

**Mobile Telecommunications Company K.S.C. and subsidiaries
Kuwait**

**Interim Consolidated Financial Information (Unaudited)
30 September 2007**

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INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS

**Mobile Telecommunications Company K.S.C. and subsidiaries
Kuwait**

Report on Review of Interim Consolidated Financial Information

Introduction

We have reviewed the accompanying condensed consolidated balance sheet of Mobile Telecommunications Company K.S.C. (the Parent Company) and its subsidiaries (together called "the Group" as at 30 September 2007 and the related condensed consolidated statement of income, statement of changes in equity and statement of cash flows for the nine month period then ended. Management is responsible for the preparation and presentation of this interim consolidated financial information in accordance with International Accounting Standard 34 – Interim Financial Reporting. Our responsibility is to express a conclusion on this interim consolidated 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.

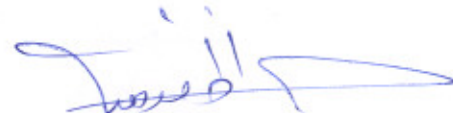
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial information is not prepared in all material respects in accordance with International Accounting Standard 34 – Interim Financial Reporting.

Report on other Legal and Regulatory Requirements

Furthermore, based on our review, the interim consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, no violations of the Commercial Companies' Law of 1960, as amended, or of the Articles of Association of the Parent Company have occurred during the period ended 30 September 2007 that might have had a material effect on the business of the Group or on its financial position.


Bader A. Al Wazzan
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Condensed Consolidated Balance Sheet as at 30 September 2007 (Unaudited)

		Unaudited 30 September 2007	Audited 31 December 2006 (Restated)	Unaudited 30 September 2006 (Restated)
	Note			KD '000
Assets				
Current assets				
Cash and bank balances	4	173,920	371,731	290,238
Short-term deposits		110,129	102,591	123,598
Trade and other receivables		308,178	184,485	174,360
Inventories		19,825	14,791	14,115
Investments – at fair value through profit or loss		24,124	18,455	18,851
		<u>636,176</u>	<u>692,053</u>	<u>621,162</u>
Non current assets				
Deferred tax assets		59,254	40,618	36,051
Investments – available-for-sale		180,428	134,843	133,253
Investment in associates		279,939	8,026	7,612
Property and equipment		987,666	775,222	702,465
Projects in progress		291,144	319,601	265,656
Intangible assets		1,512,279	1,506,524	1,501,630
Other financial assets	5	181,590	6,648	5,449
		<u>3,492,300</u>	<u>2,791,482</u>	<u>2,652,116</u>
Total Assets		<u>4,128,476</u>	<u>3,483,535</u>	<u>3,273,278</u>
Liabilities and Equity				
Current liabilities				
Trade and other payables	6	455,967	426,698	460,067
Due to banks		432,825	460,721	310,962
Due to minority interest holders	7	18,936	155,262	-
		<u>907,728</u>	<u>1,042,681</u>	<u>771,029</u>
Non current liabilities				
Due to banks		1,518,445	921,117	945,731
Deferred tax liabilities		12,109	9,980	9,039
Other non current liabilities		45,521	16,022	15,130
Due to minority interest holders		-	-	134,206
		<u>1,576,075</u>	<u>947,119</u>	<u>1,104,106</u>
Equity				
Attributable to the Parent Company's shareholders				
Share capital	8	189,306	126,182	126,182
Treasury shares	10	(15,576)	(15,576)	(15,576)
Share premium		624,465	624,465	624,465
Legal reserve		63,091	63,091	54,862
Voluntary reserve		63,091	63,091	54,862
Foreign currency translation reserve		(32,783)	(24,326)	(20,892)
Investment fair valuation reserve		75,391	41,778	39,182
Share based compensation reserve		7,551	5,736	-
Retained earnings		518,207	470,055	404,293
		<u>1,492,743</u>	<u>1,354,496</u>	<u>1,267,378</u>
Minority interest		<u>151,930</u>	<u>139,239</u>	<u>130,765</u>
Total equity		<u>1,644,673</u>	<u>1,493,735</u>	<u>1,398,143</u>
Total Liabilities and Equity		<u>4,128,476</u>	<u>3,483,535</u>	<u>3,273,278</u>

The accompanying notes are an integral part of this interim consolidated financial information.

This financial information has been approved for issue by the Board of Directors on 12 November 2007.


Asa'ad Ahmed Al-Banwan
Chairman


Dr. Saad Hamad Al-Barrak
Managing Director and Deputy Chairman

Mobile Telecommunications Company K.S.C. and subsidiaries
Kuwait

Condensed Consolidated Statement of Income – nine months ended 30 September 2007 (Unaudited)

	Note	Three months ended 30 September		Nine months ended 30 September	
		2007	2006 (Restated)	2007	2006 (Restated)
		KD'000		KD'000	
Revenue		424,545	372,645	1,224,084	913,556
Cost of sales		(97,521)	(79,635)	(265,949)	(195,243)
Gross profit		327,024	293,010	958,135	718,313
Distribution, marketing & operating expenses		(108,392)	(95,888)	(340,699)	(228,092)
General and administrative expenses		(38,708)	(37,273)	(121,022)	(85,219)
Depreciation and amortization		(54,169)	(49,531)	(170,863)	(113,685)
Provision for doubtful debts		(94)	(1,618)	(968)	(2,996)
Operating profit		125,661	108,700	324,583	288,321
Interest income		4,256	6,106	13,876	12,002
Investment income	11	2,429	1,736	19,794	3,329
Share of profit of an associate		2,806	461	2,924	5,414
Profit/ (loss) on sale of shares in subsidiaries		-	104	-	(183)
Other income		3,966	1,580	7,363	4,854
Finance cost		(32,435)	(27,122)	(88,421)	(60,483)
Gain on currency revaluation		(5,269)	398	1,511	1,144
Board of Directors' remuneration		(7)	(7)	(21)	(21)
Contribution to Kuwait Foundation for Advancement of Sciences		(884)	(821)	(2,415)	(2,174)
National Labour Support Tax		(1,372)	(843)	(4,008)	(2,403)
Profit for the period before income tax		99,151	90,292	275,186	249,800
Income tax expense		(11,644)	(5,392)	(24,840)	(26,525)
Profit for the period		87,507	84,900	250,346	223,275
Attributable to:					
Shareholders of the Parent Company		86,175	80,420	235,085	212,785
Minority interest		1,332	4,480	15,261	10,490
		87,507	84,900	250,346	223,275
Earnings Per Share	12				
Basic – Fils		46	43	127	115
Diluted – Fils		46	43	126	115

The accompanying notes are an integral part of this interim consolidated financial information.

**Mobile Telecommunications Company K.S.C. and subsidiaries
Kuwait**

Condensed Consolidated Statement of Changes in Equity – nine months ended 30 September 2007 (Unaudited)

	Equity attributable to Parent Company's Shareholders									Minority interest	Total equity
	Share capital	Share Premium	Treasury shares	Legal reserve	Voluntary reserve	Foreign currency translation reserve	Investment fair valuation reserve	Share based compensation reserve	Retained earnings		
	KD '000										
Balance at 1 January 2007 – as previously reported	126,182	624,465	(15,576)	63,091	63,091	(24,352)	41,778	5,736	480,367	122,500	1,487,282
Adjustments to provisional values (net of amortisation) (Note 16)	-	-	-	-	-	-	-	-	(10,194)	16,739	6,545
Exchange differences	-	-	-	-	-	26	-	-	(118)	-	(92)
Balance at 1 January 2007 – as restated	<u>126,182</u>	<u>624,465</u>	<u>(15,576)</u>	<u>63,091</u>	<u>63,091</u>	<u>(24,326)</u>	<u>41,778</u>	<u>5,736</u>	<u>470,055</u>	<u>139,239</u>	<u>1,493,735</u>
Net exchange differences	-	-	-	-	-	(8,457)	-	-	-	(1,004)	(9,461)
Realised gain on available-for-sale investments (net)	-	-	-	-	-	-	(9,672)	-	-	-	(9,672)
Changes in fair value of available-for-sale investments	-	-	-	-	-	-	43,285	-	-	-	43,285
Share based compensation	-	-	-	-	-	-	-	1,815	-	-	1,815
Net income/ (expense) recognised directly in equity	-	-	-	-	-	(8,457)	33,613	1,815	-	(1,004)	25,967
Profit for the period	-	-	-	-	-	-	-	-	235,085	15,261	250,346
Total recognised income/(loss) for the period	-	-	-	-	-	(8,457)	33,613	1,815	235,085	14,257	276,313
Capital contribution	-	-	-	-	-	-	-	-	-	1,597	1,597
Adjustment to minority interest share	-	-	-	-	-	-	-	-	-	(452)	(452)
Share of put option liability – Zambia	-	-	-	-	-	-	-	-	-	71	71
Exercise of share options	33	-	-	-	-	-	-	-	(11)	-	22
Issue of bonus shares (2006)	63,091	-	-	-	-	-	-	-	(63,091)	-	-
Cash dividends (2006)	-	-	-	-	-	-	-	-	(123,831)	(2,782)	(126,613)
Balance at 30 September 2007	<u>189,306</u>	<u>624,465</u>	<u>(15,576)</u>	<u>63,091</u>	<u>63,091</u>	<u>(32,783)</u>	<u>75,391</u>	<u>7,551</u>	<u>518,207</u>	<u>151,930</u>	<u>1,644,673</u>
Balance at 1 January 2006 – as previously reported	109,723	624,465	(15,576)	54,862	54,862	2,352	55,540	-	303,521	23,783	1,213,532
Adjustments to provisional values (net of amortisation) (Note 16)	-	-	-	-	-	-	-	-	(4,028)	9,061	5,033
Balance at 1 January 2006 – as restated	<u>109,723</u>	<u>624,465</u>	<u>(15,576)</u>	<u>54,862</u>	<u>54,862</u>	<u>2,352</u>	<u>55,540</u>	<u>-</u>	<u>299,493</u>	<u>32,844</u>	<u>1,218,565</u>
Realised loss on available for sale investments	-	-	-	-	-	-	39	-	-	-	39
Net exchange differences	-	-	-	-	-	(23,244)	-	-	-	(1,147)	(24,391)
Changes in fair value of available-for-sale investments	-	-	-	-	-	-	(16,397)	-	-	-	(16,397)
Net income/ (expense) recognised directly in equity	-	-	-	-	-	(23,244)	(16,358)	-	-	(1,147)	(40,749)
Profit for the period	-	-	-	-	-	-	-	-	212,785	10,490	223,275
Total recognised income for the period	-	-	-	-	-	(23,244)	(16,358)	-	212,785	9,343	182,526
Business combination	-	-	-	-	-	-	-	-	-	74,999	74,999
Adjustments to provisional values	-	-	-	-	-	-	-	-	-	17,748	17,748
Share of put option liability – Zambia	-	-	-	-	-	-	-	-	-	(2,085)	(2,085)
Sale of shares to minority interest	-	-	-	-	-	-	-	-	-	854	854
Issue of bonus shares (2005)	16,459	-	-	-	-	-	-	-	(16,459)	-	-
Cash dividends (2005)	-	-	-	-	-	-	-	-	(91,526)	(2,938)	(94,464)
Balance at 30 September 2006	<u>126,182</u>	<u>624,465</u>	<u>(15,576)</u>	<u>54,862</u>	<u>54,862</u>	<u>(20,892)</u>	<u>39,182</u>	<u>-</u>	<u>404,293</u>	<u>130,765</u>	<u>1,398,143</u>

The accompanying notes are an integral part of this interim consolidated financial information.

**Mobile Telecommunications Company K.S.C. and subsidiaries
Kuwait**

Condensed Consolidated Statement of Cash Flows - nine months ended 30 September 2007 (Unaudited)

	Nine months ended 30 September	
	2007	2006 (Restated)
	KD'000	
Cash flows from operating activities		
Profit for the period before income tax	275,186	249,800
Adjustments for:		
Depreciation and amortization	170,863	113,685
Interest income	(13,876)	(12,002)
Investment income	(19,794)	(3,329)
Share of profit of an associate	(2,924)	(5,414)
Loss from sale of subsidiaries	-	183
Loss on disposal of property and equipment	72	976
Finance cost	88,421	60,483
Gain from currency revaluation	(1,511)	(1,144)
Operating profit before working capital changes	496,437	403,238
(Increase)/ decrease in trade and other receivables	(120,766)	57,878
Increase in inventories	(5,567)	(4,682)
Decrease in trade and other payables	(27,777)	(19,086)
Cash generated from operations	342,327	437,348
Board of Directors' remuneration paid	(28)	(28)
Paid to Kuwait Foundation for Advancement of Sciences	-	(1,851)
National Labour Support Tax paid	(4,320)	(2,877)
Income tax expense paid	(24,991)	(15,014)
<i>Net cash from operating activities</i>	<u>312,988</u>	<u>417,578</u>
Cash flows from investing activities		
Investment in associate	(269,304)	-
Purchase of investments	(466)	(13,133)
Acquisition of subsidiaries	(12,250)	(527,723)
Proceeds from investments	928	781
Acquisition of property and equipment (net)	(352,755)	(234,329)
Acquisition of intangible assets	(55,031)	(42,353)
Interest received	35,180	6,399
Dividend received	4,776	4,567
<i>Net cash used in investing activities</i>	<u>(648,922)</u>	<u>(805,791)</u>
Cash flows from financing activities		
Capital contribution – employees stock option	22	-
Borrowings from banks	569,432	626,668
Loan to an associate	(174,781)	-
Dividends paid to Parent Company's shareholders	(123,318)	(90,298)
Capital contribution of minority shareholder of the Bahraini subsidiary	1,558	-
Dividends paid to minority shareholders of subsidiaries	(2,891)	(2,938)
Finance cost	(110,201)	(23,675)
<i>Net cash from financing activities</i>	<u>159,821</u>	<u>509,757</u>
Net (decrease)/ increase in cash and cash equivalents	(176,113)	121,544
Effect of foreign currency translation	(14,160)	(586)
Cash and cash equivalents at beginning of period	474,322	292,878
Cash and cash equivalents at end of period (Note 4)	<u>284,049</u>	<u>413,836</u>

The accompanying notes are an integral part of this interim consolidated financial information.

1. Incorporation and activities

Mobile Telecommunications Company KSC (the Parent Company) is a Kuwaiti shareholding company incorporated in 1983 in accordance with the Law of Commercial Companies of 1960. Its shares are traded on the Kuwait Stock Exchange. The registered office of the Parent Company is at P.O Box 22244, 13083 Safat, State of Kuwait.

The Parent Company and its subsidiaries (the Group) along with associates provide mobile telecommunication services in Kuwait and 19 other countries (31 December 2006 – Kuwait and 19 other countries; 30 September 2006 – Kuwait and 19 other countries) under licenses from the Governments of the countries in which they operate; purchase, deliver, install, manage and maintain mobile telephone and paging systems; and invest surplus funds in investment securities.

In March 2007, a consortium comprising of the Parent Company and Saudi partners won the bid for the third mobile telecommunications licence in the Kingdom of Saudi Arabia (KSA) for an amount of Saudi Riyals 22.91 billion (equivalent KD 1.77 billion). The Parent Company currently holds a 50% interest in the consortium which will be reduced to 25% following a mandatory initial public offering (“IPO”) of the new mobile operator in the KSA and allocations to two government entities. The consortium expects to launch the telecommunication services in the KSA in early 2008.

In October 2007, the Group signed an agreement with the Government of Ghana to acquire 75% equity interest in Western Telesystems Limited (Westel) for US\$ 120 million (equivalent KD 33.56 million). Westel is one of the two national operators based in the Republic of Ghana licenced to provide fixed and mobile (GSM) telecommunication services. This transaction is subject to the formal approval and authorisation of the Government authorities of the Republic of Ghana which is expected to be concluded before the year-end

2. Basis of preparation

This interim consolidated financial information is prepared in accordance with IAS 34: Interim Financial Reporting. The accounting policies used in the preparation of the interim consolidated financial information are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2006.

This interim consolidated financial information does not contain all of the information and notes required for complete financial statements prepared in accordance with International Financial Reporting Standards. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Results for the interim period are not necessarily indicative of the results that may be expected for the year ending 31 December 2007. For further information, refer to the consolidated financial statements and notes thereto included in the Group’s annual report for the year ended 31 December 2006.

3. Subsidiaries and associates

The initial accounting of the business acquisitions of Mobitel, Sudan and Vee Networks Limited, Nigeria in 2006 were carried out using the provisional values of identifiable assets, liabilities and contingent liabilities. Provisional values on the date of acquisition were initially assigned due to the time and effort required to gather information on fair values which are then determined during the first anniversary of the acquisition. The Group completed the purchase price allocation (PPA) of Mobitel, Sudan and Vee Networks Limited, Nigeria during this period and have restated comparative figures as disclosed in Note 16 to give effect to adjustments arising from the PPA.

In August 2007, Atheer Telecom’s license to operate in Iraq was renewed for a period of 15 years at a license fee of US\$ 1.250 billion.

Notes to the Interim Consolidated Financial Information - 30 September 2007 (Unaudited)

4. Cash and bank balances

Cash and bank balances include the following cash and cash equivalents:

	<u>Unaudited</u> <u>30 September</u> <u>2007</u>	<u>Audited</u> <u>31 December</u> <u>2006</u>	<u>Unaudited</u> <u>30 September</u> <u>2006</u> <u>KD '000</u>
Cash on hand and at banks	173,920	371,731	290,238
Short-term deposits maturing within three months	110,129	102,591	123,598
Cash and cash equivalents	<u>284,049</u>	<u>474,322</u>	<u>413,836</u>

5. Other financial assets

This includes a term loan of US\$ 625 million (equivalent KD 174,781,000) given by the Group to an associate which is payable after five years and carries an interest rate of 2.5% over 3 month LIBOR.

6. Trade and other payables

This includes dividend of KD 5,788,000 (31 December 2006 – KD 5,364,000; 30 September 2006 – KD 5,449,000) payable to the shareholders of the Parent Company.

7. Due to minority interest holders

During the period, the minority interest shareholders exercised their options to sell their 15.014% of the equity of Celtel to the Group for cash.

8. Share Capital

The authorized share capital as of 30 September 2007 is 1,895,655,826 shares of 100 fils each and the issued and fully paid up share capital as of 30 September 2007 consists of 1,893,056,331 shares of 100 fils each after the bonus share issue during the period. (31 December 2006 – 1,261,819,591 shares of 100 fils each; 30 September 2006 - 1,261,819,591 shares of 100 fils each). In the extraordinary general meeting held on 25 March 2007, the Parent Company's shareholders, approved this increase in authorized share capital and the Amiri Decree approving the increase of authorized share capital was issued on 9 July 2007.

9. Dividend - 2006

The annual general meeting of shareholders held on 25 March 2007 approved distribution of cash dividends of 100 fils per share and bonus shares in the ratio of 50 shares for every 100 shares.

10. Treasury shares

These shares were acquired based on the authorization granted to the Board of Directors by the shareholders and in accordance with Ministerial Decrees No. 10 of 1987 and No. 11 of 1988 and are carried at cost. Reserves equivalent to the cost of treasury shares held are not distributable.

	<u>Unaudited</u> <u>30 September</u> <u>2007</u>	<u>Audited</u> <u>31 December</u> <u>2006</u>	<u>Unaudited</u> <u>30 September</u> <u>2006</u>
Number of shares	35,269,169	23,512,779	23,512,779
Percentage of issued shares	1.86%	1.86%	1.86%
Market value (KD '000)	151,657	78,062	68,657
Cost (KD '000)	15,576	15,576	15,576

Notes to the Interim Consolidated Financial Information - 30 September 2007 (Unaudited)

11. Investment income

	Three months ended		Nine months ended	
	30 September		30 September	
	(Unaudited)		(Unaudited)	
	2007	2006	2007	2006
	KD'000		KD'000	
Gain/ (loss) from investments "at fair value through profit or loss"	765	608	5,524	(1,389)
Realised gains from investments 'available -for-sale'	580	(242)	9,494	151
Dividend income	1,084	1,370	4,776	4,567
	<u>2,429</u>	<u>1,736</u>	<u>19,794</u>	<u>3,329</u>

12. Earnings per share

Basic earnings per share based on the weighted average number of shares outstanding during the period is as follows:

	Three months ended		Nine months ended	
	30 September		30 September	
	(Unaudited)		(Unaudited)	
	2007	2006	2007	2006
	(Restated)		(Restated)	
	KD'000		KD'000	
Net profit for the period attributable to shareholders	86,175	80,420	235,085	212,785
	Shares	Shares	Shares	Shares
Parent Company's issued and paid-up shares	1,893,056,331	1,892,729,386	1,893,056,331	1,892,729,386
Less : Weighted average number of treasury shares	(35,269,169)	(35,269,169)	(35,269,169)	(35,269,169)
	<u>1,857,787,162</u>	<u>1,857,460,217</u>	<u>1,857,787,162</u>	<u>1,857,460,217</u>
Effect of dilution	4,004,224	-	4,004,224	-
Weighted average number of shares less treasury outstanding during the period adjusted for the effect of dilution	<u>1,861,791,386</u>	<u>1,857,460,217</u>	<u>1,861,791,386</u>	<u>1,857,460,217</u>
	Fils	Fils	Fils	Fils
Earnings per share – Basic	<u>46</u>	<u>43</u>	<u>127</u>	<u>115</u>
Earnings per share – Diluted	<u>46</u>	<u>43</u>	<u>126</u>	<u>115</u>

Earnings per share from operations reported for the three months and nine months ended 30 September 2006 was 68 Fils and 180 Fils respectively, before retroactive adjustment relating to bonus shares and the effect of the restatement carried out during the period for business combination accounting.

Notes to the Interim Consolidated Financial Information - 30 September 2007 (Unaudited)

13. Segmental information

The Parent Company and its subsidiaries operate in a single business segment, telecommunications and related services. Apart from its main operations in Kuwait, the Parent Company also operates through its foreign subsidiaries in Jordan, Bahrain, Lebanon, Sudan and Sub-Saharan Africa. This forms the basis of the geographical segments.

	30 September 2007						Total KD '000
	Kuwait	Jordan	Bahrain	Lebanon	Sudan	Sub-Saharan Africa	
Segment revenues	267,430	103,651	29,828	13,069	169,163	640,943	1,224,084
Net profit	162,834	26,843	3,563	2,500	49,583	(10,238)	235,085
Segment assets	1,772,212	175,329	57,022	5,084	254,593	2,710,187	4,974,427
Consolidation adjustment							(845,951)
Consolidated assets							4,128,476
Segment liabilities	279,469	79,133	36,371	3,136	189,311	2,124,609	2,712,029
Consolidation adjustment							(228,226)
Consolidated liabilities							2,483,803
Net assets							1,644,673
Capital expenditure incurred during the period	23,897	4,399	2,838	10	24,114	352,528	407,786
Depreciation and amortisation	17,165	14,398	3,654	6	8,966	126,674	170,863
	30 September 2006 (Restated)						Total KD '000
	Kuwait	Jordan	Bahrain	Lebanon	Sudan	Sub-Saharan Africa	
Segment revenues	235,176	107,301	23,385	12,699	136,799	398,196	913,556
Net profit	95,844	29,548	2,630	2,294	72,281	10,188	212,785
Segment assets	1,478,205	181,014	39,300	5,572	150,474	2,494,763	4,349,328
Consolidation adjustment							(1,076,050)
Consolidated assets							3,273,278
Segment liabilities	210,826	83,784	27,154	3,676	110,123	2,325,634	2,761,197
Consolidation adjustment							(886,063)
Consolidated liabilities							1,875,134
Net assets							1,398,144
Capital expenditure incurred during the period	18,766	46,923	2,615	50	46,707	161,903	276,964
Depreciation and amortisation	15,977	15,867	3,039	5	10,930	67,867	113,685

Notes to the Interim Consolidated Financial Information - 30 September 2007 (Unaudited)

14. Related party transactions

The Group has entered into transactions with related parties on terms approved by management.

Transactions

	Three months ended 30 September (Unaudited)		Nine months ended 30 September (Unaudited)	
	2007	2006	2007	2006
	KD'000		KD'000	
Management fee (included in other income)	1,220	1,366	3,454	3,531

Balances

	Unaudited	Audited	Unaudited
	30 September 2007	31 December 2006	30 September 2006
	KD '000		
Trade and other receivables	15,504	490	321
Trade and other payables	51,846	27,203	35,684

Key management compensation

	Unaudited	Audited	Unaudited
	30 September 2007	31 December 2006	30 September 2006
	KD '000		
Salaries and other short term employee benefits	2,363	5,002	1,102
Post employment benefits	166	675	104
Share based payments	908	3,066	-

15. Commitments and contingencies

	Unaudited	Audited	Unaudited
	30 September 2007	31 December 2006	30 September 2006
	KD '000		
Capital expenditure	286,028	244,469	235,147
Uncalled share capital of investee companies	743	1,003	980
Letters of credit	19,509	4,318	3,113
Letters of guarantee	179,808	15,056	12,903

The Jordan operating subsidiary - Jordan Mobile Telecommunications Services Company JSC, is a defendant in lawsuits and arbitration proceedings amounting to approximately KD 908,000 (31 December 2006 - KD 3,267,000; 30 September 2006 - KD 940,000). Legal proceedings have been initiated by and against some of the other subsidiaries in a number of jurisdictions. On the basis of information currently available, and having taken counsel with legal advisers, Group management is of the opinion that the outcome of these proceedings is unlikely to have a material adverse effect on the consolidated financial position and the consolidated operations of the Group.

Under several local license agreements, certain subsidiaries are committed to build local GSM networks reaching specified local coverage at agreed rates.

16. Comparative figures

Certain prior year amounts have been reclassified to conform to current period presentation and to give effect to the adjustments recognised during the current period arising from completion of the purchase price allocation of the business combinations that were effected in 2005 and 2006 as follows:

	Three months ended 30 September 2006 (Unaudited) KD'000	Nine months ended 30 September 2006 (Unaudited) KD'000
Statement of Income		
Profit for the period - as previously reported	88,951	234,643
Adjustments for accounting of business combinations of 2005 & 2006 based on Purchase Price Allocation (PPA) – amortisation of intangible assets	(4,084)	(11,470)
KFAS adjustment	35	105
NLST adjustment	(2)	(3)
Profit for the period – restated	<u>84,900</u>	<u>223,275</u>
	Audited	Unaudited
	31 December	30 September
	2006	2006
		KD '000
Balance Sheet		
Property and equipment - as previously stated	770,428	697,608
Adjustments to provisional values	5,160	5,160
Depreciation pertaining to the year/ period	(368)	(211)
Exchange difference	2	(92)
Property and equipment – restated	<u>775,222</u>	<u>702,465</u>
Intangible assets - as previously stated	1,504,773	1,494,764
Adjustments to provisional values	12,744	18,079
Amortisation pertaining to the year/ period	(11,027)	(11,259)
Exchange difference	34	46
Intangible assets – restated	<u>1,506,524</u>	<u>1,501,630</u>