Vodafone
Power to you

Vodafone Qatar Annual Report

2016-2017

Connecting everybody to live a better today and build a better tomorrow

In the Name of Allah,
Most Gracious, Most Merciful

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

His Highness Sheikh Hamad bin Khalifa Al-Thani
The Father Emir

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Executive Summary

Board of Directors' Statement

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present Vodafone Qatar's Annual Report for the financial year ended 31 March 2017.

Vodafone Qatar delivered a significant improvement in its financial performance during the last financial year through a combination of strong management, clear vision and effective execution of its strategy.

EBITDA increased significantly by 34% year-on-year to QAR 537 million supported by gains in post-paid market share, a better mix of higher margin revenues, strong cost control and the success of new innovative products introduced to the market. EBITDA Margin grew to 26.1% representing year-on-year growth of 7.1 pp. Net profit (excluding license amortization) for FY 2017 reached QAR 134 million representing an improvement of QAR 196 million when compared against the previous financial year.

Total revenues were QAR 2,059 million, a decrease of 2.9% compared to FY 2016, primarily due to a shift away from lower margin business. The Company's total number of mobile customers reached 1.5 million, representing a decrease of 3% over the same period last year due to a one-time disconnection of customers with inadequate customer registration information.

Our overall financial results provide clear evidence of a turnaround in the performance of the business. Looking ahead, we will continue to build on our brand and reputation by delivering innovative products and unmatched customer experience across our core mobile offering and further expanding our fixed line proposition. Our focus is to continue to build on the current positive momentum and achieve a sound and sustainable growth rate.

We look to the future with confidence and optimism, in particular with the continued support of the Communications Regulatory Authority and the Ministry of Transport and Communications.

We would like to thank the Vodafone Qatar Executive team, employees and business partners for their efforts and dedication. We also extend our appreciation to our customers and to you our valued shareholders for your trust, continued support and confirm our full commitment for more prosperous results in 2017-2018 and subsequent years.

We ask God Almighty that he gives us the ability to continue working in the best interests of us all.

H.E Abdullah Bin Nasser Al Misnad
Chairman

Chief Executive Officer's Statement

Dear Shareholders,

This has been an important year for us in the development of our company. We have reached an important goal in achieving a turnaround in the performance of the business and delivered real improvements in both financial and operational performance. Notably, there has been a marked improvement in underlying financial performance measured on key metrics and significant improvement in the Company's operational performance in terms of both technical and network quality and the range of our products and services. We remain focused on achieving further improvements in our financial and operational performance as a platform for future growth and continuing our recovery. Importantly, we have taken a number of key steps that will help to secure our future success.

Improving business performance – clear validation of our strategy

Our financial results for the financial year ending 31 March 2017 provide clear evidence of the positive momentum that we have built up during the past two years and confirm the effectiveness of our strategy and its execution. The decisions we have taken are now bearing fruit and we shall continue to focus on moving away from low margin business, building on our international reputation for quality through delivering a reliable network, innovation through bringing an increasing range of quality services to market and investing in fixed line services.

Our customer base reached 1.5 million and we now have a 21.1% total revenue market share and 28.4% mobile revenue market share in Qatar. We are increasing our footprint amongst higher value customers together with a move away from low margin business. Within the high value postpaid customer base, we saw year-on-year growth of 15%.

Delivering a reliable network through continued enhancements – the essential backbone of our operation

As part of one of the world's leading telecommunications companies, we are well placed to leverage the strength of the Vodafone Group of companies to help ensure our customers experience the very best network quality in Qatar. Our Capital Expenditure this year, at over QAR 300 million (including ARO), was primarily to further enhance our network infrastructure and expand coverage. This brings spending on our comprehensive network modernisation program in the past 36 months to approximately QAR 1 billion.

This has ensured that the voice and data experience for our customers is world class, building on our core mobile strength. As a business, we are focused on providing a world-class customer experience predicated on fast connection speeds, great mobile coverage and unparalleled access to video, social media and music streaming.

Our network is stronger than ever and was rated "Best in Test" in a technical audit conducted by an independent third party in April 2017 endorsing our first-rate network performance in Qatar.

Our regular research on customer perception of our quality of customer care also shows outstanding improvement year on year.

Steady pipeline of innovation – bringing new products and services to market

Innovation is a key pillar to the future success of our business and we are actively harnessing the power of our international network to bring the best technology and cutting-edge solutions to Qatar. In the past year, we have introduced a number of new products and services that have shaken up the mobile market in the country. These include a number of innovations such as Bill Manager, My Vodafone App and Smart Data Rate which are designed to put the customer in control of their spending, empowering customers and helping avoid 'bill shock.' We have introduced plans such as 'Connect' to give customers greater flexibility. In addition, we are introducing growing numbers of products and services to enable enterprise customers to grow and succeed, such as Ready Business, our platform for the Small Office/Home Office (SOHO) segment which offers two choices of Postpaid plans and other innovative benefits. Most of all, we became the first operator in the world to introduce personalisation of Network name on individual handsets.

Furthermore, we're drawing on the Vodafone Group's international track record of success as Internet of Thing (IoT) partner of choice for cities, businesses and governments around the world by helping public and private sector organisations in Qatar to capitalize on the IoT opportunity. We have launched a global scalable IoT platform as well as fleet management and asset tracking services, with more to follow. We are also leveraging our experience and expertise in fixed networks, mobility, IoT, cloud solutions, big data and analytics to support businesses in Qatar, both large and small.

Investing in fixed line services

We see fixed line services as a key growth area for the business and have been steadily building products, developing our coverage, enhancing the knowledge skills and expertise of our fixed teams. In the coming years we will be looking to make a real impact on the fixed market in Qatar.

We welcome the opportunity to compete more effectively in fixed line as we have in mobile where the benefits of effective competition, in the form of improved value, greater choice, better service and innovation are clearly evidenced. We look forward to continuing to work with the Communications Regulatory Authority (CRA) to further develop and evolve the existing wholesale access regime through implementing a more comprehensive suite of regulated wholesale products (both passive and active). We support and encourage the CRA in taking a more active role in application of the existing regulatory framework including fixed number portability which was originally mandated by April 2016. This will provide for a more level competitive playing field in both fixed line and mobile markets and encourage further investment.

Making a lasting and meaningful contribution to Qatar's broader development

Since we launched commercial operations in Qatar, we have worked to develop our sustainability approach every year to reach a holistic and integrated sustainable business strategy manifested across all operations and implemented by all teams. Our social investment strategy leverages our expertise to drive positive social change. We ensure that all our contributions have an impact on mobile communication technologies, protecting the natural environment and supporting the communities in which our stakeholders live.

Our activities are broad and varied – from supporting and leading projects focused on youth empowerment, education and community development with organisations such as The Youth Company (TYC). Elsewhere we continue to provide support to the Al-Johara programme, which provides Qatari women the chance to learn entrepreneurial skills and earn a living by selling Vodafone products and services. We have also created partnerships with influential local and international universities, for example, working with Northwestern University in Qatar to conduct market research on using mobile tools in higher education.

On the community empowerment and development front, we have launched "Vodafone for All", an initiative that provides customised plans for people with disabilities. We also expanded our digital parenting programme, AmanTECH, to ensure the widest possible engagement with parents in Qatar through ongoing awareness activities.

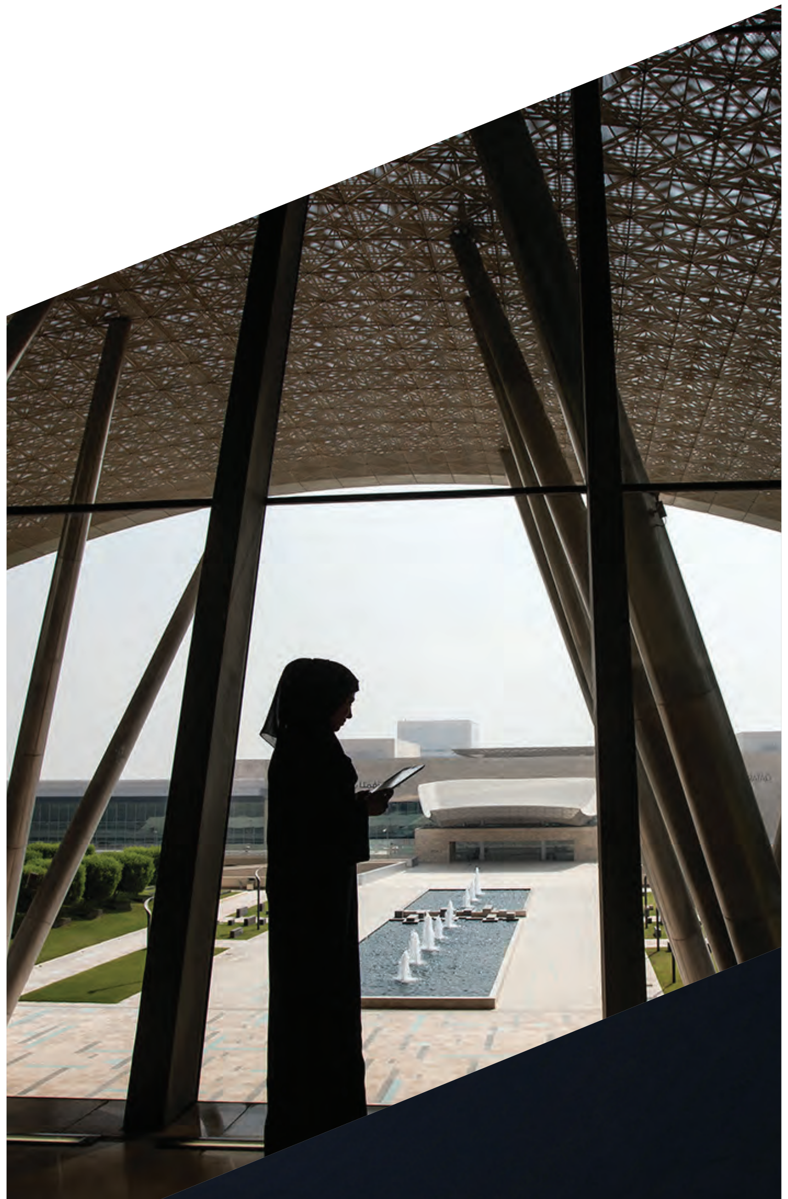
Positive future prospects

We believe the future is bright and remain confident in the potential of the Qatari telecommunications market. Vodafone Qatar is well positioned for future growth with the right strategic focus to take advantage of the strong market prospects.

In the coming year, we will continue to build on our successes and develop further in fixed line activities, targeting opportunities in public and private investments in major real estate developments and infrastructure projects and will continue to deliver further innovative products and services and exceptional customer experience to our business customers in the country.

I want to thank you for your continued confidence and commitment to our strategy and plan.

Ian Gray
Chief Executive Officer



Who We are

Vodafone Qatar P.Q.S.C. ("Vodafone Qatar") is part of the Vodafone Group of companies, one of the world's largest telecommunications companies. Vodafone Qatar is the holder of the Second Public Mobile and Fixed Telecommunications Networks and Services License in the State of Qatar and commenced commercial operations in Qatar on 1 March 2009. Having built a world class converged IP network, Vodafone launched fibre-based consumer and enterprise fixed-line services commercially in October 2012. Vodafone Qatar is proud to be a part of the telecommunications industry in Qatar, delivering the benefits of sustainable and effective competition through increased choice, better value, better service and innovation to consumers and businesses alike. The Company is committed to providing world class telecommunications infrastructure and services in support of Qatar National Vision 2030.

With over 33,000 institutional and retail shareholders, Vodafone Qatar is 94% Qatari-owned including 45% shareholding of Vodafone and Qatar Foundation LLC.

Member of Qatar Stock Exchange, Vodafone Qatar has an issued and a paid up shared capital of QR 8,454m.

Corporate Governance

Dear Shareholders,

We continue to apply the highest standards of corporate governance and best practice and consider this critical to our business integrity and to maintain investors' trust. All executive committee members, leadership team members, staff and suppliers are required to act with honesty, integrity and fairness. Our business principles set out the standards that we set ourselves are designed to ensure we continue to operate lawfully and with integrity and respect.

A comprehensive and robust corporate governance framework and processes help to ensure the Company operates in a responsible and transparent manner that is in the best interests of the Company, its shareholders and other stakeholders and which increases the confidence of investors.

It is the responsibility of the Board of Directors to oversee the management of the Company and we are confident that the Board of Directors, executive management team of Vodafone Qatar have the appropriate governance policies and procedures in place to ensure that the Company operates in the best interests of shareholders.

H.E Abdullah Bin Nasser Al Misnad
Chairman

Board of Directors: organization and structure

Role of the Board of Directors

The Board is responsible for the overall business strategy of Vodafone Qatar and for ensuring that a high standard of governance is adhered to throughout the business. The Board:

(a) has ultimate responsibility for the management, direction and performance of Vodafone Qatar

(b) is required to exercise sounds and objective judgement on all corporate matters independent from executive management

(c) is accountable to shareholders for the proper conduct of the business; and

(d) is responsible for ensuring the effectiveness of and reporting on our system of corporate governance

Vodafone Qatar's Board Charter which provides the Board's responsibilities in more detail is available online (www.vodafone.qa)

Board Meetings

Article 34.1 of Vodafone Qatar's Articles of Association states the Board of Directors will meet at least four times per year to align with quarterly reporting requirements. Article 11.1 of the "Corporate Governance Code for Companies Listed in Markets Regulated by the Qatar Financial Markets Authority" issued by the Qatar Financial Markets Authority in 2014 ("QFMA Corporate Governance Code") prescribes that Board meetings should be held at least six times per year. Vodafone Qatar holds additional Board meetings throughout the year as and when required and held a total of six meetings during the financial year ending 31 March 2017.

Board meetings are structured to facilitate open discussion and participation by all Directors in matters relating to strategy, trading and financial performance and risk management. All substantive agenda items have comprehensive supporting briefing material which is circulated to all Directors in advance of each meeting.

Directors who are unable to attend a particular Board meeting due to other commitments are provided with all the information relevant for such meetings and are able to discuss issues arising in the meeting with the Chairman and/or the Chief Executive Officer and may elect to appoint a proxy for voting purposes.

Board Composition

Article 9 of the QFMA Corporate Governance Code suggests that a company's Board should include executive, non-executive and independent Board members and that the Board should not be dominated by one individual or a small group of individuals. The Code recommends that at least one-third of Board members should be independent and that the majority of all Board members should be non-executive.

The Company's Board of Directors was elected by the Annual General Assembly of Shareholders for a term of three (3) years expiring on 25th July 2019. The current Board of Directors as of 31 March 2017 comprises nine (9) members as follows:

Name	Position	Date Appointed	Representing
H.E. Abdullah Bin Nasser Al Misnad	Chairman Non-Executive, Independent	25/07/2016	All shareholders
H. E. Akbar Al Baker	Vice Chairman Non-Executive, Independent	25/07/2016	All shareholders
Mr. Rashid Fahad Al Naimi	Non-Executive	23/06/2008	Vodafone & Qatar Foundation LLC
Mr. Nasser Jaralla Al Marri	Non-Executive Independent	25/07/2016	All shareholders
Mr. Nasser Hassan Al Naimi	Non-Executive	07/11/2016	Vodafone & Qatar Foundation LLC
Mr. Ian Gray	CEO of Vodafone Qatar Executive	01/12/2015	Vodafone & Qatar Foundation LLC
Mr. Vivek Badrinath	Non-Executive	25/10/2016	Vodafone & Qatar Foundation LLC
Mr. John Otty	Non-Executive	28/01/2015	Vodafone & Qatar Foundation LLC
Mr. Gianluca Ventura	Non-Executive	26/07/2016	Vodafone & Qatar Foundation LLC

H.E. Abdullah Bin Nasser Al Misnad

Mr. Abdullah Nasser Al Misnad is the Chairman and Managing Director of Al Misnad Holding Company having its roots in the private business sector in Qatar since 1950's. 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. Al Misnad is also Chairman of Qatari Investors Group and Vice-Chairman of al khaliji Bank and holds a Bachelor degree in Aeronautics.

H.E. Akbar Al Baker

Mr. Akbar Al Baker has been a successful businessman in Doha for more than 25 years and was instrumental in shaping and leading the development of Qatar Airways into one of the fastest growing and most highly acclaimed airlines in the world. Born in Doha, he is a graduate in Economics and Commerce and worked at various levels in the Civil Aviation Directorate before becoming Qatar Airways' CEO in 1997. Over the last decade he has spearheaded the growth of Qatar Airways, which operated only four aircraft in a regional capacity prior to his appointment and now flies to over 90 destinations across six continents. He also led the development of the multi-billion dollar New Doha International Airport. Mr. Al Baker holds a private pilot license, and is also CEO of several divisions of Qatar's national airline – including Qatar Airways Holidays, Qatar Aviation Services, Qatar Duty Free Company, Doha International Airport, Qatar Distribution Company, Qatar Executive, Internal Media Services and Qatar Aircraft Catering Company.

Mr. Nasser Jaralla Al Marri

Mr. Nasser Al Marri is an expert in the field of Finance and administrative affairs and currently serves as Chairman of Financial Affairs Authority at the General Headquarters of the Qatar Armed Forces since February 2016. He is also a Member of Civilian & Military Pension Investment Committee. Prior to joining the Ministry of Defence, his previous positions included: Chief Financial Officer of Marafeq Qatar, a subsidiary of Qatari Diar; Director of Business Development & Investment Promotion Department in the Ministry of Economy & Commerce; Director of Finance & Administration for the Qatar National Food Security Programme; and Director of Finance for National Human Rights Committee; Vice Chairman of Qatar Steel International Company; Board Member of Qatar Mining Company.

In his role as Director of The Business Development and Investment Promotion Department at the Ministry of Economy & Commerce, he was tasked with recommending policies and programs to develop the business sector, encourage local investments and attract foreign investments to Qatar. He was also responsible for assessing investments and determining partnership opportunities between the private and public sector. His role also involved evaluation of various policies aimed at diversifying income sources and supporting sustainable development as well as boosting Qatari exports.

In addition, Mr. Al Marri currently serves as Board Member of Masraf Al Rayan Bank and Chairman of Al Rayan Investment Company.

He graduated with an MSc Degree in Accounting & Financial Science from Southampton University in the United Kingdom and obtained a bachelor's degree in business Administration from the University of Qatar.

Mr. Rashid Fahad Al Naimi

Mr. Rashid Al-Naimi is the Chief Executive Officer of Investments at Qatar Foundation for Education, Science and Community Development. Qatar Foundation aims to unlock human potential through its three pillars of Education, Science and Research, and Community Development, and thereby helping the State of Qatar transform from a carbon-based economy to a knowledge-based one.

Mr. Al-Naimi handles the complete responsibility for Qatar Foundation's investment portfolios and long-term investment policies that include Qatar Foundation Endowment, Qatar Foundation Investments as well as the organisation's other joint ventures and initiatives. Additionally, he is the residing Chairman of MEEZA and Mazaya Qatar, and board member representing the Foundation across a number companies including Vodafone Qatar.

In his previous role as Vice President of Administration at Qatar Foundation, Mr. Al-Naimi managed the Shared Services Organization in Qatar Foundation that included the Finance, Human Resources, Business Process Improvement, Information Technology, Procurement, and Support Services Directorates
Mr. Al-Naimi has featured in several major publications and has been a key speaker at a number of events including QITCOM and the GCC Digital Security Forum. He has been recognized by his peers for his contributions and has been the recipient of the "Innovative Leader of the Year Award" at the 2nd Annual Financial Thought Leaders Forum and the "Most Society Impacting Network Award" from CISCO for the implementation of an 'Internet Protocol-based solution based on Cisco's IP Next-Generation Network architecture, which benefits society and provides the ability to collaborate in community building.' In 2015, Mr. Al-Naimi was honoured by the Arab Economic Forum at its 23rd Edition by being presented with the "Achievement in Leadership Award".

Mr. Al-Naimi's career has developed over the past twenty-five years. He is a natural leader and has maintained roles in Senior Management for over a decade. Prior to joining Qatar Foundation, Mr. Al-Naimi was the Manager of Human Resources for RasGas Company Limited.
Mr. Al-Naimi's breadth of experience encompasses a wide spectrum of the business lifecycle from conception, to production, from supply chain, to delivering cost-effective world-class products and services. He holds an outstanding record for performance in delivering successful restructuring and turn-around programs by creating team-oriented environments that focus on continuous improvement to increase shareholder value.

He holds a passion for delivering on commitments and believes that people are the greatest asset.
Mr. Al-Naimi holds an EMBA from Oxford University, UK as well as a Bachelor of Science in Economics from Indiana State University, USA, and continues to drive for personal and professional excellence.

Mr. Nasser Hassan Al Naimi

Mr. Nasser Al-Naimi held the position of Director of Investments and Research & Development at Qatar's Ministry of Defence. In this role, he manages various functions, providing technical and corporate expertise, in addition to providing executive support to H.E. the Minster of State for Defence Affairs' office. In this capacity, he draws from his business management, economic and accounting experiences coupled with a thorough understanding of strategic management to efficiently oversee local and international investments, in different fields of cooperation, such as mergers and acquisitions and co-development projects.
On behalf of the MoD, Mr. Al-Naimi is a Member of the BMC automotive and Defence company, in addition to the Sur International Investment Company Ltd.
In his private capacity, he is a board Member of Artan Holding, a Qatari Holding company which owns and manages a varied portfolio of companies in diverse industries, ranging from education to real estate. In addition, he co-setup a fund named MKaNN Ventures which invests in early stage technology companies.
Having graduated from the UK, he pursued his undergraduate degree (BSc) in Business Management and thereafter an executive MBA (with merit) in Strategic Management.

Mr. Vivek Badrinath

Executive Committee member since October 2016
Vivek Badrinath joined Vodafone and the Executive Committee as CEO of AMAO in October 2016. He is responsible for Vodafone's operations in the Vodacom Group, India, Australia, Egypt, Ghana, Kenya, Qatar, New Zealand and Turkey.

Prior to that, he was the Deputy Chief Executive at the international hospitality group AccorHotels where he was responsible for marketing, digital solutions, distribution and information systems. He was previously Deputy Chief Executive with Orange and has a long career in telecommunications and technology. Prior roles include Executive Director responsible for Orange's Business Services division, leadership of Orange's global networks and operators division and Chief Technology Officer for Orange's mobile activities.

Mr. John Otty

Mr. Otty joined Vodafone Group Plc in December 1992 and has held the position of Regional Finance Director for Africa, Middle East and Asia Pacific Region since September 2012. He previously held a number of senior executive positions in the Vodafone Group including that of Group Technology Financial Director, Interim Chief Financial Officer of Vodafone India and Vodafone plc Group Internal Audit Director as well as senior operational finance roles in UK, Australia and Netherlands. He also serves as a non-executive Board Member to Vodacom Group, a leading African telecoms group headquartered in South Africa, since September 2012. He holds a number of non-executive Board Director positions within the Vodafone Group as follows: Vodafone Hutchison Australia (since January 2009); Ghana Telecommunications (since September 2012); Vodafone India (since October 2012); Vodafone Egypt (since November 2012); Safaricom Kenya (since August 2013); Vodafone Turkey (since June 2014) and Vodafone Qatar since January 2015. Mr. Otty joined Vodafone from KPMG in London, where he held the position of Manager in general practice. He is a graduate of Cambridge University, Trinity Hall, where he attained an Electronic Engineering degree and he is a member of the Institute of Chartered Accountants in England and Wales.

Mr. Gianluca Ventura

Mr. Ventura was appointed to the role of Vodafone Group's Human Resources Director Africa, Middle East and Asia Pacific in October 2013 and previously held the roles of HR Director of Vodafone Southern Europe and Director of Vodafone Italy. He joined Vodafone in 2003 as Head of HR Technology and became Director of the Vodafone Group's Technology Department in 2006, based in Newbury. Previously he worked in L'Oreal, where he held the role of Italy HR Director.
He Graduated in Bocconi University in Milan, Ventura has a CEMS master degree from Esade in Barcelona.

Mr. Ian Gray

Ian Gray joined Vodafone Qatar as CEO in December 2015. Prior to this he held the position of Chairman of Vodafone Egypt having served on the board for almost 17 years. Between 2010-2007 he was a Regional Director for Vodafone Group focusing on Central and Eastern Europe. Ian Gray is also UK Co-Chairman of The Egyptian British Business Council (EBBC) which was set up under the auspices of the Egyptian and British Governments in 1998 as a top level strategic body to facilitate trade and investment links between Egypt and the UK. Prior to Vodafone, Ian Gray was CEO of the FTSE listed companies Brown and Jackson PLC and later General Cable PLC. Before that, he held Divisional CEO roles in the Thorn EMI Group.

Independent Advice

The Board recognises that there may be occasions where one or more of the Directors consider it necessary to seek independent legal and/or financial advice at the Company's expense. Independent legal and / or financial advice is sought by the Board as and when it is considered appropriate.

Division of Responsibilities

Vodafone Qatar maintains a clear separation between the roles of the Chairman and Chief Executive Officer with a clear division of responsibilities as follows:

(a) the Chairman is responsible for the operation, leadership and governance of the Board, ensuring its overall effectiveness; and

(b) the Chief Executive Officer is responsible for the management of the business and implementation of the Company's overall strategy and policy.

Company Secretary

The Company Secretary acts as secretary to the Board and sub-committees of the Board and, with the consent of the Board, may delegate responsibility for the administration of both the Audit and Remuneration committees to other suitably qualified staff. The Company Secretary:

(a) assists the Chairman to ensure that Directors have full and timely access to all relevant information;

(b) is responsible for ensuring that the correct Board procedures are followed and advises the Board on matters relating to corporate governance; and

(c) administers the procedure under which Directors can, where appropriate, obtain independent professional advice at the Company's expense.

The appointment or removal of the Company Secretary is a matter for the Board as a whole. The current Company Secretary of Vodafone Qatar is Matthew Osborne, Director of Legal and Regulatory Affairs. Mr. Osborne joined Vodafone Qatar in May 2011 and has held the role of Company Secretary since March 2012. He holds Bachelor's degrees in Law and Commerce (Finance and Economics) and qualified as a solicitor in both New Zealand and England and Wales. He previously held the position of General Counsel and Company Secretary of Vodafone Ireland and its subsidiaries from 2007 to 2011. In his role as Company Secretary, he makes use of Vodafone Group support and best practise in the discharge of his duties and responsibilities.

Board Committees

Vodafone Qatar currently has an Audit Committee, Remuneration Committee and Nominations Committee, each of which is operated in accordance with a specific and detailed Terms of Reference approved by the Board.

Audit Committee

The Audit Committee members are as follows:

Board Member	Position	Board Member Type
Mr. Rashid Fahad Al-Naimi	Chairman	Vodafone and Qatar Foundation LLC & Non-Executive
Mr. Nasser Al Marri	Member	Independent & Non-Executive
Mr. John Otty	Member	Vodafone and Qatar Foundation LLC & Non-Executive

Article 18.1 of the QFMA Corporate Governance Code suggests that a company's Audit Committee should be comprised of at least three members, the majority of whom should be independent. Vodafone Qatar's Board believes the current composition of the Audit Committee is appropriate for its effective operation.

The Audit Committee responsibilities include:

(a) monitoring the Company's compliance with statutory, legal and regulatory requirements;

(b) overseeing the relationship with the Company's external auditor;

(c) engaging independent advisors as it considers appropriate and necessary and to perform investigations;

(d) oversight and monitoring of the processes and controls comprising the Company's internal compliance and risk management framework and testing its effectiveness in mitigating identified business and operational risk;

(e) overseeing the integrity of the Company's accounting and financial reporting and its systems of internal controls;

(f) reviewing the scope, extent and effectiveness of the Company's internal audit function; and

(g) reporting to the Company's Board of Directors on areas of improvement and recommending actions.

Article 18.4 of the QFMA Corporate Governance Code suggests that a company's Audit Committee should meet as required and at least once every three months. Vodafone Qatar's Audit Committee currently meets twice per year with meetings scheduled to coincide with the approval and release of half and full year financial results. Vodafone Qatar considers this adequate in conjunction with the existing internal control and risk management processes adopted by the Company and described later in this report. Additional Audit Committee meetings may be held as appropriate.

The full Terms of Reference for the Audit Committee is publicly available on Vodafone Qatar's website www.vodafone.qa

Remuneration Committee

The Remuneration Committee members are as follows:

Board Member	Position	Board Member Type
H.E. Akbar Al Baker	Member	Independent & Non-Executive
Mr. Nasser Al Naimi	Member	Vodafone and Qatar Foundation LLC & Non-Executive
Mr. Vivek Badrinath	Member	Vodafone and Qatar Foundation LLC & Non-Executive
Mr. Gianluca Ventura	Member	Vodafone and Qatar Foundation LLC & Non-Executive

Article 17.1 of the QFMA Corporate Governance Code suggests that a company's Remuneration Committee be comprised of at least three non-executive Board members, the majority of whom must be independent. Currently, only one of the four Remuneration Committee members of the Vodafone Qatar Board is independent. The remaining non-executive members represent Vodafone and Qatar Foundation LLC.

The purpose of the Remuneration Committee is to determine and have oversight of the Company's remuneration policy and principles, in particular, as they apply to Board Members and Senior Executive Management. In addition to having responsibility for the administration of the Company's executive incentive plans, the Remuneration Committee:

(a) advises the Board if it believes that there are particular matters relating to remuneration which should be put to the Company's shareholders; and

(b) reports annually to the Board on a recommended remuneration policy for presentation to shareholders at the General Assembly meeting.

Article 30.3 of the QFMA Corporate Governance Code states that the Board shall develop remuneration policies and packages that provide incentives for the employees and management of the Company to always perform in the best interests of the Company. This policy should take into consideration the long term performance of the Company. Day to day application and operation of the remuneration policy continues to be managed and governed by Vodafone Qatar in accordance with Vodafone Group policy and pursuant to the Vodafone Qatar Management Agreement.

The full Terms of Reference for the Remuneration Committee are publicly available on Vodafone Qatar's website www.vodafone.qa

Nomination Committee

Article 16 of the Corporate Governance Code requires that the Company establish and maintain a Nomination Committee for the purposes of having oversight of the nomination and appointment of Board members and ensuring the proper application of formal, rigorous and transparent procedures. Article 16 further provides that the Nominations Committee comprise of Independent Board Members and be Chaired by an Independent Board Member. The current Nominations Committee, as reconstituted following the Board elections that took place in conjunction with the Company's Annual General Assembly held on 25th July 2016, comprises of the following members:

Board Member	Position	Board Member Type
H.E. Abdulla Al Misnad	Chairman	Independent & Non-Executive
Mr. Rashid Fahad Al-Naimi	Member	Vodafone and Qatar Foundation LLC & Non-Executive
Mr. Gianluca Ventura	Member	Vodafone and Qatar Foundation LLC & Executive
Mr. Vivek Badrinath	Member	Vodafone and Qatar Foundation LLC & Executive

In carrying out its function, the Committee must operate in a manner consistent the principles of good governance and ensure that future nominations process is conducted in a manner that is consistent with local laws and regulations. The Committee will advise and report to the Board in respect of the nominations process and any matters arising out of or relating to the same and prepare such reports as may be required to comply with applicable disclosure requirements. The Committee also conducts an annual self-assessment of the Board's performance.

The full Terms of Reference for the Nomination Committee are publicly available on Vodafone Qatar's website www.vodafone.qa

Sharia Advisor

The Company has appointed a Sharia advisor with specialist knowledge and expertise in financial transactions with not less than ten (10) years of experience in supervising Islamic financial institutions.

The Sharia advisor will have various responsibilities and duties in respect of Vodafone Qatar's Sharia compliance including, but not limited to the following:

(a) approving Sharia aspects of the Company's Articles of Association and by-laws;

(b) approving agreements and contracts in relation with financial transactions;

(c) approving financing structures, terms, and documents;

(d) reviewing Company operations and activities from a Sharia perspective;

(e) approving Sharia training to support employees in complying with Sharia standards and improving their capabilities;

Our Shareholders

Disclosure

Vodafone Qatar conforms to all disclosure requirements of Article 21 of the QFMA Corporate Governance Code, providing quarterly financial statements prepared in accordance with International Financial Reporting Standards (IFRS) to the Qatar Stock Exchange (QSE) and Qatar Financial Markets Authority (QFMA) within the deadlines stipulated.

Vodafone Qatar is compliant with Article 22 of the Corporate Governance Code. Shareholders have all the rights conferred upon them by related laws and regulations including the Corporate Governance Code and the Company's by-laws. Further, the Board of Directors ensures that shareholders' rights are respected in a fair and equitable manner.

Vodafone Qatar is compliant with Article 25 of the Corporate Governance Code; the Company's Articles of Association includes provisions to ensure shareholders have the right to call for a General Assembly which is convened in a timely manner. Shareholders have the right to place items on the agenda, discuss matters listed in agenda and to address questions and receive answers.

Vodafone Qatar is compliant with Article 26 of the Corporate Governance Code ensuring equitable treatment of shareholders. All the company's shares are of same class and have the same rights attached to them. Further, proxy voting is permitted in compliance with all QFMA and Ministry of Economy and Commerce related laws and regulations.

Shareholder Relations

Vodafone Qatar has a dedicated Investor Relations function and is committed to communicating to shareholders, investors and financial analysts the Company's strategy, activities and financial and business performance as permitted by applicable Qatar Stock Exchange rules and regulations. The Investor Relations function as part of its primary purpose and function acts to maintain an active dialogue with investors through a planned programme of investor relations activities and disclosures throughout the year including (but not limited to):

(a) publication of earning releases and Investor presentations of quarterly, half-year and full-year results;

(b) publication of an Annual Report of the Company that provides a comprehensive overview of the company's financial and business performance for the year;

(c) hosting of investors and analysts calls to coincide with the release of the Company's financial results at which senior executive managers provide an overview of business and financial performance;

(d) hosting of the Annual General Assembly meeting which all shareholders are invited to attend, actively participate and to exercise their voting rights;

(e) ongoing meetings with institutional investors and analysts, attended by the Chief Executive Officer and/or the Chief Financial Officer to discuss the business and financial performance;

(f) answering shareholders and analyst's queries and concerns;

(g) attending ongoing conferences and roadshows throughout the year; and

(h) updating the Investor Relations' website dedicated to our shareholders, investors and analysts

General Assembly Meeting

The Company's Articles of Association affirm the right of shareholders to call annual general and extraordinary general assembly meetings (AGA and EGA respectively) for the purposes of affording shareholders the opportunity to discuss and raise questions to the Chairman and Board Members with respect to any items on the agenda of the general assembly.

All shareholders have access to the Company's website www.vodafone.qa to view the agenda and minutes of meetings of the General Assembly, financial information relating to the Company and biographies of all current Board members and the Company's executive management team.

Major Shareholders

The Company's major shareholders as at 31 March 2017 holding 5% and above of the Company's capital are as set out in the table below:

Name	Category	Domicile	Shares	Percent
Vodafone and Qatar Foundation LLC (1)	Corporations	Qatar	380,430,000	45.00%
Pension Fund - General Retirement and Social Insurance Authority	Government	Qatar	55,869,684	6.61%
Military Pension Fund - General Retirement Authority	Government	Qatar	43,380,704	5.13%
Qatar Foundation for Education Science and Community Development (2)	Corporations	Qatar	42,270,000	5.00%
		Total	521,950,388	61.74%

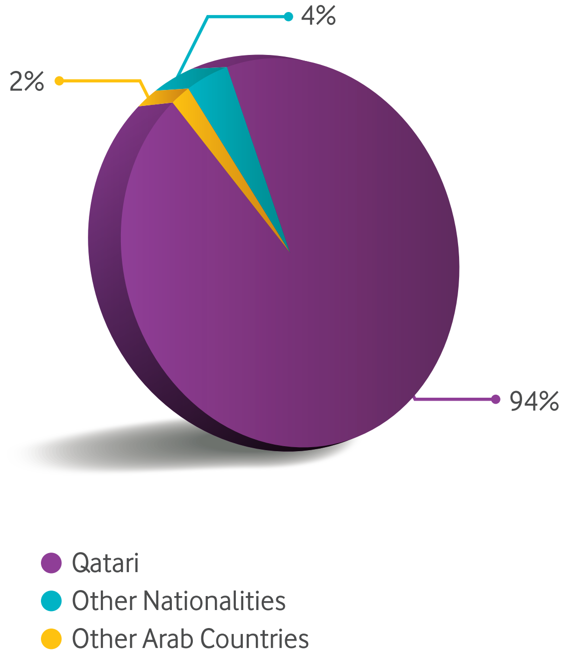
(1) Vodafone and Qatar Foundation LLC owns 45% of the Company's capital and is itself 51% owned by Vodafone Group and 49% by Qatar Foundation.

(2) Accordingly, Qatar Foundation ownership interest in the Company (both directly held and indirect through Vodafone and Qatar Foundation LLC) totals 27% of the Company's capital.

Shareholder Base by Nationality

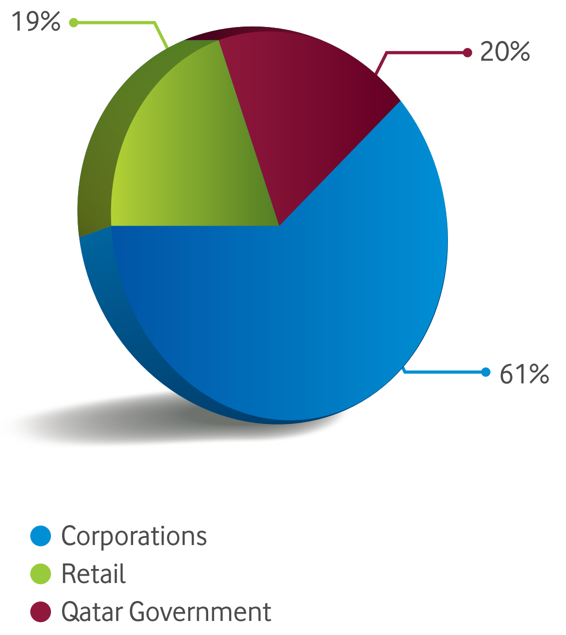
On 31 March 2017, the total number of shareholders in Vodafone Qatar reached 33,867. The percentage of shares legally held by Qatari shareholders (being shareholders either citizens or entities incorporated in Qatar) reached 94% of the Company's capital issued and paid up share capital (including the 45% equity stake held by Vodafone and Qatar Foundation LLC).

Shares owned by shareholders from other Arab countries and other nationalities reached 2% and 4% respectively of the Company's issued and paid up share capital.



Shareholder Base by Category

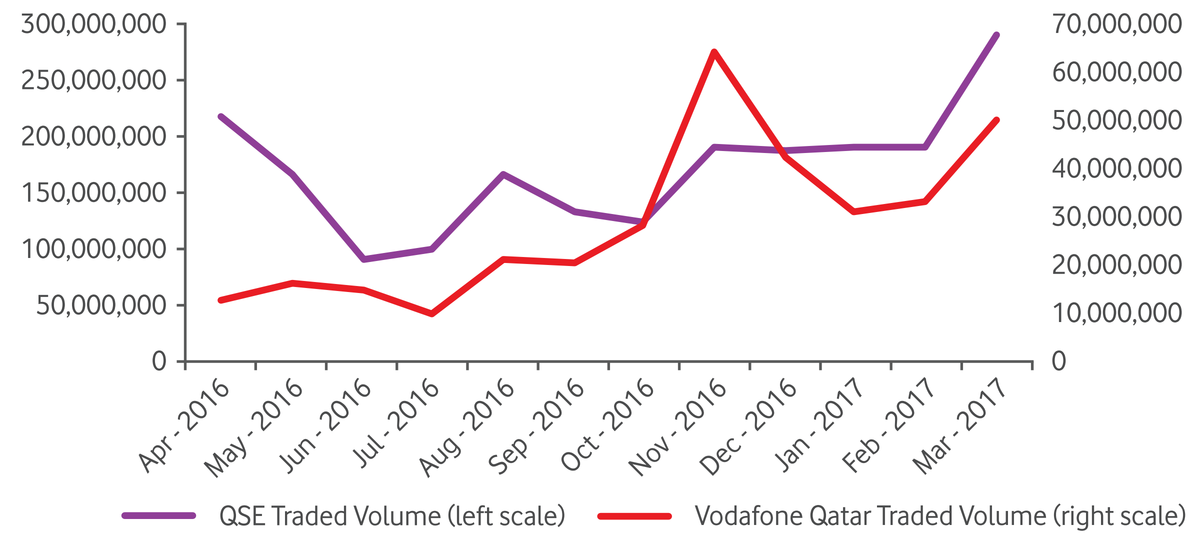
On 31 March 2017, the percentage of the Company's issued and paid up share capital retained by corporations reached 61% whilst the percentage retained by Qatar Government and Retail shareholders reached respectively 20 and 19%.



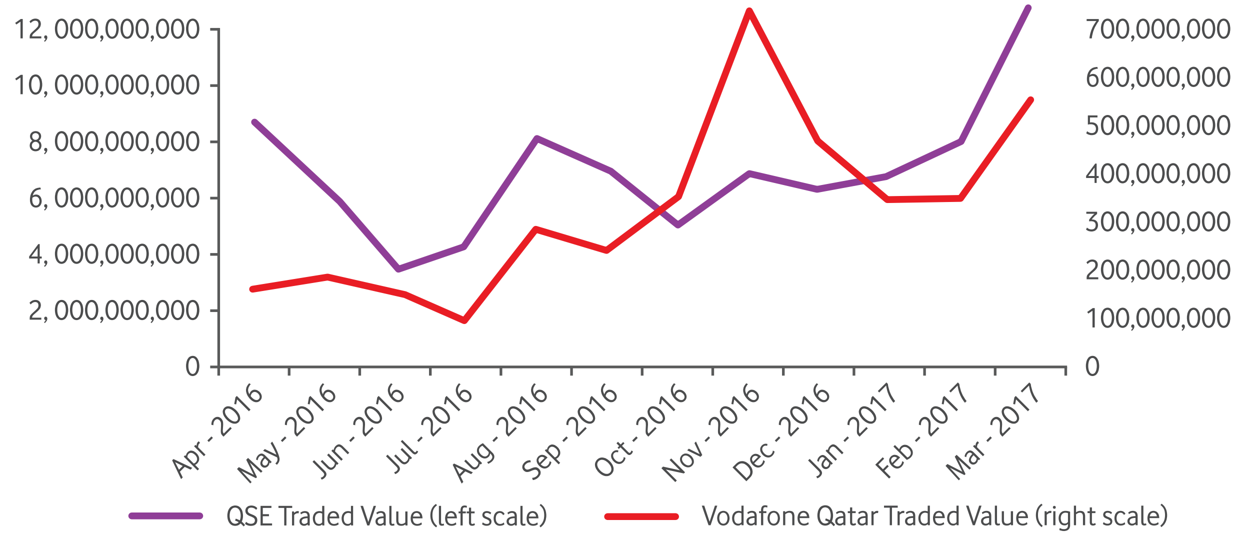
Share Trading Activity

Vodafone Qatar's stock is one of the top volume traded stocks on the QSE with monthly traded volume of 28.4 million shares.

Traded Volume



Traded Value



Vodafone Qatar - Share Price

Employee Rights

Vodafone Qatar's Board of Directors ensures that all employees are treated equally without any discrimination whatsoever on the basis of race, gender or religion. Remuneration policy and packages have been established to incentivise employees to perform in the best interests of the Company and retain and reward employees who demonstrate exceptional performance.

Appropriate mechanisms are in place to enable all employees to report known or suspected breaches of Company policies confidentially and without the risk of a negative reaction from other employees or their superiors.

Internal control and risk management

Internal control processes

The Board has overall responsibility for internal risk management and control processes. Vodafone Qatar has implemented a dedicated compliance programme in accordance with best practice mandated by the Vodafone Group. As part of the compliance programme, Vodafone Qatar applies the policies and processes set forth in the Vodafone Group Policy Manual which identifies discrete governance policies designed to ensure that all material financial and business risks are identified and managed appropriately.

The existence and effectiveness of Vodafone Qatar's internal controls and processes to achieve and maintain compliance with the Vodafone Group governance policies is primarily the responsibility of Vodafone Qatar's management and is monitored through compliance and internal audit. Internal audit provides an independent assurance over the internal control system and reports significant issues to the Audit Committee. The internal control system is formally self-assessed by Vodafone Qatar's management on an annual basis using a Key Control Questionnaire and Policy Compliance Review which form part of Vodafone Group's global processes.

Internal Audit

Vodafone Qatar's Internal Audit Department is a service provided and supported by Vodafone Group as part of the company's internal governance and compliance framework. The Internal Audit Department provides objective and independent assurance over critical business processes and projects. The Internal Audit Department reviews business and technology processes to identify the risks, review the controls and make recommendations to enable better management of the business by identifying those aspects of the business that could be controlled more effectively. The Internal Audit team has the independence to report objectively on any function without being constrained by line management. The Internal Audit team monitors and supports key governance structures and activities to ensure ongoing effectiveness. The team also identifies and promotes good business practices and reviews on a risk-basis the Company's financial and accounting policies and processes.

The Internal Audit Department provides a detailed report at each Audit Committee meeting, undertaking consultations as required. In addition, Internal Audit operates in co-operation with and has full access to, the Vodafone Qatar Audit Committee. As a function provided by the Vodafone Group, the Board considers the Internal Audit Department as being independent from Vodafone Qatar.

Vodafone Group's Internal Audit activity complies with the International Standards for the Professional Practice of Internal Auditing from the Institute of Internal Auditors.

Article 19.3.5 of the QFMA Corporate Governance Code prescribes that a company's internal audit function should be independent from the day-to-day functioning of the company and suggests reinforcing this independence by having the Board determine compensation of its staff. As a function provided by the Vodafone Group, the Board considers the Internal Audit Department as being independent from Vodafone Qatar.

External Auditor

The decision to appoint the External Auditors including a review of the External Auditor's remuneration is made at the Annual General Assembly at which all shareholders are able to participate. The External Auditors attend the Annual General Assembly to present their report and to answer queries from shareholders.

The purpose of appointing an External Auditor is to provide objective assurance to the Board and shareholders that the financial statements have been prepared in accordance with all related laws, regulations and International Financial Reporting Standards (IFRS) and that they fairly represent the financial position and performance of the Company in all material aspects.

PwC currently hold the position of Vodafone Qatar's External Auditors and they conduct a full audit at the end of the Company's financial year and supplement this with a review of the Company's half-year results.

Article 20.5 of the QFMA Corporate Governance Code states that a listed company should change its External Auditor every three years; while Article 141 of Commercial Companies Law No. 5 of 2002 states that the period of appointment of the auditors may not exceed 5 years. Vodafone Qatar's Articles of Association (Article 60) is aligned to the Commercial Companies Law and states that an auditor can be appointed for a period not exceeding five consecutive years.

Conflicts of Interest and Insider Trading

Conflicts of Interest

Vodafone Qatar has an established Conflicts of Interest Policy that is in accordance with the Vodafone Group Conflicts of Interest Policy that forms part of the Vodafone Group Governance Policy framework and Code of Conduct. The purpose of this policy is to promote and maintain transparency and proper management of any potential conflict of interest relating to employees and their personal interests outside Vodafone Qatar. Application of this policy in accordance with Vodafone Group best practice serves to protect the interests of both the company and its employees from any impropriety.

The Vodafone Qatar Board, Executive Management Team and all staff in positions of key responsibility or influence are required to undertake an annual self-assessment to declare any personal or professional interests that would either make it difficult for them to fulfil their duties to the Company or that might otherwise create an appearance of impropriety that could undermine public confidence in Vodafone Qatar.

Anti-Bribery

Vodafone Qatar operates to an established and comprehensive framework that is in accordance with Vodafone Group global best practice and designed specifically to manage a number of areas of compliance and business risk. This extends to include customer and data privacy, network security and resilience and anti-bribery.

As part of the anti-bribery program specific actions and measurements are taken to actively manage identified sources of risk. Measures taken include:

(a) mandatory training for all staff in key positions of responsibility or influence;

(b) creating and maintaining an official register in which all employees are required to record all corporate gifts or hospitality whether given or received.

Breaches of this policy are treated as a serious disciplinary offence.

Insider Trading

Vodafone Qatar has created an information document summarising the insider trading rules and regulations applicable in Qatar. This document, together with relevant share trading black-out dates, is communicated to the Vodafone Qatar Board, Executive Management Team and all employees prior to the end of each quarter.

This part of the Corporate Governance Report is prepared in accordance with QFMA Corporate Governance Report unified template

Article	Paragraph	Compliant	Non-Compliant	NA	Comments
Article 3: Company's Obligation to comply with Corporate Governance Principles	3.1 The Board shall ensure that the companies listed on the main market comply with the principles set out in this Code.	√			3.2 The Company has an up-to-date Board Charter and Governance Charter both of which are available on the Company's website. 3.3 The Company also abides by Vodafone Group's global Code of Conduct policy as a fundamental component of its overall governance and compliance framework.
	3.2 The Board shall review and update its corporate governance practices, and regularly review the same.	√			
	3.3 The Board shall regularly review and update professional conduct rules setting forth the Company's corporate values and other internal policies and procedures all of which shall be binding upon the members of the Board of Directors and the Company's staff as well as the Company's advisors. These professional conduct rules may include but are not limited to the Board Charter, audit committee's charter, company regulations, related party transactions policy and insider trading rules. The Board should review these professional conduct principles regularly so as to ensure they reflect best practices and they meet the needs of the Company				
Article 4: Board Charter	The Board shall approve a charter for itself referred to as the Board Charter. The Board Charter shall detail the Board's functions and responsibilities as well as the Board members duties which shall be complied with by the Board members. The Board Charter shall be drafted in compliance with the provisions of this Code and in accordance with the template guide annexed to this Code which may be amended from time to time by the Authority. The Board Charter shall be published on the Company's website and made available to the public.	√			
Article 5: Board Duties and Responsibilities	5.1 The Board shall manage the Company effectively and shall be collectively responsible for the proper management of the Company.	√			5.2.1 The Board, through the Remuneration Committee, maintains oversight of the Company's key reward and remuneration policies with a particular focus on Executive level appointments and remuneration policy. Policies are administered and applied on a day to day operational basis through the HR department.
	5.2 In addition to the Board duties and responsibilities as set out in the Board Charter, the Board shall be responsible for:	√			
	5.2.1 Approving the Company's strategic objectives, appointing and replacing management, setting management compensation and manner of their replacement, reviewing management performance and ensuring succession planning concerning the Company's management.	√			
	5.2.2 Ensuring the Company's compliance with related laws and regulations as well as the Company's articles of association and by-laws. The Board is also responsible for protecting the Company from illegal, abusive or inappropriate actions and practices.	√			
	5.3 The Board may delegate some of its powers to special committees in the Company and constitute these committees for the purpose of undertaking specific operations. These committees will operate in accordance with written and clear instructions from the Board relating to the nature of the operation and in any event, the Board remains liable for all of its powers or authorities so delegated and for the business of these committees.	√			
Article 6 - Board Members' Fiduciary Duties	6.1 The Board represent all the Shareholders and accordingly it must take reasonable care in the management of the Company and comply with the constituting framework as set out in the relevant laws and regulations including this Code and the Board Charter.	√			
	6.2 The Board members must, at all times, act on an informed basis, in good faith, with due diligence and care, and in the best interests of the Company and all Shareholders.	√			
	6.3 Board members shall act effectively to fulfil their responsibilities towards the Company.	√			
Article 7: Separation of Positions of Chairman and CEO	7.1 The same person may not hold or exercise the positions of Chairman and Chief Executive Officer or any other executive position at the same time.	√			
	7.2 In all circumstances, no one person in the Company should have unfettered powers to take decisions.	√			
Article 8 - Duties of the Chairman of the Board	8.1 The Chairman is responsible for ensuring the proper functioning of the Board; in an appropriate and effective manner including timely receipt by the Board members of complete and accurate information.	√			
	8.2 The Chairman may not be a member of any of the Board committees prescribed in this Code.	√			
	8.3 The duties and responsibilities of the Chairman of the Board of Directors shall, in addition to the provisions of the Board Charter, include but not be limited to the following	√			
	8.3.1 ensure that the Board discusses all the main issues in an efficient and timely manner;	√			
	8.3.2 approve the agenda of every meeting of the Board of Directors taking into consideration any matter proposed by any other Board member; this may be delegated by the Chairman to a Board member but the Chairman remains responsible for the proper discharge of this duty by the said Board member;	√			
	8.3.3 encourage all Board members to fully and effectively participate in dealing with the affairs of the Board of Directors to ensure that the Board of Directors is working in the best interest of the Company;	√			
	8.3.4 ensure effective communication with Shareholders and communication of their opinions to the Board of Directors;	√			
	8.3.5 allow effective participation of the Non-Executive Board Members in particular and to promote constructive relations between Executive Board Members and Non- Executive Board Members; and	√			
	8.3.6 ensure the conducting of an annual evaluation to the Board's performance.	√			
Article 9 - Board Composition	9.1 The Board composition shall be determined in the Company's articles of association. The Board shall include Executive Board Members, Non-Executive Board Members and Independent Board Members so as to ensure that the Board decisions are not dominated by one individual or a small group of individuals.	√			
	9.2 At least one third of the Board members shall be Independent Board Members and a majority of the Board members shall be Non-Executive Board Members.	√			
	9.3 Board Members shall be qualified and have adequate expertise and knowledge to effectively perform their functions in the best interest of the Company and they shall give sufficient time and attention to perform their role with utmost integrity and transparency to achieve the Company's objectives and goals.	√			
Article 10 - Non-Executive Board Members	10.1 The duties of the Non-Executive Board Members include but are not limited to the following:	√			
	10.1.1 participation in the meetings of the Board of Directors and providing an independent opinion on strategic matters, policy, performance, accountability, resources, key appointments and operation standards;	√			
	10.1.2 ensuring that priority shall be given to the interests of the Company and its Shareholders in case of a conflict of interest;	√			
	10.1.3 participation in the Company's audit committee;	√			
	10.1.4 monitoring the Company's performance in realising its agreed objectives and goals and reviewing its performance reports including the Company's annual, half yearly and quarterly reports;	√			
	10.1.5 supervise the development of the procedural rules for the Company's corporate governance to supervise their implementation in a consistent manner; and	√			

	10.1.6 making their skills, experiences, diversified specialties and qualifications available to the Board or its different committees by regularly attending the Board meetings and effective participation in the General Assemblies and a balanced understanding of Shareholders opinions.	√			
	10.2 The majority of the Non-Executive Board Members may request the opinion of an independent consultant, in relation to any of the Company's affairs, at the Company's expense.	√			
Article 11 - Board Meetings	11.1 The Board of Directors shall hold meetings regularly, so as to ensure that the Board is effectively performing its duties. The Board shall meet at least six times during a year with a minimum of one meeting every two months.	√			A total of six (6) meetings were held in the financial year ending 31 March 2017.
	11.2 The Board shall meet when convened by its Chairman or upon the written request of two Board members. The invitation for the Board meeting and agenda shall be communicated to each Board member at least one week before the date of the meeting, noting that any Board member may add any item to the agenda.	√			
Article 12 - Board Secretary	12.1 The Board shall appoint a Board Secretary whose functions shall include recording the minutes of all the Board meetings in a special file with serial numbers and stating the members present and any reservations they communicate. The Board Secretary shall be responsible for the safekeeping of the minutes of the Board meetings, records, books and reports submitted by or to the Board. Under the direction of the Chairman, the Board Secretary shall ensure good delivery and distribution of the working documents for the meeting and documentation, information and agendas and to liaise between the Board members, the Board and other Stakeholders in the Company including the Shareholders, management, and employees.	√			
	12.2 The Board Secretary shall ensure that Board members have full and timely access to the minutes of all Board meetings, information, documents, and records pertaining to the Company.	√			
	12.3 All Board Members shall have access to the services and advice of the Board Secretary.	√			
	12.4 The Board Secretary may only be appointed or removed by a Board resolution.	√			
	12.5 The Board Secretary should preferably be a member of a recognised body of professional accountants, or a member of a recognised or chartered body of corporate secretaries, or a lawyer or a graduate from a recognised university or equivalent. He should have at least three years experience of handling the affairs of a public company listed in the Market.	√			
Article 13 - Conflict of Interest	13.1 The Company shall adopt and announce its general rules and procedures governing the Company's entering into any commercial transaction with a Related Party (the Company's "Related Party Policy"). In any event, the Company shall not be permitted to enter into any commercial transaction with any Related Party unless in strict compliance with the Related Party Policy. The policy shall include principles of transparency, fairness and disclosure in addition to the requirement that a Related Party transaction be approved by the General Assembly.	√			13.1 The Company has clear policies relating to conflicts of interests contained in its Code of Conduct. This is in addition to the specific provisions on related party transactions set out in the Articles of Association. Any related party transactions are disclosed in the Annual Report.
	13.2 In case of any issue arising involving conflict of interests or any commercial transaction between the Company and any of its Board members or any Party related to a Board member during a Board meeting, the issue shall be discussed in the absence of the concerned Board member who may not in any event participate in the voting on the transaction. In any event, such transaction shall be made at market prices and at arm's length basis and shall not involve terms that are contrary to the interests of the Company.	√			
	13.3 In any event, such transactions shall be disclosed in the Company's annual report and specifically referred to in the General Assembly following such commercial transactions.	√			
	13.4 Trading by Board members in the Company's shares and other securities shall be disclosed and the Company shall adopt clear rules and procedures governing trading by Board members and employees in the Company's shares.	√			
Article 14 - Other Board Practices and Duties	14.1 The Company shall provide the Board members with full information, data, documents, and records pertaining to the Company to enable them to carry out their duties and be fully aware of all aspects of the business of the Company. The Company's Senior Executive Management shall provide the Board and its committees with all requested documents and information.	√			
	14.2 The Board members shall ensure that the members of the nomination, remuneration and the audit committee members, and representatives of the External Auditors attend the General Assembly.	√			
	14.3 The Board shall put in place an induction programme for newly appointed Board members in order to ensure that, upon their election, Board members are made fully aware of their responsibilities, and have a proper understanding of the manner in which the Company operates.	√			
	14.4 The Board members are responsible for having an appropriate understanding of their role and duties, and for educating themselves in financial, business, and industry practices as well as the Company's operations and functioning. In this respect, the Board shall adopt an appropriate formal training to enhance Board members' skills and knowledge.	√			
	14.5 The Board of Directors shall at all times keep its members updated about the latest developments in the area of corporate governance and best practices relating thereto. The Board may delegate the same to the audit committee or the governance committee or any other body as it deems appropriate.	√			
	14.6 The Company's articles of association shall include clear procedures for removing Board members in the event of failing to attend Board meetings.	√			
Article 15 – The Committees of the Board	The Board of Directors shall assess the benefits of constituting specific committees under to supervise the implementation of important jobs. When considering committees to be constituted, the Board of Directors shall take into account the committees mentioned in this Code	√			
Article 16 - Board Members Appointment - The Nomination Committee	16.1 Nominations and appointments of Board members shall be made according to formal, rigorous and transparent procedures.	√			
	16.2 The Board shall constitute a Nomination Committee chaired by an Independent Board Member and comprised of Independent Board Members which shall recommend Board Members' appointments and re-nomination for election by the General Assembly (for the avoidance of doubt, nomination by the committee does not deprive any Shareholder of his right to nominate or to be nominated);	√			
	16.3 The nominations shall take into account inter alia the candidates' sufficient availability to perform their duties as Board members, in addition to their skills, knowledge and experience as well as professional, technical and academic qualifications and personality and may be based on the "Fit and Proper Guidelines for Nomination of Board Members annexed to the Code as amended by the Authority from time to time;	√			

	16.4 Upon its establishment, the Nomination Committee shall adopt and publish its terms of reference explaining its authority and role.	√			
	16.5 The Nomination Committee's role shall also include conducting an annual self-assessment of the Board's performance.	√			
	16.6 Banks and other companies shall comply with any conditions or requirements relating to the nomination, election or appointment of Board members issued by the Qatar Central Bank or any other authority.	√			
Article 17 - Board Members' Remuneration - Remuneration Committee	17.1 The Board of Directors shall establish a Remuneration Committee comprised of at least three Non-Executive Board Members the majority of whom must be Independent Board Members.	√			
	17.2 Upon its constitution, the Remuneration Committee shall adopt and make available its terms of reference explaining its role and main responsibilities.	√			
	17.3 The Remuneration Committee's main role shall include setting the remuneration policy of the Company including remuneration of the Chairman and all Board members as well as the Senior Executive Management.	√			
	17.4 The remuneration of Board members policy and principles shall be disclosed in the Company's annual report.	√			
	17.5 The Remuneration Committee shall take into account the responsibilities and scope of the functions of the Board members and the members of the Senior Executive Management as well as the performance of the Company. Compensation may include fixed and performance-related components, noting that such performance related components should be based on the long-term performance of the Company.	√			
Article 18 - Audit Committee	18.1 The Board of Directors shall establish an Audit Committee that shall be comprised of at least three members the majority of whom should be Independent Board Members. The Audit Committee must include at least one member with financial experience in the audit field. If the number of available Independent Board Members was not sufficient to fill the Audit Committee membership, the Company may appoint members that are not Independent Board Members provided that the Chairman of the Committee is an Independent Board Member.	√			18.4 - Vodafone Qatar's Audit Committee is scheduled to meet twice per year. Vodafone Qatar believes that in conjunction with all the existing internal control and risk management processes adopted by the Company, a minimum of two Audit Committee meetings per year is sufficient. Furthermore, additional Audit Committee meetings shall be held during the year as required.
	18.2 In any event, any person who is or was previously employed by the Company's external auditors within the last two years may not be a member of the Audit Committee.	√			
	18.3 The Audit Committee may consult with, at the Company's expense, any independent expert or consultant	√			
	18.4 The Audit Committee shall meet as needed and regularly at least once every three months and shall keep minutes of its meetings		√		
	18.5 In the event of any disagreement between the Audit Committee's recommendations and the Board's decision including where the Board refuses to follow the Committee's recommendations concerning the external auditor, the Board shall include in the Company's Governance Report, a statement detailing such recommendations and the reason(s) behind the Board of Directors decision not to follow the recommendations.	√			
	18.6 Upon its establishment, the Audit Committee shall adopt and publish its terms of reference explaining its main role and responsibilities in the form of an Audit Committee Charter including in particular the following:	√			
	18.6 (A) adopt a policy for appointing the External Auditors; and to report to the Board of Directors any matters that, in the opinion of the Committee, necessitate specific arrangements and to provide recommendations on the necessary procedures or required action;	√			

	18.6 (B) oversee and follow up the independence and objectivity of the External Auditor and to discuss with the External Auditor the nature, scope and efficiency of the audit in accordance with International Standards on Auditing and International Financial Reporting Standards;	√			
	18.6 (C) oversee the accuracy and validity of the financial statements and the yearly, half-yearly and quarterly reports, and to review such statements and reports. In this regard particularly focus on:	√			
	18.6 (C)1. any changes to the accounting policies and practices;	√			
	18.6 (C) 2. matters subject to the discretion of the Senior Executive Management;	√			
	18.6 (C) 3. the major amendments resulting from the audit;	√			
	18.6 (C) 4. continuation of the Company as a viable going concern;	√			
	18.6 (C) 5. compliance with the accounting standards designated by the Authority;	√			
	18.6 (C) 6. compliance with the applicable listing rules in the Market; and	√			
	18.6 (C) 7. compliance with disclosure rules and any other requirements relating to the preparation of financial reports,	√			
	18.6 (D) coordinate with the Board of Directors, the Senior Executive Management and the Company's chief financial officer or the person undertaking the latter's tasks, and to meet with the External Auditors at least once a year;	√			
	18.6 (E) consider any significant and unusual matters contained or to be contained in such financial reports and accounts. And to give due consideration to any issues raised by the Company's chief financial officer or the person undertaking the latter's tasks, or the Company's compliance officer or External Auditors;	√			
	18.6 (F) review the financial and Internal Control and risk management systems;	√			
	18.6 (G) discuss the Internal Control systems with the management to ensure management's performance of its duties towards the development of efficient Internal Control systems;	√			
	18.6 (H) consider the findings of principal investigations in Internal Control matters requested by the Board of Directors or carried out by the Committee on its own initiative with the Boards' approval;	√			
	18.6 (I) ensure coordination between the internal auditors and the External Auditor, the availability of necessary resources, and the effectiveness of the Internal Controls and to oversee it;	√			
	18.6 (J) review the Company's financial and accounting policies and procedures;	√			
	18.6 (K) review the letter of appointment of the External Auditor, his business plan and any significant clarifications he requests from the Senior Executive Management of the Company with regards to the accounting records, the financial accounts or control systems as well as the responses of the Senior Executive Management;	√			
	18.6 (L) ensure the timely reply by the Board of Directors to the queries and matters contained in the External Auditors' letters or reports;	√			
	18.6 (M) develop rules, through which employees of the Company can confidentially report any concerns about matters in the financial reports or Internal Controls or any other matters that raise suspicions and to ensure that proper arrangements are available to allow independent and fair investigation of such matters whilst ensuring that the aforementioned employee is afforded confidentiality and protected from reprisal. Such rules should be submitted to the Board of Directors for approval;	√			

	18.6 (N) oversee the Company's adherence to professional conduct rules;	√			
	18.6 (O) ensure that the rules of procedures related to the powers assigned to it by the Board of Directors are properly applied	√			
	18.6 (P) submit a report to the Board of Directors on the matters contained in this Article;	√			
	18.6 (Q) consider other issues as determined by the Board of Directors	√			
Article 19 - Compliance, Internal Controls and the Internal Auditor	19.1 The Company shall adopt an Internal Control system, approved by the Board, to evaluate the methods and procedures for risk management, implementation of the Company's approved corporate governance code and compliance with related laws and regulations. And the Internal Control systems shall set clear standards of responsibility and accountability throughout the Company's departments.	√			19.4 - The Company's internal auditor is appointed by Vodafone Group plc with the approval of the Board
	19.2 The Internal Control systems shall include setting up effective and independent risk assessment and management functions, as well as internal financial and operational audit functions in addition to the external audit. The Internal Control systems shall also ensure that all Related Party transactions are handled in accordance with the conditions related thereto.	√			
	19.3 The Company shall have an internal audit function with clearly defined functions and role. In particular, the internal audit function shall:	√			
	19.3.1 audit the Internal Control systems and oversee their implementation;	√			
	19.3.2 be operated by a competent, operationally independent and appropriately trained working team	√			
	19.3.3 submit its reports to the Board of Directors either directly or indirectly through the Board's Audit Committee; and shall be accountable to it;	√			
	19.3.4 has access to all Company's activities; and	√			
	19.3.5 be independent including not being involved in the day-to-day business of the Company functioning. Its independence should be reinforced for example by having the Board determine compensation of its staff.	√			
	19.4 The internal audit function shall comprise of at least one internal auditor appointed by the Board of Directors. This internal auditor shall be accountable to the Board.		√		
	19.5 The internal auditor shall prepare and submit to the Audit Committee and the Board of Directors an "internal audit report" which shall include a review and assessment of the Internal Control system of the Company. The scope of the report shall be agreed between the Board (based on the Audit Committee recommendation) and the internal auditor and shall specifically include the following:	√			
	19.5 - control and oversight procedures of financial affairs, investments, and risk management;	√			
	19.5 - comparative evaluation of the development of risk factors and the systems in place to respond to drastic or unexpected market changes;	√			
	19.5 - assessment of the performance of the Board and the Senior Executive Management in implementing the Internal Control systems, including the number of times the Board was notified of control issues (including risk management) and the manner in which such issues were handled by the Board;	√			
	19.5 - any failure, weakness or contingency in the implementation of Internal Control that have affected or may affect the Company's financial performance and the procedure followed by the Company in addressing Internal Control failures (especially such problems as disclosed in the Company's annual reports and financial statements);	√			
	19.5 - the Company's compliance with applicable Market listing and disclosure rules and requirements.	√			19.6 – The internal audit report is prepared to coincide with meetings of the Audit Committee which meets a minimum of twice per annum.
	19.5 - the Company's compliance with Internal Control systems in determining and managing risk; and	√			
	19.5 - all relevant information describing the Company's risk management operations.	√			
	19.6 The internal audit report shall be prepared every three months.		√		
Article 20 – External Auditor	20.1 An External Auditor who is independent, and qualified, and appointed upon the recommendation of the Audit Committee to the Board and the decision of the Company's General Assembly, shall undertake an annual and semi-annual independent audit. The purpose of the audit is to provide an objective assurance to the Board and Shareholders that the financial statements are prepared in accordance with this Code, related laws and international standards governing financial reporting and accurately represent the financial position and performance of the Company in all material respects.	√			
	20.2 The External Auditor shall comply with the highest professional standards and he shall not be contracted by the Company to provide any advice or services other than carrying out the audit of the Company. The External Auditor must be completely independent from the Company and its Board and shall not have any conflict of interest in their relationship with the Company.	√			
	20.3 The Company's External Auditor must attend the Company's annual ordinary General Assembly where they shall deliver their annual report and answer any queries in this respect.	√			
	20.4 The External Auditor is accountable to the Shareholders and owes a duty to the Company to exercise due professional care in the conduct of the audit. The External Auditor is also responsible for notifying the Authority and any other regulatory authority should the Board fail to take proper action concerning suspicions raised or identified by the External Auditors.	√			
	20.5 A listed company shall change its External Auditor every three years at a maximum.	√			
Article 21 – Disclosure	21.1 The Company shall comply with all disclosure requirements including providing financial reports, disclosing the number of shares owned by the members of the Board and executive managers, majority Shareholders and controlling Shareholders. The Company shall also disclose information relating to its Board members including their biographies specifying their educational qualifications, job and any other board positions (if applicable). It must also disclose the names of the members of the various committees constituted by the Board in accordance with Article 5.3 and state its composition.	√			
	21.2 The Board shall ensure that all disclosures made by the Company provides accurate, correct and non-misleading information.	√			
	21.3 The financial reports of the Company must be in accordance with the international accounting and auditing standards (IFRS/IAS) and (IAS) and their requirements. The External Auditors report must include an express indication as to whether they received all necessary information and must confirm whether the Company complies with the IFRA/IAS standards and whether the audit was carried out in accordance with the international auditing standards (ISA).	√			
	21.4 The Company's audited financial statements shall be distributed to all the Shareholders	√			

Article 22 - General Rights of Shareholders and Key Ownership Elements	Shareholders shall have all the rights conferred upon them by related laws and regulations including this Code as well as the Company's by-laws. The Board shall ensure that shareholders' rights are respected in a fair and equitable manner.	√			
Article 23 - Ownership Records	23.1 The Company shall keep valid, accurate and up to date records of share ownership.	√			
	23.2 Shareholders shall have the right to review and access for free the Company's Shareholders' register during the Company's official working hours or as otherwise determined in the Company's Access to Information Procedures.	√			
	23.3 The Shareholder shall be entitled to obtain a copy of the following documents: Board members' register, the memorandum and articles of association of the Company, instruments creating a charge or right on the Company's assets, Related Party contracts and any other document as the Authority may decide from time to time upon payment of a prescribed fee determined by the Authority.	√			
Article -24 Access to Information	24.1 The Company shall include in its articles of association and by-laws Access to Information Procedures to ensure Shareholders' rights of access to the Company's documents and information in a timely manner and on a regular basis. The Access to Information Procedures shall be clear and detailed and shall include:	√			
	24.1.1 the Accessible Company Information including the type of information that is made accessible on an on-going basis to individual Shareholders or to Shareholders representing a minimum percentage of the Company's share capital; and	√			
	24.1.2 clear and express procedures to access such information.	√			
	24.2 The Company shall have a website where all relevant disclosures and information and public information must be published. This includes all information that is required to be made public by this Code and any related laws and regulations.	√			
Article 25 – Shareholders' Rights with Regard to Shareholders' Meetings	The Company's articles of association and by-laws shall include provisions ensuring effective Shareholders' right to call for a General Assembly and be convened in a timely manner; the right to place items on the agenda, discuss matters listed on the agenda and address questions and receive answers; and the right to make informed decisions.	√			
Article 26 - Equitable Treatment of Shareholders and Exercise of Voting Rights	26.1 All shares of the same class, shall have the same rights attached to them.	√			
	26.2 Proxy voting is permitted in compliance with related laws and regulations.				
Article 27 - Shareholders' Rights Concerning the Election of Board Members	27.1 The Company's articles of association and by-laws shall include provisions ensuring that Shareholders are given information relating to the nominees for membership to the Board before the elections including a description of the candidates' professional and technical skills, experience and other qualifications.		√		27.1 – The Company's Articles of Association do not contain express provision to that effect, however, in practice this occurs in any event.
Article 28 - Shareholders' Rights Concerning Dividend Distribution	The Board of Directors shall submit to the General Assembly a clear policy organising dividend distribution. This shall include the background and rationale of such policy in terms of the best interest of the Company and the Shareholders equally.	√			

Article 29 - Capital Structures, Shareholders' Rights, Major Transactions	29.1 Capital structures should be disclosed and Companies should determine the type of Shareholders agreements that should be disclosed	√			29.2 – Such provisions are not currently included in the Company's Articles of Association 29.3 - Provision for the triggers or Tag Along Rights are not specifically included in the Company's Articles of Association
	29.2 The Company shall ensure that its articles of association and/or by-laws include provisions for the protection of minority shareholders in the event of approval of Major Transactions where the said minority shareholders have voted against such Major Transactions		√		
	29.3 The Company shall ensure that its articles of association and/or by-laws includes a mechanism ensuring the trigger of a public offer or the exercise of Tag Along Rights in the case of a change in ownership exceeding a specific percentage (threshold). The thresholds should take into consideration shares held by third parties but under the control of the disclosing Shareholder, including shares covered by Shareholder agreements which should also be disclosed.		√		
Article 30 – Stakeholders' Rights	30.1 The Company shall respect the rights of Stakeholders. Where Stakeholders participate in the corporate governance arrangements; they shall have access to relevant, sufficient and reliable information on a timely and regular basis.	√			30.3 - The Board, through the Remuneration Committee, maintains oversight of the Company's key reward and remuneration policies with a particular focus on Executive level appointments and remuneration policy. Policies are administered and applied on a day to day operational basis through the Company's HR department.
	30.2 The Board of Directors shall ensure that the Company's employees are treated according to the principles of fairness and equity and without any discrimination whatsoever on the basis of race, gender, or religion.	√			
	30.3 The Board shall develop a remuneration policy that provides incentive for the employees and management of the Company to always perform in the best interests of the Company. This policy should take into consideration the long term performance of the Company.	√			
	30.4 The Board shall adopt a mechanism enabling the Company's employees to report to the Board suspicious behaviour, where such behaviour is unethical, illegal, or detrimental to the Company. The Board shall ensure that the employee addressing the Board shall be afforded confidentiality and protected from any harm or negative reaction by other employees or the employee's superiors	√			
	30.5 Companies should ensure full compliance with the provisions of this Article as it is excluded from the principle of "comply or justify non-compliance".	√			
Article 31 - The Corporate Governance Report	31.1 The Board shall prepare an annual Corporate Governance Report signed by the Chairman.	√			
	31.2 This Report shall be submitted to the Authority on an annual basis and whenever required by the Authority and shall enclose the annual report prepared by the Company in accordance with its regular disclosure requirements.	√			
	31.3 The Corporate Governance Report should be included on the ordinary General Assembly's agenda and a copy should be distributed to the Shareholders during the meeting.	√			
	31.4 The Corporate Governance Report all information related to the application of this Code, including but not limited to:	√			
	31.4.1 procedures followed by the Company in this respect;	√			
	31.4.2 disclosure of any violations committed during the financial year, their reasons and the remedial measures taken and measures to avoid the same in the future	√			
	31.4.3 disclosure of the members of the Board of Directors and its committees and their responsibilities and activities during the year, according to the categories and terms of office of the members along with the method of determining the remuneration of the Board members and Senior Executive Managers;	√			

	31.4.4 disclosure of Internal Control procedures including particularly the Company's oversight of financial affairs, investments, and risk management;	√			
	31.4.5 disclosure of the procedures followed by the Company in determining, evaluating and managing significant risks, a comparative analysis of the Company's risk factors and discussion of the systems in place to confront drastic or unexpected Market changes;	√			
	31.4.6 disclosure of the assessment of the performance of the Board and the Senior Executive Management in implementing the Internal Control systems, including identification of the number of times when the Board was notified of control issues (including risk management) and the way such issues were handled by the Board;	√			
	31.4.7 disclosure of full or partial breaches in the implementation of the Internal Control systems or weaknesses or contingencies that have affected or may affect the Company's financial performance and the procedures followed by the Company in addressing Internal Control failures (especially such problems as disclosed in the Company's annual reports and financial statements);				
	31.4.8 disclosure of the Company's compliance with applicable Market listing and disclosure rules and requirements;	√			
	31.4.9 disclosure of the Company's compliance with Internal Control systems in determining and managing risks;	√			
	31.4.10 disclosure of all relevant information describing the Company's risk management operations and Internal Control procedures.	√			
	31.5 Companies should ensure full compliance with the provisions of this Article as it is excluded from the principle of "comply or justify non-compliance".	√			

Executive Management Team

Ian Gray
Chief Executive Officer

Ian Gray joined Vodafone Qatar as CEO in December 2015. Prior to this he held the position of Chairman of Vodafone Egypt having served on the board for almost 17 years. Between 2010-2007 he was a Regional Director for Vodafone Group focusing on Central and Eastern Europe. Ian Gray is also UK Co-Chairman of The Egyptian British Business Council (EBBC) which was set up under the auspices of the Egyptian and British Governments in 1998 as a top level strategic body to facilitate trade and investment links between Egypt and the UK. Prior to Vodafone, Ian Gray was CEO of the FTSE listed companies Brown and Jackson PLC and later General Cable PLC. Before that, he held Divisional CEO roles in the Thorn EMI Group.

Mohamed Al Sadah
Chief Operating Officer

Mohamed Al Sadah started his career as an engineer then moved to the field of human resources followed by business development where he has demonstrated repeated success in all these areas. Mohamed Al-Sadah assumed the role of Chief Operating Officer of Vodafone Qatar in 2016. Prior to that, Mohamed Al-Sadah was assigned the role of Chief Business Development Officer in addition to his earlier duties as Chief Administration Officer when he joined the company in 2012. Previously, Al Sadah held senior roles at Qatar Investment Authority and, before that, at Dolphin Energy. Mohamed Al-Sadah holds an engineering degree from the University of Arizona.

Mahmud Awad
Chief Business Officer

Mahmud Awad joined Vodafone Qatar in 2014 from du where he was the VP of Corporate Sales. During his time at du Mahmud created new revenue streams, introduced more industry specific solutions and established an end-to-end solution sales approach. Mahmud Awad has also held executive roles with Ooredoo and Nokia Siemens Networks and Siemens. Mahmud Awad holds a Master's degree in Electrical Engineering from RWTH University of Aachen.

Ramy Boctor
Chief Technology Officer

Ramy Boctor has more than 18 years of experience in telecoms. He joined Vodafone Qatar in 2014 and under his command, the Company launched its 4G and 4G+ network which has since been recognised as 'Best in Test' by the international leader in mobile performance testing, P3 Communications. Prior to Vodafone, Ramy Boctor held the role of Chief Technology Officer at Mobilink where he successfully transformed the Mobilink Technical department to optimize cost and investment. He also directed critical technical projects and oversaw the rollout of new capacity projects. Ramy holds a Bachelor's of Science in Telecommunication Engineering from Cairo University and a Masters of Business Administration from Warwick Business School in the UK.

Diego Camberos
Commercial Business Unit Director

Diego Camberos joined Vodafone Qatar in March 2017 from telecommunications company Tigo-Millicom, where he held the role of Chief Executive Officer for 3 years in Senegal and prior to that in Rwanda for 3 years. Under his command, Tigo Senegal transformed into a strong challenger while bringing sustainable growth on the double digit side. During his time in Rwanda, he positioned the company to compete in the market acquiring %35 market share in the first 2 years. Diego Camberos started his career in 1993 and over the past 23 years he has built up extensive experience in the US, Latin America and Africa working for the likes of McDonalds, Burger King, Trilogy International Partners and Millicom holding a number of general management roles. Diego Camberos holds a Bachelor in International Studies Minor in Economics from the University of South Carolina and an MBA from the University of Los Andes.

Rasha El Azhary
Development Director

Rasha El Azhary joined Vodafone Qatar in 2011 as Head of Commercial Planning & Pricing ensuring Vodafone's value leadership in the market. After 2 years in that role, she became responsible for the launch of fibre and LTE services and to develop differentiated fibre and fixed propositions. As Vodafone Qatar's Development Director, she is helping to design the Company's future strategy and handle development projects in the rapidly changing commercial world. Rasha El Azhary started the first 5 years of her career in investment banking and in 2003 she joined Vodafone Egypt's finance department. Rasha graduated from the American University in Cairo with a major in Economics and minor in Business Administration.

Ramamoorthy Rajagopal
Acting Chief Financial Officer

Ramamoorthy Rajagopal has more than 17 years' experience in finance built across Fortune 500 companies and start-ups with multi geographies presence. He joined Vodafone Qatar in 2013 from Vodafone India where he was supporting the CTO manage a 3$Bn spend. He also had an additional responsibility that required him to oversee a 2$Bn joint venture Company.

Prior to assuming his role as Acting Chief Financial Officer in 2016, Ramamoorthy Rajagopal was Head of Financial Planning & Analysis at Vodafone Qatar during which he introduced effective budget control and identified huge savings opportunities. His team of 16 were also awarded the "3rd Best Finance Team" in the Middle East and North Africa Region in 2015.

Ramamoorthy Rajagopal has also held a number of finance management roles at companies including Collabera Solutions Ltd, Virtusa India and GE Capital International Services.

Corporate Social Responsibility

Social Investment

We believe that the true value of a business lies in how it creates economic, environmental and social value. We incorporate our core competencies to engage with the community, hoping to deepen personal links, enhance the quality of life in our surroundings and open up more opportunities, creating a better future for people in Qatar. To this end, we have identified three main social investment avenues by which we aim to create a positive impact in Qatar:

- Community investment programs
- Partnerships and collaborations
- Donations and sponsorships

These avenues are regulated through our Charitable Donations Policy, which ensures that all contributions are linked to utilising mobile communication technology for social welfare, to protect the natural environment or support our stakeholders' communities. We assess all requests received through our Social Investment Committee based on transparent and objective evaluation criteria.

Social Investment Initiatives

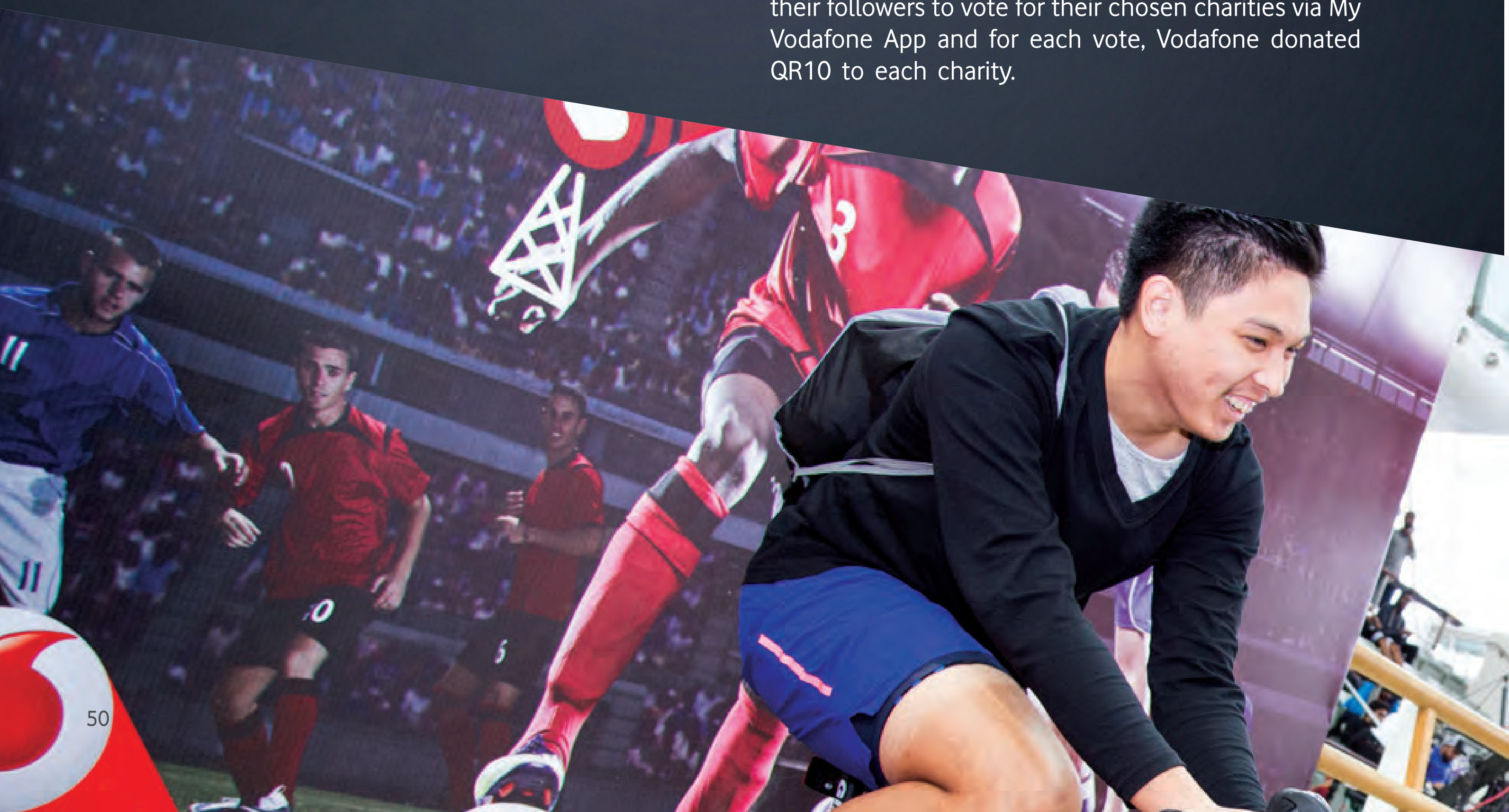
Online Child Safety (AmanTECH)

Aimed at promoting digital literacy amongst parents and improving children's digital safety, we have launched AmanTECH in 2014, which stands for "Safe Technology" in Arabic. AmanTECH was created to empower parents with the knowledge they need about trends in the digital world and safety updates to be able to guide their children to use these platforms and enjoy their digital rights effectively and safely. It is our ongoing initiative, and it had a great year in 2016 engaging over 5000 parents through educational and interactive events and workshops. We've held over 15 entertaining and educational events last year and partnered with the Ministry of Transport and Communications in QITCOM, several malls and NGOs in Qatar to deliver our popular AmanTECH Treasure Hunt. We also partnered with local schools to run Connected Families - our digital parenting workshops. Learn more about the program on: www.vodafone.qa/Amantech.

Giving Back To The Community

The Giving Challenge

The second edition of our hugely successful fundraising challenge #GivingChallenge has raised a total of QR1,008,500 in FY 17, as a result of 100,850 votes which is more than double the amount raised in the previous year. The challenge which was launched on the first day of Ramadan saw four Qatari social media influencers use their social media channels to raise funds for their chosen charity. Asma Al-Hamadi, Eid Al-Sulaity, Abdulrahman Al-Harmozi and Hassan Al Saei, used their social media channels to encourage their followers to vote for their chosen charities via My Vodafone App and for each vote, Vodafone donated QR10 to each charity.



Asma Al Hamadi who raised the most funds for her chosen charity Qatar Charity said, "I would like to thank Vodafone Qatar for giving me the chance to be one of the 4 participants in the Giving Challenge. Also I would like to thank Qatar Charity for supporting me during this challenge to raise funds for their education initiative for children in need. The competition between us for the sole purpose of giving was great and I enjoyed the experience. We need more of these competitions that are designed purely for charitable giving."

Supporting Qatar Students in the UK

We showed our support to Qatari students in the UK by sponsoring the Eid Charity organized cultural week that aimed to keep the students connected to Qatari society and values while abroad. The week included lectures, sporting, cultural and social events culminating with a ceremony that celebrated high performing and talented Qatari students. The event that took place at Coventry University gathered more than 350 students and was attended by several VIPs including Qatar's Ambassador to the UK H.E Yousef Al Khater, Qatar Embassy UK Cultural Attaché Dr. Mohammed Al Kaabi and Vodafone's Chief Operating Officr, Mr. Mohamed Al Sadah.

Celebrating National Sports Day

Our staff gathered at Qatar's ultimate sporting destination, Aspire Zone, to celebrate the fifth annual National Sport Day. Employees and their families joined top trainers for a fun-filled event packed with fitness activities all day long. The event included Boot Camp for ladies and plenty of games for kids including face painting, trampoline and bounce castle. Football and cricket fans had the chance to battle it out in team competitions.

Vodafone has a solid track record in sports and health including the sponsorship of Al-Sadd Sports Club and Weill Cornell's Your Health First campaign. Vodafone Qatar staff has additionally joined a number of sports activities such as the Maersk Oil and QP Challenge.

Additionally, we continuously run internal Employee Health and Wellness programs to encourage staff members to adopt a healthy way of life. The program's annual calendar features smoking cessation sessions; a family event to which employees invite their families to attend health and wellness awareness workshops including healthy diets, kids' safety and others.

Free WiFi connectivity for migrant workers in Al Khor

Vodafone Qatar has equipped Al Khor Workers Sports Complex with Wi-Fi to give thousands of labour workers access to the internet for free. The Complex that is designed and developed by Barwa Real Estate in partnership with the Supreme Committee of Delivery & Legacy and Qatar Foundation, aims to improve the quality of life of more than 150,000 labour workers residing in Al Khor and its neighbouring areas. We globally have long championed the importance of giving internet access to all members of society and are delighted that thousands of workers benefit from being included in the digital world and very importantly having a means to stay in touch with their loved ones back home.

Cycling for Charity: Qatar Sandstormers

We're annual sponsors of the Qatar Sandstormers team to ride 800 km through four European countries aiming to raise awareness for the «Cyclists for Education» initiative that was signed between Qatar Charity, Qatar Cyclists and the Qatar Sandstormers. The initiative aimed to raise QR 5 million for Rebuilding a Girls School in Gaza for over 900 students. The Qatar Sandstormers is a cycling team supported by Vodafone Qatar and comprised of Vodafone employees who aim to use their passion for cycling to raise donations for important causes. Every year, the team participates in the Global Biking Initiative cycling ride across Europe in which cycling teams from other Vodafone markets around the world come together to cycle over 800 KMs in 7 days. Each cycling team raises funds for a different cause and the team with the highest number of donations is recognized. In 2016, The Qatar Sandstormers were recognized as the team with the highest number of donations raising over QR 1 million.

Women Empowerment

Supporting Working Mothers

We value diversity in Vodafone. We work hard to attract and retain talented men and women and support their progression in the company so we are investing lots of energy in this space. Last year, Vodafone Qatar became one of the first organisations in the world to introduce a mandatory minimum global maternity policy. Women are offered at least 16 weeks fully paid maternity leave, as well as full pay for a 30-hour week for the first six months after their return to work. Other than the United Nations, very few global organisations - and even fewer multinational corporations - have adopted minimum maternity policies of this kind.

Over the last 12 months, we have invested heavily in the development of our Qatari women. Our development has included the Springboard Empowerment training and locally developed programs to develop business and soft skills that are internationally accredited by the Institute of Leadership and Management. These are just a few highlights of how committed Vodafone Qatar is to support and grow its female staff in line with its firm belief in the importance of diversity and the critical role women plan both within and outside the workplace.

International Women's Week

Vodafone Qatar marked International Women's Day, which falls on 8 March, with week-long activities that brought together the female workforce of the company to celebrate the social, economic, cultural and political achievements of women worldwide. International Women's Day also highlighted a call to action for gender parity, the overall theme for the occasion in 2016. Vodafone Qatar held two Power Hour sessions with its top female managers who shared their inspirational career stories and how their journey at Vodafone Qatar and prior to that helped to shape their leadership skills and career objectives. Additionally, Dana Haidan, Head of CSR & Sustainability at Vodafone Qatar addressed an audience at KPMG's International Women's Day where she talked about how Vodafone Qatar champions diversity in the workplace and its importance to both the individual and organisation.

Al Johara Programme

Our ongoing Al Johara Programme gives Qatari women the chance to learn entrepreneurial skills and earn a living by selling Vodafone products and services to their friends, families and communities. The initiative has created a community where women can share technology and learn about the latest devices and tech trends as well as socialise. The pilot project began in 2010 with women who had no work experience and who preferred to work within a female-only environment due to cultural reasons. Today, the program has 35 women who by becoming involved in the program have taken a significant step as they have gained work experience, financial independence and confidence.

Education

Vodafone Annual Literary Competition

Under the patronage of H.E Dr. Hamad Bin Abdulaziz Al Kuwari, the Minister of Culture and Heritage, Vodafone Qatar held its third literary competition in line with the 2015 Qatar National Day celebrations. What started out as a humble idea to play a role in reviving and preserving the heritage of Qatar which is key to the Qatar National Vision 2030, in its third year, Vodafone Qatar's literary Competition has undoubtedly grown to become a successful means to preserve the Arabic language and encourage creative writing which are important threads of our Arab culture and tradition. In addition, as it coincided with our beloved country's national day, the competition has given both citizens and residents a means to express their love for this great nation.

The winners were announced in June 2016 in an award ceremony hosted by Vodafone's Chief Operating Officer Mohamed Al Sadah, Vodafone's Director of External Affairs Mohammed Al Yami and the competition's lead judge Dr Fatima Al Suwaidi, who recognized the winners. Vodafone received more than 150 submissions for the third edition of the competition which were subsequently assessed by an independent panel of judges. Seven winners were awarded with a total prize value of QR 200,000.

National Identity Seminar

Under the patronage of HE Prime Minister and Interior Minister Sheikh Abdullah bin Nasser bin Khalifa Al-Thani, Qatar's Second National Identity Seminar was held under the theme, 'The role of educational institutions in promoting National Identity', organized by Qatar Heritage and Identity Centre, and exclusively sponsored by Vodafone Qatar. Eminent local and international academic specialists discussed the various aspects related to national identity and on preserving it. Among the topics discussed were: family and identity, the effect of demography, and the role of education, curricula and schools in preserving identity.

Digital Library

On the 400th anniversary of Shakespeare's death, Vodafone and the British Library have made some of the earliest and rarest editions of Shakespeare's plays available to all, allowing people to download the Bard's most popular works from specially-designed wallpaper featuring virtual library bookshelves. Four hundred-year-old versions of Romeo and Juliet, A Midsummer Night's Dream and Hamlet are among the original works which can be downloaded for free. Shakespeare's plays began to be printed in 1594 and appeared as pamphlets called 'quartos'. Affordably priced and pocket-sized, the creation of these editions made Shakespeare's works available to the masses in print for the first time, and today they are the earliest printed records of many of his greatest plays.

The Digital Library is providing new, unprecedented access to free digital copies of the quartos by allowing people to simply scan the QR codes printed on the virtual books as the 'digital library' tours the UK and appears in locations around the world. The wallpaper will also provide digital links through to the British Library's Discovering Literature website, revealing more about the world of Shakespeare and his plays, from King Lear and madness to the violence of Romeo & Juliet and the life of the Bard himself.

In Qatar, the wallpaper is being displayed at Doha College, one of the oldest British curriculum schools in the country for their community of more than 1900 students, teachers and parents. Doha College's Principal Dr Stefen Sommer explained, "As part of our commitment to exposing children to high quality, classic literature we include the works of Shakespeare and encourage them to explore, enjoy and engage with the wonderful storylines and rich language of the Bard. This opportunity from Vodafone Qatar will encourage our students who are digitally literate to immerse themselves in the language of the past using the technology of the present."

Sustainable Development

Sustainability Report Launch

Vodafone Qatar launched its second Sustainability Report 2015-2016 accredited by the Global Reporting Initiative (GRI), the international governance body for corporate sustainability reports assurance. Sustainability reporting is considered a crucial tool for managing stakeholder expectations, risk management and corporate planning which is designed to provide information on a company's environmental, social and economic performance and impacts and the initiatives for improving performance in these areas.

Our corporate sustainability report reflects our consideration of issues important to our stakeholders, including customers, employees, government, regulators, suppliers, lenders and our shareholders.

Our ambition is to enable sustainable living for all through operating ethically and responsibly, delivering positive change using our technology and to contribute to community development in Qatar and around the world. Vodafone Qatar is committed to upholding the highest standards of corporate transparency and hope that our sustainability report will serve to encourage dialogues between Vodafone Qatar's sustainability team and our stakeholders on key issues.

Vodafone Qatar's sustainability report is available on: www.vodafone.qa/sustainability

Global Goals Week

Vodafone raised awareness of the Global Goals for Sustainable Development which includes a set of 17 Sustainable Development Goals (SDGs) to end poverty, fight inequality and injustice, and tackle climate change by 2030. World leaders adopted the 2030 Agenda for Sustainable Development at the United Nations Sustainable Development Summit on 25th September 2015. During 'Global Goals Week' between 17– 24 September 2016, Vodafone will help to raise awareness of the goals through its global network and reach with millions of consumers.

In Qatar, Vodafone Qatar supported the global awareness campaign with widespread social media communications, SMS to its customer base and by giving free mobile data access to the Global Goals website www.globalgoals.org and its YouTube Channel during the week. In addition, Vodafone held internal employee engagement activities to drive the delivery of the Global Goals.

Qatar Sustainability Week

Vodafone Qatar supported the Qatar Sustainability Week as the official Communication Partner organised by Green Building Council (QGBC) from October 28 to November 4. The week-long initiative hosted numerous sustainability events across the country. Qatar Sustainability Week granted stakeholders from the public and private sectors an opportunity to promote the nation's sustainability vision and address society's understanding and attitude towards the concept. It also highlighted the key role that the wider community can play in advancing Qatar's long-term 'green' agenda.

Vodafone CSR Majlis

Last year we held our regular CSR Majlis event in collaboration with Carnegie Mellon University (CMUQ) as the Knowledge Partner. The event brought together peers and experts in Corporate Social Responsibility and Sustainability space in Qatar to discuss the critical role a well-defined corporate purpose and solid business ethics play in creating sustainable change. The CSR Majlis programme aims to provide an open platform that facilitates dialogue and knowledge sharing between peers representing both the public and private sectors of Qatar. We hold a CSR Majlis, with different themes, on a regular basis to connect the leaders of this field and bring them together to explore ways of collaborations and mutual support.

The CSR Majlis entailed a working session and a debate around how to incorporate solid ethics into the way businesses operate and how to craft purpose-based frameworks for organisational change. The Majlis spurred a number of crucial questions about how a clear organisational purpose merged with unwavering corporate ethical behaviour can inevitably lead to positive sustainable change that impacts both internal and external stakeholders.

Dana Haidan, Vodafone Qatar's Head of Corporate Social Responsibility and Sustainability, said: "It is crucial that we have an open dialogue about business ethics as corporate entities in Qatar, and exchanging best practices helps with reflecting these principles onto our daily business conduct to ensure that the organisation is meeting its duties towards the society in which its operates while doing business responsibly."

Review of the year

Operational Review

Delivering Value to our Customers

In FY 17 the Vodafone Qatar network was tested and proven to be the best network in Qatar by independent third party, P3. Testing showed Vodafone Qatar to offer the best voice experience, fastest download speeds and the best YouTube experience in Qatar. We are committed to maintaining the best network experience for our customers. Throughout 2016 more work has gone into optimising our network performance and further expanding network coverage to keep pace with Qatar's growing population.

A great network experience leads to customers using even more internet. This can sometimes create problems for Postpaid customers using more than they expect and result in unexpected bill shocks. To help address and solve this problem, Vodafone Qatar has launched Bill Manager. This is an innovative product applied to all Vodafone Postpaid customers that automatically applies the best rates for local internet and roaming. It ensures that customers always receive a fair bill at the best available rates.

We also launched Vodafone Connect, a Postpaid innovation that means customers can use their Postpaid plan the way they want. Vodafone Connect plans come with flex that can be used for local calling, internet and international. This means customers have flexibility to use the value in their plan but without the restrictions of traditional minutes and Megabyte bundles. Vodafone Connect was launched in May 2016 and has been an important driver of Postpaid customer growth throughout the year.

Prepaid customers have enjoyed the new Happy 123 platform in 2016. Simply by dialling *123#, customers can access a range of personalized offers on a daily basis. This has been a great success with customers and has improved commercial performance by increasing prepaid customer activity and loyalty.

In a market full of exciting innovation, it is also important for customers to be able to maintain an up to date view of their account. To this end, in early in FY 17 we launched our My Vodafone application. Now, with over 400,000 downloads in Qatar, an ever increasing number of our customers are using the My Vodafone app daily to check their balance, pay bills, update products and chat in real time with our customer service team.

Vodafone Qatar is looking forward to delivering further value to its customers through innovation in FY 18.

Closer to our Customers

Leading in retail means we need to be geographically closer to our customers, that is why we now operate 28 Vodafone Qatar retail stores across Qatar. This year we have opened two new stores (located at Kharaitiyat and Mall of Qatar) with a new and innovative concept, helping to deliver a superior and differentiated customer experience.

Our new stores are designed as a "customer journey" and aim to give our customers a brand new shopping experience based around convenience, transparency, simplicity and speed of service. We have also significantly improved all features of our in-store model which is designed to deliver the best possible advice and service to customers that we can provide. We have further plans to continue to grow our presence and roll out more stores across the country to ensure a truly differentiated customer experience.

With a clear and simple setting, our Kharaitiyat and Mall of Qatar stores boast some unique features such as an Iconic Top 10 Table with a choice of the latest best-selling smart-phone handsets, a Hero Product zone and an accessory panel featuring the latest mobile and tablet accessories. Moreover, the stores' Tech Zone and consultation pods provide customers with private designated areas where they can receive advice and support and also dedicated terminals for learning about our business solutions and offerings.

Understanding our Customers

Exceeding customer expectations as a basis for differentiation of our customer experience and transforming that into an increased share of market revenues has been a key strategic imperative for operating in a rapidly changing and challenging environment.

A pioneer among Vodafone Group companies, Vodafone Qatar is utilizing the power of 'big data' and data analytics to assess and deliver valuable customer insights and customer centric contextual marketing. The aim of this initiative is to better enable us to 'delight' our customers by providing the right offer to the right audience at the right time and present offerings that are tailored to better meet unique customer needs.

In that context, data protection and customer privacy remain at the heart of our 360 centralized 'big data' and data analytics platform and practices. By combining our existing systems with best in class local and international experts and capability, 'big data' and data analytics is providing Vodafone Qatar with a sustainable competitive advantage by ensuring we better understand and are better placed to proactively address the unique and specific needs of our customers.

Our Brand – World Class Change Makers

Vodafone Qatar knows how to lead change making with world class standards. In our 8 years of operating in Qatar, we have brought better value, better competition and better service to the market. We are at a very exciting point in our journey where we are continuing to work to bring the best and most innovative products and services to Qatar, leveraging our global expertise to help people live a better today and build a better tomorrow.

We have built a state of the art network that was recognized as 'Best in Test' by an independent and regulator approved, P3 Communications for 2 years in a row 2016 and 2017. In the past three years, we have invested more than QR 1 billion in our network infrastructure and will continue to make significant investment in Qatar's ICT sector which will play a key role in realizing the country's ambitions. Vodafone Qatar has not been shy about trumpeting the reliability of its 4G network over the last year. References to the quality of our network have been scattered across billboards since last December. We are giving our customers whatever they need to connect to whatever it is they love. No matter what people love, they can connect to it faster and better than ever on Vodafone Qatar's reliable data network.

Moreover, our award winning customer care is recognised for its dedication and commitment to delivering an innovative, attentive and unparalleled high-level of customer service with a call centre that does not leave you waiting, innovative chat service via My Vodafone app and more.

We are providing innovative products and services that are enabling consumers and business customers to confidently connect to the people and things that matter most all the while putting them in complete control of their spending. Fair bills, travel freedom, personalised service, flexibility and great value every day are all key benefits provided to our customers through Vodafone Qatar's innovative products and services.

We are applying our global expertise to help enterprises of all sizes optimise, automate and innovate using the latest technologies. Many of you who are with us today were able to experience Vodafone Qatar's world leadership in Internet of Things service delivered at the recently held ICT event QITCOM and our own Vodafone Qatar Innovation Day.

All of this in addition to Vodafone's persistent mission to making a difference to those in need through our serious Corporate Social Responsibility program in partnership with a number of seasoned Charity organizations in Qatar, to support a bigger cause and make a positive change in the community.

Because we believe our brand purpose aligns perfectly with Qatar's ambitions and its 2030 vision, we will never accept the status quo. We're here to be your world class game changers. Relentlessly pushing limits and breaking down barriers to enable the people of Qatar enjoy life in a better way.

We CARE

Our customer experience strategy, We CARE, aims to make our customers feel in control, rewarded and to have easy access to us every day. By connecting people, businesses and communities, we empower people and inspire them to look forward to the future and what exciting possibilities it may hold.

At Vodafone Qatar, we are proud to have empowered more people to feel confidently connected through using our network and our range of innovative products and services. Our network has been proven, through independent audits, to be the fastest data usage providers in Qatar.

We have changed the market landscape through our dynamic range of products and services as well as the customer care we provide. Our Happy and Connect platforms products deliver personalized offers to our prepaid customers every day. In addition to personalized offers, Happy has delivered much needed entertainment options for our service segment. With this platform we have engaged more than 800,000 unique customers and our Net Promoter Score (NPS), as a measure of customer satisfaction has reached its highest ever level.

Connect has put customers in control of their spending and afforded them the flexibility to use their prepaid credit balance however they choose. We have also launched 'Bill Manager' so that our Vodafone Red customers will never have to worry about overspending on data, while in Qatar or roaming abroad. This enhancement has provided our customers with peace of mind, helped them to manage their costs and earned Vodafone Qatar two regional awards

This year Vodafone Qatar also launched a pilot of our new loyalty program to be tested by our most loyal customers. We intend to complete and take learnings from this trial in preparation for a full commercial launch and roll out of the program.

Next Generation Customer Care

We have delivered a differentiated and much more personalised experience to our customers, both in consumer and enterprise customer segments. Our Premium Service for enterprise customers has delivered an unparalleled customer experience with superior service levels. This has also been reflected in our customer net promoter scores (NPS) and the "voice of the customers" initiatives undertaken to receive direct customer feedback.

Vodafone Qatar has further expanded and improved on its digital customer experience capabilities through deployment of additional digital service elements throughout the customer journeys. For example, customers can now chat with us using the My Vodafone app and or website and manage their account through the My Vodafone app or through our next generation Interactive Voice Response system.

The historically 'reactive' industry customer contact center experience has become outdated which is why at Vodafone Qatar we have created CARE2020. At Vodafone Qatar we have taken a different approach to Customer Care that is reflecting our investments in Digital and the My Vodafone App. Customer Care 2020 is designed to reposition Vodafone Qatar's strategy as it relates to Customer Care with a vision to shift a lot of today's voice contacts to proactive digital channels providing digitally integrated smart support experience. It is a transformation of the Customer Care experience to a more differentiated support experience designed to drive higher customer satisfaction and NPS. Live Care will deliver service excellence in complex and highly emotive moments of truth. In addition, it will create a differentiating customer experience through extended segmentation and personalisation in all live contacts with our customers.

As part of the broader CARE2020 strategy, we are looking to target and deliver on three key strategic enablers as follows:

People: Treating people as our most valued assets with enhanced reward & recognition

Sourcing: Tenure model with associated higher Touchpoint Net Promoter Score (TNPS)

Tools: Deliver the digitally integrated smart support experience

The scope of CARE2020 includes both Consumer & Enterprise customer bases with a focus on Customer Operations and Digital channels.

Connecting our Customers

Vodafone Qatar made significant investments during FY 17 to further strengthen its Network and enable the Company to continue providing best in class service to its customers and support our drive for product innovation and satisfy the ever increasing demand for data.

- Third generation LTE (4G) carrier capability was added to an additional 100+ mobile sites to further enhance service quality and carrying capacity to cater for increased data demands.

- LTE coverage was added to another 50+ sites which further enhanced Vodafone Qatar's LTE footprint in the desert and on main traffic routes.

- As Doha continues to experience significant growth in the form of new developments, malls and high-rise towers, Vodafone Qatar realizes that importance of installing indoor coverage solutions that provide customers with unmatched indoor and outdoor network quality. As part of our network investment program, over 15 new dedicated indoor coverage solutions were deployed and approximately 100 existing indoor solutions were upgraded to LTE (4G) capability.

- As part of our ongoing and longer term commitment to technological leadership and innovation Vodafone Qatar also trialled 1Gpbs radio solutions with 256QAM and 5CC technology and commercially deployed Pico Cells which are suitable for smaller indoor coverage requirements.

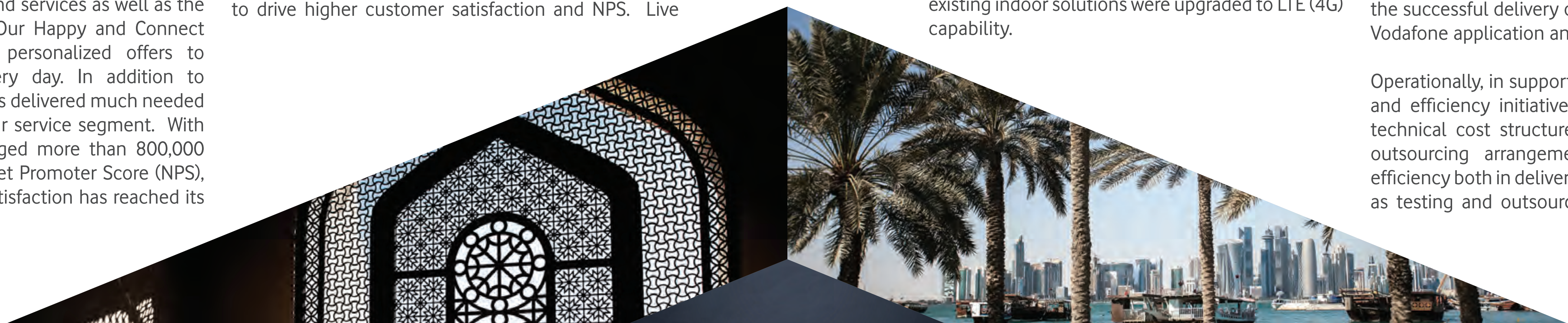
- In order to cater for ever increasing user data needs and demand, Vodafone Qatar carried out a re-design and expansion of its packet core infrastructure as part of our program of preparedness for the continuing exponential growth in data use and demand from consumers and businesses alike. Vodafone Qatar launched its private cloud infrastructure this year greatly improving the time to market for new services and systems, in particular within the enterprise segments. This also triggered the start of Vodafone Qatar network function virtualization (NFV) journey which involved the launch of two network services over the Cloud. Vodafone Qatar also integrated and trialled Voice over LTE (VoLTE) and Video over LTE (ViLTE) capability over its network. Vodafone Qatar was also declared "Best in Test" network by P3 in quality of service benchmarking conducted in April 2016.

- Vodafone Qatar has continued to invest in its infrastructure and connectivity to ensure that our Network Infrastructure is both locally and geographically resilient. This means that Vodafone Qatar's Core Network and connectivity is always dimensioned at approximately double the required capacity to ensure resilience in case of any outage.

In terms of investing in our internal IT infrastructure and capability, our focus in FY 17 has been to further reduce and minimize overall time to market for delivery of new products and services. As a product of this focus, Vodafone Qatar has managed to reduce average product and service assessment time by 74% and average time for delivery to market has been reduced by 34% compared to the previous year. These initiatives all form part of our broader commitment to being more customer focused and delivering a superior and differentiated customer experience.

Vodafone Qatar closed FY 17 having delivered its highest number of projects during the past 3 years including the successful delivery of "Vodafone Connect", the My Vodafone application and Vodafone Bill Manager.

Operationally, in support of the Company' cost control and efficiency initiatives, we sought to improve our technical cost structure by leveraging more flexible outsourcing arrangements, while achieving capex efficiency both in delivery and supporting streams such as testing and outsourced operations.



Vodafone Qatar is extremely proud of the progress that has been made in its Network and internal IT capability and looks forward to the future with confidence as we continue to invest in and maintain our core mobile capability and further expand our fixed line network and related services.

Expanding Enterprise

Vodafone Qatar continued to expand its enterprise footprint during the year through the commercial launch and roll out of a range of new products and services. This is the result of an effort to grow the company's enterprise business and contribute to an increasing share of the Company's overall revenue and growing portfolio of services. One of the primary areas of focus during the year was to deliver enhanced quality of sales to our 'Small-Medium Enterprise' ("SME") and 'Small Office Home Office' ("SOHO") customer segments while expanding the Vodafone Red post-paid customer base throughout all enterprise customer segments. In addition, we introduced many enhanced enterprise products, including:

- Ready Business Platform with outstanding success in penetrating SOHO and SME segments.
- Enterprise USSD services targeting the financial sector.
- Upgrading Bulk SMS to a more comprehensive solution that targets financial and government sectors.
- Voice Revamp for all our offers which led to grandfathering old/low value plans and promoting more value for more money.
- Performance reporting for Enterprise connectivity services that give visibility to enterprise customers and their active data links performance.
- Data Centre colocation services in collaboration with our partner Meeza.
- Expansion of Dedicated Access Point Name (APN) service.
- Launching IoT Connected Cabinets, Fleet, and Asset Tracking.

Machine to Machine ("M2M") related services represent one of the fastest growing sectors in the region of which Vodafone Qatar have taken advantage by launching the Global M2M platform. Its capabilities into the local market are in line with its strategy to enrich the bundles of solutions and services it can offer to enterprise customers in Qatar. The Global M2M service will include many advanced Internet of Things ("IoT") services like Smart Energy and Smart Metering. Going forward, Vodafone Qatar will continue to expand its mobile and fixed offerings and will target large corporate enterprise, SME and SOHO Enterprise customer segments, in addition to serving as a light service integrator for enterprises in Qatar.

Our People

Employer Brand

Vodafone Qatar launched its new employer brand campaign in March 2017 that will run throughout the coming calendar year. As a company, we demonstrate a commitment to developing a strong employer brand through a range of initiatives aimed at further developing our employees' skill sets and helping them raise money for causes they feel passionate about. The aim of these initiatives is to showcase all the amazing things that we accomplish together so that our customers feel proud to be part of our brand and so that our employees feel proud to work for us. This has been done through building upon the slogan 'We're at our best when you're at yours' whilst emphasising the following eight proof points which allow our employees to be at their best:

- Industry leading company that empowers people to shape their world
- Mobile for good
- World of opportunities
- Exceptional work, exceptional people
- Deliver great results
- Live the Vodafone Way
- Drive to keep growing
- Always doing what's right

Our employee's stories have been made into short videos and are showcased internally and on our social media channels to help ensure our employees and customers are engaged with our brand on a more personal level.

Health & Safety

One of the key objectives for the past year was to ensure we provide a safe working environment for our employees. This was achieved by embedding and promoting Vodafone Qatar's Health & Safety Absolute Rules across the company. As a result, we can confidently say that the Absolute Rules have become embedded as an integral part of our company culture and we have managed to raise awareness on their importance to help ensure employee safety and well-being in the workplace. Our Health, Safety Absolute Rules apply to all Vodafone Qatar employees and contractors.

The Company's dedicated Health & Safety officer, who sits as part of the HR Directorate, takes oversight and responsibility for the company's overall Health & Safety plan which is designed to promote employee wellbeing and safety in the workplace and is based on a risk assessment undertaken in respect of our operations including our subcontractor activities. We require that our key suppliers and subcontractors create and adhere to their own plans designed to mitigate the risks associated with the activities carried out for or on behalf of Vodafone Qatar. Such plans are required to comply with our own rigorous standards. We approve all such plans and audit them all to help ensure compliance. Vodafone Qatar also randomly inspects work carried out in respect of its sites to validate compliance with the company's internal standards and local legislations.

We make sure that everybody in the company and within our subcontractors are fully aware and trained to carry out their jobs in the safest way possible. We do not tolerate any risk and do not compromise when it comes to people safety. We have a consequence management process to apply certain penalties on any poor Health & Safety performance.

Management review the Health & Safety plans periodically to check their effectiveness and to identify areas of improvement to mitigate the risk of any work-related incidents. We also have the proper preparations for the different emergency cases and we are providing the proper tools and training to make sure that the plan is effective. We test the plans periodically to check their effectiveness.

We have conducted special awareness training, where we have trained 56 employees and 601 contractors on H&S practices. Because of our continuous training in this area, our staff awareness has increased significantly with an increase in an internal H&S People Survey score from 69% to 93%.

Talent and Capability

Our main strategic Learning & Development objective for the past year has been to focus on developing, retaining and attracting employees across various business functions. As part of this objective, management developed and implemented a Qatarization program, using a segmented approach to ensure all our Qatari female and male colleagues are provided the right tools for development opportunities and career progression. Our talent and capability programs are split into three key areas:

1. Leadership Trainings:

   Our "learning needs" analysis is based on two elements:

   - The outcome of our internal People Survey 'engagement' scores and focus groups
   - Business requirements

   The main objectives of the program are to:

   - Develop our people managers' leadership competencies
   - Engage and motivate our teams through people managers
   - Become consistent in the way we lead the business

Therefore, we developed a program and branded it "Accelerate." The program offers courses which are either accredited or recognized by ILM (the Institute of Leadership and Management) and focuses on the following skill sets and areas

- Leadership Essentials
- Emotional Intelligence
- Change Management
- Coaching
- Lean & Efficiency

Since the programme launch, we have held 8 workshops which have been delivered with average training net promoter scores of 8.5 and 50% of people managers voluntarily attending.

One of these trainings was our Admired Leaders programme, a seven-month leadership development programme, which ran from September 2016 until March 2017 and was for those across the business who were recognised as having the potential to develop into senior leadership roles in the future. The programme was aimed at releasing the potential and equipping the participants with the mind-set, skills and abilities required for more senior roles and specifically focused on the following areas for increased development:

- Change and communication
- The challenge of innovation
- Thoughtful leadership

For development to occur, the participants experienced individual coaching sessions with 180-degree feedback both at the beginning and at the end of the programme.

Another such programme was the Vodafone Way of Mentoring programme. As part of our continued focus to support the development of our employees, we launched a second Vodafone Way of Mentoring scheme. The second Vodafone Way of Mentoring programme began in October 2016 with mentors being allocated from across the business to selected G and H band, high performing employees, who have expressed a wish to participate in this year's scheme. The voluntary scheme will run for 8 months throughout which some of our senior line managers, including those line managers who participated in the previous Admired Leaders programme, will provide guidance to some of our high potential employees. Each mentee completed an online questionnaire to ensure that they have been paired with the most suitable mentor to enhance their learning and development and to help ensure that the mentees take full ownership for their career and work to drive it forward, whilst the mentors are given the opportunity to view business challenges from a different perspective and to reflect upon their past business decisions in more depth. The mentees should have contacted their mentor's by the end of November to arrange their first mentoring sessions. The general feedback we have received so far has been very positive with both the mentors and mentees feeling that they are benefiting from the sessions and are feeling happy with the mentor/mentee pairings. We have asked the mentors to provide us with regular feedback as to how their sessions are going so we can continue to provide them with assistance wherever they may need it.

2. Functional and Professional Training

   Each leadership team is assessed annually on their team's learning and development needs to enable provision of the necessary support to assist in achieving their business objectives.

   Any support provided is directed to help the employees with their professional and functional core skills and courses included training relating to technology, sales and marketing. During the year ended 31 March 2017 a total of 28 workshops and courses were offered as part of functional and professional training with total attendance of 359 employees.

3. Internal Calendar

   In October 2016, Vodafone Qatar's Learning & Development Team successfully obtained the qualification of Institute for Leadership and Management (ILM) and has become a recognized ILM provider. We designed and delivered the below trainings:

   - Communication Skills
   - Emotional Intelligence
   - Time Management
   - Presentation Skills

   To date, five (5) workshops have been delivered to a total of 51 employees with attendees rating the workshop for an average net promoter score of 9.

4. Qatarization - Discover Graduate program

   Vodafone Qatar's 2 year Discover Graduate Program has been developed to identify the future generation of company leaders by hiring the best young Qatari talent coming straight out of university. Vodafone Qatar is actively seeking to grow and develop its pipeline of local talent to introduce greater diversity and more local perspectives through hiring and developing individuals with the potential and capability to drive Vodafone Qatar forward.

   Over the course of the Discover Program, Graduates experience rotations across the business, including

   - A four (4) week customer facing rotation
   - Two rotations for a minimum period of three (3) months within departments relevant to the Discover candidate areas of interest and preferred role
   - A final rotation into the candidates landing role

Learning from experienced minds in their chosen field, using cutting-edge technology and experiencing ongoing opportunities to progress their career, candidates can develop solutions that improve people's lives across the globe.

After two years, Discover programme graduates can take advantage of our ever-evolving global network and may have the opportunity to take on an international assignment with our Columbus Program. Gaining fresh perspectives and experiencing new ways of thinking so that on their return they're ready to take the next step on their way to becoming a future leader of Vodafone Qatar.

We currently have seven (7) graduates within the company, of which the majority have completed their four-week customer facing rotation, and two of their three month long rotations. Each of the graduates have been provided with a tailor-made learning journey to provide them with the necessary skills and learnings to help them reach their full potential in each of their rotational areas, which includes Technology, CBU and Enterprise.

The Vodafone Re-Connect programme is designed to attract talented women who have left the workplace for several years (in most cases to raise a family) and who would like to return to work on a full-time or flexible basis but are struggling to make the professional connections needed or refresh the skills required to enable them to return to work. The program will operate across 26 countries - with a target of 1,000 Re-Connect recruits within three years. This initiative will complement other Vodafone Group led global initiatives focused on encouraging and supporting women in the workplace including the Group's ground breaking global maternity policy announced in March 2015. Vodafone is committed to increasing the proportion of women in management and leadership roles. Under the Re-Connect programme, the ambition is that up to 500 women on career breaks be recruited into management roles globally over the next three years, accounting for around 10% of all Vodafone Group external management hires over that period. In addition, up to 500 women on career breaks will be recruited into a range of frontline roles.

Rewards and Recognition

The Vodafone Way Hero

In the spirit of The Vodafone Way, the Vodafone Customer Experience Heroes recognition programme recognises and celebrates Vodafone employees who are high performers, who embody customer experience and take personal accountability when doing so. The Recognition program is also a channel through which we can raise awareness and understanding of The Vodafone Way by sharing stories from our Customer Experience Heroes across Vodafone.

Key aims of the program.

- To recognise, on a quarterly basis, the top few individuals or teams who are consistently living The Vodafone Way in everything they do and who embody Customer Experience Excellence. The objective is to motivate and incentivise employees to continue living in the Vodafone Way.
- Quarterly winners are publicly recognised and receive an award.
- The annually selected Global winners will be 'made famous' by sharing their story globally. Some of their images will also be for our Internal Communications. From the nominations received each quarter, an overall winner plus one guest will be selected to attend an annual global event in London, managed by the Vodafone Group events team.

Financial Highlights

Vodafone is an Islamic Sharia compliant company and has no interest bearing loans or receivables.

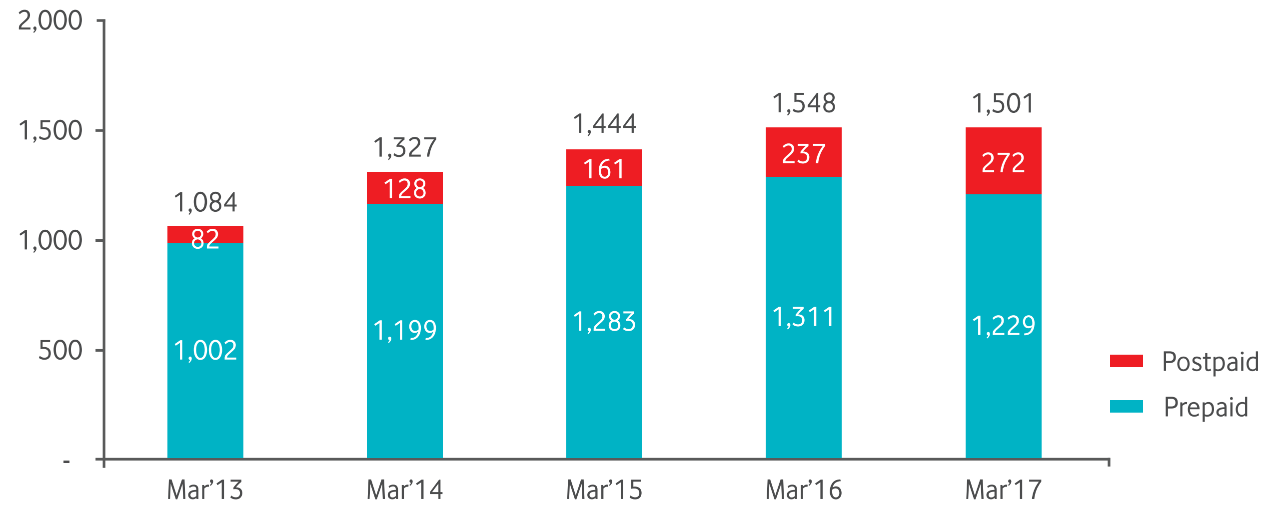
Therefore, wherever the word "Interest" has been used in the financial statements, it has been used in accordance with the general terminology used under International Financial Reporting Standards (IFRS) and should be read and understood as 'Financing income or costs' complying with Islamic Sharia.

Further, the wording Wakala Liabilities / Financing should be read and understood as Wakala investment financing which is also a Sharia compliant facility.

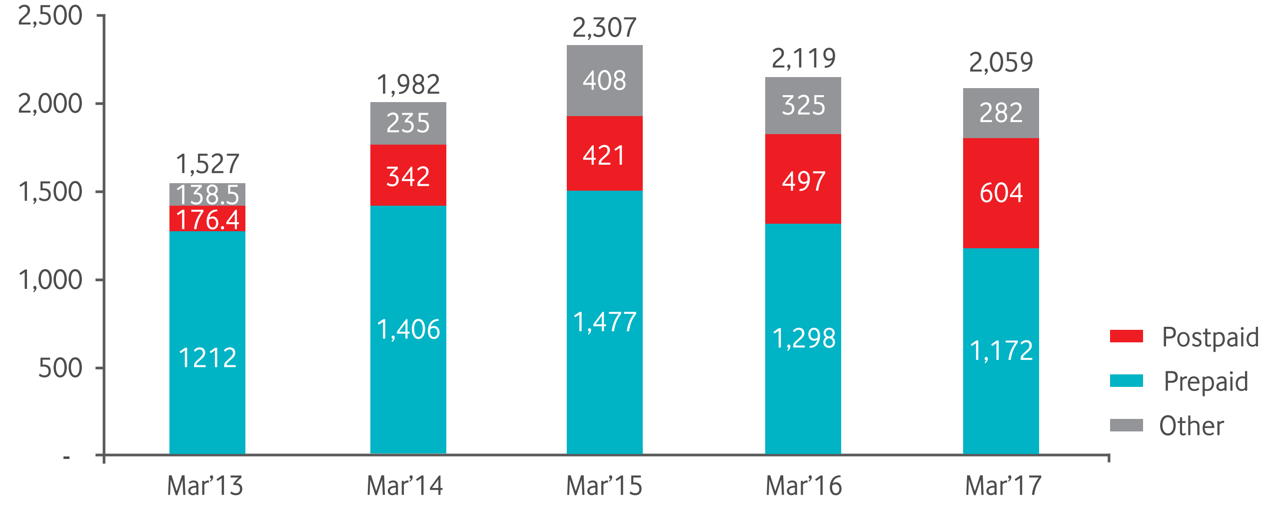
	Mar'13	Mar'14	Mar'15	Mar'16	Mar'17	YoY Growth
	QR m	QR m	QR m	QR m	QR m	%
Total Revenue	1,527	1,982	2,307	2,119	2,059	(3%)
EBITDA	284	496	567	401	537	34%
Net Profit/(Loss) Excl Amortization	2	157	187	(62)	134	316%
Net Loss	(401)	(246)	(216)	(466)	(269)	42%
Capital Expenditure	399	344	579	396	311	22%
Free Cash Flow	(61)	144	96	(134)	116	n/a
Net Financing Position	998	854	758	892	777	(13%)
Key Performance Indicators (KPIs)						
Qatar's Population (000)	1,921	2,144	2,347	2,527	2,659	5%
Qatar's Mobile Penetration	176%	183%	187%	184%	175%	9.0pp
Total Mobile Customers (000)	1,084	1,327	1,444	1,548	1,501	(3%)
Mobile Customer Market Share	31.8%	33.8%	33.0%	33.2%	32.3%	(0.9pp)
Total Revenue Market Share* (Q4)	21.6%	24.4%	22.3%	20.6%	20.2%	(0.4pp)

*Revenue market share is based on Vodafone Qatar's total revenue versus the competitors total revenue

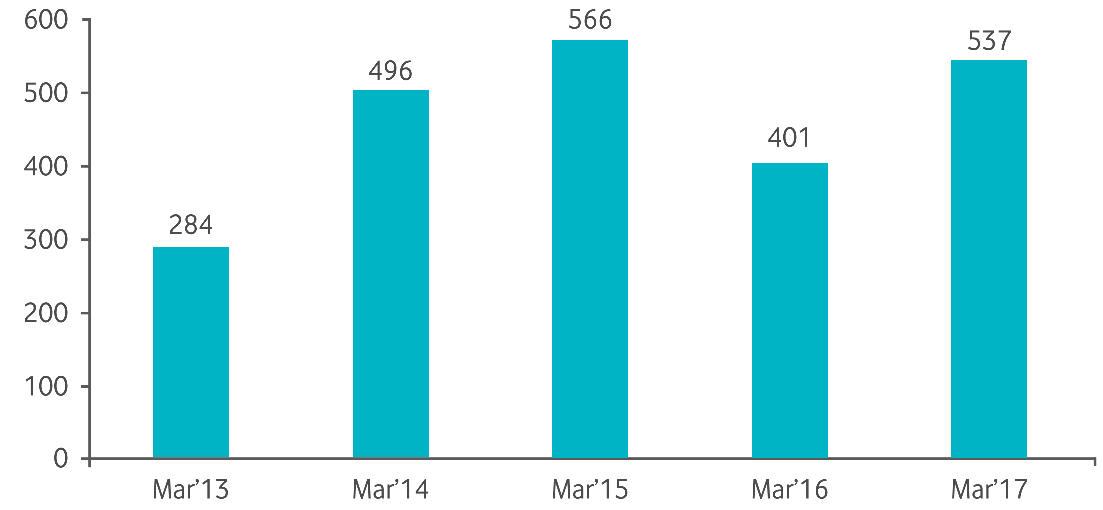
Customers (000)



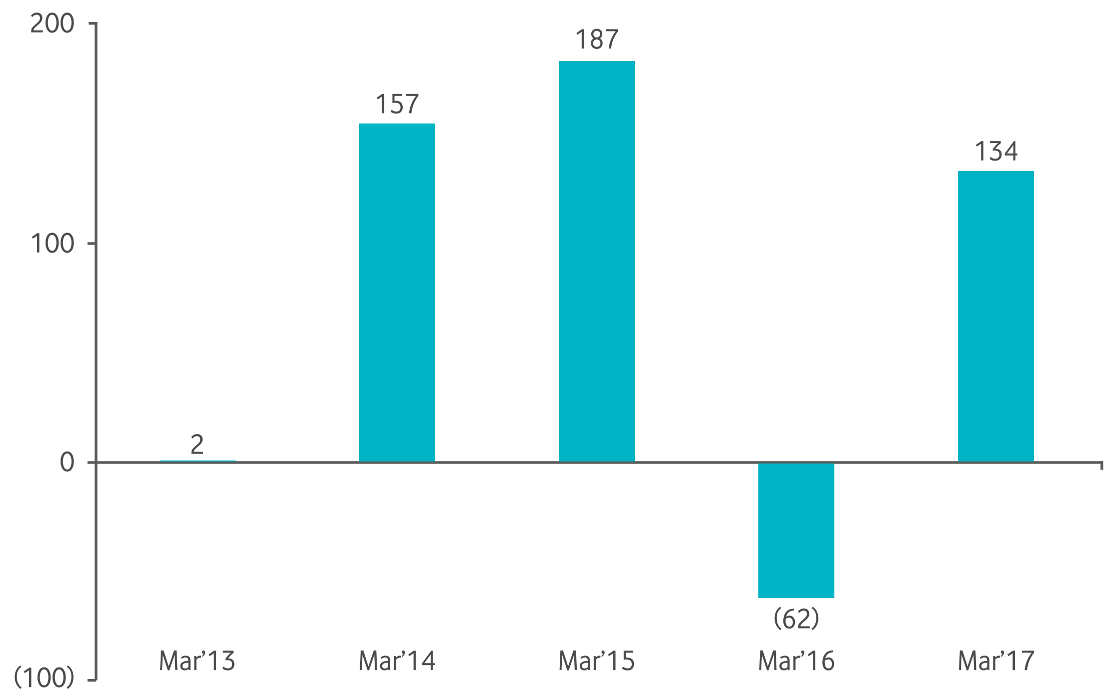
Revenue (QR m)



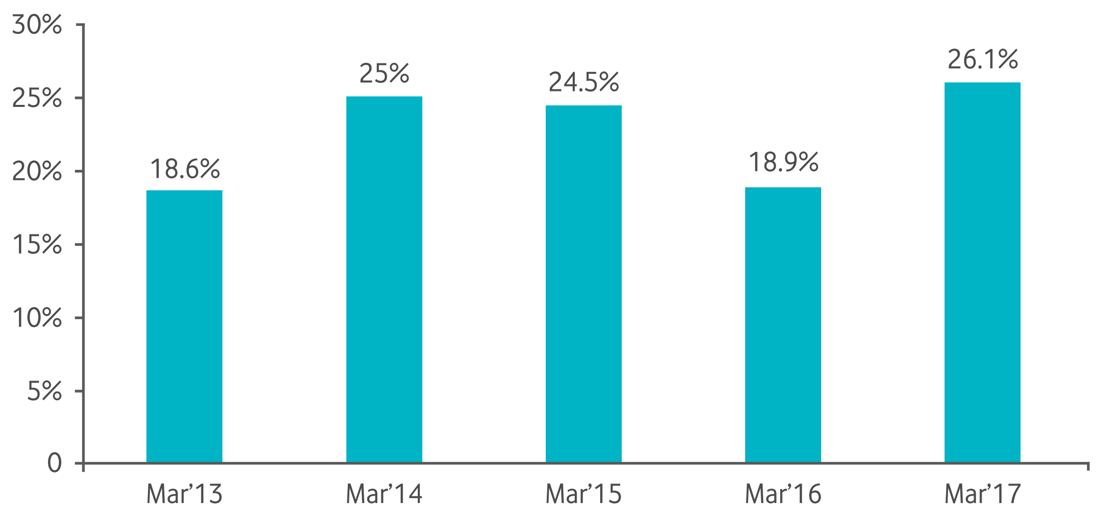
EBITDA (QR m)



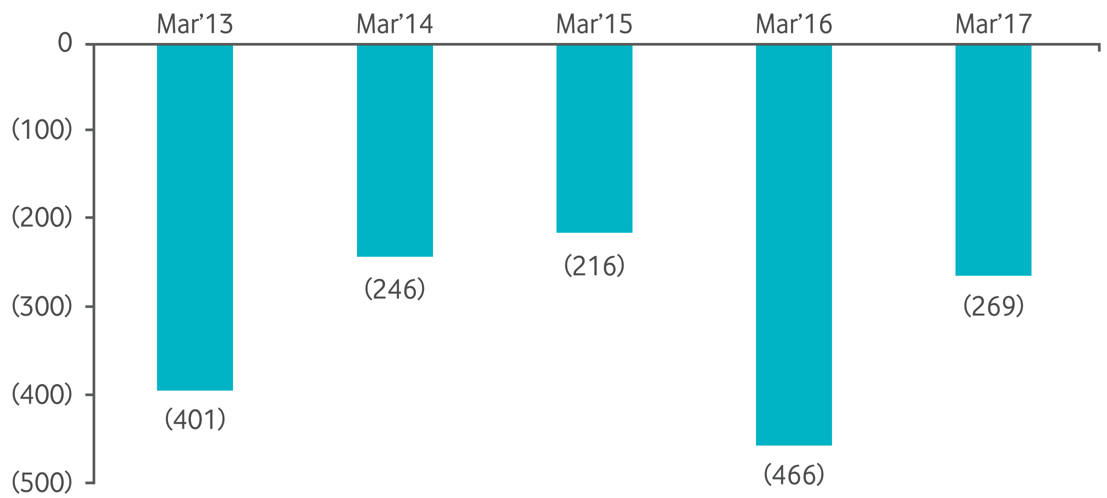
Net Profit Excluding Amortization (QR m)



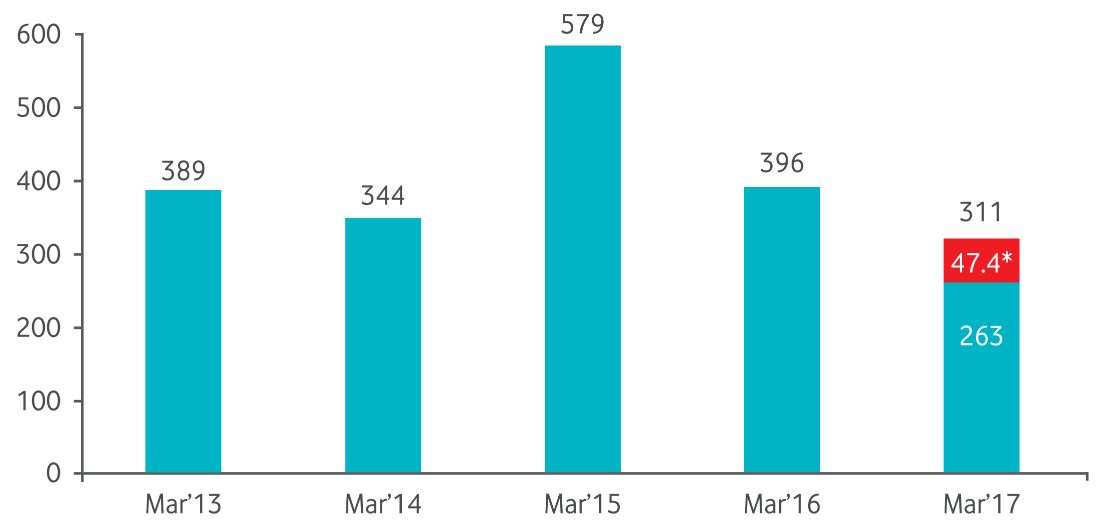
EBITDA Margin (%)



Net Loss (QR m)

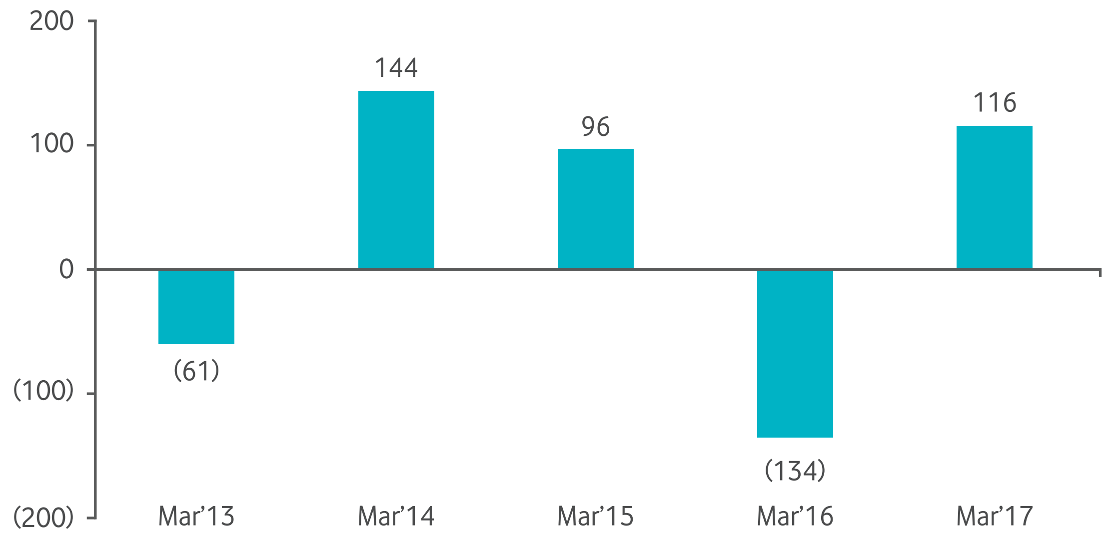


Capital Expenditure (QR m)

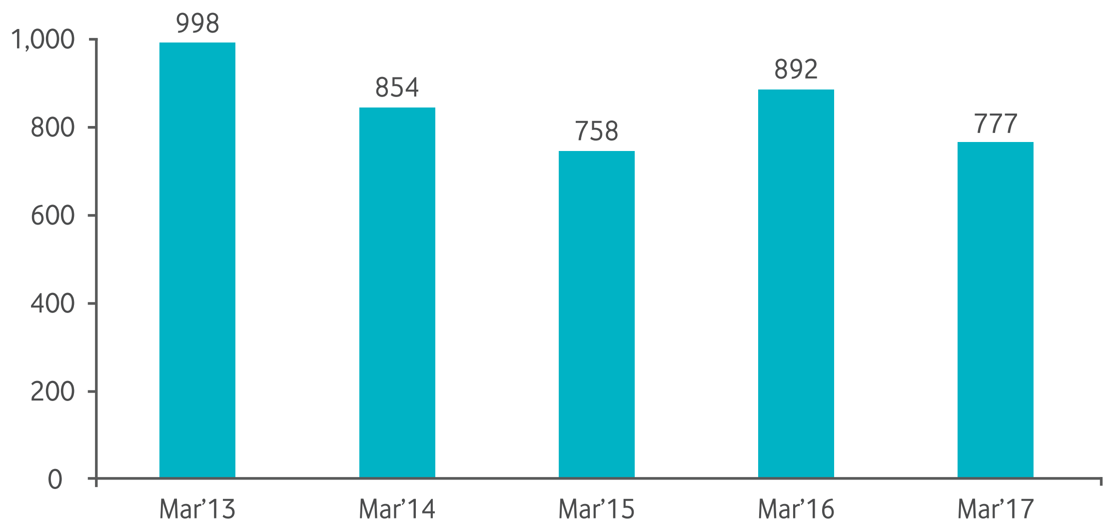


* QR 47.4 m represents Asset Retirement Obligation

Free Cash Flow (QR m)



Net Financing Position (QR m)



Financial Statements

In the Name of God, Most Gracious, Most Merciful

Annual Sharia Report of Vodafone Qatar for the year ended 31 March 2017

Dear Shareholders,

All praise is due to Allah, Lord of the Worlds, and may His Peace and Blessings be upon His Messenger, the mercy to the Worlds, our master Mohammad and his family and companions.

In accordance with the mandate we received, we herein present our Annual Report:

First - We have arranged with the Company the Sharia compliant contracts and have guided the Company's activities to comply with Islamic Sharia standards and principles.

Second - We have supervised investment of the available liquid assets with the Company's management by setting Sharia rules and regulations. We further instructed that such investments be used to benefit the company, without conflicting with Islamic Sharia standards and principles.

Third - We directly supervised the Internal Sharia Audit and Sharia Review process conducted through an independent company. We presented our observations to the Company's management, who subsequently reviewed and discussed those observations to take the appropriate corrective actions to meet Sharia requirements.

Fourth - We have answered all the enquiries addressed to us regarding the Company's future activities.

Fifth - The responsibility of execution falls upon the Company's Management. Our responsibility is limited to offering an independent opinion based on what was presented to us for review of the Company's operations and activities, and preparing this report for you.

It is our opinion that:

a) The Financial Statements for the year ended 31 March 2017, which we have reviewed, do not contain anything conflicting with Islamic Sharia standards.

b) Contracts and agreements signed by the Company for the year ended 31 March 2017, which we have reviewed, do not principally conflict with Islamic Sharia standards.

c) The duty of paying Zakat does not fall upon the Company, but rather on the shareholders. We have calculated the due Zakat payment of the Company for the year ended 31 March 2017, and this amount equates to 0.015 Qatari Riyal per share (e.g. 1000 shares × 0.015 = QAR 15).

In conclusion, we pray to Allah the highest to bless everyone's efforts to implement Sharia principles, and contribute to the development and prosperity of this dear country.

Assalamu 'alaikum wa rahmatullahi wa barakatuh

Prof. Dr. Ali M. Al Quradaghi
Sharia Advisor for Vodafone Qatar

Independent auditor›s report to the shareholders of Vodafone Qatar Q.S.C

Report on the audit of the Financial Statements

Our opinion

In our opinion, the financial statements of Vodafone Qatar P.Q.S.C (the "Company") present fairly, in all material respects, the financial position of the Company as at 31 March 2017 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

What we have audited

The Company's financial statements comprise:

- the statement of income for the year ended 31 March 2017;
- the statement of comprehensive income for the year ended 31 March 2017;
- the statement of financial position as at 31 March 2017;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in the State of Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our audit approach
Overview

Key Audit Matters	The areas of focus for our audit, which involved the greatest allocation of our resources and effort, were: • Revenue recognition • Assessment of impairment of intangible assets

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition The total revenue recognised in the statement of income is QR 2,058 million for the year ended 31 March 2017. There is an inherent risk around the accuracy of revenue recorded given the complexity of the revenue process and the number of non-interfaced systems involved. These result in the need for manual entries for revenue to be made to the general ledger, including the performance of a manual deferred revenue calculation and for reconciliation of those entries back to key systems for management to ensure accuracy. We focused on this area because of the materiality of revenues from prepaid and postpaid services and an error in the manual calculations, if it exists, could have a material impact on the financial statements.	Our audit approach included controls testing and substantive procedures, in particular, we: - Evaluated the relevant IT systems and the design of controls, including manual controls, and on a sample basis tested the operating effectiveness of controls over the: • capture and recording of revenue transactions; • authorisation of rate changes and the input of this information to the billing systems; and • calculation of amounts billed to customers. - Recalculated a sample of the prepaid revenue based on the beginning and ending deferred revenue balances and tested the accuracy and valuation of the deferred revenue balance; - Tested revenues through the reconciliation of revenue to cash received; - Tested cash receipts for a sample of customers back to customer invoices; - Assessed the Company's selected accounting policies for revenue recognition and consistency with prior year; and - Tested the adequacy and completeness of the related disclosures of revenue.

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment of intangible assets The Company's intangible assets amounted to QR 4,781 million as at 31 March 2017. These assets are stated at cost less accumulated amortization (note 11). As discussed in Note 23, the Company is required under IFRS to undertake a test for impairment of finite lived assets if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Management has assessed that there is one cash-generating unit due to the interdependency of cash flows derived from the mobile and fixed businesses and therefore one test has been performed. Based on the model developed by management and the results of the impairment test, management has concluded that no impairment is required. However, the results are sensitive to changes in the assumptions, including changes in terminal Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), long-term growth rate, pre-tax discount rate, and changes in the discounted cost of license renewal. The assumptions used in the model to calculate the net present value of future cash flows are derived from a combination of analysts' forecasts and management's best estimates and are highly judgemental. Refer to Note 23 for more details about critical accounting estimates and assumptions used. We focused on this area because of the significant judgments involved in performing the impairment test and the materiality of the value of intangible assets. An impairment, if it were to exist, could have a material impact on the financial statements both in terms of the carrying value in the Statement of Financial Position and in the income statements for the current and future periods.	We obtained management's impairment model and discussed the critical assumptions used by them with management and the Audit Committee. In particular, we focused on the terminal EBITDA used, long-term growth rate, pre-tax discount rate, and the discounted cost of license renewal. We carried out the following audit procedures: - Our valuation experts assessed the appropriateness of certain key assumptions used in the model in accordance with IAS 36 and considered evidence provided by management to support the assumptions used. They compared the assumptions applied in the model to their own assessment of the Company's financing and capital costs and to external data where possible; - Assessed the likely reliability of management's forecast through a comparison of actual performance against previous forecasts; - Assessed the reasonableness and consistency of the calculation of the assumed licence renewal cost; - Tested the mathematical accuracy of the model; and - Reviewed the disclosures in the financial statements made in relation to the impairment testing and to the description of critical accounting estimates and assumptions.

Other information

Management is responsible for the other information. The other information comprises the Board of Directors' Report (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the complete Annual Report, which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the complete annual report, if we conclude that there is a material misstatement therein,

we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and with the requirements of the Qatar Commercial Companies Law number 11 of 2015, 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.
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Further, as required by the Qatar Commercial Companies Law number 11 of 2015, we report that:

- We have obtained all the information we considered necessary for the purpose of our audit;

- The Company has carried out a physical verification of inventories at the year-end in accordance with observed principles;

- The Company has maintained proper books of account and the financial statements are in agreement therewith;

- The financial information included in the Board of Directors' Report is in agreement with the books and records of the Company; and

- Nothing has come to our attention, which causes us to believe that the Company has breached any of the provisions of the Qatar Commercial Companies Law number 11 of 2015, or of its Articles of Association, which would materially affect the reported results of its operations or its financial position as at 31 March 2017.

For and on behalf of PricewaterhouseCoopers – Qatar Branch

Qatar Financial Market Authority registration number 120155

Mohamed Elmoataz
Auditor's registration number 281
Doha, State of Qatar
17 May, 2017

STATEMENT OF INCOME
For the year ended 31 March 2017

		Year ended 31 March	
	Notes	**2017**	2016
		QR'000	QR'000
Revenue	5	**2,058,630**	2,119,308
Interconnection and other direct expenses	6	**(739,676)**	(934,861)
Employee salaries and benefits		**(231,777)**	(222,352)
Network, rentals and other operational expenses	7	**(550,664)**	(561,211)
Earnings before interest, tax, depreciation and amortisation	2	**536,513**	400,884
Depreciation	10	**(270,062)**	(297,137)
Amortisation	11	**(509,520)**	(518,532)
Loss on disposal of property, plant and equipment	10	**(62)**	(31,815)
Operating loss		**(243,131)**	(446,600)
Wakala financing cost		**(24,621)**	(18,304)
Other financing costs	8	**(3,661)**	(1,123)
Profit from mudaraba		**2,230**	313
Loss for the year		**(269,183)**	(465,714)
Basic and diluted loss per share (in QR per share)	9	**(0.32)**	(0.55)

The accompanying notes 1 to 26 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2017

	Year ended 31 March	
	2017	2016
	QR'000	QR'000
Loss for the year	**(269,183)**	(465,714)
Other comprehensive income	**-**	-
Total comprehensive loss for the year	**(269,183)**	(465,714)

The accompanying notes 1 to 26 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

	Notes	31 March 2017	31 March 2016
		QR'000	QR'000
Non-current assets			
Property, plant and equipment	10	**1,232,878**	1,248,644
Intangible assets	11	**4,781,947**	5,235,124
Trade and other receivables	12	**25,443**	34,218
Total non-current assets		**6,040,268**	6,517,986
Current assets			
Inventories	13	**13,165**	13,426
Trade and other receivables	12	**356,793**	330,409
Cash and cash equivalents	14	**168,884**	130,409
Total current assets		**538,842**	474,244
Total assets		**6,579,110**	6,992,230
Equity			
Share capital	15	**8,454,000**	8,454,000
Legal reserve	16	**35,405**	28,727
Distributable profits	16	**134,045**	7,169
Accumulated losses		**(3,969,676)**	(3,566,939)
Total equity		**4,653,774**	4,922,957
Non-current liabilities			
Wakala liabilities	17	**945,554**	1,022,868
Provisions	18	**114,211**	61,682
Trade and other payables	19	**49,823**	47,733
Total non-current liabilities		**1,109,588**	1,132,283
Current liability			
Trade and other payables	19	**815,748**	936,990
Total current liability		**815,748**	936,990
Total liabilities		**1,925,336**	2,069,273
Total equity and liabilities		**6,579,110**	6,992,230

The financial statements were approved by the Board of Directors on 17 May 2017 and were signed on its behalf by:

H.E. Abdullah Bin Nasser Al Misnad
Chairman

Ian Gray
Chief Executive Officer

The accompanying notes 1 to 26 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2017

	Share capital	Legal reserve	Distributable profits	Accumulated losses	Total equity
	QR'000	QR'000	QR'000	QR'000	QR'000
Balance at 1 April 2015	8,454,000	28,727	184,703	(3,101,225)	5,566,205
Total comprehensive loss for the year					
Loss for the year (note 16)	-	-	-	(465,714)	(465,714)
Total comprehensive loss for the year	-	-	-	(465,714)	(465,714)
Dividend declared during the year (note 19.1)	-	-	(177,534)	-	(177,534)
Balance at 31 March 2016	8,454,000	28,727	7,169	(3,566,939)	4,922,957
Balance at 1 April 2016	**8,454,000**	**28,727**	**7,169**	**(3,566,939)**	**4,922,957**
Total comprehensive loss for the year:					
Loss for the year (note 16)	**-**	**-**	**-**	**(269,183)**	**(269,183)**
Total comprehensive loss for the year	**-**	**-**	**-**	**(269,183)**	**(269,183)**
Transfer to distributable profits (note 16)	**-**	**-**	**133,554**	**(133,554)**	**-**
Transfer to legal reserve (note 16)	**-**	**6,678**	**(6,678)**	**-**	**-**
Balance at 31 March 2017	**8,454,000**	**35,405**	**134,045**	**(3,969,676)**	**4,653,774**

The accompanying notes 1 to 26 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
For the year ended 31 March 2017

	Notes	Year ended 31 March 2017 QR'000	2016 QR'000
Cash flows from operating activities			
Net loss for the year		**(269,183)**	(465,714)
Adjustments for:			
Depreciation	10	**270,062**	297,137
Amortisation	11	**509,520**	518,532
Profit from mudaraba		**(2,230)**	(313)
Other financing costs		**3,661**	1,123
Wakala financing cost		**24,621**	18,304
Loss on disposal of property, plant and equipment		**62**	31,815
Change in operating assets and liabilities			
Decrease in inventories		**261**	13,119
Increase in trade and other receivables		**(17,609)**	(50,380)
Decrease in trade and other payables		**(117,587)**	(88,314)
Increase in provisions		**5,080**	18,470
Net cash flows from operating activities		**406,658**	293,779
Cash flows used in investing activities			
Purchase of property, plant and equipment	10	**(206,927)**	(194,291)
Purchase of intangible assets	11	**(56,343)**	(45,029)
Proceeds from disposal of property, plant and equipment		**18**	28
Profit received from mudaraba		**2,230**	313
Net cash flows used in investing activities		**(261,022)**	(238,979)
Cash flows used in financing activities			
(Repayment of) / proceeds from wakala financing	17	**(101,935)**	95,395
Dividend paid	19.1	**(5,226)**	(170,878)
Net cash flows used in financing activities		**(107,161)**	(75,483)
Net increase / (decrease) in cash and cash equivalents		**38,475**	(20,683)
Cash and cash equivalents at the beginning of the year		**130,409**	151,092
Cash and cash equivalents at the end of the year	14	**168,884**	130,409

The accompanying notes 1 to 26 form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

1. INCORPORATION AND PRINCIPAL 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 Qatar Commercial Companies Law Number 5 of 2002. The Company was registered with the Commercial Register of the Ministry of Business and Trade on 23 June 2008 under Commercial Registration No: 39656. The shares of the Company are listed on the Qatar Exchange.

The Company is licensed by the Ministry of Transport and Communications (formerly Supreme Council of Information and Communication Technology (ictQATAR) to provide both fixed and mobile telecommunications services in the state of Qatar. The conduct and activities of the Company are regulated by the Communications Regulatory Authority (CRA) pursuant to Law No. 34 of 2006 (Telecommunications Law) and the Applicable Regulatory Framework.

The Company is engaged in providing cellular mobile telecommunication services, fixed line services and selling mobile related equipment and accessories. The operations and activities of the Company are confirmed as being Sharia compliant. The Company's head office is located in Doha, State of Qatar and its registered address is P.O. Box 27727, Qatar Science and Technology Park, Doha, State of Qatar.

Qatar Commercial Companies Law No. 11 of 2015 (the "new Commercial Companies Law") which is applicable to the Company came into effect from 7 August 2015. The Company recently revised its Articles of Association to achieve compliance with the new Commercial Companies Law which necessitated a number of amendments to the Articles of Association.

The final form of the amended and restated Articles of Association were approved by the Company's Board of Directors (BoD) at the meeting held on 16 May 2016 and subsequently received shareholder approval at the Company's Extraordinary General Assembly held on 25th July 2016. These amended Articles of Association have also been approved by the Ministry of Economy and Commerce on 24 April 2017 however, formal approval of the Ministry of Justice is pending.

2. BASIS OF PREPARATION

Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

Accounting convention

The financial statements are prepared on a historical cost basis, except for derivative financial instruments which are measured at fair value.

Functional and presentation currency

These financial statements are presented in Qatari Riyals, which is the Company's functional and presentation currency. All the financial information presented in Qatari Riyals has been rounded off to the nearest thousand (QR'000) unless indicated otherwise.

Use of estimates and judgments

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 23. 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.

Earnings before interest, tax, depreciation and amortisation (EBITDA)

EBITDA has been a key external measure used by the Company to assess the financial performance to shareholders and others and has been presented as part of the statement of income. The Company did not incur any interest income or expense during the year, instead the Company incurred the financing cost in relation to its Wakala facility as further described in note 17.

3. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies are consistently applied in the preparation of the financial statements:

Revenue

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.

Revenue from access charges, airtime usage and messaging by contract customers is recognised 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 for device sales is recognised when the device is delivered to the end customer or to an intermediary when the significant risks and rewards associated with the device are transferred.

Interconnection and other direct expenses

Interconnection and other expenses include interconnection charges, commissions and dealer charges, regulatory costs, cost of equipment sold, bad debt costs and other direct and access costs.

Interconnection and roaming costs

Costs of network interconnection and roaming with other domestic and international telecommunications operators are recognised in the statement of income on an accrual basis based on the actual recorded traffic usage.

Commissions and dealer costs

Intermediaries are given cash incentives by the Company to connect new customers, upgrade existing customers, and distribute recharge cards. These cash incentives are recognised in statement of income on an accrual basis.

Regulatory costs

The annual license fee, spectrum charges and numbering charges are accrued as other operational expenses based on the terms of the License Fee Agreement and relevant applicable regulatory framework issued by the CRA.

Operating leases

Rentals payable under operating leases are charged to statement of income on a straight line basis over the term of the relevant lease.

Foreign currencies

Transactions in foreign currencies are initially recorded by the Company at the currency rate prevailing at the date of the transaction. Any differences on settlement of the transaction are immediately recognised in the statement of income. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the end of the reporting period. 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.

Borrowing costs

The borrowing costs (wakala financing costs) incurred on funding construction of qualifying assets are capitalised as being part of cost of construction. All other borrowing costs are recognised on an accrual basis using the effective yield method in the statement of income during the year in which they arise.

Income tax

As per Income Tax Law No. 21 of 2009, 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. As per the provisions of the law the Company is not subject to corporate income tax as it is listed on the Qatar Exchange.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Recognition and measurement
Furniture and fixtures and network, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Assets in the course of construction are carried at cost, less any recognised impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation. The costs of self-constructed assets include the cost of materials and direct labour, any other costs directly attributable for bringing the assets to a working condition for their intended use, capitalised borrowing costs and estimated discounted costs for dismantling and restoration of the sites, where the Company has an obligation to restore the sites.

Depreciation
Depreciation of these assets commences when the assets are ready for use as intended by the management. Depreciation is charged so as to write off the cost of assets, other than assets under construction, over their estimated useful lives using the straight line method as follows:

Leasehold improvements	During the period of the lease
Network infrastructure	4 - 25 years
Other equipment	1 - 5 years
Furniture and fixtures	4 - 8 years
Others	3 - 5 years

Derecognition
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. 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.

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. Intangible assets include license fees, software and indefeasible rights of use (IRU's).

License fees
Licence 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.

Indefeasible rights of use ("IRU")
IRUs correspond to the right to use a portion of the capacity of a terrestrial or submarine transmission cable granted for a fixed period. IRUs are recognised at cost as an asset when the Company has the indefeasible right to use a specific asset, generally specific optical fibres or dedicated wavelengths on specific cables, and the duration of the right is for the major part of the underlying asset's economic life. IRU's are considered as intangible assets with finite lives (15 years).

Finite lived intangible assets (including software)
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 on a straight line basis (3 to 5 years).

Impairment of assets

Property, plant and equipment and finite lived intangible assets
At the end of each reporting period, 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Inventories

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.

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.

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.

Non-derivative financial instruments

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

Financial assets

Financial assets recognised by the Company include:

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, bank balances and Mudaraba deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Mudaraba is a short term bank deposit made by the Company under the terms of Shariah principles. The profit from such deposits is accrued in the statement of income on periodic basis.

Derecognition of financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the contractual rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

Wakala financing liabilities
The Company entered into a wakala agreement in the capacity of a wakil. Wakala is an agreement between two parties whereby one party (the "Muwakkil") provides funds ("Investment Amount") to an agent (the "Wakil"), to invest on their behalf in accordance with the principles of Sharia. The Investment Amount is available for unrestricted use for capital expenditure, operational expenses and for settlement of liabilities. If profits are made, the Wakil will pay an agreed-upon share of these profits to the Muwakkil. The Investment Amount is repaid back at the end of the investment period along with any accumulated profits. Hence Wakala liabilities are stated at amortised cost in the statement of financial position. The attributable profits are recognised as wakala financing costs in the statement of income on a time apportionment basis, taking account of the anticipated profit rate and the balance outstanding.

Equity instruments
Ordinary shares issued by the Company are classified as equity.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of income.

Derivative financial instruments

The Company uses derivative financial instruments to reduce its financial risks due to changes in foreign exchange rates. Derivative financial instruments are initially measured at fair value on the contract date and are subsequently remeasured to fair value at each reporting date.

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, 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.

Dividend on ordinary share capital

Dividend distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividend is approved by the shareholders. Dividend for the year that is approved after the statement of financial position date is dealt with as a non-adjusting event after the balance sheet date.

4. SEGMENT REPORTING

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM), and for which discrete financial information is available. The CODM is the person or group of persons who allocates resources and assesses the performance of the components. The functions of the CODM are performed by the Board of Directors of the Company.

(a) Description of products and services from which each reportable segment derives its revenue and factors that management used to identify the reportable segments

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 main operating segment of the Company. Fixed line services are reported in the same operating segment as they are currently immaterial to the overall business. The Company does not have customers with the revenues exceeding 10% of the total revenue of the Company.

(b) Measurement of operating segment profit or loss, assets and liabilities

The CODM reviews financial information prepared based on IFRS adjusted to meet the requirements of internal reporting. Such financial information does not significantly differ from that presented in these financial statements.

5. REVENUE

	Year ended 31 March	
	2017	2016
	QR'000	QR'000
Revenue from pre-paid mobile services	**1,172,410**	1,298,039
Revenue from post-paid mobile services	**603,844**	496,537
Sale of equipment and other revenue	**282,376**	324,732
	2,058,630	2,119,308

6. INTERCONNECTION AND OTHER DIRECT EXPENSES

	Year ended 31 March	
	2017	2016
	QR'000	QR'000
Interconnection and roaming costs	**464,550**	603,371
Equipment and other direct costs	**120,934**	167,528
Commissions and dealer costs	**102,862**	111,905
Regulatory costs	**33,756**	25,996
Provision for impairment of receivables	**17,574**	26,061
	739,676	934,861

Provision for impairment is net of collections from previously written off balances of QR 2.3 million (2016: nil).

7. NETWORK, RENTALS AND OTHER OPERATIONAL EXPENSES

	Year ended 31 March	
	2017	2016
	QR'000	QR'000
Operating lease rentals	**174,401**	156,697
Network and other operational expenses	**376,263**	404,514
	550,664	561,211

8. OTHER FINANCING COSTS

Other financing costs include withholding tax payable on previous financing arrangement and unwinding of discounted portion of asset retirement obligations. This does not include any interest payments to third parties.

9. BASIC AND DILUTED LOSS PER SHARE

	31 March 2017	31 March 2016
Loss for the year (QR '000)	**(269,183)**	(465,714)
Weighted average number of shares (in thousands)	**845,400**	845,400
Basic and diluted loss per share (QR)	**(0.32)**	(0.55)

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

10. PROPERTY, PLANT AND EQUIPMENT

	Network and equipment	Furniture and fixtures	Total
	QR'000	QR'000	QR'000
Cost:			
At 1 April 2015	1,881,714	229,533	2,111,247
Additions	345,723	5,064	350,787
Disposals	(329,163)	-	(329,163)
At 31 March 2016	1,898,274	234,597	2,132,871
Additions	245,628	8,748	254,376
Disposals	(78,109)	(20,325)	(98,434)
At 31 March 2017	**2,065,793**	**223,020**	**2,288,813**
Accumulated depreciation:			
At 1 April 2015	677,913	111,473	789,386
Charge for the year	260,181	36,956	297,137
Disposals	(202,296)	-	(202,296)
At 31 March 2016	735,798	148,429	884,227
Charge for the year	240,462	29,600	270,062
Disposals	(78,030)	(20,324)	(98,354)
At 31 March 2017	**898,230**	**157,705**	**1,055,935**
Net book value:			
At 31 March 2017	**1,167,563**	**65,315**	**1,232,878**
At 31 March 2016	1,162,476	86,168	1,248,644

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The net book value of property, plant and equipment includes assets in the course of construction amounting to QR 40.57 million (2016: QR 20.2 million), which are not depreciated.

As part of the network modernisation project, the Company purchased capital assets amounting to nil (2016: QR 118.0 million) and sold its existing assets with a net book value of nil (2016: QR 68.7 million) for consideration of nil (2016: QR 57.2 million) and recognised a loss on sale of nil (2016: QR 11.5 million) in the statement of income.

The Company also sold radio network controllers and other assets during the year and recognised a further loss on disposal of QR 0.062 million (2016: QR 11.8 million).

During the year, the Company revised its estimates used in the calculation of Asset retirement obligations and as a result recorded an additional provision of QR 47.4 million. This was part of the additions of property, plant and equipment. The amount was excluded from the purchase of property, plant and equipment in statement of cash flows.

11. INTANGIBLE ASSETS

	License fee	Software	Indefeasible right to use	Total
	QR'000	QR'000	QR'000	QR'000
Cost:				
At 1 April 2015	7,726,000	827,547	20,712	8,574,259
Additions	-	45,029	-	45,029
At 31 March 2016	7,726,000	872,576	20,712	8,619,288
Additions	-	56,343	-	56,343
Disposals	-	(10,998)	-	(10,998)
At 31 March 2017	**7,726,000**	**917,921**	**20,712**	**8,664,633**
Accumulated amortisation:				
At 1 April 2015	2,383,953	477,767	3,912	2,865,632
Charge for the year	403,840	113,932	760	518,532
At 31 March 2016	2,787,793	591,699	4,672	3,384,164
Charge for the year	402,737	105,345	1,438	509,520
Disposals	-	(10,998)	-	(10,998)
At 31 March 2017	**3,190,530**	**686,046**	**6,110**	**3,882,686**
Net book value:				
At 31 March 2017	**4,535,470**	**231,875**	**14,602**	**4,781,947**
At 31 March 2016	4,938,207	280,877	16,040	5,235,124

The net book value of software includes software under development amounting to QR 29.63 million (2016: QR 0.63 million), which are not amortised.

12. TRADE AND OTHER RECEIVABLES

	31 March 2017 QR'000	31 March 2016 QR'000
Non-current assets:		
Prepayments	**25,443**	34,218
Current assets:		
Trade receivables – net	**252,440**	261,090
Prepayments	**52,797**	31,507
Due from related parties (note 20)	**5,432**	3,999
Accrued revenue receivables	**35,742**	27,575
Other receivables	**10,382**	6,238
	356,793	330,409

Trade and other receivables are net of provision for impairment amounting to QR 50.3 million (2016: QR 30.4 million) after a write off of nil (2016: QR 89.8 million) during the year, for which details are provided in note 21.

13. INVENTORIES

	31 March 2017 QR'000	31 March 2016 QR'000
Handsets	**11,233**	9,130
Scratch cards and accessories	**1,932**	4,296
	13,165	13,426

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

	31 March 2017 QR'000	31 March 2016 QR'000
Balance at beginning of the year	**7,708**	5,455
Amounts (credited) / charged to statement of income	**(3,566)**	2,928
Inventory written off	**(129)**	(675)
Balance at year end	**4,013**	7,708

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows are as follows:

	31 March 2017 QR'000	31 March 2016 QR'000
Mudaraba deposits	**100,000**	70,000
Cash at bank	**68,784**	60,291
Cash on hand	**100**	118
	168,884	130,409

15. SHARE CAPITAL

	31 March 2017		31 March 2016	
	Number	QR'000	Number	QR'000
Ordinary shares authorised, allotted, issued and fully paid:				
Ordinary shares of QAR 10 each	**845,400,000**	**8,454,000**	845,400,000	8,454,000

16. LEGAL RESERVE AND DISTRIBUTABLE PROFITS

The Company is an "Article 68 Company", having been incorporated under Article 68 of the Qatar Commercial Companies' Law No. 5 of 2002.

Legal reserve:
The excess of issuance fees collected over the issuance cost during the initial public offering of the ordinary shares has been transferred to the legal reserve as required by Article 154 of Qatar Commercial Companies Law No. 5 of 2002. Further, as per the Articles of Association of the Company, 5% of annual distributable profits should be transferred to a separate legal reserve. The General Assembly may discontinue this deduction if the legal reserve reaches 10% of the paid up capital.

Distributable profits:
As per the Articles of Association of the Company, distributable profits are defined as the net profit/loss for the financial year plus amortisation of license fees for the year. Undistributed profits are carried forward and are available for distribution in future periods. The above provision of Article of Association was impacted by the new Commercial law however, the Company amended its Articles of Association which were approved by the Ministry of Economy and Commerce as described in note 1. The formal approval of the Ministry of Justice is pending.

16. LEGAL RESERVE AND DISTRIBUTABLE PROFITS (CONTINUED)

	Year ended 31 March 2017		Year ended 31 March 2016	
	QR'000	QR'000	QR'000	QR'000
Balance at beginning of the year		**7,169**		184,703
Dividend declared in respect of prior year distributable profits		**-**		(177,534)
		7,169		7,169
Net loss for the year	**(269,183)**		(465,714)	
Amortisation of license fee	**402,737**		403,840	
Distributable profits		**133,554**		-
Transfer to legal reserve		**(6,678)**		-
Balance at year end		**134,045**		7,169

17. WAKALA LIABILITIES

	31 March 2017	31 March 2016
	QR'000	QR'000
Balance at beginning of the year	**1,022,868**	909,169
Investments during the year	**-**	101,914
Wakala profit accumulation for the year	**24,621**	18,304
Settlement of wakala	**(101,935)**	(6,519)
Balance at year end	**945,554**	1,022,868

The Company entered into a Sharia compliant wakala facility with Vodafone Finance Limited for USD 330 million on 18 November 2014. The facility has a tenure of five years at an agreed profit share based on six month LIBOR plus a margin of 0.75%. The facility was availed on 15 December 2014.

The wakala investment is renewed on 31 March and 30 September every year to reset the profit rates without cash settlement. The accumulated profits are then reinvested by the Muwakkil. Wakala liabilities will be due for repayment five years from the origination date unless early termination is initiated by management. Based on management's plans, these liabilities are classified as non-current.

18. PROVISIONS

	31 March 2017	31 March 2016
	QR'000	QR'000
Asset retirement obligations (note 18.1)	**54,121**	6,354
Employees' end of service benefits (note 18.2)	**28,269**	25,448
Other provisions	**31,821**	29,880
	114,211	61,682

Other provisions mainly comprise of estimated amounts for liabilities relating to ongoing disputes on commercial arrangements.

18.1 Asset retirement obligations

During the year, the Company revised its estimates used in the calculation of Asset retirement obligations and as a result recorded an additional provision of QR 47.4 million.

18.2 Employees' end of service benefits

	Year ended 31 March	
	2017	2016
	QR'000	QR'000
Balance at beginning of the year	**25,448**	19,565
Charge for the year	**8,957**	8,694
Payments during the year	**(6,136)**	(2,811)
Balance at year end	**28,269**	25,448

19. TRADE AND OTHER PAYABLES

	31 March 2017	31 March 2016
	QR'000	QR'000
Non-current liabilities:		
Supplier retentions	**49,823**	47,733
Current liabilities:		
Trade payables	**400,431**	474,490
Accruals and deferred income	**312,207**	353,879
Other payables	**20,559**	11,681
Dividend payable (note 19.1)	**13,109**	18,335
Due to related parties (note 20)	**69,442**	78,605
	815,748	936,990

19.1 Dividend payable

	Year ended 31 March	
	2017	2016
	QR'000	QR'000
Balance at beginning of the year	**18,335**	11,679
Dividend declared in respect of prior year distributable profits	**-**	177,534
Dividend paid in cash	**(5,226)**	(170,878)
Balance at year end	**13,109**	18,335

No dividend is proposed for the year ended 31 March 2017.

20. 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	
	2017	2016
	QR'000	QR'000
Sales of goods and services		
Vodafone Group Plc controlled entities	**4,132**	22,026
Purchases of goods and services		
Vodafone Group Plc controlled entities	**157,869**	171,665
Wakala financing costs		
Vodafone Finance Limited	**24,621**	18,304

Goods and services are bought from related parties at prices approved by management, as being on an arm's length basis. Balances arising from sales/purchases of goods/services are as follows:

	31 March 2017	31 March 2016
	QR'000	QR'000
Receivables from related parties:		
Vodafone Group Plc controlled entities	**5,432**	3,999
Payables to related parties:		
Vodafone Group Plc controlled entities	**69,442**	78,605
Wakala financing:		
Wakala financing from Vodafone Finance Limited	**945,554**	1,022,868

20. RELATED PARTY TRANSACTIONS (CONTINUED)

The receivables from related parties arise mainly from sale transactions which are unsecured in nature and bear no interest. No impairment losses were recognised for balances due from related parties during the year (2016: nil). The payables to related parties arise mainly from purchase transactions and bear no interest. Wakala liabilities have an anticipated profit rate as described in Note 17.

Compensation of key management personnel

Key management personnel include the Board of Directors, Chief Executive Officer (CEO) and the executive directors who directly report to the CEO. Compensation paid to key management personnel are as follows:

	Year ended 31 March	
	2017	2016
	QR'000	QR'000
Salaries and short-term benefits	**15,704**	21,545
Employees' end of service benefits	**514**	828
	16,218	22,373

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Capital management

The following table summarises the capital structure of the Company:

	31 March 2017	31 March 2016
	QR'000	QR'000
Wakala liabilities	**945,554**	1,022,868
Cash and cash equivalents	**(168,884)**	(130,409)
Net debt	**776,670**	892,459
Total equity	**4,653,774**	4,922,957
Gearing ratio	**16.7%**	18.1%

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 avail funds from existing wakala facilities to meet anticipated deficit in funding requirements.

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Categories of financial instruments

	31 March 2017 QR'000	31 March 2016 QR'000
Loans and receivables:		
Cash and cash equivalents	**168,884**	130,409
Trade and other receivables (excluding prepayments)	**303,996**	298,902
Other financial liabilities at amortised cost:		
Trade and other payables (excluding accruals and deferred income)	**553,364**	630,844
Wakala liabilities	**945,554**	1,022,868

Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies and hence exposed to risks on exchange rate fluctuations. The Company uses currency forwards to mitigate its financial risks on foreign exchange rates. The use of financial derivatives is governed by the Company's policies, which provide written principles on the use of financial derivatives consistent with the Company's risk management strategy. The Company does not use derivative financial instruments for speculative purposes.

During the year the Company has entered into a number of foreign exchange forward contracts to hedge its exposure to Euro currency fluctuations. Forward contracts amounting to nil were outstanding as at 31 March 2017 (2016: EUR 10 million) for which the company recognised a gain of nil (2016: QR 1.44 million) as fair value through profit or loss.

Interest rate risk management

The Company has no interest bearing loans or receivables being a Sharia compliant business.

Profit rate on Wakala financing
The Company is liable to pay profit on Wakala financing at an anticipated profit rate which is computed based on six month LIBOR. Every one percent rise or fall in LIBOR rates would increase or reduce the total loss of the Company for the financial year by QR 9.5 million (2016: QR 10.2 million).

Credit risk management

Credit risk refers to the risk that the 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.

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Credit risk management (continued)

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

	31 March 2017 QR'000	31 March 2016 QR'000
Balance at beginning of the year	**30,395**	94,126
Amounts charged to income statement	**19,884**	26,061
Receivables written off during the year	**-**	(89,792)
Balance at year end	**50,279**	30,395

During the year, the Company has written off aged debts more than one year amounting to nil (2016: QR 89.8 million), which were previously fully provided for.

The following table presents ageing of trade receivables (gross):

	31 March 2017 QR'000	31 March 2016 QR'000
0 – 30 days	**121,251**	159,103
31 – 60 days	**52,190**	53,919
61 – 90 days	**14,392**	10,539
Over 90 days	**114,886**	67,924
	302,719	291,485

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 is:

	Carrying Amount	
	31 March 2017 QR'000	31 March 2016 QR'000
Cash and cash equivalents	**168,884**	130,409
Trade and other debit balances (excluding prepayments)	**303,996**	298,902
	472,880	429,311

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

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 and adequate Wakala facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

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.

At 31 March 2017	Less than 1 Year	More than 1 year
	QR'000	QR'000
Trade and other payables excluding deferred income	**682,838**	**49,823**
Wakala liabilities	**-**	**945,554**
At 31 March 2016	Less than 1 Year	More than 1 year
	QR'000	QR'000
Trade and other payables excluding deferred income	805,261	47,733
Wakala liabilities	-	1,022,868

Fair value of financial instruments

Fair value measurements are analysed by levels in the fair value hierarchy as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobserved inputs)

Financial assets or liabilities were measured at fair value based on level 3 input, except for the fair value of Euro currency forward which is based on Level 2 input. The carrying value of financial assets and financial liabilities classified as current assets or current liabilities in the statement of financial position at year-end approximates its fair value due to its shorter maturities.

22. 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. Future lease payments comprise:

	31 March 2017	31 March 2016
	QR'000	QR'000
Within one year	**109,143**	120,648
In more than one year but less than two years	**64,587**	62,826
In more than two years but less than three years	**54,825**	50,099
In more than three years but less than four years	**53,129**	43,462
In more than four years but less than five years	**49,667**	41,937
In more than five years	**319,572**	313,097
	650,923	632,069

Other commitments

	31 March 2017	31 March 2016
	QR'000	QR'000
Contracts placed for future capital expenditure not provided for in the financial statements	**43,022**	71,873

Contingent liabilities

	31 March 2017	31 March 2016
	QR'000	QR'000
Performance bonds	**51,732**	39,628
Credit guarantees – third party indebtedness	**2,000**	900

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.

23. CRITICAL ACCOUNTING JUDGMENTS 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 provide 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 to 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;
- expected costs to renew the license; 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 5 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 for the year ended 31 March 2017 was 9.7% (2016: 9.6%) and the long-term growth rate was 3.0% (2016: 3.5%). The management has considered the renewal costs of license as percentage of the future expected revenues.

Based on the results of the test, the management has concluded that no impairment is required. The results are sensitive to changes in the following assumptions. With all individual inputs constant, an increase in pre-tax discount rate by 1.00 pps or decrease in terminal EBITDA growth by 3.40 pps or decrease in long term growth rate by 1.30 pps or increase in discounted cost of license renewal by 299%, would bring the headroom to zero. Any further decline would suggest an impairment, since recoverable amount would be lower than carrying amount of long term assets net of working capital (excluding cash) of the Company.

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.

23. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

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. Transit revenue is recognised on a gross basis as the Company assumes credit risk and acts as a principal in the transactions.

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:

Licence 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.

Property, plant and equipment
Property, plant and equipment represent a significant proportion of the asset base of the Company being 18.7% (2016: 17.8%) 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.

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.

Provision for receivables

An estimate of the collectible amount of trade receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time the amount has been due.

Impairment of inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. Inventories which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

Asset retirement obligation

A Provision for asset retirement obligation exists where the Company has a legal or constructive obligation to remove an infrastructure asset and restore the site. Asset retirement obligation is recorded at the present value of expected costs to settle the obligation using estimated cash flows and is recognised as part of the particular asset. The cash flows are discounted at the rate that reflects the risk specific to the asset retirement obligation.

Subsequent to initial recognition, an unwinding expense relating to the provision is periodically recognized as a financing cost.

While the provision is based on the best estimate of future costs and the useful lives of infrastructure assets, there is uncertainty regarding both the amount and timing of incurrence of these costs. Any subsequent change in the present value of the estimated due to changes in the gross removal costs or discount rates, is dealt with prospectively and reflected as an adjustment to the provision and a corresponding adjustment to the infrastructure assets.

24. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2016:

- Clarification of acceptable methods of depreciation and amortisation – Amendments to IAS 16 and IAS 38
- Annual improvements to IFRSs 2012 – 2014 cycle, and
- Disclosure initiative – amendments to IAS 1.

The adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2018, and have not been applied in preparing these financial statements. Those which are relevant to the Company are set out below. The Company does not plan to early adopt these standards.

- *IFRS 9, 'Financial Instruments' (Annual periods on or after 1 January 2018)* addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In July 2014, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard. The Company does not expect any impact from the new classification, measurement and derecognition rules on the Company's financial assets and financial liabilities.

- *IFRS 15 'Revenue from Contracts with Customers' (Annual periods on or after 1 January 2018):* The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

  The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (e.g. 1 January 2018), i.e. without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application.

  The Company has completed initial impact assessment of IFRS 15 on its financial statements based on which the Company has concluded that there is no material impact on its revenue recognition. The Company will keep on monitoring if any changes in its initial assessment and identify any material impacts in future to ensure compliance by 1 April 2018.

- *IFRS 16 'Leases' (Annual periods on or after 1 January 2019):* The International Accounting Standards Board (IASB) has published a new standard, IFRS 16 'Leases'. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 supersedes IAS 17 'Leases' and related interpretations and is effective for periods beginning on or after 1 January 2019, with earlier adoption permitted if IFRS 15 'Revenue from Contracts with Customers' has also been applied.

  IFRS 16 is expected to have a significant impact on the financial statements of the Company by increasing the reported assets and liabilities for the existing operating leases, particularly relating to leased network assets (base stations, leased lines), IT network (data centers) and property leases (stores and offices). The Company is currently in the process of finalising the impact assessment.

25. SHARIA COMPLIANCE

Governance

The sharia advisor of the Company is a scholar who is specialised in sharia principles and ensures the Company's compliance with general Islamic principles and work in accordance with issued Fatwas and guiding rules. The advisor's review includes examining the evidence related to documents and procedures adopted by the Company in order to ensure that the activities are according to principles of Islamic sharia.

Zakah

Zakah is directly borne by the shareholders. The Company does not collect or pay Zakah on behalf of its shareholders.

26. RECLASSIFICATION OF COMPARATIVE AMOUNTS

Certain amounts reported within the notes to the financial statements for the comparative period have been reclassified to preserve comparability with the current year presentation. These reclassifications do not have impact on the primary financial statements of the Company reported during the previous year.

Glossary
Disclaimer

Glossary

Distributable Profits
Net profit or loss plus amortisation of the licence, for the financial year.

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

Capital Intensity
Capital expenditure divided by revenue in the year, expressed as a percentage.

EBITDA
Earnings Before Financing, Tax, Depreciation and Amortisation

EBITDA Margin
EBITDA divided by revenue for the financial year.

Sharia Compliance
Meeting all of the requirements of Islamic law and the principles articulated for Islamic finance.

Disclaimer

This constitutes the annual report of Vodafone Qatar P.Q.S.C. ("Vodafone Qatar") for the year ended 31 March 2017. 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 2017, 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 P.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. Vodafone, the Vodafone logo and Vodafone Mobile Broadband are trademarks of the Vodafone Group. Other product and company names mentioned herein may be the trademarks of their respective owners.

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