

**Bahrain Telecommunications  
Company BSC**

**CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS**

**31 March 2015**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**for the three months ended 31 March 2015**

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**FINANCIAL HIGHLIGHTS (presented for information purposes only)  
for the three months ended 31 March 2015**

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<b>Three months ended 31 March</b>	<b>2015 BD million</b>	<b>2014 BD million</b>	<b>Variation %</b>
Gross revenue	93.7	97.6	(4%)
Operating Expenses	75.0	75.9	1%
Profit attributable to Batelco shareholders	14.2	14.5	(2%)
Return on net worth - Annualised (%)	10.4	9.2	13%
Weighted average number of shares outstanding during the period	1,663	1,663	-
Basic earnings per share for the period (Fils)	8.6	8.7	(2%)

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

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

2015

**Introduction**

We have reviewed the accompanying 31 March 2015 condensed consolidated interim financial statements of Bahrain Telecommunications Company BSC ("the Company") and its subsidiaries (together "the Group"), which comprise:

- the condensed consolidated statement of financial position as at 31 March 2015;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three month period ended 31 March 2015;
- the condensed consolidated statement of cash flows for the three month period ended 31 March 2015;
- the condensed consolidated statement of changes in equity for the three month period ended 31 March 2015; and
- notes to the condensed consolidated interim financial statements.

The Board of Directors of the Company is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements 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 statements 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 31 March 2015 condensed consolidated interim financial statements is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
as at 31 March 2015

BD'000

	Note	31 March 2015 (reviewed)	31 December 2014 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		242,961	255,159
Goodwill		172,821	173,881
Intangible assets		135,622	141,812
Investment in associate		76,176	75,793
Deferred tax assets		3,737	3,733
Employee benefit assets		3,727	189
Other investments	3	34,960	35,466
<b>Total non-current assets</b>		<b>670,004</b>	<b>686,033</b>
<b>Current assets</b>			
Inventories		4,364	4,296
Trade and other receivables		128,069	118,263
Cash and bank balances	4	148,694	150,185
<b>Total current assets</b>		<b>281,127</b>	<b>272,744</b>
<b>Total assets</b>		<b>951,131</b>	<b>958,777</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		166,320	166,320
Statutory reserve		83,160	83,160
General reserve		46,464	46,464
Foreign currency translation reserve		(2,032)	3,056
Investment fair value reserve		(235)	(589)
Actuarial reserve		(2,003)	(2,293)
Retained earnings		224,000	235,950
<b>Total equity attributable to equity holders of the Company</b>		<b>515,674</b>	<b>532,068</b>
Non-controlling interest		48,880	46,990
<b>Total equity (Page 6 - 7)</b>		<b>564,554</b>	<b>579,058</b>
<b>Non-current liabilities</b>			
Trade and other payables		4,764	4,698
Loans and borrowings	5	176,597	176,523
Deferred tax liabilities		21,257	22,577
<b>Total non-current liabilities</b>		<b>202,618</b>	<b>203,798</b>
<b>Current liabilities</b>			
Trade and other payables		183,393	175,921
Loans and borrowings		566	-
<b>Total current liabilities</b>		<b>183,959</b>	<b>175,921</b>
<b>Total liabilities</b>		<b>386,577</b>	<b>379,719</b>
<b>Total equity and liabilities</b>		<b>951,131</b>	<b>958,777</b>

The condensed consolidated interim financial statements which consist of pages 3 to 14 were approved by the Board of Directors on 29 April 2015 and signed on its behalf by:

Sh. Hamad Bin Abdulla Al Khalifa  
Chairman

Mr. Abdul Razak Abdulla Al Qassim  
Deputy Chairman

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**for the three months ended 31 March 2015** BD'000

	Note	Three months ended 31 March	
		2015 (reviewed)	2014 (reviewed)
<b>REVENUE</b>	6	<b>93,663</b>	97,583
<b>OPERATING EXPENSES</b>			
Network operating expenses		(33,167)	(34,580)
Staff costs		(13,309)	(14,456)
Depreciation and amortisation		(17,033)	(16,409)
Other operating expenses		(11,528)	(10,488)
<b>Total operating expenses</b>		<b>(75,037)</b>	(75,933)
<b>Results from operating activities</b>		<b>18,626</b>	21,650
Finance and other income		1,145	758
Finance and other expenses		(2,009)	(5,563)
Impairment on available-for-sale investments		(784)	-
Share of profit of associate (net)		383	1,127
<b>Profit before taxation</b>		<b>17,361</b>	17,972
Income tax expense		(1,226)	(1,141)
<b>Profit for the period</b>		<b>16,135</b>	16,831
<b>Other comprehensive income</b>			
<i>Items that are or may be reclassified to profit or loss:</i>			
Foreign currency translation differences – foreign operations		(5,101)	(274)
Investment fair value changes – available-for-sale financial assets		(430)	6,292
Net fair value changes transferred to profit or loss on impairment		784	-
		<b>(4,747)</b>	6,018
<i>Items that will never be reclassified to profit or loss:</i>			
Remeasurement of defined benefit asset including related tax		<b>290</b>	(31)
		<b>290</b>	(31)
<b>Other comprehensive income, net of tax</b>		<b>(4,457)</b>	5,987
<b>Total comprehensive income for the period</b>		<b>11,678</b>	22,818
<b>Profit for the period attributable to:</b>			
Equity holders of the Company		14,232	14,461
Non-controlling interest		1,903	2,370
		<b>16,135</b>	16,831
<b>Total comprehensive income for the period attributable to:</b>			
Equity holders of the Company		9,788	20,448
Non-controlling interest		1,890	2,370
		<b>11,678</b>	22,818
<b>Basic earnings per share (Fils)</b>	7	<b>8.6</b>	8.7

The condensed consolidated interim financial statements which consist of pages 3 to 14 were approved by the Board of Directors on 29 April 2015 and signed on its behalf by:

Sh. Hamad Bin Abdulla Al Khalifa  
Chairman

Mr. Abdul Razak Abdulla Al Qassim  
Deputy Chairman

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the three months ended 31 March 2015**

BD'000

	Note	Three months ended 31 March	
		2015 (reviewed)	2014 (reviewed)
<b>OPERATING ACTIVITIES</b>			
Results from operating activities		18,626	21,650
<b>Adjustment for:</b>			
Depreciation and amortisation		17,033	16,409
		<b>35,659</b>	38,059
<b>Working capital Changes:</b>			
Increase in trade and other receivables		(9,055)	(10,047)
(Increase)/decrease in inventories		(122)	347
Decrease in trade and other payables		(2,359)	(4,401)
<b>Cash generated from operating activities</b>		<b>24,123</b>	23,958
Taxes paid		(2,620)	(3,222)
Payment to charities		(223)	(231)
<b>Net cash from operating activities</b>		<b>21,280</b>	20,505
<b>INVESTING ACTIVITIES</b>			
Acquisition of property, equipment and intangibles		(6,393)	(8,792)
Short-term deposits (net)		13,989	(3,701)
Interest and investment income received		802	1,668
<b>Net cash from/(used in) investing activities</b>		<b>8,398</b>	(10,825)
<b>FINANCING ACTIVITIES</b>			
Dividend paid		(25,587)	(15,599)
Interest paid		(360)	(902)
Borrowings (net)		566	1,783
<b>Net cash used in financing activities</b>		<b>(25,381)</b>	(14,718)
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>4,297</b>	(5,038)
Cash and cash equivalents at 1 January		95,732	195,070
<b>Cash and cash equivalents at 31 March</b>	4	<b>100,029</b>	190,032

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the three months ended 31 March 2015

BD'000

2015	Equity attributable to equity holders of the Company							Total	Non - controlling interest	Total equity
	Share capital	Statutory reserve	General reserve	Foreign currency translation reserve	Investment fair value reserve	Actuarial reserve	Retained earnings			
At 1 January 2015	166,320	83,160	46,464	3,056	(589)	(2,293)	235,950	532,068	46,990	579,058
Profit for the period	-	-	-	-	-	-	14,232	14,232	1,903	16,135
<b>Other comprehensive income</b>										
Foreign currency translation differences	-	-	-	(5,088)	-	-	-	(5,088)	(13)	(5,101)
Investment fair value changes	-	-	-	-	(430)	-	-	(430)	-	(430)
Net fair value change transferred to profit or loss on impairment	-	-	-	-	784	-	-	784	-	784
Remeasurement of defined benefit liability including related tax	-	-	-	-	-	290	-	290	-	290
<b>Total other comprehensive income</b>	-	-	-	<b>(5,088)</b>	<b>354</b>	<b>290</b>	-	<b>(4,444)</b>	<b>(13)</b>	<b>(4,457)</b>
<b>Total comprehensive income for the period</b>	-	-	-	<b>(5,088)</b>	<b>354</b>	<b>290</b>	<b>14,232</b>	<b>9,788</b>	<b>1,890</b>	<b>11,678</b>
<b>Contributions and distributions</b>										
Final dividends declared for 2014	-	-	-	-	-	-	(24,948)	(24,948)	-	(24,948)
Donations declared for 2014	-	-	-	-	-	-	(1,234)	(1,234)	-	(1,234)
<b>Total Contributions and distributions</b>	-	-	-	-	-	-	<b>(26,182)</b>	<b>(26,182)</b>	-	<b>(26,182)</b>
<b>At 31 March 2015</b>	<b>166,320</b>	<b>83,160</b>	<b>46,464</b>	<b>(2,032)</b>	<b>(235)</b>	<b>(2,003)</b>	<b>224,000</b>	<b>515,674</b>	<b>48,880</b>	<b>564,554</b>

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



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the three months ended 31 March 2015

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
Other comprehensive income										
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)
Total other comprehensive income	-	-	-	(274)	6,292	(31)	-	5,987	-	5,987
Total comprehensive income for the period	-	-	-	(274)	6,292	(31)	14,461	20,448	2,370	22,818
<b>Contributions and distributions</b>										
Bonus shares issued	7,920	-	-	-	-	-	(7,920)	-	-	-
Final 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)	-	-	-
<b>Total Contributions and distributions</b>	7,920	1,516	-	-	-	-	(26,366)	(16,930)	-	(16,930)
At 31 March 2014	166,320	79,200	46,412	10,911	7,688	(1,454)	233,854	542,931	56,102	599,033

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
for the three months ended 31 March 2015**

BD'000

**1 REPORTING ENTITY**

The condensed consolidated interim financial statements as at and for the three month period ended 31 March 2015 comprise the condensed consolidated interim financial statements of Bahrain Telecommunications Company BSC ("Batelco" / "the Company") and its subsidiaries (collectively "the Group") and the Group's interests in an associate entity. . The Group is principally engaged in the provision of public telecommunications and associated products and services.

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

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 – 'Interim Financial Reporting'. These do not include all the information required for a complete set of IFRS financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2014. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2014.

**(b) Accounting policies**

The accounting policies and risk management framework applied by the Group in the preparation of the condensed consolidated interim financial statements are consistent with those applied in the preparation of the consolidated financial statements as at and for the year ended 31 December 2014, except for the adoption of relevant new IFRSs, amendments and interpretations issued by IASB that are effective for annual periods beginning on or after 1 January 2015. The adoption of these new standards / amendments did not have a significant impact on the condensed consolidated interim financial statements.

The condensed consolidated interim financial statements are not audited but have been reviewed by KPMG Fakhro. The comparatives for the condensed consolidated statement of financial position have been extracted from the audited consolidated financial statements for the year ended 31 December 2014 and comparatives for the condensed consolidated statements of profit or loss and other comprehensive income, cash flows and changes in equity have been extracted from the reviewed condensed consolidated interim financial statements for the three months period ended 31 March 2014.

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

**(c) Judgements and estimates**

In preparing these condensed consolidated interim financial statements, management make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2014.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**for the three months ended 31 March 2015**

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**3 OTHER INVESTMENTS**

Available-for-sale investments:

- Quoted equity securities (at fair value)
- Unquoted equity securities (at cost)
- Debt securities (at fair value)

<b>31 March 2015 (reviewed)</b>	<b>31 December 2014 (audited)</b>
15,219	16,003
815	815
18,926	18,648
<b>34,960</b>	<b>35,466</b>

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

**4 CASH AND BANK BALANCES**

Cash and bank balances include BD 48,665 (2014: BD 7,636) on account of short-term deposits with maturities exceeding three months and unclaimed dividends. These have been excluded for the purposes of condensed consolidated statement of cash flows.

**5 LOANS AND BORROWINGS**

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

Current Loans and borrowings consist of an overdraft facility with a total available amount of BD 754 (USD 2 million) obtained during 2015 by a group company for the purpose of settlement of foreign currency trade payables. The facility carries an interest rate of one month LIBOR + 6% per annum and a facility fee of BD 26 (USD 70).

**6 REVENUE**

Mobile telecommunications services  
 Data communication circuits  
 Internet  
 Wholesale  
 Fixed line telecommunication services  
 Others

<b>Three months ended 31 March</b>	
<b>2015 (reviewed)</b>	<b>2014 (reviewed)</b>
41,730	43,466
14,765	15,358
11,400	10,877
8,566	9,439
7,120	7,976
10,082	10,467
<b>93,663</b>	<b>97,583</b>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
for the three months ended 31 March 2015**

BD'000

**7 EARNINGS PER SHARE**

The calculation of earnings per share ("EPS") is based on the profit attributable to owners of the Company for the three months ended 31 March 2015 of BD 14.2 million (31 March 2014: BD 14.5 million), attributable to the weighted average number of shares outstanding during the period totaling 1,663 million ordinary shares of 100 fils each.

**8 COMMITMENTS AND CONTINGENCIES****a) Guarantees**

- (i) The Company has furnished guarantees amounting to BD 4.9 million (2014: BD 5.1 million) to suppliers on behalf of an investee company in Kingdom of Saudi Arabia relating to the equipment supply contracts.
- (ii) As at 31 March 2015, the Group's banks have issued guarantees, amounting to BD 5.9 million (2014: BD 7.3 million) and letters of credit amounting to BD 14.8 million (2014: 8.1 million).
- (iii) The Group has furnished a comfort letter for BD 1.9 million (2014: BD 1.9 million) to Telecommunications Regulatory Commission, Jordan for providing a financial guarantee for the subsidiary companies operating in Jordan.

**b) Commitments**

The Group has capital commitments at 31 March 2015 amounting to BD 25.2 million (2014: BD 15.8 million).

**c) Contingent liabilities**

The Group is involved in certain matters relating to notifications from regulatory authorities and government tax departments of claims and other notices amounting to BD 5.0 million (2014: BD 5.9 million). The Group is of the view that there are no legitimate legal grounds for such claims and notices, and all necessary legal steps to respond to and defend its position are being taken.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**for the three months ended 31 March 2015**

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**9 RELATED PARTIES**

**a) Transactions with related parties**

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

**b) Transactions with key management personnel**

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

	<b>Three months ended 31 March</b>	
	<b>2015 (reviewed)</b>	2014 (reviewed)
Short-term employee benefits	483	460
Post-employment benefits	192	72
<b>Total key management personnel compensation</b>	<b>675</b>	532
<b>Directors remuneration (including sitting fees)</b>	<b>169</b>	132

**10 APPROPRIATIONS**

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

**11 COMPARATIVES**

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
for the three months ended 31 March 2015**

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**12 FAIR VALUE**

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

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

*Fair value hierarchy*

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

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

The table below analyses financial instruments measured as at 31 March 2015, by the level in the fair value hierarchy into which the fair value measurement is categorized:

31 March 2015	Fair value				Carrying Value
	Level 1	Level 2	Level 3	Total fair value	
<b>Financial assets measured at fair value</b>					
Other investments	33,578	-	567	34,145	34,145
<b>Financial liabilities measured at fair value</b>					
Contingent consideration (Other Payables)	-	-	3,031	3,031	3,031
<b>Financial liabilities not measured at fair value</b>					
Loans and borrowings – Bonds	178,523	-	-	178,523	176,597
Other loans and borrowings	-	-	566	566	566

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**for the three months ended 31 March 2015**

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## 12 FAIR VALUE (continued)

	Fair value				Carrying Value
	Level 1	Level 2	Level 3	Total fair value	
31 December 2014					
Financial assets measured at fair value					
Other investments	34,084	-	567	34,651	34,651
Financial liabilities measured at fair value					
Contingent consideration (Other Payables)	-	-	3,031	3,031	3,031
Financial liabilities not measured at fair value					
Loans and borrowings - Bonds	175,626	-	-	175,626	176,523

There were no transfers between any of the categories during the period. The Bonds have been fair valued using its quoted prices. Other loans and borrowings are repriced at frequent intervals and hence the carrying value is a reasonable approximation of its fair value. The Group has not disclosed the fair value for financial instruments such as short term trade and other receivables, trade and other payables and cash and bank balances, because their carrying amounts are a reasonable approximation of fair values.

### 13 ACQUISITION OF BUSINESSES

In July 2014, Sure (Jersey) Limited (Group's wholly owned subsidiary in Jersey), acquired 100% of the share capital of Foreshore Limited, a company registered in Jersey and involved in provision of data center services. The total consideration for the transaction was BD 1.11 million. The acquisition was part of the Group's strategy of expanding the scale and scope of the Group's operations whilst maintaining its financial position.

In the first quarter of 2015, the Group de-recognised deferred tax asset of BD 137 which was originally recognised as part of the acquisition accounting. The de-recognition resulted in an increase in goodwill by the same amount. No other material changes were made to the fair value of the acquired assets and liabilities.

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
for the three months ended 31 March 2015

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**14 SEGMENT INFORMATION***Operating segments*

The Group's operations are segregated between Bahrain, Jordan, Maldives, CIIM (Guernsey, Jersey and Isle of Man) and other countries. Other countries include South Atlantic, Diego Garcia, Kuwait, Yemen and Egypt. Segment information disclosed for the three months ended 31 March 2015 is as follows:

As at 31 March 2015 (reviewed)							
	Bahrain	Jordan	Maldives	CIIM	Other countries	Inter - segment elimination	Total
<b>Segment revenue and profit</b>							
Revenue (external customers)	38,395	20,168	14,310	12,125	8,665	-	92,663
Inter-segment revenues	481	234	1	-	521	(1,237)	-
Profit	9,463	571	3,768	731	1,579	23	16,135

As at 31 March 2014 (reviewed)							
	Bahrain	Jordan	Maldives	CIIM	Other countries	Inter - segment elimination	Total
Revenue (external customers)	41,511	21,452	13,339	12,721	8,560	-	97,583
Inter-segment revenues	1,204	299	-	-	755	(2,258)	-
Profit	12,509	1,217	3,597	111	(603)	-	16,831

As at 31 March 2015 (reviewed)							
	Bahrain	Jordan	Maldives	CIIM	Other countries	Inter - segment elimination	Total
<b>Segment assets &amp; liabilities</b>							
Non-current assets	145,895	217,171	105,226	93,467	122,094	(13,849)	670,004
Current assets	173,183	17,925	36,439	16,104	109,114	(71,638)	281,127
<b>Total assets</b>	<b>319,078</b>	<b>235,096</b>	<b>141,665</b>	<b>109,571</b>	<b>231,208</b>	<b>(85,487)</b>	<b>951,131</b>
Current liabilities	113,580	53,473	15,895	10,211	28,678	(37,878)	183,959
Non-current liabilities	176,598	2,358	8,458	8,498	44,406	(37,700)	202,618
<b>Total liabilities</b>	<b>290,178</b>	<b>55,831</b>	<b>24,353</b>	<b>18,709</b>	<b>73,084</b>	<b>(75,578)</b>	<b>386,577</b>

As at 31 December 2014 (Audited)							
	Bahrain	Jordan	Maldives	CIIM	Other countries	Inter - segment elimination	Total
Non-current assets	151,266	220,905	107,713	96,489	124,013	(14,353)	686,033
Current assets	174,978	16,878	28,832	14,971	107,638	(70,553)	272,744
<b>Total assets</b>	<b>326,244</b>	<b>237,783</b>	<b>136,545</b>	<b>111,460</b>	<b>231,651</b>	<b>(84,906)</b>	<b>958,777</b>
Current liabilities	101,831	56,885	14,432	7,911	31,309	(36,447)	175,921
Non-current liabilities	176,524	2,498	8,568	9,154	44,754	(37,700)	203,798
<b>Total liabilities</b>	<b>278,355</b>	<b>59,383</b>	<b>23,000</b>	<b>17,065</b>	<b>76,063</b>	<b>(74,147)</b>	<b>379,719</b>