Omani Qatari Telecommunications Company SAOG

Interim condensed financial statements

30 SEPTEMBER 2011

<u>Registered office and principal place of business:</u>

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PO Box 874
PC 111 Central Post office
Sultanate of Oman

Omani Qatari Telecommunications Company SAOG

Independent auditor's review report

and interim condensed financial statements for the period ended 30 September 2011

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Independent auditor's review report to the Directors of Omani Qatari Telecommunications Company SAOG

Introduction

We have reviewed the accompanying interim condensed financial statements of Omani Qatari Telecommunications Company SAOG (the "company") as at 30 September 2011, comprising the interim condensed statement of financial position as at 30 September 2011 and the related interim condensed statements of income, comprehensive income, changes in equity and cash flows for the nine month period then ended and explanatory notes. The management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed 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 interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte & Touche (M.E.) & Co. LLC
Muscat, Sultanate of Oman
XX October 2011

		Three months ended			*Nine months ended*	
		30 September			*30 September*	
		2011	*2010*		***2011***	*2010*
	Notes	***RO'000***	*RO'000*		***RO'000***	*RO'000*
		Reviewed	*Reviewed*		***Reviewed***	*Reviewed*
Revenue	2	**49,185**	47,740		**146,099**	138,973
Other income		**42**	246		**299**	253
		49,227	47,986		**146,398**	139,226
Operating expenses		**(7,027)**	(6,887)		**(21,977)**	(20,976)
General and administrative expenses		**(16,106)**	(16,914)		**(51,807)**	(45,619)
Depreciation and amortisation		**(6,882)**	(5,931)		**(20,199)**	(17,760)
Royalty		**(3,107)**	(3,076)		**(9,262)**	(8,519)
Financing costs		**(794)**	(967)		**(2,577)**	(3,098)
PROFIT BEFORE TAX		**15,311**	14,211		**40,576**	43,254
Income tax expense	3	**(1,836)**	(1,713)		**(4,982)**	(5,210)

		______	______		______	______
PROFIT FOR THE PERIOD		**13,475**	12,498		**35,594**	38,044
		======	======		======	======
Basic and diluted earnings per share (RO)	4	**0.021**	0.019		**0.055**	0.058
		======	======		======	======

The attached notes 1 to 15 form part of these interim condensed financial statements.

	Three months ended			*Nine months ended*	
	30 September			*30 September*	
	2011	*2010*		***2011***	*2010*
	RO'000	*RO'000*		***RO'000***	*RO'000*
	Reviewed	*Reviewed*		***Reviewed***	*Reviewed*
Profit for the period	**13,475**	12,498		**35,594**	38,044
	______	______		______	______
Other comprehensive income					
Net unrealised gain on cash flow hedges	**431**	295		**1,279**	900
Income tax effect	**(51)**	293		**(153)**	293
	______	______		______	______

Other comprehensive income for the period	**380**	588		**1,126**	1,193
	______	______		______	______
Total comprehensive income for the period	**13,855**	13,086		**36,720**	39,237
	======	======		======	======

The attached notes 1 to 15 form part of these interim condensed financial statements.

		30 September	*Audited 31 December*
	Notes	***2011***	*2010*
ASSETS		***RO'000***	*RO'000*
Non current assets			
Property, plant and equipment	5	**173,808**	165,621
License fee	6	**43,356**	46,119
		______	______
		217,164	211,740
		______	______
Current assets			
Inventories		**523**	382
Receivables and prepayments		**27,207**	29,648

Bank balances and cash		**31,245**	49,343
		______	______
		58,975	79,373
		______	______
TOTAL ASSETS		**276,139**	291,113
		======	======
EQUITY AND LIABILITIES			
Equity			
Share capital		**65,094**	65,094
Statutory reserve		**11,929**	11,929
Cumulative changes in fair values	7	**(606)**	(1,732)
Retained earnings		**78,875**	68,017
		______	______
Total equity		**155,292**	143,308
		______	______
Non current liabilities			
Interest bearing borrowings	8	**21,918**	55,050
Site restoration provision		**3,506**	3,232
Negative fair value of derivatives	7	**-**	324
Employee benefits	9	**1,556**	2,246
Deferred tax liability		**231**	153
		______	______
		27,211	61,005
		______	______
Current liabilities			
Payables and accruals		**45,658**	56,366
Interest bearing borrowings	8	**33,215**	15,885
Employee benefits	9	**1,310**	-
Negative fair value of derivatives	7	**689**	1,644
Deferred revenue		**7,534**	6,282
Income tax payable	3	**5,230**	6,623
		______	______
		93,636	86,800
		______	______
Total liabilities		**120,847**	147,805
		______	______
TOTAL EQUITY AND LIABILITIES		**276,139**	291,113
		======	======

These interim condensed financial statements were approved and authorised for issue by the Board of Directors on 26 October 2011.

____________________ Director ________________Director __________________CEO

The attached notes 1 to 15 form part of these interim condensed financial statements.

	Share		***Cumulative***		

	capital	*Statutory reserve*	*changes in fair values*	*Retained earnings*	*Total*
	RO'000	***RO'000***	***RO'000***	***RO'000***	***RO'000***
At 1 January 2010	65,094	6,931	(3,340)	23,035	91,720
Profit for the period	-	-	-	38,044	38,044
Other comprehensive income for the period	-	-	1,193	-	1,193
Total comprehensive income for the period	-	-	1,193	38,044	39,237
At 30 September 2010	**65,094**	**6,931**	**(2,147)**	**61,079**	**130,957**
At 1 January 2011	65,094	11,929	(1,732)	68,017	143,308
Profit for the period	-	-	-	35,594	35,594
Other comprehensive income for the period	-	-	1,126	-	1,126
Total comprehensive income for the period	-	-	1,126	35,594	36,720
Dividends paid	-	-	-	(24,736)	(24,736)
At 30 September 2011	**65,094**	**11,929**	**(606)**	**78,875**	**155,292**

Transfer to statutory reserve is made on annual basis.

The attached notes 1 to 15 form part of these interim condensed financial statements.

		Nine months ended 30 September	
		2011	*2010*
	Notes	***RO'000***	*RO'000*
OPERATING ACTIVITIES		**Reviewed**	Reviewed
Profit before tax		**40,576**	43,254
Adjustments for:			
Depreciation	5	**17,436**	15,000
Amortisation	6	**2,763**	2,760
Interest income		**(52)**	(32)
Accrual for employees' end of service benefits		**227**	181
IPO incentive – shadow shares		**(322)**	1,265
Employee retention – Long term incentive		**837**	-
Financing costs		**2,428**	2,920
Profit on disposal of property, plant and equipment		**(8)**	(4)
Unwinding of discount of site restoration provision		**149**	178
Operating profit before working capital changes		**64,034**	65,522
Working capital changes:			
Inventories		**(141)**	(151)
Receivables and prepayments		**2,441**	(5,748)
Payables, accruals and deferred revenue		**(9,456)**	6,531
Cash from the operations		**56,878**	66,154
Interest paid		**(2,428)**	(2,920)
Income tax paid		**(6,450)**	(4,299)
Employees' end of service benefits paid		**(121)**	(58)
Net cash from operating activities		**47,879**	58,877
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5	**(25,499)**	(54,768)
Interest income		**52**	32
Proceeds on disposal of property, plant and equipment		**8**	64
Net cash used in investing activities		**(25,439)**	(54,672)
FINANCING ACTIVITIES			
Repayment of term loan		**(15,802)**	(12,018)
Long term loan draw down		**-**	11,553
Dividends paid	10	**(24,736)**	-

Net cash used in financing activities		**(40,538)**	(465)
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		**(18,098)**	3,740
Cash and cash equivalents at the beginning of the period		**49,343**	20,520
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**31,245**	24,260

The attached notes 1 to 15 form part of these interim condensed financial statements.

1 ACCOUNTING POLICIES

The interim condensed financial statements of the company are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. The accounting policies used in the preparation of the interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2010.

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the company's annual financial statements as at 31 December 2010. In addition, results for the nine months ended 30 September 2011 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2011.

The interim condensed financial statements are prepared in Rial Omani (RO), rounded to the nearest thousand except when otherwise indicated.

2 REVENUE

	Three months ended 30 September			*Nine months ended 30 September*	
	2011	*2010*		***2011***	*2010*
	RO'000	*RO'000*		***RO'000***	*RO'000*
Traffic	**39,494**	44,247		**115,059**	114,131
One time and recurring charges	**4,555**	(3,034)		**12,097**	8,456
Interconnection revenue	**6,735**	6,410		**20,212**	16,700
Inbound Roaming	**88**	1,635		**3,354**	4,207
Others	**342**	470		**1,233**	1,490
	51,214	49,728		**151,955**	144,984
Less : Distributor discounts	**(2,029)**	(1,988)		**(5,856)**	(6,011)
	49,185	47,740		**146,099**	138,973

3 INCOME TAX

	Three months ended 30 September			*Nine months ended 30 September*	
	2011	*2010*		***2011***	*2010*
	RO'000	*RO'000*		***RO'000***	*RO'000*
Statement of income					
Current period	**1,717**	1,879		**5,057**	5,611
Deferred tax relating to origination and reversal of temporary differences	**119**	(166)		**(75)**	(401)
	1,836	1,713		**4,982**	5,210

3 INCOME TAX (Continued)

					Audited
				30 September 2011	*31 December 2010*
				RO'000	*RO'000*
Current liability					
Current period				**5,057**	6,470
Prior period/year				**173**	153
				5,230	6,623

	Three months ended 30 September			*Nine months ended 30 September*	
	2011	*2010*		***2011***	*2010*
	RO'000	*RO'000*		***RO'000***	*RO'000*
Deferred tax asset / (liability)					
Beginning of the period	**(61)**	299		**(153)**	64
Movement for the period through statement of income	**(119)**	166		**75**	401
Movement for the period through statement of other comprehensive income	**(51)**	293		**(153)**	293
At the end of the period	**(231)**	758		**(231)**	758

The tax rate applicable to the company is 12% (2010: 12%). Deferred tax asset/liability is recorded at 12% (2010:12%). For the purpose of determining the taxable results for the period, the accounting profit of the company has been adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense. The adjustments are based on the current understanding of the existing laws, regulations and practices.

The company's tax assessments up to 2006 have been completed.

4 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the period by the weighted average number of shares outstanding during the period as follows:

	Three months ended 30 September			*Nine months ended 30 September*	
	2011	*2010*		***2011***	*2010*
Profit for the period (*RO'000*)	**13,475**	12,498		**35,594**	38,044
Weighted average number of shares outstanding for the period (number in thousand)	**650,944**	650,944		**650,944**	650,944
Basic earning per share (RO)	**0.021**	0.019		**0.055**	0.058

No figure for diluted earnings per share has been presented as the company has not issued any instruments which would have an impact on earnings per share when exercised.

5 PROPERTY, PLANT AND EQUIPMENT

	Mobile/fixed exchange and network equipment	***Subscriber apparatus and other equipment***	***Buildings***	***Capital work in progress***	***Total***
	RO '000	***RO '000***	***RO '000***	***RO '000***	***RO '000***
Cost					
1 January 2011	175,293	24,762	363	36,181	236,599
Additions	4,547	1,992	82	19,002	25,623
Capitalised during the period	14,640	122	434	(15,196)	-
Disposals	-	(22)	-	-	(22)
30 September 2011	194,480	26,854	879	39,987	262,200
Depreciation					
1 January 2011	52,544	18,368	66	-	70,978
Charge for the period	15,313	2,063	60	-	17,436
Disposals	-	(22)	-	-	(22)
30 September 2011	67,857	20,409	126	-	88,392
Net book value					
30 September 2011	126,623	6,445	753	39,987	173,808
31 December 2010	122,749	6,394	297	36,181	165,621

Addition for the period ended 30 September 2011 includes provision for site restoration cost of OMR 123,510. This has been excluded from the cash outflow on purchase of property plant and equipment in the statement of cash flow.

6 LICENSE FEE

	Mobile license	*Fixed line license*	*Total*
	RO'000	*RO'000*	*RO'000*
Cost			
Balance at 1 January 2011	42,331	21,403	63,734
Amortisation			
Balance at 1 January 2011	16,327	1,288	17,615
Amortisation during the period	2,123	640	2,763
Balance at 30 September 2011	**18,450**	**1,928**	**20,378**
Net book value			
At 30 September 2011	**23,881**	**19,475**	**43,356**
At 31 December 2010	26,004	20,115	46,119

6 LICENSE FEE (Continued)

License fee represents the amount paid to the Telecommunication Regulatory Authority of the Sultanate of Oman for obtaining the license to operate as fixed and mobile telecommunication service provider. License fee is stated at cost less accumulated amortisation and impairment losses.

In accordance with the terms of a mobile and fixed line licenses granted to the Company, royalty is payable to the Government of the Sultanate of Oman. The royalty payable is calculated based on 7% of the net of predefined sources of revenue and interconnection expenses to local operators.

7 DERIVATIVE FINANCIAL INSTRUMENTS

During 2006, the Company has entered into two interest rate swap arrangements with Qatar National Bank and BNP Paribas with a view to cap its exposure to fluctuating interest rates on its term loan (see note 8). The loan amount covered under the swap agreement as at the reporting date was RO 27,727,200. Under the swap agreements, the Company will pay a fixed interest rate of 5.348% per annum and receive a floating interest rate based on 3 month US $ LIBOR.

The swap arrangement qualifies for hedge accounting under IAS 39 and as at 30 September 2011, the unrealised loss of RO 689,000 relating to measuring the financial instruments at fair value is included in equity in respect of these contracts (31 December 2010:RO 1,968,000). There was no significant ineffectiveness noted for 2011 and 2010.

The table below shows the negative fair value of the swaps, which is equivalent to the market values, together with the notional amounts analysed by the term to maturity. The notional amount is the amount of the derivative's underlying asset and is the basis upon which changes in the value of derivatives are measured.

			Notional amount by term to maturity			
	Negative fair value	*Notional amount total*	*1 - 12 months*	*More than 1 upto 5 years*	*Over 5 years*	
	RO'000	*RO'000*	*RO'000*	*RO'000*	*RO'000*	
30 September 2011						
Interest rate swaps	689*	27,727	27,727	-	-	
	══════	══════	══════	══════	══════	
31 December 2010						
Interest rate swaps	1,968*	38,125	10,398	27,727	-	
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*Negative fair value shown under equity in the statement of financial position is net of deferred tax of RO 82,680 (2010: RO 236,000).

8 INTEREST BEARING BORROWINGS

	30 September 2011	*Audited 31 December 2010*
	RO'000	*RO'000*
Non-current liabilities		
Term loan	**55,166**	71,050
Less: Deferred financing costs	**(33)**	(115)
	______	______
	55,133	70,935
Less: current portion classified under current liabilities	**(33,215)**	(15,885)
	______	______
Non-current portion	**21,918**	55,050
	══════	══════

The Company has availed a syndicated long-term loan facility from certain financial institutions aggregating to approximately RO 104 million (2010 - RO 104 million). Qatar National Bank SAQ, Gulf International Bank BSC, Arab Bank PLC and Bank Muscat SAOG are the arrangers of the facility and have collectively appointed Bank Muscat SAOG as the security agent for the secured finance parties. Qatar National Bank SAQ is the co-ordinating bank and also the facility agent.

The facilities are secured by a charge on the Company's dollar proceeds account and the insurance proceeds of property, plant and equipment and corporate guarantees of major shareholders of the Company through Qatar Telecom and Omani Pension Funds. The loan is denominated in United States Dollars and is repayable in nine semi-annual instalments, which commenced from 12 March 2008.

The loan agreement contains certain restrictive covenants which include, restrictions over debt service, debt equity, cash coverage, interest cover ratios, maintenance of a minimum tangible net worth, certain restrictions on the transfer of shares of TDC-Qtel Mina Investcom BSC, disposal of property, plant and equipment and incurrence of additional debt.

During 2007, the Company renegotiated the terms of its existing borrowings and availed additional facilities amounting RO 35 million. The revised agreement was signed on 23 October 2007.

The loan facilities bear interest at US LIBOR plus applicable margins. Current margin percentages on the RO 104 million and RO 35 million facilities are 0.80% and 2% respectively.

The Company has received a market disruption clause notice from some of its lenders which request that finance cost on the RO 104 million loan will be based on LIBOR plus an additional margin. The average annual additional interest paid in relation to this during the period amounted to 0.94% (2010: 1.18%).

9 EMPLOYEE BENEFITS

		Audited
	30 September	*31 December*
	2011	*2010*
Non-current	***RO'000***	*RO'000*
Employees' end of service benefits	**719**	614
Employee retention – Long term incentive	**837**	-
IPO incentive – Shadow Shares	-	1,632
Liability as at the end of the period	**1,556**	2,246
Current		
IPO incentive – Shadow Shares	**1,310**	-
Current Liability as at the end of the period	**1,310**	-

Shadow Shares have been revalued using the share price as of 30 September 2011.

As disclosed in the Company's IPO prospectus a long term incentive plan has been implemented for senior employees. This plan is linked to achieving Return on Capital Employed targets of the company and is effective from 1 January 2011. Eligible employees will be offered shadow shares starting from 2012.

10 DIVIDENDS PAID

Company's shareholders at the annual general meeting held on 26 March 2011 approved a payment of baisa 38 per share as dividend for the financial year ended 31 December 2010 and this was paid in April 2011.

11 RELATED PARTY TRANSACTIONS

Related parties represent associated companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

Details regarding transactions with the related parties included in the financial statements are set out below:

	Three months ended 30 September				
	2011 (RO'000)			*2010 (RO'000)*	
	Other related parties	***Directors and key management***		*Other related parties*	*Directors and key management*

Director's and key management remuneration	**-**	**212**		-	774
Service fee	**1,450**	**-**		1,433	-
Other expenses	**131**	**-**		322	-
	1,581	**212**		1,755	774

11 RELATED PARTY TRANSACTIONS (Continued)

	Nine months ended 30 September				
	2011 (RO'000)			*2010 (RO'000)*	
	Other related parties	***Directors and key management***		*Other related parties*	*Directors and key management*
Director's and key management remuneration	**-**	**905**		-	1,332
Service fee	**4,357**	**-**		4,169	-
Other expenses	**917**	**-**		1,335	-
	5,274	**905**		5,504	1,332

Effective 1 January 2008, the Company has entered into a technical and service agreement with a related party (other related party). In consideration of services provided, the Company pays a service fee to the related party which is calculated annually in an amount equal to three percent of the Company's gross revenue.

Balances with related parties included in the statement of financial position are as follows:

				Audited	
	30 September 2011 (RO'000)			*31 December 2010 (RO'000)*	
	Receivable and prepayments	***Trade payable***		*Receivable and prepayments*	*Trade payable*
Major shareholders – IPO expenses	**-**	**-**		-	319
Major shareholders	**-**	**25**		-	147
Other related parties	**-**	**2,762**		-	1,596
	-	**2,787**		-	2,062

Compensation of key management personnel
The remuneration of members of key management and directors during the period was as follows:

	Three months ended 30 September		***Nine months ended 30 September***

	2011	2010		**2011**	2010
	RO'000	RO'000		**RO'000**	RO'000
Salaries / remuneration and benefits	**157**	619		**725**	1,042
Director's remuneration	**50**	50		**150**	150
Employees' end of service benefits	**5**	11		**30**	46
IPO incentive – shadow shares	**-**	94		**-**	94
	212	774		**905**	1,332

12. EXPENDITURE COMMITMENTS

		Audited
	30 September	*31 December*
	2011	*2010*
	RO'000	*RO'000*
Capital expenditure commitments		
Estimated capital expenditure contracted for at the reporting date but not provided for:		
Property, plant and equipment	**9,888**	30,211
Operating lease commitments		
Future minimum lease payments:		
Within one year	**10,764**	8,625
After one year but not more than five years	**13,140**	16,054
More than five years	**14,277**	17,080
Total operating lease expenditure contracted for at the reporting date	**38,181**	41,759

13 CONTINGENT LIABILITIES

Guarantees

At 30 September 2011, the Company had contingent liabilities in respect of performance bond guarantee of RO 6.6 million (2010: OMR 6.6 million) in the ordinary course of business from which it is anticipated that no material liabilities are expected to arise.

Claims

- On 30 June 2010, an international operator has raised debit notes on the Company claiming RO 9,420,000. Out of RO 9,420,000, the international operator had already paid RO 8,558,000 to the Company and the balance amount of RO 862,000 was included in accounts receivable in June 2011 financial statements for which provision has been made for doubtful debts as per the company's provisioning policy. The claim relates to certain transactions made by the international operator's roaming subscribers on the Company's network during 2009 and 2010.

On the 2nd October 2011 a settlement agreement was made between the international operator and the company where both parties agreed to settle the dispute as follows:
- International operator to withdraw their claim of OMR 8,558,000.
- The company to raise a credit note of OMR 862,000.
- The Company has recognized the terms of the agreement in the 30 September 2011 financial statements.

- Telecommunication Regulatory Authority (TRA) has raised a concern regarding the calculation of certain fees payable by the Company under its mobile and fixed licences. The Company considers that the approach it has adopted with respect to the relevant fees is correct and in line with regulatory requirements. The amount under consideration is approximately RO 2.4 Million.

14 SEGMENT INFORMATION

Information regarding the Company's operating segments is set out below in accordance with the IFRS 8 – Operating Segments.

For management purpose, the Company is organised into business units based on their product and services and has two reportable operating segments as follows:

- Operation of Global System for Mobile Communication (GSM) for prepaid and post paid services, sale of telecommunication equipment and other associated services.

- Provision of international and national voice and data services from fixed line, sale of telecommunication equipment and other associated services.

Management monitors the operating results of its business for the purpose of making decisions about resource allocation and performance assessment.

Transfer prices between operating segments are on an arms length basis in a manner similar to transactions with third parties.

Segment revenue and results
A segment result represents the profit earned by each segment without allocation of finance income or finance cost.

The Company commenced its fixed line services in May 2010 and its operations are mainly confined to the Sultanate of Oman.

Segmental results for the three months period ended 30 September 2011 are as follows:

	Mobile	***Fixed line***	***Adjustments***	***Total***
	RO'000	***RO'000***	***RO'000***	***RO'000***
Revenue				
External sales	**46,205**	**2,980**	**-**	**49,185**

Inter-segment sales	**721**	**6,109**	**(6,830)**	**-**
Total revenue	**46,926**	**9,089**	**(6,830)**	**49,185**
Results				
Depreciation	**5,000**	**951**	**-**	**5,951**
Amortisation	**715**	**216**	**-**	**931**
`				
Segment results – Profit	**14,085**	**2,020**	**-**	**16,105**
Finance expense				**(794)**
Profit before taxation				**15,311**
Taxation				**(1,836)**
Profit for the period				**13,475**

14 SEGMENT INFORMATION (Continued)

Segmental results for the three months period ended 30 September 2010 are as follows:

	Mobile	***Fixed line***	***Adjustments***	***Total***
	RO'000	***RO'000***	***RO'000***	***RO'000***
Revenue				
External sales	45,244	2,496	-	47,740
Inter-segment sales	555	5,463	(6,018)	-
Total revenue	45,799	7,959	(6,018)	47,740
Results				
Depreciation	4,447	553	-	5,000
Amortisation	715	216	-	931
`				
Segment results – Profit	17,855	(2,677)	-	15,178
Finance expense				(967)
Profit before taxation				14,211
Taxation				(1,713)
Profit for the period				12,498

Segmental results for the nine months period ended 30 September 2011 are as follows:

	Mobile	*Fixed line*	*Adjustments*	*Total*
	RO'000	*RO'000*	*RO'000*	*RO'000*
Revenue				
External sales	**136,794**	**9,305**	**-**	**146,099**
Inter-segment sales	**2,270**	**15,813**	**(18,083)**	**-**
Total revenue	**139,064**	**25,118**	**(18,083)**	**146,099**
Results				
Depreciation	**14,483**	**2,953**	**-**	**17,436**
Amortisation	**2,123**	**640**	**-**	**2,763**
`				
Segment results – Profit	**41,572**	**1,581**	**-**	**43,153**
Finance expense				**(2,577)**
Profit before taxation				**40,576**
Taxation				**(4,982)**
Profit for the period				**35,594**

14 SEGMENT INFORMATION (Continued)

Segmental results for the Nine months period ended 30 September 2010 are as follows:

	Mobile	*Fixed line*	*Adjustments*	*Total*
	RO'000	*RO'000*	*RO'000*	*RO'000*
Revenue				
External sales	135,801	3,172	-	138,973
Inter-segment sales	827	7,691	(8,518)	-
Total revenue	136,628	10,863	(8,518)	138,973
Results				
Depreciation	14,186	814	-	15,000
Amortisation	2,122	638	-	2,760
`				
Segment results – Profit	51,282	(4,930)	-	46,352

Finance expense				(3,098)
				———
Profit before taxation				43,254
Taxation				(5,210)
				═══
Profit for the period				38,044

Capital expenditure incurred for different segments are as follows:

	Nine months ended	*Nine months ended*	*Year ended*
	30 September 2011	*30 September 2010*	*31 December 2010*
	RO'000	*RO'000*	*RO'000*
Property, plant and equipment			
• Mobile	**10,123**	15,502	24,521
• Fixed	**15,500**	39,805	49,548
	———	———	———
	25,623	55,307	74,069
	═══	═══	═══

15 COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform to current period presentation. The reclassifications do not affect the reported profit during the period 2011.