Hits Telecom Holding Co.

K.S.C (Holding)
and its Subsidiaries
Kuwait

Interim condensed consolidated
financial information
for the nine months
ended September 30, 2010
(Unaudited)

Hits Telecom Holding Co.

K.S.C(Holding)
and its Subsidiaries
Kuwait

Interim condensed consolidated
financial information
for the nine months
ended September 30, 2010
(Unaudited)

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The Board of Directors
Hits Telecom Holding Co.
K.S.C (Holding)
And its subsidiaries
Kuwait

Review report on the interim condensed consolidated financial information

Introduction
We have reviewed the accompanying interim condensed consolidated statement of financial position of Hits Telecom Holding Co. - K.S.C (Holding) - (the parent company) and its subsidiaries (together referred the group) as of September 30, 2010 and the related interim condensed consolidated statements of income, comprehensive income, cash flows and changes in equity for the nine months period then ended. Management of the parent company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard No (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information 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 Auditors of the entity".

A review of interim condensed consolidated financial information consists of making inquires, 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 condensed consolidated financial information is not prepared, in all material respect in accordance with International Accounting Standard No. (34) "Interim Financial Reporting".

Report on review of other legal and regulatory matters
Furthermore, based on our review, the interim condensed consolidated financial information are in agreement with the books of the parent company. Also, 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 nine months period ended September 30, 2010 that might have had a material effect on the business of the parent company or on its consolidated financial position.

Ali A. Al-Hasawi
License No. 30 (A)
Rödl Middle East
Burgan-International Accountants

Adel Al- Sanea
Auditors Registry No. 86 Category (A)
Kuwaiti Accounting Auditing
A member of H.L.B International

November 11, 2010
State of Kuwait

Exhibit – A

Hits Telecom Holding Co.

K.S.C (Holding)
and its subsidiaries
Kuwait

Interim condensed consolidated statement of financial position as of September 30, 2010

(Unaudited)

"All amounts are in Kuwaiti Dinar"

	Note	September 30, 2010	December 31, 2009 (restated - audited)	September 30, 2009
Assets				
Non-current assets				
Property and equipment		**22,064,624**	23,123,061	20,188,130
Intangible assets	5	**85,669,860**	85,875,772	87,004,673
Finance and joint ventures		**203,507**	348,809	-
		107,937,991	109,347,642	107,192,803
Current assets				
Inventory		**1,746,743**	886,446	820,625
Assets held for sale		**3,489,098**	3,516,295	3,512,375
Loan to an associate		**356,000**	358,775	358,375
Accounts receivable and other debit balances	6	**5,785,094**	5,845,054	8,129,370
Due from related parties	7	**3,233,906**	2,294,833	3,931,100
Advance payments for purchasing investments		**5,946,778**	5,946,778	5,946,778
Mudaraba investment	8	**1,241,659**	-	-
Finance and joint ventures		**11,624,307**	11,624,307	11,001,208
Cash and cash equivalents	9	**1,914,931**	1,918,987	1,818,898
		35,338,516	32,391,475	35,518,729
Total assets		**143,276,507**	141,739,117	142,711,532
Equity and liabilities				
Equity				
Share capital		**72,091,686**	72,091,686	72,091,686
Share premium		**34,149,954**	34,149,954	34,149,954
Statutory reserve		**462,499**	462,499	462,499
General reserve		**462,499**	462,499	462,499
Other reserves		**147,896**	136,120	-
Treasury shares	10	**(6,837,335)**	(6,837,335)	(6,837,335)
Foreign currency translation reserve		**615,981**	1,539,071	2,232,721
Accumulated losses		**(1,193,122)**	(2,212,426)	(1,951,154)
Equity attributable to the shareholders of parent company		**99,900,058**	99,792,068	100,610,870
Non-controlling interests		**(2,496,965)**	(185,296)	1,600,114
Total equity		**97,403,093**	99,606,772	102,210,984
Non-current liabilities				
Provision for end of service indemnity		**222,306**	263,791	730,156
Accounts payable		**1,481,028**	-	-
License obligations		**6,265,600**	6,314,440	6,307,400
Term loans		**782,463**	731,149	835,943
		8,751,397	7,309,380	7,873,499
Current liabilities				
Accounts payable and other credit balances	11	**20,094,025**	22,550,524	24,781,137
Due to related parties	7	**1,507,839**	3,240,819	2,234,258
License obligations		**3,132,800**	3,157,220	3,153,700
Term loans		**2,362,893**	1,263,634	77,802
Islamic debt instruments	12	**9,955,392**	4,610,768	537,973
Banks overdraft		**69,068**	-	1,842,179
		37,122,017	34,822,965	32,627,049
Total equity and liabilities		**143,276,507**	141,739,117	142,711,532

Khaled Y. Al Mutawa
Vice chairman

The accompanying notes form an integral part of the interim condensed consolidated financial information.

Hits Telecom Holding Co.

K.S.C (Holding)
and its subsidiaries
Kuwait

Interim condensed consolidated statement of income for the nine months ended September 30, 2010
(Unaudited)
"All amounts are in Kuwaiti Dinar"

	Note	The three months ended September 30		The nine months ended September 30	
		2010	2009	**2010**	2009
Revenue		**16,478,379**	28,644,099	**54,933,947**	93,816,917
Cost of Sales		**(14,953,209)**	(27,028,082)	**(50,235,743)**	(89,059,212)
Gross profit		**1,525,170**	1,616,017	**4,698,204**	4,757,705
General and administrative expenses		**(2,844,842)**	(2,194,233)	**(7,858,907)**	(5,698,034)
Depreciation of property and equipment		**(189,426)**	(163,576)	**(568,237)**	(365,595)
Finance charges		**(169,420)**	(43,633)	**(550,297)**	(464,073)
Mudaraba investment income		**-**	-	**1,473,770**	-
Finance and joint venture income		**16,108**	295,199	**117,995**	802,899
Other income	13	**1,447,677**	(6,389)	**1,449,774**	194,302
Loss for the period before calculation Contribution to Kuwait Foundation for the Advancement of Science, National Labor Support Tax and Zakat		**(214,733)**	(496,615)	**(1,237,698)**	(772,796)
Contribution to Kuwait Foundation for the Advancement of Sciences		**(8,370)**	900	**(9,596)**	(490)
National Labor Support Tax		**(23,251)**	2,500	**(26,656)**	(1,361)
Zakat		**(9,300)**	986	**(10,689)**	(634)
Loss for the period		**(255,654)**	(492,229)	**(1,284,639)**	(775,281)
Attributable to:					
Shareholders of the parent company		**889,143**	(95,629)	**1,019,304**	51,951
Non-controlling interests		**(1,144,797)**	(396,600)	**(2,303,943)**	(827,232)
		(255,654)	(492,229)	**(1,284,639)**	(775,281)
Earning/(loss) per share/(Fils)	14	**1.308**	(0.141)	**1.5**	0.075

The accompanying notes form an integral part of the interim condensed consolidated financial information.

Hits Telecom Holding Co.

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Interim condensed consolidated comprehensive income for the nine months ended September 30, 2010
(Unaudited)
"All amounts are in Kuwaiti Dinar"

	The three months ended September 30		The nine months ended September 30	
	2010	2009	**2010**	2009
Net loss for the period	**(255,654)**	(492,229)	**(1,284,639)**	(775,281)
Other comprehensive income for the period				
Foreign currency translation	**(1,144,710)**	(101,197)	**(923,090)**	360,898
Total other comprehensive (loss)/ income for the period	**(1,144,710)**	(101,197)	**(923,090)**	360,898
Total comprehensive loss for the period	**(1,400,364)**	(593,426)	**(2,207,729)**	(414,383)
Attributable to:				
Shareholders of the parent company	**(255,567)**	(196,826)	**96,214**	412,849
Non-controlling interests	**(1,144,797)**	(396,600)	**(2,303,943)**	(827,232)
	(1,400,364)	(593,426)	**(2,207,729)**	(414,383)

The accompanying notes form an integral part of the interim condensed consolidated financial information.

Hits Telecom Holding Co.

K.S.C (Holding)
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Interim condensed consolidated statement of cash flows for the nine months ended September 30, 2010
(Unaudited)
"All amounts are in Kuwaiti Dinar"

	The Nine months ended September 30	
	2010	2009
Cash flows from operating activities		
Net loss for the period	(1,284,639)	(775,281)
Adjustments:		
Depreciation of property and equipment	568,237	365,595
Provision for end of service indemnity	-	484,556
Finance charges	550,297	464,073
Finance and joint venture income	(117,995)	(802,899)
Mudaraba investment income	(1,473,770)	-
Changes in working capital items:	(1,757,870)	(263,956)
Inventory	(860,297)	(477,477)
Accounts receivable and other debit balances	177,955	(1,406,681)
Related parties	(1,198,283)	(2,711,822)
Accounts payable and other credit balances	(975,471)	6,938,259
Cash (used in)/generated from operations	(4,613,966)	2,078,323
End of service indemnity paid	(41,485)	-
Net cash (Used in)/generated from operating activities	(4,655,451)	2,078,323
Cash flows from investing activities		
Property and equipment	(619,527)	(7,928,818)
Intangible assets	(455,981)	(53,440)
Mudaraba investment	(1,241,659)	-
Finance and joint venture	145,302	587,188
Net cash used in investing activities	(2,171,865)	(7,395,070)
Cash flows from financing activities		
Other Reserves	11,776	-
Paid for purchase treasury shares	-	(128,408)
Proceeds on sale of treasury shares	-	2,009,120
Change in non-controlling interests	(7,726)	(194,505)
Term loans	1,123,201	70,440
Finance charges paid	(29,154)	(464,073)
Islamic debt instruments	4,823,481	(9,495,375)
Banks overdraft	69,068	415,726
Net cash generated from /(used in) financing activities	5,990,646	(7,787,075)
Foreign currency translation reserve	832,614	(539,196)
Net decrease in cash and cash equivalents	(4,056)	(13,643,018)
Cash and cash equivalents at the beginning of the period	1,918,987	15,461,916
Cash and cash equivalents at the end of the period (Note – 9)	1,914,931	1,818,898

The accompanying notes form an integral part of the interim condensed consolidated financial information.

Exhibit - E

Hits Telecom Holding Co.

K.S.C (Holding)
and its subsidiaries
Kuwait

Interim condensed consolidated Statement of changes in equity for the nine months ended September 30, 2010

(unaudited)

"All amounts are in Kuwaiti Dinar"

	Equity attributable to parent company's shareholders										
	Share capital	Share premium	Statutory reserve	General reserve	Other reserves	Treasury shares	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
Balance at January 1, 2009	72,091,686	34,149,954	462,499	462,499	-	(9,741,404)	1,871,823	1,384,872	100,681,929	2,621,851	103,303,780
Net profit for the period	-	-	-	-	-	-	-	51,951	51,951	(827,232)	(775,281)
Total other comprehensive income for the period	-	-	-	-	-	-	360,898	-	360,898	-	360,898
Total comprehensive loss for the period	-	-	-	-	-	-	360,898	51,951	412,849	(827,232)	(414,383)
Purchasing of treasury shares	-	-	-	-	-	(2,493,028)	-	-	(2,493,028)	-	(2,493,028)
Selling of treasury shares	-	-	-	-	-	5,397,097	-	-	5,397,097	-	5,397,097
Loss on sale treasury shares	-	-	-	-	-	-	-	(3,387,977)	(3,387,977)	-	(3,387,977)
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	(194,505)	(194,505)
Balance as of September 30, 2009	72,091,686	34,149,954	462,499	462,499	-	(6,837,335)	2,232,721	(1,951,154)	100,610,870	1,600,114	102,210,984
Balance at January 1, 2010 (restated) - (Note - 15)	72,091,686	34,149,954	462,499	462,499	136,120	(6,837,335)	1,539,071	(2,212,426)	99,792,068	(185,296)	99,606,772
Net Profit for the period	-	-	-	-	-	-	-	1,019,304	1,019,304	(2,303,943)	(1,284,639)
Total other comprehensive loss for the period	-	-	-	-	-	-	(923,090)	-	(923,090)	-	(923,090)
Total other comprehensive loss for the period	-	-	-	-	-	-	(923,090)	1,019,304	96,214	(2,303,943)	(2,207,729)
Parent company share from other reserves of subsidiaries	-	-	-	-	11,776	-	-	-	11,776	-	11,776
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	(7,726)	(7,726)
Balance as of September 30, 2010	**72,091,686**	**34,149,954**	**462,499**	**462,499**	**147,896**	**(6,837,335)**	**615,981**	**(1,193,122)**	**99,900,058**	**(2,496,965)**	**97,403,093**

The accompanying notes form an integral part of the interim condensed consolidated financial information.

Hits Telecom Holding Co.
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Kuwait

Notes to the interim condensed consolidated financial information for the nine months ended September 30, 2010
(Unaudited)
"All amounts are in Kuwaiti Dinar unless stated otherwise"

1- Company's brief

Hits Telecom Holding Company - Kuwaiti Shareholding Company (Holding) - was incorporated on May 22, 1999 in accordance with the Commercial Companies' Law of 1960 article No. 15, and its subsequent amendments.

The parent company's main objectives are:

- Owning shares in Kuwaiti and Non-Kuwaiti shareholding companies and owning shares or quotes in Kuwaiti and Non-Kuwaiti limited liability companies or participating in establishing, managing and sponsoring both kinds of companies to others related to communications segment only.
- Lending companies in which it holds shares and guaranteeing them to others, providing that the holding company's ownership percentage in the share capital of the borrowing company must be at least 20%.
- Owning industrial property rights of patents or industrial trademarks, or industrial charges or any other rights relating thereto, and leasing to other companies for utilization inside or outside the State of Kuwait related to communications segment only.
- Holding movables and real estates necessary to initiate its activity in accordance with the Law.
- Utilizing the surplus funds by investing them in investment portfolios managed by specialized companies.

The parent company has the right to participate and subscribe in any way, in other firms or institutions which operate in the same field or those which would assist in achieving its objectives in Kuwait or abroad and to establish, participate or purchase these firms or institutions or join them.

The registered main office of the parent company is: Al-Enizy Tower – Mubarak Al Kabir Street – Kuwait City.

The Board of Directors approved these interim condensed consolidated financial statements for the nine months ended September 30, 2010 for issue on November 11, 2010.

2- Adoption of new and revised standards IFRS

During the period, the group has adopted the new standards, are effective the annual period beginning on January 1, 2010. The main changes on the Accounting Policies for the Group are related to IFRS 3 (Revised) "Business combinations" and consequential amendments to IAS 27 "Consolidated and Separate Financial statements" and IAS 28 "Investments in Associates" whereby acquisition related costs are expensed in the consolidated statement of comprehensive income in the periods in which the costs are incurred. Also changes in ownership interests in a subsidiary that do not result in a loss of control are treated as transaction between equity holders and are accounted for within equity. Equity interests held prior to control being obtained are remeasured to fair value at the date of obtaining control, and any gain or loss is recognized in the consolidated statement of comprehensive income. However, the adoption of these new and revised Standards has had no impact on the reported results or the consolidated financial position of the Group.

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Notes to the interim condensed consolidated financial information for the nine months ended September 30, 2010
(Unaudited)
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3- Significant Accounting Policies

3/1) Significant accounting judgments, estimates and assumptions

The preparation of the interim condensed consolidated financial information requires the management to make judgments, estimates and assumptions that may have an effect on applying the accounting policies and the disclosed amounts of assets, liabilities, revenue and expenses. Actual results may be different from these estimates.

In preparing the interim condensed consolidated financial information, management applied the same significant judgments, estimates and assumptions used in the Group accounting policies and the same major estimates for uncertainty that were applied on the consolidated financial statements for the year ended December 31, 2009.

3/2) Basis of preparation

- The interim condensed consolidated financial information has been prepared in accordance with the International Accounting Standard No. 34 "Interim Financial Reporting". The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the consolidated financial statements for the year ended December 31, 2009 The interim condensed consolidated financial information does not contain all information and disclosures required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards. In additions results for the nine months period ending September 30, 2010 are not necessarily indicative of the results that may be expected for the year ended December 31, 2010. For further information, refer to the group's audited condensed financial statements for the year ended December 31, 2009.

- The financial statements of all the subsidiaries mentioned in note (4) were consolidated based on financial statements prepared by management for the nine months ended September 30, 2010. The total assets of these subsidiaries reported in the interim condensed consolidated statement of financial position amounted to KD 72,537,036 while net loss reported in the interim condensed consolidated statement of income amounted to KD 454,373.

4- Subsidiaries

The interim condensed consolidated financial information include the financial statements of the parent company and its subsidiaries as following:

		Shareholding percentage	
	Country of incorporation	September 30, 2010	December 31, 2009
Qanawat Telecom Company (W.L.L)	Saudi Arabia	%100	%100
Fawran Telecom Company (W.L.L)	Saudi Arabia	%100	%100
Hits Telecom Spain Company (S.A.)	Spain	%68.68	%62.06
Hits Africa Ltd.	Cayman Islands	%92.82	%90.667

- During the period the Group increased its ownership percentage in the share capital of Hits Africa Ltd and Hits Telecom Spain Company (S.A) to 92.82% and 68.68% respectively.

5- Intangible assets

Intangible assets represent the amount paid by the Group's subsidiaries to acquire the GSM licenses awarded by Government / regulator in the country of operations in Africa against an agreed license fees, in addition to goodwill and other intangible assets as follows:

	License fees	Goodwill*	Software and trade mark	Other intangible assets	Total
Cost					
Balance at January 1, 2010	16,491,616	67,867,645	1,695,323	176,211	86,230,795
Additions	-	409,905	11,561	34,515	455,981
Foreign currency translation	(175,466)	(153,335)	(100,875)	(1,336)	(431,012)
Balance at September 30, 2010	16,316,150	68,124,215	1,606,009	209,390	86,255,764
Accumulated amortization					
Balance at January 1, 2010	15,474	-	339,549	-	355,023
Charged for the year	13,340	-	240,631	-	253,971
Foreign currency translation	(2,826)	-	(20,264)	-	(23,090)
Balance at September 30, 2010	25,988	-	559,916	-	585,904
Net book value					
At September 30, 2010	**16,290,162**	**68,124,215**	**1,046,093**	**209,390**	**85,669,860**
At September 30, 2009	17,503,198	67,851,161	1,650,314	-	87,004,673

* The Group has entered into sale and purchase agreements with the shareholders of certain companies that were originally awarded the license to establish, install and operate cellular public telephony network in their respective countries of operations amounted to KD 19,724,470. In accordance with IFRS 3 "Business Combinations", these acquisitions have been accounted for by applying the purchase method. As these companies had yet to commence operations and had no other assets at the time of the acquisition by the company, the purchase consideration and acquisition cost paid to acquire these companies were considered as goodwill. Goodwill is attributable to the growth prospects of the acquired businesses and the significant synergies that are expected to arise from these subsidiaries.

This item represents goodwill amounted to KD 33,747,166 resulted from the acquisition of a subsidiary - Hits Africa Ltd, Cayman Islands, and goodwill amounted to KD 14,015,057 resulted from the acquisition of a subsidiary - Qanawat Telecom Company (W.L.L) Kingdom of Saudi Arabia.

6- Accounts receivable and other debit balances

	September 30, 2010	December 31, 2009 (restated - audited)	September 30, 2009
Trade receivables	489,885	151,986	1,437,296
Accrued income	2,232,747	1,908,318	3,484,468
Other receivables	78,868	691,057	616,777
Deferred tax assets	1,502,069	1,551,383	1,534,424
Refundable deposits	76,383	263,270	67,294
Advance payments	8,451	7,708	305,153
Letters of guarantee	740,415	669,550	-
Prepaid expenses	614,516	601,782	651,835
Other receivable balances	41,760	-	32,123
	5,785,094	5,845,054	8,129,370

7- Related parties' transactions

Related parties comprise of associates, major shareholders, directors and key management personnel of the Group, entities controlled, jointly controlled or significantly by such parties. The Group's management decides on terms and conditions of these transactions.

The balances and transactions with related parties included in the interim condensed consolidated financial statements are as follows:

Interim condensed consolidated financial position	September 30, 2010	December 31, 2009 (restated - audited)	September 30, 2009
Finance and joint ventures	11,624,307	11,624,307	11,001,208
Islamic debt instruments	9,443,600	4,078,645	-
Due from related parties	3,233,906	2,294,833	3,931,100
Due to related parties	1,507,839	3,240,819	2,234,258

	The three months ended September 30		The nine months ended September 30	
Interim condensed consolidated statements of income	2010	2009	2010	2009
Finance and joint venture income	16,108	259,199	117,995	802,899
Finance charges	113,346	-	410,400	286,990

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8- Mudaraba investment

This item represents a Mudaraba & Musharaka in Profit Agreement matures in August 9, 2011 the expected profit is approximately 4%. The fair value of the investment approximately equals their carrying value as of September 30, 2010.

9- Cash and cash equivalents

	September 30, 2010	December 31, 2009 (restated - audited)	September 30, 2009
Cash and bank balances	1,003,722	1,007,791	907,626
Short term deposits	-	-	-
Cash on portfolios	911,209	911,196	911,272
	1,914,931	1,918,987	1,818,898

10- Treasury shares

	September 30, 2010	December 31, 2009 (restated - audited)	September 30, 2009
Number of shares	41,325,981	41,325,981	41,325,981
Ownership percentage	%5.73	%5.73	%5.73
Market value	2,066,300	3,801,990	4,959,118

11- Accounts payable and other credit balances

	September 30, 2010	December 31, 2009 (restated - audited)	September 30, 2009
Trade payables	17,046,659	18,843,210	18,099,477
Payable to minority	-	1,435,100	4,535,021
Accrued expenses	2,371,254	1,728,177	1,114,220
Other	676,112	544,037	1,032,419
	20,094,025	22,550,524	24,781,137

12- Islamic debt instruments

This item represents financing Murabaha and Mudaraba contracts, some of them with related parties due within one year. The average cost is 4%: 7%. The fair value of financing Murabaha and Mudaraba contracts approximate their carrying value as of September 30, 2010 as they are bearing cost rates equal to the markets' prevailing rates. Part of Islamic debt instruments amounting KD 511,792 are secured by pledging some of treasury shares.

13- Other income

Other income include the amount of KD 1,442,050 which represents an account payable for a counterparty in a subsidiary has been cancelled based on an agreement between both parties and as per the management's opinion, the obligations toward the group is not expected as a result of cancellation of the accounts payable.

14- Earnings/(loss) per share/(Fils)

Earnings/(loss) per share are computed by dividing the net profit for the period by the weighted average number of shares outstanding during the period as follow:

	The three months ended September 30		The nine months ended September 30	
	2010	2009	**2010**	2009
Net profit/(loss) for the period	**889,143**	(95,629)	**1,019,304**	51,951
Weighted average numbers of outstanding shares during the period	**720,916,860**	720,916,860	**720,916,860**	720,916,860
Weighted average of treasury shares	**(41,325,981)**	(41,056,695)	**(41,325,981)**	(33,461,100)
Weighted average numbers of share less treasury shares	**679,590,879**	679,860,165	**679,590,879**	687,455,760
Earning/(loss) per share/(Fils)	**1.308**	(0.141)	**1.5**	0.075

15- Prior years adjustments

The consolidated financial statements for the year ended December 31, 2009 for the Group included unaudited management financial statements of its subsidiary - Qanawat Telecom Company (W.L.L). During the period ended March 31, 2010 the group received the audited financial statements for this subsidiary showing net profit of KD 192,644 while the previous unaudited consolidated management statements showed net profit of KD 870,683. The management determined that this has a material effect on the Group net assets as of September 30, 2010. Accordingly, the Group restated the comparative figures of the previous year.

As a result, the accumulated losses are restated by KD 657,234 and the foreign currency translation reserve is restated by KD 177 as of December 31, 2009. Also the carrying value of the assets and liabilities are restated as shown in the table below:

	Before restatement	**Restatements**	**After restatements**
Property and equipment	23,299,272	(176,211)	23,123,061
Intangible assets	85,699,561	176,211	85,875,772
Finance and joint ventures	-	348,809	348,809
Inventory	1,193,972	(307,526)	886,446
Accounts receivable and other debit balances	6,987,438	(1,142,384)	5,845,054
Due from related parties	1,903,369	391,464	2,294,833
Accounts payable and other credit balances	22,571,329	(20,805)	22,550,524
Due to related parties	3,272,240	(31,421)	3,240,819

16- Shareholders' General Assembly

On July 1, 2010 the Ordinary General Assembly of Shareholders approved the consolidated financial statements for the year ended December 31, 2009 and non-distribution of cash dividends for this year.

17- Operating segments

The group identified the operating segments - in accordance with IFRS 8 - on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, the predecessor Standard (IAS 14 Segment Reporting) required an entity to identify two sets of segments (industrial and geographical), using risks and rewards approach, with the entity's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments. However, there has been no change to the group's reportable segments following the adoption of IFRS 8 as the group's reporting segments under IAS 14 were consistent with the internal reporting being provided to the chief operating decision maker.
The group is divided into business divisions to manage its various activities. For the purposes of primary segment analysis reporting, the group's management has classified the group's activities into the following business segments:

- Telecommunication

	The three months ended September 30		The nine months ended September 30	
	2010	2009	**2010**	2009
Revenue	**16,478,379**	28,644,099	**54,933,947**	93,816,917
Profit for the period before other income and unallocated expenses	**1,335,744**	1,452,441	**4,129,967**	4,392,110
Other income	**1,463,785**	288,810	**3,041,539**	997,201
Unallocated expenses	**(3,014,262)**	(2,237,866)	**(8,409,204)**	(6,162,107)
Loss for the period before calculation, Contribution to Kuwait Foundation for the Advancement of Science, National Labor Support Tax and Zakat	**(214,733)**	(496,615)	**(1,237,698)**	(772,796)

18- Comparative figures

Certain comparative figures for the previous period have been reclassified to conform with the current period presentation.