Emirates Telecommunications Group Company PJSC

Review report and condensed consolidated interim financial information

for the three month period ended 31 March 2018

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1. Changes to the provisions of the Federal Law no. 1 of 1991 and the Articles of Association

In accordance with the Decree by Federal Law no. 3 of 2015 amending some provisions of the Federal Law No. 1 of 1991 (the “New Law”) and the new articles of association of Emirates Telecommunications Group Company PJSC (the “New AoA”), Emirates Telecommunications Corporation has been converted from a corporation to a public joint stock company and is subject to the provisions of UAE Federal Law no. 2 of 2015 on Commercial Companies (the “Companies Law”) unless otherwise stated in the New Law or New AoA. Accordingly, the name of the corporation has been changed to Emirates Telecommunications Group Company PJSC.

2. Revenue, profit and earnings per share

The Group's financial performance for the three month period ended 31 March 2018 is summarised in the financial metrics below:

i) Consolidated revenue amounted to AED 13,104 million, representing an increase of AED 640 million (5.1%) over the revenue of the corresponding period in the prior year.

ii) Profit attributable to the equity holders of the Company amounted to AED 2,112 million, representing an increase of AED 7.7 million (0.4%) when compared to the corresponding period in the prior year.

iii) Earnings per share increased by AED 0.01 when compared to the corresponding period in the prior year.

3. Group net assets

As compared to 31 December 2017, the Group's net assets decreased by AED 1,370 million to AED 56,835 million as at 31 March 2018.

4. Capital expenditure

The Group incurred AED 1,297 million on capital expenditure in the three month period ended 31 March 2018 (AED 1,547 million in the three month period ended 31 March 2017).

5. Dividends

A final dividend for the year 2017 at the rate of AED 0.40 per share was approved for distribution to the shareholders registered at the close of business on 21 March 2018. This brought the total dividend for the year 2017 to AED 0.80 per share.

6. International operations

Acquisition of additional 10% stake in Onatel S.A.

On 17 April 2018, Maroc Telecom completed the acquisition of additional 10% stake in ONATEL S.A. on the Abidjan Regional Stock Exchange for EUR 41 million (AED 185 million), bringing its total shareholding in the Burkina Faso subsidiary to 61%.

Independent auditor's report on review of condensed consolidated interim financial information

To the Board of Directors
Emirates Telecommunications Group Company PJSC

Introduction

We have reviewed the accompanying condensed consolidated interim financial information of Emirates Telecommunications Group Company PJSC ("the Company") and its subsidiaries (together referred to as "the Group"), which comprises:

- the condensed consolidated statement of financial position as at 31 March 2018;
- the condensed consolidated statement of profit or loss and condensed consolidated statement of comprehensive income for the three month period ended 31 March 2018;
- the condensed consolidated statement of changes in equity for the three month period ended 31 March 2018;
- the condensed consolidated statements of cash flows for the three month period ended 31 March 2018; and
- notes to the condensed consolidated interim financial information.

Management 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 condensed consolidated interim financial information of the Group is not prepared, in all material respects, in accordance with IAS 34, ‘Interim Financial Reporting’.

Other matter

The comparative information presented in the condensed consolidated interim financial information is based on consolidated financial statements of the Group as at 31 December 2017 and condensed consolidated interim financial information for the three month period ended 31 March 2017. The consolidated financial statements of the Group were audited, whereas the condensed consolidated interim financial information was reviewed by another auditor. The predecessor auditor expressed an unmodified audit opinion on those consolidated financial statements dated 20 February 2018, and issued an unmodified review report on that condensed consolidated interim financial information dated 25 April 2017.

KPMG Lower Gulf Limited

Richard Ackland
Registration No. 1015
Abu Dhabi, United Arab Emirates

24 April 2018

Emirates Telecommunications Group Company PJSC

Condensed consolidated interim statement of profit or loss for the three month period ended 31 March 2018

	Notes	(Unaudited) Reviewed three-month ended 31 March 2018 AED'000	2017 (Restated) AED'000
Continuing operations			
Revenue		13,104,352	12,464,022
Operating expenses	4	(8,516,181)	(7,965,308)
Impairment and other losses		(3,350)	(666)
Share of results of associates and joint ventures	5	(20,643)	(49,020)
Operating profit before federal royalty		**4,564,178**	**4,449,028**
Federal royalty	4	(1,557,160)	(1,658,739)
Operating profit		**3,007,018**	**2,790,289**
Finance and other income		175,859	196,767
Finance and other costs		(301,921)	(304,346)
Profit before tax		**2,880,956**	**2,682,710**
Taxation		(336,364)	(253,319)
Profit for the period from continuing operations		**2,544,592**	**2,429,391**
Discontinued operations			
Loss from discontinued operations	20	(34,823)	(32,052)
Profit for the period		**2,509,769**	**2,397,339**
Profit attributable to:			
The equity holders of the Company		2,112,278	2,104,637
Non-controlling interests		397,491	292,702
		2,509,769	**2,397,339**
Earnings per share			
From continuing and discontinued operations			
Basic and diluted	7	AED 0.24	AED 0.24
From continuing operations			
Basic and diluted	7	AED 0.25	AED 0.24

The accompanying notes on pages 9 to 32 form an integral part of the condensed consolidated interim financial information.

Emirates Telecommunications Group Company PJSC

Condensed consolidated interim statement of comprehensive income for the three month period ended 31 March 2018

		(Unaudited) Reviewed three-month ended 31 March	
	Notes	2018 AED'000	2017 (Restated) AED'000
Profit for the period		2,509,769	2,397,339
Other comprehensive income / (loss)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising during the period :			
Exchange differences on translation of foreign operations		(66,973)	419,569
Loss on hedging instruments designated in hedges of the net assets of foreign operations	18	(284,081)	(140,935)
Fair value gain arising on cash flow hedge during the period		5,723	-
(Loss)/gain on revaluation of financial assets during the period		(2,989)	102,881
Items reclassified to profit or loss:			
Reclassification adjustment relating to financial assets on disposal		(2)	(10)
Total other comprehensive (loss) / income		**(348,322)**	**381,505**
Total comprehensive income for the period		**2,161,447**	**2,778,844**
Attributable to:			
The equity holders of the Company		1,868,151	2,327,980
Non-controlling interests		293,296	450,864
		2,161,447	**2,778,844**

The accompanying notes on pages 9 to 32 form an integral part of the condensed consolidated interim financial information.

Emirates Telecommunications Group Company PJSC

Condensed consolidated interim statement of financial position as at 31 March 2018

	Notes	(Reviewed) 31 March 2018 AED'000	(Audited) 31 December 2017 (Restated) AED'000	(Audited) 31 December 2016 (Restated) AED'000
Non-current assets				
Goodwill	8	14,862,367	14,803,324	14,097,902
Other intangible assets	9	15,288,748	15,437,454	14,710,048
Property, plant and equipment	10	43,320,351	43,666,804	42,356,207
Investment property		40,051	40,125	27,230
Investments in associates and joint ventures		4,286,075	4,306,733	4,414,352
Other investments		1,949,407	1,701,144	879,207
Other receivables	11	234,415	211,857	156,612
Finance lease receivables		204,231	209,491	-
Derivative financial instruments	18	26,620	10,481	331,313
Contract assets		262,220	221,711	205,270
Deferred tax assets		99,088	94,135	128,210
		80,573,573	**80,703,259**	**77,306,351**
Current assets				
Inventories		506,216	557,741	708,825
Trade and other receivables	11	17,619,798	17,803,890	18,224,245
Current income tax assets		674,467	673,557	593,270
Finance lease receivables		38,981	38,223	-
Due from associates and joint ventures		187,921	187,242	440,643
Contract assets		1,217,724	1,186,859	1,209,040
Cash and bank balances	12	25,748,431	27,125,158	23,676,170
		45,993,538	**47,572,670**	**44,852,193**
Assets classified as held for sale	20	611,280	618,247	993,663
Total assets		**127,178,391**	**128,894,176**	**123,152,207**
Non-current liabilities				
Other payables	13	1,714,398	1,477,540	1,564,114
Borrowings	17	19,555,656	20,035,133	18,203,902
Payables related to investments and licenses		68,959	90,353	542,968
Derivative financial instruments	18	99,541	79,149	-
Deferred tax liabilities		3,148,734	3,225,478	3,265,377
Finance lease obligations		1,228	1,909	4,905
Provisions		194,515	187,566	149,143
Provision for end of service benefits	23	1,593,605	1,608,782	1,636,959
Contract liabilities		11,042	11,389	36,500
		26,387,678	**26,717,299**	**25,403,868**
Current liabilities				
Trade and other payables	13	29,911,818	29,811,330	27,893,274
Contract liabilities		2,979,124	3,075,112	2,921,470
Borrowings	17	4,611,686	4,670,208	4,074,738
Payables related to investments and licenses		2,949,744	3,269,516	3,255,327
Current income tax liabilities		397,768	225,282	257,492
Finance lease obligations		3,138	3,273	5,512
Provisions		2,671,473	2,509,251	2,488,839
Deferred tax liabilities		-	-	6,345
Derivative financial instruments	18	-	-	2,830
Due to associates and joint ventures		7,599	-	-
		43,532,350	**43,563,972**	**40,905,826**
Liabilities directly associated with the assets classified as held for sale	20	422,958	407,181	396,275
Total liabilities		**70,342,986**	**70,688,452**	**66,705,969**
Net assets		**56,835,404**	**58,205,724**	**56,446,238**
Equity				
Share capital	24	8,696,754	8,696,754	8,696,754
Reserves		26,763,553	26,991,023	26,120,437
Retained earnings		7,448,544	8,829,020	8,393,466
Equity attributable to the equity holders of the Company		**42,908,851**	**44,516,797**	**43,210,657**
Non-controlling interests		13,926,553	13,688,927	13,235,581
Total equity		**56,835,404**	**58,205,724**	**56,446,238**

The accompanying notes on pages 9 to 32 form an integral part of the condensed consolidated interim financial information.

Emirates Telecommunications Group Company PJSC

Condensed consolidated interim statement of changes in equity for the three month period ended 31 March2018 (Reviewed)

		Attributable to equity holders of the Company					
		Share capital	Reserves	Retained earnings	Owners' equity	Non-controlling interests	Total equity
	Notes	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Balance at 1 January 2017 (as previously reported)		**8,696,754**	**26,121,149**	**7,883,501**	**42,701,404**	**13,213,374**	**55,914,778**
Effects of restatement	25	-	(712)	509,965	509,253	22,207	531,460
Balance at 1 January 2017 (as restated)		**8,696,754**	**26,120,437**	**8,393,466**	**43,210,657**	**13,235,581**	**56,446,238**
Total comprehensive income for the period		-	223,343	2,104,637	2,327,980	450,864	2,778,844
Other movements in equity		-	-	(3,135)	(3,135)	(3,345)	(6,480)
Transfer to reserves		-	1,523	(1,523)	-	-	-
Transaction with owners:							
Dividends	6	-	-	-	-	(77,324)	(77,324)
Balance at 31 March 2017		**8,696,754**	**26,345,303**	**10,493,445**	**45,535,502**	**13,605,776**	**59,141,278**
Balance at 1 January 2018 (as previously reported)		**8,696,754**	**26,988,837**	**8,356,613**	**44,042,205**	**13,661,772**	**57,703,977**
Effects of restatement	25	-	2,186	472,407	474,592	27,155	501,747
Balance at 1 January 2018 (as restated)		**8,696,754**	**26,991,023**	**8,829,020**	**44,516,797**	**13,688,927**	**58,205,724**
Total comprehensive income for the period		-	(244,127)	2,112,278	1,868,151	293,296	2,161,447
Other movements in equity		-	-	1,101	1,101	2,588	3,689
Transfer to reserves		-	16,657	(16,657)	-	-	-
Transaction with owners:							
Capital contribution by non-controlling interest		-	-	-	-	16,740	16,740
Dividends	6	-	-	(3,477,198)	(3,477,198)	(74,998)	(3,552,196)
Balance at 31 March 2018		**8,696,754**	**26,763,553**	**7,448,544**	**42,908,851**	**13,926,553**	**56,835,404**

The accompanying notes on pages 9 to 32 form an integral part of the condensed consolidated interim financial information.

Emirates Telecommunications Group Company PJSC

Condensed consolidated interim statement of cash flows for the three month period ended 31 March 2018

		Reviewed three-month ended 31 March	
	Notes	2018 AED'000	2017 (Restated) AED'000
Operating profit including discontinued operations		2,975,385	2,761,179
Adjustments for:			
Depreciation		1,425,132	1,394,825
Amortisation		399,747	397,901
Impairment and other losses		3,350	1,760
Share of results of associates and joint ventures		20,643	49,020
Provisions and allowances		150,981	1,660
Unrealised currency translation gain		71,574	78,911
Other non-cash movements		(64)	-
Operating profit before changes in working capital		**5,046,748**	**4,685,256**
Changes in working capital:			
Inventories		47,656	3,511
Due from associates and joint ventures		(22,111)	(1,387)
Trade and other receivables		144,239	611,995
Trade and other payables		(217,305)	242,669
Cash generated from operations		**4,999,227**	**5,542,042**
Income taxes paid		(286,771)	(266,532)
Payment of end of service benefits		(29,405)	(24,060)
Net cash generated from operating activities		**4,683,051**	**5,251,450**
Cash flows from investing activities			
Proceeds from disposal of investments at amortised cost/held-to-maturity investments		-	278,191
Advance against acquisition of additional stake in subsidiary		(185,000)	-
Acquisition of investment classified as fair value through profit or loss		-	(367,400)
Proceeds from disposal of investment classified as fair value through profit or loss		33,239	6,552
Acquisition of other investments		-	(66,317)
Acquisition of investment classified as fair value through OCI		(99,104)	-
Acquisition of interest in associates		-	(39,729)
Purchase of property, plant and equipment		(1,198,059)	(1,393,494)
Proceeds from disposal of property, plant and equipment		2,419	4,545
Purchase of other intangible assets		(98,628)	(153,493)
Proceeds from disposal of other intangible assets		277	-
Dividend income received from associates and other investments		(10,448)	5,019
Term deposits made with maturities over three months	12	(1,469,334)	(2,075,000)
Term deposits matured with maturities over three months	12	7,383,697	9,102,713
Proceeds from unwinding of derivative financial instruments	18	15,230	-
Finance and other income received		261,821	207,570
Net cash generated from investing activities		**4,636,110**	**5,509,157**
Cash flows from financing activities			
Proceeds from borrowings and finance lease obligations		798,009	1,809,837
Repayments of borrowings and finance lease obligations		(1,698,232)	(1,713,855)
Capital contribution by non controlling interests		16,740	-
Dividends paid		(3,478,863)	(618)
Finance and other costs paid		(287,894)	(288,921)
Net cash used in financing activities		**(4,650,240)**	**(193,557)**
Net increase in cash and cash equivalents		**4,668,921**	**10,567,049**
Cash and cash equivalents at the beginning of the period		3,863,568	3,022,906
Effect of foreign exchange rate changes		(130,129)	10,177
Cash and cash equivalents at the end of the period	12	**8,402,360**	**13,600,132**

The accompanying notes on pages 9 to 32 form an integral part of the condensed consolidated interim financial information.

1. General information

The Emirates Telecommunications Group ("the Group'') comprises the holding company Emirates Telecommunications Group Company PJSC (''the Company''), formerly known as Emirates Telecommunications Corporation ("the Corporation") and its subsidiaries. The Corporation was incorporated in the United Arab Emirates ("UAE"), with limited liability, in 1976 by UAE Federal Government decree No. 78, which was revised by the UAE Federal Act No. (1) of 1991 and further amended by Decretal Federal Code No. 3 of 2003 concerning the regulation of the telecommunications sector in the UAE. In accordance with Federal Law No. 267/10 for 2009, the Federal Government of the UAE transferred its 60% holding in the Corporation to the Emirates Investment Authority with effect from 1 January 2008, which is ultimately controlled by the UAE Federal Government.

The Decree by Federal Law no. 3 of 2015 ("the New Law") has amended certain provisions of the Federal Law No. 1 of 1991 and new articles of association of Emirates Telecommunications Group Company PJSC (the "New AoA") have been issued. Subsequent to the New Law and the New AoA, Emirates Telecommunications Corporation has been converted from a corporation to a public joint stock company and made subject to the provisions of UAE Federal Law no. 2 of 2015 on Commercial Companies (the "Companies Law") unless otherwise stated in the New Law or New AoA. Accordingly, the name of the corporation has been changed to Emirates Telecommunications Group Company PJSC. Under the New Law and the New AoA: i) Two types of share have been introduced, i.e. ordinary shares and one Special Share held by the Emirates Investment Authority (an agency of the federal Government of the United Arab Emirates) which carries certain preferential rights related to the passing of certain decisions by the company or the ownership of the UAE telecommunication network. ii)The minimum number of ordinary shares held by any UAE government entity in the Company has been reduced from at least 60% of the Company's share capital to not less than 51%, unless the Special Shareholder decides otherwise. iii) Shareholders who are not public entities of the UAE, citizens of the UAE, or corporate entities of the UAE wholly controlled by citizens of the UAE, (which includes foreign individuals, foreign or UAE free zone corporate entities, or corporate entities of the UAE that are not fully controlled by UAE citizens) may own up to 20% of the Company's ordinary shares, however the shares owned by such persons / entities shall not hold any voting rights in the Company's general assembly (however, holders of such shares may attend such meeting).

The address of the registered office is P.O. Box 3838, Abu Dhabi, United Arab Emirates. The Company's shares are listed on the Abu Dhabi Securities Exchange.

The principal activities of the Group are to provide telecommunications services, media and related equipment including the provision of related contracting and consultancy services to international telecommunications companies and consortia. These activities are carried out through the Company (which holds a full service license from the UAE Telecommunications Regulatory Authority valid until 2025), its subsidiaries, associates and joint ventures.

These condensed consolidated interim financial information were approved by the Board of Directors and authorised for issue on 24 April 2018.

2. Significant accounting policies

The significant accounting policies adopted in the preparation of these condensed consolidated interim financial informationare set out below.

Basis of preparation

The condensed consolidated interim financial information have been prepared in accordance with IAS 34 Interim Financial Reporting, and the applicable provisions of UAE Federal Law No. (2) of 2015. The information presented herein should be read in conjunction with the Group's last annual annual consolidated financial information as at and for the year ended 31 December 2017. They do not include all the information required for a complete set of IFRS financial information. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial information. This is the first set of condensed consolidated interim financial information where IFRS 15 has been applied.

The preparation of financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the condensed consolidated interim financial information are disclosed in note 2. The condensed consolidated interim financial information are prepared under the historical cost convention except for the revaluation of certain financial instruments and in accordance with the accounting policies set out herein.

Except as described below, the accounting policies applied in the condensed consolidated financial information are the same as those applied in Group’s consolidated financial information as at and for the year ended 31 December 2017. The changes in accounting policies are also expected to be reflected in the Group’s consolidated financial information as at and for the year ending 31 December 2018.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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, regardless of whether the price is directly observable or estimated using another valuation technique.

The condensed consolidated interim financial information is presented in UAE Dirhams (AED) which is the Company's functional and presentation currency, rounded to the nearest thousand except where otherwise indicated.

New and amended standards adopted by the Group

The following revised IFRSs have been adopted in the condensed consolidated financial information. The application of these revised IFRSs does not have any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

- Ammendments to IAS 7 *Statement of Cash Flows relating to disclosure initiatives*
- Amendments to IFRS 12 *Disclosure of Interests in Other Entities resulting from Annual Improvements to IFRS 2014–2016 Cycle* regarding clarifying the scope of the standard.
- Ammendments to IAS 12 *Income Taxes* regarding the recognition of deferred tax assets for unrealised losses

At the date of the condensed consolidated financial information, the following Standards, Amendments and Interpretations have not been effective and have not been early adopted:

2. Significant accounting policies (continued)

New and amended standards not adopted by the Group	Effective date
IFRS 16 *Leases*	**1 January 2019**
IFRIC 23 *Uncertainty Over Income Tax Treatments*	**1 January 2019**
Annual Improvements to IFRS 2015 – 2017 Cycle (Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23)	**1 January 2019**
Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)	**1 January 2019**
Sale or Contribution of Assets between an Investor and its Associates or Joint Venture (Amendments to IFRS 10 and IAS 28)	**Available for optional adoption/ Effective date deferred indefinitely**

Management anticipates that the application of the above Standards and Interpretations in future periods will have no material impact on the condensed consolidated interim financial information of the Group in the period of initial application with the exception of IFRS 16 *Leases* which management is currently assessing. However, it is not practicable to provide a reasonable estimate of the effects of the application of IFRS 16 until the Group performs a detailed review.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 *Revenue from Contracts with Customers* was issued in May 2014 and was amended in April 2016. The framework establishes a comprehensive five step model for determining whether, how much and when revenue is recognised. It replaced IAS18 *Revenue*, IAS 11 *Construction Contracts* and related interpretations to account for revenue arising from contracts with customers. The new revenue standard will supersede all current revenue recognition requirements under IFRS 15.

Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January, 2018. The Group has adopted IFRS 15 effective from 1 January 2018 using the full retrospective method. The adoption of IFRS 15 required changes in the Group's accounting policies and affected the recognition, measurement and presentation of certain amounts recognised in the consolidated statement of profit or loss and the consolidated statement of financial position.

Details of these new requirements as well as their impact on the Group's condensed consolidated interim financial information are described below.

2. Significant accounting policies (continued)

IFRS 15 Revenue from Contracts with Customers (continued)

Revenue recognition accounting policy

Revenue is recognised at an amount that reflects the consideration, to which an entity expects to be entitled in exchange for transferring goods or services to customers. The Group recognises revenue when it transfers control over goods or services to its customers.

Revenue from telecommunication services mainly comprises amounts charged to customers in respect of monthly access charges, airtime usage, messaging, data and connectivity services, providing ICT and digital solutions, connecting users of other fixed line and mobile networks to the Group's network. Services are offered separately and as bundled packages along with other services and/or devices.

For bundled packages, the Group accounts for individual products and services separately if they are distinct i.e. if a product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it. The consideration is allocated between separate product and services (i.e. distinct performance obligations, "POs") in a bundle based on their stand-alone selling prices.

The stand-alone selling prices are determined based on the observable price at which the Group sells the products and services on a standalone basis. For items that are not sold separately (e.g. components in eLife package, customer loyalty program, etc.), the Group estimates standalone selling prices using other methods (i.e. adjusted market assessment approach, cost plus margin approach or residual approach).

2. Significant accounting policies (continued)

IFRS 15 Revenue from Contracts with Customers (continued)

Nature and timing of satisfaction of performance obligation:

The following is a description of nature of distinct PO and timing of revenue recognition for key segments from which the Group generates its revenue.

Service/ Product Category	Performance obligations	Point of revenue recognition
Mobile services contracts	• SIM activation, special number • Value Added Service (VAS), voice, data, messaging • Devices loyalty points	Revenue for SIM activation and special numbers is recognised on the date of activation. Revenue recognition for voice, data, messaging and VAS is over the period when these services are provided to the customers. Revenue recognition for loyalty points is when the points are redeemed or expire.
Unlocked devices contracts	Unlocked devices bundled in a service contract	Revenue is allocated to unlocked device in the ratio of relative standalone selling price and recognised on date of transfer of control, which is generally on the date of signing the contract.
Consumer Fixed (eLife) contracts	• TV service • Broadband Services • Fixed Telephone Service • Unlocked Devices (IP Phone and Routers)	Revenue recognition for services is over the contract period, whereas revenue recognition for unlocked devices is upon transfer of control to the customer (i.e. Day 1)
Business Fixed contracts	• Internet Service • Gateway router • Fixed Voice • Office Application • Security Solution and Managed Services • Ancillary Devices (laptop, printer, IP Telephone, etc)	Revenue recognition for services is over the contract period, whereas revenue recognition for ancillary devices is upon transfer of control to the customer (i.e. Day 1)
Business Solutions contracts	• Connectivity service (IPVPN, leased lines, etc) • Managed Services • IPTV services,	Revenue is recognised over the period when these services are provided to the customers. Where hardware (e.g. routers) are provided as part of the contract, the Group recognises these as distinct PO only if the hardware is not locked and if the customer can benefit from them either by selling for more than scrap value or using with services from other service providers. If the customer cannot benefit from hardware on its own, then not considered distinct PO and revenue is recognised over the service period.
Digital Solutions contracts	Digital and ICT solutions	The separable components of the solution are distinct POs. Revenue is recognised based on output measures (such as the proportion of units delivered) to measure progress towards complete satisfaction of POs where such measures are available.
Miscellaneous	Installation services	Installation services provided for service fulfillment are not distinct PO and the amount charged for installation service is recognised over the service period.

2. Significant accounting policies (continued)

IFRS 15 Revenue from Contracts with Customers (continued)

Impact of adoption of IFRS 15 Revenue from Contracts with Customers on Determination of Distinct POs

- **Sale of SIM Cards**

  Sale of SIM cards represent a distinct PO to connect the customers to Etisalat network and therefore revenue is recognised at point in time when the SIM card is sold and service is activated.

- **Loyalty points programme**

  Under IFRIC 13 Customer Loyalty Programme, the Group allocates a portion of the consideration received to loyalty points that are redeemable against any future purchases of the Group's products. This allocation is based on the relative stand-alone selling prices. The amount allocated to the loyalty programme is deferred, and is recognized as revenue when loyalty points are redeemed or expire.

  Under IAS 18, revenue was allocated between the loyalty programme and the equipment using the residual value method. That is, consideration was allocated to the loyalty programme based on the fair value of loyalty points and the remained of the consideration was allocated to the equipment.

  Under IFRS 15, the Group will need to allocate a portion of the transaction price to the loyalty programme based on relative stand alone selling price ("SSP"). The adoption of IFRS 15 has only resulted in reallocation of revenues for the prior period in between the services and equipment.

- **Set-up and Installation fees**

  Generally, the Group charges upfront set-up and installation fees for various consumer and business products. Under IAS 18, Revenue was recognised upfront when the installation was completed. Under IFRS 15, installation service has not been considered as a distinct PO. Hence, one-time fee pertaining to set-up and installation is added to the total transaction price and recognised over the period of service, resulting in the change in timing of revenue recognition.

  Impact of IFRS 15 on account of revenue recognition of upfront set-up and installation fee will be increase of revenue by AED 1.7 million for the period ended 31 March 2017, part of which has been recognised in the year 2018. This has also resulted in decrease in opening retained earnings as at 1 January 2017 by an amount of AED 76 million.

Transaction price and related adjustments

The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. The group does not determine collectability when determining the transaction price. When determining the transaction price, the Group considers the effects of all of the following.

2. Significant accounting policies (continued)

IFRS 15 Revenue from Contracts with Customers (continued)

Variable Consideration

- Certain customer contracts include variable discounts and concessions, which are provided to the customers during the contract period. Variability arises due to contractual terms and conditions, whereby customers are provided discounts upon reaching certain volume threshold. In addition to the contractual terms, the Group also provides goodwill adjustments or service credits to certain customers in accordance with the customary business practices.
- Under IFRS 15, if consideration promised in the contract (either explicit or implicit) includes a variable amount, then an entity shall estimate the amount and adjust the total transaction price at contract inception. This will result in the change in timing of revenue recognition.

Significant financing component

Significant financing component exists if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component.

The Group is expected to have significant financing component in the arrangements involving provision of equipment and devices on instalment plans. The amount of financing component adjusted from total transaction price is AED 1.7 million for the period ended 31 March 2017. This has also resulted in increase in opening retained earnings as at 1 January 2017 by an amount of AED 2.2 million.

Non- cash consideration

The Group determines the transaction price for contracts in which a customer promises consideration in a form other than cash and measures the non-cash consideration (or promise of non-cash consideration) at fair value. This does not have any significant implication in the adoption of IFRS 15.

Consideration payable to the customer

Consideration payable to a customer includes cash amounts that an entity pays or expects to pay, to the customer (or to other parties that purchase the entity's goods or services from the customer). Consideration payable to a customer also includes credit or other items (for example, a coupon or voucher) that can be applied against amounts owed to the entity (or to other parties that purchase the entity's goods or services from the customer). The Group accounts for consideration payable to a customer as a reduction of the transaction price and, therefore, of revenue unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the entity. This does not have any significant implication in the adoption of IFRS 15.

Other considerations

Allocation of transaction price

The transaction price is allocated between POs based on relative SSP as determined at contract inception. Since the amount of revenue recognised for distinct POs will often be dependent on the relative SSP, the determination of appropriate SSP is critical. The SSP of a performance obligation is the observable price for the good or service sold by Etisalat in similar circumstances to similar customers. Under IFRS 15, the impact on revenue due to SSP allocation was increase in device revenue by AED 10 million for the period ended 31 March 2017 and resulting decrease on the other SSP allocation amounting to AED 13 million for the period ended 31 March 2017. Overall impact of these adjustments resulted in increase to opening retained earnings as at 1 January 2017 by AED 71 million.

2. Significant accounting policies (continued)

IFRS 15 Revenue from Contracts with Customers (continued)

Contract Cost

Costs to acquire and costs to fulfill a contract

Prior to the adoption of IFRS 15, contract costs related to commission (cost to acquire) and installation service (cost to fulfill) were expensed, as they did not qualify for recognition as an asset under any of the other accounting standards. However, under IFRS 15, these costs relate directly to the contract, require resources used in satisfying the contract and are expected to be recovered.

Under IFRS 15, these have been capitalised as contract costs and included in contract assets in the consolidated statement of financial position resulting in decrease in operating expenses for the period ended 31 March 2017 by AED 12.8 million and increase in opening retained earnings as a 1 January 2017 by AED 551 million. Capitalised contract costs are amortised over the customer contract period for postpaid segment and over customer life cycle (average months of 24 months) for prepaid segment.

Gross versus net presentation

When revenue is recognised in respect of goods or services provided by third parties it must be considered whether the Group acts as a principal or an agent.

Whether the Group is considered to be the principal or an agent in the transaction depends on management analysis of both the legal form and of the substance of the underlying agreement between the Group and its channel partners. Such judgements impacts the amount of reported revenue and operating expenses and does not have any impact on the reported assets, liabilities or cash flows. This does not have any significant implication in the adoption of IFRS 15.

IFRS 16 Leases

IFRS 16 replaces existing leases guidance, including IAS17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases- Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard is applicable for annual periods beginning on or after 1 January 2019. Early adoption is permitted.

IFRS 16 introduces a single comprehensive, on-balance sheet lease accounting model for lessees. IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.

2. Significant accounting policies (continued)

Associates and joint ventures

A joint venture is a joint arrangement whereby the Group has joint control of the arrangement and has corresponding rights to net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Associates are those companies over which Group exercises significant influence but it does not control or have joint control over those companies. Investments in associates and joint ventures are accounted for using the equity method of accounting except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Investments in associates and joint ventures are carried in the consolidated statement of financial position at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the 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 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 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 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 information or interim financial information drawn up to the Group's reporting date. Accounting policies of associates and joint ventures have been adjusted, where necessary, to ensure consistency with the policies adopted by the Group.

Profits and losses resulting from upstream and downstream transactions between the Group (including its consolidated subsidiaries) and its associates or joint ventures are recognized in the Group's financial information only to the extent of Group's unrelated interests in its associates or joint ventures. Losses may provide an evidence of impairment on the asset transferred, in which case a respective charge is taken to the statement of profit and loss.

Dilution gains and losses arising on deemed disposal of investments in associates and joint ventures are recognised in the consolidated statement of profit or loss.

IFRS 9 Financial instruments

Per IFRS 9, which was early adopted by the Group effective from 1 January 2017, Financial assets and liabilities are required to be recognised in the statement of financial position when the entity becomes a party to the contractual provisions of the instrument. Derecognition occurs when the contractual rights to the cash flows to the financial asset expire or is sold, based on whether the entity has transferred substantially all the risks and rewards of ownership of the financial asset. For financial liabilities, dereconition occurs when the obligation is paid off, cancelled or expired.

2. Significant accounting policies (continued)

IFRS 9 Financial instruments (continued)

i) Fair value

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

ii) Financial assets

Financial assets are classified into the following specified categories: 'amortised cost', 'fair value through OCI with recycling', 'fair value through OCI without recycling', 'fair value through profit or loss'. The classification depends on the business model for managing the financial asset and the contractual cash flow characteristics of financial asset and is determined at the time of initial recognition.

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

iii) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

2. Significant accounting policies (continued)

Financial instruments (continued)

iv) Fair value through OCI – with recycling

These instruments are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these instruments as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in the consolidated statement of profit or loss. The amounts that are recognised in the consolidated statement of profit or loss are the same as the amounts that would have been recognised in the consolidated statement of profit or loss if these instruments had been measured at amortised cost. All other changes in the carrying amount of these instruments are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When these instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to the consolidated statement of profit or loss.

v) Fair value through OCI – without recycling

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies.

A financial asset is held for trading if it is:

- acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- part of a portfolio of identified financial instruments that are managed together and for which there is an evidence of a recent actual pattern of short-term profit taking; or
- a derivative (except for a derivative that is a designated and effective hedging instrument)

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to the consolidated statement of profit or loss on disposal of the equity investments, instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in the consolidated statement of profit or loss when the Group's right to receive the dividends is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

vi) Fair value through profit and loss

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see 2 (iii to iv)) are measured at FVTPL.
Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in the consolidated statement of profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in the consolidated statement of profit or loss includes any dividend or interest earned on the financial asset. Fair value is determined in the manner described in note 2 (i).

3. Segmental information

Information regarding the Group's operating segments is set out below in accordance with IFRS 8 *Operating Segments*. IFRS 8 requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker and used to allocate resources to the segments and to assess their performance.

a) Products and services from which reportable segments derive their revenues

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 UAE. Outside of the UAE, the Group operates through its subsidiaries and associates in sixteen countries which are divided in to the following operating segments:

- Pakistan
- Egypt
- Morocco
- International - others

Revenue is attributed to an operating segment based on the location of the associated companies reporting the revenue. Inter-segment sales are charged at arms' length prices.

The Group's share of results from associates and joint ventures has been allocated to the segments based on the geographical location of the operations of the associate and joint venture investments. The allocation is in line with how results from investments in associates and joint ventures are reported to the Group's Board of Directors ("Board of Directors").

b) Segment revenues and results

Segment results represent operating profit earned by each segment without allocation of finance income, finance costs and federal royalty. This is the measure reported to the Board of Directors for the purposes of resource allocation and assessment of segment performance.

c) Segment assets

For the purposes of monitoring segment performance and allocating resources between segments, the Board of Directors monitors the total and non-current assets attributable to each segment. Goodwill is allocated based on separately identifiable CGUs. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

The segment information has been provided on the following page.

Emirates Telecommunications Group Company PJSC

Notes to the condensed consolidated interim financial information for the three month period ended 31 March 2018

3. Segmental information (continued)

		International					
	UAE	Morocco	Egypt	Pakistan	Others	Eliminations	Consolidated
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Three months ended 31 March 2018							
Revenue							
External sales	7,921,229	2,090,614	646,865	984,376	1,461,269	-	13,104,352
Inter-segment sales	75,395	15,898	16,234	13,560	24,487	(145,574)	-
Total revenue	**7,996,624**	**2,106,512**	**663,099**	**997,936**	**1,485,756**	**(145,574)**	**13,104,352**
Segment result	**3,442,461**	**642,774**	**127,558**	**4,184**	**347,201**	**-**	**4,564,178**
Federal royalty							(1,557,160)
Finance and other income							175,859
Finance and other costs							(301,921)
Profit before tax							**2,880,956**
Taxation							(336,364)
Profit for the period from continuing operations							**2,544,592**
Total assets at 31 March 2018	62,639,345	33,696,430	7,717,361	17,954,111	18,857,376	(13,686,232)	127,178,391
Three months ended 31 March 2017 (restated)							
Revenue							
External sales	7,789,169	1,830,620	533,282	1,018,216	1,292,735	-	12,464,022
Inter-segment sales	68,427	10,909	14,372	9,595	49,344	(152,647)	0
Total revenue	**7,857,596**	**1,841,529**	**547,654**	**1,027,811**	**1,342,079**	**(152,647)**	**12,464,022**
Segment result	**3,602,943**	**474,203**	**109,710**	**23,600**	**238,572**	**-**	**4,449,028**
Federal royalty							(1,658,739)
Finance and other income							196,767
Finance and other costs							(304,346)
Profit before tax							**2,682,710**
Taxation							(253,319)
Profit for the period from continuing operations							**2,429,391**
Total assets at 31 December 2017	63,821,984	33,529,077	8,520,836	18,803,971	18,949,423	(14,731,115)	128,894,176

Breakdown of external revenue

The following is an analysis of the Group's revenue

	UAE	Morocco	Egypt	Pakistan	Others		Consolidated
Three months ended 31 March 2018							
Mobile	3,401,798	1,306,540	547,743	461,836	1,318,047		7,035,964
Fixed	2,748,068	664,335	28,576	484,504	134,543		4,060,025
Equipment	520,992	39,781	12,856	5,913	8,679		588,221
Others	1,250,371	79,958	57,690	32,123	-		1,420,141
Total revenue	**7,921,229**	**2,090,614**	**646,865**	**984,376**	**1,461,269**		**13,104,352**
Three months ended 31 March 2017							
Mobile	3,488,713	1,161,239	484,925	500,963	1,159,979		6,795,820
Fixed	2,778,014	572,454	21,734	496,040	124,323		3,992,565
Equipment	376,210	39,354	20,312	3,644	6,246		445,767
Others	1,146,232	57,572	6,311	17,569	2,186		1,229,870
Total revenue	**7,789,169**	**1,830,620**	**533,282**	**1,018,216**	**1,292,735**		**12,464,022**

4. Operating expenses and federal royalty

a) Operating expenses (before federal royalty)

		Reviewed three-month ended 31 March	
		2018	2017 (Restated)
		AED'000	AED'000
Direct cost of sales		3,206,696	2,862,103
Staff costs		1,239,956	1,281,666
Depreciation		1,403,044	1,366,047
Network and other related costs		623,559	544,406
Amortisation		398,653	395,303
Marketing expenses		202,575	221,195
Regulatory expenses	(ii)	322,502	287,719
Operating lease rentals		96,106	89,725
Foreign exchange loss		48,159	36,214
Hedge ineffectiveness on net investment hedges		40,813	59,831
Loss on allowances	(i)	347,565	230,340
Other operating expenses		586,553	590,759
Operating expenses (before federal royalty)		**8,516,181**	**7,965,308**

i) Loss on allowances

	2018	2017
	AED'000	AED'000
Allowances on trade receivables	295,531	230,340
Allowances on due from other telecommunication operators/carriers	57,865	-
Allowances on finance lease receivables	(5,831)	-
Total loss on allowances	**347,565**	**230,340**

ii) Regulatory expenses:

Regulatory expenses include ICT contributions required to be paid by the Company to the UAE Telecommunications Regulatory Authority (TRA) at 1% of its revenues annually.

During the prior year, the Company received a letter from UAE Ministry of Finance clarifying that the ICT contribution shall be paid and calculated as 1% of the gross regulated revenues arising from UAE only and does not include any revenues generated outside the UAE and non regulated revenues in the UAE.

b) Federal Royalty

In accordance with the Cabinet decision No. 558/1 for the year 1991, the Company was required to pay a federal royalty, equivalent to 40% of its annual net profit before such federal royalty, to the UAE Government for use of federal facilities. With effect from 1 June 1998, Cabinet decision No. 325/28M for 1998 increased the federal royalty payable to 50%.

On 9 December 2012, the Cabinet of Ministers of UAE issued decision no. 320/15/23 of 2012 in respect of a new royalty mechanism applicable to the Company. Under this mechanism a distinction was made between revenue earned from services regulated by Telecommunications Regulatory Authority ("TRA") and non-regulated services as well as between foreign and local profits. The Company was required to pay 15% royalty fee on the UAE regulated revenues and 35% of net profit after deduction of the 15% royalty fee on the UAE regulated revenues. In respect of foreign profit, the 35% royalty was reduced by the amount that the foreign profit has already been subject to foreign taxes.

On 25 February 2015, the UAE Ministry of Finance ("MOF"") issued revised guidelines (which was received by the Company on 1 March 2015) for the computation of federal royalty for the financial years ending 31 December 2014, 2015 and 2016 ("Guidelines").

In accordance with the Guidelines, the royalty rate for 2016 was reduced to 30% of net profit after deduction of the 15% royalty fee on the UAE regulated revenues. The Company also finalised discussions with MOF and agreed on the basis of allocation of indirect costs between regulated and non-regulated services and the resulting federal royalty amount for the year ended 31 December 2016 was paid, however the finalisation of royalty fees for 2016 is still in progress with MOF.

On 20 February 2017, the UAE Ministry of Finance announced the federal royalty scheme to be applied on the Group for the period 2017 to 2021 ("new royalty scheme"). According to the new royalty scheme, the Group will pay 15% royalty fees on the UAE regulated revenue and 30% royalty fees on profit generated from regulated services after deduction of the 15% royalty fees on the UAE regulated revenue. Royalty fees on profits from international operations shall be considered only if similar fees paid in the country of origin are less than the fees that could have been imposed in the UAE.

The mechanism for the computation of federal royalty payable for the period ended 31 March 2018 was in accordance with the new royalty scheme.

The federal royalty has been treated as an operating expense in the consolidated interim statement of profit or loss on the basis that the expenses the Company would otherwise have had to incur for the use of the federal facilities would have been classified as operating expenses.

5. Share of results of associates and joint ventures

In February 2017, the Group undertook a corporate restructuring of its investment in Emerging Markets Telecommunication Services Limited ("EMTS") and signed a new Shareholders Agreement with the other two shareholders in EMTS Holding BV established in the Netherlands ("EMTS BV"). The result of the restructuring is that the Group's voting rights in EMTS (through its shareholding in EMTS BV) decreased to 25% through issuance of a new class of preferential shares in EMTS BV while increasing its stake in the ordinary shares with non voting rights to 45% through a debt to equity swap, thereby partially converting its shareholder loans into equity. In addition, the shareholders of EMTS BV also agreed to waive all the remaining outstanding shareholders loans given to EMTS up to the date of the corporate restructuring being 8 February 2017.

Further, during the previous year, EMTS defaulted on a facility agreement with a syndicate of Nigerian banks ("EMTS Lenders"), and discussions between EMTS and the EMTS Lenders did not produce an agreement on a debt-restructuring plan. Accordingly, EMTS received a Default and Security Enforcement Notice on 9 June 2017 requiring EMTS BV to transfer 100% of its shares in EMTS to United Capital Trustees Limited (the "Security Trustee" of the EMTS Lenders) by 23 June 2017. The transfer of all of EMTS shares held by EMTS BV to the Security Trustee has been made by EMTS BV, and the two Etisalat Group nominees resigned from the Board of Directors of EMTS on 22 June 2017. The legal formalities required under Nigerian law to give effect to the transfer of the shares are as of the date of this report not completed.

The existing management and technical support related agreements between Etisalat Group and EMTS have been terminated effective from 30 June 2017. The agreements governing the use of Etisalat's brand and related IP rights have also terminated effective from 21 July 2017.
Accordingly, since EMTS BV no longer controls EMTS, and the Group does not have significant influence on EMTS, the investment in the associate has been derecognised in the consolidated financial statements.

6. Dividends

Amounts recognised as distribution to equity holders:	AED'000
Three months ended 31 March 2018	
Final dividend for the year ended 31 December 2017 of AED 0.40 per share	3,477,198
Three months ended 31 March 2017	
Final dividend for the year ended 31 December 2016 of AED 0.40 per share	3,477,198

7. Earnings per share

	Three months ended 31 March	
	2018	2017 (Restated)
Earnings (AED'000)		
Earnings for the purposes of basic earnings per share being the profit attributable to the equity holders of the Company	2,112,278	2,104,637
Number of shares ('000)		
Weighted average number of ordinary shares for the purposes of basic earnings per share	8,696,754	8,696,754
Earnings per share		
From continuing and discontinued operations		
Basic and diluted	AED 0.24	AED 0.24
From continuing operations		
Basic and diluted	AED 0.25	AED 0.24

The Group does not have potentially dilutive shares and accordingly, diluted earnings per share equals to basic earnings per share.

8. Goodwill

The movement in the Goodwill is provided below:	Note	31 March 2018 AED'000	31 December 2017 AED'000
Opening balance		14,803,324	14,097,902
Exchange difference		59,043	705,422
Closing balance		14,862,367	14,803,324

9. Other intangible assets

The movement in other intangible assets is provided below:	Note	31 March 2018 AED'000	31 December 2017 AED'000
Opening balance		**15,437,454**	**14,710,048**
Additions		98,628	675,000
Transfer		-	720,257
Other non cash movements		-	2,787
Disposals		(277)	(3,013)
Amortisation and impairment losses		(399,756)	(1,632,788)
Reclassified as held for sale	20	1,328	11,905
Exchange difference		151,371	953,258
Closing balance		**15,288,748**	**15,437,454**

10. Property, plant and equipment

	Note	31 March 2018 AED'000	31 December 2017 (Restated) AED'000
Opening balance		**43,666,804**	**42,356,206**
Additions		1,220,725	7,289,355
Transfers		-	(720,258)
Transfer to investment property		-	(17,148)
Disposals		(28,960)	(307,383)
Depreciation		(1,425,014)	(5,616,764)
Impairment losses		(1,361)	(382,275)
Reclassified as held for sale	20	25,667	155,929
Exchange difference		(137,510)	909,142
Closing balance		**43,320,351**	**43,666,804**

11. Trade and other receivables

	31 March 2018 AED'000	31 December 2017 (Restated) AED'000
Amount receivable for services rendered	10,691,558	10,272,890
Amounts due from other telecommunication operators/carriers	5,506,747	6,193,563
Total gross carrying amount	**16,198,305**	**16,466,453**
Lifetime expectd credit loss	(2,896,118)	(2,594,631)
Net trade receivables	**13,302,187**	**13,871,822**
Prepayments	1,077,811	690,972
Accrued income	946,235	787,345
Advances to suppliers	204,028	164,997
Other receivables	2,323,952	2,500,611
Net trade and other receivables	**17,854,213**	**18,015,747**
Total trade and other receivables	**17,854,213**	**18,015,747**
of which current trade and other receivables	17,619,798	17,803,890
of which non-current other receivables	234,415	211,857

12. Cash and cash equivalents

	Note	31 March 2018 AED'000	31 December 2017 AED'000
of which maintained locally		23,728,449	24,344,342
of which maintained overseas, unrestricted in use		1,972,366	1,839,546
of which maintained overseas, restricted in use		63,707	956,205
Cash and bank balances		**25,764,522**	**27,140,093**
Reclassified as held for sale	20	(16,091)	(14,935)
Cash and bank balances from continuing operations		**25,748,431**	**27,125,158**
Less: Deposits with maturities exceeding three months from the date of deposit		(17,362,162)	(23,276,525)
Cash and cash equivalents from continuing operations		**8,386,269**	**3,848,633**

Cash and cash equivalents comprise cash on hand and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These are denominated primarily in UAE Dirham, with financial institutions and banks. Interest is earned on these investments at prevailing market rates. The carrying amount of these assets approximates to their fair value.

13. Trade and other payables

	31 March 2018 AED'000	31 December 2017 (Restated) AED'000
Current		
Federal royalty	7,293,119	5,735,532
Trade payables	6,269,050	6,603,303
Amounts due to other telecommunication administrators	4,682,730	5,425,492
Advances from customers	537,817	601,495
Deferred revenue	356,812	333,702
Other payables and accruals	10,772,290	11,111,806
	29,911,818	**29,811,330**
Non-current		
Other payables	1,714,398	1,477,540
	1,714,398	**1,477,540**

14. Contingent liabilities

i) The Group and its associates are disputing certain charges from the governmental and telecom regulatory agencies and telecom operators in the UAE and certain other jurisdictions but do not expect any material adverse effect on the Group's financial position and results from resolution of these.

ii) The Honorable Supreme Court of Pakistan (Apex Court) disposed the Review Petitions filed by PTCL, a subsidiary of the Group, the Pakistan Telecommunication Employees Trust ("PTET") and the Federal Government (collectively, the Review Petitioners) vide the order dated 17th May 2017. Through the said order, the Apex Court directed the Review Petitioners to seek remedy under section 12(2) CPC (Civil Procedure Code) which shall be decided by the concerned Court in accordance with the law, and to pursue all grounds of law and fact in other cases pending before the High Courts. The Review Petitioners have filed the applications under section 12(2) CPC before respective High Courts. Under the circumstances, management of PTCL is of the view, that it is not possible at this stage to ascertain the financial obligations, if any, flowing from the referred decision of the Apex Court which could be disclosed in these condensed consolidated interim financial information.

iii) The Group's associate, Etisalat Etihad Company (Mobily) has received several penalty resolutions from the Communication Information Technology Commission (CITC's) Violation Committee which Mobily has objected to, in accordance with the Telecom regulations. The reasons of issuing these resolutions vary between the manner followed in issuing prepaid SIM cards and providing promotions that have not been approved by CITC and/or other reasons.

Multiple legal cases were filed by Mobily against CITC at the Board of Grievances to oppose such resolutions of the CITC's committee in accordance with the Telecommunication regulations. The status of these legal cases as of 31 December 2017, was as follows:
• There are 678 legal cases filed by Mobily against CITC amounting to approximately AED 687 million (SAR 701 million);

• The Board of Grievance has issued 188 preliminary verdicts in favor of Mobily voiding 188 resolutions of the CITC's violation committee with total penalties amounting to approximately AED 460 million (SAR 470 million); and

• There are also final verdicts that have been issued in favor of Mobily (after they were affirmed by the appeal court) resulting in cancellation of penalties with an approximate total amount of AED 428 million (SAR 437 million).

In addition, 23 legal cases were filed by the Group against CITC in relation to the mechanism of calculating the governmental fees and other subjects.16 of these cases are specifically related to the governmental fees. Out of these 16 cases, the Group received as of 31 March 2018, one preliminary favorable judgment, five final favorable judgments stating that the subject matter of such cases falls under the jurisdiction of the Ministry of Finance, four final favorable judgments (in Q1 2018) upon which the CITC filed a motion of reconsideration and three final favorable judgments (in Q1 2018). The remaining three cases are still being adjudicated before the Administrative Court. It is difficult to determine with a proper level of accuracy the due amount of claims due to the difference in the calculation method. Although the Company believes that these claims have no legal basis and recent developments re- enforced this position, they may have a material impact on the Company's business in case of retroactive change in the regulatory framework which is difficult to assess.

Mobily received additional claims from CITC during the three month period ended 31 March 2018 and has reassessed the provisions required against the claims as at 31 March 2018 and has recorded an appropriate estimate of the amount that it may ultimately have to pay to settle such claims.

Furthermore, there are 176 lawsuits filed by some of the shareholders against Mobily before the Committee for the Resolutions of Security Disputes with some still being adjudicated by such committee. Mobily has received 6 preliminary verdicts and 142 final verdicts in its favor in these claims and 14 cases have been either dismissed or abandoned and 14 cases are on-going as of 31 March 2018.

44 shareholder claims have been made against the 2013/2014 members of the Board of Mobily and others, and these have been filed with the Committee for Resolution and Settlement of Disputes ("CRSD"). These proceedings have been suspended by the CRSD pending its final determination of Saudi Capital Market Authority ("CMA") claims against members of the 2013/14 Board of Mobily ("Defendants").

As noted above, the CMA has launched claims against the Defendants in January 2016. Pursuant to these proceedings, the CRSD has upheld three of the seven claims brought up by the CMA and the Defendants are currently appealing the decision to the Appellate Bench of the CRSD. In case of a final adverse decision, the Board members will seek D&O insurance cover.

14. Contingent liabilities (continued)

iv) In the prior years, Atlantique Telecom SA, a subsidiary of the Group, has been engaged in arbitration proceedings against SARCI Sarl ("SARCI"), a minority shareholder of one of its subsidiaries, Telecel Benin where SARCI was seeking compensation for alleged damages caused to Telecel Benin by Atlantique Telecom during the period from 2002 till 2007. Two arbitration proceedings on the same issue had been cancelled upon Atlantique Telecom's request in 2008 and 2013. In November 2015, the Arbitral Tribunal of a third proceeding launched in 2013 has awarded SARCI damages amounting to approximately EURO 416 million (AED 1.6 billion).

SARCI has started execution proceedings in several African countries which with the exception of Togo were denied or have been stalled by the local Courts while the execution measures allowed by a first instance court in Togo have been appealed and suspended and are still under dispute. On the substance of the award itself, Atlantique Telecom has initiated legal proceedings before the Appeal Court of Cotonou in order to obtain the cancellation of the award of this third arbitration process and the suspension of any execution thereof. The court decision on the request for stay of execution was granted in June 2017, the decision on the cancellation of the award of this arbitration was regularly postponed for reasons of procedure or constitutional challenges by SARCI (which have been rejected) and also for reasons inherent to the organization of the Beninese justice system.

In its last session held on 11 April 2018, the Court has finally set the date of 23 May 2018 for the final Court of Appeal decision.

v) In April 2016, Etisalat Misr received notice of arbitration proceedings initiated by Vodafone Egypt Telecommunication Company (Vodafone). Vodafone is seeking to recover outstanding interconnection fees payable as a result of a principle set by the Egyptian Administrative Court's decision nullifying the National Telecommunication Regulatory Authority (NTRA) set tariffs imposed on operators plus interest dues.
Based on the submitted arguments and supported documents presented, management believes that the recorded interconnection transactions have been fairly recognized in the consolidated financial information as at 31 March 2018.

15. Capital Commitments

The Group has approved future capital projects and investment commitments to the extent of AED 5,240 million (2017: AED 5,124 million). The Group has issued letters of credit amounting to AED 487 million (2017: AED 514 million).

16. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and other related parties are disclosed below.

a) Federal Government and state controlled entities

As stated in Note 1, in accordance with Federal Law No. 267/10 for 2009, the Federal Government of the UAE transferred its 60% holding in the Company to the Emirates Investment Authority with effect from 1 January 2008, which is ultimately controlled by the UAE Federal Government. The Group provides telecommunication services to the Federal Government (including Ministries and local bodies). These transactions are at normal commercial terms. The credit period allowed to Government customers ranges from 90 to 120 days. Trade receivables include an amount of AED 1,308 million (2017: AED 1,334 million), which are net of allowance for doubtful debts of AED 215 million (2017: AED 197 million), receivable from Federal Ministries and local bodies. See Note 5 for disclosure of the royalty payable to the Federal Government of the UAE.

In accordance with IAS 24 (revised 2009) Related Party Disclosures the Group has elected not to disclose transactions with the UAE Federal Government and other entities over which the Federal Government exerts control, joint control or significant influence. The nature of the transactions that the Group has with such related parties is the provision of telecommunication services.

16. Related party transactions (continued)

b) Joint ventures and associates	Associates 2018 AED '000	Associates 2017 AED '000	Joint Ventures 2018 AED '000	Joint Ventures 2017 AED '000
Trading transactions for the three months ended 31 March				
Telecommunication services – sales	52,884	22,095	-	-
Telecommunication services – purchases	29,011	15,285	-	-
Management and other services	14,046	65,799	446	425
Net amount due from related parties as at 31 March 2018 / 31 December 2017	123,715	146,059	56,607	41,183

Sales to related parties comprise of provision of telecommunication products and services (primarily voice traffic and leased circuits) by the Group based on normal commercial terms. Purchases relate exclusively to the provision of telecommunication products and services by associates to the Group based on normal commercial terms. The net amount due from related parties are unsecured and will be settled in cash.

During the prior year, the Group signed a Technical Services and Support Agreement with Mobily. This agreement is for a period of five years.

During the prior year, the Group acquired additional shareholding of 0.53% in Mobily.

17. Borrowings

	Note	Carrying Amounts 31 March 2018 AED'000	Carrying Amounts 31 December 2017 AED'000
Bank borrowings			
Bank overdrafts		3,527,580	3,651,426
Bank loans		3,893,795	4,598,837
Other borrowings			
Bonds		15,853,521	15,528,641
Vendor financing		458,242	481,420
Others		4,169	4,082
		23,737,307	**24,264,406**
Advances from non-controlling interest		548,024	548,024
Total Borrowings as at 31 March 2018/ 31 December 2017		**24,285,331**	**24,812,430**
Reclassified as held for sale	20	(117,989)	(107,089)
Borrowings from continuing operations as at 31 March 2018/ 31 December 2017		**24,167,342**	**24,705,341**
of which due within 12 months		4,611,686	4,670,208
of which due after 12 months		19,555,656	20,035,133

The carrying values of the Group's bank and other borrowings, excluding bonds, approximate their fair values. Fair values of bonds are calculated using quoted market prices.

Advances from non-controlling interests represent advances paid by the minority shareholder of Etisalat International Pakistan LLC (EIP) towards the Group's acquisition of its 26% stake in PTCL, net of repayments. The amount is interest free and is not repayable within 12 months of the condensed consolidated interim statement of financial position date and accordingly the full amount is carried in non-current liabilities. The fair value of advances is not equivalent to its carrying value as it is interest-free. However, as the repayment dates are variable, a fair value cannot be reasonably determined.

The Group has listed a USD 7 billion (AED 25.7 billion) medium-term note programme which will be used to meet medium to long-term funding requirements. In 2014, the Group issued the inaugural bonds under the GMTN programme in USD and Euro tranches amounting to USD 1 billion and Euro 2.4 billion in total, respectively. Further, in May 2015, the Group issued additional bonds amounting to USD 400 million under the existing USD 5 year tranches. As at 30 March 2018, the total amounts in issue under this programme split by currency are USD 1.4 billion (AED 5.14 billion) and Euro 2.4 billion (AED 10.86 billion) as follows:

17. Borrowings (continued)

	Nominal Value 2018 AED'000	Fair Value 2018 AED'000	Carrying Value 2018 AED'000
Bonds			
2.375% US dollar 900 million notes due 2019	3,306,600	3,288,579	3,306,576
3.500% US dollar 500 million notes due 2024	1,837,000	1,827,760	1,820,230
Bonds in net investment hedge relationship			
1.750% Euro 1,200 million notes due 2021	5,428,080	5,669,846	5,385,626
2.750% Euro 1,200 million notes due 2026	5,428,080	5,989,898	5,341,089
At 31 March	**15,999,760**	**16,776,083**	**15,853,521**
of which due within 12 months			-
of which due after 12 months			15,853,521

	Nominal Value 2017 AED'000	Fair Value 2017 AED'000	Carrying Value 2017 AED'000
Bonds			
2.375% US dollar 900 million notes due 2019	3,306,600	3,313,510	3,306,576
3.500% US dollar 500 million notes due 2024	1,837,000	1,885,019	1,820,230
Bonds in net investment hedge relationship			
1.750% Euro 1,200 million notes due 2021	5,263,680	5,529,970	5,222,511
2.750% Euro 1,200 million notes due 2026	5,263,680	5,848,317	5,179,324
At 31 December	**15,670,960**	**16,576,816**	**15,528,641**
of which due within 12 months			-
of which due after 12 months			15,528,641

18. Net investment hedge relationships

The Group has Euro bonds (refer to note 17) and cross currency swaps which are designated as net investment hedges.

	Reviewed three-month ended 31 March	
	2018 AED'000	2017 AED'000
Effective part directly recognised in other comprehensive (loss) / income	**(284,081)**	**(140,935)**

The Group has in place cross currency USD-EUR swaps which are designated as hedges of net investment. The fair value of the cross currency swaps are calculated by discounting the future cash flows to net present value using appropriate market interest and prevailing foreign currency rates. The fair value of swaps is as follows:

	31 March 2018 AED'000	31 December 2017 AED'000
Fair value of forward contracts and options (Derivative financial assets)	15,483	8,172
Fair value of interest rate swaps (Derivative financial assets)	11,137	2,309
Fair value of derivative swaps (Derivative financial liabilties)	(99,541)	(79,149)

In 2017, the Group executed unwinding of a USD - EUR cross currency swap and received cash of AED 173 million. During the period, one of the derivatives matured and the Group received cash of AED 15 million.

19. Other significant event

On 2 February 2012, the Supreme Court of India cancelled all of Etisalat DB Telecom Private Limited's ("Etisalat DB") licenses, removing Etisalat DB's ability to operate its current mobile telecommunications business. Following the cancellation, the Board of Etisalat DB resolved to shut down its telecommunications network in India and gave the appropriate notices to the Indian authorities. Furthermore, the resignation of the directors of Etisalat DB, appointed by the largest shareholder, without replacement adversely affected the ability of the Etisalat DB's Board of Directors to take decisions.

Subsequently, Etisalat Mauritius Limited (EML) (which is wholly owned by the Company) filed a Petition on 12 March 2012 in the High Court of Bombay (the High Court) for the just and equitable winding up of Etisalat DB (the Etisalat DB Petition). The Etisalat DB Petition was admitted by the High Court by Order dated 18 November 2013 (Order on Admission). However, the Order on Admission was appealed by the largest shareholder of Etisalat DB to the Division Bench (Court of Appeal) of the High Court. That appeal was dismissed by an order dated 8 April 2014. The Order on Admission was further appealed by the same shareholder of Etisalat DB to the Supreme Court of India but was finally dismissed by an order dated 14 July 2014. On 20 February 2015, an order was made by the High Court for the winding up of Etisalat DB (the Winding Up Order) and the Official Liquidator was appointed.

An appeal was filed by the largest shareholder of Etisalat DB against the Winding Up Order, along with a Notice of Motion for stay of the operation of the order on 15 May 2015, before the Division Bench (Court of Appeal) of the High Court. That appeal was heard and finally dismissed by an order dated 1 November 2017.

The Official Liquidator is in the process of winding up Etisalat DB and has taken material steps towards the liquidation of the assets of Etisalat DB, since the order passed on 20 February 2015. The Official Liquidator's progress reports continue to be heard by the High Court as at the end of the reporting period.

20.Disposal Group held for sale/ Discontinued operations

The results of operations included in the profit for the period from discontinued operations are set out below.

20.1 Analysis of loss for the period from discontinued operations

	Reviewed three-month ended 31 March	
	2018	**2017**
	AED'000	**AED'000**
Revenue	48,738	71,591
Operating expenses	(80,310)	(100,701)
Operating loss before tax	**(31,572)**	**(29,110)**
Finance and other income	162	384
Finance costs	(3,413)	(3,326)
Loss before tax	**(34,823)**	**(32,052)**
Taxation	-	-
Loss for the period from discontinued operations	**(34,823)**	**(32,052)**

20.2 The disposal group comprised the following assets and liabilities :

	As at	
	31 March 2018	**31 December 2017**
Assets classified as held for sale	**AED'000**	**AED'000**
Other intangible assets	13,183	14,511
Property, plant and equipment	378,045	403,712
Deferred tax assets	51,301	52,171
Inventories	335	389
Trade and other receivables	152,325	132,530
Cash and bank balances	16,091	14,934
Assets classified as held for sale	**611,280**	**618,247**

20.Disposal Group held for sale/ Discontinued operations (continued)

20.2 The disposal group comprised the following assets and liabilities (continued):

	As at	
Liabilities classified as held for sale	**31 March 2018 AED'000**	**31 December 2017 AED'000**
Trade and other payables	223,983	217,517
Borrowings	117,989	107,089
Provision for end of service benefits	2,690	2,709
Provision	16,800	16,950
Deferred tax liabilities	52,714	53,607
Finance lease obligation	8,782	9,309
Liabilities associated with assets classified as held for sale	**422,958**	**407,181**
Net assets classified as held for sale	**188,322**	**211,066**

	Three months ended 31 March	
Cash flows from discontinued operations	**2018 AED'000**	**2017 AED'000**
Net cash inflows from operating activities	1,831	(35,826)
Net cash outflows inflows from investing activities	(9,389)	(13,453)
Net cash (outflows) / inflow from financing activities	(99,051)	44,388
Net cash outflows	(106,609)	(4,891)

Cumulative income or expense recognised in other comprehensive income

There are no cumulative income or expenses recognised in other comprehensive income relating to the disposal group.

21. Seasonality and cyclicality of interim operations

There are no items of seasonal or cyclical nature in the interim operations during the period ended 31 March 2018 and 2017.

22. Fair value disclosures

The Group has Euro bonds and cross currency swaps which are designated as net investment hedges. The Group has in place cross currency USD-EUR swaps which were designated as hedges of net investment. The fair value of the cross currency swaps were calculated by discounting the future cash flows to the net present value using appropriate market interest and prevailing foreign currency rates. The fair value of cross currency swaps represent Level 2 fair values. The Group has quoted equity investments in listed equity securities. The fair values of these equity securities are derived from quoted prices in active markets for identical assets, which in accordance with the fair value hierarchy with IFRS 7 Financial Instruments : Disclosure, represent Level 1 fair values. There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the period.

23. Provision for end of service benefits

The movement in the provision for end of service benefits is provided below:

	Note	**31 March 2018 AED'000**	**31 December 2017 AED'000**
Opening balances		**1,608,782**	**1,636,959**
Additions		46,370	226,648
Payments		(29,405)	(245,613)
Exchange difference		(33,602)	(17,532)
Unwinding of discounts		1,440	5,355
Remeasurement		-	3,043
Reclassified as held for sale	20	20	(78)
Closing balances		**1,593,605**	**1,608,782**

24. Share Capital

On 21 March 2018, the Etisalat Annual General Meeting approved the Company's buyback of its shares within a maximum of 5% of its paid-up capital, for the purpose of cancelling or re-selling such shares, after obtaining approval of competent authorities. As at 31 March 2018, no buyback transaction has taken place.

25. Restatements of comparative figures

The below restatements have been made to the prior year numbers to comply with the requirement of IFRS 15:

	As previously reported	Adjustments	As restated
	AED'000	AED'000	AED'000
Condensed consolidated interim statement of financial position as at 31 December 2017			
Property, plant and equipment	43,806,335	(139,531)	43,666,804
Trade and other receivables	18,690,834	(675,087)	18,015,747
Contract assets	-	1,408,570	1,408,570
Inventory	541,290	16,451	557,741
Trade and other payables	34,287,120	(2,998,250)	31,288,870
Contract liabilities	-	3,086,501	3,086,501
Deferred tax liability	3,205,407	20,071	3,225,478
Reserve	26,988,837	2,187	26,991,024
Retained earnings	8,356,613	472,407	8,829,020
Non-controlling interests	13,661,772	27,155	13,688,927
Condensed consolidated interim statement of financial position as at 31 December 2016			
Property, plant and equipment	42,450,127	(93,920)	42,356,207
Trade and other receivables	19,069,703	(688,846)	18,380,857
Contract assets	-	1,414,310	1,414,310
Trade and other payables	32,331,043	(2,873,655)	29,457,388
Contract liabilities	-	2,957,970	2,957,970
Deferred tax liability	3,255,952	15,770	3,271,722
Reserve	26,121,149	(712)	26,120,437
Retained earnings	7,883,501	509,965	8,393,466
Non-controlling interests	13,213,374	22,207	13,235,581
Condensed consolidated interim statement of profit or loss for the the three month period ended 31 March 2017			
Revenue	12,458,201	5,821	12,464,022
Operating expenses	7,973,233	(7,925)	7,965,308
Operating profit before federal royalty	4,435,282	13,746	4,449,028
Finance and other income	195,082	1,685	196,767
Taxation	253,204	115	253,319
Profit for the period	2,384,615	12,724	2,397,339