

**Bahrain Telecommunications  
Company BSC**

**CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS**

**30 September 2015**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
for the nine months ended 30 September 2015**

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<b>CONTENTS</b>	<b>Page</b>
Financial highlights	1
Independent auditors' report on review of the condensed consolidated interim financial statements	2
<b>Condensed consolidated interim financial statements</b>	
Condensed consolidated statement of financial position	3
Condensed consolidated statement of profit or loss and other comprehensive income	4
Condensed consolidated statement of cash flows	5
Condensed consolidated statement of changes in equity	6 - 7
Notes to the condensed consolidated interim financial statements	8 - 14

**FINANCIAL HIGHLIGHTS (Presented for information purposes only)  
for the nine months ended 30 September 2015**

<b>Nine months ended 30 September</b>	<b>2015 BD million</b>	<b>2014 BD million</b>	<b>Variation %</b>
Gross revenue	<b>279.6</b>	291.9	(4%)
Operating expenses	<b>223.1</b>	230.0	3%
Profit attributable to Batelco shareholders	<b>40.9</b>	40.9	0%
Return on net worth - Annualised (%)	<b>10.2%</b>	9.2%	11%
Weighted average number of shares outstanding during the period	<b>1,663</b>	1,663	-
Basic earnings per share for the period (Fils)	<b>24.6</b>	24.6	0%

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

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

10 November 2015

### **Introduction**

We have reviewed the accompanying 30 September 2015 condensed consolidated interim financial information of Bahrain Telecommunications Company BSC (the "Company") and its subsidiaries (together "the Group"), which comprise:

- the condensed consolidated statement of financial position as at 30 September 2015;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three and nine-month periods ended 30 September 2015;
- the condensed consolidated statement of cash flows for the nine-month period ended 30 September 2015;
- the condensed consolidated statement of changes in equity for the nine-month period ended 30 September 2015; and
- notes to the condensed consolidated interim financial information.

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 2015 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 2015

BD'000

	Note	30 September 2015 (reviewed)	31 December 2014 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		250,114	255,159
Goodwill		173,128	173,881
Intangible assets	3	168,472	141,812
Investment in associate		76,410	75,793
Deferred tax assets		4,113	3,733
Post-employment benefit assets		3,297	189
Other investments	4	52,215	35,466
<b>Total non-current assets</b>		<b>727,749</b>	<b>686,033</b>
<b>Current assets</b>			
Inventories		4,203	4,296
Trade and other receivables		118,677	118,263
Cash and bank balances	5	141,230	150,185
<b>Total current assets</b>		<b>264,110</b>	<b>272,744</b>
<b>Total assets</b>		<b>991,859</b>	<b>958,777</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		166,320	166,320
Statutory reserve		84,116	83,160
General reserve		46,464	46,464
Foreign currency translation reserve		(317)	3,056
Investment fair value reserve		(1,302)	(589)
Post-employment benefit actuarial reserve		(5,423)	(2,293)
Retained earnings		233,097	235,950
<b>Total equity attributable to equity holders of the Company</b>		<b>522,955</b>	<b>532,068</b>
Non-controlling interest		44,023	46,990
<b>Total equity (Page 6 - 7)</b>		<b>566,978</b>	<b>579,058</b>
<b>Non-current liabilities</b>			
Trade and other payables		4,851	4,698
Loans and borrowings	6	220,057	176,523
Deferred tax liabilities		20,145	22,577
<b>Total non-current liabilities</b>		<b>245,053</b>	<b>203,798</b>
<b>Current liabilities</b>			
Trade and other payables		178,225	175,921
Loans and borrowings	6	1,603	-
<b>Total current liabilities</b>		<b>179,828</b>	<b>175,921</b>
<b>Total liabilities</b>		<b>424,881</b>	<b>379,719</b>
<b>Total equity and liabilities</b>		<b>991,859</b>	<b>958,777</b>

*The condensed consolidated interim financial statements which consist of pages 3 to 14 were approved by the Board of Directors on 10 November 2015 and signed on its behalf by:*

Hamad Bin Abdulla Al Khalifa  
Chairman

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 2015**

BD'000

	Note	Nine months ended 30 September		Three months ended 30 September	
		2015 (reviewed)	2014 (reviewed)	2015 (reviewed)	2014 (reviewed)
<b>REVENUE</b>	7	<b>279,624</b>	291,899	<b>93,899</b>	97,349
<b>OPERATING EXPENSES</b>					
Network operating expenses		(99,800)	(102,001)	(34,029)	(33,235)
Staff costs		(38,725)	(41,551)	(14,235)	(12,393)
Depreciation and amortisation		(50,335)	(49,525)	(16,614)	(16,724)
Other operating expenses		(34,238)	(36,968)	(8,622)	(12,206)
<b>Total operating expenses</b>		<b>(223,098)</b>	(230,045)	<b>(73,500)</b>	(74,558)
<b>Results from operating activities</b>		<b>56,526</b>	61,854	<b>20,399</b>	22,791
Finance and other income		3,868	1,398	1,041	364
Finance and other expenses		(10,542)	(9,636)	(4,915)	(544)
Impairment on available-for-sale investments		(784)	(6,154)	-	(4,084)
Share of profit of associate (net)		617	3,033	-	853
<b>Profit before taxation</b>		<b>49,685</b>	50,495	<b>16,525</b>	19,380
Income tax expense		(2,975)	(3,624)	(996)	(1,467)
<b>Profit for the period</b>		<b>46,710</b>	46,871	<b>15,529</b>	17,913
<b>Other comprehensive income</b>					
<i>Items that are or may be reclassified to profit or loss:</i>					
Foreign currency translation differences – foreign operations		(3,394)	(3,211)	(3,915)	(6,586)
Investment fair value changes – available-for-sale financial assets		(1,497)	(7,821)	(1,404)	(4,129)
Net fair value changes transferred to profit or loss on impairment		784	6,154	-	4,084
		<b>(4,107)</b>	(4,878)	<b>(5,319)</b>	(6,631)
<i>Items that will never be reclassified to profit or loss:</i>					
Remeasurement of defined benefit asset including related tax		(3,130)	1,050	(9)	(112)
		<b>(3,130)</b>	1,050	<b>(9)</b>	(112)
Other comprehensive income, net of tax		(7,237)	(3,828)	(5,328)	(6,743)
<b>Total comprehensive income for the period</b>		<b>39,473</b>	43,043	<b>10,201</b>	11,170
<b>Profit for the period attributable to:</b>					
Equity holders of the Company		40,917	40,884	13,380	15,986
Non-controlling interest		5,793	5,987	2,149	1,927
		<b>46,710</b>	46,871	<b>15,529</b>	17,913
<b>Total comprehensive income for the period attributable to:</b>					
Equity holders of the Company		33,701	37,061	8,053	9,269
Non-controlling interest		5,772	5,982	2,148	1,901
		<b>39,473</b>	43,043	<b>10,201</b>	11,170
<b>Basic earnings per share (Fils)</b>	8	<b>24.6</b>	24.6	<b>8.0</b>	9.6

The condensed consolidated interim financial statements which consist of pages 3 to 14 were approved by the Board of Directors on 10 of November 2015 and signed on its behalf by:

Hamad Bin Abdulla Al Khalifa  
Chairman

Abdul Razak Abdulla Al Qassim  
Deputy Chairman

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the nine months ended 30 September 2015**

BD'000

	Note	Nine months ended 30 September	
		2015 (reviewed)	2014 (reviewed)
<b>OPERATING ACTIVITIES</b>			
Results from operating activities		56,526	61,854
<b>Adjustment for:</b>			
Depreciation and amortisation		50,335	49,525
		106,861	111,379
<b>Working capital changes:</b>			
(Increase)/decrease in trade and other receivables		(4,529)	8,209
Decrease/(increase) in inventories		53	(543)
Decrease in trade and other payables		(3,091)	(14,399)
Cash generated from operating activities		99,294	104,646
Taxes paid		(7,566)	(7,622)
Payment to charities		(1,282)	(558)
		<b>90,446</b>	96,466
<b>INVESTING ACTIVITIES</b>			
Acquisition of property, equipment and intangibles	3	(74,360)	(21,788)
Acquisition of businesses, net of cash acquired		-	(1,101)
Receipts from associate		-	4,068
Acquisition of non-controlling interest		-	(14,966)
Net cash for purchase of investments		(455)	(37,957)
Interest and investment income received		3,050	2,658
		<b>(71,765)</b>	(69,086)
<b>FINANCING ACTIVITIES</b>			
Dividends paid		(50,315)	(42,128)
Interest paid		(4,644)	(6,033)
Borrowings (net)		44,942	(59,725)
		<b>(10,017)</b>	(107,886)
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>8,664</b>	(80,506)
Cash and cash equivalents at 1 January		95,732	195,070
<b>Cash and cash equivalents at 30 September</b>	5	<b>104,396</b>	114,564

The condensed consolidated interim financial statements consist of pages 3 to 14.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the nine months ended 30 September 2015

BD'000

2015	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	Post- employment benefit actuarial reserve	Retained earnings			
At 1 January 2015		166,320	83,160	46,464	3,056	(589)	(2,293)	235,950	532,068	46,990	579,058
Profit for the period		-	-	-	-	-	-	40,917	40,917	5,793	46,710
<b>Other comprehensive income</b>											
Foreign currency translation differences		-	-	-	(3,373)	-	-	-	(3,373)	(21)	(3,394)
Investment fair value changes		-	-	-	-	(1,497)	-	-	(1,497)	-	(1,497)
Net fair value change transferred to profit or loss on impairment		-	-	-	-	784	-	-	784	-	784
Remeasurement of defined benefit liability including related tax		-	-	-	-	-	(3,130)	-	(3,130)	-	(3,130)
<b>Total other comprehensive income</b>		-	-	-	<b>(3,373)</b>	<b>(713)</b>	<b>(3,130)</b>	-	<b>(7,216)</b>	<b>(21)</b>	<b>(7,237)</b>
<b>Total comprehensive income for the period</b>		-	-	-	<b>(3,373)</b>	<b>(713)</b>	<b>(3,130)</b>	<b>40,917</b>	<b>33,701</b>	<b>5,772</b>	<b>39,473</b>
<b>Contributions and distributions</b>											
Final dividends declared for 2014	10	-	-	-	-	-	-	(24,948)	(24,948)	-	(24,948)
Donations declared for 2014	10	-	-	-	-	-	-	(1,234)	(1,234)	-	(1,234)
Transfer to Statutory reserve/other adjustments		-	956	-	-	-	-	(956)	-	-	-
Transfer to general reserve		-	-	-	-	-	-	-	-	-	-
Interim dividends declared for 2015	10	-	-	-	-	-	-	(16,632)	(16,632)	-	(16,632)
Dividends to non-controlling interest		-	-	-	-	-	-	-	-	(8,739)	(8,739)
<b>Total Contributions and distributions</b>		-	<b>956</b>	-	-	-	-	<b>(43,770)</b>	<b>(42,814)</b>	<b>(8,739)</b>	<b>(51,553)</b>
<b>At 30 September 2015</b>		<b>166,320</b>	<b>84,116</b>	<b>46,464</b>	<b>(317)</b>	<b>(1,302)</b>	<b>(5,423)</b>	<b>233,097</b>	<b>522,955</b>	<b>44,023</b>	<b>566,978</b>

The condensed consolidated interim financial statements consist of pages 3 to 14.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the nine months ended 30 September 2015

BD'000

2014	Equity attributable to equity holders of the Company									
	Share capital	Statutory reserve	General reserve	Foreign currency translation reserve	Investment fair value reserve	Post-employment benefit actuarial reserve	Retained earnings	Total	Non -controlling interest	Total equity
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	7,920	-	-	-	-	-	(7,920)	-	-	-
Dividends declared for 2013	-	-	-	-	-	-	(15,840)	(15,840)	-	(15,840)
Donations declared for 2013	-	-	-	-	-	-	(1,090)	(1,090)	-	(1,090)
Transfer to statutory reserve (net)	-	1,516	-	-	-	-	(1,516)	-	-	-
Transfer to general reserve	-	-	54	-	-	-	(54)	-	-	-
Interim dividends declared for 2014	-	-	-	-	-	-	(16,632)	(16,632)	-	(16,632)
Dividends to non-controlling interest	-	-	-	-	-	-	-	-	(9,913)	(9,913)
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 14.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
for the nine months ended 30 September 2015**

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**1 REPORTING ENTITY**

The condensed consolidated interim financial statements as at and for the three month and nine month period ended 30 September 2015 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. 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 and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2014. 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 2014.

**(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 2014, 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 2015. 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 2014 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 nine months period ended 30 September 2014.

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) Judgments and estimates**

In preparing these condensed consolidated interim financial statements, management make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments 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 2014.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**for the nine months ended 30 September 2015**

BD'000

**3 INTANGIBLE ASSETS**

During quarter ended 30 September 2015, a Group company acquired 4th Generation Frequency license and fixed LTE spectrum Frequency license for BD 38.6 million. The licenses will be amortized based on their respective useful lives ranging from 7 year to 15 years starting from the utilization date.

**4 OTHER INVESTMENTS**

	<b>30 September 2015 (reviewed)</b>	<b>31 December 2014 (audited)</b>
Available-for-sale investments:		
- Quoted equity securities (at fair value)	15,220	16,003
- Unquoted equity securities (at cost)	815	815
- Debt securities (at fair value)	36,180	18,648
	<b>52,215</b>	<b>35,466</b>

Quoted equity securities represent equity investment in Etihad Atheeb Telecommunications Company ("the investee"). In 2015, the Group recognised impairment loss of BD 784 within the condensed consolidated statement of profit or loss as a result of prolonged decline in the fair value of the investment. Debt securities mainly represent investment in sovereign bonds.

**5 CASH AND BANK BALANCES**

Cash and bank balances include BD 36.8 million (September 2014: BD 22.7 million) on account of short-term deposits with maturities exceeding three months and unclaimed dividends. These have been excluded for the purposes of condensed consolidated statement of cash flows.

**6 LOANS AND BORROWINGS**

Non-current loans and borrowings include bonds with a face value of BD 178.3 million. The bonds are listed for trading in the Irish Stock Exchange. The bonds have a tenor of 7 years, 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.

Loans and borrowings include a long term loan facility with a total available amount of BD 58.5 million of which BD 44.9 million has been utilised by a group company to fund the company's working capital and license fees. The facility bears an interest rate of PLR – 3.35% per annum. As at 30 September 2015, BD 1.6 million of the outstanding amount was classified under current liabilities being due within next 12 months.

Current loans and borrowings also include an overdraft facility with a total available amount of BD 4.5 million of which BD nil has been utilised by a group company to fund the company's general business. The facility bears an interest rate of PLR – 3.35% per annum.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**for the nine months ended 30 September 2015**

BD'000

**7 REVENUE**

	Nine months ended 30 September		Three months ended 30 September	
	2015 (reviewed)	2014 (reviewed)	2015 (reviewed)	2014 (reviewed)
Mobile telecommunications services	137,486	145,666	45,783	48,392
Fixed line telecommunication services	20,326	22,221	6,523	6,900
Internet	35,384	36,277	11,815	12,246
Data communication circuits	45,434	45,868	15,638	14,991
Wholesale	25,776	28,602	8,548	9,338
Others	15,218	13,265	5,592	5,482
	<b>279,624</b>	<b>291,899</b>	<b>93,899</b>	<b>97,349</b>

**8 EARNINGS PER SHARE**

	Nine months ended 30 September		Three months ended 30 September	
	2015 (reviewed)	2014 (reviewed)	2015 (reviewed)	2014 (reviewed)
Profit for the period attributable to equity holders of the Company	40,917	40,884	13,380	15,986
Weighted average number of shares outstanding during the period	1,663	1,663	1,663	1,663
<b>Basic earnings per share (Fils)</b>	<b>24.6</b>	<b>24.6</b>	<b>8.0</b>	<b>9.6</b>

**9 COMMITMENTS AND CONTINGENCIES****a) Guarantees**

- (i) The Company has furnished guarantees amounting to BD 1.6 million (2014: BD 1.6 million) to suppliers on behalf of an investee company in Kingdom of Saudi Arabia relating to the equipment supply contracts.
- (ii) The Company has furnished a guarantee for BD 4.6 million (2014: BD 5.3 million) to a bank for extending credit facilities to an investee company in Kingdom of Saudi Arabia.
- (iii) As at 30 September 2015, the Group's banks have issued guarantees, amounting to BD 5.2 million (2014: BD 8.6 million).
- (iv) The Group has furnished a comfort letter for BD 1.9 million (2014: 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 2015 amounting to BD 35.8 million (2014: BD 31.9 million).

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
for the nine months ended 30 September 2015**

BD'000

**9. COMMITMENTS AND CONTINGENCIES (Continue)**

**c) Contingent liabilities**

The Group was previously involved in certain matters relating to notifications from regulatory authorities and government tax departments of claims and other notices which are currently not expected to result in a contingent liability (2014: BD 5.9 million).

**10 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 of the group 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 of the group.

	<b>Nine months ended 30 September</b>	
	<b>2015 (reviewed)</b>	<b>2014 (reviewed)</b>
Short-term employee benefits	1,301	1,467
Post-employment benefits	209	111
<b>Total key management personnel compensation</b>	<b>1,510</b>	<b>1,578</b>
<b>Directors remuneration (including sitting fees)</b>	<b>559</b>	<b>395</b>

**11 APPROPRIATIONS**

The shareholders of the Company in their meeting held on 18 March 2015 approved a cash dividend of BD 24.95 million (15 fils per share) and donations of BD 1.23 million.

In addition, in the board meeting dated 6 August 2015, Interim dividend of BD 16.63 million (10 fils per share) was approved for distribution.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
for the nine months ended 30 September 2015**

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**12 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.

**13 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 the 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 table below analyses financial instruments measured as at 30 September 2015, by the level in the fair value hierarchy into which the fair value measurement is categorized:

30 September 2015	Fair value				Carrying Value
	Level 1	Level 2	Level 3	Total fair value	
<b>Financial assets measured at fair value</b>					
Other investments	35,613	15,220	567	51,400	51,400
<b>Financial liabilities measured at fair value</b>					
Contingent consideration (Other Payables)	-	-	2,125	2,125	2,125
<b>Financial liabilities not measured at fair value</b>					
Loans and borrowings – Bonds	170,723	-	-	170,723	176,749
Other loans and borrowings	-	-	44,911	44,911	44,911

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**for the nine months ended 30 September 2015**

BD'000

## 12 FAIR VALUE (continued)

	Fair value				Carrying Value
	Level 1	Level 2	Level 3	Total fair value	
31 December 2014					
Financial assets measured at fair value					
Other investments	34,084	-	567	34,651	34,651
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	175,626	-	-	175,626	176,523

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 Group has not disclosed the fair value for financial instruments such as short term trade and other receivables, trade and other payables and cash and bank balances, because their carrying amounts are a reasonable approximation of fair values.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
for the nine months ended 30 September 2015

BD'000

**14 SEGMENT INFORMATION***Operating segments*

The Group's operations are segregated between Bahrain, Jordan, Maldives, CIIM (Guernsey, Jersey and Isle of Man) and other countries. Other countries include South Atlantic, Diego Garcia, Kuwait, Yemen and Egypt. Segment information disclosed for the nine months ended 30 September 2015 is as follows:

	As at 30 September 2015 (reviewed)							As at 30 September 2014 (reviewed)						
	Bahrain	Jordan	Maldives	CIIM	Other countries	Inter - segment elimination	Total	Bahrain	Jordan	Maldives	CIIM	Other countries	Inter - segment elimination	Total
<b>Segment revenue and profit</b>														
Revenue (external customers)	116,670	59,447	40,940	36,617	25,950	-	279,624	122,721	65,960	38,282	39,126	25,810	-	291,899
Inter-segment revenues	1,711	637	3	-	1,596	(3,947)	-	3,111	1,477	-	-	1,911	(6,499)	-
Profit	30,961	5,249	11,424	4,798	(5,894)	172	46,710	27,887	4,668	10,326	3,056	1,077	(143)	46,871

  

	As at 30 September 2015 (reviewed)							As at 31 December 2014 (Audited)						
	Bahrain	Jordan	Maldives	CIIM	Other countries	Inter - segment elimination	Total	Bahrain	Jordan	Maldives	CIIM	Other countries	Inter - segment elimination	Total
<b>Segment assets &amp; liabilities</b>														
Non-current assets	164,178	259,236	103,847	94,373	120,926	(14,811)	727,749	151,266	220,905	107,713	96,489	124,013	(14,353)	686,033
Current assets	171,228	17,037	28,847	17,001	77,000	(47,003)	264,110	174,978	16,878	28,832	14,971	107,638	(70,553)	272,744
<b>Total assets</b>	<b>335,406</b>	<b>276,273</b>	<b>132,694</b>	<b>111,374</b>	<b>197,926</b>	<b>(61,814)</b>	<b>991,859</b>	<b>326,244</b>	<b>237,783</b>	<b>136,545</b>	<b>111,460</b>	<b>231,651</b>	<b>(84,906)</b>	<b>958,777</b>
Non-current liabilities	176,749	45,387	8,208	8,083	6,626	-	245,053	176,524	2,498	8,568	9,154	44,754	(37,700)	203,798
Current liabilities	121,282	52,479	17,281	10,147	26,780	(48,141)	179,828	101,831	56,885	14,432	7,911	31,309	(36,447)	175,921
<b>Total liabilities</b>	<b>298,031</b>	<b>97,866</b>	<b>25,489</b>	<b>18,230</b>	<b>33,406</b>	<b>(48,141)</b>	<b>424,881</b>	<b>278,355</b>	<b>59,383</b>	<b>23,000</b>	<b>17,065</b>	<b>76,063</b>	<b>(74,147)</b>	<b>379,719</b>