 January 2014, the Group completed the legal formalities relating to the disposal of one of its subsidiaries, PTC to Saudi Telecom at a net settlement of QR 77,881 thousands. The net assets of the subsidiary at the date of disposal was QR 55,553 thousands and a gain of QR 46,438 thousands was recognised on this disposal. As a result of this disposal, the Group no longer controls the subsidiary and ceases to consolidate its results and net assets after 31 January 2014.

The consolidated statement of profit or loss and statement of cash flow for the comparative year have been represented to disclose the discontinued operation separately from continuing operations.

Results of discontinued operations	***2014 QR'000***	*2013 QR'000*
Revenue	**18,178**	237,927
Operating expenses	**(1,979)**	(45,019)
Selling, general and administrative expenses	**(8,443)**	(96,015)
Depreciation and amortisation	**(7,283)**	(87,983)
Net finance costs	**7**	(146)
Other income (expense) – net	**89**	10,271
Royalties and fees	**(282)**	(7,891)
Results from operating activities	**287**	11,144
Profit / (loss) on sale of a discontinued operation	**46,438**	(1,071)
Profit for the year	**46,725**	10,073

Cash flows (used in) / from discontinued operations	***2014 QR'000***	*2013 QR'000*
Net cash (used in) / from operating activities	**(158,003)**	123,236
Net cash used in investing activities	**-**	(5,745)
Net cash flows for the year	**(158,003)**	117,491

41 DISCONTINUED OPERATION (CONTINUED)

Financial position of discontinued operation	***2014*** ***QR'000***	*2013* *QR'000*
Assets		
Property, plant and equipment	**4,715**	4,958
Intangible assets	**97,511**	103,282
Inventories	**4,681**	6,036
Trade and other receivables	**69,008**	62,759
Cash and cash equivalents	**41,658**	199,661
	217,573	376,696
Less: Assets of subsidiary disposed	**(217,573)**	(1,560)
Assets held for distribution	**-**	375,136
Liabilities		
Employees benefits	**(13,617)**	(13,408)
Other non-current liabilities	**-**	(40,418)
Trade and other payables	**(307,061)**	(425,092)
Deferred income	**(21,214)**	(21,364)
	(341,892)	(500,282)
Less: Liabilities of subsidiary disposed	**341,892**	(21)
Liabilities held for distribution	**-**	(500,303)
Net liabilities	**-**	(125,167)

	2014 ***QR'000***	*2013* *QR'000*
Net (liability) / assets disposed	**(124,319)**	1,581
Less: Consideration received	**77,881**	(510)
(Gain) / loss on disposal	**(46,438)**	1,071

42 COMPARATIVE INFORMATION

(i) Reclassification of comparative information

Corresponding figures for 2013 have been reclassified in order to conform with the presentation for the current year. Such reclassifications were made to improve the quality of presentation and do not affect previously reported profit or shareholder's equity.

	As reclassified ***QR'000***	***As reported in 2013*** ***QR'000***
Consolidated statement of financial position		
Trade and other receivables	6,835,505	7,144,061
Trade and other payables	12,364,647	12,673,203

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