

**ZAIN BAHRAIN B.S.C.**  
**MANAMA**  
**KINGDOM OF BAHRAIN**

**CONDENSED INTERIM**  
**FINANCIAL INFORMATION**  
**SEPTEMBER 30, 2015**

**ZAIN BAHRAIN B.S.C.**  
**MANAMA - KINGDOM OF BAHRAIN**

<u>Commercial Registration No.</u>	50603
<u>Chairman</u>	Shaikh Ahmed Bin Ali Al Khalifa
<u>Directors</u>	Mr. Asaad Ahmed Al Banwan – Vice Chairman Shaikh Rashed Abdulrahman Mohamed Al Khalifa – Independent Director Mr. Jamal Shaker Al Alkazemi Mr. Waleed A M A Alroudan Mrs. Shaikha Khalid A A Albahar Mr. Ali Al Khaja – Acting Independent Director
<u>Chief Executive Officer</u>	Mr. Scott Gegnheimer
<u>General Manager</u>	Mr. Mohammed Zainalabedin
<u>Finance Director</u>	Mr. Ahmed Dief (Up to January 13, 2015) Mr. Mudasser Muhammad Ali (from February 1, 2015)
<u>Registered Office</u>	P.O. Box 266 Manama Kingdom of Bahrain
<u>Principal Bankers</u>	National Bank of Kuwait Bank of Bahrain and Kuwait National Bank of Bahrain National Bank of Abu Dhabi Ahli United Bank Ithmar Bank Arab Bank Khaleeji Commercial Bank Bank Muscat International Kuwait Finance House Bahrain Islamic Bank Al Baraka Islamic Bank Standard Chartered Bank
<u>Auditors</u>	Deloitte & Touche – Middle East P.O. Box 421 Manama Kingdom of Bahrain

**ZAIN BAHRAIN B.S.C.**  
**MANAMA - KINGDOM OF BAHRAIN**

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## REVIEW REPORT

To the Directors  
Zain Bahrain B.S.C.  
Manama, Kingdom of Bahrain

### Introduction

We have reviewed the accompanying statement of financial position of Zain Bahrain B.S.C (the "Company") as at September 30, 2015 and the related statement of profit or loss and other comprehensive income for three-month and nine month periods then ended and the related statement of changes in equity and cash flows for the nine-month period then ended, and other explanatory notes. Management is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

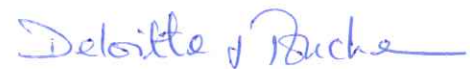
### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing 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 interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34.

Manama - Kingdom of Bahrain  
October 19, 2015



Deloitte & Touche - Middle East  
Partner Registration No. – 184

**ZAIN BAHRAIN B.S.C.****STATEMENT OF FINANCIAL POSITION (UNAUDITED)  
AS AT SEPTEMBER 30, 2015**


		(Unaudited) September 30, 2015 BD '000	(Audited) December 31, 2014 BD '000	(Unaudited) September 30, 2014 BD '000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and banks	5	10,074	2,974	3,025
Accounts receivable and other assets	6	21,631	21,238	23,868
Inventories	7	2,176	2,128	1,883
		-----	-----	-----
Total current assets		33,881	26,340	28,776
		-----	-----	-----
<b>Non-current assets</b>				
Property and equipment	8	67,221	69,806	64,840
Intangible assets	9	13,655	15,940	17,238
		-----	-----	-----
Total non-current assets		80,876	85,746	82,078
		-----	-----	-----
<b>Total assets</b>		<b>114,757</b>	<b>112,086</b>	<b>110,854</b>
		=====	=====	=====
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable and other liabilities	10	28,607	25,669	30,855
Current portion of long term loans	11	7,786	6,961	6,961
Deferred revenue		4,284	4,529	4,063
		-----	-----	-----
Total current liabilities		40,677	37,159	41,879
		-----	-----	-----
<b>Non-current liabilities</b>				
Non-current portion of long term loans	11	12,616	14,971	17,927
Provisions		259	323	365
		-----	-----	-----
Total non-current liabilities		12,875	15,294	18,292
		-----	-----	-----
Total liabilities		53,552	52,453	60,171
		-----	-----	-----


The attached notes form part of this condensed interim financial information

ZAIN BAHRAIN B.S.C.STATEMENT OF FINANCIAL POSITION (UNAUDITED)  
AS AT SEPTEMBER 30, 2015 (CONTINUED)

	<u>(Unaudited)</u> <u>September 30,</u> <u>2015</u> <u>BD '000</u>	<u>(Audited)</u> <u>December 31,</u> <u>2014</u> <u>BD '000</u>	<u>(Unaudited)</u> <u>September 30,</u> <u>2014</u> <u>BD '000</u>
<b>Equity</b>			
Share capital	36,800	36,800	32,000
Share premium	3,032	3,032	100
Statutory reserve	10,208	9,867	9,745
Retained earnings	11,165	9,934	8,838
	-----	-----	-----
Total equity	61,205	59,633	50,683
	-----	-----	-----
<b>Total liabilities and equity</b>	<u>114,757</u>	<u>112,086</u>	<u>110,854</u>

The condensed interim financial information was approved and authorised for issue by the Directors on October 19, 2015 and signed on their behalf by:


  
\_\_\_\_\_  
Shaikh Ahmed Bin Ali Al Khalifa  
Chairman

  
\_\_\_\_\_  
Mr. Asaad Ahmed Al Banwan  
Vice Chairman

ZAIN BAHRAIN B.S.C.STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2015

		<u>Three month</u> <u>period ended</u> <u>September 30,</u> <u>2015</u>	<u>Three month</u> <u>period ended</u> <u>September 30,</u> <u>2014</u>	<u>Nine month</u> <u>period ended</u> <u>September 30,</u> <u>2015</u>	<u>Nine month</u> <u>period ended</u> <u>September 30,</u> <u>2014</u>
	<u>Notes</u>	<u>BD '000</u>	<u>BD '000</u>	<u>BD '000</u>	<u>BD '000</u>
Revenue	12	18,508	17,505	53,630	54,041
Cost of revenue		(3,096)	(3,476)	(8,694)	(10,911)
Gross profit		15,412	14,029	44,936	43,130
Operating and administrative expenses		(7,917)	(7,276)	(22,553)	(21,663)
Depreciation and amortisation		(5,504)	(5,432)	(17,064)	(16,265)
Provision for doubtful debts		(387)	(290)	(1,160)	(1,102)
Provision for inventories		(100)	(42)	(249)	(190)
<b>Operating profit</b>		1,504	989	3,910	3,910
Interest income		9	1	17	8
Other income		-	38	-	105
Other provision		-	(123)	-	(543)
Gain on currency revaluation		12	3	39	38
Finance costs		(187)	(208)	(554)	(594)
<b>Profit for the period</b>		1,338	700	3,412	2,924
<b>Total comprehensive income for the period</b>		1,338	700	3,412	2,924
Basic earnings per share	13	Fils 4	Fils 2	Fils 9	Fils 9

  
Shaikh Ahmed Bin Ali Al Khalifa  
Chairman

  
Mr. Asaad Ahmed Al Banwan  
Vice Chairman

The attached notes form part of this condensed interim financial information

ZAIN BAHRAIN B.S.C.STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2015

	<u>Share Capital</u> BD '000	<u>Share Premium</u> BD '000	<u>Statutory Reserve</u> BD '000	<u>Retained Earnings</u> BD '000	<u>Total</u> BD '000
Balance at December 31, 2013	32,000	100	9,453	11,486	53,039
Dividends	-	-	-	(5,280)	(5,280)
Total comprehensive income for the period	-	-	-	2,924	2,924
Transfer to statutory reserve	-	-	292	(292)	-
Balance at September 30, 2014	<u>32,000</u>	<u>100</u>	<u>9,745</u>	<u>8,838</u>	<u>50,683</u>
Balance at December 31, 2014	36,800	3,032	9,867	9,934	59,633
Dividends	-	-	-	(1,840)	(1,840)
Total comprehensive income for the period	-	-	-	3,412	3,412
Transfer to statutory reserve	-	-	341	(341)	-
Balance at September 30, 2015	<u>36,800</u>	<u>3,032</u>	<u>10,208</u>	<u>11,165</u>	<u>61,205</u>

The attached notes form part of this condensed interim financial information



ZAIN BAHRAIN B.S.C.**STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2015**

	<u>Nine month period ended September 30, 2015 BD '000</u>	<u>Nine month period ended September 30, 2014 BD '000</u>
<b>Cash flows from operating activities:</b>		
Profit for the period	3,412	2,924
Adjustments for:		
Depreciation and amortization	17,064	16,265
Allowance for doubtful debts and slow moving inventories	1,409	1,292
Finance costs	554	594
Interest income	(17)	(8)
Gain on disposal of property and equipment	-	(40)
Provision for employees' end of service indemnity	75	47
Operating profit before working capital changes	22,497	21,074
(Increase) / decrease in inventories	(297)	898
Increase in accounts receivable and other assets	(1,553)	(4,326)
Increase / (decrease) in accounts payable and other liabilities	2,910	(1,677)
Decrease in deferred revenue	(245)	(706)
Cash generated from operating activities	23,312	15,263
Payment of employees' end of service indemnity	(139)	(12)
Net cash from operating activities	23,173	15,251
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(4,585)	(9,755)
Increase in intangible assets	(7,612)	(8,018)
Interest received	17	8
Proceeds from disposal of property and equipment	3	3
Net cash used in investing activities	(12,177)	(17,762)
<b>Cash flows from financing activities:</b>		
Long term loans (repaid) / obtained - net	(1,530)	4,888
Dividends paid	(1,796)	(1,982)
Interest paid	(570)	(526)
Net cash (used in) / from financing activities	(3,896)	2,380
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>7,100</b>	<b>(131)</b>
Cash and cash equivalents at the beginning of the period	2,974	3,156
<b>Cash and cash equivalents at the end of the period (Note 5)</b>	<b>10,074</b>	<b>3,025</b>

The attached notes form part of this condensed interim financial information

ZAIN BAHRAIN B.S.C.STATEMENT OF CASH FLOWS (UNAUDITED) (CONTINUED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2015


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	<u>Nine month period ended September 30, 2015 BD '000</u>	<u>Nine month period ended September 30, 2014 BD '000</u>
<b>Non-cash transaction:</b>		
Purchase and disposal of property and equipment in assets swap transaction	-	20,993
	=====	=====

The attached notes form part of this condensed interim financial information

**ZAIN BAHRAIN B.S.C.****NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2015****1. INCORPORATION AND ACTIVITIES:**

Zain Bahrain B.S.C. (the “Company”) is a Public Joint Stock Company incorporated in the Kingdom of Bahrain on April 19, 2003 and registered with the Ministry of Industry and Commerce under Commercial Registration (CR) number 50603. The Company became a Public Joint Stock Company effective December 4, 2014 and its shares were listed on the Bahrain Bourse. The Company is a subsidiary of Mobile Telecommunications Company K.S.C.P (the “Parent Company”), a Kuwaiti shareholding company listed on the Kuwait Stock Exchange.

The Company provides telecommunication services under various licenses issued by the Telecommunications Regulatory Authority (“TRA”) of the Kingdom of Bahrain. The initial periods of the licenses are 15 years. The Company is also involved in the sale of handsets and accessories in the Kingdom of Bahrain. The Company launched its services on December 28, 2003.

The Company’s registered office is P.O. Box 266, Manama, Kingdom of Bahrain.

**2. BASIS OF PREPARATION:**

The condensed interim financial information has been prepared in accordance with International Accounting Standard (IAS) 34 “Interim Financial Reporting”.

The condensed interim financial information does not contain all information and disclosures required for full financial statements prepared in accordance with the International Financial Reporting Standards. For more details, please refer to the audited financial statements for the year ended December 31, 2014.

In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. Operating results for the period are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2015.

**3. SIGNIFICANT ACCOUNTING POLICIES:**

The condensed interim financial information has been prepared under the historical cost convention.

The same accounting policies, presentation and methods of computation are followed in this condensed interim financial information as were applied in the preparation of the Company’s financial statements for the year ended December 31, 2014.

**Standards affecting the disclosures and presentation in the current period**

None of the revised Standards that have been adopted in the current period which are effective for annual periods beginning on or after January 1, 2015 have affected the disclosures and presentations in the financial information.

ZAIN BAHRAIN B.S.C.NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2015**4. JUDGEMENTS AND ESTIMATES:**

The preparation of the condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements as at and for the year ended December 31, 2014.

**5. CASH AND BANKS:**

	<u>(Unaudited)</u> <u>September 30,</u> <u>2015</u> <u>BD '000</u>	<u>(Audited)</u> <u>December 31,</u> <u>2014</u> <u>BD '000</u>	<u>(Unaudited)</u> <u>September 30,</u> <u>2014</u> <u>BD '000</u>
Short-term deposits	-	2,002	1,400
Cash at banks and on hand	10,074	972	1,625
	----- 10,074 =====	----- 2,974 =====	----- 3,025 =====

**6. ACCOUNTS RECEIVABLE AND OTHER ASSETS:**

	<u>(Unaudited)</u> <u>September 30,</u> <u>2015</u> <u>BD '000</u>	<u>(Audited)</u> <u>December 31,</u> <u>2014</u> <u>BD '000</u>	<u>(Unaudited)</u> <u>September 30,</u> <u>2014</u> <u>BD '000</u>
Accounts receivable:			
Due from post paid subscribers	19,730	18,552	18,297
Allowance for doubtful debts	(8,278)	(7,118)	(6,751)
	----- 11,452	----- 11,434	----- 11,546
Due from roaming partners	3,941	3,472	3,186
Due from distributors	573	569	698
Interconnect receivable from other operators	1,162	1,896	2,117
	----- 17,128 -----	----- 17,371 -----	----- 17,547 -----

**ZAIN BAHRAIN B.S.C.****NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2015****6. ACCOUNTS RECEIVABLE AND OTHER ASSETS: (CONTINUED)**

	<u>(Unaudited)</u> <u>September 30,</u> <u>2015</u> <u>BD '000</u>	<u>(Audited)</u> <u>December 31,</u> <u>2014</u> <u>BD '000</u>	<u>(Unaudited)</u> <u>September 30,</u> <u>2014</u> <u>BD '000</u>
Other assets:			
Accrued income	445	535	488
Prepaid expenses	1,870	1,483	3,382
Due from related parties (Note 15)	15	15	17
Advance paid to suppliers	590	506	2,143
Staff receivables	49	104	111
Other receivables	622	312	180
Portfolio under management	912	912	-
	-----	-----	-----
	4,503	3,867	6,321
	-----	-----	-----
	21,631	21,238	23,868
	=====	=====	=====

Due from roaming partners includes BD 2,087,254 (December 31, 2014: BD 2,087,254) due from one roaming partner which is outstanding for more than a year. The Company is currently negotiating the settlement of this balance.

**7. INVENTORIES:**

This caption comprises mobile telephone handsets and accessories, laptops, Subscribers' Identification Module (SIM) cards, recharge vouchers and calling cards.

	<u>(Unaudited)</u> <u>September 30,</u> <u>2015</u> <u>BD '000</u>	<u>(Audited)</u> <u>December 31,</u> <u>2014</u> <u>BD '000</u>	<u>(Unaudited)</u> <u>September 30,</u> <u>2014</u> <u>BD '000</u>
Handsets, accessories and others	3,053	2,756	2,468
Allowance for slow moving items	(877)	(628)	(585)
	-----	-----	-----
	2,176	2,128	1,883
	=====	=====	=====

Accessories include WIMAX and Customer Premises Equipment (CPE) which are used for WIMAX communication amounting to BD 930,714 (December 31, 2014: BD 833,144).

**ZAIN BAHRAIN B.S.C.****NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2015****8. PROPERTY AND EQUIPMENT:**

	<u>Freehold Land and Building</u> BD '000	<u>Network Equipment</u> BD '000	<u>Office Equipment</u> BD '000	<u>Furniture and Fixtures</u> BD '000	<u>Vehicles</u> BD '000	<u>Capital Work-in- Progress</u> BD '000	<u>Total</u> BD '000
<b>Cost:</b>							
Balance at December 31, 2014	2,967	77,330	29,813	3,889	17	4,046	118,062
Additions	21	235	521	-	-	3,808	4,585
Disposals	-	-	-	(3)	-	-	(3)
Transfer	-	4,405	1,587	122	-	(6,114)	-
Balance at September 30, 2015	2,988	81,970	31,921	4,008	17	1,740	122,644
<b>Accumulated depreciation:</b>							
Balance at December 31, 2014	693	23,499	20,629	3,418	17	-	48,256
Depreciation expense	27	5,135	1,903	102	-	-	7,167
Balance at September 30, 2015	720	28,634	22,532	3,520	17	-	55,423
<b>Carrying amount:</b>							
Balance at September 30, 2015	2,268	53,336	9,389	488	-	1,740	67,221
Balance at December 31, 2014	2,274	53,831	9,184	471	-	4,046	69,806

ZAIN BAHRAIN B.S.C.NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 20159. INTANGIBLE ASSETS:

	<u>(Unaudited)</u> <u>September 30,</u> <u>2015</u> <u>BD '000</u>	<u>(Audited)</u> <u>December 31,</u> <u>2014</u> <u>BD '000</u>	<u>(Unaudited)</u> <u>September 30,</u> <u>2014</u> <u>BD '000</u>
<b>Cost:</b>			
Balance at the beginning of the period / year	69,452	59,396	59,396
Additions	7,612	10,056	8,018
	-----	-----	-----
	77,064	69,452	67,414
	-----	-----	-----
<b>Accumulated amortisation:</b>			
Balance at the beginning of the period / year	53,512	40,230	40,230
Amortisation expense	9,897	13,282	9,946
	-----	-----	-----
Balance at the end of the period / year	63,409	53,512	50,176
	-----	-----	-----
<b>Carrying amount at the end of the period /</b>			
<b>Year</b>	<u>13,655</u>	<u>15,940</u>	<u>17,238</u>

Intangible assets consist of the following license fees:

- 9.1 Fees of BD 5,576,211 for the National Fixed Wireless Services ("NFWS") license obtained on January 8, 2007. This fee is amortised over the license period of 15 years. The net book value of the license at the end of the period amounts to BD 2,360,019 (December 31, 2014: BD 2,638,829).
- 9.2 Subscribers acquisition cost amounting to BD 70,151,949 (December 31, 2014: BD 62,540,450) comprises the subsidised cost of inventory items sold by the Company to its customers. These items are amortised over the contracted subsidy period which ranges from 1 to 4 years. The net book value of the subscribers acquisition cost at the period end amounts to BD 10,465,645 (December 31, 2014: BD 12,424,627).
- 9.3 Fees of BD 956,700 for the 4G Long Term Evolution ("4G LTE") license obtained on September 19, 2013. This fee is amortised over the license period of 15 years. The net book value of the license at the end of the period amounts to BD 829,140 (December 31, 2014: BD 876,975).

**ZAIN BAHRAIN B.S.C.****NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2015****10. ACCOUNTS PAYABLE AND OTHER LIABILITIES:**

	<u>(Unaudited)</u> <u>September 30,</u> <u>2015</u> <u>BD '000</u>	<u>(Audited)</u> <u>December 31,</u> <u>2014</u> <u>BD '000</u>	<u>(Unaudited)</u> <u>September 30,</u> <u>2014</u> <u>BD '000</u>
Due to suppliers	7,421	8,569	7,398
Accrued expenses	6,504	5,399	6,941
Interconnection payable	1,941	2,822	3,346
Due to roaming partners	2,606	1,957	1,779
Accrued employees' benefits	858	909	793
Subscriber deposits	30	31	28
Dividend payable	44	-	3,694
Due to related parties (Note 15)	8,920	5,681	6,439
Directors' remuneration	186	188	339
Accrued interest	97	113	98
	<u>28,607</u>	<u>25,669</u>	<u>30,855</u>

**11. LONG TERM LOANS:**

	<u>(Unaudited)</u> <u>September 30,</u> <u>2015</u> <u>BD '000</u>	<u>(Audited)</u> <u>December 31,</u> <u>2014</u> <u>BD '000</u>	<u>(Unaudited)</u> <u>September 30,</u> <u>2014</u> <u>BD '000</u>
Long term loans	20,402	21,932	24,888
Less: current portion of long term loans	(7,786)	(6,961)	(6,961)
	<u>12,616</u>	<u>14,971</u>	<u>17,927</u>

The Company has obtained three term loans facilities amounting to BD 10.5 million, BD 13 million and BD 7.5 million respectively from three commercial banks in the Kingdom of Bahrain. As at the reporting date, the Company has utilised BD 29.5 million (December 31, 2014: BD 26.2 million) out of the total loan facilities available. These loans carry interest rate of three months BIBOR plus 2.25% per annum. Loans are payable in 8, 7 and 8 semi-annual instalments respectively starting after one year from the loan agreement date. During the period, the Company repaid the instalment of BD 4.84 million (December 31, 2014: BD 5.268 million).



ZAIN BAHRAIN B.S.C.NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 201512. REVENUE:

This caption represents revenue from airtime, data, subscription, handsets, accessories and SIM card starter pack sales, net of roaming expense. Revenue from sale of handsets, accessories and other items amounts to BD 2,056,268 (September, 2014: BD 1,079,564).

13. BASIC EARNINGS PER SHARE:

	<u>Three month period ended September 30, 2015</u> <u>BD '000</u>	<u>Three month period ended September 30, 2014</u> <u>BD '000</u>	<u>Nine month period ended September 30, 2015</u> <u>BD '000</u>	<u>Nine month period ended September 30, 2014</u> <u>BD '000</u>
Profit for the period	1,338	700	3,412	2,924
<i>Number of shares</i>	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	368,000	320,000	368,000	320,000
	<u>Fils per share</u>	<u>Fils per share</u>	<u>Fils per share</u>	<u>Fils per share</u>
Basic earnings per share	4	2	9	9

Basic and diluted earnings per share are same since the Company has not issued any instrument that would have a diluting effect.

14. SEGMENT INFORMATION:

The Company operates in telecommunication and related services business and its activities are organised into three main business segments; mobile operation, fixed broadband operation and trading of handsets and accessories. Management considers that these business activities are not separate operating units. The Company carries out its activities in the Kingdom of Bahrain.

ZAIN BAHRAIN B.S.C.NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2015**15. RELATED PARTIES:**

Transactions with related parties mainly with Zain Group Holding S.P.C. included in the statement of profit or loss and comprehensive income are as follows:

	<u>Three month period ended September 30, 2015</u> BD '000	<u>Three month period ended September 30, 2014</u> BD '000	<u>Nine month period ended September 30, 2015</u> BD '000	<u>Nine month period ended September 30, 2014</u> BD '000
Office rent and maintenance costs	245	245	735	749
Site and outlet rent	12	12	36	36
Employee share option plan charges	-	-	-	8
Management fee	564	537	1,631	1,660
Royalty fee	90	90	208	269
		<u>(Unaudited)</u> <u>September 30,</u> <u>2015</u> BD '000	<u>(Audited)</u> <u>December 31,</u> <u>2014</u> BD '000	<u>(Unaudited)</u> <u>September 30,</u> <u>2014</u> BD '000
<u>Related party balances</u>				
Zain Group Holding-Bahrain S.P.C.		(8,918)	(5,681)	(6,434)
Zain – Jordan		(2)	-	(5)
Zain – Kingdom of Saudi Arabia		-	-	3
Sudanese Mobile Telephone Company Ltd		13	13	12
Zain – South Sudan		1	1	1
Zain – Lebanon		1	1	1
		----- <u>(8,905)</u> =====	----- <u>(5,666)</u> =====	----- <u>(6,422)</u> =====

**ZAIN BAHRAIN B.S.C.****NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2015****15. RELATED PARTIES: (CONTINUED)**

Amounts due from / to related parties are presented in Notes 6 and 10 as follows:

	<u>(Unaudited)</u> <u>September 30,</u> <u>2015</u> <u>BD '000</u>	<u>(Audited)</u> <u>December 31,</u> <u>2014</u> <u>BD '000</u>	<u>(Unaudited)</u> <u>September 30,</u> <u>2014</u> <u>BD '000</u>
Due from related parties (Note 6)	15	15	17
Due to related parties (Note 10)	8,920	5,681	6,439

**Compensation of key management personnel:**

Remuneration of Directors and other members of key management during the period were as follows:

	<u>Three month</u> <u>period ended</u> <u>September 30,</u> <u>2015</u> <u>BD '000</u>	<u>Three month</u> <u>period ended</u> <u>September 30,</u> <u>2014</u> <u>BD '000</u>	<u>Nine month</u> <u>period ended</u> <u>September 30,</u> <u>2015</u> <u>BD '000</u>	<u>Nine month</u> <u>period ended</u> <u>September 30,</u> <u>2014</u> <u>BD '000</u>
Short term benefits	297	305	815	979
Other long term benefits	18	27	53	100
	----- 315	----- 332	----- 868	----- 1,079

The above compensations were in the form of salaries, allowances and accrued bonus.

ZAIN BAHRAIN B.S.C.NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
PERIOD ENDED SEPTEMBER 30, 2015**16. CONTINGENT LIABILITIES AND COMMITMENTS:****(i) Contingent liabilities:**

	(Unaudited) September 30, 2015 BD '000	(Audited) December 31, 2014 BD '000	(Unaudited) September 30, 2014 BD '000
Letters of guarantee	920 =====	930 =====	926 =====

**(ii) Capital commitments:**

Capital expenditure contracted at the reporting date but not provided for, is as follows:

	(Unaudited) September 30, 2015 BD '000	(Audited) December 31, 2014 BD '000	(Unaudited) September 30, 2014 BD '000
Capital expenditures	10,939 =====	14,552 =====	19,084 =====

**(iii) Operating leases:**

Commitments under operating leases, which substantially comprise properties on which telecommunication equipment have been installed, are presented as follows:

	(Unaudited) September 30, 2015 BD '000	(Audited) December 31, 2014 BD '000	(Unaudited) September 30, 2014 BD '000
Within one year	2,234	6,957	6,961
After one year, but not more than five years.	10,778	4,022	17,927
	----- 13,012 =====	----- 10,979 =====	----- 24,888 =====

(iv) Other contingent financial commitments outstanding at the reporting date are BD 457,000 (December 31, 2014: BD 305,000).

**ZAIN BAHRAIN B.S.C.****NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**  
**PERIOD ENDED SEPTEMBER 30, 2015**

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**17. FAIR VALUE OF FINANCIAL INSTRUMENTS:**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently differences may arise between the carrying values and the fair value estimates.

The Management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values as at the reporting dates.

**18. RISK MANAGEMENT OF FINANCIAL INSTRUMENTS:**

Risk management of financial instruments as at September 30, 2015 does not differ from the risk management as at December 31, 2014.