

**BAHRAIN TELECOMMUNICATIONS COMPANY BSC  
FINANCIAL HIGHLIGHTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2014**

		<b>2014</b>	2013	%Variation
Gross revenue	BD million	97.6	71.0	37%
Expenses	BD million	75.9	58.7	(29%)
Profit attributable to Batelco shareholders	BD million	14.5	13.4	8%
Return on net worth (annualized)	%	10.3	8.3	24%
Weighted average number of shares outstanding during the period	Million	1,663	1,584	5%
Basic earnings per share <sup>1</sup>	Fils	8.7	8.1	8%

<sup>1</sup> Basic earnings per share for 2014 and 2013 are calculated using revised weighted average number of shares outstanding during the period.

BAHRAIN TELECOMMUNICATIONS COMPANY BSC  
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2014

	<b>BD'000</b>	
	2014 (reviewed)	2013 (audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property and equipment	257,696	267,150
Goodwill	175,468	175,323
Intangible assets	158,007	162,162
Investment in associate	77,170	76,043
Deferred tax assets	3,097	3,172
Other investments	41,731	35,439
<b>Total non-current assets</b>	<b>713,169</b>	<b>719,289</b>
<b>Current assets</b>		
Inventories	6,314	4,592
Trade and other receivables	125,206	119,697
Cash and bank balances	197,668	198,586
<b>Total current assets</b>	<b>329,188</b>	<b>322,875</b>
<b>Total assets</b>	<b>1,042,357</b>	<b>1,042,164</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	166,320	158,400
Statutory reserve	79,200	77,684
General reserve	46,412	46,412
Foreign currency translation reserve	10,911	11,185
Investment fair value reserve	7,688	1,396
Actuarial reserve	(1,454)	(1,423)
Retained earnings	233,854	245,759
Total equity attributable to equity holders of the Company	<b>542,931</b>	539,413
Non-controlling interest	56,102	53,732
<b>Total equity</b>	<b>599,033</b>	593,145
<b>Non-current liabilities</b>		
Trade and other payables	5,299	7,251
Loans and borrowings	236,927	239,574
Deferred tax liabilities	26,215	25,875
<b>Total non-current liabilities</b>	<b>268,441</b>	<b>272,700</b>
<b>Current liabilities</b>		
Trade and other payables	167,394	173,352
Loans and borrowings	7,489	2,967
<b>Total current liabilities</b>	<b>174,883</b>	176,319
<b>Total liabilities</b>	<b>443,324</b>	449,019
<b>Total equity and liabilities</b>	<b>1,042,357</b>	<b>1,042,164</b>

BAHRAIN TELECOMMUNICATIONS COMPANY BSC  
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THREE MONTHS ENDED 31 MARCH 2014

	<b>BD' 000</b>	
	2014 (reviewed)	2013 (reviewed)
<b>REVENUE</b>	<b>97,583</b>	70,991
<b>EXPENSES</b>		
Network operating expenses	(34,580)	(27,472)
Staff costs	(14,456)	(12,011)
Depreciation and amortisation	(16,409)	(9,641)
Other operating expenses	(10,488)	(9,570)
<b>Total expenses</b>	<b>(75,933)</b>	(58,694)
<b>Results from operating activities</b>	<b>21,650</b>	12,297
Finance and other income	758	362
Finance and other expenses	(5,563)	(262)
Share of profit of associate (net)	1,127	2,257
<b>Profit before taxation</b>	<b>17,972</b>	14,654
Income tax expense	(1,141)	(586)
<b>Profit for the period</b>	<b>16,831</b>	14,068
<b>Other comprehensive income</b>		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Foreign currency translation differences	(274)	1,551
Investment fair value changes	6,292	(831)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	6,018	720
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Remeasurements of defined benefit liability including related tax	(31)	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	(31)	-
<b>Total comprehensive income for the period</b>	<b>22,818</b>	14,788
<b>Profit for the period attributable to:</b>		
Equity holders of the Company	14,461	13,399
Non-controlling interest	2,370	669
	<b>16,831</b>	14,068
<b>Total comprehensive income for the period attributable to:</b>		
Equity holders of the Company	20,448	14,149
Non-controlling interest	2,370	639
	<b>22,818</b>	14,788

**BAHRAIN TELECOMMUNICATIONS COMPANY BSC**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2014**

	<b>BD' 000</b>	
	<b>2014</b>	2013
	(reviewed)	(reviewed)
<b>OPERATING ACTIVITIES</b>		
Cash receipts from customers	86,144	64,394
Net cash paid to suppliers	(45,137)	(31,898)
Cash paid to and on behalf of employees	(20,271)	(16,286)
<b>Net cash from operating activities</b>	<b>20,736</b>	16,210
<b>INVESTING ACTIVITIES</b>		
Acquisition of property, equipment and intangibles	(8,792)	(5,689)
Receipts from associate	-	2,032
Net proceeds from (purchase) / sale of investments	(3,701)	3,770
Interest and investment income received	1,668	233
<b>Net cash (used in) / from investing activities</b>	<b>(10,825)</b>	346
<b>FINANCING ACTIVITIES</b>		
Dividend paid	(15,599)	(17,375)
Interest paid	(902)	(1,894)
Borrowings (net)	1,783	205,301
Payments to charities	(231)	(50)
<b>Net cash (used in) / from financing activities</b>	<b>(14,949)</b>	185,982
<b>(Decrease)/Increase in cash and cash equivalents</b>	<b>(5,038)</b>	202,538
Cash and cash equivalents at 1 January	195,070	92,167
<b>Cash and cash equivalents at 31 March</b>	<b>190,032</b>	294,705

BAHRAIN TELECOMMUNICATIONS COMPANY BSC  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTHS ENDED 31 MARCH 2014

BD' 000

2014	Equity attributable to equity holders of the Company								Non-controlling interest	Total equity
	Share capital	Statutory reserve	General reserve	Foreign currency translation reserve	Investment fair value reserve	Actuarial reserve	Retained earnings	Total		
At 1 January 2014	158,400	77,684	46,412	11,185	1,396	(1,423)	245,759	539,413	53,732	593,145
Profit for the period	-	-	-	-	-	-	14,461	14,461	2,370	16,831
<b>Other comprehensive income</b>										
Foreign currency translation differences	-	-	-	(274)	-	-	-	(274)	-	(274)
Investment fair value changes	-	-	-	-	6,292	-	-	6,292	-	6,292
Remeasurement of defined benefit liability including related tax	-	-	-	-	-	(31)	-	(31)	-	(31)
<b>Total other comprehensive income</b>	-	-	-	(274)	6,292	(31)	-	5,987	-	5,987
<b>Total comprehensive income for the period</b>	-	-	-	(274)	6,292	(31)	14,461	20,448	2,370	22,818
Bonus shares issued	7,920	-	-	-	-	-	(7,920)	-	-	-
Dividends declared for 2013	-	-	-	-	-	-	(15,840)	(15,840)	-	(15,840)
Donations declared for 2013	-	-	-	-	-	-	(1,090)	(1,090)	-	(1,090)
Transfer to statutory reserve (net)	-	1,516	-	-	-	-	(1,516)	-	-	-
	7,920	1,516	-	-	-	-	(26,366)	(16,930)	-	(16,930)
<b>At 31 March 2014</b>	<b>166,320</b>	<b>79,200</b>	<b>46,412</b>	<b>10,911</b>	<b>7,688</b>	<b>(1,454)</b>	<b>233,854</b>	<b>542,931</b>	<b>56,102</b>	<b>599,033</b>

BD' 000

2013	Equity attributable to equity holders of the Company								Non-controlling interest	Total equity
	Share capital	Statutory reserve	General reserve	Foreign currency translation reserve	Investment fair value reserve	Actuarial reserve	Retained earnings	Total		
At 1 January 2013	144,000	76,847	39,444	361	(2,403)	-	256,099	514,348	5,833	520,181
Profit for the period	-	-	-	-	-	-	13,399	13,399	669	14,068
<b>Other comprehensive income</b>										
Foreign currency translation differences	-	-	-	1,581	-	-	-	1,581	(30)	1,551
Remeasurement of defined benefit liability including related tax	-	-	-	-	-	-	-	-	-	-
Investment fair value changes	-	-	-	-	(831)	-	-	(831)	-	(831)
<b>Total other comprehensive income</b>	-	-	-	1,581	(831)	-	-	750	(30)	720
<b>Total comprehensive income for the period</b>	-	-	-	1,581	(831)	-	13,399	14,149	639	14,788
Bonus shares issued	14,400	-	-	-	-	-	(14,400)	-	-	-
Dividends declared for 2012	-	-	-	-	-	-	(14,400)	(14,400)	-	(14,400)
Donations declared for 2012	-	-	-	-	-	-	(1,500)	(1,500)	-	(1,500)
Transfer to statutory reserve (net)	-	829	-	-	-	-	(829)	-	-	-
Transfer to general reserve	-	-	6,968	-	-	-	(6,968)	-	-	-
Dividends to non-controlling interest	-	-	-	-	-	-	-	-	(243)	(243)
	14,400	829	6,968	-	-	-	(38,097)	(15,900)	(243)	(16,143)
<b>At 31 March 2013</b>	<b>158,400</b>	<b>77,676</b>	<b>46,412</b>	<b>1,942</b>	<b>(3,234)</b>	<b>-</b>	<b>231,401</b>	<b>512,597</b>	<b>6,229</b>	<b>518,826</b>