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

Note U.S. \$ U.S. \$	September 30, 2016		September 30, 2016 Unaudited	December 31, 2015 Audited
Non-current assets		Note	U.S. \$	U.S. \$
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 Current assets 192,820,943 203,525,540 Current assets 6,994,446 6,887,119 Restricted cash 3,947,582 4,001,936 Prepayments and other 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 43,268,101 43,675,301 236,089,044 247,200,841 Equity and liabilities 258,000,000 258,000,000 Share premium 11,610,000 11,610,000 Accumulated losses (198,790,216) (199,906,943) Net equity 70,819,784 69,703,057 Non-current liabilities 5,390,356 4,301,824 Interest-bearing loans and borrowings 6 46,171,966 45,743,645 Other non-current liabilit				
Projects in progress Intangible assets 3 25,951,057 130,049,245 141,411,559 30,049,245 141,411,559 Intangible assets 4 139,738,870 141,411,559 141,411,559 Current assets 3,947,582 4,001,936 4,001,936 Restricted cash 3,947,582 4,001,936 4,001,936 Prepayments and other current assets 2,347,534 1,603,932 1,603,932 Inventory 3,663,238 3,927,813 3,927,813 Accounts receivable 13,092,429 8,100,789 8,100,789 Cash on hand and at banks 5 13,222,872 19,153,710 19,153,710 Total Assets 236,089,044 247,200,841 247,200,841 Equity and liabilities 258,000,000 258,000,000 258,000,000 Share premium 11,610,000 11,610,000 11,610,000 11,610,000 11,610,000 Accumulated losses (198,790,216) (199,906,943) 70,819,784 (99,006,943) 4301,824 Non-current liabilities 25,390,356 (4,301,824) 4,301,824 Interest-bearing loans and borrowings 6 46,171,966 (45,743,645) 54,346,654 (54,654) 54,346,654 (54,654) 54,346,654 (54,654) 54,346,654 (54,654) 54,346,654 (54,677)				
Intangible assets				
Current assets 192,820,943 203,525,540 Advances to contractors 6,994,446 6,887,119 Restricted cash 3,947,582 4,001,936 Prepayments and other 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 Total Assets 236,089,044 247,200,841 Equity and liabilities 258,000,000 258,000,000 Equity and liabilities 258,000,000 11,610,000 Share premium 11,610,000 11,610,000 Accumulated losses (198,790,216) (199,906,943) Net equity 70,819,784 69,703,057 Non-current liabilities 8 105,908,976 4,301,824 Interest-bearing loans and borrowings 6 46,171,966 45,743,645 Other non-current liabilities 105,908,976 104,392,123 Current portion of interest-bearing loans and borrowings 6 19,500,000 27,000,000	. 0			
Current assets Advances to contractors 6,994,446 6,887,119 Restricted cash 3,947,582 4,001,936 Prepayments and other 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 43,268,101 43,675,301 247,200,841 Equity and liabilities 258,000,000 258,000,000 Share premium 11,610,000 11,610,000 Accumulated losses (198,790,216) (199,906,943) Net equity 70,819,784 69,703,057 Non-current liabilities 5,390,356 4,301,824 Interest-bearing loans and borrowings 6 46,171,966 45,743,645 Other non-current liabilities 54,346,654 54,346,654 54,346,654 Current portion of interest-bearing loans and borrowings 6 46,171,966 45,743,645 Current liabilities 105,908,976 104,392,123 Current liabilities 71,750 156,771<	Intangible assets	4	139,738,870	141,411,559
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 Total Assets 236,089,044 247,200,841 Equity and liabilities 258,000,000 258,000,000 Share premium 11,610,000 11,610,000 Accumulated losses (198,790,216) (199,906,943) Net equity 70,819,784 69,703,057 Non-current liabilities 70,819,784 69,703,057 Non-current liabilities 70,819,784 69,703,057 Non-current liabilities 5,390,356 4,301,824 Interest-bearing loans and borrowings 6 46,171,966 45,743,645 Other non-current liabilities 54,346,654 54,346,654 105,908,976 104,392,123 Current liabilities 8,500,781 11,114,168 11,114,168<			192,820,943	203,525,540
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 43,268,101 43,675,301 236,089,044 247,200,841 Equity and liabilities Equity 258,000,000 258,000,000 Share premium 11,610,000 11,610,000 11,610,000 Accumulated losses (198,790,216) (199,906,943) Net equity 70,819,784 69,703,057 Non-current liabilities 5,390,356 4,301,824 Interest-bearing loans and borrowings 6 46,171,966 45,743,645 Other non-current liabilities 54,346,654 54,346,654 54,346,654 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 revenue				
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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 43,268,101 43,675,301 Total Assets 236,089,044 247,200,841 Equity and liabilities Formal assets 258,000,000 258,000,000 Share premium 11,610,000 11,610,000 Accumulated losses (198,790,216) (199,906,943) Net equity 70,819,784 69,703,057 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 Total liabilities 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 59,360,284 73,105,661 Total liabilities 165,269,260 177,497,784			3,947,582	4,001,936
Inventory				
Accounts receivable				
Cash on hand and at banks 5 13,222,872 19,153,712 Total Assets 43,268,101 43,675,301 Equity and liabilities 236,089,044 247,200,841 Equity and liabilities 258,000,000 258,000,000 Share premium 11,610,000 11,610,000 Accumulated losses (198,790,216) (199,906,943) Net equity 70,819,784 69,703,057 Non-current liabilities 5,390,356 4,301,824 Interest-bearing loans and borrowings 6 46,171,966 45,743,645 Other non-current liabilities 54,346,654 54,346,654 105,908,976 104,392,123 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 59,360,284 73,105,661	2			
Total Assets 236,089,044 247,200,841 Equity and liabilities 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 70,819,784 69,703,057 Non-current liabilities Provision for employees' indemnity Interest-bearing loans and borrowings 6 46,171,966 45,743,645 Other non-current liability 54,346,654 54,346,654 105,908,976 104,392,123 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 59,360,284 73,105,661 Total liabilities 165,269,260 177,497,784		_		
Total Assets 236,089,044 247,200,841 Equity and liabilities 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 70,819,784 69,703,057 Non-current liabilities 70,819,784 69,703,057 Non-current liabilities 5,390,356 4,301,824 Interest-bearing loans and borrowings 6 46,171,966 45,743,645 Other non-current liabilities 54,346,654 54,346,654 54,346,654 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 Total liabilities 165,269,260 177,497,784	Cash on hand and at banks	5		THE RESERVE OF THE PERSON NAMED IN COLUMN TWO IS NOT THE PERSON NAMED IN COLUMN TWO IS NOT THE PERSON NAMED IN
Equity and liabilities 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 70,819,784 69,703,057 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 Other non-current liabilities 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 Total liabilities 165,269,260 177,497,784				
Equity Paid-in share capital Share premium Accumulated losses Net equity Non-current liabilities Provision for employees' indemnity Interest-bearing loans and borrowings Other non-current liabilities Current portion of interest-bearing loans and borrowings Accounts payable Due to related parties Other current liabilities Current protion of interest-bearing loans and borrowings Accounts payable Due to related parties Other current liabilities Total liabilities Total liabilities 105,809,260 258,000,000 11,610,000 11,610,000 11,610,000 11,610,000 12,903,055 4,301,824 1301,824 14,301,824 105,908,976 104,392,123 105,908,976 104,392,123 105,908,976 104,392,123 105,908,976 104,392,123 105,908,976 104,392,123 105,908,976 104,392,123 105,908,976 104,392,123 105,908,976 104,392,123 105,908,976 104,392,123 105,908,976 104,392,123 105,908,976 104,392,123 105,908,976 104,392,123 105,908,976 104,392,123 105,908,976 104,392,123 105,908,976 104,392,123 105,908,976 105,908,	Total Assets		236,089,044	247,200,841
Net equity 70,819,784 69,703,057	Equity Paid-in share capital Share premium		11,610,000	11,610,000
Non-current liabilities Frovision 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 Current liabilities 105,908,976 104,392,123 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 Total liabilities 165,269,260 177,497,784			(130,730,210)	(199,900,943)
Provision for employees' indemnity Interest-bearing loans and borrowings 5,390,356 4,301,824 Other non-current liability 6 46,171,966 45,743,645 Other non-current liability 54,346,654 54,346,654 Current liabilities 105,908,976 104,392,123 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 Total liabilities 165,269,260 177,497,784	Net equity		70,819,784	69,703,057
Other non-current liability 54,346,654 54,346,654 Current liabilities 105,908,976 104,392,123 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 Total liabilities 165,269,260 177,497,784	Provision for employees' indemnity Interest-bearing loans and		5,390,356	4,301,824
Current liabilities Current portion of interest- bearing loans and borrowings Accounts payable Due to related parties Other current liabilities Accrued project cost Total liabilities 105,908,976 104,392,123 105,908,976 19,500,000 27,000,000		6		45,743,645
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 Total liabilities 165,269,260 177,497,784	Other non-current liability			
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 Total liabilities 165,269,260 177,497,784			105,908,976	104,392,123
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 Total liabilities 165,269,260 177,497,784	Current portion of interest-	6	19 500 000	27 000 000
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 Total liabilities 165,269,260 177,497,784		O		
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 Total liabilities 165,269,260 177,497,784	. =			
Other current liabilities 21,359,129 17,905,265 Accrued project cost 5,730,775 12,349,431 59,360,284 73,105,661 Total liabilities 165,269,260 177,497,784				
Accrued project cost 5,730,775 12,349,431 59,360,284 73,105,661 Total liabilities 165,269,260 177,497,784				
59,360,284 73,105,661 Total liabilities 165,269,260 177,497,784				
Total liabilities 165,269,260 177,497,784				
	Total liabilities			
250,005,044 247,200,841				property and the second
	. ovar Equity and Eldonicho		200,000,044	477,200,041

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

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INTERIM STATEMENT OF PROFIT OR LOSS

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

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





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 Other comprehensive income	89,330	(395,134)	1,116,727	(8,335,150)
for the period		46		
Total comprehensive income for the period	89,330	(395,134)	1,116,727	(8,335,150)





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 Balance at September 30, 2016		_	1,116,727	1,116,727
(unaudited)	258,000,000	11,610,000	(198,790,216)	70,819,784
Balance at January 1, 2015 Total comprehensive income	258,000,000	11,610,000	(194,769,608)	74,840,392
for the period Balance at September 30,			(8,335,150)	(8,335,150)
2015 (unaudited)	258,000,000	11,610,000	(203,104,758)	66,505,242

INTERIM STATEMENT OF CASH FLOWS

For the nine-month period ended September 30, 2016

		September 30, 2016	September 30, 2015
		Unaudited	Unaudited
Operating activities	Note	U.S. \$	U.S. \$
Profit (loss) for the period		1,116,727	(8,335,150)
Adjustments for: Depreciation Provision for employees' indemnity (Recovery) provision from provision of impairment of		7,060,435 1,575,037	7,805,938 1,100,339
accounts receivables (Gain) loss on disposal of property and equipment Finance income Finance costs Amortization		(1,938,281) (34,118) (260,070) 3,221,867 7,345,444 18,087,041	50,000 359,360 (284,622) 3,680,792 6,959,654 11,336,311
Working capital changes: Prepayments and other current assets Inventory Accounts receivable Accounts payable Due to related parties Deferred revenues Other current liabilities Provision for employees' indemnity paid		(727,279) 264,575 (3,053,359) (2,456,106) 20,979 (488,177) 3,468,432 (643,786)	(678,683) (2,594,565) (1,170,274) (3,332,682) (35,009) 285,345 6,569,788 (1,307,158)
Net cash flows from operating activities		14,472,320	9,073,073
Investing activities Purchase of property and equipment and intangibles Proceed from disposal of property and equipment Projects in progress Advances to contractors Interest received		(2,499,106) 34,118 (7,820,832) (107,327) 243,747	(975,767) 22,039 (12,156,872) 6,003,585 264,742
Net cash flows used in investing activities		(10,149,400)	(6,842,273)
Financing activities Repayment of loans Syndicated loan transaction cost paid Interest paid Restricted cash Net cash flows used in financing activities		(7,500,000) (313,374) (2,494,740) 54,354 (10,253,760)	(6,562,500) (628,181) (3,474,882) (883,393) (11,548,956)
and the second s		(10,200,700)	(11,040,000)
Decrease in cash and cash equivalents		(5,930,840)	(9,318,156)
Cash and cash equivalents, beginning of the period		19,153,712	30,063,082
Cash and cash equivalents, end of the period	5	13,222,872	20,744,926

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

4.7.