

**Bahrain Telecommunications
Company BSC**

**CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**

30 September 2014

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the nine-months ended 30 September 2014**

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**FINANCIAL HIGHLIGHTS (presented for information purposes only)
for the nine-months ended 30 September 2014**

Nine-months ended 30 September	2014 BD million	2013 BD million	Variation %
Revenue	291.9	271.2	8%
Expenses	230.0	224.6	(2%)
Profit attributable to Batelco shareholders	40.9	36.7	11%
Return on net worth - Annualised (%)	10.1	8.3	22%
Weighted average number of shares outstanding during the period (Million)	1,663	1,584	5%
Basic earnings per share for the period (Fils)*	24.6	22.1	11%

**Basic earnings per share for 2013 are calculated using revised weighted average number of shares outstanding during the period.*

Independent auditors' report on review of condensed consolidated interim financial information

The Board of Directors
Bahrain Telecommunications Company BSC
Manama, Kingdom of Bahrain

29 October 2014

Introduction

We have reviewed the accompanying 30 September 2014 condensed consolidated interim financial information of Bahrain Telecommunications Company BSC ("the Company") and its subsidiaries (together "the Group"), which comprises:

- the condensed consolidated statement of financial position as at 30 September 2014;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three month and nine month periods ended 30 September 2014;
- the condensed consolidated statement of cash flows for the nine month period ended 30 September 2014;
- the condensed consolidated statement of changes in equity for the nine month period ended 30 September 2014; and
- notes to the condensed consolidated interim financial statements.

The Board of Directors of the Company is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the 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 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 30 September 2014 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 September 2014

BD'000

	Note	30 September 2014 (reviewed)	31 December 2013 (audited)
ASSETS			
Non-current assets			
Property and equipment		246,371	267,150
Goodwill		174,327	175,323
Intangible assets		147,294	162,162
Investment in associate		75,008	76,043
Deferred tax assets		3,506	3,172
Retirement benefit scheme asset		2,360	-
Other investments	3	46,365	35,439
Total non-current assets		695,231	719,289
Current assets			
Inventories		4,911	4,592
Trade and other receivables		113,953	119,697
Cash and bank balances		137,313	198,586
Total current assets		256,177	322,875
Total assets		951,408	1,042,164
EQUITY AND LIABILITIES			
Equity			
Share capital		166,320	158,400
Statutory reserve		79,200	77,684
General reserve		46,466	46,412
Foreign currency translation reserve		6,994	11,185
Investment fair value reserve		(271)	1,396
Actuarial reserve		(373)	(1,423)
Retained earnings		231,447	245,759
Total equity attributable to equity holders of the Company		529,783	539,413
Non-controlling interest		44,941	53,732
Total equity (Page 6 - 7)		574,724	593,145
Non-current liabilities			
Trade and other payables		4,536	7,251
Loans and borrowings	5	176,450	239,574
Deferred tax liabilities		23,555	25,875
Total non-current liabilities		204,541	272,700
Current liabilities			
Trade and other payables		164,991	173,352
Loans and borrowings		7,152	2,967
Total current liabilities		172,143	176,319
Total liabilities		376,684	449,019
Total equity and liabilities		951,408	1,042,164

The condensed consolidated interim financial statements which consist of pages 3 to 15 were approved by the Board of Directors on 29 October 2014 and signed on its behalf by:

Sh. Hamad Bin Abdulla Al Khalifa
Chairman

Mr. Abdul Razak Abdulla Al Qassim
Deputy Chairman

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the nine-months ended 30 September 2014

BD'000

	Note	Nine months ended 30 September		Three months ended 30 September	
		2014 (reviewed)	2013 (reviewed)	2014 (reviewed)	2013 (reviewed)
REVENUE	6	291,899	271,185	97,349	100,488
EXPENSES					
Network operating expenses		(102,001)	(101,621)	(33,235)	(37,387)
Staff costs		(41,551)	(40,889)	(12,393)	(14,015)
Depreciation and amortisation		(49,525)	(41,571)	(16,724)	(15,871)
Other operating expenses		(36,968)	(40,562)	(12,206)	(17,548)
Total expenses		(230,045)	(224,643)	(74,558)	(84,821)
Results from operating activities		61,854	46,542	22,791	15,667
Finance and other income		1,398	1,935	364	820
Finance and other expenses		(9,636)	(8,101)	(544)	(2,959)
Impairment on available-for-sale investments		(6,154)	-	(4,084)	-
Share of profit of associate (net)		3,033	4,718	853	1,776
Profit before taxation		50,495	45,094	19,380	15,304
Income tax expense		(3,624)	(2,863)	(1,467)	(1,192)
Profit for the period		46,871	42,231	17,913	14,112
Other comprehensive income					
<i>Items to be reclassified to profit or loss in subsequent periods:</i>					
Foreign currency translation differences		(3,211)	9,517	(6,586)	8,359
Investment fair value changes		(7,821)	3,324	(4,129)	(3,562)
Net fair value change transferred to profit or loss on impairment		6,154	-	4,084	-
		(4,878)	12,841	(6,631)	4,797
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>					
Remeasurement of defined benefit liability (including related tax)		1,050	-	(112)	-
		1,050	-	(112)	-
Total comprehensive income for the period		43,043	55,072	11,170	18,909
Profit for the period attributable to:					
Equity holders of the Company		40,884	36,706	15,986	11,452
Non-controlling interest		5,987	5,525	1,927	2,660
		46,871	42,231	17,913	14,112
Total comprehensive income for the period attributable to:					
Equity holders of the Company		37,061	49,548	9,269	16,230
Non-controlling interest		5,982	5,524	1,901	2,679
		43,043	55,072	11,170	18,909
Basic earnings per share (Fils)	7	24.6	22.1	9.6	6.9

The condensed consolidated interim financial statements which consist of pages 3 to 15 were approved by the Board of Directors on 29 October 2014 and signed on its behalf by:

Sh. Hamad Bin Abdulla Al Khalifa
Chairman

Mr. Abdul Razak Abdulla Al Qassim
Deputy Chairman

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the nine-months ended 30 September 2014

BD'000

		Nine-months ended 30 September	
	Note	2014 (reviewed)	2013 (reviewed)
OPERATING ACTIVITIES			
Cash receipts from customers		263,167	243,513
Net cash paid to suppliers		(120,368)	(108,986)
Cash paid to and on behalf of employees		(45,775)	(53,731)
Net cash from operating activities		97,024	80,796
INVESTING ACTIVITIES			
Acquisition of property, equipment and intangibles		(21,788)	(28,800)
Acquisition of businesses, net of cash acquired (note 13)		(1,101)	(166,249)
Receipts from associate		4,068	4,064
Acquisition of non-controlling interest		(14,966)	-
Net cash for purchase of investments		(37,957)	(33,930)
Interest and investment income received		2,658	1,455
Net cash used in investing activities		(69,086)	(223,460)
FINANCING ACTIVITIES			
Dividend paid		(42,128)	(39,315)
Interest paid		(6,033)	(3,760)
Borrowings (net)		(59,725)	247,477
Payments to charities		(558)	(789)
Net cash (used in) / from financing activities		(108,444)	203,613
(Decrease)/ increase in cash and cash equivalents		(80,506)	60,949
Cash and cash equivalents at 1 January		195,070	92,167
Cash and cash equivalents at 30 September	4	114,564	153,116

The condensed consolidated interim financial statements consist of pages 3 to 15.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the nine-months ended 30 September 2014

BD'000

2014	Note	Equity attributable to equity holders of the Company							Total	Non - controlling interest	Total equity
		Share capital	Statutory reserve	General reserve	Foreign currency translation reserve	Investment fair value reserve	Actuarial reserve	Retained earnings			
At 1 January 2014		158,400	77,684	46,412	11,185	1,396	(1,423)	245,759	539,413	53,732	593,145
Profit for the period		-	-	-	-	-	-	40,884	40,884	5,987	46,871
Other comprehensive income											
Foreign currency translation differences		-	-	-	(3,206)	-	-	-	(3,206)	(5)	(3,211)
Investment fair value changes		-	-	-	-	(7,821)	-	-	(7,821)	-	(7,821)
Net fair value change transferred to profit or loss on impairment		-	-	-	-	6,154	-	-	6,154	-	6,154
Remeasurement of defined benefit liability including related tax		-	-	-	-	-	1,050	-	1,050	-	1,050
Total other comprehensive income		-	-	-	(3,206)	(1,667)	1,050	-	(3,823)	(5)	(3,828)
Total comprehensive income for the period		-	-	-	(3,206)	(1,667)	1,050	40,884	37,061	5,982	43,043
Contributions and distributions											
Bonus shares issued	10	7,920	-	-	-	-	-	(7,920)	-	-	-
Dividends declared for 2013	10	-	-	-	-	-	-	(15,840)	(15,840)	(9,913)	(25,753)
Donations declared for 2013	10	-	-	-	-	-	-	(1,090)	(1,090)	-	(1,090)
Transfer to statutory reserve (net)	10	-	1,516	-	-	-	-	(1,516)	-	-	-
Transfer to general reserve		-	-	54	-	-	-	(54)	-	-	-
Interim dividends declared for 2014		-	-	-	-	-	-	(16,632)	(16,632)	-	(16,632)
Total contributions and distributions		7,920	1,516	54				(43,052)	(33,562)	(9,913)	(43,475)
Changes in ownership interests											
Acquisition of non-controlling interest without a change in control		-	-	-	(985)	-	-	(12,144)	(13,129)	(4,860)	(17,989)
Total changes in ownership interests		-	-	-	(985)	-	-	(12,144)	(13,129)	(4,860)	(17,989)
At 30 September 2014		166,320	79,200	46,466	6,994	(271)	(373)	231,447	529,783	44,941	574,724

The condensed consolidated interim financial statements consist of pages 3 to 15.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the nine-months ended 30 September 2014

BD'000

2013 (reviewed)	Equity attributable to equity holders of the Company								Total equity
	Share capital	Statutory reserve	General reserve	Foreign currency translation reserve	Investment fair value reserve	Retained earnings	Total	Non - controlling interest	
At 1 January 2013	144,000	76,847	39,444	361	(2,403)	256,099	514,348	5,833	520,181
Profit for the period	-	-	-	-	-	36,706	36,706	5,525	42,231
Other comprehensive income									
Foreign currency translation differences	-	-	-	9,518	-	-	9,518	(1)	9,517
Investment fair value changes	-	-	-	-	3,324	-	3,324	-	3,324
Total other comprehensive income	-	-	-	9,518	3,324	-	12,842	(1)	12,841
Total comprehensive income for the period	-	-	-	9,518	3,324	36,706	49,548	5,524	55,072
Non-controlling interest recognised on acquisition	-	-	-	-	-	-	-	46,169	46,169
Bonus shares issued	14,400	-	-	-	-	(14,400)	-	-	-
Final dividends declared for 2012	-	-	-	-	-	(14,400)	(14,400)	-	(14,400)
Donations declared for 2012	-	-	-	-	-	(1,500)	(1,500)	-	(1,500)
Transfer to statutory reserve	-	837	-	-	-	(837)	-	-	-
Transfer to general reserve	-	-	6,968	-	-	(6,968)	-	-	-
Interim dividends declared for 2013	-	-	-	-	-	(15,840)	(15,840)	-	(15,840)
Dividends to non-controlling interest	-	-	-	-	-	-	-	(6,125)	(6,125)
	14,400	837	6,968	-	-	(53,945)	(31,740)	40,044	8,304
At 30 September 2013	158,400	77,684	46,412	9,879	921	238,860	532,156	51,401	583,557

The condensed consolidated interim financial statements consist of pages 3 to 15.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the nine-months ended 30 September 2014**

BD'000

1 REPORTING ENTITY

The condensed consolidated interim financial statements as at and for the three month and nine month periods ended 30 September 2014 comprise the condensed consolidated interim financial statements of Bahrain Telecommunications Company BSC ("Batelco" / "the Company") and its subsidiaries (collectively "the Group") and the Group's interests in an associate entity. It does not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2013. The Group is principally engaged in the provision of public telecommunications and associated products and services.

2 BASIS OF PREPARATION**(a) Statement of compliance**

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 – 'Interim Financial Reporting'. These do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2013.

(b) Accounting policies

The accounting policies and risk management framework applied by the Group in the preparation of the condensed consolidated interim financial statements are consistent with those applied in the preparation of the consolidated financial statements as at and for the year ended 31 December 2013, except for the adoption of relevant new IFRSs, amendments and interpretations issued by IASB that are effective for annual periods beginning on or after 1 January 2014. The adoption of these new standards / amendments did not have a significant impact on the condensed consolidated interim financial statements.

The condensed consolidated interim financial statements are not audited but have been reviewed by KPMG Fakhro. The comparatives for the condensed consolidated statement of financial position have been extracted from the audited consolidated financial statements for the year ended 31 December 2013 and comparatives for the condensed consolidated statements of profit or loss and other comprehensive income, cash flows and changes in equity have been extracted from the reviewed condensed consolidated interim financial statements for the three month and nine month periods ended 30 September 2013.

Due to the effect of seasonal variations, the results reported in the condensed consolidated interim financial statements may not represent a proportionate share of the overall annual income.

(c) Judgements and estimates

In preparing these condensed consolidated interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2013.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the nine-months ended 30 September 2014

BD'000

3 OTHER INVESTMENTS

	2014 (reviewed)	2013 (audited)
Available-for-sale investments:		
- Quoted equity securities (at fair value)	26,640	34,190
- Unquoted equity securities (at cost)	682	682
- Quoted debt securities (at fair value)	18,476	-
- Unquoted debt securities (at fair value)	567	567
	46,365	35,439

Quoted equity securities represent market value of equity investment in Etihad Atheeb Telecommunications Company.

In June 2014, the Group invested BD 18.8 million (including commission costs) in Kingdom of Bahrain Bonds. These bonds have varying maturity dates ranging from 2018 to 2023 and carry a fixed semi-annual coupon interest ranging from 5.5% per annum to 6.125% per annum on the face value.

4 CASH AND BANK BALANCES

Cash and bank balances include BD 22,749 (30 September 2013: BD 2,983) on account of unclaimed dividends and short-term deposits with maturities exceeding three months. These have been excluded for the purposes of statement of cash flows.

5 LOANS AND BORROWINGS

Loans and borrowings include bonds with a face value of BD 178.3 million issued by the Group. The bonds are listed for trading in the Irish Stock Exchange. The bonds have a tenor of 7 years maturing in 2020, are unsecured and were priced at 325 points over 7 years US Treasuries, for a yield of 4.342% and coupon of 4.250% payable semi-annually. At the time of the issue, the bonds were rated BBB- by both S&P and Fitch. On 19 December 2013, S&P lowered its issue ratings on the bonds from BBB- to BB+.

6 REVENUE

	Nine months ended 30 September		Three months ended 30 September	
	2014 (reviewed)	2013 (reviewed)	2014 (reviewed)	2013 (reviewed)
Mobile telecommunication services	131,533	120,783	44,330	45,222
Fixed line telecommunication services	21,827	22,642	6,787	8,326
Internet	32,870	31,501	10,986	11,048
Data communication circuits	45,662	44,713	14,980	16,529
Wholesale	28,540	28,864	9,318	10,566
Others	31,467	22,682	10,948	8,797
	291,899	271,185	97,349	100,488

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the nine-months ended 30 September 2014

BD'000

7 EARNINGS PER SHARE

	Nine months ended 30 September		Three months ended 30 September	
	2014 (reviewed)	2013 (reviewed)	2014 (reviewed)	2013 (reviewed)
Profit for the period attributable to equity holders of the Company	40,884	36,706	15,986	11,452
Weighted average number of shares outstanding during the period	1,663	1,663	1,663	1,663
Basic earnings per share (Fils)	24.6	22.1	9.6	6.9

Comparatives for weighted average number of shares outstanding during the period have been adjusted for bonus shares issued during the period.

8 COMMITMENTS AND CONTINGENCIES

a) Guarantees

- (i) The Company has furnished guarantees amounting to BD 1.6 million (2013: BD 1.6 million) to suppliers on behalf of an investee company in Kingdom of Saudi Arabia relating to the equipment supply contracts.
- (ii) As at 30 September 2014, the Group's banks have issued guarantees, amounting to BD 8.6 million (2013: BD 6.8 million).
- (iii) The Group has furnished a comfort letter for BD 1.9 million (2013: BD 1.9 million) to Telecommunications Regulatory Commission, Jordan for providing a financial guarantee for the subsidiary companies operating in Jordan.

b) Commitments

The Group has capital commitments at 30 September 2014 amounting to BD 31.9 million (2013: BD 4.6 million).

c) Contingent liabilities

The Group is involved in certain matters relating to notifications from regulatory authorities and government tax departments of claims and other notices amounting to BD 6.5 million (2013: BD 5.7 million). The Group is of the view that there are no legitimate legal grounds for such claims and notices, and all necessary legal steps to respond to and defend its position are being taken.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the nine-months ended 30 September 2014

BD'000

9 RELATED PARTIES

a) Transactions with related parties

The Company qualifies as a government related entity under the definitions provided in the Revised IAS 24. The Group provides telecommunication services to various Government and semi government organisation and companies in the Kingdom of Bahrain. The Group also avails various services from Government and semi government organisation and companies in the Kingdom of Bahrain. Such transactions are in the normal course of business and are not considered to be material.

b) Transactions with key management personnel

Key management personnel comprise the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group. During the period, the Group paid the following compensation to the key management personnel.

	Nine months ended 30 September	
	2014 (reviewed)	2013 (reviewed)
Short-term employee benefits	1,467	1,725
Post-employment benefits	111	121
Total key management personnel compensation	1,578	1,846
Directors remuneration (including sitting fees)	395	430

10 APPROPRIATIONS

The shareholders of the Company in their meeting held on 4 March 2014 approved bonus shares of BD 7.92 million in the ratio of one bonus share for every 20 shares held of the paid-up capital by capitalising reserves, cash dividend of BD 15.84 million, donations of BD 1.09 million and transfer to statutory reserve of BD 1.516 million.

The Board of Directors in their meeting held on 25 July 2014 approved interim cash dividend of 10 fils per share (2013: 10 fils per share) amounting to BD 16,632 (2013: BD 15,840).

11 COMPARATIVES

The comparative figures for the previous period have been regrouped, where necessary, in order to conform to the current period's presentation. Such regrouping does not affect the previously reported profit, comprehensive income or equity.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the nine-months ended 30 September 2014**

BD'000

12 FAIR VALUE

The Group's financial assets and financial liabilities are measured at amortised cost except for certain available-for-sale investments, which are carried at fair value. Fair values measurement assumes that asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions.

Underlying the definition of fair value is a presumption that an enterprise is a going concern without any intention or need to liquidate, curtail materially the scale of its operations or undertake a transaction on adverse terms.

Fair value hierarchy

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measures:

- (i) Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- (ii) Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using; quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- (iii) Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The following table shows the carrying amounts and fair values of financial instruments measured as at 30 September 2014, including their levels in the fair value hierarchy categories:

	Fair value				Carrying value
	Level 1	Level 2	Level 3	Total fair value	
30 September 2014					
Financial assets measured at fair value					
Other investments	45,116	-	567	45,683	45,683
Financial assets not measured at fair value					
Other investments	-	-	682	682	682
Financial liabilities measured at fair value					
Contingent consideration (Other payables)	-	-	3,031	3,031	3,031
Financial liabilities not measured at fair value					
Loans and borrowings – Bonds	178,924	-	-	178,924	178,450
Other loans and borrowings	-	7,152	-	7,152	7,152

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the nine-months ended 30 September 2014

BD'000

12 *FAIR VALUE (continued)*

31 December 2013	Fair value				Carrying value
	Level 1	Level 2	Level 3	Total fair value	
Financial assets measured at fair value					
Other investments	34,190	-	567	34,757	34,757
Financial assets not measured at fair value					
Other investments	-	-	682	682	682
Financial liabilities not measured at fair value					
Loans and borrowings – Bonds	214,115	-	-	214,115	227,400
Other loans and borrowings	-	15,141	-	15,141	15,141

There were no transfers between any of the categories during the period. The Bonds have been fair valued using its quoted prices. Other loans and borrowings are repriced at frequent intervals and hence the carrying value is a reasonable approximation of its fair value. The contingent consideration payable is linked to proceeds received on sale of a property and the fair value has been determined based on valuation of the underlying asset. The Group has not disclosed the fair value for financial instruments such as short term trade and other receivables, trade and other payables except contingent consideration, because their carrying amounts are a reasonable approximation of fair values.

13 ACQUISITION OF BUSINESS

In July 2014, Sure (Jersey) Limited (Group's wholly owned subsidiary in Jersey), acquired 100% of the share capital of Foreshore Limited, a company registered in Jersey and involved in provision of data center services. The total consideration for the transaction is BD 1.12 million subject to customary adjustments relating to the amounts of debt, cash and working capital at the relevant completion date. The acquisition is part of the Group's strategy of expanding the scale and scope of the Group's operations whilst maintaining its financial position.

The Group, as on date of issue of these condensed consolidated interim financial statements, has not concluded on the determination of fair value of tangible and intangible assets acquired, liabilities assumed and residual goodwill arising from the acquisition. The valuation exercise to determine fair value of certain tangible and intangible assets is currently underway and pending completion as at the reporting date. Therefore, balances of the acquired company included in Group's consolidated financial statements from the date of acquisition have been reported on a provisional basis as permitted by IFRS 3 *Business Combinations*.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the nine-months ended 30 September 2014

BD'000

13 *ACQUISITION OF BUSINESS (continued)*

The below reported amounts represent the carrying values as reported by the acquired entity as at 31 July 2014 (and are reflective of carrying values at acquisition date, 18 July 2014) with the differential consideration accounted for as provisional negative goodwill amounting to BD 0.2 million.

	Provisional amount in BD 000'
Fixed assets	1,547
Intangible assets	-
Accounts and other receivables	622
Bank and cash balances	14
Other assets	349
Accounts and other payable	(1,205)
Total identifiable net assets	1,327
Goodwill arising on acquisition	(212)
Purchase consideration	1,115

If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above amounts, or any additional provisions that existed at the acquisition date, then the acquisition accounting will be revised. Revisions to provisional acquisition accounting are required to be done on a retrospective basis.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the nine-months ended 30 September 2014

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14 SEGMENT INFORMATION*Operating segments*

The Group's operations are segregated between Bahrain, Jordan, Maldives and other countries. Other countries include Guernsey, Jersey, Isle of Man, South Atlantic, Diego Garcia, Kuwait, Yemen, and Egypt. Segment information disclosed for the nine months ended 30 September 2014 is as follows:

	Nine months ended 30 September 2014 (reviewed)						Nine months ended 30 September 2013 (reviewed)					
	Bahrain	Jordan	Maldives	Other countries	Inter - segment eliminations	Total	Bahrain	Jordan	Maldives	Other countries	Inter - segment elimination	Total
Segment revenue and profit												
Revenue (external customers)	122,721	65,960	38,282	64,936	-	291,899	126,624	69,105	25,154	50,302	-	271,185
Inter-segment revenues	3,111	1,477	-	1,911	(6,499)	-	3,217	434	-	1,374	(5,025)	-
Profit	27,887	4,668	10,326	4,133	(143)	46,871	26,721	6,220	6,276	3,014	-	42,231

	As at 30 September 2014 (reviewed)						As at 31 December 2013 (Audited)					
	Bahrain	Jordan	Maldives	Other countries	Inter - segment eliminations	Total	Bahrain	Jordan	Maldives	Other countries	Inter - segment elimination	Total
Segment assets and liabilities												
Non-current assets	153,777	221,858	108,201	215,016	(3,621)	695,231	154,187	230,463	113,473	221,166	-	719,289
Current assets	163,535	20,647	24,020	134,360	(86,385)	256,177	210,659	17,470	25,060	127,182	(57,496)	322,875
Total assets	317,312	242,505	132,221	349,376	(90,006)	951,408	364,846	247,933	138,533	348,348	(57,496)	1,042,164
Current liabilities	102,782	53,943	13,868	41,958	(40,408)	172,143	95,472	57,110	12,052	41,712	(30,027)	176,319
Non-current liabilities	176,450	13,474	8,565	54,588	(48,536)	204,541	242,690	3,738	8,851	54,665	(37,244)	272,700
Total liabilities	279,232	67,417	22,433	96,546	(88,944)	376,684	338,162	60,848	20,903	96,377	(67,271)	449,019