

Wataniya Palestine Mobile
Telecommunication
Public Shareholding Company
Unaudited Interim Condensed
Financial Statements
September 30, 2016

Wataniya Palestine Mobile Telecommunication
Public Shareholding Company

INTERIM STATEMENT OF FINANCIAL POSITION
September 30, 2016

		September 30, 2016	December 31, 2015
		Unaudited	Audited
	Note	U.S. \$	U.S. \$
<u>Assets</u>			
Non-current assets			
Property and equipment		27,131,016	32,064,736
Projects in progress	3	25,951,057	30,049,245
Intangible assets	4	139,738,870	141,411,559
		<u>192,820,943</u>	<u>203,525,540</u>
Current assets			
Advances to contractors		6,994,446	6,887,119
Restricted cash		3,947,582	4,001,936
Prepayments and other current assets		2,347,534	1,603,932
Inventory		3,663,238	3,927,813
Accounts receivable		13,092,429	8,100,789
Cash on hand and at banks	5	13,222,872	19,153,712
		<u>43,268,101</u>	<u>43,675,301</u>
Total Assets		<u>236,089,044</u>	<u>247,200,841</u>
<u>Equity and liabilities</u>			
Equity			
Paid-in share capital		258,000,000	258,000,000
Share premium		11,610,000	11,610,000
Accumulated losses		(198,790,216)	(199,906,943)
Net equity		<u>70,819,784</u>	<u>69,703,057</u>
Non-current liabilities			
Provision for employees' indemnity		5,390,356	4,301,824
Interest-bearing loans and borrowings	6	46,171,966	45,743,645
Other non-current liability		54,346,654	54,346,654
		<u>105,908,976</u>	<u>104,392,123</u>
Current liabilities			
Current portion of interest- bearing loans and borrowings	6	19,500,000	27,000,000
Accounts payable		8,500,781	11,114,168
Due to related parties		177,750	156,771
Deferred revenues		4,091,849	4,580,026
Other current liabilities		21,359,129	17,905,265
Accrued project cost		5,730,775	12,349,431
		<u>59,360,284</u>	<u>73,105,661</u>
Total liabilities		<u>165,269,260</u>	<u>177,497,784</u>
Total Equity and Liabilities		<u>236,089,044</u>	<u>247,200,841</u>

The attached notes 1 to 11 form part of these interim condensed financial statements

Wataniya Palestine Mobile Telecommunication
Public Shareholding Company

INTERIM STATEMENT OF PROFIT OR LOSS

For the three-month and nine-month periods ended September 30, 2016

	Three Months Ended September 30		Nine Months Ended September 30	
	2016	2015	2016	2015
	Unaudited		Unaudited	
Note	U.S. \$	U.S. \$	U.S. \$	U.S. \$
Revenue	22,329,599	23,274,543	63,753,701	63,552,420
Cost of service	(9,652,143)	(11,455,803)	(27,515,857)	(32,690,652)
	<u>12,677,456</u>	<u>11,818,740</u>	<u>36,237,844</u>	<u>30,861,768</u>
Finance income	74,297	79,344	260,070	284,622
Currency exchange gain (loss)	71,630	451,312	13,721	(722,688)
General and administrative expenses	(5,410,951)	(5,362,936)	(15,560,297)	(16,813,025)
Marketing expenses	(1,546,077)	(1,063,159)	(4,145,146)	(3,449,443)
Depreciation and amortization	(4,555,732)	(5,051,209)	(14,405,879)	(14,765,592)
Finance costs	7 (1,043,361)	(1,217,226)	(3,221,867)	(3,680,792)
(Provision) recovery of impairment of accounts receivables	<u>(177,932)</u>	<u>(50,000)</u>	<u>1,938,281</u>	<u>(50,000)</u>
Profit (loss) for the period	<u>89,330</u>	<u>(395,134)</u>	<u>1,116,727</u>	<u>(8,335,150)</u>
Basic and diluted earnings per share	8 <u>0.0003</u>	<u>(0.0015)</u>	<u>0.0043</u>	<u>(0.0323)</u>

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The attached notes 1 to 11 form part of these interim condensed financial statements

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Wataniya Palestine Mobile Telecommunication
Public Shareholding Company

INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the three-month and nine-month periods ended September 30, 2016

	Three Months Ended September 30		Nine Months Ended September 30	
	2016	2015	2016	2015
	Unaudited		Unaudited	
	U.S. \$	U.S. \$	U.S. \$	U.S. \$
Profit (loss) for the period	89,330	(395,134)	1,116,727	(8,335,150)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>89,330</u>	<u>(395,134)</u>	<u>1,116,727</u>	<u>(8,335,150)</u>

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Wataniya Palestine Mobile Telecommunication
Public Shareholding Company

INTERIM STATEMENT OF CHANGES IN EQUITY
For the nine-month period ended September 30, 2016

	Paid-in share capital U.S. \$	Share premium U.S. \$	Accumulated losses U.S. \$	Net equity U.S. \$
Balance at January 1, 2016	258,000,000	11,610,000	(199,906,943)	69,703,057
Total comprehensive income for the period	-	-	1,116,727	1,116,727
Balance at September 30, 2016 (unaudited)	<u>258,000,000</u>	<u>11,610,000</u>	<u>(198,790,216)</u>	<u>70,819,784</u>
Balance at January 1, 2015	258,000,000	11,610,000	(194,769,608)	74,840,392
Total comprehensive income for the period	-	-	(8,335,150)	(8,335,150)
Balance at September 30, 2015 (unaudited)	<u>258,000,000</u>	<u>11,610,000</u>	<u>(203,104,758)</u>	<u>66,505,242</u>

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Wataniya Palestine Mobile Telecommunication
Public Shareholding Company

INTERIM STATEMENT OF CASH FLOWS

For the nine-month period ended September 30, 2016

		September 30, 2016	September 30, 2015
		Unaudited	Unaudited
	Note	U.S. \$	U.S. \$
<u>Operating activities</u>			
Profit (loss) for the period		1,116,727	(8,335,150)
Adjustments for:			
Depreciation		7,060,435	7,805,938
Provision for employees' indemnity		1,575,037	1,100,339
(Recovery) provision from provision of impairment of accounts receivables		(1,938,281)	50,000
(Gain) loss on disposal of property and equipment		(34,118)	359,360
Finance income		(260,070)	(284,622)
Finance costs		3,221,867	3,680,792
Amortization		7,345,444	6,959,654
		<u>18,087,041</u>	<u>11,336,311</u>
Working capital changes:			
Prepayments and other current assets		(727,279)	(678,683)
Inventory		264,575	(2,594,565)
Accounts receivable		(3,053,359)	(1,170,274)
Accounts payable		(2,456,106)	(3,332,682)
Due to related parties		20,979	(35,009)
Deferred revenues		(488,177)	285,345
Other current liabilities		3,468,432	6,569,788
Provision for employees' indemnity paid		(643,786)	(1,307,158)
Net cash flows from operating activities		<u>14,472,320</u>	<u>9,073,073</u>
<u>Investing activities</u>			
Purchase of property and equipment and intangibles		(2,499,106)	(975,767)
Proceed from disposal of property and equipment		34,118	22,039
Projects in progress		(7,820,832)	(12,156,872)
Advances to contractors		(107,327)	6,003,585
Interest received		243,747	264,742
Net cash flows used in investing activities		<u>(10,149,400)</u>	<u>(6,842,273)</u>
<u>Financing activities</u>			
Repayment of loans		(7,500,000)	(6,562,500)
Syndicated loan transaction cost paid		(313,374)	(628,181)
Interest paid		(2,494,740)	(3,474,882)
Restricted cash		54,354	(883,393)
Net cash flows used in financing activities		<u>(10,253,760)</u>	<u>(11,548,956)</u>
Decrease in cash and cash equivalents		(5,930,840)	(9,318,156)
Cash and cash equivalents, beginning of the period		<u>19,153,712</u>	<u>30,063,082</u>
Cash and cash equivalents, end of the period	5	<u><u>13,222,872</u></u>	<u><u>20,744,926</u></u>

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