

Vodafone Qatar Q.S.C.

Results Presentation

Half-Year to 30 September 2010



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Agenda

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- Financial Highlights
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- EBITDA
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- Q3 FY11 Outlook
- Condensed Statement of Income & Cash Flows
- Condensed Statement of Financial Position
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Key Highlights

Fixed Line

- Connected Broadband to The Pearl in May
- Commercial Broadband service launched at The Pearl 14 July 2010

Network

- 100% geographic coverage of 2G & >98% population coverage of 3G
- QR 28m capex brought forward for 2G & 3G improvements, plus indoor
- Trouble tickets significantly reduced this quarter
- Increase agreements to enable more inbound roamers

Distribution & Care

- 9 VF retail stores, 2 mobile truck stores & online shop
- 600 outlets to join at & 2,000 where you can recharge. Increased kiosks
- Call Centre in 5 languages & dedicated Business Customer Care
- >30 specialist retailer outlets & SME channel progressing
- Increased Al-Johara team

Recent Launches

- Vodafone iPhone4 launched September 2010
- Vodafone Business solutions launched November 2010
- International Calling Card launched October 2010
- Freedom relaunch October 2010

Customer Numbers

- 600,890 Mobile Customers at 30 September 2010
- Mobile Customers grew 12% last quarter

Market Share

- 37% Population Share at 30 September
- 19.5% Mobile Revenue Market Share for the September quarter
- 22% Mobile Customer Market Share at 30 September

Revenue, ARPU & Profit

- Total Revenue 20% increase QoQ
- Total ARPU of QAR 112 for quarter ended 30 September, up 7% QoQ
- EBITDA improvement of 53% from 6mths ended 31 March 2010



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

Update on delivering to our five Strategies:

- Aggressively Compete to Grow in All Segments
19.5% Mobile Revenue Market Share for September quarter
- Really Deliver an Awesome Customer Experience
CDI & NPS scores improving
- Actively Develop All Talent and Be the Role Model for Qatarisation
9% Qatarisation at September 2010
- Bravely Take a Few Risks on Cool New Stuff
Vodafone Money Transfer launch due in November 2010
- Partner with the Government to Build Superfast Broadband for All

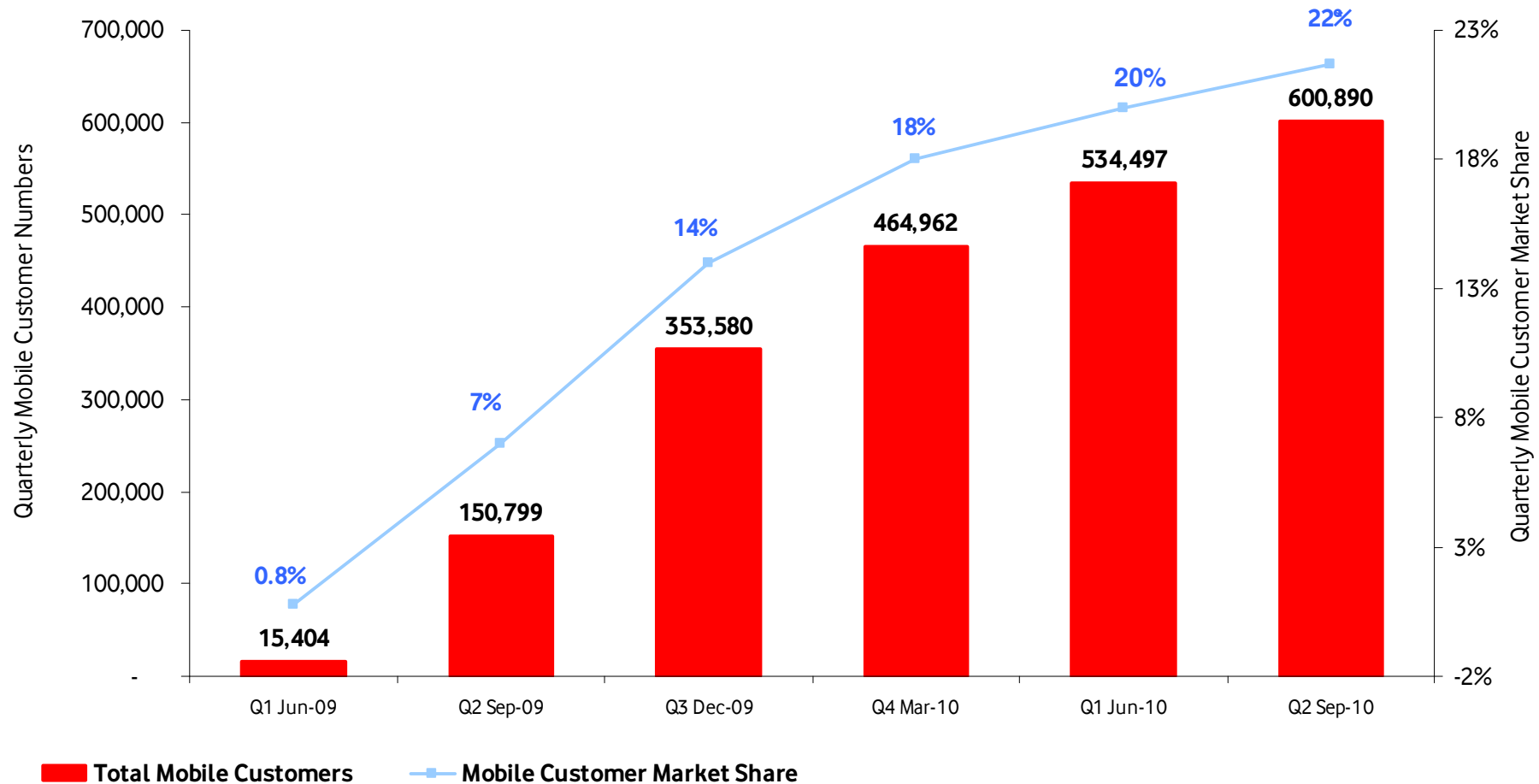


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Mobile Customer Growth

Quarterly Growth in Mobile Customers & Mobile Customer Market Share



- 12% growth in Customer Numbers in September quarter



Financial Highlights

Financial Performance	Half-Yearly Periods			
	H2 FY09	H1 FY10	H2 FY10	H1 FY11
	Mar-09	Sep-09	Mar-10	Sep-10
	QARm	QARm	QARm	QARm
Total Revenue	n/a	39.2	322.3	385.4
EBITDA	(87.1)	(156.1)	(69.2)	(31.9)
EBIT	(87.9)	(347.4) ¹	(327.2) ¹	(299.9) ¹
Operating Free Cash Flow (excl. license payment)	(471.0)	(88.9)	(462.7)	(116.9)
Capitalised Fixed Asset Additions	385.7	182.3	341.5	167.7

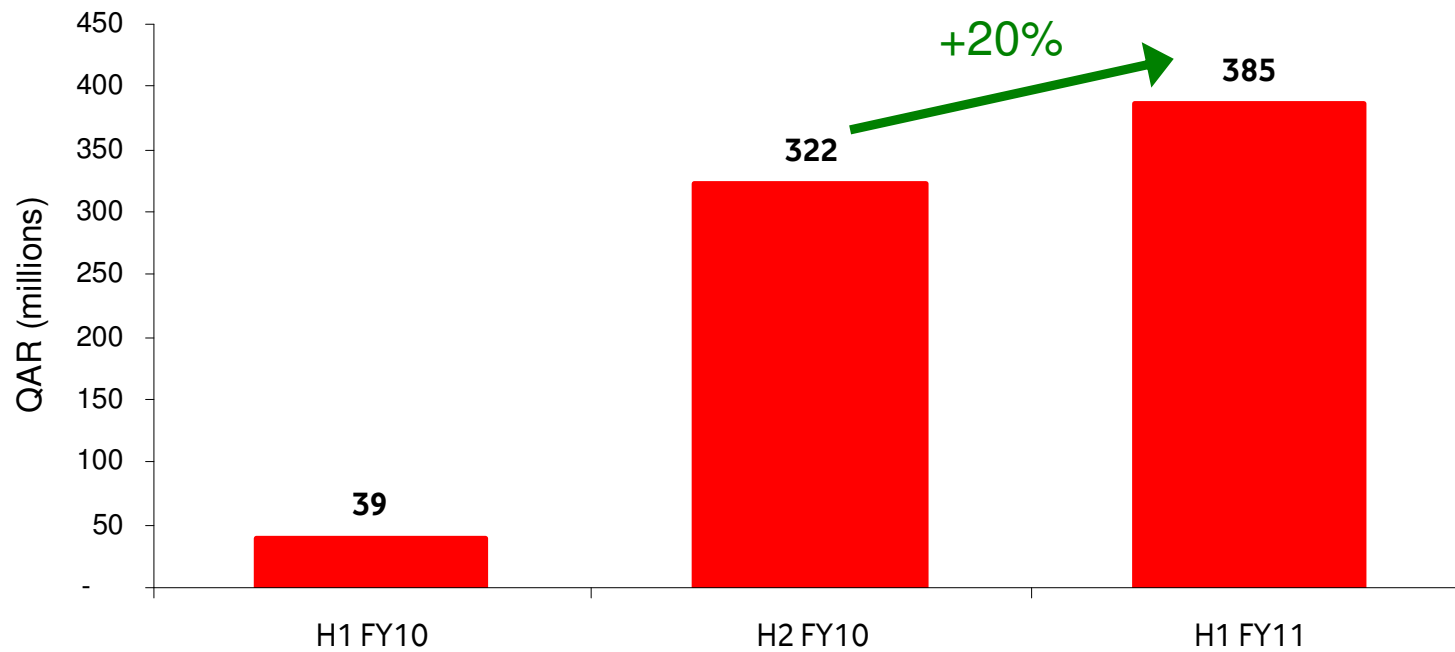
KPIs	Quarterly			
	Dec-09	Mar-10	Jun-10	Sep-10
Total Mobile Customers	353,580	464,962	534,497	600,890
Total Quarterly Mobile ARPU	171	101	104	112
Population	1.631M	1.677M	1.678M	1.642M
Annual Population growth	5%	2%	2%	1%
Mobile Penetration	152%	156%	160%	167%
Mobile Population Share	22%	28%	32%	37%
Mobile Customer Market Share	14%	18%	20%	22%

⁽¹⁾ EBIT includes licence cost of QR 7.7bn amortised over 20 years from 1 May 09



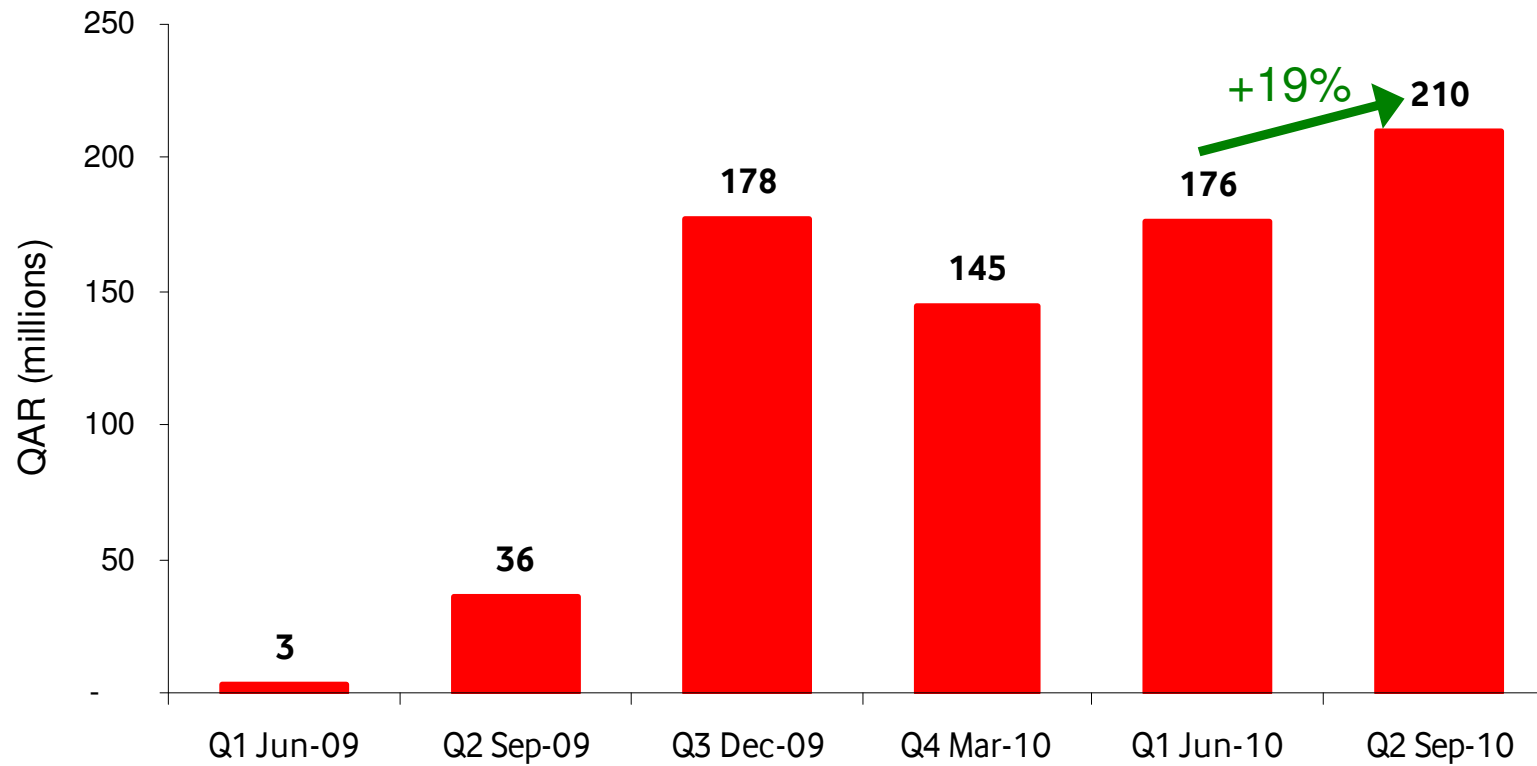
Total Revenue (Fixed Line & Mobile)

Growth in Half-Yearly Total Revenue



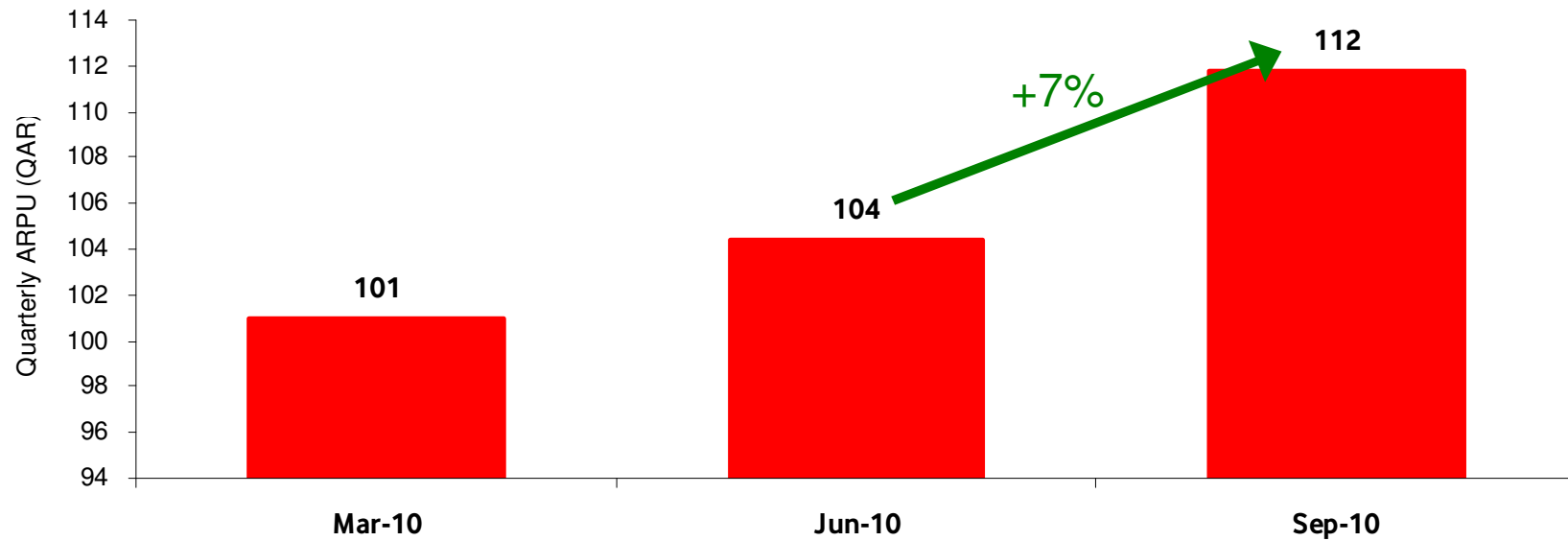
Total Revenue (Fixed Line & Mobile)

Growth in Quarterly Total Revenue



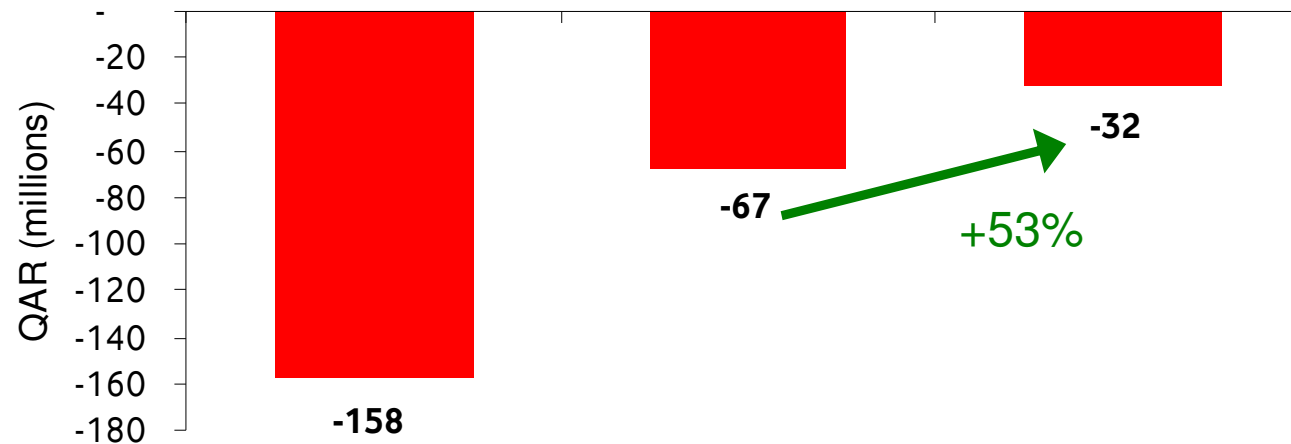
Total Mobile ARPU

Growth in Quarterly Total Mobile ARPU



EBITDA

Progress in Half-Yearly Adjusted EBITDA*



	H1 FY10	H2 FY10	H1 FY11
Unadjusted EBITDA	-156	-69	-32

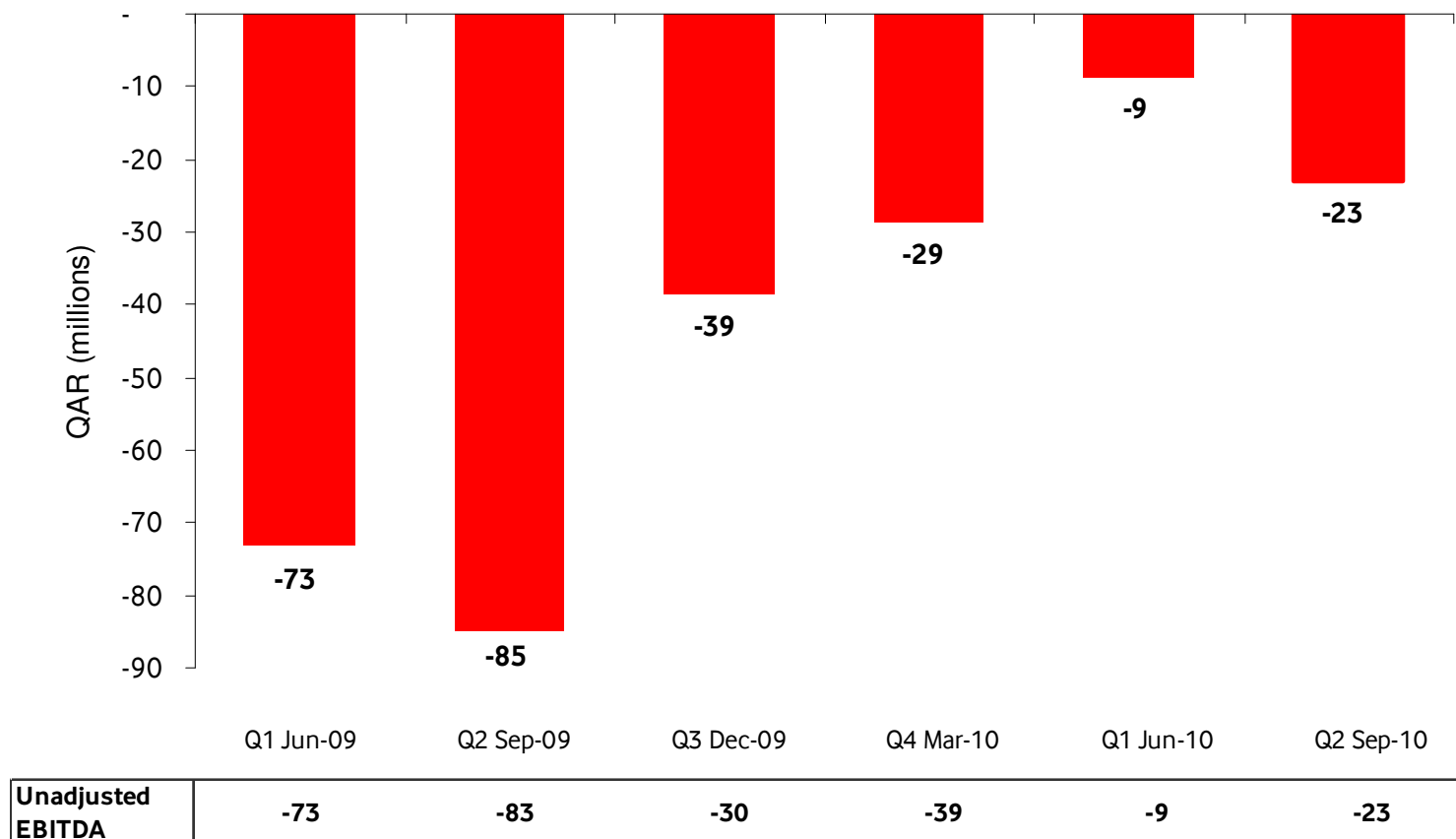
- Forecast first quarter of positive EBITDA by Q4 FY11
- Forecast to be EBITDA positive on a cumulative basis by mid-2012
- Forecast to be cash flow positive on a cumulative basis in the calendar year 2013

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



EBITDA

Progress in Quarterly Adjusted EBITDA*



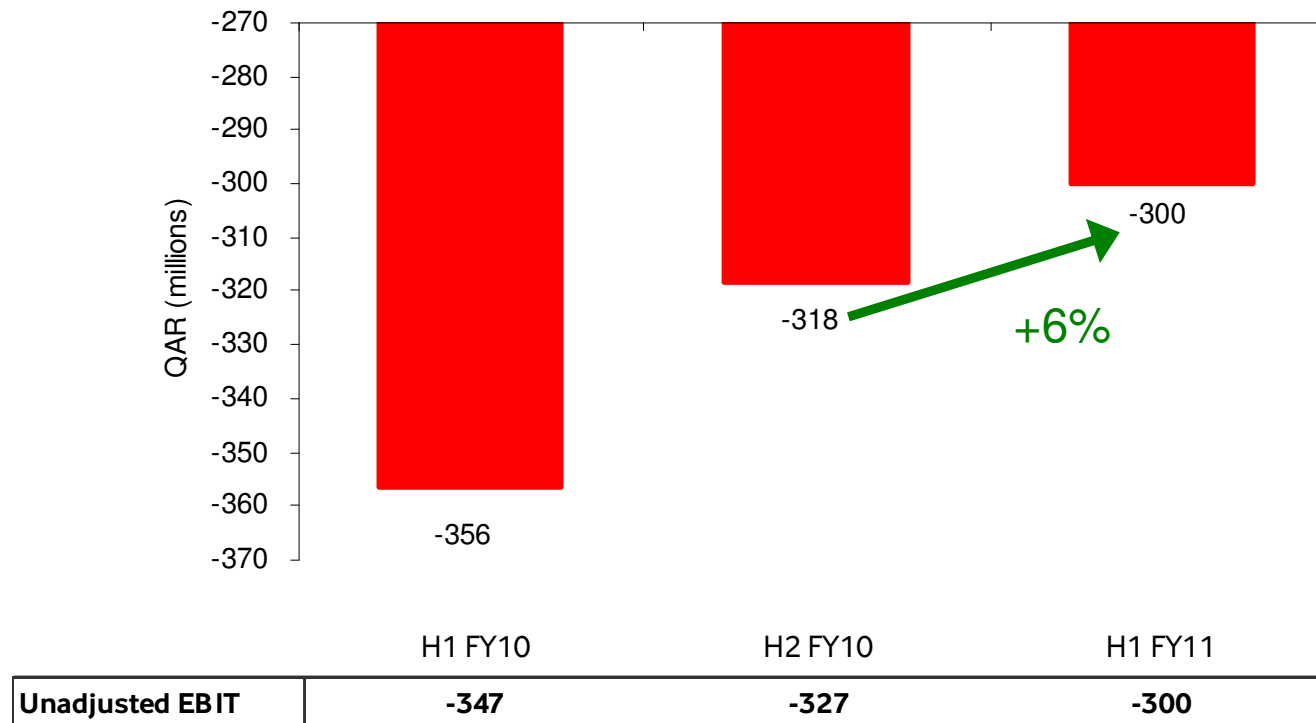
- Forecast first quarter of positive EBITDA by Q4 FY11
- Forecast to be EBITDA positive on a cumulative basis by mid-2012
- Forecast to be cash flow positive on a cumulative basis in the calendar year 2013

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EBIT

Progress in Half-Yearly Adjusted EBIT*

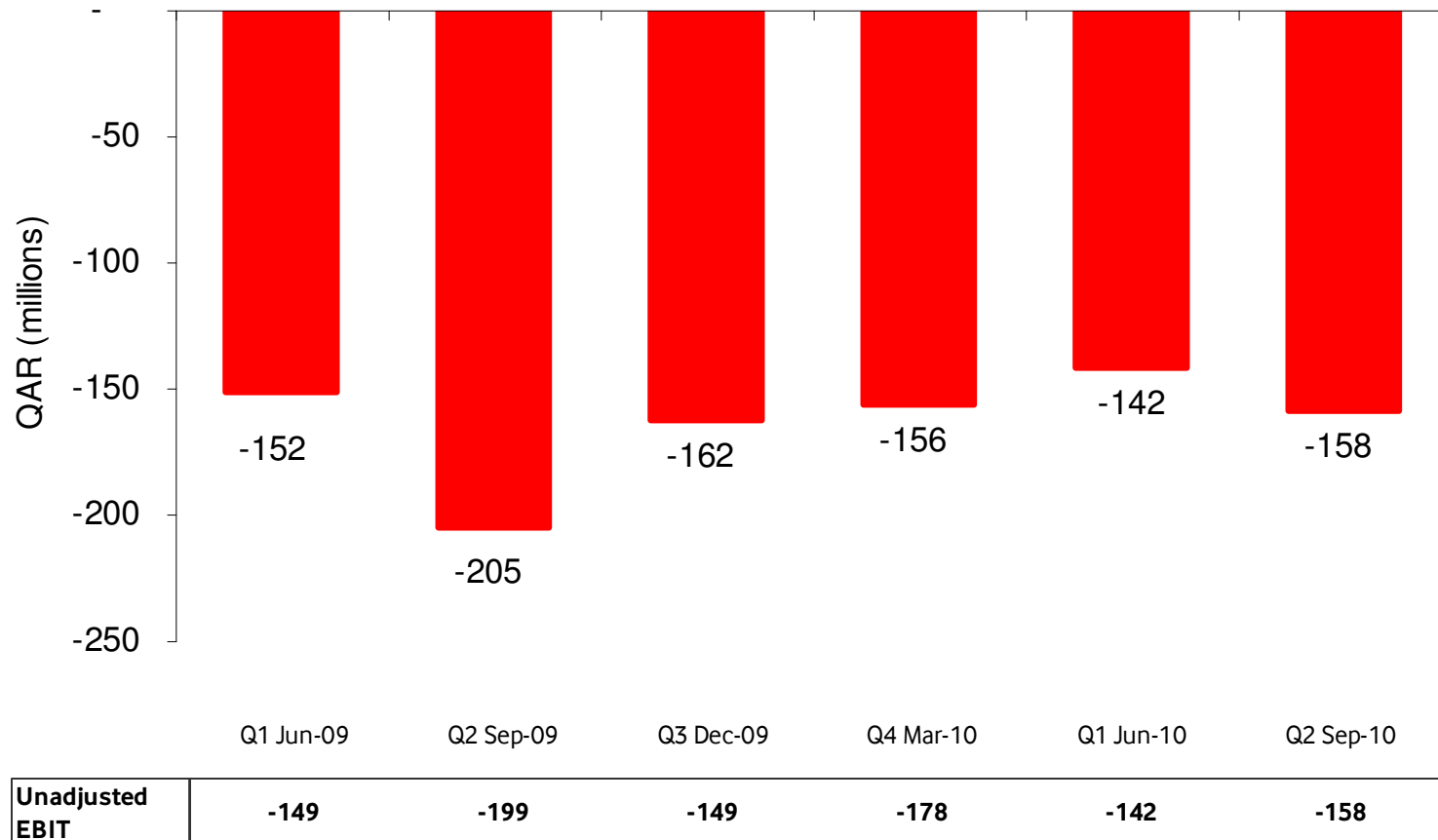


*Quarterly EBIT has been adjusted to align the Vodafone Group management fees with when revenues were earned and to distribute additional Amortisation expense incurred in March 2010 following a change in the amortisation period from 20 years to 19.16 years



EBIT

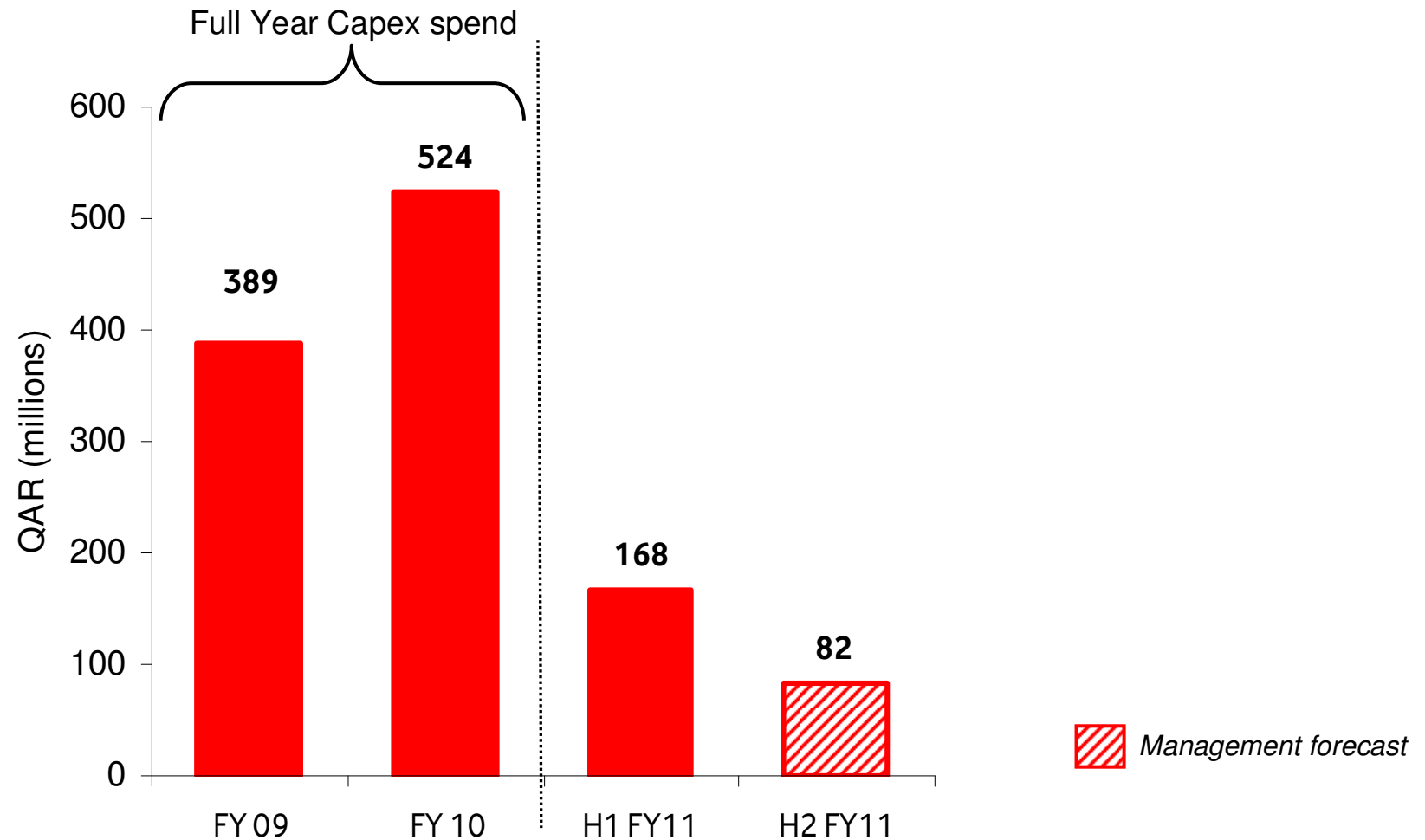
Progress in Quarterly Adjusted EBIT*



*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 (Mobile only)

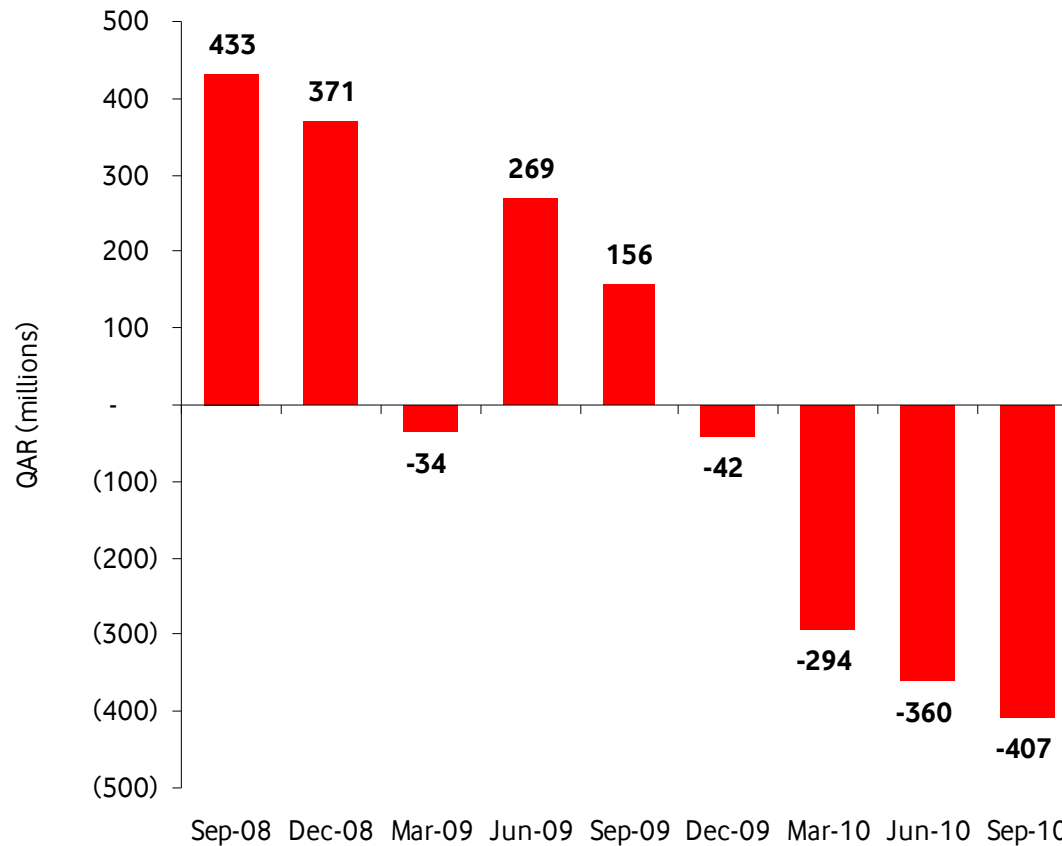


- QAR 28m of capital expenditure brought forward from FY12 to FY11 for further network improvements.
- Long-term capital expenditure expected to stabilise at 7% of revenue from FY13 onwards.



Net Debt

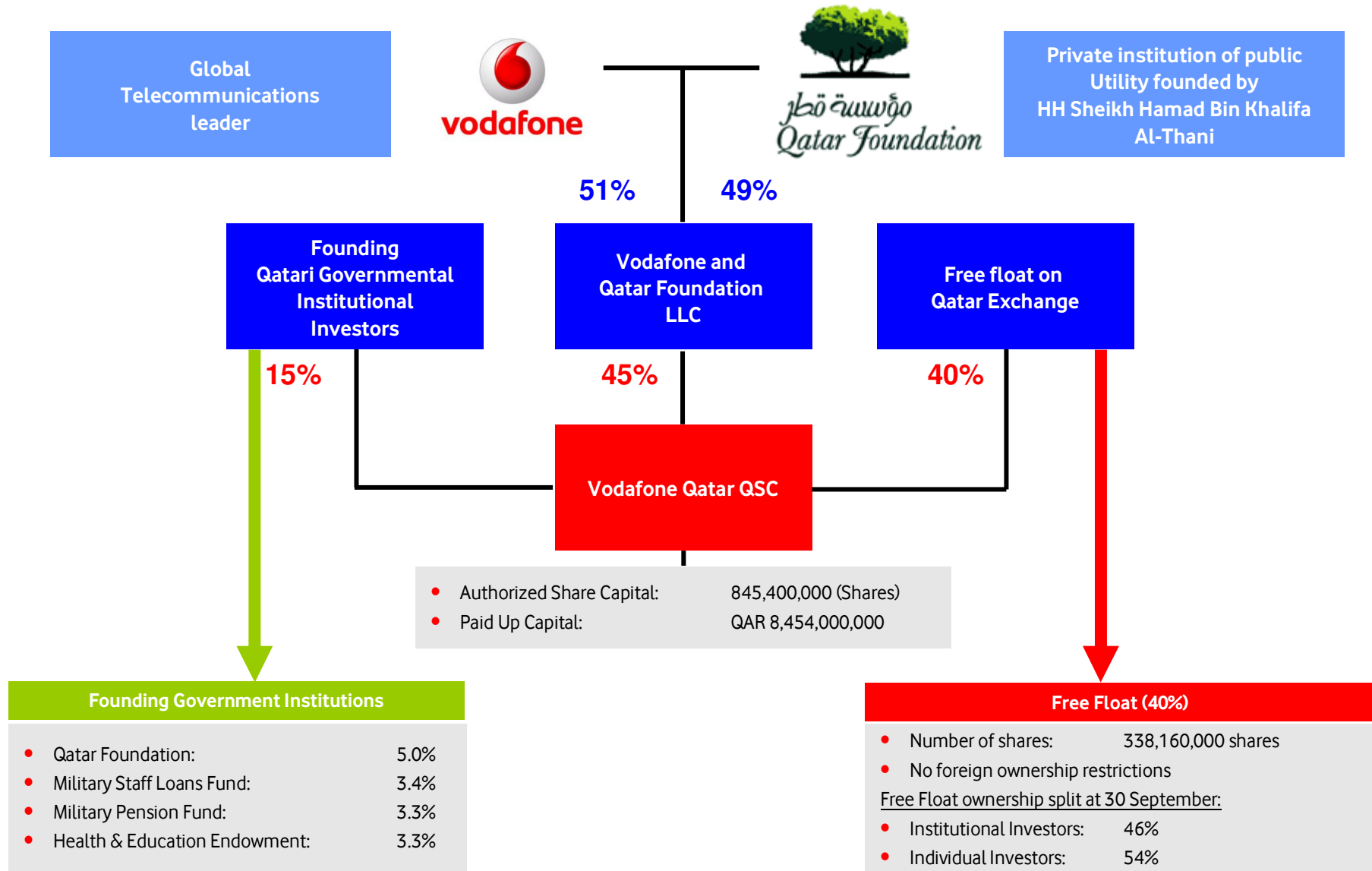
Borrowings less Term Deposits



- Borrowing facility extended from US\$110m to US\$230m to cater for increase in capex due to accelerated customer uptake. US\$110m facility is at 1mth US Libor + 3.55%; the additional US\$120m facility is at an interest rate of US Libor + 1.55%.
- Future borrowing will be required for fixed line.



Vodafone Qatar Shareholder Structure



Outlook Q3 FY11

- Focus on customer acquisition to new segments – Qatari, Khaliji, Business
 - Increase distribution footprint for business customers
- Commercial launch of Vodafone Money Transfer
- Further enhancements to the mobile network (QAR 28m brought forward)
 - Additional 2G sites
 - Improving 3G speeds from 3.6 to HSDP+
 - Greater UMTS900 coverage
- Launch of fixed line voice services to The Pearl-Qatar



Condensed Statement of Income and Cash Flows – 6 months ended 30 Sep 10

	Six months ended September 2010 QAR '000	Six months ended September 2009 QAR '000
Revenue	385,447	39,188
Direct costs	(196,854)	(36,857)
Other expenses	(220,444)	(158,419)
EBITDA	(31,851)	(156,088)
Depreciation	(66,828)	(30,567)
Amortisation of licence	(201,269)	(160,750)
Interest income	2,171	11,858
Financing costs	(14,598)	(13,869)
Loss before taxation	(312,375)	(349,416)
Income tax expense	-	-
Loss for the period	(312,375)	(349,416)
Basic and diluted loss per share (QAR)	(0.37)	(0.44)

	Six months ended September 2010 QAR '000	Six months ended September 2009 QAR '000
Loss for the period	(312,375)	(349,416)
Other comprehensive income		-
Fair value gains transferred to income statement	32,049	
Total comprehensive loss for the period	(280,326)	(349,416)

	Six months ended September 2010 QAR '000	Six months ended September 2009 QAR '000
Net cash flows used in operating activities	23,760	(42,636)
Cash flows from investing activities		
Purchase of property, plant and equipment	(114,684)	(47,906)
Payment for intangible assets	(10,000)	(3,086,400)
Interest received	994	4,002
Net cash flows used in investing activities	(123,690)	(3,130,304)
Cash flows from financing activities		
Proceeds from issue of ordinary share capital	-	3,393,042
Proceeds from long term borrowings	109,200	363,911
Repayment of short term borrowings	-	(35,000)
Interest paid	(1,810)	(24,123)
Net cash flows from financing activities	107,390	3,697,830
Net cash flows	7,460	524,890
Cash and cash equivalents at the beginning of the financial period	85,356	554
Cash and cash equivalents at the end of the financial period	92,816	525,444



Condensed Statement of Financial Position – as at 30 Sep 2010

	30 September 2010 QAR '000	30 September 2009 QAR '000
Non-current assets		
Property, plant and equipment	954,205	832,283
Intangible assets	7,155,466	7,346,735
Trade and other receivables	6,383	4,432
Total non-current assets	8,116,054	8,183,450
Current assets		
Inventory	13,953	21,713
Trade and other receivables	180,618	118,207
Cash and cash equivalents	92,816	85,356
Total current assets	287,387	225,276
Total assets	8,403,441	8,408,726

	30 September 2010 QAR '000	30 September 2009 QAR '000
Equity		
Share capital	8,454,000	8,454,000
Legal reserve	11,442	11,442
Accumulated other comprehensive income	32,049	-
Retained losses	(1,118,686)	(806,311)
Total equity	7,378,805	7,659,131
Non-current liabilities		
End of employment benefits	3,405	1,972
Provisions	6,184	4,848
Long term borrowings	499,894	379,083
Total non-current liabilities	509,483	385,903
Current liabilities		
Trade and other payables	515,153	363,692
Total current liabilities	515,153	363,692
Total liabilities	1,024,636	749,595
Total equity and liabilities	8,403,441	8,408,726



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