A Global Company with Local Roots

Vodafone Qatar

Annual Report 2011 – 2012

In the Name of Allah Most Gracious Most Merciful

His Highness
Sheikh Hamad bin Khalifa Al-Thani
Emir of the State of Qatar

His Highness
Sheikh Tamim bin Hamad Al-Thani
The Heir Apparent

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Section One:
Executive Summary

Chairman's Statement

Dear Shareholders,

It is my pleasure to bring you Vodafone Qatar's third annual report detailing our financial results and business performance for the year ended 31 March 2012.

This has been a year of continued growth and positive change for our Company, starting with the appointment of Richard Daly as Chief Executive Officer (CEO), from 1 September 2011. Richard joined us as successor to our founding CEO, Grahame Maher, who sadly passed away in November 2010. Richard is a very experienced CEO with over 30 years working in blue chip companies, including 11 years in telecommunications. His appointment has added significantly to the Company. His experience and leadership and that of the Company's executive team will further enable us to achieve our future objectives.

Performance

In our second full year of operations, we have continued to deliver significant growth. Vodafone Qatar grew its total revenue by 31% to reach QR 1.2bn for the year ended 31 March 2012, primarily as a result of an increase in our number of mobile customers. Our customer base grew by 11% over the year to reach 837,233 at the end of March 2012.

The growth in revenue enabled the Company to report its first year of positive Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of QR 144m, compared to a loss of QR 27m reported last year.

The Company's net loss continues to improve to reach a loss of QR 486m for the year ended 31 March 2012. Overall profitability reflects the amortisation of the QR 7.7bn mobile licence fee which is QR 404m annually and a non cash item.

Building for the Future

This year has been one of building solid foundations for the future growth of the Company. We have continued to make great progress in further enhancing the coverage and quality of our 3G mobile network and in deploying our fixed line fibre optic network in partnership with Qatar National Broadband Network (Q.NBN).

Also, we have built our Postpaid billing platform and have finalised our Roaming footprint, two important milestones that will benefit our premium customers as we target higher value segments in the coming year.

Creating a Better World

This year saw Vodafone continue to make a difference in Qatar through its programmes of Social Responsibility. The first ever Grahame Maher World of Difference award was held here in Doha in recognition of the work that Grahame did to make the world a better place and Frederique Kallen was selected as the winner of Vodafone Group's programme.

We also continued our partnership with Reach Out To Asia (ROTA) which continues to enrich the lives of people around the world through investing in local community projects. For example in Nepal, a country that is highly at risk of natural disasters, we are helping the community by providing training on disaster risk reduction, as well as promoting safe school standards through capacity building that supports infrastructural disaster readiness.

Local Roots

Vodafone prides itself on being a Global Company with Local Roots and this is becoming ever more obvious here in Qatar.

This year we have continued to drive our Qatarisation Programme, we now have more than 14% of Qataris within our employee base and I am particularly pleased that we have appointed the first Qatari to our Executive team, with further additional local appointments currently in progress.

Also, the opening of our local Call Centre here in Doha to provide service to our high-value customers has further helped enable us to better serve and create a stronger relationship with our Qatari customers.

The Board and Governance

In November 2011, Vodafone and Qatar Foundation LLC appointed Richard Daly and Steve Walters, the Company's new Chief Financial Officer (CFO), to the Board of Directors to replace John Tombleson and Matthew Harrison-Harvey.

John Tombleson had been a Board member since August 2008 having joined Vodafone Qatar as CFO before taking on the Interim CEO role in November 2010. John left Qatar to take up his new role as CFO at Vodafone's affiliate in Kenya, Safaricom. Matthew Harrison-Harvey had been a Board member since June 2008, having joined Vodafone Qatar as Director of Legal, Regulatory and External Affairs. Matthew left Qatar at the end of the financial year to pursue a new opportunity at Vodafone Group. On behalf of the Board of Directors, I would like to thank John and Matthew for their invaluable contribution over the years and we wish them every success in their new roles.

Vodafone Qatar remains committed to maintaining the highest standards of corporate governance which the Board considers to be critical to business integrity and to maintaining investors' trust. This year the Board of Directors took steps to further enhance Vodafone Qatar's corporate governance structures by establishing an Audit Committee and Remuneration Committee each with specific terms of reference approved by the Board. These committees have been established in accordance with best practice adopted by the Vodafone Group and will bring further rigour and transparency to the Company's governance structures and processes. The Company's Corporate Governance Report for the year 2011 can be viewed online at www.vodafone.qa/en-cg

Summary

On behalf of the Board, I would like to thank His Highness Sheikh Hamad bin Khalifa Al-Thani, the Emir of the State of Qatar and His Highness Sheikh Tamim bin Hamad Al-Thani, the Heir Apparent for their on-going support of Vodafone and the communications sector in Qatar.

The Board would also like to express its appreciation and gratitude to the Company's employees, for their efforts towards achieving the goals of the Company. We would also like to thank our partners for their cooperation in supporting Vodafone, contributing to the company's growth and success, during this year of significant change.

The coming year will see significant progress with the launch of Vodafone Postpaid and fixed line services which are designed to drive Vodafone forward to become an integrated communications company for all in Qatar.

Abdulrahman bin Saud al-Thani
Chairman

Chief Executive's Review

Dear Shareholders,

I was delighted and proud to accept the role of Chief Executive Officer at Vodafone Qatar in September 2011 and more than happy to be returning to the Middle East.

Vodafone has made a strong start to its business in Qatar. Our presence in the market has been a catalyst for significant changes in the telecommunications sector that have benefitted all customers in Qatar. I have spent much of my time in the early months meeting and listening to our customers, partners, shareholders and other stakeholders and the feedback that I received has helped me to develop very clear priorities for the future of the business.

Our number one focus is to support ictQATAR in providing an innovative, high quality telecommunications service in Qatar to support the 2030 vision of His Highness The Emir Sheikh Hamad bin Khalifa Al-Thani. We will achieve this by focusing obsessively on our customers' needs, listening to their requirements and serving them in a way that exceeds their expectations.

In the year ended March 2012, we have been building the necessary platform to deliver our future growth initiatives. In many ways, this was the year that saw us complete our 'start-up' phase and we are now in a good position to enter new, higher value segments with innovative, high quality products and services building on Vodafone's global experience and international footprint. It has been pleasing that, while building these engines for growth, we have also been able to continue to grow our revenues, profitability and increase our market share.

Our main priority during this past year has been the completion of our mobile network deployment. We now have nationwide coverage, excellent voice quality and a very impressive experience for customers accessing the internet on their Vodafone devices. We are looking forward to welcoming even more customers onto our network in the coming year.

As a genuinely customer obsessed organisation, we have been actively working to ensure that the care our customers receive in our retail stores, through our call centres and online is truly exceptional. Our customer feedback has been very positive and we will continue to be innovative in this area. We recently opened a call centre in Doha with a fantastic team of young Qataris dedicated to serving our local customers.

It has also been one of my key objectives and priorities to build very strong bridges with the Qatari community and we have been working hard to achieve this. Currently, more than 14% of our total workforce is Qatari and we will continue to seek to increase this number. We have made our first Qatari appointment, Mohammed Al Yami, onto

our Executive team with more to follow. Our CSR activity increasingly focuses on the Qatari community and we are now localising our brand and advertising. We will continue to make every effort to build strong relationships with the Qatari community as a priority for our business.

Looking to the future, I would like to update you on our priorities for the coming year. We have many exciting initiatives that will take us into new areas of the fast-growing Qatari telecommunications market.

We will soon launch our Postpaid billing service which will enable us to meet the needs of our most discerning customer segments preferring such service and also allow us to effectively serve the business community. We will provide a high quality service and unprecedented value for money to these important segments. We are also looking forward to the introduction of Mobile Number Portability later on this year which will help improve customer choice across the market.

Perhaps the most exciting development for us in the year ahead will be our full entry into the fixed line market. We are excited to be partnering with Qatar National Broadband Network to provide high speed broadband services over a state-of-the-art fibre optic network and we are dedicated to offering our customers a new standard of customer care in this area.

All of these new challenges will be underpinned by the usual Vodafone focus on delivering an unmatched customer experience. My team in Qatar are all committed to this goal and to making a World of Difference for all the people living in this great country.

So we are about to enter into the next phase of Vodafone's journey in Qatar. The opportunities ahead are many and I assure you that we will endeavour to deliver great results to reward you, dear Shareholders, for your continued support.

I would like to thank you, our customers, our partners and my amazing team of Vodafoners from around the world for helping us to succeed and become a truly admired business and brand in Qatar.

Regards,

Richard Daly
Chief Executive Officer

Who we are

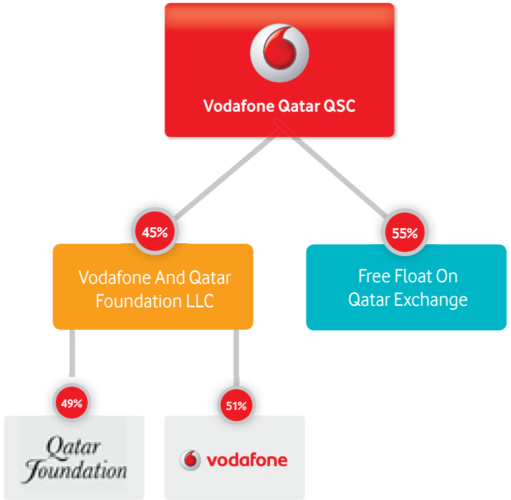
A Global Company with Local Roots

Vodafone Group

Vodafone Group delivers communications services to approximately 405 million customers in its controlled and jointly controlled markets, has equity interests in over 30 countries across five continents, and has more than 40 partner networks worldwide; all under the banner of the world's most valuable telecoms brand (Annual Brand Finance Global 500 Report, March 2012).

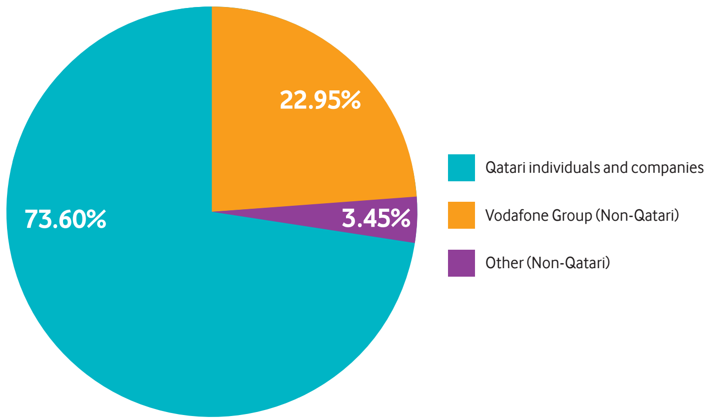
The Qatar Foundation for Education, Science and Community Development

(Qatar Foundation) was founded in 1995 by His Highness Sheikh Hamad bin Khalifa Al-Thani, Emir of the State of Qatar, and chaired by Her Highness Sheikha Moza bint Nasser Al Misnad. Qatar Foundation aims to support Qatar on its journey from a carbon economy to a forward-looking knowledge economy by unlocking human potential.



Vodafone Qatar is a Qatari-Owned Company

As at 31 March 2012, Vodafone Qatar is 73.6% Qatari-owned by over 45,000 Qatari individuals and Qatari companies.



Board of Directors

His Excellency Sheikh Abdulrahman bin Saud al-Thani (Chairman)

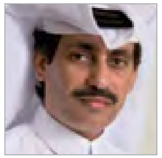
His Excellency Sheikh Abdulrahman bin Saud al-Thani was appointed as Chairman of the Board of Directors in August 2008, after he became a Board member in June 2008. His Excellency has been a Minister of State since March 2011, after holding other important positions such as the Chief of the Emiri Diwan, Private Secretary to HH the Emir, and Qatar's Ambassador to the United States of America. HE Sheikh Abdulrahman bin Saud al-Thani is a member of the Joint Advisory Board of the School of Foreign Services – Georgetown University Qatar, Member of the Trusteeship Board of the Qatar Museum Authority, Member of the Trusteeship Board of the Institution of Palestine Studies – Beirut and Member of the Board of Advisors of the Centre of Contemporary Arabic Studies – Georgetown University Washington.

Mr Abdulla bin Nasser Al-Misnad (Vice Chairman)

A member of the Board since May 2009 (appointed by the Public Shareholders), Mr Abdulla bin Nasser Al-Misnad was appointed as Vice Chairman of the Board in January 2011. Mr Al-Misnad is the Chairman and Managing Director of Al Misnad Holding Company which has been involved in private sector businesses since the 1950s. The Al Misnad Holding Company owns and manages several companies with diverse business activities that play its full part in promoting economic growth and development of the State of Qatar. Mr Abdulla Al-Misnad is also Chairman of Qatari Investors Group and Vice-Chairman of Al Khaliji Bank.

His Excellency Sheikh Abdullah bin Hamad bin Khalifa Al-Thani

A member of the Board since January 2011 (appointed by Vodafone and Qatar Foundation LLC). His Excellency Sheikh Abdullah is the Chief of the Emiri Diwan since December 2011, a member of the Board of Directors of the International Bank of Qatar (IBQ) and President of Al Rayyan Football Club.



Mr Rashid Fahad Al-Naimi

A member of the Board since June 2008 (appointed by Vodafone and Qatar Foundation LLC) and a member of the Board of Managers of Vodafone and Qatar Foundation LLC. Mr Al-Naimi is the Vice President, Administration, of the Qatar Foundation. Furthermore, he represents the Qatar Foundation across a number of boards, committees and in addition to Vodafone Qatar, Mr Al-Naimi is currently the residing Chairman for MEEZA, Mazaya Qatar, Gulf Bridge International, Knowledge Ventures and Qatar Solar; he is also a Board Member of Al Mannai Company, Msheireb Properties and Al Khaliji Bank.

Mr Nick Read

A member of the Board since October 2008. Nick is CEO of Vodafone Africa, Middle East and Asia Pacific Region and a member of the Executive Committee of Vodafone Group Plc. He is a Director of Vodafone Hutchison Australia Limited, Vodacom Group Limited, Vodafone India Limited, Vodafone Egypt S.A.E., Indus Towers Limited and Safaricom Limited. Nick joined Vodafone in 2001. He spent six years at Vodafone UK for a short period as CFO, before becoming CCO and then CEO in 2006. He has been in his current role since November 2008. Prior to joining Vodafone, Nick spent 10 years at Federal Express Worldwide where he was Vice President and CFO for Europe, Middle East and Africa, based in Brussels, and Vice President Global Corporate Finance and Planning, based in the USA. He was also the former CFO of Miller Freeman Worldwide Plc, the largest division of the media group, United News and Media Plc.

Mr Richard Daly

A member of the Board since November 2011 (appointed by Vodafone and Qatar Foundation LLC). Richard joined Vodafone Qatar as CEO in September 2011 from Vodafone Partner Markets where he also held the role of CEO. From 2007 to 2009 Richard was CEO of Vodafone Egypt. Richard first joined Vodafone in 2000, and has held senior commercial roles in Vodafone UK and Egypt covering marketing, retail, indirect distribution, and customer care. Richard is not currently on the Board of any other companies.

Mr Steve Walters

A member of the Board since November 2011 (appointed by Vodafone and Qatar Foundation LLC). Steve joined Vodafone Qatar as CFO in October 2011 from Vodafone India where he held the role of Interim Head of Finance from April 2011. Steve joined Vodafone India in 2008 as Head of Financial Planning. Steve joined Vodafone in 2000 and has held various senior financial roles in various functions. Steve is a Chartered Accountant and is not currently on the Board of any other companies.

Ms Aisha Mohammed Saad Al-Nuaimi

A member of the Board since May 2009 (appointed by the Public Shareholders). Ms Al-Nuaimi is currently Investment Director of the General Retirement and Social Insurance Authority (GRSIA). Ms Al-Nuaimi holds an MBA from the University of Qatar and a PhD from the University of London – Under Preparation.

Mrs Alison Wilcox

A member of the Board since January 2011 (appointed by Vodafone and Qatar Foundation LLC). Since 2009 Alison has been Vodafone Group's Regional HR Director covering 14 operating companies across Africa, Asia Pacific and the Middle East. Alison initially joined Vodafone in July 2006 as the Global Director of Leadership, prior to which she spent 11 years with Hay Group, an international HR consulting practice. Alison holds an MBA and is not currently on the Board of any other companies.

Executive Management Team

Richard Daly

Chief Executive Officer

Richard joined Vodafone Qatar as CEO from his role as Chief Executive Officer for Vodafone Partner Markets. From 2007 to 2009 Richard was CEO of Vodafone Egypt, where he led the increase in market share whilst a third entrant entered the market. Richard first joined Vodafone in 2000, and has held senior commercial roles in Vodafone UK and Egypt covering marketing, retail, indirect distribution, and customer care.

Steve Walters

Chief Financial Officer

Steve joined Vodafone Qatar from Vodafone India where he began in 2008 and held the role of Interim Head of Finance from April 2011. Steve first joined Vodafone in 2000 and has extensive experience in the Vodafone Group and its European operations.

Jan Mottram

Human Resources Director

Prior to joining Vodafone Qatar in December 2008, Jan held the position of Human Resources Director in Vodafone New Zealand and most recently in Vodafone Ireland. Jan has held executive human resources positions for over 25 years.

Matthew Osborne

Director of Legal and Regulatory

Matthew was appointed as Director of Legal and Regulatory in April 2012 and brings with him considerable experience having been General Counsel and Company Secretary for Vodafone Ireland and its subsidiaries for four years. Prior to joining Vodafone, Matthew spent six years as a corporate solicitor in top tier law firms in New Zealand, the UK and Ireland.

Mohamed Al-Yami

Director of External Affairs

Mohammed Al-Yami joined the Executive Management Team in March 2012 and brings with him more than 18 years' experience in various government and private positions. He joins Vodafone from Ashghal Public Works Authority where he held the position of Corporate Planning and Development Manager. He has also previously held roles with Kaharama and the Ministry of Health.

John Saad

Chief Marketing Officer

John joined Vodafone Qatar in July 2011, from Vodafone Egypt, where he first started working in 2002. During his time with Vodafone Egypt, whilst working as Head of Consumer Marketing, John contributed significantly to Vodafone Egypt becoming the number one operator in Egypt.

Wade Kirkland

Director of Strategy and Planning

Wade originally joined Vodafone Qatar in November 2008 as Financial Controller and was Interim CFO before starting his current role. Wade has previously held numerous high-level finance positions in both the Mobile and Fixed Line businesses at Vodafone New Zealand since 2003.

Niraj Singh

Director of Enterprise Business Unit

Niraj joined Vodafone Qatar in April 2012. Prior to joining Vodafone Qatar he worked as Chief Operating Officer for Vodafone Global Enterprise as part of Vodafone India. Whilst in his previous role he helped develop the enterprise business from a new start-up to market leader.

Ger Coolen

Chief Technology Officer

Ger joined Vodafone Qatar in April 2012 from Vodafone Netherlands where he held the position of Chief Technology Officer since 2008 and has had a succession of great achievements including winning the Netherlands Best Network Award in 2010.

Alistair Beak

Interim Director of Consumer Business Unit

Alistair joined Vodafone Qatar in September 2010 from Vodafone Czech Republic where he was formerly the Head of Customer Care having previously worked as Head of Indirect Sales and Online. He first started his Vodafone career ten years ago with Vodafone UK, focusing on senior sales roles.

Vodafone Qatar Q.S.C.
Annual Report 2011 – 2012

Section Two:
Overview

Vodafone Qatar Q.S.C.
Annual Report 2011 – 2012

Our Vision

To be the Most Admired Brand in Qatar

Our Purpose

To Make a World of Difference to all the People in Qatar

How we will Make a Difference for Our Customers

Our Strategies

More Confidently Connected

- Our networks, fixed and mobile, never let our customers down
- We are the Home of the Smartphone and pioneer of data services
- Businesses in Qatar rely on our innovation

Unmatched Customer Experience

- We set the benchmark for service in Retail, Customer Care and Online
- Our products and services are dependable and work first time, every time
- All our employees, in all areas of the business, go the extra mile for our customers

Always Competitive Value

- We give the best value for money
- Roaming and international customers enjoy the unique benefits of Vodafone's global reach
- We are transparent, honest and simple to deal with

Through the delivery of these strategies, we are making a world of difference to our customers' lives

Section Three:
Financial Summary

How we have Performed

Financial Highlights

Total Revenue

- QR 1,222m
- 31% growth

EBITDA

- QR 144m
- 12% margin

Net Loss

- QR 486m
- 19% improvement

Capital Expenditure

- QR 399m
- 16% reduction

Free Cash Outflow

- QR 293m
- 14% improvement

Mobile Customers

- 837,233
- 11% growth

Mobile Customer Market Share

- 28.5%
- 1.8 ppts

Mobile Revenue Market Share

- 24.5%
- 4.5 ppts

Financial Performance – Fixed and Mobile

	FY10 QRm	FY11 QRm	FY12 QRm	YoY Growth
Total Revenue	362	935	1,222	31%
EBITDA	(225)	(27)	144	n/a
EBITDA Margin (%)	(62)	(2.9)	12	15ppts
Net Loss	(673)	(601)	(486)	19%
Capital Expenditure	524	475	399	16%
Free Cash Flow	(566)	(341)	(293)	14%

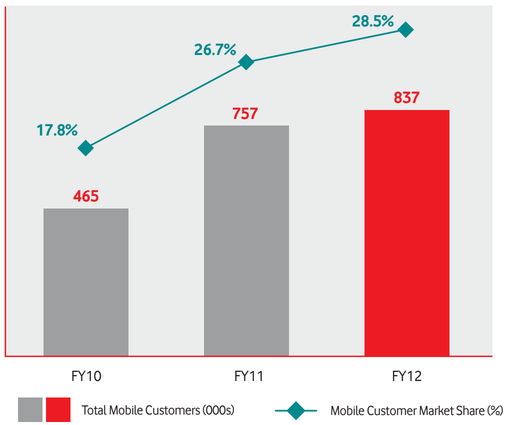
Key Performance Indicators (KPIs)

	FY10	FY11	FY12	YoY Growth
Qatar's Population (m)	1.677	1.679	1.774	5.7%
Qatar's Mobile Penetration (%)	156	169	166	(3.2)ppts
Mobile Customers (000s)	465	757	837	11%
Mobile Customer Market Share (%)	17.8	26.7	28.5	1.8ppts
Mobile Revenue Market Share [1] (%)	8.6	20.0	24.5	4.5ppts

[1] Revenue market share is based on Vodafone Qatar's total mobile revenue versus Qtel's reported Postpaid, Prepaid and other mobile revenue.

Financial Commentary

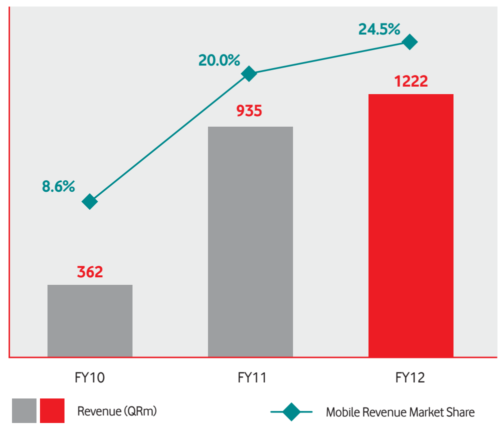
Mobile Customers



In less than three years since launch, Vodafone Qatar has reached 837,233 customers as of 31 March 2012, this represents year-on-year growth in the customer base of 11%. The 80,000 increase in customer base was driven by new Prepaid customers, attracted by a variety of innovative product, services and promotions. This growth has been enabled by enhancements to the mobile network.

Mobile penetration in Qatar remains high at 166% at 31 March 2012; this is broadly unchanged from a year ago. Dual-SIM continues to be a feature of the Qatari mobile communications market, with many residents in Qatar owning more than one SIM. Our 28.5% customer market share represents Vodafone Qatar's share of all the SIMs that are currently reported in the market.

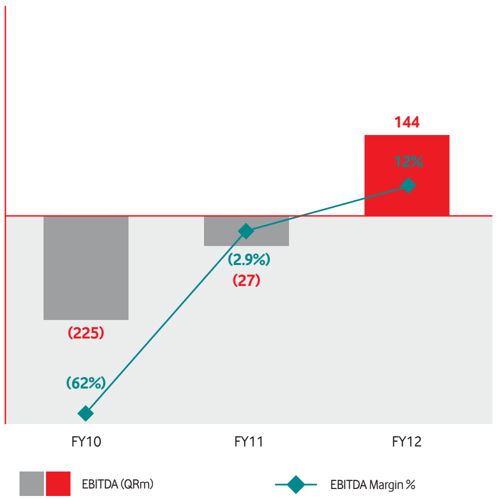
Total Revenue (Fixed and Mobile)



Total revenue for the financial year ended 31 March 2012 was QR 1.2bn, an increase of 31% compared to the same period last year and an improvement in our share of market revenue to 24.5%. Revenue growth was generated by an increase in our customer base and improved handset sales whilst ARPU levels have been broadly maintained with strong mobile data services performance offsetting the impact of international voice promotions.

Almost all the revenue earned this financial year has been generated from the Company's mobile operations. Currently Vodafone Qatar only provides broadband services to residents of The Pearl-Qatar.

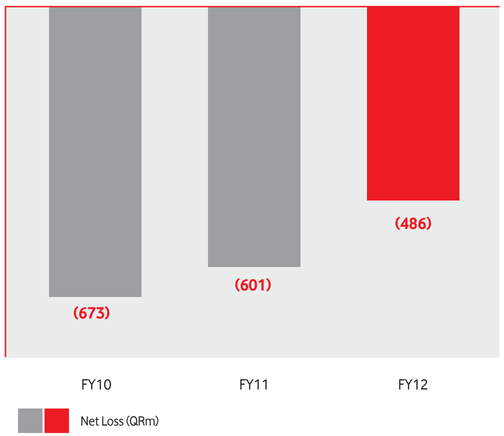
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)



EBITDA for the year ended 31 March 2012 was QR 144m. The Company has been generating positive quarterly EBITDA since December 2010. This financial year is the Company's first full year of positive earnings.

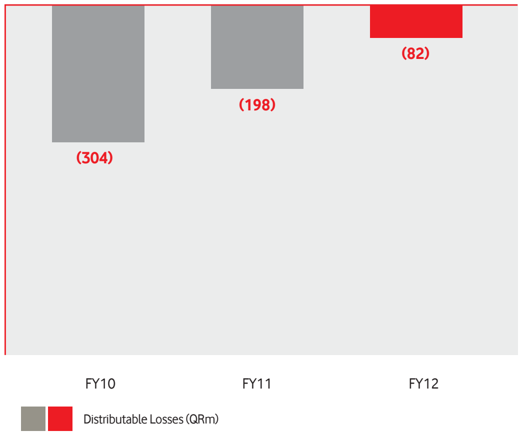
EBITDA margin improved to 12% with the Company benefiting from the greater scale of its operations and by selling a higher proportion of more profitable voice and data services to our customers.

Net Loss



The net loss improved by 19% compared to last year, through improved EBITDA performance with a higher depreciation charge reflecting the increased investment in our network. The most significant expense giving rise to the net loss remains the amortisation of the mobile licence which is QR 404m annually. This amount represents 83% of the total net loss for the year. Whilst the amortisation of the mobile licence is a considerable expense, it is a non-cash item and has no impact on the cash flows of the business.

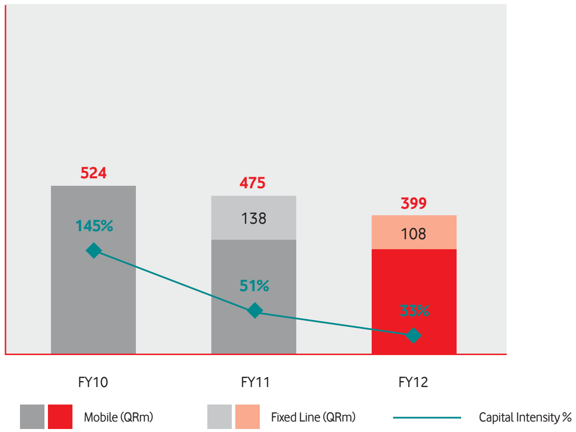
Distributable Profits



The distributable profits for the year ended 31 March 2012 improved from a loss of QR 198m to a loss of QR 82m; representing an improvement of 59%. Distributable profits represent the net profits or losses of the Company plus amortisation of the licence, for the financial year.

The Company's ability to pay dividends is governed by the distributable profits it generates. As distributable profits were not generated for the financial year ended 31 March 2012, it is not permissible for the Company to pay a dividend.

Capital Expenditure



The Company invested a total of QR 399m of capital expenditure during the financial year, of which, QR 291m related to the mobile business and QR 108m was invested in our fixed broadband network. This brings the total amount of capital invested since the incorporation of the Company to QR 1.79bn for both mobile and fixed.

During the year, 117 additional sites were rolled out contributing to improvements in our customers' network quality experience. Our fixed investment has been to develop the necessary infrastructure to enable future rollout of services in 2012.

Overall capital intensity (capital expenditure/total turnover) for the year was 33%; a significant improvement on the 51% reported last year. As the business grows, the level of capital intensity is expected to decline.

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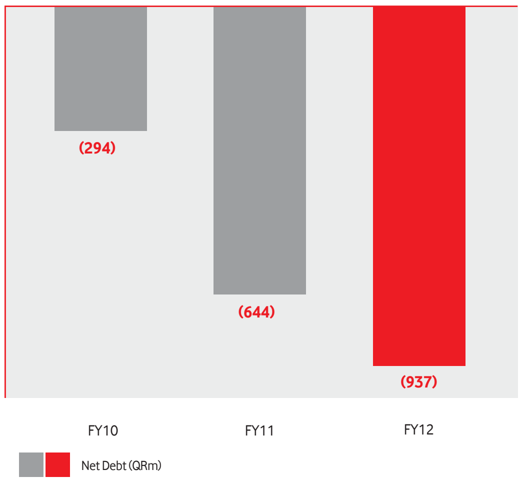
Net Debt (Total Borrowings less Cash)

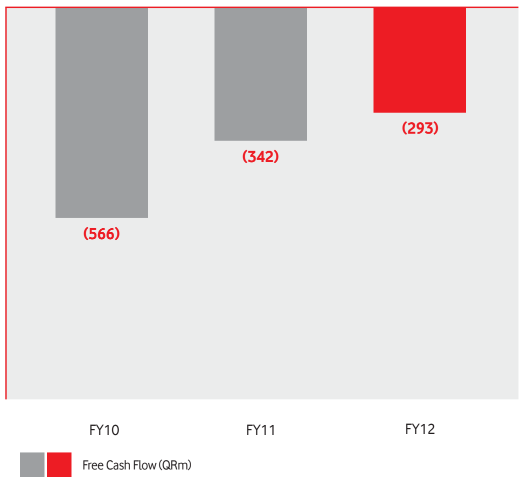


During the year, the Company increased its borrowing facilities from USD 230m (QR 837m) to USD 330m (QR 1,201m) and refinanced it's USD 100m (QR 364m) loan facility on maturity. These facilities were used to support the on-going investment and working capital requirements of the business.

As at 31 March 2012, QR 1,037m was drawn-down on these facilities offset by QR 100m of cash held on deposit, leaving the net debt position as QR 937m.

Please refer to note 19 of the financial statements for further details on the long-term borrowings.

Free Cash Flow



Free cash flow improved by 14% from the previous year to a QR 293m outflow.

This was principally due to an improved EBITDA performance and lower capital expenditure.

Section Four:
Year in Review

Moving into our Second Phase

Vodafone Qatar is now fully established in the local market. Our launch years are over and we've begun to move into the next phase of the business, supporting the future of one of the most ambitious countries in the world.

Building a Strong Mobile Network

We've dramatically enhanced our mobile network, investing more than QR 399m this year in infrastructure to ensure our customers can always enjoy a reliable network every time they use it.

Improved Coverage

The Vodafone network has 100% outdoor coverage in Qatar with strong voice and mobile internet services. Thanks to our network re-design and the deployment of new sites, we have significantly improved the indoor network experience in businesses and homes across Qatar.

Fast and Reliable Mobile Internet Experience

More than 50% of our customers use mobile internet, which is one of the highest rates in the world. Our 3G and HSPA data network provides great mobile browsing, seamless video and a fast downloading experience. Customers who love the internet, love our network.

International Roaming with 224 Telecom Operators in 124 Countries

We are moving to a new international roaming solution, signing direct bilateral agreements with telecom operators all over the world. Our customers are able to enjoy a hassle-free voice and mobile internet service no matter where they travel.

Focusing on the Qatari Community

Our business is putting Qatari culture, values and the local community at the centre of everything we do.

Locally Inspired Marketing Campaigns

Our Ramadan 2011 campaign, 'Ramadan Stories Never End', signalled our focus toward marketing activities based on local insights. Since then all our big promotions and major events have been inspired by Qatari and Arabic thinking. We aim to continuously develop and improve our capability to execute high impact campaigns and that's why we've made the decision to change our creative agency and partner with a new local Qatari company called "The Agency". They are a young, dynamic and creative team based in Doha that shares our passion for innovation.

Launch of the Qatari Call Centre in Doha

In January 2012, we opened a new call centre in Doha that is operated exclusively by Qatari staff. The aim is to provide excellent customer service and dedicated support to our Qatari customer base.

Qatarisation of Our Staff

We're committed to increasing the employment of Qatari nationals at all levels within the company. In March 2012 we appointed Mohamed Al-Yami as External Affairs Director – the first Qatari national on our executive team. Qataris working at Vodafone represent 14% of our staff base.

Our Summer Internship Program 2011 provided the opportunity for a number of Qatari students to gain hands-on experience in a global telecommunications company with local roots in Qatar.

During the Qatar Career Fair 2012, we engaged with approximately 3,500 local candidates and we received more than 800 applications. We also discussed future career opportunities at Vodafone with a large number of university students and fresh graduates.

Al Sadd Sponsorship

Al Sadd is one of the oldest and most successful football teams in Qatar. In September 2012 we proudly announced our five-year partnership agreement with the club, which got off to a brilliant start when they won the 2011 AFC Champions League.

The partnership with Al Sadd holds great potential for Vodafone including joint-marketing campaigns and new sports-based activation opportunities.

Corporate Social Responsibility (CSR)

In 2011 we partnered with Qatar Red Crescent to provide a mass SMS communication tool that enables them to immediately contact volunteers in the case of a crisis.

During Ramadan 2011 we introduced an SMS donation service in cooperation with Qatar Charity that enabled our customers to make instant donations from their phones via SMS.

Our QR 9m donation to Reach Out to Asia (ROTA) supports charity projects in Qatar and all over Asia. Part of this money was invested in a program that gives individuals in Qatar the chance to volunteer for community development projects all over the world.

We founded the CSR Majlis, an informal network of Qatar-based companies and organisations interested in corporate social responsibility and sustainability in Qatar. Events are held four times a year and are designed to be a platform for networking, information sharing and partnering. The goal is to strengthen and increase CSR awareness and practices within Qatar.

Serving our Customers with Passion

We serve our customers 24 hours a day, 365 days a year. They can interact with us online, phone our call centres or visit one of our many stores. Our teams thrive on providing an unmatched customer experience every time they talk with someone.

Retail

We now operate twelve dedicated Vodafone Retail Stores across Qatar and have a retail truck that provides a mobile service to more isolated communities. Our network of independent retailers that sell Vodafone products and services has grown to more than 2,200 outlets across the country.

Call Centres in Three Countries Supporting Four Languages

In addition to our new Qatari Call Centre in Doha, we also operate call centres in India and Egypt. Speaking four different languages (Arabic, English, Hindi and Malayalam) allows us to communicate effectively with our diverse customer base. We have been nominated for 9 awards in the Middle East Call Centre Award program 2012. Since start-up, Vodafone Qatar has won an award every year from this prestigious regional event.

Online and Social Media

We now have more than 100,000 fans on Facebook™ and we interact daily with our followers on Twitter™, sharing news and providing help and support. Our website features one of the most advanced online shops in Qatar and Prepaid customers can recharge instantly via our mobile website using a credit card. Vodafone was the first to launch Facebook Zero in Qatar, providing free access to a mobile-optimised version of Facebook that is available to all our customers.

Popular Offers and Value Promotions

We have continued to lead the market with innovative price plans and value promotions. Our 'Stop the Clock' offer was the first of its kind in the Qatari market. After the first three minutes of a local call, our customers received 30 minutes free of charge. Customers also received exceptional value on local calls during the 'Swalif' promotion: 200 minutes of Vodafone-to-Vodafone calls for only QR 10. In October 2011 we launched BlackBerry® on Prepaid, offering the choice between weekly and monthly service options. For the first time, customers could book the service directly from their mobile phone using an SMS short-code.

Bringing Global Innovation to Qatar

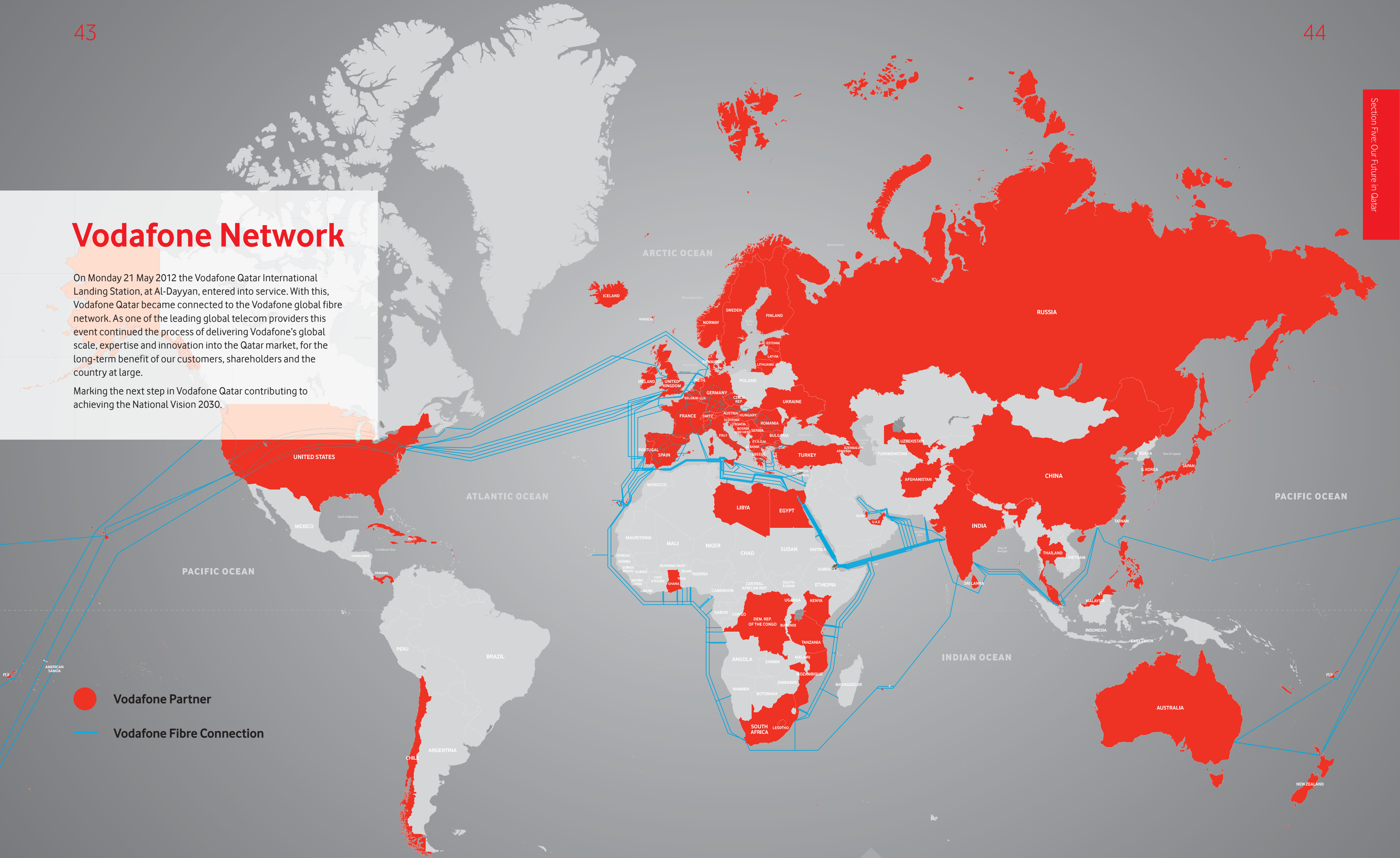
We're committed to bringing Vodafone's global innovation and experience to Qatar. The lessons from other local Vodafone markets have been invaluable in creating the best possible service for our customers.

Section Five:
Our Future in Qatar

Vodafone Network

On Monday 21 May 2012 the Vodafone Qatar International Landing Station, at Al-Dayyan, entered into service. With this, Vodafone Qatar became connected to the Vodafone global fibre network. As one of the leading global telecom providers this event continued the process of delivering Vodafone's global scale, expertise and innovation into the Qatar market, for the long-term benefit of our customers, shareholders and the country at large.

Marking the next step in Vodafone Qatar contributing to achieving the National Vision 2030.



Vodafone Qatar Q.S.C.
Annual Report 2011 – 2012

Where we are Heading

During the coming year, Vodafone Qatar will become a full-service telecommunications company offering a full range of products and services in Qatar:

Mobile Prepaid

Building on our already successful proposition offering even more innovative new products and an improved data experience. Whilst doing this we will be looking to maintain the same great value we currently offer our customers.

Mobile Postpaid

We will launch a new Postpaid billing service that will be tailored for local requirements. Delivering the great service our customers deserve through our enhanced network and leveraging Vodafone Group's global footprint to offer an improved roaming experience.

Fixed Line Services

We will offer customers a better way to enjoy the internet for work and play through high speed broadband services. Longer term we will leverage Qatar National Broadband Networks nationwide roll-out plans to cover 95% of Qatar.

Converged Services for Enterprises

We will begin launching integrated mobile, fixed voice and high speed data services to businesses ranging from small, medium sized companies to large corporates and government departments. These bespoke solutions will bring to Qatar Vodafone's unparalleled global expertise in innovative enterprise services.

Outlook and Future Strategy

Telecommunications Market in Qatar Today

The telecommunications market in Qatar has been growing since Vodafone launched its services almost three years ago in July 2009. Just prior to Vodafone Qatar's commercial launch, the telecommunications market in Qatar was worth QR 5.7bn annually[1].

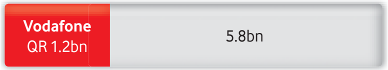
The launch of a second operator in Qatar has had a positive impact on overall market revenue. In fact, since Vodafone Qatar's launch almost three years ago, while the population of Qatar has grown by 9.2%, total revenue from the telecommunications market in Qatar has grown by 20% and is now worth almost QR 7.0bn[2] annually.

Outlook for the Overall Telecommunications Market

Further substantiated by winning the World Cup bid for 2022, Qatar has ambitious growth plans over the next five years. Qatar has committed to sizeable infrastructure projects including a new airport, seaport, roads, railways, transport corridor and stadiums to support the creation of a diverse and sustainable domestic economy. As major development projects get underway and more workers and project managers are required, Qatar's expatriate-dominated population is expected to grow further. This increase in population will ultimately benefit the telecommunications sector in Qatar as there will be more people requiring mobile and fixed line services.

Vodafone Qatar's Opportunity

Qatar Telco Market QR 7.0bn



Over the last 12 months to 31 March 2012, the telecommunications market in Qatar was valued at QR 7.0bn[2]. Of this, Vodafone Qatar has 17% market share or QR 1.2bn of the total revenue in the market.

Since launch, Vodafone Qatar has primarily focused on the mobile prepaid market and therefore the majority of our reported annual revenue comes from this service. We therefore see a significant opportunity to grow revenue by launching services into previously untapped market segments of mobile Postpaid and fixed line.

[1] Mobile and Fixed line revenues reported by Qtel for the 12 months ended 30 June 2009

[2] Mobile and Fixed line revenues reported by Vodafone Qatar and Qtel for the 12 months ended 31 March 2012

Postpaid

The total Postpaid market in Qatar today is worth around QR 1.7bn[3] annually

- The new Postpaid service will allow customers to receive monthly bills and give them the ability to pay in arrears using the payment method that suits them best.
- Development of the Postpaid system is now well underway and we will be launching the service later in 2012 following an extensive phase of trials and testing.
- We will provide high quality services to business customers offering unprecedented value for money.

[3] Postpaid revenues reported by Vodafone Qatar and Qtel for the 12 months ended 31 March 2012

[4] Fixed line revenues reported by Vodafone Qatar and Qtel for the 12 months ended 31 March 2012

Fixed Line Services

The fixed line market in Qatar is today worth around QR 2.0bn[4] annually

- Vodafone Qatar was awarded the country's second fixed line licence on 29 April 2010.
- Launched fixed line broadband services at The Pearl-Qatar in July 2010 providing broadband services for the first time to local residents.
- In 2012 Vodafone Qatar will begin its wider rollout of fixed line services based on the Q.NBN footprint, targeting Barwa City, and later the West Bay CBD area.
- We will provide high speed broadband services over a state-of-the-art network, offering customers a new standard in customer care.
- Vodafone Qatar will be a customer of the Q.NBN whose purpose is to provide superfast broadband to 95% of households and 100% of businesses by 2015.
- Vodafone Qatar is building its own fixed line core network and will use Q.NBN's infrastructure for provision of the last-mile fibre; this reduces the need for significant additional capital investment from Vodafone Qatar.
- The wider nationwide rollout will occur in conjunction with Q.NBN's roll-out plan across Qatar.
- In keeping with the objective of turning Qatar into an information hub, Vodafone Qatar is working to build a resilient international network and will become a key node of Vodafone's global wholesale business.

Section Six: Financial Statements

Independent Auditor's Report

To The Shareholders Vodafone Qatar Q.S.C.

Report on the Financial Statements

We have audited the accompanying financial statements of Vodafone Qatar Q.S.C. (the "Company"), which comprise the statement of financial position as at 31 March 2012 and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements presents fairly, in all material respects, the financial position of Vodafone Qatar Q.S.C. as at 31 March 2012, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other Legal and Regulatory Requirements

Furthermore, in our opinion the Company has maintained proper books of account, the physical inventory has been duly carried out and the contents of the directors' report are in agreement with the financial statements. We have obtained all the information and explanations which we considered necessary for the purpose of our audit. To the best of our knowledge and belief and according to the information given to us, no contraventions of the Commercial Companies Law or the Company's Articles of Association were committed during the year which would materially affect the Company's activities or its financial position.

For Deloitte & Touche

M. Salha

Doha – Qatar | Midhat Salha

7 June 2012 | Licence No. 257

Statement of Income

For the year ended 31 March 2012

	Notes	Year ended 31 March 2012	Year ended 31 March 2011
		QR '000	QR '000
Revenue	6	**1,221,724**	934,899
Direct costs		**(560,743)**	(475,042)
Other expenses	7	**(516,914)**	(486,939)
Earnings before Interest, Tax, Depreciation, and Amortisation		**144,067**	(27,082)
Depreciation		**(196,639)**	(145,844)
Amortisation of licences		**(403,840)**	(402,637)
Interest income		**662**	5,397
Financing costs	8	**(30,236)**	(30,551)
Loss before taxation		**(485,986)**	(600,717)
Income tax expense	9	**-**	-
Loss for the financial year		**(485,986)**	(600,717)
Basic and diluted loss per share (QR)	22	**(0.57)**	(0.71)

The accompanying notes are an integral part of these financial statements.

Statement of Comprehensive Income

For the year ended 31 March 2012

	Notes	Year ended 31 March 2012	Year ended 31 March 2011
		QR '000	QR '000
Loss for the financial year		**(485,986)**	(600,717)
(Loss)/Gain arising from cash flow hedges during the year	17	**(18,711)**	19,784
Total comprehensive loss for the financial year		**(504,697)**	(580,933)

The accompanying notes are an integral part of these financial statements.

Statement of Financial Position

As at 31 March 2012

	Notes	2012	2011
		QR '000	QR '000
Non-current assets			
Property, plant and equipment	10	**1,363,974**	1,161,201
Intangible assets	11	**6,550,258**	6,954,098
Trade and other debit balances	12	**6,940**	5,668
Total non-current assets		**7,921,172**	8,120,967
Current assets			
Inventories	13	**11,895**	11,496
Trade and other debit balances	12	**171,339**	200,314
Cash and cash equivalents	14	**100,338**	83,261
Total current assets		**283,572**	295,071
Total assets		**8,204,744**	8,416,038
Equity			
Share capital	15	**8,454,000**	8,454,000
Legal reserve	16	**11,442**	11,442
Hedging reserve	17	**1,073**	19,784
Accumulated losses		**(1,893,014)**	(1,407,028)
Total equity		**6,573,501**	7,078,198
Non-current liabilities			
Employees' end of service benefits		**8,233**	4,707
Provisions	18	**10,939**	8,604
Long-term borrowings	19	**1,037,266**	727,672
Total non-current liabilities		**1,056,438**	740,983
Current liabilities			
Trade and other payables	20	**574,805**	596,857
Total current liabilities		**574,805**	596,857
Total liabilities		**1,631,243**	1,337,840
Total equity and liabilities		**8,204,744**	8,416,038

The accompanying notes are an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 7 June 2012 and were signed on its behalf by:

Richard Daly
Chief Executive Officer

Steve Walters
Chief Financial Officer

Statement of Changes in Equity

For the year ended 31 March 2012

	Share capital	Legal reserve	Hedging reserve	Accumulated losses	Total
	QR '000	QR '000	QR '000	QR '000	QR '000
Balance as at 1 April 2010	8,454,000	11,442	-	(806,311)	7,659,131
Comprehensive loss for the year					
- Loss for the financial year	-	-	-	(600,717)	(600,717)
- Gains arising from cash flow hedges during the year	-	-	19,784	-	19,784
Balance as at 31 March 2011	**8,454,000**	**11,442**	**19,784**	**(1,407,028)**	**7,078,198**
Comprehensive loss for the year					
- Loss for the financial year	**-**	-	-	(485,986)	(485,986)
- Movement in cash flow hedges during the year	**-**	-	(18,711)	-	(18,711)
Balance as at 31 March 2012	**8,454,000**	**11,442**	**1,073**	**(1,893,014)**	**6,573,501**

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows

For the year ended 31 March 2012

	Notes	Year ended 31 March 2012	Year ended 31 March 2011
		QR '000	QR '000
Net cash flows used in operating activities	21	**(19,573)**	(28,523)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(245,921)**	(292,698)
Payment for intangible assets		**-**	(10,000)
Interest received		**662**	5,397
Net cash flows used in investing activities		**(245,259)**	(297,301)
Cash flows from financing activities			
Proceeds of long-term borrowings		**309,594**	348,589
Interest paid		**(27,685)**	(24,860)
Net cash flows from financing activities		**281,909**	323,729
Net increase/(decrease) in cash and cash equivalents		**17,077**	(2,095)
Cash and cash equivalents at the beginning of the year		**83,261**	85,356
Cash and cash equivalents at the end of the year	14	**100,338**	83,261

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 31 March 2012

1. Incorporation and Activities

Vodafone Qatar Q.S.C. ("the Company") is registered as a Qatari Shareholding Company for a twenty-five year period (which may be extended by a resolution passed at a General Assembly), under article 68 of the Commercial Companies Law Number 5 of 2002.

The Ministry of Business and Trade granted its approval for the incorporation of the Company, as per Ministerial Resolution Number (160) of 2008, dated June 22, 2008. The Company was registered with the Commercial Register of the Ministry of Business and Trade on June 23, 2008 under number 39656. The incorporation of the Company was completed upon the publication in the Official Gazette of Ministerial Resolution Number (160) of 2008. During 2009, the Company successfully completed the initial public offering of 338,160,000 ordinary shares and was listed on the Qatar Exchange.

The Company is engaged in providing cellular mobile telecommunication services, fixed line services and selling mobile related equipment and accessories.

The Company's head office is located in Doha, Qatar and its registered address is P.O. Box 27727, Doha, Qatar.

The financial statements were approved by the Board of Directors and authorised for issue on 7 June 2012.

2. Basis of Preparation

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting year. For a discussion on the Company's critical accounting estimates see "Critical Accounting Estimates" under note 4. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The amounts in the financial statements are stated in thousands of Qatari Riyals (QR '000) unless indicated otherwise.

3. Significant Accounting Policies

Accounting Convention

The financial statements are prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value.

Foreign Currencies

Foreign currency transactions are translated into Qatari Riyals using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss.

Income Tax

Corporate income tax is levied on companies that are not wholly owned by Qataris or any GCC nationals, based on the net profit of the company. The Company is listed on the stock exchange and is not subject to income tax.

Intangible Assets

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits will flow to the Company and the cost of the asset can be reliably measured.

Finite Lived Intangible Assets

Intangible assets with finite lives are stated at acquisition or development cost, less accumulated amortisation. The amortisation period and method is reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in statement of income in the expense category consistent with the function of the intangible asset.

Licence Fees

Licence and spectrum fees are stated at cost less accumulated amortisation. The amortisation period is determined primarily by reference to the unexpired licence period, the conditions for the licence renewal and whether licences are dependent on specific technologies. Amortisation is charged to the statement of income on a straight-line basis over the estimated useful lives from the commencement of service of the network. The estimated useful lives of the mobile and fixed line licenses are 20 years and 25 years respectively.

Property, Plant and Equipment

Buildings held for use are stated in the statement of financial position at their cost less subsequent accumulated depreciation and any subsequent accumulated impairment losses.

Equipment, fixtures and fittings are stated at cost less accumulated depreciation and any accumulated impairment losses.

Assets in the course of construction are carried at cost, less any recognised impairment loss. Depreciation of these assets commences when the assets are ready for their intended use.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction, using the straight-line method, over their estimated useful lives, as follows:

Freehold building	25 – 50 years
Leasehold premises	the term of the lease

Equipment, fixtures and fittings:

Network infrastructure	3 – 8 years
Others	2 – 5 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of income.

Impairment of Assets

Property, plant and equipment and finite lived intangible assets

At each end of reporting period date, the Company reviews the carrying amounts of its property, plant and equipment and finite lived intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of income.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior periods. A reversal of an impairment loss is recognised immediately in the statement of income.

Revenue Recognition

Revenue is recognised to the extent the Company has delivered goods or rendered services under an agreement, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company. Revenue is measured at the fair value of the consideration received, exclusive of discounts.

The Company principally obtains revenue from providing the following telecommunication services: access charges, airtime usage, messaging, interconnect fees, data broadband services and information provision, connection fees and equipment sales. Products and services may be sold separately or in bundled packages.

Revenue from access charges, airtime usage and messaging by contract customers is recognised as revenue as services are performed, with unbilled revenue resulting from services already provided accrued at the end of each period and unearned revenue from services to be provided in future periods deferred. Revenue from the sale of Prepaid credit is deferred until such time as the customer uses the airtime, or the credit expires.

Revenue from interconnect fees is recognised at the time the services are performed.

Revenue from data services and information provision is recognised when the Company has performed the related service and, depending on the nature of the service, is recognised either at the gross amount billed to the customer or the amount receivable by the Company as commission for facilitating the service.

Revenue from selling the right to use preferred numbers is recognised over a two-year period on a straight line basis, which is the expected useful life of the customer. Revenue from money transfer transactions is recognised when earned, upon the transfer of funds.

Customer connection revenue is recognised together with the related equipment revenue to the extent that the aggregate equipment and connection revenue does not exceed the fair value of the equipment delivered to the customer. Any customer connection revenue is deferred and recognised over the period in which services are expected to be provided to the customer.

Revenue for device sales is recognised when the device is delivered to the end customer or to an intermediary when the significant risks associated with the device are transferred.

In revenue arrangements including more than one deliverable, the arrangements are divided into separate units of accounting. Deliverables are considered separate units of accounting if the following two conditions are met: (1) the deliverable has value to the customer on a stand-alone basis and (2) there is evidence of the fair value of the item. The arrangement consideration is allocated to each separate unit of accounting based on its relative fair value.

Commissions

Intermediaries are given cash incentives by the Company to connect new customers and upgrade existing customers, and distribute recharge cards. The cash incentives are accounted for as an expense.

Inventory

Inventory is stated at the lower of cost and net realisable value. Cost is determined on the basis of weighted average cost and comprises direct materials and, where applicable, direct labour cost and those overheads that have been incurred in bringing the inventories to their present location and condition.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Employees' End of Service Benefits

The Company provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period, calculated under the provisions of Qatar Labour Law and is payable upon resignation or termination of the employee. The expected costs of these benefits are accrued over the period of employment.

Financial Instruments

Financial assets and financial liabilities, in respect of financial instruments, are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Trade Receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience. Individual trade receivables are written off when management deems them not to be collectible.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade Payables

Trade payables are not interest bearing and are stated at their nominal value.

Financial Liabilities and Equity Instruments

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Capital Market and Bank Borrowings

Interest bearing loans and overdrafts are initially measured at fair value (which is equal to cost at inception), and are subsequently measured at amortised cost, using the effective interest rate method, except where they are identified as a hedged item in a fair value hedge. Any difference between the proceeds net of transaction costs and the settlement or redemption of borrowings is recognised over the term of the borrowing.

Equity Instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issuance costs.

Derivative Financial Instruments and Hedge Accounting

The Company's activities expose it to the financial risks of changes in foreign exchange rates and interest rates. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives consistent with the Company's risk management strategy. Changes in values of all derivatives of a financing nature are included within investment income and financing costs in the income statement. The Company does not use derivative financial instruments for speculative purposes. Derivative financial instruments are initially measured at fair value on the contract date and are subsequently remeasured to fair value at each reporting date. The Company designates certain derivatives as either:

- hedges of the change of fair value of recognised assets and liabilities ('fair value hedges'); or
- hedges of net investments in foreign operations; or
- cash flow hedges.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement, and is included in the 'other gains and losses' line item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting, or the Company chooses to end the hedging relationship.

Impairment of Financial Assets

Financial assets, other than those at fair value through profit and loss, are assessed for indicators of impairment at reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For trade receivables, objective evidence of impairment could include: (i) significant financial difficulty of the issuer or counterparty; (ii) default or delinquency in interest or principal payments; or (iii) it is becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial assets is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the statement of income.

When an available for sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

With the exception of available for sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised,

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the previously recognised impairment loss is reversed through the statement of income to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available for sale equity securities, impairment losses previously recognised through the statement of income are not reversed through the statement of income. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

Derecognition of Financial Assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The Company prepares its financial statements in accordance with IFRS as issued by the International Accounting Standards Board, the application of which often requires judgements to be made by management when formulating the Company's financial position and results. Under IFRS, the directors are required to adopt those accounting policies most appropriate to the Company's circumstances for the purpose of presenting fairly the Company's financial position, financial performance and cash flows.

In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the Company should it later be determined that a different choice would be more appropriate.

Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and, accordingly, provides an explanation of each, below. The discussion below should also be read in conjunction with the Company's disclosure of significant IFRS accounting policies, which is provided in note 3 of the financial statements.

Impairment Reviews

IFRS requires management to undertake an annual test for impairment of indefinite lived assets and, for finite lived assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of:

- growth in earnings before interest, tax, depreciation and amortisation ("EBITDA"), calculated as adjusted operating profit before depreciation and amortisation;
- timing and quantum of future capital expenditure;
- long-term growth rates; and
- the selection of discount rates to reflect the risks involved.

The Company prepares and Vodafone Group approves formal five-year plans for its business and the Company uses these as the basis for its impairment reviews.

In estimating the value in use, the Company uses a discrete period of five years where a long-term growth rate into perpetuity has been determined as the lower of:

- The nominal GDP rates for the country of operation; and
- The compound annual growth rate in EBITDA

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Company's impairment evaluation and, hence, results. The discount rate used in the most recent value in use calculation in the year ended 31 March 2012 was 9% and the long-term growth rate was 5.6%.

Revenue Presentation: Gross Versus Net

When deciding the most appropriate basis for presenting revenue and costs of revenue, both the legal form and substance of the agreement between the Company and its business partners are reviewed to determine each party's respective role in the transaction.

Where the Company's role in a transaction is that of principal, revenue is recognised on a gross basis. This requires revenue to comprise the gross value of the transaction billed to the customer, after trade discounts, with any related expenditure charged as an operating cost.

Where the Company's role in a transaction is that of an agent, revenue is recognised on a net basis, with revenue representing the margin earned.

Revenue from selling the right to use preferred numbers is amortised over a two-year period which represents the estimated useful life of the customer.

Estimation of Useful Life

The useful life used to amortise intangible assets relates to the future performance of the assets acquired and management's judgement of the period over which economic benefit will be derived from the asset. The basis for determining the useful life for the most significant categories of intangible assets is as follows:

Licences Fees

The estimated useful life is generally the term of the licence unless there is a presumption of renewal at negligible cost. Using the licence term reflects the period over which the Company will receive economic benefit. For technology specific licences with a presumption of renewal at negligible cost, the estimated useful economic life reflects the Company's expectation of the period over which the Company will continue to receive economic benefit from the licence. The economic lives are periodically reviewed taking into consideration such factors as changes in technology. Historically any changes to economic lives have not been material following these reviews.

Provision for Receivables

The Company has a bad debt provision against trade receivables based on management's assessment of creditworthiness. The provision is adequate and comprises a specific provision and general provisions. General provisions include all high risk debt that has not been specifically evaluated and appropriate provisions against debt in other categories that has not been specifically evaluated.

Fair Value of Bundling

The Company allocates the fair value of the voice, messaging and data services sold in handset bundles to service revenue using the strongest available evidence. Where a revenue arrangement includes more than one deliverable, such as the sale of a Prepaid handset with free texts or an airtime contract with inclusive voice minutes and texts, the arrangement is divided into separate elements or units of accounting.

Property, Plant and Equipment

Property, plant and equipment also represent a significant proportion of the asset base of the Company being 16.6% (2011:13.8%) of the Company's total assets. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Company's financial position and performance.

Estimation of Useful Life

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the statement of income.

The useful lives and residual values of the Company's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

5. Segment Reporting

The Company only operates in Qatar and is therefore viewed to operate in one geographical area. Management also views that its mobile business is the only operating segment of the Company. Fixed line services are reported in the same operating segment.

6. Revenue

	Year ended 31 March 2012	Year ended 31 March 2011
	QR '000	QR '000
Revenue from sale of goods and services	**1,177,251**	916,068
Other revenue	**44,473**	18,831
	1,221,724	934,899

7. Other Expenses

	Year ended 31 March 2012	Year ended 31 March 2011
	QR '000	QR '000
Employee benefits expense	**164,716**	156,906
Operating lease rentals	**115,582**	121,452
Other expenses	**236,616**	208,581
	516,914	486,939

8. Financing Costs

	Year ended 31 March 2012	Year ended 31 March 2011
	QR '000	QR '000
Other guarantee charges	**45**	730
Interest on long-term borrowings	**27,640**	25,635
Others	**2,551**	4,186
	30,236	30,551

9. Income Tax Expense

	Year ended 31 March 2012	Year ended 31 March 2011
	QR '000	QR '000
Income tax expense	**-**	-

Corporate income tax is levied on companies that are not wholly owned by Qatari citizens or GCC nationals, based on the net profit of the company.

Deferred tax assets have not been recognised on the basis that the Company has a five year tax holiday following its incorporation and is exempt from paying income tax under its listed Company status.

10. Property, Plant and Equipment

	IT, furniture, fixtures and fittings	Network, plant and equipment	Total
	QR '000	QR '000	QR '000
Cost:			
As at 1 April 2010	104,403	808,639	913,042
Additions	249,591	225,171	474,762
At 31 March 2011	353,994	1,033,810	1,387,804
Additions	108,671	290,741	399,412
At 31 March 2012	**462,665**	**1,324,551**	**1,787,216**
Accumulated Depreciation:			
As at 1 April 2010	16,718	64,041	80,759
Charge for the year	70,572	75,272	145,844
At 31 March 2011	87,290	139,313	226,603
Charge for the year	75,107	121,532	196,639
At 31 March 2012	**162,397**	**260,845**	**423,242**
Net book value:			
At 31 March 2012	**300,268**	**1,063,706**	**1,363,974**
At 31 March 2011	266,704	894,497	1,161,201

The net book value of property, plant and equipment includes assets in the course of construction, which are not depreciated. These amounts to QR 146 million (2011: QR 238 million).

11. Intangible Assets

	Total
	QR '000
Licences – Cost:	
As at 1 April 2010	**7,716,000**
Additions	10,000
At 31 March 2011	**7,726,000**
Additions	-
At 31 March 2012	**7,726,000**
Licences – Accumulated amortisation:	
As at 1 April 2010	**369,265**
Amortisation charge for the year	402,637
At 31 March 2011	**771,902**
Amortisation charge for the year	403,840
At 31 March 2012	**1,175,742**
Licences – Net book value:	
At 31 March 2012	**6,550,258**
At 31 March 2011	6,954,098

12. Trade and Other Debit Balances

	2012	2011
	QR '000	QR '000
Included within non-current assets:		
Prepayments	**6,940**	5,668
Included within current assets:		
Trade receivables	**128,998**	141,047
Prepayments	**29,599**	30,863
Due from related parties (note 23)	**1,201**	205
Other debit balances	**11,541**	28,199
	171,339	200,314

13. Inventories

	2012	2011
	QR '000	QR '000
Goods held for resale	11,895	11,496

Inventory is reported net of allowance for obsolescence, an analysis of which is as follows:

	2012	2011
At 1 April	3,625	943
Amounts (credited)/ charged to statement of income	(864)	2,682
At 31 March	2,761	3,625

14. Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in banks and term deposits with original maturities of three months or less, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the Statement of cash flows are as follows:

	2012	2011
	QR '000	QR '000
Cash at bank and on hand	100,338	83,261

15. Share Capital

	2012		2011	
	Number	QR '000	Number	QR '000
Ordinary shares authorised, allotted, issued and fully paid:				
Ordinary shares of QR 10 each	845,400,000	8,454,000	845,400,000	8,454,000

16. Legal Reserve

During the financial year ended 31 March 2010, the Company successfully completed an initial public offering of 338,160,000 ordinary shares. The offer price was QR 10 per share and QR 0.25 per share was charged to cover the cost of the share issue. All the shares were fully subscribed. The excess of issuance fees of QR 0.25 per share over the issuance cost has been transferred to the legal reserve.

17. Cash Flow Hedges

Under the Company's foreign exchange management policy, the Company hedges foreign exchange risk in external transactions by using the forward foreign exchange market.

During the year, the Company entered into a number of forward foreign exchange contracts. The fair value change in the statement of comprehensive income represents the difference between the fair value of the foreign exchange forwards at contract date and at the reporting date. The notional amount of the hedge contracts as at 31 March 2012 amounted to EUR 3.4m (QR 16.5m).

18. Provisions

	2012	2011
	QR '000	QR '000
Asset Retirement Obligations		
At 1 April	**8,604**	4,848
Amounts charged to income statement	**2,335**	3,756
At 31 March	**10,939**	8,604

In the course of the Company's activities, a number of sites and other assets are utilised which are expected to have costs associated with exiting and ceasing their use. The associated cash outflows are generally expected to occur at the dates of exit of the assets to which they relate, which are long-term in nature.

19. Long-Term Borrowings

	2012	2011
	QR '000	QR '000
Loan from Vodafone Investment SARL	**1,037,266**	727,672

During the financial year, the Company renewed its first credit facility of USD $110m (QR 400.4m) from Vodafone Investments Luxembourg SARL. The new loan of USD $110m bears interest at a variable rate, and is repayable on 8 March 2019.

The Company's second revolving credit facility of USD $120m (QR 436.8m) was also obtained from Vodafone Investments Luxembourg SARL. The loan bears interest at a variable rate, and is repayable on 3 May 2014. During the year, the Company has drawn down USD $16m (QR 58.2m).

During the financial year, the Company obtained a third revolving credit facility of USD $100m (QR 364m) from Vodafone Investments Luxembourg SARL. The loan bears interest at a variable rate, and is repayable on 1 June 2018. During the year, the Company has drawn down USD $65.8m (QR 239.5m).

The long-term borrowings bear an average interest rate of 1.57% annually (2011: 2.83%).

20. Trade and Other Payables

	2012	2011
	QR '000	QR '000
Trade payables	**91,726**	66,336
Accruals and deferred income	**335,364**	398,319
Other payables	**63,477**	54,869
Due to related parties (note 23)	**84,238**	77,333
	574,805	596,857

21. Reconciliation of Net Cash Flows Used in Operating Activities

	Year ended 31 March 2012	Year ended 31 March 2011
	QR '000	QR '000
Operating loss for the year before interest income and finance cost	**(456,412)**	(575,563)
Adjustments for:		
Depreciation and amortisation	**600,479**	548,481
Finance costs	**(2,551)**	(5,691)
Decrease/(increase) in inventory	**(399)**	10,217
Increase/(decrease) in trade and other debit balances	**8,992**	(63,559)
(Decrease)/increase in trade and other payables	**(175,543)**	51,101
Increase in Employees' end of service benefits	**3,526**	2,735
Increase in provisions	**2,335**	3,756
Net cash flows used in operating activities	**(19,573)**	(28,523)

22. Basic and Diluted Loss Per Share

	Year ended 31 March 2012	Year ended 31 March 2011
Loss for the year (QR '000)	**(485,986)**	(600,717)
Weighted average number of shares (in thousands)	**845,400**	845,400
Basic and diluted loss per share (QR)	**(0.57)**	(0.71)

There is no dilutive element and basic and diluted shares are the same.

23. Related Party Transactions

Related parties represent the shareholders, directors and key management personnel of the Company and companies controlled, jointly controlled or significantly influenced by those parties.

The following transactions were carried out with related parties:

	Year ended 31 March 2012	Year ended 31 March 2011
	QR '000	QR '000
Sales of goods and services Vodafone Group Plc controlled entities	**3,111**	153
Purchases of goods and services Vodafone Group Plc controlled entities	**76,025**	25,819
Interest on Long Term Borrowing Vodafone Group Plc controlled entities	**27,640**	25,635

Goods and services are bought from related parties at prices approved by management.

	2012	2011
	QR '000	QR '000
Balances arising from sales/purchases of goods/services		
Receivables from related parties: Vodafone Group Plc controlled entities	**1,201**	205
Payables to related parties: Vodafone Group Plc controlled entities	**84,238**	77,333
Loan from a related party: Loan from Vodafone Investment SARL	**1,037,266**	727,672

The receivables from related parties arise mainly from sale transactions which are unsecured in nature and bear no interest. The payables to related parties arise mainly from purchase transactions and bear no interest. Loans from related parties bear interest at variable rates.

Compensation of Key Management Personnel

The remuneration of directors and other members of key management during the year was as follows:

	Year ended 31 March 2012	Year ended 31 March 2011
	QR '000	QR '000
Salaries and short-term benefits	**12,417**	31,113
Employees' end of service benefits	**619**	149
	13,036	31,262

24. Financial Instruments

Capital Risk Management

The following table summarises the capital structure of the Company:

	2012	2011
	QR '000	QR '000
Cash and cash equivalents	(100,338)	(83,261)
Borrowings	1,037,266	727,672
Net debt	936,928	644,411
Equity	6,573,501	7,078,198
	7,510,429	7,722,609
Gearing ratio	16%	10%

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Company's policy is to borrow long-term facilities from its related parties to meet anticipated funding requirements.

Categories of Financial Instruments

	2012	2011
	QR '000	QR '000
Financial assets		
Cash and cash equivalents	100,338	83,261
Trade and other debit balances	178,279	205,982
Financial liabilities		
Trade and other payables	574,805	596,857
Long-term borrowings	1,037,266	727,672

Foreign Currency Risk Management

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters.

During the year the Company has entered into a number of foreign exchange contracts, to hedge its exposure to currency fluctuations.

Interest Rate Risk Management

Under the Company's interest rate management policy, interest rates on monetary assets and liabilities are maintained on a floating rate basis. For every one percent rise or fall in market interest rates in which the Company had borrowings at 31 March 2012 there would be an increase or reduction in the total loss for the financial year before tax of QR 10.4m (2011: increase or reduction by QR 7.3m).

Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure and the creditworthiness of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by management annually.

The following table presents the movement in the provision for doubtful receivables:

	2012	2011
	QR '000	QR '000
At 1 April	20,911	-
Amounts charged to income statement	1,081	20,911
At 31 March	21,992	20,911

The following table presents ageing of receivables that are past due and are presented net of provisions for doubtful receivables that have been established:

	2012	2011
	QR '000	QR '000
31 – 60 days	4,372	19,844
61 – 90 days	3,261	3,655
91–120 days	4,260	801
Over 120 days	6,171	2,040
	18,064	26,340

Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying amount 2012	Carrying amount 2011
	QR '000	QR '000
Cash and cash equivalents	100,338	83,261
Trade and other debit balances	178,279	205,982
	278,617	289,243

Liquidity Risk Management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. During the financial year, the Company secured additional borrowing facilities of USD $100m from Vodafone Investments Luxembourg SARL which the Company has at its disposal to further reduce liquidity risk.

The table below analyses the Company's financial liabilities based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	More than 1 year
	QR '000	QR '000
At 31 March 2012		
Trade and other payables	574,805	-
Long-term borrowings	-	1,037,266
At 31 March 2011		
Trade and other payables	596,857	-
Long-term borrowings	-	727,672

Fair Value of Financial Instruments

Fair value is not materially different from the carrying amount.

25. Commitments and Contingent Liabilities

Commitments

Operating Lease Commitments

The Company has entered into commercial leases on certain properties, network infrastructure, motor vehicles, and items of equipment. The leases have various terms, escalation clauses, and renewal rights, none of which are individually significant to the Company. Future lease payments comprise:

	2012	2011
	QR '000	QR '000
Within one year	**102,111**	102,272
In more than one year but less than two years	**57,929**	46,764
In more than two years but less than three years	**54,072**	45,592
In more than three years but less than four years	**53,070**	42,876
In more than four years but less than five years	**52,719**	42,738
In more than five years	**389,290**	365,744
	709,191	645,986

Capital Commitments

	2012	2011
	QR '000	QR '000
Contracts, placed for future capital expenditure not provided for in the financial statements	**118,738**	55,993

Contingent Liabilities

	2012	2011
	QR '000	QR '000
Performance bonds	**20,000**	115,000
Credit guarantees – third party indebtedness	**900**	1,152

Performance Bonds

Performance bonds require the Company to make payments to third parties in the event that the Company does not perform what is expected of it under the terms of any related contracts.

Credit Guarantees – Third Party Indebtedness

Credit guarantees comprise guarantees and indemnity of bank or other facilities.

26. Adoption of New and Revised Accounting Standards

26.1 Standards and Interpretations Effective in the Current Period

From 1 April 2011, the following standards and interpretations were or became effective:

(i) Revised Standards:

IFRS 1 (Revised) First time adoption of International Financial Reporting Standards

- Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters
- Amendments resulting from May 2010 Annual Improvements to IFRSs

IFRS 3 (Revised) Business combinations - Amendments resulting from May 2010 Annual Improvements to IFRSs

IFRS 7 (Revised) Financial Instruments: Disclosures – Amendments resulting from May 2010 Annual Improvements to IFRSs

IAS 1 (Revised) Presentation of Financial Statements – Amendments resulting from May 2010 Annual Improvements to IFRSs

IAS 24 (Revised) Related Party Disclosures – Revised definition of related parties

IAS 27 (Revised) Consolidated and Separate Financial Statements – Amendments resulting from May 2010 Annual Improvements to IFRSs

IAS 32 (Revised) Financial Instruments: Presentation – Amendments relating to classification of rights issues

IAS 34 (Revised) Interim Financial Reporting – Amendments resulting from May 2010 Annual Improvements to IFRSs

(ii) Revised Interpretations:

IFRIC 13 Customer Loyalty Programmes – Amendments resulting from May 2010 Annual Improvements to IFRSs

IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – November 2009 Amendments with respect to voluntary Prepaid contributions

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

The adoption of these Standards and Interpretations had no significant effect on the financial statements of the Company for the year ended 31 March 2012, other than certain presentation and disclosure changes.

26.2 Standards and Interpretations in Issue Not Yet Effective

At the date of authorization of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

(i) Revised Standards:

Effective for annual periods beginning on or after July 1 2011

IFRS 1 (Revised) First time adoption of International Financial Reporting Standards

- Replacement of 'fixed dates' for certain exceptions with 'the date of transition to IFRSs'
- Additional exemption for entities ceasing to suffer from severe hyperinflation

IFRS 7 (Revised) Financial Instruments Disclosures – Amendments enhancing disclosures about transfers of financial assets

Effective for annual periods beginning on or after January 1 2012

IAS 12 (Revised) Income Taxes – Limited scope amendment (recovery of underlying assets)

Effective for annual periods beginning on or after July 1 2012 (Early adoption allowed)

IAS 1 (Revised) Presentation of Financial Statements – Amendments to revise the way other comprehensive income is presented

Effective for annual periods beginning on or after January 1 2013

IFRS 7 (Revised) Financial Instruments Disclosures – Amendments enhancing disclosures about offsetting of financial assets and financial liabilities

IAS 19 (Revised) Employee Benefits – Amended Standard resulting from the Post-Employment Benefits and Termination Benefits projects

IAS 27 (Revised)* Consolidated and Separate Financial Statements (Early adoption allowed) – Reissued as IAS 27 Separate Financial Statements

IAS 28 (Revised)* Investments in Associates (Early adoption allowed) – Reissued as IAS 28 Investments in Associates and Joint Ventures

Effective for annual periods beginning on or after January 1 2015

IFRS 7 (Revised) Financial Instruments Disclosures – Amendments requiring disclosures about the initial application of IFRS 9

(ii) New Standards:

Effective for annual periods beginning on or after January 1 2013 (Early adoption allowed)

IFRS 10* Consolidated Financial Statements

IFRS 11* Joint Arrangements

IFRS 12* Disclosure of Interests in Other Entities

IFRS 13 Fair Value Measurement

* Improvments to IFRS 2009 – 2011 cycle

* Effective for annual periods beginning on or after January 1 2015 (Early adoption allowed)

IFRS 9 Financial Instruments

- Classification and measurement of financial assets
- Accounting for financial liabilities and de-recognition

(iii) New Interpretation:

Effective for annual periods beginning on or after January 1 2013

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

* In May 2011, a package of five Standards on consolidation, joint arrangements, associates and disclosures was issued, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (as revised in 2011) and IAS 28 (as revised in 2011). These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

Management anticipates that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the Company in the period of initial application, other than certain presentation and disclosure changes.

Section Seven:
Glossary and Disclaimer

Glossary

Distributable Profits
Are calculated as net profits or losses plus amortisation of the licence, for the financial year.

ARPU
Average Revenue Per User – Service revenue divided by average customers.

EBIT
Earnings Before Interest and Tax.

EBITDA
Earnings Before Interest, Tax, Depreciation and Amortisation.

Fixed License
The second fixed public telecommunications networks and services licence in the State of Qatar.

Free Cash Flow
Cash generated from operations after cash payments for capital expenditure and net interest costs (including guarantee charges).

HSPA
The term HSPA (High Speed Packet Access) is commonly used to refer to UMTS based 3G networks that support both HSDPA and HSUPA data for improved download and upload speeds. HSPA can also be used to refer to the entire family of related systems, which includes the upcoming HSPA+.

Interconnect Costs
A charge paid by Vodafone Qatar to other fixed line or mobile operators when a Vodafone customer calls a customer connected to a different network.

Q.NBN
Q.NBN or Qatar National Broadband Network is a new company established by the Government with a mandate to accelerate the rollout of a nationwide, open and accessible high-speed broadband Fibre to the Home (FTTH) network.

Mobile License
The second public mobile telecommunications networks and services licence in the State of Qatar.

Red
Vodafone Qatar's plans offering customers a traditional prepaid experience.

ROTA
Reach Out To Asia is a charity initiative founded in Qatar in 2005 under the auspices of the heir apparent, His Highness Sheikh Tamim bin Hamad Al-Thani and guided by Her Excellency Sheikha Mayassa bint Hamad Al-Thani. The ROTA charity focuses primarily on community development projects in Asia with specific emphasis on promoting global responsibility for basic, quality primary education.

Disclaimer

This constitutes the annual report of Vodafone Qatar Q.S.C. ("Vodafone Qatar") for the year ended 31 March 2012 and is dated 7 June 2012. The content of the company's website (www.vodafone.qa) should not be considered to form part of this annual report.

In the discussion of Vodafone Qatar's reported financial position, operating results and cash flow for the year ended 31 March 2012, the material is presented to provide readers with additional financial information that is regularly reviewed by management. However, this additional information is not uniformly defined by all companies, including those in Vodafone Qatar's industry. Accordingly, it may not be comparable with similarly-named measures and disclosures by other companies.

The terms "Vodafone Qatar", "we", "us" refer to the company Vodafone Qatar Q.S.C.

This annual report contains forward-looking statements that are subject to risks and uncertainties, including statements about Vodafone Qatar's beliefs and expectations. All statements other than statements of historical or current facts included in the document are forward-looking statements. Forward-looking statements express the current expectations and projections of Vodafone Qatar relating to the condition, plans, objectives, future performance and business of Vodafone Qatar, as well as their expectations in relation to external conditions and events relating to Vodafone Qatar and its respective sector, operation and future performance. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. The forward-looking statements may include words such as "forecast", "anticipate", "estimate", "believe", "project", "plan", "intend", "prospective" and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events.

Due to these factors, Vodafone Qatar cautions that you should not place undue reliance on any forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise from time-to-time, and it is impossible to predict these events or how they may affect Vodafone Qatar. Except as required by Qatari law, the rules of the QFMA, or the rules of the Qatar Exchange, Vodafone Qatar has no duty to, and does not intend to, update or revise the forward-looking statements included herein after the date of the annual report.

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