

Vodafone Qatar Q.S.C.

Q1 FY11 Results

Quarter ended 30 June 2010



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Agenda

- Key Highlights for the Quarter
- Customer Analysis
- Customer Growth
- Revenue
- EBITDA
- EBIT
- Capitalised Fixed Asset Additions
- Net Debt
- Outlook Q2 FY11
- Appendices:
 - Financial Highlights Table
 - Fixed Line License Update
 - Condensed Statement of Income & Cash Flows
 - Condensed Statement of Financial Position
 - Dividend Expectations
 - Shareholding Structure
 - Contact Details



Key Highlights in 1st Quarter FY11 (1st April 2010 to 30 June 2010)

Fixed Line

- Approval at EGM to merge Fixed business into one Vodafone Qatar
- Connected Broadband to The Pearl in May
- Commercial Broadband service launched at The Pearl 14 July 2010

Network

- 100% geographic coverage of 2G by 28 December 09
- **Recent increase in network capacity to meet demand**
- **UMTS 900 network coverage of all major towns in Qatar**
- **>98% population coverage of 3G**

Distribution & Care

- 9 VF retail stores, 2 mobile truck stores & online shop
- 600 outlets to join at & 2,000 where you can recharge
- Call Centre in 5 languages & recognised as top call centre in GCC
- **>30 specialist retailers signed up & SME channel progressing**

Recent Launches

- Vodafone BlackBerry® service launched 15 June 2010
- Vodafone Mobile Broadband launched 8 July 2010
- Vodafone MiFi launched 8 July 2010

Customer Numbers

- 534,497 Customers at 30 June 2010
- Customers grew 15% last quarter

Market Share

- 32% Population share at 30 June (estimated)
- 16% Revenue share at 30 June (estimated)
- 19% Customer market share at 30 June (estimated)

Revenue, ARPU & Profit

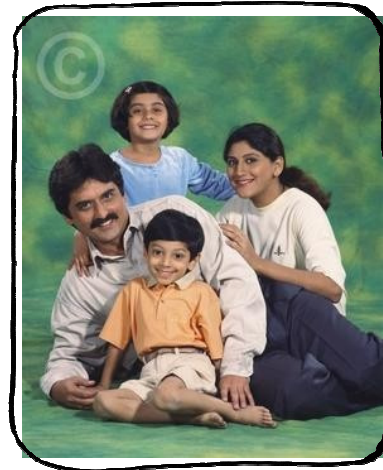
- Total Revenue 22% increase QoQ
- Total ARPU of QAR 104 for quarter ended 30 June, up 3% QoQ
- Total AMPU for quarter ended 30 June up by 19% QoQ
- EBITDA improvement of 69% QoQ



Who are our customers?



Labour & Service Workers



Expat Families



Northern Arabs



Qatari & Khaliji



Business



Which segments we have targeted to date?

Labour and Service Workers

✓ ✓ ✗

Expatriate Families

✓ ✗ ✗

Northern Arabs

✓ ✗ ✗

Qatari and Khaliji

✗ ✗ ✗

Business

✗ ✗ ✗

This is 44%
of the
market!

We are **NOT** making a world of difference for
ALL people in Qatar....

YET!



Customer Segment Sizes

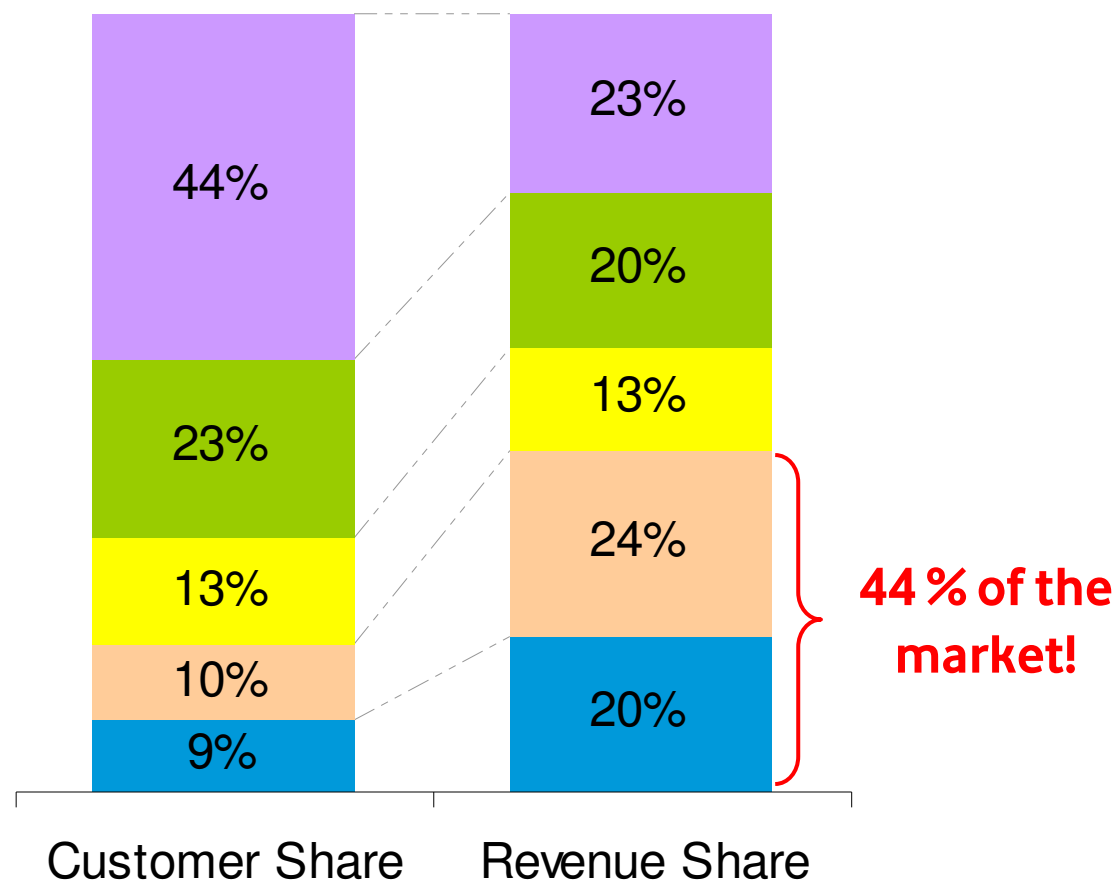
Labour & Service Workers

Expat Families

Northern Arabs

Qatari and Khaliji

Business



As a result, our five new Strategies are:

- Aggressively Compete to Grow in All Segments
- Really Deliver an Awesome Customer Experience
- Actively Develop All Talent and Be the Role Model for Qatarisation
- Bravely Take a Few Risks on Cool New Stuff
- Partner with the Government to Build Superfast Broadband for All



Our Updated Purpose Based Organisation is:

To make a world
of difference
for all people
in Qatar

To be the
most admired
Brand
in Qatar

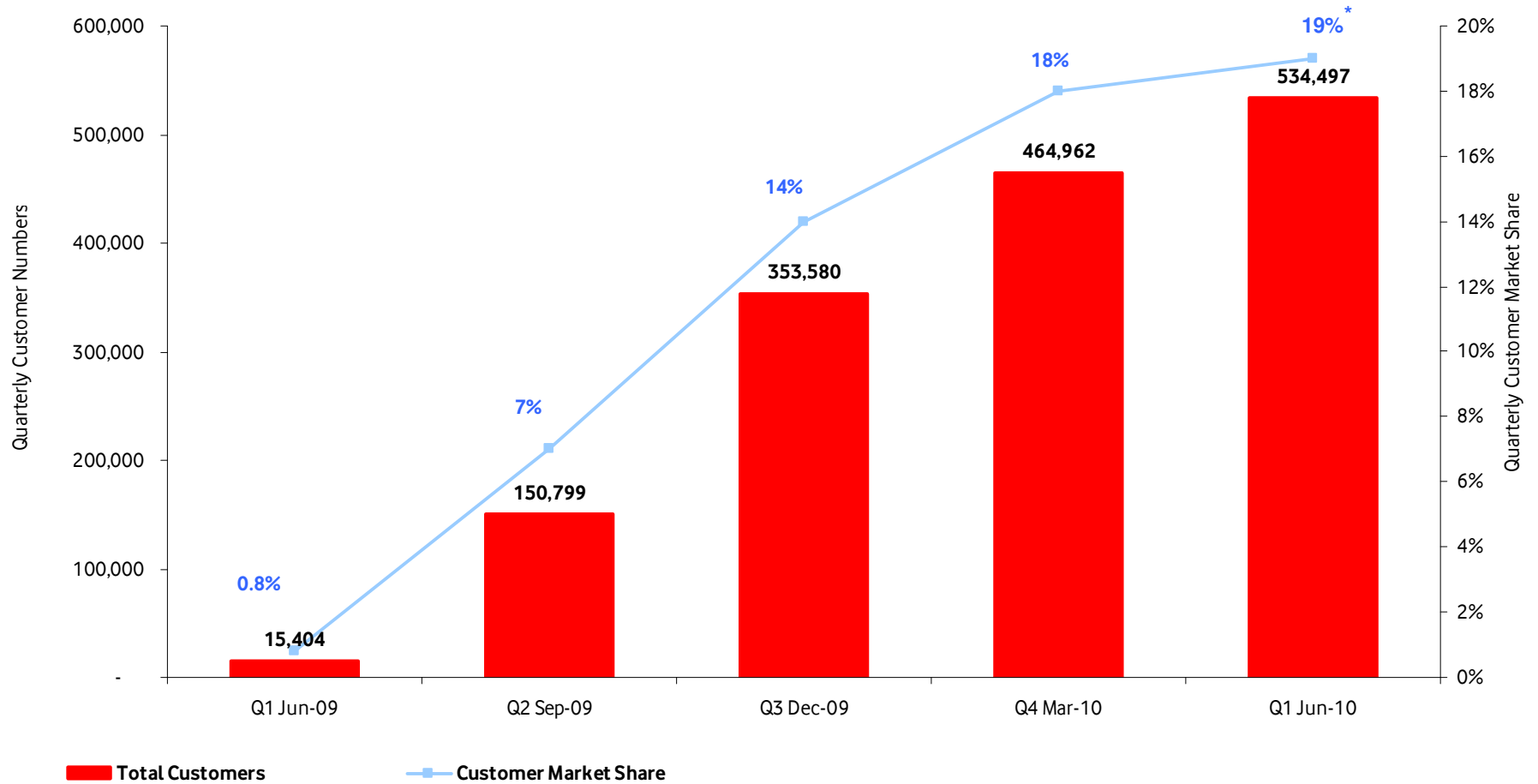
Vitality
Worldliness
Speed
Simplicity
Trust

We will...

- > Aggressively compete to grow in all segments
- > Really deliver an awesome customer experience
- > Actively develop all talent and be the role model for Qatarisation
- > Bravely take some risks on cool new stuff
- > Partner with government to build superfast broadband for all

Customer Growth

Quarterly Customers & Market Share

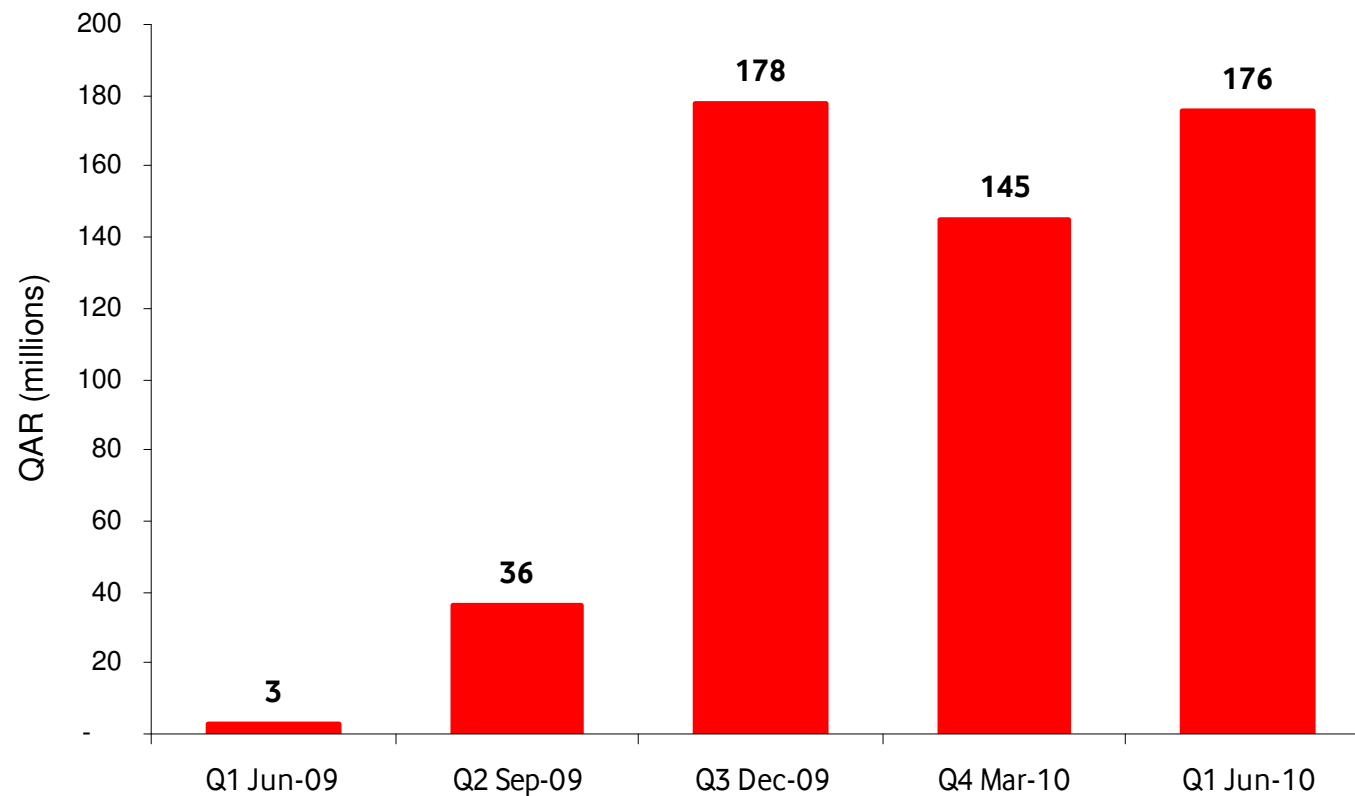


* Vodafone Qatar Management Estimate



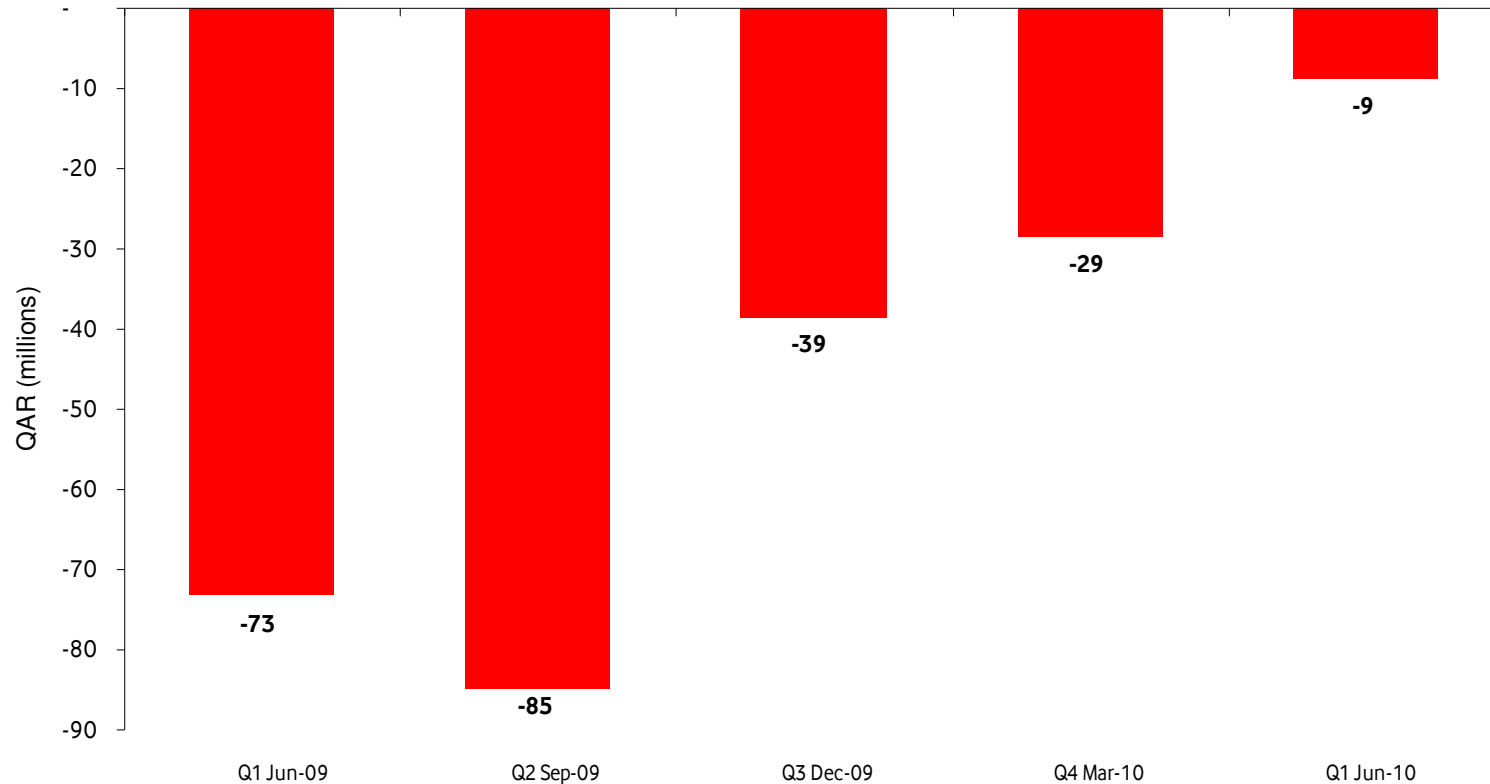
Revenue

Quarterly Total Revenue



EBITDA

Quarterly Adjusted EBITDA*



| Unadjusted EBITDA | -73 | -83 | -30 | -39 | -9 |
|-------------------|-----|-----|-----|-----|----|
|-------------------|-----|-----|-----|-----|----|

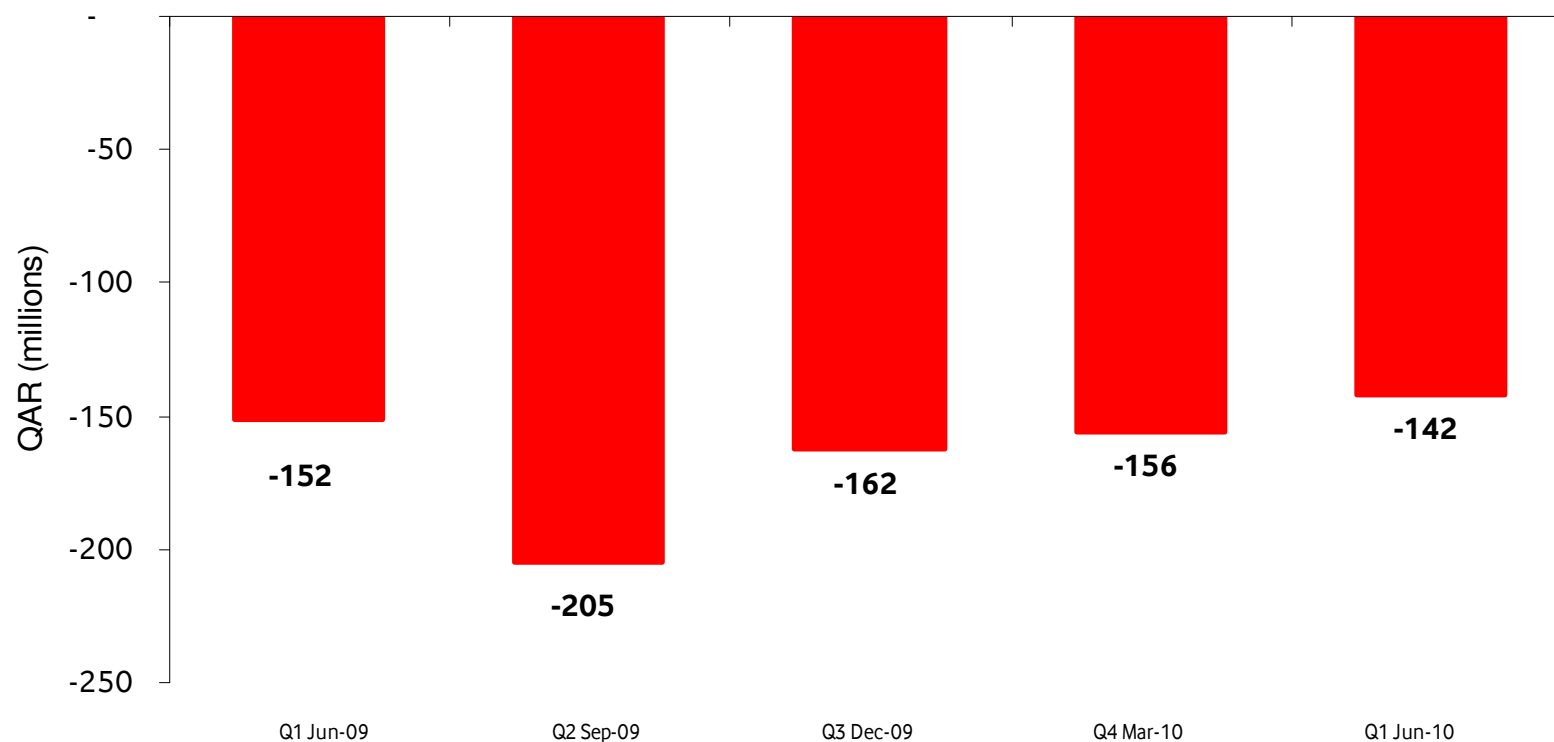
- Positive quarter of EBITDA expected by year-end
- Expected to turn cumulatively EBITDA positive by December 2011.

*Quarterly EBITDA has been adjusted to align the Vodafone Group management fees with when revenues were earned



EBIT

Quarterly Adjusted EBIT*

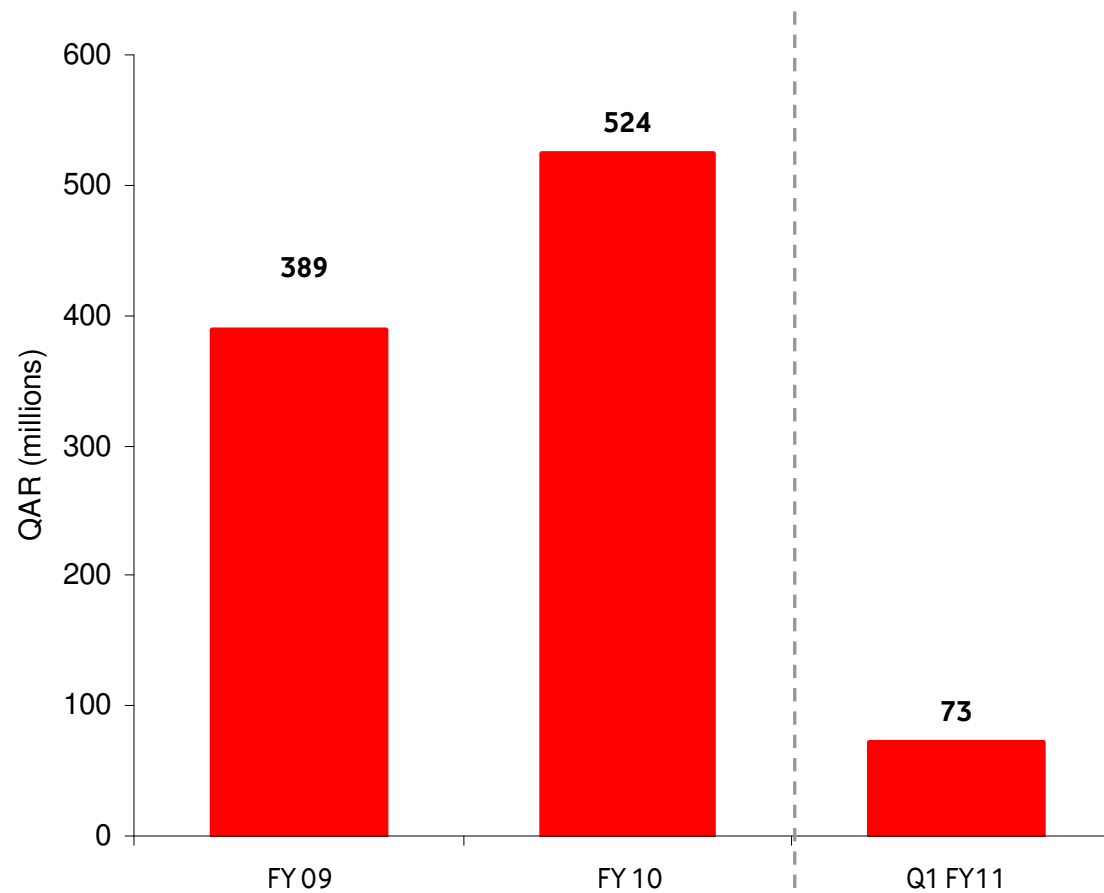


| | | | | | |
|-----------------|------|------|------|------|------|
| Unadjusted EBIT | -149 | -199 | -149 | -178 | -142 |
|-----------------|------|------|------|------|------|

**Quarterly EBIT has been adjusted to align the Vodafone Group management fees with when revenues were earned and to distribute additional Amortisation expense incurred in March 2010 following a change in the amortisation period from 20 years to 19.16 years*



Capitalised Fixed Asset Additions

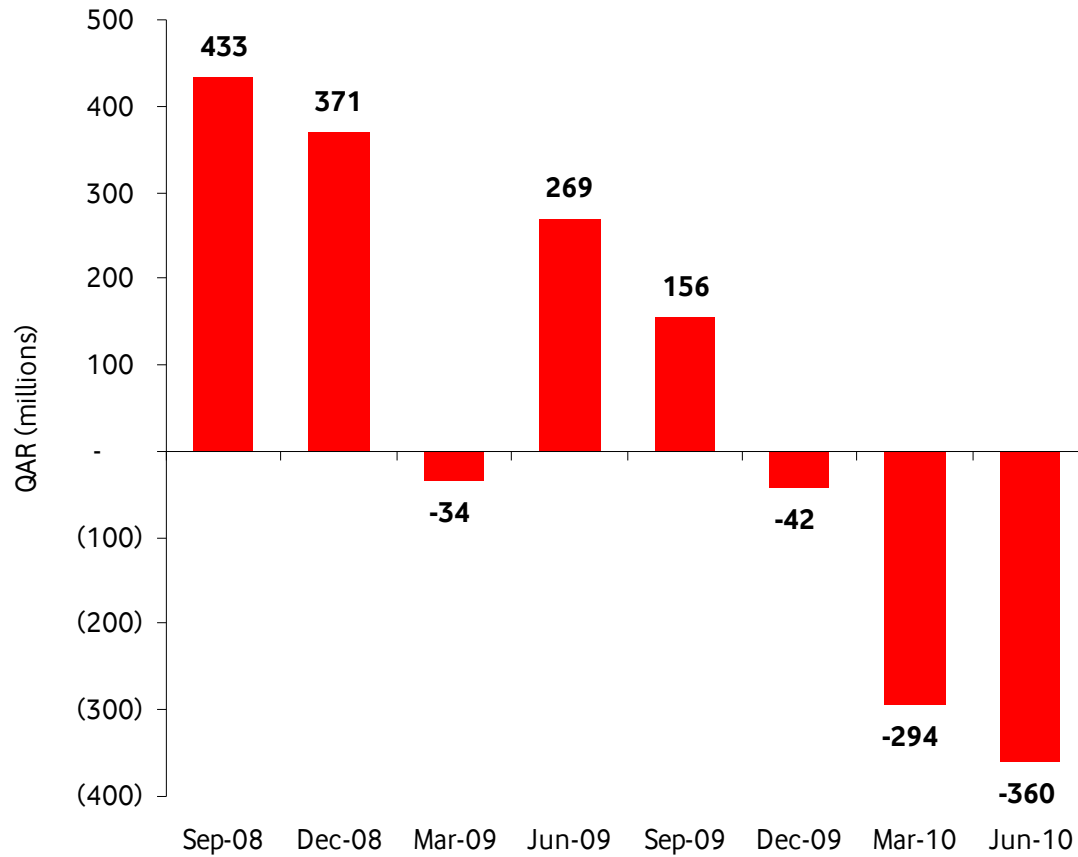


- Long-term capital expenditure expected to stabilise at 9% of revenue from FY14 onwards



Net Debt

Borrowings less Term Deposits



- Borrowing facility extended from US\$110m to US\$230m to cater for increase in capex due to accelerated customer uptake. The additional US\$120m facility is at an interest rate of US Libor + 1.55%.
- Future borrowing will be required for fixed line.



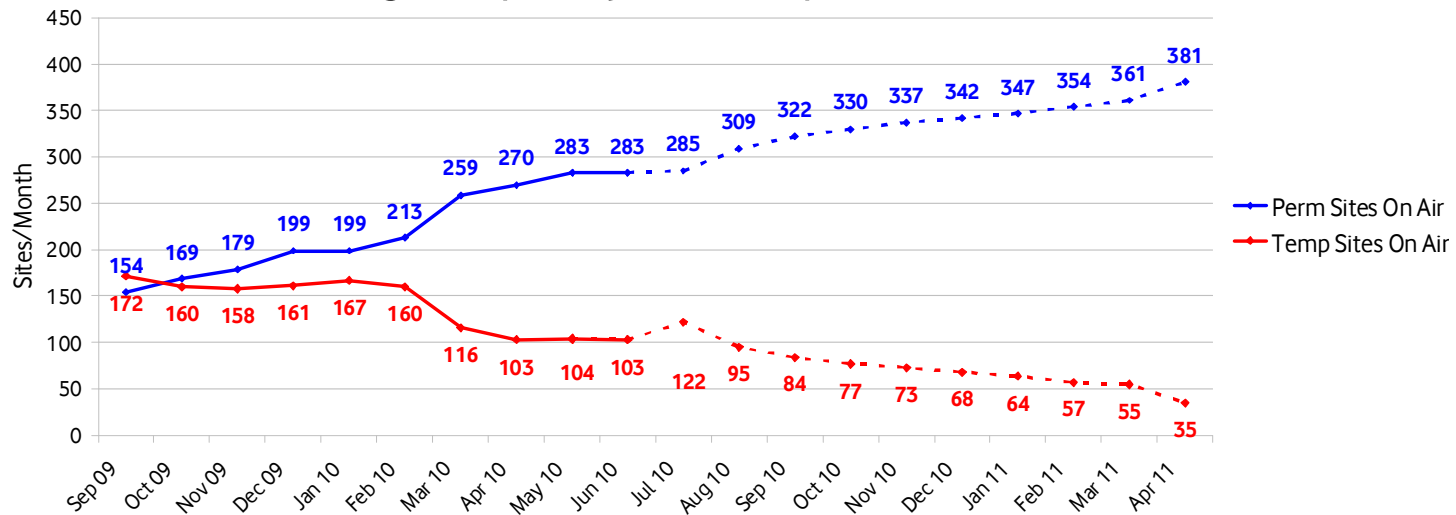
Outlook Q2 FY11

- Focus on customer acquisition
 - Target High Value customers
 - Qatari Nationals, Expat Families, Short-term Expats
 - Business customers
- Development of innovative solutions for the market
 - National Broadband Network (NBN)
- Fixed Line broadband and voice services to The Pearl, then wider Qatar
 - International Landing Station
 - Connecting West Bay CBD with Broadband for Business customers
- Focus on Regulatory Environment
- Qatarisation and Localisation development



Outlook Q2 FY11 continued...

- Network Development
 - Indoor coverage – almost complete, 67 buildings completed
 - Continue converting temporary sites to permanent sites



Move from Land Sharing to Tower Sharing →



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**This will enable us to make a world of difference for
ALL people in Qatar....**



**Attracting higher value customers is the next step
of our plan!**



Appendices



Financial Highlights

| Financial Performance | Quarterly | | | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | Q2 FY10 Sep-09 QARm | Q3 FY10 Dec-09 QARm | Q4 FY10 Mar-10 QARm | Q1 FY11 Jun-10 QARm |
| Total Revenue | 36.1 | 177.6 | 144.7 | 175.8 |
| EBITDA ¹ | (84.9) | (38.6) | (28.7) | (8.8) |
| EBIT ^{1,2} | (204.8) | (162.3) | (155.9) | (141.9) |
| Operating Free Cash Flow (excl. license payment) | (100.1) | (206.7) | (256.0) | (63.9) |
| Capitalised Fixed Asset Additions | 102.5 | 140.0 | 201.5 | 72.6 |

| KPIs | Quarterly | | | |
|--------------------------|-----------|---------|---------|---------|
| | Sep-09 | Dec-09 | Mar-10 | Jun-10 |
| Total Customers | 150,799 | 353,580 | 464,962 | 534,497 |
| Total Quarterly ARPU | 173 | 171 | 101 | 104 |
| Population | 1.623M | 1.631M | 1.677M | 1.679M |
| Annual Population growth | 8% | 5% | 2% | 3% |
| Mobile Penetration | 141% | 152% | 156% | 168%* |
| Population Share | 9% | 22% | 28% | 32% |
| Customer Market Share | 7% | 14% | 18% | 19%* |

⁽¹⁾ Quarterly EBITDA and EBIT have been adjusted to align the Vodafone Group management fees with when revenues were earned

⁽²⁾ EBIT includes mobile license cost of QAR 7.7bn amortized over 19.16 years starting from 1 May 2009 and Quarterly EBIT has been adjusted to distribute additional Amortisation expense incurred in March 2010 following a change from 20 to 19.16 years



Fixed Line License

- Awarded to Vodafone Qatar Q.S.C. on 29 April 2010
 - Shareholders approved the change to the Memorandum and Articles of Association at the EGM on 28 June 2010
 - Payment of QAR 10m license fee to be paid by 31 July 2010
- Fixed Line License Obligations:
 - **The Pearl Development**
 - Broadband coverage within 3 months
 - Voice services within 12 months
 - Performance Bond: QAR 5m
 - **West Bay CBD**
 - 100% Coverage within 30 months
 - Performance Bond: QAR 10m
 - **Rest of Qatar**
 - 100% Coverage within 48 months
 - Performance Bond: QAR 10m



Condensed Statement of Income – Quarter ended 30 June 2010

| | Three month period ended June 30, 2010 (Unaudited) QAR '000 | Three month period ended June 30, 2009 (Unaudited) QAR '000 |
|---|---|---|
| Revenue | 175,777 | 3,079 |
| Direct costs | (81,620) | (4,946) |
| Other expenses | (102,923) | (71,127) |
| EBITDA | (8,766) | (72,994) |
| Depreciation | (32,559) | (11,305) |
| Amortisation of licence | (100,584) | (64,300) |
| Interest income | 930 | 3,628 |
| Financing costs | (7,132) | (7,285) |
| Loss before taxation | (148,111) | (152,256) |
| Income tax expense | - | - |
| Loss for the period | (148,111) | (152,256) |
| Basic and diluted loss per share (QAR) | (0.18) | (0.21) |



Condensed Statement of Financial Position – as at 30 June 2010

| | 30 June 2010 QAR '000 | 30 June 2009 QAR '000 |
|---------------------------------|--------------------------|--------------------------|
| Non-current assets | | |
| Property, plant and equipment | 872,308 | 832,283 |
| Intangible asset | 7,246,151 | 7,346,735 |
| Trade and other receivables | 4,506 | 4,432 |
| Total non-current assets | 8,122,965 | 8,183,450 |
| Current assets | | |
| Inventory | 19,871 | 21,713 |
| Trade and other receivables | 132,413 | 118,207 |
| Cash and cash equivalents | 133,794 | 85,356 |
| Total current assets | 286,078 | 225,276 |
| Total assets | 8,409,043 | 8,408,726 |

| | 30 June 2010 QAR '000 | 30 June 2009 QAR '000 |
|--------------------------------------|--------------------------|--------------------------|
| Equity | | |
| Share capital | 8,454,000 | 8,454,000 |
| Legal reserve | 11,442 | 11,442 |
| Accumulated losses | (954,422) | (806,311) |
| Total equity | 7,511,020 | 7,659,131 |
| Non-current liabilities | | |
| End of employment benefits | 2,629 | 1,972 |
| Provisions | 5,650 | 4,848 |
| Long term borrowings | 493,641 | 379,083 |
| Total non-current liabilities | 501,920 | 385,903 |
| Current liabilities | | |
| Trade and other payables | 396,103 | 363,692 |
| Total current liabilities | 396,103 | 363,692 |
| Total liabilities | 898,023 | 749,595 |
| Total equity and liabilities | 8,409,043 | 8,408,726 |

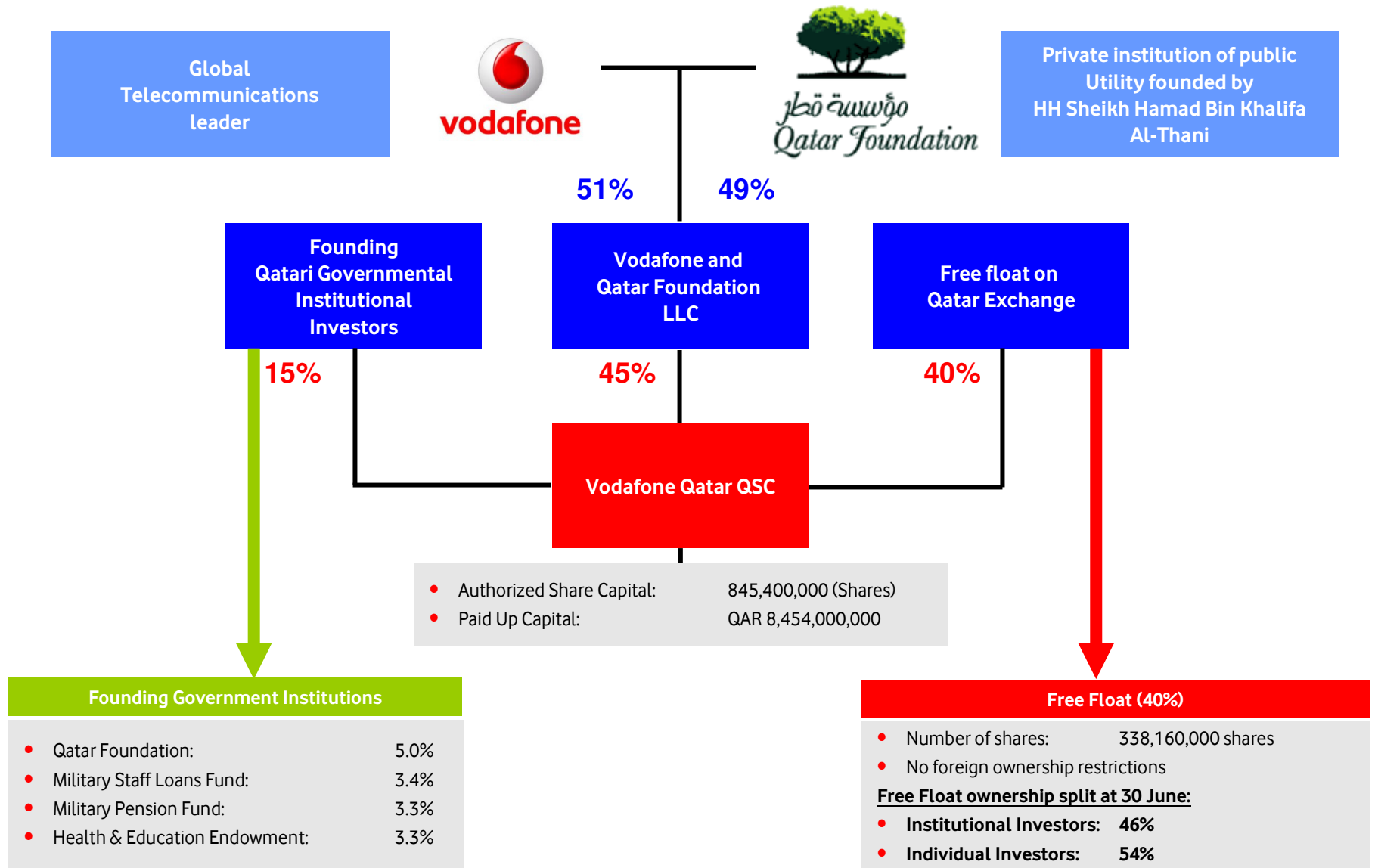


Dividend Expectations

- As outlined in our IPO prospectus, subject to the Articles, any decision to pay dividends to Shareholders and the amount of such dividends will be at the discretion and upon recommendation of the Board.
- The amount of dividends may vary from year to year.
- The declaration of dividends will be subject to any limitations enshrined in the Articles and applicable laws, and may be influenced by a number of factors, including Vodafone Qatar's prospects, current and anticipated cash requirements, plans for expansion, financial performance, covenants restricting the payment of dividends in agreements entered into by the Vodafone Qatar, the condition of the markets in which Vodafone Qatar operates and the general economic climate.
- Based on the Business Plan, in particular the Company's projected cash flow and profit before amortisation, the Company does not anticipate that it will declare a dividend before the financial results for the year ended 31 March 2013.



Vodafone Qatar Shareholder Structure



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