In the Name of Allah,
Most Gracious, Most Merciful

His Highness Sheikh Hamad bin Khalifa Al-Thani

The Father Emir

His Highness Sheikh Tamim bin Hamad Al-Thani

Emir of the State of Qatar

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Executive Summary

From our Board of Directors

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present Vodafone Qatar's financial results and business performance for the year ended 31 December 2018.

Despite the continuing blockade of the State of Qatar, we have delivered significant improvements and solid growth in our financial and operational performance in 2018.

Vodafone Qatar's strong financial results for the financial year 2018 are primarily due to its success in growing its Postpaid subscribers and fixed services, as well as its effective cost optimisation programme.

Total revenue returned to year-on-year growth for the first time in 4 years, increasing 5.1% year-on-year to reach QR 2,101 million for the year ended 31 December 2018 driven by growth in Postpaid, fixed and handset revenue.

EBITDA before industry fee for the reported period stood at QR 584 million representing an increase of 8.5% compared to last year, positively impacted by higher revenue and lower costs. Consequently, the EBITDA Margin before industry fee improved by 0.9 percentage points to reach QR 27.8%.

The Company reported Net Profit of QR 118 million for the year ended 31 December 2018, the first ever-profitable year, resulting in a significant increase of QR 374 million compared to last year. Free Cash Flow for the year was QR 201 million, a 33% increase year-on-year, consequently reducing net debt to QR 419 million.

Based on the 2018 solid financial results, the Board of Directors has recommended the distribution of a cash dividend of 5% of the nominal share value, i.e. QR 0.25 per share, totalling QR 211.4 million, for approval at the Company's Annual General Assembly.

Vodafone Qatar is now serving 1,417,000 customers. Postpaid customers grew outstandingly this year by 24.1% due to the innovative products and the popularity of Vodafone's Flex, Red and Enterprise plans that suit all customer needs. Reflecting the Company's growth in Postpaid, the total Average Revenue Per User (ARPU) for the year stood at QR 105, a 5.6% growth year-on-year.

On behalf of the Board of Directors, thank you to His Highness Sheikh Tamim Bin Hamad Al Thani, the Emir of the State of Qatar and to His Highness, Sheikh Hamad Bin Khalifa Al Thani, the Father Emir. The Board expresses its gratitude to all regulators for their continued support, in particular the Communications Regulatory Authority, the Ministry of Transport and Communications, the Ministry of Commerce and Industry, the Qatar Financial Markets Authority and the Qatar Stock Exchange.

My sincere thanks to the executive management team and our incredible employees for their efforts and dedication, as well as to our customers and valued shareholders who are the foundation for our success. I am confident that we are positioned for continued prosperity in 2019.

Abdulla Bin Nasser Al Misnad

Chairman

From our CEO

Dear Shareholders,

I believe we will look back in years to come and consider 2018 as a truly significant turning point in the life of our company. The monumental decisions made and milestones achieved in our strategy have put us on a clear path to growth. This annual review is a celebration of our many accomplishments.

Securing our long-term success

In February, we announced three significant measures that will sustain our financial growth and profitability over the long term.

1. The Qatar Foundation for Education, Science and Community Development completed a transaction with Vodafone Europe to purchase shares representing 51 percent of the share capital of Vodafone and the Qatar Foundation LLC.
2. We secured the necessary regulatory approvals to reduce our share capital from QR 8.454 billion to QR 4.227 billion and extinguish our historical accumulated losses.
3. We secured an extension of our licence for an additional 40 years to 2068, reducing our annual license amortisation cost from QR 403 million to QR 84 million.

The effects of these measures have been swift and marked, enabling us to deliver significant progress across our strategic pillars. They reflect our core strength as a globally recognised brand with a deep understanding of the local market.

By becoming a majority Qatari-owned company, we have gained strategic partnerships with numerous important government and local organisations. This move has accelerated our vision to turn Qatar into one of the most connected and technologically-advanced nations in the world – benefiting the entire population.

Delivering seamless experiences for customers

I am incredibly proud of our employees for their relentless focus on putting our customers first and at the forefront of everything we do while continuously improving the products, services, and experiences our customers enjoy. Whether in-store, online or via our digital channels that are used today by more than 500 thousand people each week. Together, we have been rightly focused on ensuring that every customer touch-point and every product delivers a seamless, efficient and smooth experience.

To this end, we have implemented customer-centric training and development programmes, invested in advanced analytics, and focused a pipeline of innovative products and services to further improve the customer experience.

All of this would not be possible without the continued delivery of world-class performance. Over the past three years alone, we have spent more than QR 1 billion on building world-class infrastructure to deliver the best possible experience to our customers. Our success is reflected in the independent results of an industry audit conducted by the Communications Regulatory Authority (CRA). Vodafone Qatar achieved the best speeds for average downloads and uploads for local data. On voice, Vodafone Qatar had the fastest call set-up time and best voice quality, as well as 100 percent on call completion. Our customers are now experiencing crystal clear voice quality and enhanced data speeds, allowing for seamless content streaming and superfast downloads.

Becoming a fully converged telecommunications business

We made major strides in 2018 to become a fully converged telecommunications company, building a comprehensive range of products and services for both consumers and businesses alike. I am proud to say that we are now much more than a mobile-focused business. We are becoming a digital-first operation that can deliver the right range of propositions for the evolving demands of our customers.

We can all be proud of Vodafone's role in accelerating Qatar's progress in the global race to develop 5G. Since switching on our first live 5G network in August, we have shown the amazing potential of 5G to transform how we all live and work.

With 5G deployments well underway now across key locations, we are realising our commitment to invest in Qatar's information, communication, and technology sector and bring world-class infrastructure to the country. Our 5G progress is moving us closer to becoming "GigaNet Qatar", a nation where people enjoy ultra-fast connection speeds beyond one gigabit per second on the move and everywhere in-between.

Beyond our investments in 5G technology, we are also investing heavily in our fixed-network infrastructure to accelerate Qatar's journey to become one of the most connected countries in the world. From Lusail City to the Pearl and many more, we consider ourselves important partners in the country's plan to develop thriving, futuristic cities with exceptionally high quality of life.

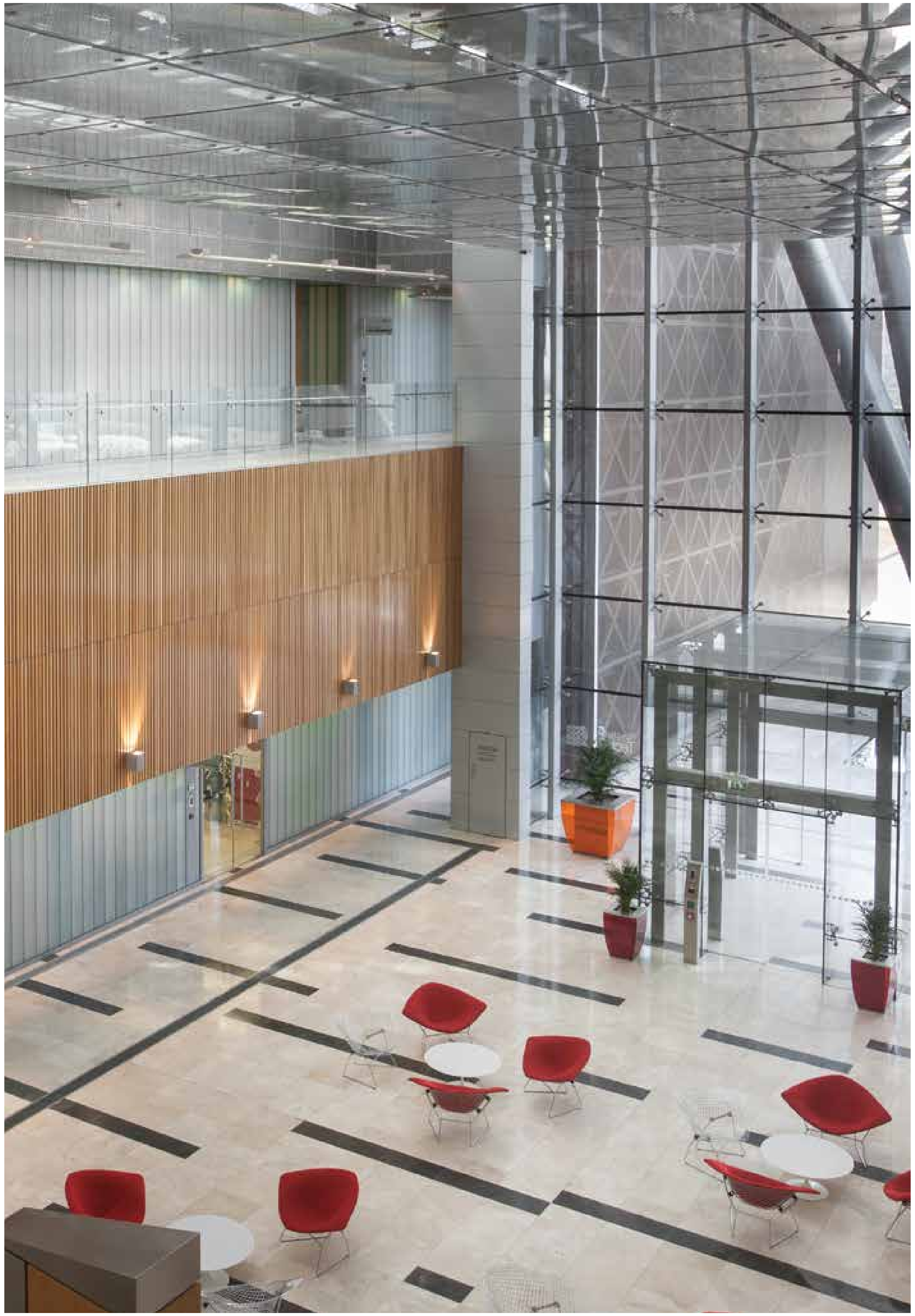
Ready for a brighter tomorrow

This report shows that we have taken the right steps to lay a strong and steady foundation for our company in 2018 that can accelerate growth in 2019 and beyond. We will continue to leverage the power of innovation and technology to make a significant and meaningful contribution to Qatar's National Vision 2030. Our teams are committed and focused with the right strategy to succeed.

The future is exciting. And we are ready. Ready to lead Qatar towards a brighter tomorrow.

Thank you.

Hamad Bin Abdulla Al-Thani
Chief Executive Officer



Who We Are

Vodafone Qatar provides a range of services including voice, messaging, data, fixed communications and ICT managed services.

Vodafone Qatar switched on its mobile network in March 2009 and has been delivering great value to customers with a range of innovative products and services. Since our nine years of commercial operation in Qatar, more than 1.4 million customers are actively using Vodafone's services supported by our state-of-the-art network.

Our purpose is to inspire everyone to live a better today and build a better tomorrow. We are the most innovative digital company in Qatar, blending the best of technology and human interaction in a personal, instant and simple way. We are committed to providing world-class telecommunications infrastructure and services to achieve Qatar's National Vision 2030.

With over 31,000 institutional and retail shareholders, Vodafone Qatar is 94 percent Qatari-owned. This includes the 45 percent of shares owned by Vodafone and the Qatar Foundation LLC. As a member of the Qatar Stock Exchange, Vodafone Qatar has paid-up capital of QR 4.227 billion.

Corporate Governance

Dear Shareholders,

I am pleased to present the Vodafone Qatar Corporate Governance Report for the financial year ended 31 December 2018. The Corporate Governance Report is intended to provide shareholders with a summary of the Company's governance policies and practices and an overview of how the Company has adhered to the main principles and requirements of the Qatar Financial Markets Authority ("**QFMA**") and in particular, the Governance Code for Companies and Legal Entities Listed on the Main Market, issued in November 2016 (the "**QFMA Corporate Governance Code**").

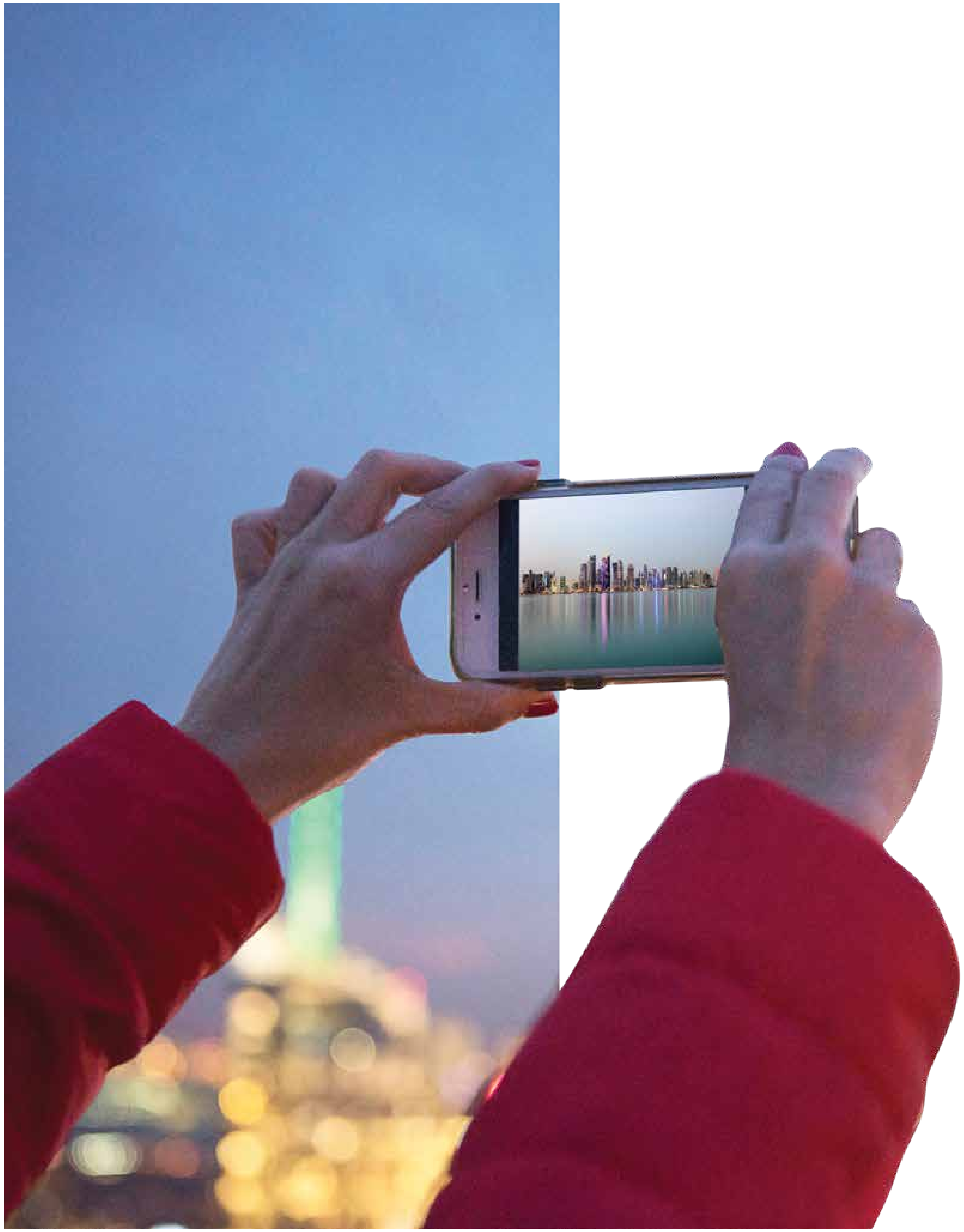
The Board of Directors (the "**Board**") is committed to maintaining high standards of corporate governance aligned with the needs of the company and the interests of all our stakeholders and ensuring that values, attitudes and behaviors are consistent across the business. The Board believes that effective and robust governance is essential to protecting shareholder value, delivering sustainable growth and ensuring that the Company operates in a responsible and transparent manner.

Over the past year, the Board has evolved its corporate governance framework to ensure that the highest standards of corporate governance and best practice are applied across all business functions and operations and, in particular, to implement the requirements of the QFMA Corporate Governance Code as substantively as possible. We consider this critical to the integrity of our business and a key component in maintaining investors' trust. We require and expect all Board members, all Executive Management members, leadership team members, staff and suppliers to act with honesty, integrity and fairness in all of their dealings and demonstrate the principles of transparency, responsibility, justice and equality set out in the QFMA Corporate Governance Code. Our business principles set out the standards that we set ourselves and are designed to ensure we continue to operate lawfully and with integrity and respect.

The Board acknowledges its responsibility to oversee the management of the Company and we are confident that the Board and the Executive Management team of Vodafone Qatar have appropriate and sufficiently robust governance policies and procedures in place to ensure that the Company operates in the best interests of shareholders.

Abdulla Bin Nasser Al Misnad

Chairman



Corporate Governance at Vodafone Qatar and Compliance with QFMA Corporate Governance Code

(a) Structural Changes at Vodafone Qatar

As noted in the executive summary to its Annual Report, Vodafone Qatar P.Q.S.C. ("**Vodafone Qatar**" or the "**Company**") has undergone significant structural changes during 2018. On 29 March 2018, Qatar Foundation for Education, Science and Community Development ("**Qatar Foundation**") acquired the entire indirect equity interest of Vodafone Group Plc in Vodafone Qatar (held through Vodafone Europe B.V and equating to 22.95% of the shares in Vodafone Qatar) (the "**Transaction**"). From that date, the existing management agreement in place with Vodafone Group Plc (and other related entities) was terminated and Vodafone Group Plc ceased to have any management control in respect of the business and operations of Vodafone Qatar. However, on termination of the existing management agreement, Vodafone Qatar entered into a co-operation agreement with Vodafone Group Plc to ensure its continued use of and access to the Vodafone brand and Vodafone products and services ("**Co-operation Agreement**").

(b) Impact of the Transaction on Vodafone Qatar's Corporate Governance

The completion of the Transaction has necessitated certain corporate governance related changes within Vodafone Qatar, namely:

(i) **Board of Directors:** the structure of the Board of Directors of Vodafone Qatar was changed to reflect the exit of the Vodafone Group Plc appointed Board Members. The total number of Board Members of Vodafone Qatar was reduced from nine (9) to seven (7) members, four (4) of whom are appointed by Qatar Foundation (through Vodafone and Qatar Foundation LLC, the corporate entity that holds Qatar Foundation's indirect equity interest in Vodafone Qatar, equating to 45% of the shares in Vodafone Qatar following completion of the Transaction) and the remaining three (3) Directors are independent members elected by the shareholders of the Company. The structure of the Board of Directors is addressed in more detail below.

(ii) **Composition of Board Sub-Committees:** following the re-structure of the Board, the composition of the Board sub-committees, namely the Audit Committee, Remuneration Committee and Nomination Committee was also re-structured to include new Board members and to reflect the requirements of the QFMA Corporate Governance Code. The structure and operation of the Board sub-committees is addressed in more detail below.

(iii) **Chief Executive Officer ("CEO"):** Mr. Ian Gray, Vodafone Qatar's former CEO and Board Member, retired and stepped down from both positions following the Company's Annual General Assembly held on 19 March 2018. H.E. Sheikh Hamad Bin Abdulla Al-Thani took the role of CEO. Sheikh Hamad's biography and responsibilities are set out below and in the Executive Management Team section of the Annual Report.

(c) Other Major Changes at Vodafone Qatar

As noted in the executive summary of the Company's Annual Report, and in addition to the above structural changes, the following major changes also occurred in 2018:

(i) **Extension of Licence:** The Company's Public Mobile Telecommunications Networks and Services Licence (the "**Licence**") originally granted by the Communications Regulatory Authority (CRA) for 20 years was extended for an additional 40 years to 2068, reducing the related amortisation cost annually from QR 403 million to QR 84 million. The Board of Directors believes that this change will sustain the Company's financial growth and profitability over the long term. For details about the financial impact, please refer to the financial statements ended 31 December 2018 included in the Company's Annual Report.

(ii) **Reduction in the Share Capital of the Company:** Vodafone Qatar implemented a reduction in its share capital from QR 8.454 billion to QR 4.227 billion by means of reducing the nominal value of the shares of the Company from QR 10 per share to QR 5 per share (the "**Capital Reduction**"). The Capital Reduction was implemented after obtaining shareholders' approval at the Company's Extraordinary General Assembly held on 19 March 2018 and all other requisite regulatory approvals. This reduction in the nominal value of the shares of the Company did not impact the value of the shares held by shareholders and did not have any impact on the cash position or financial liquidity of the Company. The Board of Directors believes that this change will deliver the long term growth potential of the Company, attract new investors and enable future payment of dividends in line with the applicable law and the Company's Articles of Association. The implementation of the Capital Reduction required a suspension of trading in the Company's shares for one day on Thursday, 15 November 2018, as per regulatory requirements. For further details about the Capital Reduction please refer to the Company's website (www.vodafone.qa).

(iii) **Steps Taken to Ensure Compliance with the QFMA Governance Code:** Vodafone Qatar has endeavoured and continues to take steps to align its policies and practices with the requirements of the QFMA Corporate Governance Code as well as international best practice governance principles. In particular, to ensure compliance with the QFMA Corporate Governance Code, Vodafone Qatar has made extensive amendments to the following key corporate governance documents for the Company:

(i) Governance Charter;

(ii) Board Charter;

(iii) Terms of Reference for the Audit Committee;

(iv) Terms of Reference for the Remuneration Committee;

(v) Terms of Reference for the Nomination Committee;

(vi) Vodafone Qatar Share Trading Guidelines; and

(vii) Articles of Association.

The revised Governance Charter and Board Charter, the updated Terms of Reference for the various Board sub-committees and Articles of Association are available to view on the Company's website.

(d) Violations of the QFMA Governance Code

Vodafone Qatar has not been subject to any sanctions or financial penalties imposed by the QFMA for non-compliance with any provisions of the QFMA Corporate Governance Code. Vodafone Qatar highlights in this report any specific areas of non-compliance with particular provisions of the QFMA Corporate Governance Code, including the reasons for any such non-compliance and the steps taken, or proposed to be taken, by the Board of the Company to ensure compliance in the future.

Board of Directors

Role of the Board of Directors

The Board is responsible for approval of 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 sound 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 the Company's system of corporate governance.

Vodafone Qatar's Board Charter (which complies with Article (8) of the QFMA Corporate Governance Code) provides more details of the Board's duties, functions and responsibilities as well as the obligations of individual Board members are available online (www.vodafone.qa).

Board Composition

The Company's Board of Directors was elected by the Annual General Assembly of shareholders for a maximum term of three (3) years expiring on 25 July 2019. The current Board of Directors as of 31 December 2018 comprises seven (7) members as detailed below. We would highlight that at the start of 2018, the Board of Directors was composed of nine (9) members. However, following the Transaction which resulted in the restructuring of the Company and the exit of Vodafone Group, the composition of the Board was amended (as approved by the Shareholders of the Company in the Annual General Assembly held on 19 March 2018). The exiting Board members were Ian Gray, Vivek Badrinath, John Otty and Gianluca Ventura. The new members who joined the Board as representatives of Vodafone and Qatar Foundation LLC with effect from 29 March 2018 were H.E. Sheikh Hamad Bin Faisal Thani Jassim Al-Thani and H.E. Sheikh Saoud Abdul Rahman H.A. Al Thani

Name	Position	Date Appointed	Representing
H.E. Mr. Abdulla Bin Nasser Al Misnad	Chairman Non-Executive Independent	25/07/2016	All shareholders
H.E. Mr. Akbar Al Baker	Vice Chairman Non-Executive Independent	25/07/2016	All shareholders
Mr. Rashid Fahad Al-Naimi (Managing Director)	Executive	23/06/2008	Vodafone and 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 and Qatar Foundation LLC
H.E. Sheikh Hamad Bin Faisal Thani Jassim Al-Thani	Non-Executive	29/03/2018	Vodafone and Qatar Foundation LLC
H.E. Sheikh Saoud Abdul Rahman H.A Al-Thani	Non-Executive	29/03/2018	Vodafone and Qatar Foundation LLC

The members of the Board of Directors are qualified with sufficient knowledge and satisfy the conditions for Board membership as set out in Article (5) of the QFMA Corporate Governance Code. In compliance with Article (6) of the QFMA Corporate Governance Code, a third of the Board of Vodafone Qatar are independent members and the majority are non-executive Board members.

Biography of Board Members

H.E. Mr. Abdulla Bin Nasser Al Misnad

Number of shares held directly in Vodafone Qatar as of 31 December 2018: 0 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2018: 0 shares

Mr. Abdulla Al Misnad is the Chairman of the Al Misnad Company having its roots in the private sector business since the 1950's.

Mr. Abdulla Al Misnad is a prominent and active businessman in Qatar who is the Founder and Chairman of the Board of Qatari Investors Group, a publicly listed share holding company.

The following are some of the positions presently held by Mr. Al Misnad:

- Al Misnad LLC – Chairman
- Qatari Investors Group – Chairman
- al khaliji Bank – Vice Chairman

H.E. Mr. Akbar Al Baker

Number of shares held directly in Vodafone Qatar as of 31 December 2018: 0 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2018: 0 shares

Qatar Airways Group Chief Executive, His Excellency Mr. Akbar Al Baker, is one of the most recognisable figures in the global aviation industry. His vision and commitment enabled the ground-breaking development of Qatar Airways from a small regional carrier into one of the world's leading global airlines in the span of just 20 years. Today, Qatar Airways flies more than 200 state-of-the-art aircraft to more than 160 destinations across six continents.

In August 2017, H.E. Mr. Al Baker was announced as the Chairman of the Board of Governors (BoG) of the prestigious global aviation industry body, the International Air Transport Association (IATA), which came into effect in June 2018.

H.E. Mr. Al Baker is also a member of the Executive Committee of the Arab Air Carriers Organisation (AACO) and is anon-executive Director of Heathrow Airport Holdings (HAH) - the company responsible for the running and development of the U.K.'s largest airport. In June 2015, the President of the Republic of France, Francois Hollande, presented H.E. Mr. Al Baker with the Legion of Honour in recognition of his leadership in the aviation industry.

In 2019, H.E. Mr. Al Baker was appointed Secretary-General of Qatar's National Tourism Council (NTC).

A highly-motivated individual, H.E. Mr. Al Baker, a successful businessman in Doha and beyond, holds a private pilot license and is also CEO of several divisions of Qatar's national airline - including Qatar Executive, Hamad International Airport, Qatar Aviation Services, Qatar Aircraft Catering Company, Qatar Distribution Company, Qatar Duty Free and Internal Media Services, to name a few.

Education

- BA, Economics and Commerce - Sydenham College (India)

Mr. Rashid Fahad Al-Naimi

Number of shares held directly in Vodafone Qatar as of 31 December 2018: 0 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2018: 70,000 shares

As the CEO of Investments at the Qatar Foundation for Education, Science and Community Development, Mr. Rashid Al-Naimi is responsible for investment portfolios and long-term investment policies. He is also the residing Chairman of MEEZA and Mazaya Qatar, and a Board Member representing Qatar Foundation across numerous companies, including Vodafone Qatar.

Mr. Al-Naimi has an outstanding record of delivering successful restructurings that continuously improve shareholder value. In 2015, he was honoured by the Arab Economic Forum with the "Achievement in Leadership Award". Prior to joining the Qatar Foundation, Mr. Al-Naimi was the Manager of Human Resources for RasGas Company Limited.

Education

- MBA – University of Oxford (United Kingdom)
- BSc, Economics – Indiana State University (United States)

Mr. Nasser Jaralla Al Marri

Number of shares held directly in Vodafone Qatar as of 31 December 2018: 250 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2018: 0 shares

Mr. Nasser Al Marri has served as Chairman of the Financial Affairs Authority at the General Headquarters of the Qatar Armed Forces/ Ministry of Defence since 2016. After years spent in leading roles cross the government such as CFO of Marafeq Qatar/ Qatari Diar, Director of Business Development and Investment Promotion in the Ministry of Economy and Commerce, Director of Admin & Finance in the Ministry of Economy & Commerce.

Other roles include serving as Finance Director for the Qatar National Food Security Programme and National Human Rights Committee. He was Vice Chairman of Qatar Steel International Company and a Board Member of Qatar Mining Company. Today, he serves as a Board Member of Masraf Al Rayan Bank and is Chairman of Al Rayan Investment Company.

Education

- MSc, Accounting and Financial Science – Southampton University (United Kingdom)
- BA, Business Administration – Qatar University (Qatar)

Mr. Nasser Hassan Al-Naimi

Number of shares held directly in Vodafone Qatar as of 31 December 2018: 0 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2018: 0 shares

As Chief of Investment, Research and Development at Qatar's Ministry of Defense, Nasser Hassan Al-Naimi oversees local and international investments in various areas, including mergers and acquisitions. He also provides executive support to the office of H.E. the Minister of State for Defense Affairs.

On behalf of the Ministry, Mr. Al-Naimi is Managing Director of Barzan Holdings, a wholly owned subsidiary of the Ministry of Defense, and a Board member of several direct investments held by the Ministry of Defense. 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 industries ranging from education to real estate. Mr Al-Naimi also co-founded a fund named MKaNN Ventures which invests in early-stage technology companies.

Education

- MA, Strategic Management
- BSc, Business Management

H.E. Sheikh Hamad Bin Faisal Thani Jassim Al-Thani

Number of shares held directly in Vodafone Qatar as of 31 December 2018: 0 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2018: 0 shares

Sheikh Hamad Bin Faisal Al Thani is widely known in the region and regarded as one of Qatar's most influential business figures. In addition to his post as Board member of Vodafone Qatar, Sheikh Hamad currently holds the following positions:

- Chairman and Managing Director - al khaliji Bank
- Vice Chairman - Qatari Investors Group
- Board Member - Qatari Businessmen Association
- Board Member - Qatar Insurance Company (QIC)

Previously, he was the Minister of Economy and Commerce of Qatar and Vice Chairman of Qatar National Bank (QNB. Other senior roles include Chairman of Qatar General Organization for Standard and Metrology, member of Supreme Council for Economic Affairs and Investment, Director of Customs Department and Heir Apparent Office, Diwan Al Amiri.

Education:

- Bachelor, Political Science

H.E. Sheikh Saoud Abdul Rahman Hassan Al-Thani

Number of shares held directly in Vodafone Qatar as of 31 December 2018: 0 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2018: 0 shares

In addition to his post as Board member of Vodafone Qatar, Sheikh Saoud Al-Thani currently holds the positions of Chairman of Gulf Bridge International Inc. a company registered and incorporated in the British Virgin Islands (BVI) and Vice-Chairman at Qatar Solar Technologies (QSTec), a polysilicon manufacturing company headquartered in Doha, Qatar.

Sheikh Al Thani is an offshore and onshore oil and gas engineer whose energy career has spanned over 20 years, with more than 10 of these years in senior leadership roles around the world. Previously he was Chairman of Qatar Fuels (WOQOD) and Executive Director of Gas and Power for Qatar Petroleum International. Sheikh Al-Thani has an outstanding record in optimizing organizations, teams and investments to create new opportunities that increase shareholder value.

Sheikh Al Thani is a regular keynote speaker at energy conferences around the world and has led numerous international Qatari delegations on different Governments international conferences and meetings. He is a firm believer in the value of continuing education and research and is passionate about enabling people and organizations to maximize their full potential.

Education:

- BSc, Petroleum Engineering – King Fahd University of Petroleum and Minerals (Saudi Arabia)
- Executive MBA – Henley Business School, University of Reading (United Kingdom)

Combination of Positions

Each Board member has provided written confirmation to the Company Secretary confirming that they do not and shall not combine board membership positions as stipulated in the QFMA Corporate Governance Code.

Board Meetings

Article 36 of Vodafone Qatar's Articles of Association requires the Board of Directors to meet at least six (6) times per year and that no more than three (3) months shall go by without the Board holding a meeting which is in line with the requirement set out under Article (14) of the QFMA Corporate Governance Code. Vodafone Qatar holds additional Board meetings throughout the year as and when required and held a total of seven (7) meetings during the financial year ended 31 December 2018 as indicated in the table below.

Board Members / Dates of Board Meeting	Attendance						
	16 January 2018 (Vodafone Group Board Appointed Members attending)	15 February 2018 (Vodafone Group Board Appointed Members attending)	26 February 2018 (Vodafone Group Board Appointed Members attending)	30 April 2018 (First Board Meeting after Transaction completion)	24 July 2018	22 October 2018	12 December 2018
H.E. Mr. Abdulla Bin Nasser Al Misnad	√	√		√	√	√	√
H.E. Mr. Akbar Al Baker	√	x	√	√	√	√	√
Mr. Rashid Al Naimi	√	√	√	√	√	√	√
Mr. Nasser Jaralla Saeed Al Marri	√	√	√	√	√	√	√
Mr. Nasser Hassan Al Naimi	√	√	√	√	√	√	√
Mr. Ian Gray (Vodafone Group Plc)	√	√	√	N/A	N/A	N/A	N/A
Mr. Vivek Badrinath (Vodafone Group Plc)	√	√	√	N/A	N/A	N/A	N/A
Mr. John Otty (Vodafone Group Plc)	√	√	√	N/A	N/A	N/A	N/A
Mr. Gianluca Ventura (Vodafone Group Plc)	√	√	√	N/A	N/A	N/A	N/A
H.E. Sheikh Hamad Bin Faisal Thani Jassim Al Thani	N/A	N/A	N/A	√	√	√	√
H.E. Sheikh Saoud Abdul Rahman H.A Al Thani	N/A	N/A	N/A	√	√	√	√

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 Performance / Achievements

Please refer to the Executive Summary in the Company's Annual Report for a summary of the key achievements delivered by the Board and Executive Management during the financial year ended 31 December 2018.

Board Remuneration

Subject to compliance with the requirements of the Commercial Companies Law and the QFMA Corporate Governance Code, namely that the Board remuneration shall not exceed 5% of the Company's net profit after deduction of the legal reserve, and payment of dividends to the shareholders of not less than 5% of the paid up capital, Vodafone Qatar's Board is recommending the payment of remuneration to the Board of Directors of the Company in recognition of their achievements during the financial year ended 31 December 2018. The total remuneration proposed for the Vodafone Qatar Board of Directors for the financial year ended 31 December 2018 is referred to in the Company's financial statements as at that date and which are included in the financial statements section of the Company's Annual Report.

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. No independent legal and / or financial advice was sought by the Board during the financial year ended 31 December 2018.

Division of Responsibilities

Vodafone Qatar maintains a clear separation between the roles of the Chairman, Managing Director 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;

(b) the Managing Director is responsible for providing leadership and direction to the Chief Executive Officer and the Executive Management team in respect of the Company's overall strategic management and acting as the principal point of contact and liaison between the Chief Executive Officer and the Board in respect of strategic and operational matters; and

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

Board Committees

Vodafone Qatar currently has an Audit Committee, Remuneration Committee and Nomination Committee, each of which is operated in accordance with a specific and detailed Terms of Reference approved by the Board. The Terms of Reference for each Board Committee are available online (www.vodafone.qa). Members of the Board committees are not remunerated separately for membership of each committee.

Audit Committee

The membership of the Audit Committee of Vodafone Qatar was reconstituted following the completion of the Transaction and the exit of Vodafone Group Plc from the operation and management of the Company.

The Audit Committee of Vodafone Qatar currently consists of the following members who have the necessary expertise to fulfil the responsibilities of the committee:

Board Member	Position	Board Member Type
Mr. Nasser Al Marri	Chairman	Independent & Non-Executive
Mr. Rashid Fahad Al-Naimi	Member	Vodafone and Qatar Foundation LLC & Executive
H.E. Sheikh Saoud Abdul Rahman H.A Al Thani	Member	Vodafone and Qatar Foundation LLC & Non-Executive

Article 18.3 of the QFMA Corporate Governance Code suggests that a company's Audit Committee should be comprised of at least three (3) members, the majority of whom should be independent and the Chairman shall be independent. Vodafone Qatar's Board believes the current composition of the Audit Committee is appropriate for its effective operation. Please see below for further information on the rationale for the current membership of the Audit Committee.

The Audit Committee responsibilities include:

(a) preparing and presenting to the Board a proposed Internal Control system for the Company upon constitution, and conducting periodic audits whenever necessary;

(b) setting the procedures of contracting with and nominating External Auditors, and ensuring their independence while performing their work;

(c) overseeing the Company's Internal Controls following review by the External Auditor's to ensure compliance with the implementation of the best International Standards on Auditing and preparing the financial reports in accordance with International Financial Reporting Standards (IFRS / IAS) and (ISA) and their requirements;

(d) overseeing and reviewing the accuracy and validity of the financial statements and the yearly, half-yearly and quarterly reports;

(e) considering, reviewing and following up the External Auditor's reports and notes on the Company financial statements;

(f) ensuring the accuracy about and reviewing the disclosed numbers, data and financial statements and whatever submitted to the General Assembly;

(g) making coordination among the Board, Senior Executive Management, and the Internal Controls of the Company;

(h) reviewing the systems of financial and Internal Control and risk management;

(i) conducting investigations in financial control matters requested by the Board;

(j) providing coordination between the Internal Audit Unit in the Company and the External Auditor;

(k) reviewing the financial and accounting policies and procedures of the Company and expressing an opinion and recommendation to the Board on this regard;

(l) reviewing the Company's dealings with related parties, and making sure whether such dealings are subject to and comply with the relevant controls;

(m) developing and reviewing regularly the Company's policies on risk management, taking into account the Company's business, market changes, investment trends and expansion plans of the Company;

(n) supervising the training programmes on risk management prepared by the Company and their nominations;

(o) preparing and submitting periodic reports about risks and their management in the Company to the Board - at a time determined by the Board - including its recommendations, and preparing reports of certain risks at the request of the Board and / or the Chairman;

(p) implementing the assignments of the Board regarding the Company's Internal Controls;

(q) engaging with the External Auditor and Senior Executive Management regarding risk audits with a focus on the appropriateness of the accounting decisions and estimates, and submitting them to the Board to be included in the annual report;

(r) assessing the Company's processes to comply with governance requirements with regard to applicable laws, regulations, Code of Business Conduct and Ethics;

(s) reviewing and monitoring the procedures by which the Company complies with the governance requirements in respect of: (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and (b) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;

(t) reviewing reports and disclosures of significant conflicts of interest; and

(u) overseeing the activity and credentials of the Company's internal auditors, including the review of the Internal Audit Terms of Reference, plans, resource requirements, staffing and organizational structure, ensuring consistency and compliance with the Vodafone Internal Audit methodology and approach.

Article 19 of the QFMA Corporate Governance Code requires the Audit Committee of a listed company to meet at least six (6) times per year. During the year 2018, the Audit Committee met on two (2) occasions as follows:

Committee Members / Dates of Audit Committee Meeting	Attendance	
	26 February 2018 (Vodafone Group Appointed Members Attending)	22 October 2018 (New Audit Committee Members Attending)
Mr. Nasser Al Marri	√	√
Mr. Rashid Fahad Al-Naimi	√	√
H.E. Sheikh Saoud Abdul Rahman H.A Al Thani	N/A	√
Mr. John Otty (Vodafone Group Plc)	√	N/A

As noted above, the Audit Committee membership was re-constituted following completion of the Transaction. In re-constituting the Audit Committee, due consideration was given to the requirements of the QFMA Corporate Governance Code and in particular, the requirement for a majority of the members of the Audit Committee to be Independent Board Members. Vodafone Qatar was restricted by the fact that its Chairman is an Independent Board Member (as provided for under Article 29.3 of the Company's Articles of Association) and is prohibited from acting as a member of any Board Committee (Article 7 of the QFMA Corporate Governance Code). Accordingly, only two Independent Board Members were available for membership of the Audit Committee, one of whom was H.E. Akbar Al Baker, the Vice Chairman, who was appointed by the Board as the Chairman of the Remuneration Committee. Accordingly, to ensure the Audit Committee could operate effectively and was not adversely impacted by attendance issues arising from the other business commitments of its members, the Board took the decision to appoint only one Independent Board Member to the Audit Committee, Nasser Al Marri, who was nominated as Chairman of the Audit Committee (as per the requirement to appoint an Independent Board Member as Chairman under Article 18 of the QFMA Corporate Governance Code). Given the significant experience of the members of the Audit Committee, the Board of Vodafone Qatar believes that all members of the Audit Committee will exercise their roles in an independent and impartial manner to protect the best interests of the Company.

Article 19 (Committees' Work) of the QFMA Corporate Governance Code requires a minimum of six (6) Audit Committee Meetings per year. The Company however believes that bi-annual meetings of the Audit Committee, which generally take place in advance of the Company's reporting of its half year and full year results, are sufficient to ensure and maintain robust and effective oversight of the necessary internal audit controls and the scope of responsibilities of the Audit Committee outlined above. The Audit Committee provides a detailed report and recommendations directly to the Board at the Board meetings to approve the Company's half year and full year financial results, which supplements the report provided to the Board by the Company's external auditors. The Company also adheres closely to international governance best practice and compliance with which is continually monitored and tracked by the Company's independent internal audit function and formally reported to the Audit Committee on a bi-annual basis. In addition, as part of the Company's Internal Audit function, regular audits and deep dives are undertaken to monitor and ensure compliance by the relevant business functions in the Company against specific business critical controls. The results of these audits and deep dives are presented to the Audit Committee for review as part of the Audit Committee meetings. Notwithstanding the same, Vodafone Qatar will undertake to review the frequency of the Audit Committee meetings to align more closely with the requirements of the QFMA Corporate Governance Code.

The main recommendations of the Audit Committee to the Board of Vodafone Qatar in 2018 were as follows:

(a) recommendation for the Board to approve the Company's financial statements for the nine (9) months ended 31 December 2017, following the review of the report from the External Auditors;

(b) recommendation for the Board to approve the appointment of the Company's External Auditors for the financial year 2018 following detailed review of commercial and technical offers from several auditing firms;

(c) recommendation for the Board to approve the options presented to the Audit Committee to address the accumulated losses of the Company;

(d) recommendation for the Board to approve the financial statements for the half-year ended 30 June 2018, following the review of the report from the External Auditors;

(e) recommendation for the Board to approve the Internal Audit strategy for the Company up to 2020;

Remuneration Committee

The membership of the Remuneration Committee of Vodafone Qatar was re-constituted following the completion of the Transaction and the exit of Vodafone Group Plc from the operation and management of the Company.

The Remuneration Committee of Vodafone Qatar currently consists of the following members who have the necessary expertise to fulfil the responsibilities of the committee

Board Member	Position	Board Member Type
H.E. Mr. Akbar Al Baker	Chairman	Independent & Non-Executive
Mr. Rashid Fahad Al-Naimi	Member	Vodafone and Qatar Foundation LLC & Executive
Mr. Nasser Al Naimi	Member	Vodafone and Qatar Foundation LLC & Non-Executive

Article 18.2 of the QFMA Corporate Governance Code requires that a company's Remuneration Committee be comprised of at least three (3) Board members. Vodafone Qatar's Remuneration Committee comprises of three members, one of whom is an Independent Board Member. Prior to the completion of the Transaction, the Remuneration Committee comprised of four (4) members, one (1) of whom was an Independent Board Member.

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.

The Remuneration Committee is responsible for:

(a) setting the Company's remuneration policy yearly including the way of identifying remuneration of the Chairman and all Board Members. The Board members' yearly remuneration shall not exceed 5% of the Company's net profit after deduction of reserves, legal deductions, and the distribution of dividends not less than 5% of the Company's share capital (in cash and in kind) to shareholders; and

(b) setting the foundations of granting allowances and incentives in the Company, including possible issuance of incentive shares for its employees.

The Remuneration Committee met twice during 2018 as follows:

Committee Members / Dates of Remuneration Committee Meeting	Attendance	
	19 February 2018 (Vodafone Group Appointment Members Attending)	30 April 2018 (New Remuneration Committee Members Attending)
H.E. Mr. Akbar Al Baker	X	√
Mr. Rashid Fahad Al-Naimi	N/A	√
Mr. Nasser Al Naimi	√	√
Mr. Vivek Badrinath (Vodafone Group Plc)	√	N/A
Mr. Gianluca Ventura (Vodafone Group Plc)	√	N/A

The main recommendations put forward to the Board in 2018 by the Remuneration Committee were as follows:

(a) approval of the proposed salary increase for Senior Executive Management for the 2018 financial year;

(b) approval of the proposed salary increase for all other Company employees for the 2018 financial year;

(c) notwithstanding the change in the Company's financial year end to 31 December 2017, the Remuneration Committee recommended approval of the calculation of the Company's Global Short Term Incentive Plan ("**GSTIP**") on the basis of the full twelve (12) month period to 31 March 2018 in accordance with the GSTIP performance metrics initially communicated to Company employees;

(d) approval of the GSTIP for the Financial Year 2018 being calculated on the basis of the nine (9) month period from 1 April 2018 to 31 December 2018;

(e) approval of the remuneration packages for new executive appointments, namely the Chief Executive Officer (effective 19 March 2018), the Chief Operating Officer (effective 19 March 2018) and the Chief Human Resources Officer (effective 8 May 2018);

(f) approval of the company performance multiplier to support the calculation of the Company's GSTIP for the financial year ended 31 December 2017;

(g) approval of the methodology for calculating the GSTIP for the Company's executive team for the financial year ended 31 December 2017;

(h) approval of the methodology for calculating the proposed Long Term Incentive (LTI) award for each member of the executive team of the Company to be paid out in March 2020; and

(i) approval of the Company's GSTIP metrics and targets for FY2018 (i.e. the nine (9) months ended 31 December 2018).

The Remuneration Committee provides an update and a summary of its recommendations to the Board. This happens on an annual basis during the Board meeting to approve the Company's full year results and in some cases, more frequently, depending on the nature of the matters reviewed by the Remuneration Committee.

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

Nomination Committee

The membership of the Nomination Committee of Vodafone Qatar was re-constituted following the completion of the Transaction and the exit of Vodafone Group Plc from the operation and management of the Company.

The current Nomination Committee (which has oversight of the nomination and appointment of Board members and ensuring the proper application of formal, rigorous and transparent procedures) comprises of the following members who have the necessary expertise to fulfil the Committee's tasks:

Board Member	Position	Board Member Type
H.E. Sheikh Hamad Faisal Al-Thani	Chairman	Vodafone and Qatar Foundation LLC & Non-Executive
H.E. Sheikh Saoud Rahman Al-Thani	Member	Vodafone and Qatar Foundation LLC & Non-Executive
Mr. Rashid Fahad Al-Naimi	Member	Vodafone and Qatar Foundation LLC & Executive
Mr. Nasser Al Naimi	Member	Vodafone and Qatar Foundation LLC & Non-Executive

The Nomination Committee is responsible for:

(a) developing general principles and criteria used by the General Assembly members to elect the fittest among the candidates for Board membership;

(b) nominating whom it deems fit for the Board membership when any seat is vacant;

(c) developing and drafting a succession plan for managing the Company to ensure the speed of a suitable alternative to fill vacant jobs in the Company;

(d) nominating whom it deems fit to fill any job at the level of Senior Executive Management;

(e) receiving candidacy requests for the Board membership;

(f) submitting the list of Board membership candidates to the Board, including its recommendations in this regard, and sending a copy to the QFMA; and

(g) submitting an annual report to the Board including a comprehensive analysis of the Board performance to identify the strengths, weaknesses, and proposals in this regard.

No meeting of the Nomination Committee occurred during 2018 due to the fact that no Board elections took place in 2018 and therefore no annual report was submitted to the Board concerning the items set out in (g) above. Vodafone Qatar will give consideration to combining the Nomination Committee and the Remuneration Committee into one Committee called the "Nomination and Remuneration Committee" as permitted under Article 19 of the QFMA Governance Code.

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 has 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 to 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; and

(f) preparing a report confirming the Sharia compliance status of the Company for inclusion in the Company's Annual Report.

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 is responsible for:

(a) recording the minutes of the Board meetings, setting out names of the attending and absent members and the meeting discussions and noting members' objections to any decision issued by the Board;

(b) recording the Board decisions in the register prepared for this purpose as per issuance date;

(c) recording the meetings held by the Board in a serial numbered register prepared for this purpose and arranged as per the holding date setting out names of the attending and absent members, the meeting discussions and the members' objections, if any;

(d) safekeeping the Board meetings' minutes, decisions, reports, all Board records and correspondence, and its writings in paper and electronic records;

(e) sending to the Board members and participants (if any) the meeting invitations accompanied with the agenda at least one week prior to the meeting's specified date, and receiving members' requests to add any items to the agenda with submission date;

(f) making full coordination between the Chairman and the members, among members themselves, as well as between the Board and related parties and stakeholders in the Company including shareholders, management, and employees;

(g) enabling the Chairman and the members to have timely access to all information, documents, and data pertaining to the Company; and

(h) safekeeping the Board members' acknowledgments of not combining prohibited positions pursuant to the Law and the provisions of the QFMA Corporate Governance Code.

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 Ian Quigley, Legal Director for the Company. Mr. Quigley joined Vodafone Qatar in June 2013 and has held the role of Company Secretary since 22 October 2018 taking over from Mr. Brett Goschen, Chief Financial Officer who was Company Secretary from 1 October 2017. Mr. Quigley has been closely involved in the execution and management of company secretarial and governance related matters of the Company for several years as part of his previous role as Head of Legal and Assistant Company Secretary. Mr. Quigley has over 12 years of international experience as a corporate commercial lawyer and has held a variety of legal and company secretarial roles in Vodafone Group companies. Prior to joining Vodafone Qatar, Mr. Quigley was a senior corporate lawyer in Vodafone Ireland and was the joint Company Secretary of a joint venture network infrastructure sharing company with Hutchinson 3G in Ireland. In addition to his role as Company Secretary, Mr. Quigley is responsible for the legal, compliance, privacy and risk functions within Vodafone Qatar.

Executive Management Team

Sheikh Hamad Abdulla Jassim Al Thani | Chief Executive Officer

Shares held in Vodafone Qatar as of 31 December 2018: 5,000 shares

Hamad Al Thani is responsible for the overall creation, implementation, and integration of the long range strategic, financial, commercial and operational direction of the Company. Hamad Al Thani also oversees key internal and external stakeholder engagement to influence the environment in which the Company operates by liaising with the employees, the Board, and key Government entities. He chairs the Company's operational governance framework which includes committee oversight of the following: Strategy, Budget, CAPEX allocation, Commercial Approval, Trade Review, Brand Review and Assurance committees.

Khames Mohammed Al Naimi | Chief Human Resources Officer

Shares held in Vodafone Qatar as of 31 December 2018: 0 shares

Khames Al Naimi is responsible for the coordination and implementation of the overall human resources strategy of the Company. Within the scope of his role, he is responsible for ensuring the success of the Company's HR programmes, embedding best practices within the Company's Human Resources functions.

Diego Camberos | Chief Operating Officer

Shares held in Vodafone Qatar as of 31 December 2018: 0 shares

Diego Camberos, as Chief Operating Officer, is responsible for the coordination and implementation of the Company's overall strategy for commercial, enterprise, digital, and customer operations.

Brett Goschen | Chief Financial Officer

Shares held in Vodafone Qatar as of 31 December 2018: 0 shares

Brett Goschen heads the Financial Operations, Financial Planning, Reporting & Analysis, Supply Chain Management and Business Partnering functions of the Company. He is responsible for the accounting and disclosure of the assets, liabilities, financial position and profit and loss of the Company and ensures that the financial statements of the Company comply with the local and global accounting policies. Brett Goschen also oversees the Treasury, Investor Relations and Business Intelligence functions of the Company.

Ramy Boctor | Chief Technology Officer

Shares held in Vodafone Qatar as of 31 December 2018: 0 shares

Ramy Boctor is responsible for the development and implementation of the overall technology strategy of the Company. Ramy Boctor oversees all aspects of the Design, Planning and Rollout and Optimization of the Radio and Fixed access network. He is also responsible for the Technology Security, Service Delivery, and IT functions of the Company.

Senior Management Remuneration for 2018

For details of remuneration paid to the Senior Executive management team of Vodafone Qatar, please refer to the Company's financial statements as of 31 December 2018 which are also included in the Vodafone Qatar Annual Report.

Internal Control and Risk Management

(a) Internal Control Processes

The Board has overall responsibility for internal risk management and control processes. Based on management's assessment of internal controls relating to financial reporting, no material internal control failures were noted by the Company during the financial year ended 31 December 2018.

In addition, Vodafone Qatar's External Auditors performed an audit on the Company's internal control systems to ensure compliance with Article 20 of the QFMA Corporate Governance Code. The report from the External Auditors includes an assessment of the Company's internal control mechanism and the duties and functions of the Company's internal departments and business functions in that context. The audit report is intended to identify major risks that may impact the Company and ensure there are appropriate risk identification and remedial mechanisms in place. The report from the External Auditor will be presented to the Audit Committee of the Company for review. The recommendation of the Audit Committee will then be presented to the Vodafone Qatar Board for final approval. A copy of the approved report will be sent to the QFMA.

(b) Compliance Programme

Vodafone Qatar has implemented a dedicated and robust compliance programme in accordance with international best practice. As part of the compliance programme, Vodafone Qatar applies specific compliance policies and controls across all high-risk activities, including customer and data privacy, network security and resilience and anti-bribery, designed to ensure that all material financial and business risks for the Company are identified and managed appropriately.

The existence and effectiveness of Vodafone Qatar's internal controls and processes to achieve and maintain compliance with all 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 in relation to the risk based yearly audit plan.

(c) Business Continuity Management

Vodafone Qatar has an established business resilience framework that addresses and mitigates the risk of the business being unable to resume its operational activities within a reasonable time following the occurrence of any events leading to business interruption. The Company has established a dedicated Business Continuity Management ("**BCM**") Steering Committee comprised of senior executives from key functions in the business which meets on a bi-annual basis and reports directly to the Executive Management team of the Company. The scope of the BCM Steering Committee and its main areas of responsibility are as follows:

(a) ensure compliance with the BCM policy and its procedures;

(b) approve BCM procedures and all related processes, rules and documents;

(c) monitor continuous improvement of the BCM program and procedures;

(d) ensure that all members of the business are aware of their responsibilities related to BCM;

(e) define, drive and support the implementation of BCM Strategy within Vodafone Qatar;

(f) approve and prioritize BC Strategies for critical business processes and systems prior to implementation;

(g) monitor the development, review and implementation of BCM plans;

(h) approve and monitor the review of the Company's crisis management plan;

(i) define recommendations to improve BCM strategies and operations within the Company; and

(j) support and promote awareness actions.

The Business Continuity, Crisis Management, Technology Resilience and Site Emergency Response Plans set out the requirements to protect the Company against the impact of emergencies and disruptions to critical business operations through effective and timely response (within predetermined timeframes) to an emergency or crisis.

(d) Enterprise Risk Management

Vodafone Qatar operates a comprehensive ongoing risk management and assessment programme within the business. The primary objectives are to balance the risks the business takes with potential reward, support the achievement of corporate strategy and anticipate any future threats. The Company believes a vigilant and robust approach to risk management enables informed decision making, provides senior management with appropriate visibility of relevant business risks, defines the level of risk the Company is willing to take and facilitates risk based assurance activity. On a bi-annual basis, the risk management function reports to the Audit Committee on the top 10 risks that the Company believes would have the greatest impact on the Company's strategic objectives, operating model, viability or reputation. These risks, plus relevant mitigating actions, are catalogued and tracked in the Company's 'Risk Register' and are then subject to additional reporting, oversight and assurance on an ongoing basis.

Internal Audit

Vodafone Qatar's 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, make recommendations and track management action plans until completion 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 through reporting to the Chair of the Audit Committee and with a secondary reporting line to the Managing Director of the Company. 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 the Company's financial and accounting policies and processes to evaluate and assess any relevant risks in that context.

The Internal Audit Department provides a detailed report every six months to the Audit Committee which includes the following information:

(a) procedures of control and supervision in respect of financial affairs, investments, and risk management;

(b) review of the development of risk factors for the Company and the appropriateness and effectiveness of the systems of the Company to face drastic or unexpected changes in the market;

(c) comprehensive assessment of the Company's performance regarding its implementation of the internal control system in compliance with provisions of the QFMA Corporate Governance Code;

(d) the Company's compliance with applicable market listing and disclosure rules and requirements;

(e) the Company's compliance with internal control systems when determining and managing risks;

(f) the risks faced the Company, their types, causes and the actions taken in this regard; and

(g) the suggestions for addressing the violations and mitigating the risks.

In addition, Internal Audit operates in co-operation with and has full access to, the Vodafone Qatar Audit Committee. Internal Audit provides a detailed report, together with a series of recommendations, on the internal control, risk and compliance performance of the Company directly to the Audit Committee during the Audit Committee meetings that take place at half year and full year, and separately on particular issues as required. Vodafone Qatar notes that Article 22 of the QFMA Corporate Governance Code requires Internal Audit to submit a report every three (3) months to the Audit Committee. Vodafone Qatar believes that the current frequency of reporting (i.e. bi-annually and separately as required) is sufficient to ensure and maintain robust and effective oversight of the necessary internal audit controls.

Article 21 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. The Board considers the Internal Audit Department as being independent from Vodafone Qatar. This independence is reinforced by the reporting line of the Internal Audit function into the Chair of the Audit Committee and a secondary reporting line to the Managing Director of the Company.

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.

Deloitte and Touche ("Deloitte") currently holds 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 23 of the QFMA Corporate Governance Code provides that External Auditors shall be appointed by the General Assembly each year which may be renewed for one or more terms provided this does not exceed five years which is in line with Article 141 of Commercial Companies Law No. 11 of 2015. Vodafone Qatar's Articles of Association (Article 66) are aligned to the Commercial Companies Law and state that an auditor can be appointed for a period not exceeding five consecutive years.

The appointment of Deloitte followed detailed review and consideration by the Audit Committee of technical and commercial offers received from various firms to provide external audit services to the Company. The decision to appoint Deloitte as the External Auditors of Vodafone Qatar was ratified by the Vodafone Qatar Board of Directors on 26 February 2018 and approved by the shareholders of the Company at the Annual General Assembly which took place on 19 March 2018.

Disclosure and Transparency

Disclosure obligations

Vodafone Qatar has throughout 2018 complied with the disclosure requirements set out in the rules and regulations of the Qatar Financial Markets Authority (QFMA) and the Qatar Stock Exchange (QSE).

Vodafone Qatar conforms to all disclosure requirements of Article 25 of the QFMA Corporate Governance Code. It has disclosed its quarterly financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) to the QSE, the QFMA and the Qatar Central Securities Depository (QCSD) within the deadlines and rules stipulated. Furthermore, Vodafone Qatar has ensured that all sensitive and material information and announcements were disclosed to the market, its shareholders, the investment community and the general public in a timely, accurate, complete and transparent manner as required by the applicable laws and regulations. Material information includes, but is not limited to, Board of Directors meetings dates, agenda and resolutions, results announcements, Annual General Assembly invitation, agenda and resolutions, periodic press releases and any other material matters impacting and / or related to the ongoing performance and operation of Vodafone Qatar that has the potential to affect the Company's share price.

Vodafone Qatar has ensured that all financial results, approved presentations, official announcements and press releases of significance are available on the Company's website on the day of publication.

In addition, all information about the Chairman, Board Members, Senior Executive Management and major shareholders holding 5% and above of the Company's share capital are disclosed on the Company's website and in the Annual Corporate Governance report.

Vodafone Qatar responds appropriately and responsibly to confirm, deny or clarify any matter or market rumour which has the potential to affect the Company's share price or reputation ("**Market Rumours**"). No such Market Rumours arose in the financial year ended 31 December 2018.

Conflicts of Interest and Insider Trading

Conflicts of Interest and related Party Transactions

Vodafone Qatar has an established Conflicts of Interest Policy that forms part of its 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 international best practice and serves to protect the interests of both the Company and its employees from any impropriety.

The Vodafone 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.

Details of transactions entered into by Vodafone Qatar with related parties of the Company during the financial year ended 31 December 2018 are more particularly set out in the financial statements included in the Company's Annual Report.

Anti-Bribery

As noted in the 'Compliance Programme' section of this report set out above, Vodafone Qatar operates to an established and comprehensive framework that is in accordance with global best practice and designed specifically to manage a number of areas of compliance and business risk. This framework extends to include customer and data privacy, network security and resilience and anti-bribery.

As part of the anti-bribery programme 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 in place a policy summarising share trading guidelines and specifically, the insider trading rules and regulations applicable in Qatar. This policy together with relevant share trading black-out dates, is communicated to the Vodafone Qatar Board, Executive Management Team and all employees prior to the commencement of each trading black-out period (i.e. at least fifteen (15) days prior to the disclosure of any financial results to the QSE). Vodafone Qatar has provided the QSE, the QFMA and the QCSD with a list of Insiders within the Company – the list of Insiders is continuously reviewed and updated as necessary. In addition, Vodafone Qatar monitors the trading activities related to the Company's shares by its Directors and Executive Management Team.

Litigation and Disputes

Vodafone Qatar has not been a party to any new (i.e. not previously disclosed) material conflicts or disputes, including arbitration and lawsuits, in the financial year ended 31 December 2018.

Our Shareholders

Vodafone Qatar is compliant with Article 29 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 Articles of Associations and by-laws. Further, the Board of Directors ensures that shareholders' rights are respected in a fair and equitable manner.

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 QSE rules and regulations. The Investor Relations function as part of its primary purpose and function acts to maintain an active and transparent dialogue with investors through a planned programme of investor relations activities and disclosures throughout the year including (but not limited to):

(a) publication of financial statements, 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) disclosure of material information;

(g) answering shareholders' and analysts' queries and concerns on a timely manner;

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

(i) updating the Investor Relations website dedicated to the Company's shareholders, investors and analysts.

General Assembly Meeting

In compliance with Article 32 of the QFMA Corporate Governance Code, the Company's Articles of Association affirm the right of shareholders to call Annual General Assembly 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 relevant General Assembly.

The Company endeavours to hold its AGA or any EGA at an appropriate time and place to enable the majority of shareholders to participate in such meeting. The Company further ensures that shareholders are entitled to appoint a proxy to attend the AGA and EGA on their behalf and details in this regard are contained in the AGA and EGA notices. Vodafone Qatar sets out the agenda items for the AGA and EGA in its notice to the shareholders and details of the proposed resolutions are presented to the shareholders at the AGA and EGA meetings. The resolutions are disclosed immediately after the meeting to the QSE and the QFMA. The minutes of meeting are disclosed immediately after approval. The resolutions and the minutes are available to view on the Company's website.

Access to information

Vodafone Qatar has a dedicated "Investor Relations" page on its website which provides shareholders and other stakeholders with information relating to the Company. The information is regularly updated to ensure that shareholders have most up to date information.

Additionally, as per Article 12 of the Vodafone Qatar's Articles of Association shareholders have access to the Company's shareholder register for free.

Major Shareholders

The Company's major shareholders as at 31 December 2018 holding 5% and above of the Company's share capital are as set out in the table below:

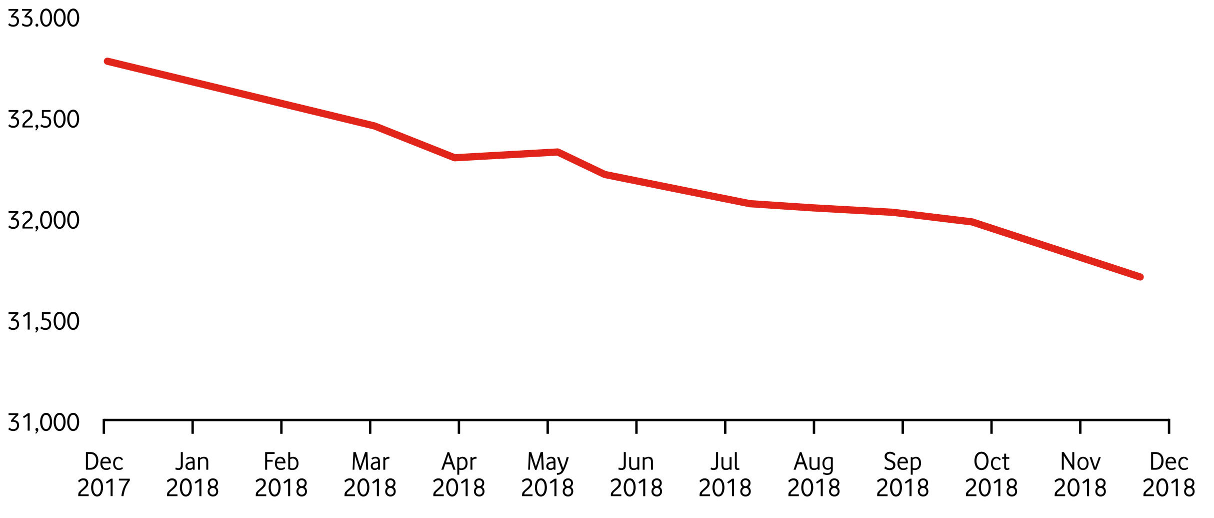
Name	Category	Domicile	Shares	Percent
Vodafone and Qatar Foundation LLC (1)	Corporation	Qatar	380,430,000	45.00%
Pension Fund - General Retirement and Social Insurance Authority	Government	Qatar	56,881,620	6.73%
Military Pension Fund - General Retirement Authority	Government	Qatar	43,714,800	5.17%
Qatar Foundation for Education Science and Community Development (2)	Corporations	Qatar	42,270,000	5.00%
		Total	523,296,420	61.90%

(1) Vodafone and Qatar Foundation LLC owns 45% of the Company's capital and is itself 100% owned by Qatar Foundation.

(2) Accordingly, Qatar Foundation's ownership interest in the Company (both directly held and indirect through Vodafone and Qatar Foundation LLC) totals 50% of the Company's capital.

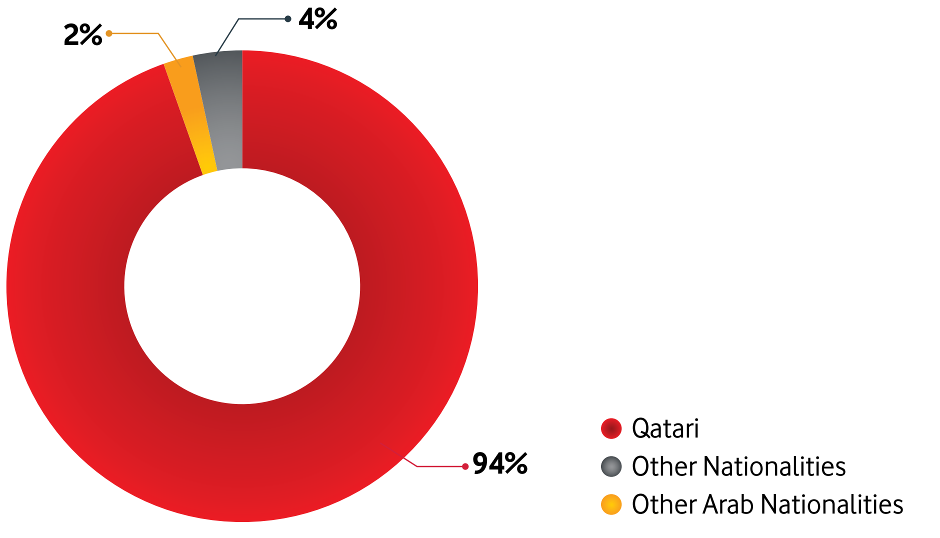
Shareholder Base by Nationality

On 31 December 2018, the total number of shareholders in Vodafone Qatar reached 31,701 down from 32,764 as end of December 2017.



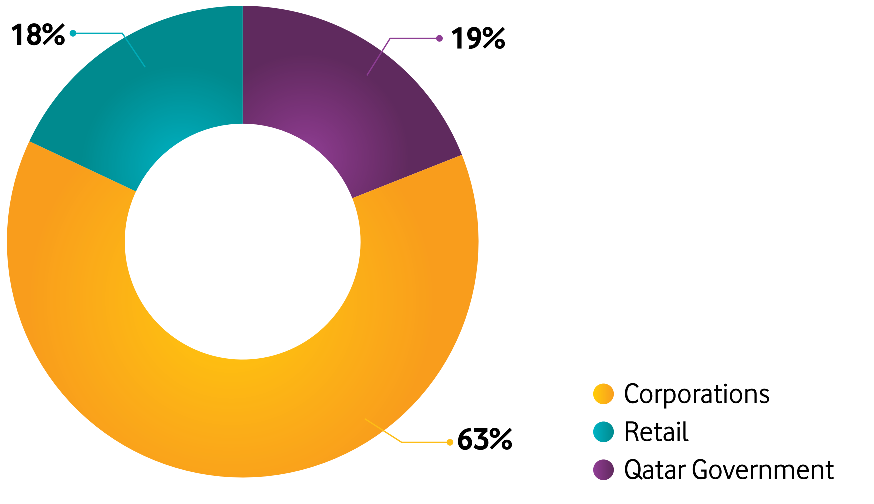
The percentage of shares held by Qatari shareholders (being shareholders, either citizens or entities incorporated in Qatar) reached 94% of the Company's share capital (including the 45% equity stake held by Vodafone and Qatar Foundation LLC) down from 95% as at 31 December 2017.

Shares owned by shareholders from other Arab nationalities and other nationalities reached respectively 2% (remained unchanged from last year) and 4% (up from 3% last year) of the Company's share capital.



Shareholder Base by Category

On 31 December 2018, the percentage of the Company's issued and paid up share capital owned by corporations reached 63% whilst the percentage owned by Qatar Government and Retail shareholders reached respectively 19% and 18%.

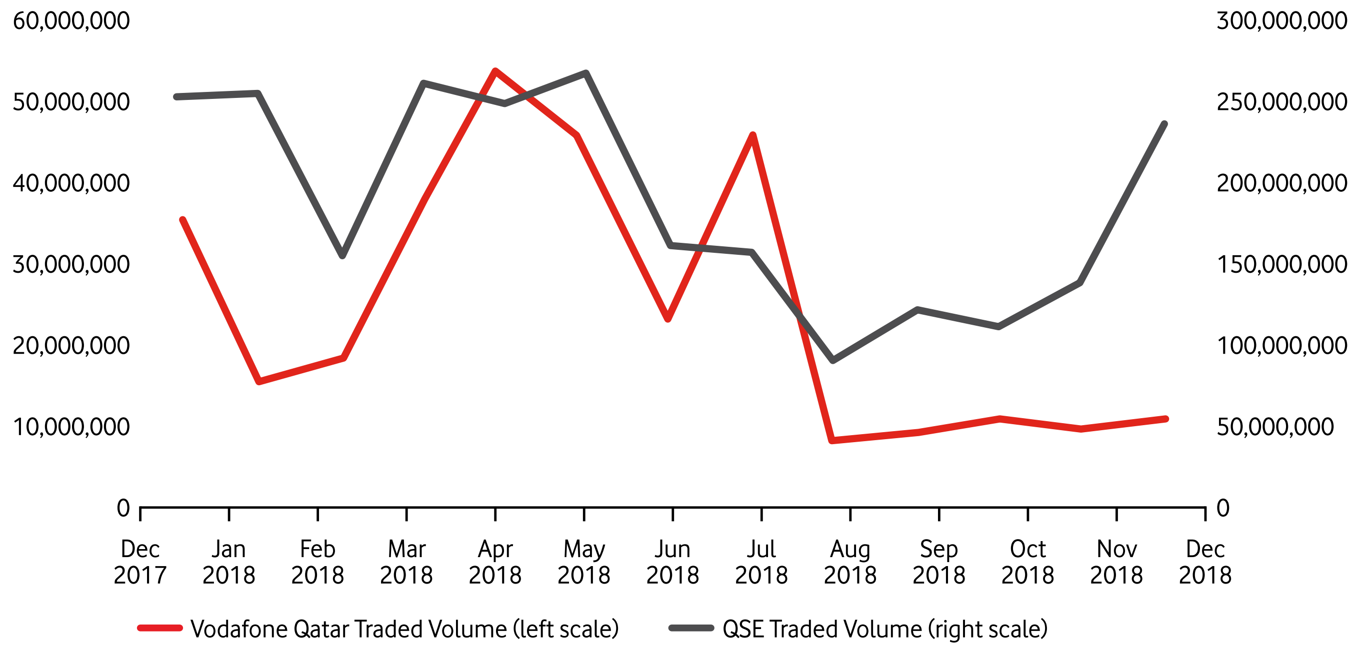


Share Trading Activity

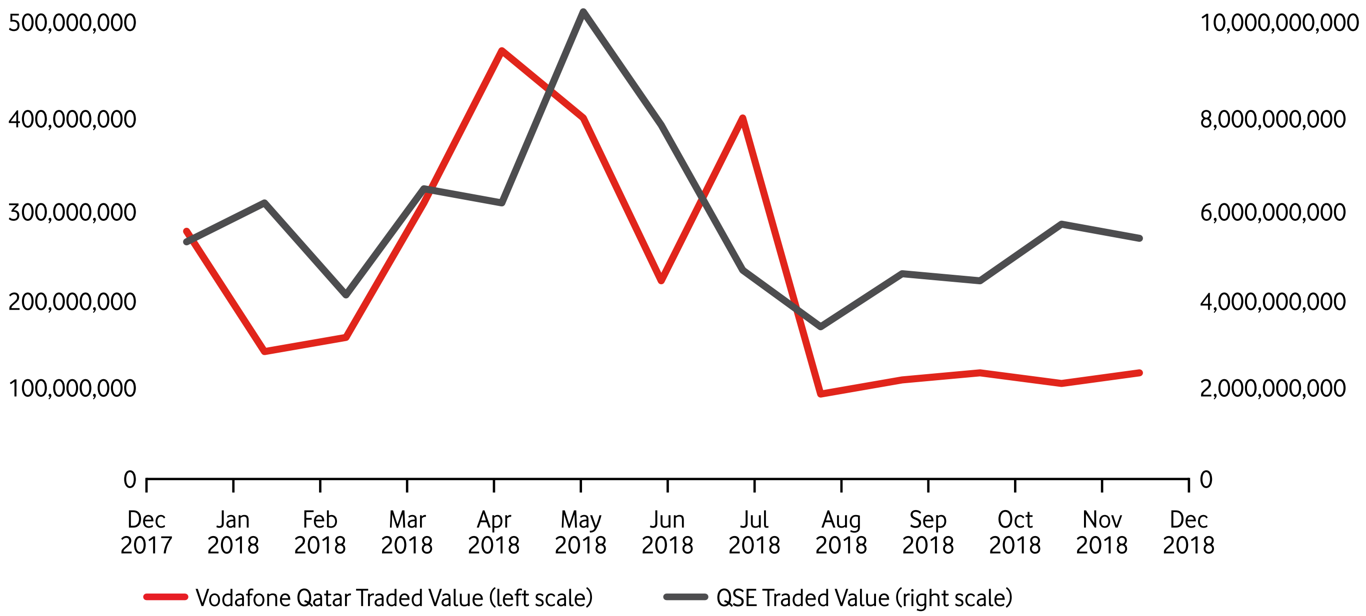
Vodafone Qatar's stock was the top volume traded stock on the QSE during the year 2018 with a monthly average traded volume of 24.5 million shares.

The number of Vodafone Qatar shares traded in 2018 was 293.6 million shares and the value of the Vodafone Qatar shares traded was QR 2.6 billion

Traded Volume

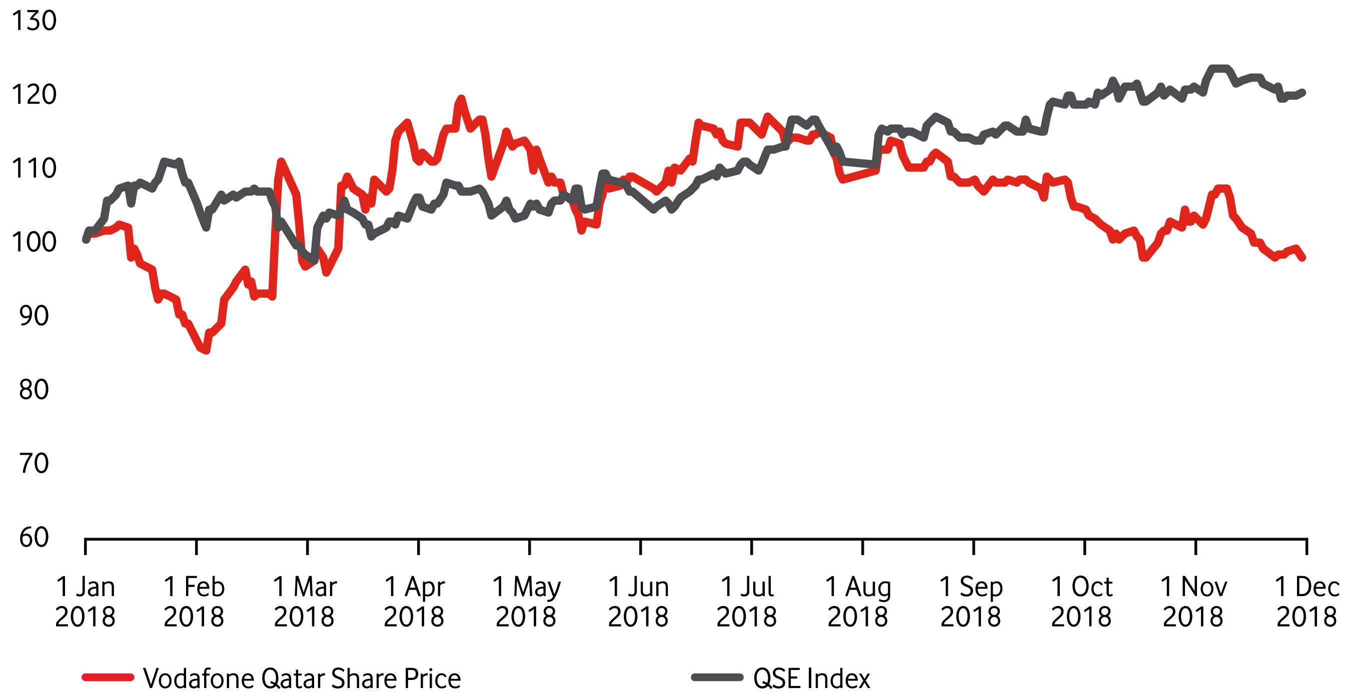


Traded Value



Share Price Movement

In the financial year ended 31 December 2018, Vodafone Qatar's share price decreased by 2.62% (from QR 8.02 at 31 December 2017 to QR 7.81 at 31 December 2018).



Major Transactions

Vodafone Qatar was not involved in any Major Transaction(s) in the financial year ended 31 December 2018.

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.

Corporate Social Responsibility

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 communities where we live and work. We hope to deepen personal links, enhance the quality of life in our surroundings and create opportunities for a better future for all people in Qatar.

In 2018, we focused our investments in three key areas:

(1) Digital literacy

(2) Community giving

(3) Youth empowerment

These investments are regulated through our Charitable Donations Policy, which ensures all our contributions are linked to using mobile communication technology for social welfare, environmental protection or community support. Our Social Investments Committee assess all requests based on transparent and objective evaluation criteria.

3 Executive Management Team

Sheikh Hamad Bin Abdulla Al Thani

Chief Executive Officer (CEO)

Sheikh Hamad served as Vodafone Qatar's Chief Operating Officer where he was responsible for the Company's Customer Operations, Human Resources, Legal & Regulatory and External Affairs functions.

During his tenure in this role, Sheikh Hamad focused on ensuring the company provided its customers with the best services through successful execution of a number of projects and programmes. These included Customer Experience and Operational Excellence and employee related programmes that achieved best practices, in addition to playing a key role in helping to shape the regulatory environment in the State of Qatar.

Since joining Vodafone Qatar in 2013, Sheikh Hamad has served in several roles including Business Development Manager, Head of Public Sector Sales and Sales Director. It is in these roles that Sheikh Hamad's direction resulted in the substantial share growth of Vodafone Qatar's enterprise market, as did the Company's position as an ICT service provider.

Prior to joining Vodafone Qatar, Sheikh Hamad served in the Oil & Gas sector in various areas such as industrial network engineering and control system engineering.

Education

- BA, Computer Science – University of Ottawa

Khames Mohammed Al Naimi

Chief Human Resources Officer (CHRO)

Khames Al Naimi joined Vodafone Qatar in May 2018, bringing years of experience delivering human resources management programmes and services in leading Qatari organisations.

Previously, he worked as the HR Director for the Supreme Committee for Delivery and Legacy. He has extensive experience working with the Qatar Foundation and Dolphin Energy Ltd.

Education

- MA, Strategic Business Management – HEC Paris
- BSc, Business Administration – Applied Science University

Diego Camberos

Chief Operating Officer (COO)

Diego Camberos joined Vodafone Qatar in March 2017 from telecommunications company, Tigo-Millicom, where he served as CEO in Senegal and Rwanda.

After almost 2 years Diego has lead company-wide commercial, operational, brand and digital transformation. He has ushered in dynamic new ways of thinking that have resulted in the strongest commercial performance the company has posted to date. This has helped elevate the brand reputation both to customers and shareholders alike.

In under three years in Senegal, he transformed Tigo-Millicom into a strong challenger among emerging telecoms companies with solid double-digit growth. In Rwanda, he led the company to acquire 35 per cent market share in his first two years. He has held numerous other management positions across Latin America, including with McDonalds, Comcel and Viva.

Education

- MA, Business Administration – University of Los Andes (Columbia)
- BA, Economics and International Studies – University of South Carolina (United States)

Brett Goschen

Chief Financial Officer (CFO)

Brett Goschen was appointed CFO in August 2017, bringing 30 years of regional experience and financial acumen to Vodafone Qatar as a certified chartered accountant. Previously as CFO and Executive Director for MTN Group Limited, Brett oversaw finance in 22 operating countries across the Middle East and Africa.

His management experience is as broad as his geographic reach with CEO roles for organisations including MTN Nigeria Communications Limited, MTN Ghana, Autopage Cellular and Digicel.

Education

- Chartered Accountant (South Africa)
- Certificate, Advanced Management – INSEAD (France)
- B.Compt Honours, Accounting Science – University of South Africa (South Africa)
- B.Comm, Accounting – University of Natal (South Africa)

Ramy Boctor

Chief Technology Officer (CTO)

Since joining Vodafone Qatar in February 2014, Ramy Boctor has led the launch of our 4G, 4G+ & 5G network. Under his leadership, our network was recognised as “Best in Test” by the international leader in mobile performance testing, P3 Communications for 3 years in a row (2016, 2017 & 2018). In July 2018, the CRA released a report showing that Vodafone Qatar ranked first on local data with the fastest call set-up time and best voice quality and 100% on call completion.

Previously, Ramy was CTO at Mobilink where he was renowned for improving tech performance with under-performing teams and rolling-out innovative solutions.

Education

- MA, Business Administration – Warwick Business School (United Kingdom)
- BSc, Telecommunication Engineering – Cairo University (Egypt)

4 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 communities where we live and work. We hope to deepen personal links, enhance the quality of life in our surroundings and create opportunities for a better future for all people in Qatar.

In 2018, we focused our investments in three key areas:

1. Digital literacy
2. Community giving
3. Youth empowerment

These investments are regulated through our Charitable Donations Policy, which ensures all our contributions are linked to using mobile communication technology for social welfare, environmental protection or community support. Our Social Investments Committee assess all requests based on transparent and objective evaluation criteria.

Digital literacy

AmanTECH

AmanTECH, Vodafone Qatar's hero CSR programme, equips children, parents and teachers with the right tools to navigate the digital world safely. We are very proud of the many achievements realised in 2018.

In partnership with the Ministry of Transport and Communications (MOTC) and the Ministry of Education and Higher Education, we doubled the number of online safety workshops to 20 at primary schools this year, benefitting more than 2,000 students. We also engaged communities in activities to mark World Mental Health Day under the theme, Young People and Mental Health in a Changing World.

AmanTECH's outreach culminated in December with the annual Al Bawasil camp for children with diabetes. Since 1999, around 100 children from Qatar and the greater region have visited Al Bawasil to learn to manage the emotional and physical effects of diabetes. As part of the programme this year, we conducted a fun and interactive workshop for the children on digital safety.

Better Connections

Through the Better Connections Programme, we are providing internet connectivity services and devices in 1,500 labs that will benefit 1.5 million workers in Qatar. The programme began in 2017 in collaboration with the MOTC.

Giving back to the community

Employees as a force for good

We make giving back to the communities where we live and work a priority. By acting together, we believe that we can become a force for good in the world. This spirit of generosity was on full display this year when employees raised QR 500,000 to build a community centre in Mali with the Qatar Charity, Al Mutanafisoon.

Through our World of Difference programme, we supported 30 employees to conduct charitable work in 2018. They helped low-income cancer patients to connect with their families, aided Filipino workers with essential food and hygiene supplies and collected toys for orphans.

Once again employees lined up for our annual blood donation drive held at headquarters. Donations supported Hamad Medical Corporation's urgent need for blood, particularly from rare blood groups.

In the philanthropic spirit of the holy month of Ramadan, our employees were quick to volunteer to bring cheer to children being treated at hospitals. In the beloved tradition of Garangao, they packaged and distributed sweets for children in Hamad Hospital. Close to Eid, our employees surprised children with disabilities at Rumailah Hospital with gifts.

Ramadan Shukran

Vodafone's Shukran campaign, meaning thank you in Arabic, spread positivity throughout the holy month and encouraged the community to appreciate everything and everyone in their lives.

On top of volunteering during Ramadan, employees helped 400 people to call their loved ones back home for free with a specially designed Vodafone mobile phone booth.

We also joined hands with the Hifz Al Naema Social Centre to distribute Ramadan food baskets for more than 150 families in need and raise awareness about food waste.

Red easy donations

We make it easy for customers to give back too. In 2018, we added the Qatar Red Crescent to the list of charities that customers can make automatic monthly contributions to as part of their Red Postpaid plan. One hundred per cent of each donation is given to the organisation.

Youth empowerment

Empowering younger generations is one of our top priorities. Across the company, we are committed to helping the exceptional number of young people in Qatar access skills, learning and employment opportunities.

In addition to actively hiring talented Qatari graduates, we look for meaningful opportunities to engage Qatar's youth including in universities, during special events and on digital channels.

Supporting start-ups and entrepreneurs

In 2018, we supported three local tech start-ups created by university graduates to present their apps to a global audience at the Arch Summit 2018 in Luxemburg. The summit brought together the corporate and start-up world to network, get inspired and partner to drive innovation.

Newly launched local coffee brand, Empire Coffee, is owned by brothers, Ibrahim Al-Khulaifi. When we let them run the Vodafone Café at the Kaffeinated 2.0 coffee festival, they gained vital learning opportunities and brand exposure. All proceeds from coffee sales went to support the Qatar Red Crescent.

Review of the year

The brand

True to our brand promise, *The Future is Exciting. Ready?*, we have embarked on a journey to inspire everyone in Qatar to live a better today and build a better tomorrow with technology. Our ambition is to be the digital partner that drives innovation in Qatar and empowers local communities to progress and prosper.

Realising the power of 5G

In August, we put Vodafone's brand promise to the test when we switched our first, live 5G network and connected the first customer in Qatar to 5G. Our ongoing commitment to building world-class digital infrastructure is fuelling the transformative potential of 5G to improve how we live and work in Qatar, enabling us to become one of the world's most digitally connected countries.

World-class partnerships

Our brand awareness and reputation has grown through our partnerships with other world-class Qatari brands. This year we announced an exciting partnership with Qatar Airways to offer all our Red Postpaid customers an easy way to earn Qmiles and enjoy a range of exclusive travel benefits. Our Red portfolio offers the most comprehensive and worry-free mobile Postpaid plans in the country. By partnering with Qatar Airlines and others, we can deliver even more exciting benefits to customers and expand our brand reach.

Leveraging platforms

We succeeded to enhance brand loyalty and engagement by leveraging our platforms as well. This year we relaunched the Flex platform, inviting Post and Prepaid Flex customers to "Flex like a boss" and stay in control of their plan allowances. The campaign reflects Vodafone's attitude and commitment to give customers the flexibility to control their own spend. Customers could earn more Flex through local partners such as Baladna, with the chance to become Flex Millionaires.

Engaging on social media

We ramped up our social media activity with targeted campaigns across the most popular social platforms in Qatar. Content has helped to digitise the brand by showcasing our revolutionary investments in innovation and technology and our digital-first approach. These campaigns resulted in greater real-time engagement with customers around their passion-points and interests.

"Glocal" reputation

Overall our 2018 initiatives have helped to root Vodafone the brand locally in Qatar and build on our global distinction for innovation. This "glocal" reputation is clearly helping to propel our success. As we look forward to 2019, we are boldly optimistic about the future and genuinely excited about the role Vodafone is playing to ignite Qatar's digital agenda.

Getting closer to our Customers

New stores

Leading in retail for us means efficiently expanding our footprint to be closer to our customers and strategically present in top destinations across the country. Today, we have 30 retail stores across Qatar, two of which recently opened in Tawar Mall and Mansoura.

Our new stores take customers on a branded journey where they experience the convenience, transparency, simplicity and speed of business with Vodafone. We significantly improved features in our store model to deliver the best possible advice and service to customers.

We have also empowered our retail agents with a centralised platform that provides a 360° view of customer information. The platform has improved the seamless delivery of service, while protecting customer data and privacy.

Postpaid services

We have expanded our distribution by offering Postpaid sales in 200 mass-market outlets, strategically spread across Qatar where we lack a retail footprint or competitive presence. In 1,000 mass outlets, we have also launched bill payment capabilities for Postpaid accounts.

We have a presence in 127 third-party self-service machines across Qatar where customers can recharge and pay bills. This expansion is a win-win for customers who now get better access to Vodafone services, and for dealers who now benefit from more business with Vodafone.

Innovation through responsible analytics

Vodafone Qatar is committed to making customer lives better using advanced analytics. With best-in-class data science tools and leading data scientists, we realised exciting new channels and enhanced the customer experience.

These developments have reinforced our reputation for deeply understanding customer needs and responding with innovative offers and superior service. Our cutting-edge analytics and robustly tested processes are proving essential to these achievements.

As we expand our analytics capabilities, we take data security and confidentiality very seriously. With best-in-class systems and highly skilled experts, Vodafone Qatar meets and often exceeds our obligations to protect and secure customer data.

We CARE

Customer experience has become a critical differentiator in today's competitive global marketplace. With our CARE customer experience strategy, we are enhancing the customer experience to deliver tangible business advantage.

With **CARE**, we ensure that customers are **C**onfidently connected, **A**lways receive excellent value, **R**ewarded for their loyalty and **E**asily access support.

The programme is key to offer the most engaging digital experience to customers, blending the digital and physical assets of Vodafone with personal, instant and easy service. By making use of more advanced digital technologies, CARE is contributing towards incremental growth in revenues while reducing net operating costs on an organic basis.

C – Connectivity

Vodafone connects people, places and things in ways people could never imagine before. *Discover how we **C**onfidently connected customers in 2018.*

- **Best Network:** according to CRA QoS Audit Report issued in July 2018, we achieved the fastest average data throughput for local data (172 Mbps for download and 47 Mbps for uploads). On voice, Vodafone Qatar had the fastest call set-up time of 3.44 seconds and best voice quality with a 100 % rate for call completion.

- **5G**: We switched on our first, live 5G network in August and connected the first customer in Qatar to 5G.
- **Roaming:** We expanded the Vodafone Passport Pack to include China, increasing our roaming countries to 104.
- **Advance Flex:** We launched a new service that allows Flex customers to remain connected even after they run out Flex credit.
- **Ncell Network:** We partnered with Ncell in Nepal to enable customers with international minutes to connect with family and friends on the Ncell network.

A - Always excellent value

Delivering exceptional customer value, both in consumer and enterprise segments, is core to our success in Qatar. *Discover how customers Always received excellent value in 2018.*

Valuing time

- We launched newly designed queuing machines in our flagship stores that will soon be available in all our locations.
- We realised a 12 per cent increase in the resolution of tickets within a 24-hour period.
- Customers can now make transactions faster with a self-service menu in stores that use interactive voice response (IVR).

Valuing service

- Subscribers to our premium and VIP service attested to the superior service they received in Customer Net Promoter Scores (NPS) and Voice of the Customer initiatives.
- Fixed customers received a broadband upgrade in The Pearl, including a 20 per cent discount on mobile broadband unlimited plans and a Huawei Mifi device with mobile broadband 250 or above plans.

Valuing price

- We launched the “Flex like a Boss” campaign to promote our Flex Plan that offers customers total control of their spending on data, calls and SMS. Other Flex benefits include the ability to carry forward unused Flex, never exceed their plan limit, free calls between numbers on the same Vodafone account, free data for six months and much more.
- Customers earned Flex credit through local partners such as Baladna, with the chance to become “Flex Millionaires”.
- We released daily offers for free minutes, discounted rates and recharges. Offers included reduced handset prices for iPhone, Nokia and Samsung along with a 10 per cent discount on accessories.

R - Rewarding loyalty

We work hard to develop relationships with customers, appreciating them for choosing Vodafone and continuously reaffirming this decision with rewards. *Discover how we Rewarded customer loyalty in 2018.*

- Travel more with Red and Qmiles: We partnered with Qatar Airways Privilege Club to offer all Red Postpaid customers an easy way to earn Qmiles and enjoy a range of exclusive travel benefits.
- Personalised offers: Postpaid customers received a range of personalised offers for Flex credit, data, international and local minutes through our Postpaid NBA programme.
- Win like a boss: Prepaid customers could win up to QR 5,000 each – like a boss – with this first of its kind promotion.
- Valet parking: New RED 500 customers received free valet parking for 12 months at our stores.

E - Easily access support

Customers expect efficient service and the latest technology solutions from Vodafone. *Discover how customers Easily accessed support in 2018.*

- eSIM: Customers can now connect to the network without using a physical SIM card, allowing for seamless switching of personal and business numbers.
- Add-ons: Customers can easily activate and deactivate add-ons using the My Vodafone App without having to contact the call centre or visit a store.
- Bill payment by App: This in-store campaign educated customers about the benefits of making payments using the My Vodafone App.
- Debit card: The My Vodafone App now accepts debit cards as a payment method.

Enabling customers to perform better

We are relentlessly focused on enabling businesses to succeed in a changing digital world. In 2018, we pushed ourselves further with major investments in our networks and IT systems that showed just how “exciting” business with Vodafone can be.

Launched 5G to propel Qatar’s economic growth and give businesses access to the latest 5G technology. We are proud to have had the privilege to be the first operator in Qatar to connect an enterprise customer to the 5G network.

Expanded our fibre network to new footprints, thus reaching more customers and allowing them to connect their people, places and things through our resilient & secure network.

Modernised our Voice Core Network to improve voice quality and reliability for customers with our cloud infrastructure.

Invested in App infrastructure to communicate with and service customers more efficiently and dynamically.

Cyber security

We take our cyber security responsibilities very seriously, adopting an active defence against the increasing volume and diversity of threats. We protect customer and employee data and privacy with proactive measures that identify and mitigate threats. Any breaches are treated according to law.

Industry trends show that Distributed Denial of Service attacks, known as DDoS, are on the rise. In response, we launched a new DDoS mitigation service this year to better protect enterprises from this emerging threat. The service proactively mitigates DDoS risks before attackers can harm a customer’s network.

Investing in IT infrastructure

We swapped and modernised our mediation stack, reducing the processing time of Call Detail Records (CDR) from eight hours to less than two minutes. This hugely improved call centre handling and increased first call resolution by almost 20 per cent. We made many other exciting improvements to our IT infrastructure as well.

- Digital layer for digital channels that increased the capacity of the My Vodafone App by seven times and enhanced performance by 50 per cent.
- Customer Relation Management (CRM) system on PCs and tablets for all call centre and retail stores, reducing handling times for customers.
- Electronic Recharge Application to make it easier for Prepaid customers to recharge accounts digitally. This included vouchers and roll-out in 1,000 plus locations for the mass market, distributors and dealers.

Modernising the network

Vodafone customers in Qatar today enjoy one of the best voice and data services in the world. This is a direct result of our QR 1 billion investment in innovation and technology. Since we began in 2009, we have relentlessly sought to modernise our network. This year was no exception.

Introduced 5G

We were among the first to introduce live 5G service in Qatar and the region. We expect to be among the first operators to bring 5G to all commercial customers by the end of 2018.

CRA audit report

Our status as a world-class operator is reflected in the 2017 independent audit by the Communications Regulatory Authority (CRA) in Qatar. According to CRA QoS Audit Report issued in July 2018, we achieved the fastest average data throughput for local data (172 Mbps for download and 47 Mbps for uploads). On voice, Vodafone Qatar had the fastest call set-up time of 3.44 seconds and best voice quality with a 100 per cent rate for call completion. Our world-class network has achieved similar recognition from international industry associations, including GSMA.

Network availability

Our mobile and fixed network availability is consistently ranked nearly 100 per cent above all other Vodafone networks in Africa, the Middle East and Asia. Our investments in 2018 brought even greater resilience and reliability to our network.

Providing more to enterprise customers

As a customer-centric company, we put our customers’ needs at the forefront of our operations.

The milestones we achieved in 2018 demonstrate this customer-centric commitment.

Enhanced our security products portfolio with features to protect customer networks from congestion caused by cyber hackers and prevent attacks that deny genuine users from accessing their web services. We also added an enhanced security layer to protect customer applications from malicious cyber-attacks.

Developed our call centre services by introducing a digital knowledge database. When coupled with an improved customer telephony system, this database enables our frontline teams to provide customers with a world-class experience. Today, Vodafone Qatar leads in several customer-care performance indicators in the region.

Enriched our total telecoms proposition with a customer-centric approach that puts customer needs at the forefront and provides a suite of tailored services beyond core connectivity.

We beat our last year's all-time-low mobility churn by improving our quality-first acquisition strategy, coupled with our improved incentive scheme, both delivering high quality customers resulting in consistent revenues.

Our people and culture

Our people are behind every aspect and success of our company strategy. Together, we are committed to delivering superior network performance, outstanding customer experience and contributing to the Qatar National Vision 2030.

The Vodafone Way underpins our culture and purpose. At its centre is a focus on three core principles: speed, simplicity and trust. We want our people to respond swiftly and effectively to challenges and opportunities, especially those that affect our customers. Avoiding unnecessary bureaucracy and costly and cumbersome internal processes is a priority. Our culture ensures business activities and decisions recognise the importance of earning and retaining the trust of our customers, employees and stakeholders.

Our leaders foster a culture where communication, team work and trust come together to unleash greatness. We strongly believe that this culture will drive innovation and create the better today and tomorrow we seek for our employees and customers.

Attracting and developing great people

In the last year, we have significantly increased the opportunities we provide to young people to experience work at Vodafone consistent with the Qatar National Vision. We have also made strides to "Qatarise" more employee roles with Qatari citizens going forward and have increased the number of Qataris in the company.

Through our Discover Graduate programme, we are identifying the next generation of Vodafone leaders by hiring the best talent from universities. This programme is key to grow our talent pipeline with diverse young people who are ready to drive Vodafone forward to the next telecoms era. In 2018, the two-year programme took a number of participants on a journey across the business.

We want the world's top talent to choose Vodafone because of our reputation for investing in learning and development across the company. This year, we invested significantly in employee training and development. While these programmes take many forms, our core focus in 2018 was on developing agile leadership and digital management skills. Initiatives also empowered front-line staff with skills to improve the digital customer experience.

Recognising performance

We reward people based on their performance, potential and contribution to our values and success. To maintain compliance with our fair pay standards, we benchmark and monitor our pay practices on a regional and industry level. This ensures our pay practices, including retirement and other benefit provisions, are:

- compliant with all local legislation
- free from discrimination
- market competitive
- easily understood

Global short-term incentive plans are offered to a large percentage of employees and senior managers are eligible for global long-term incentive plans. Our arrangements are subject to company and individual performance measures.

Creating a safe place to work

We want everyone working with Vodafone, including our partners and suppliers, to return home safely every day. This is why health and safety rules are fully integrated as a core value across Vodafone Qatar.

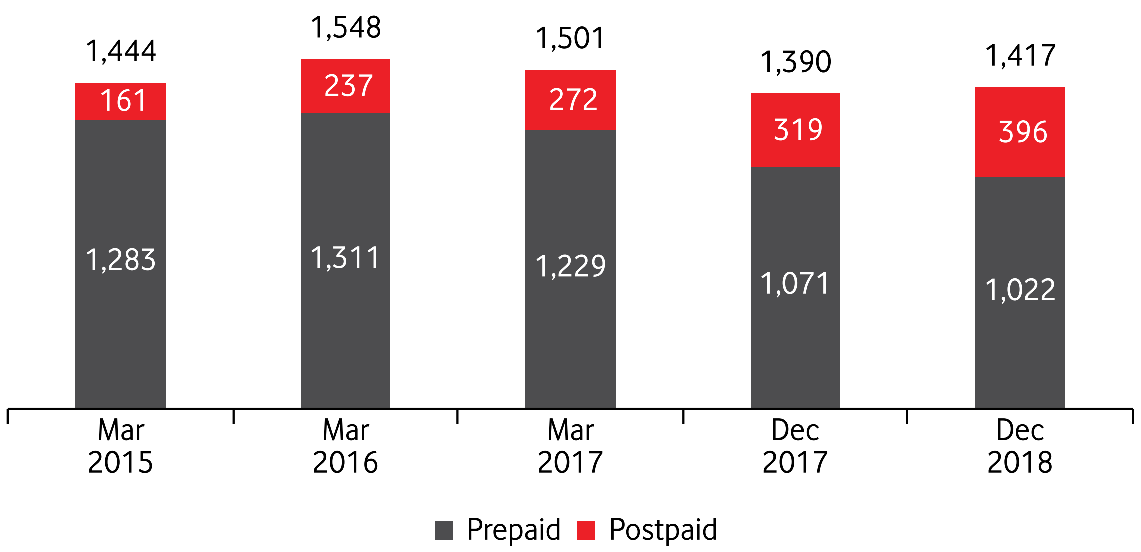
The management team makes health and safety a priority, visiting different locations on a quarterly basis to lead by example. Their presence has helped to establish our culture of health and safety and encouraged partners to rise to the same high standard.

Initiatives that support employee wellbeing are part of this culture. Activities in 2018 included football tournaments, the Wellbeing Challenge and Health and Safety Week. All have contributed to greater workplace engagement, motivation and productivity.

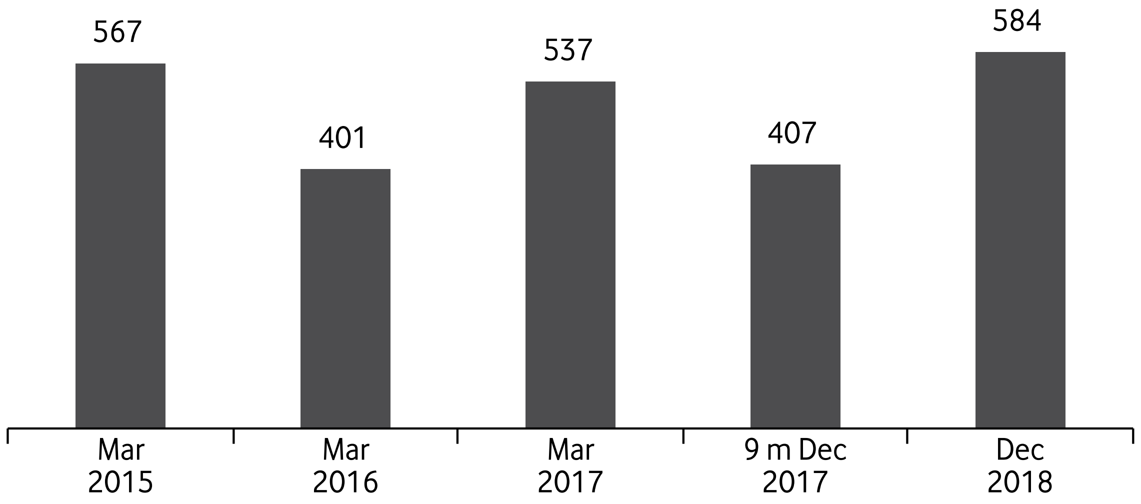
Financial Highlights

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

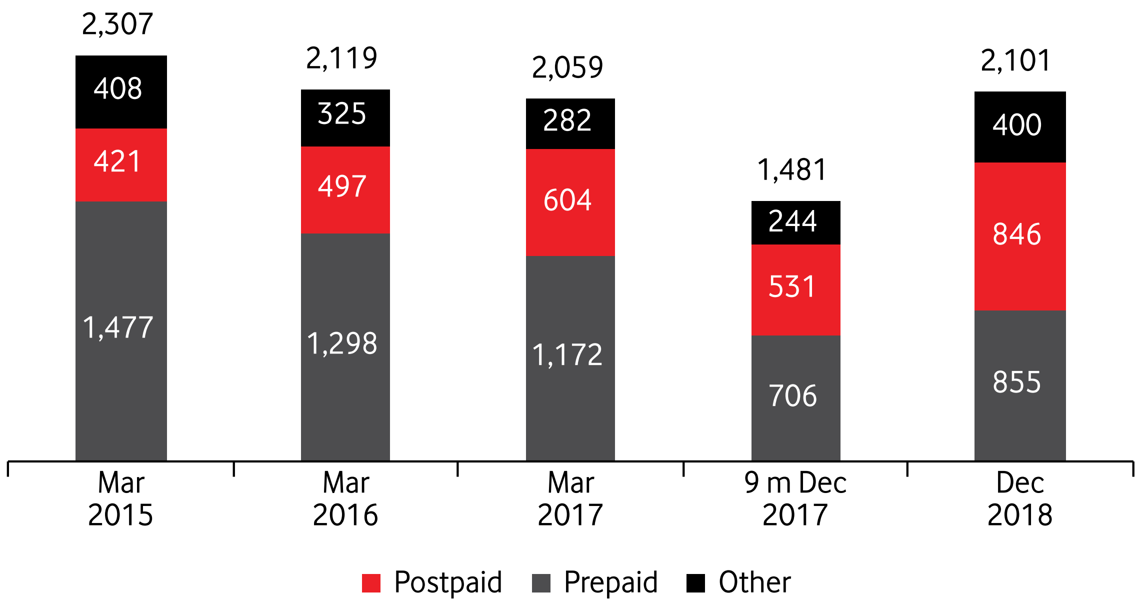
Customers (000)



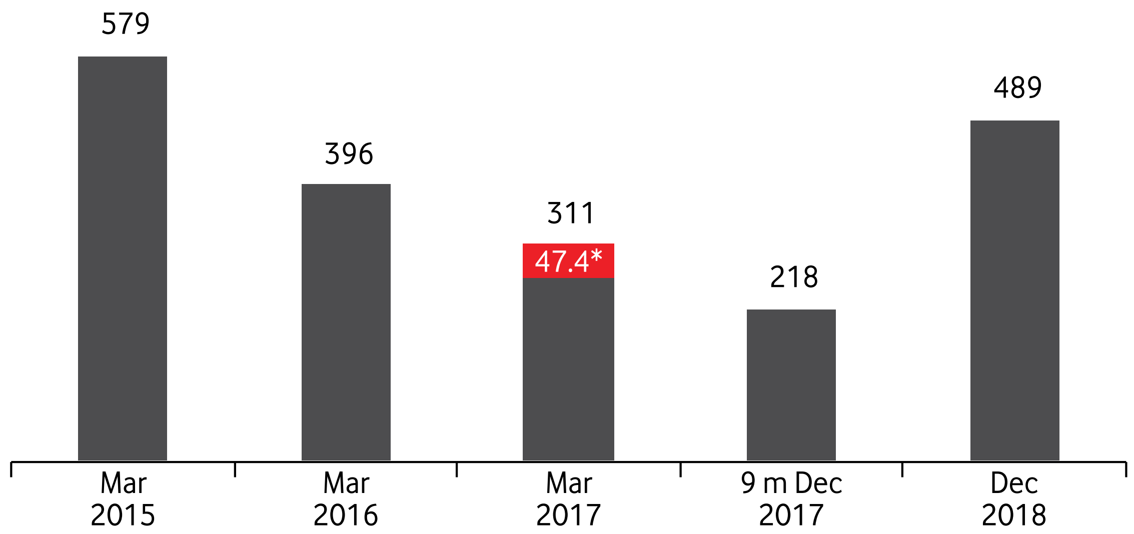
EBITDA (before industry fee) (QR m)



Revenue (QR m)

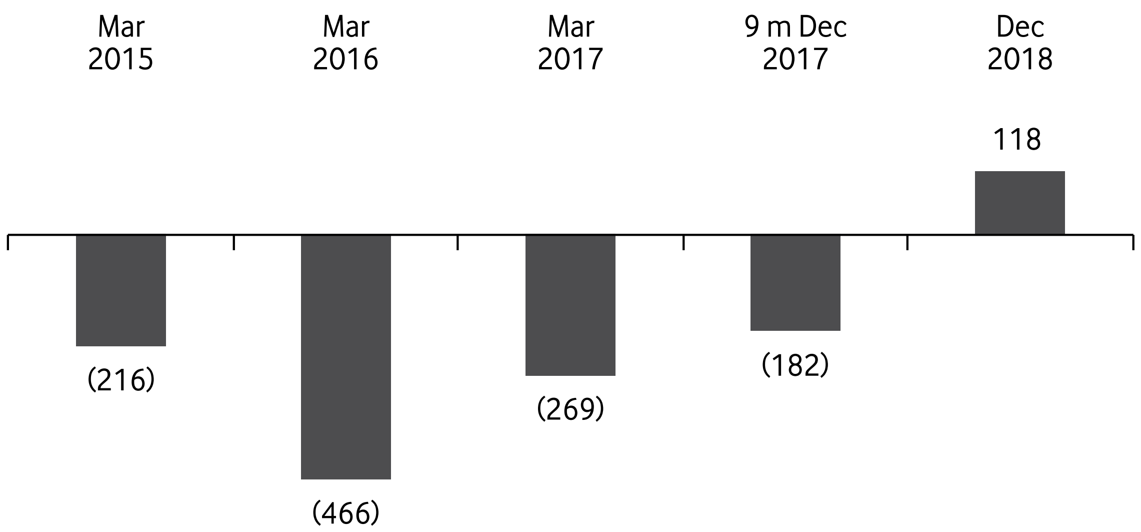


Capital Expenditure (QR m)

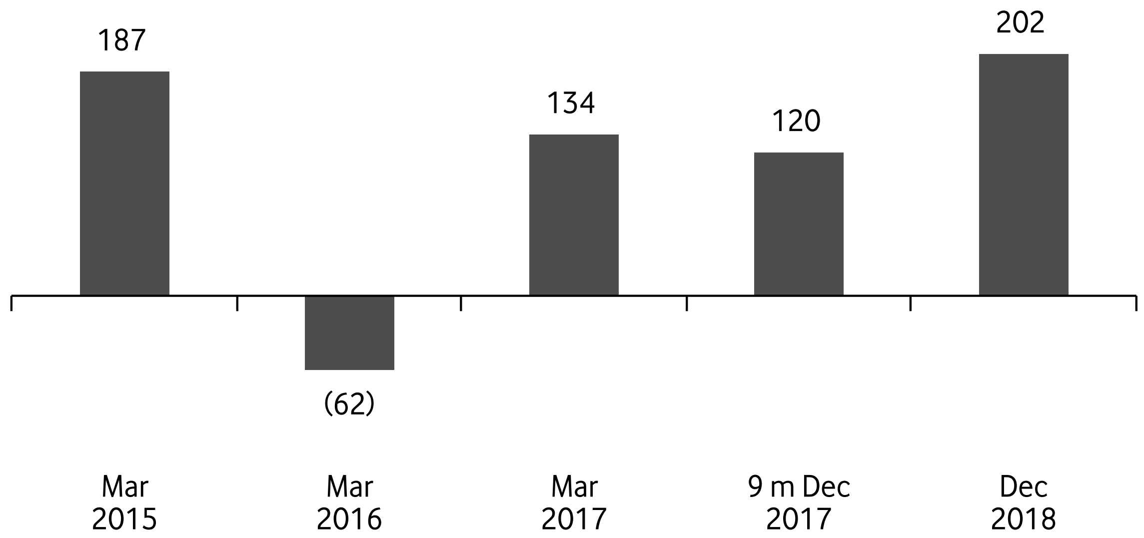


* QR 47.4 represents Assets Retirement Obligation

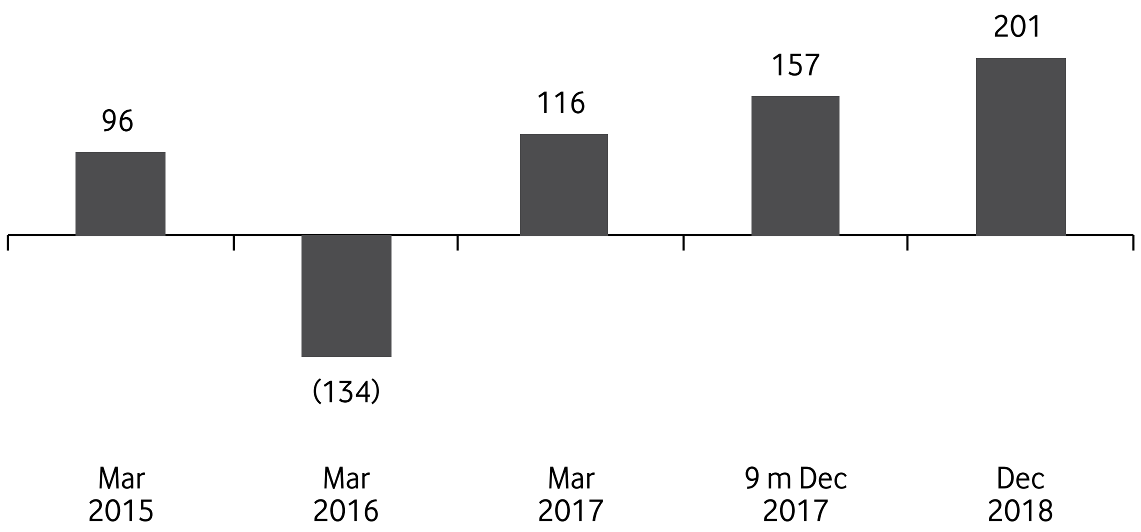
Net Profit/(Loss) (QR m)



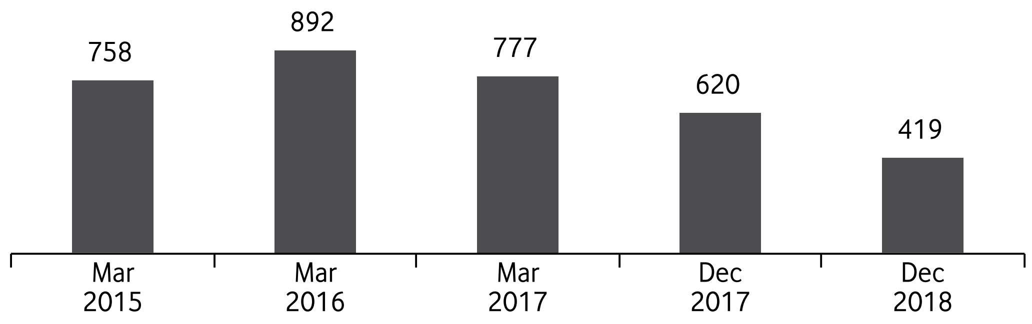
Net Profit Excluding License Amortization (QR m)



Free Cash Flow (QR m)



Net Financing Position (QR m)



6 Financial Statements

In the Name of Allah, Most Gracious, Most Merciful

ANNUAL SHARIA REPORT OF VODAFONE QATAR FOR THE FISCAL YEAR ENDING 31/12/2018

Dear Shareholders,

All praise be to Allah, and peace and blessings be upon His Messenger Mohammed and upon his family and companions,

Based on the letter of assignment, we present to you our annual report:

First	Based on the company's commitment to the provisions of the Islamic Shariah, we have arranged the legally accepted contracts, reviewed the contracts, and channeled the company's diversified activities in a manner that does not contradict the provisions of Islamic Shariah.
Second	With the management of the company, we have supervised the placement of funds by developing rules and regulations in conformity with the Shariah, and we have geared these placements towards the benefit of the company, without any conflict with the provisions of Islamic Shariah's law.
Third	We have supervised directly the Shariah's abiding internal audit and review with the help of an independent company that submitted its reports to us. In this regard, we have discussed the report and presented our observations, in regard to the Islamic law, to the management of the company. Moreover, we have studied and discussed them to take appropriate corrective actions and complete the Islamic law requirements.
Fourth	We have answered questions about the activities that the company wants to undertake.
Fifth	The responsibility for implementation rests with the management of the company. Our responsibility is limited to expressing an independent opinion based on what was presented to us and what we have perused in regard to the operations and activities of the company and preparing this report for you.

In our opinion:

a- The financial statements for the year ended 31/12/2018, which we have reviewed and discussed with the financial management, do not contradict the provisions of Islamic Shariah's law.

b- The contracts and agreements concluded by the company during the year ended 31/12/2018, which we have reviewed and audited, in their entirety, do not conflict with the provisions of Islamic Shariah's law.

c- The responsibility to pay Zakat lies with the shareholders and not the company; therefore, we will calculate it separately in addition to the outstanding Zakat statement from the company (the value of zakat per share for the investor) for the year ended31/12/2018.

Finally, we pray that Allah bless everyone's efforts in abiding by the provisions of the Shariah and contributing to the development and prosperity of this dear country.

Prayers and peace be upon our Prophet Muhammad, his family and his companions.

Peace, mercy and blessings of God be upon you.

Prof. Ali Mohiuddin Al-Quradaghi

Islamic Shariah Advisor of Vodafone Qatar

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Vodafone Qatar P.Q.S.C (the "Company"), which comprise the statement of financial position as at December 31, 2018, and the statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Company's financial statements in the State of Qatar, and we have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 1 in the accompanying financial statements, which refers to the fact that, during 2017, the financial year-end of the Company was changed from 31 March to 31 December, and its effect on the financial statements. Our opinion is not modified in respect of this matter.

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 year. 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 matters	How our audit addressed the key audit matters
Accuracy of revenue recognition and controls around IT subsystems The Company reported revenue of QR. 2,101,061 thousand from telecommunication and related activities. There is an inherent risk around the accuracy of revenue recognised given the complexity of the systems and business products and services. Complex IT systems are used in processing large volume of data through a number of different systems. Further, the Company adopted IFRS 15 *Revenue from Contract with Customers,* from January 1, 2018 and updated its revenue recognition policy. The Company has selected the modified retrospective method, which led to an increase in the opening retained earnings by QR. 1,415 thousand at the date of initial application. The following notes to the financial statements contain the relevant information related to the above discussed matters: Note 3 – Significant Accounting Policies Note 5 – Revenue Note 27 – Critical Accounting Judgments and Key Sources of Estimation Uncertainty	Our audit approach included a combination of test of controls and substantive procedures, in particular, the following: • Understanding the significant revenue processes and identifying the relevant controls, IT systems, interfaces and reports; • Understanding the control environment and testing the general IT controls over the main systems and applications involved in the revenue recording process. • Evaluating the design and testing the operating effectiveness of automated controls in the IT environment in which the core network and related systems reside, covering pervasive IT risks around access security, change management, data center and network operations; • Performing tests on the accuracy of customer bill on a sample basis and analytical procedures on significant revenue streams; and • Assessing the appropriateness of the Company's accounting policy and the compliance of revenue recognized therewith

Carrying value of the intangible assets As at December 31, 2018, the carrying value of the Company's intangible assets amounted to QR. 4,428,490 thousand. We focused on the area because of judgments involved about the future results and key assumptions involved in management's assessment of the carrying value. The inputs that are used in the calculation of the recoverable amount require significant judgments and estimates specifically on future projections, growth rates and discount rate. Further, management has assessed the Company as one cash-generating unit due to the interdependency of cash flow derived from mobile and fixed business. The following notes to the financial statements contain the relevant information related to the above discussed matters: Note 13 – Intangible Assets Note 27 – Critical Accounting Judgments and Key Sources of Estimation Uncertainty	Our audit procedures included an assessment of the design and implementation of controls over the impairment assessment process. Furthermore, we evaluated the model prepared by management to compute the recoverable amount against the requirement of IAS 36 Impairment of Assets. We determined the appropriateness of the key assumptions on management's forecast on the future operating cash flows, the long-term growth rate and the discount rate. Our procedures mainly included challenging management on the suitability of the impairment model and reasonableness of the assumptions used through performing the following: • Agreed the cash flow forecasts used in the impairment model to Board approved business plan; • Corroborated management's expectations used in the model in respect of developments in the business against planned operational improvements, and assessed the reasonableness of future cash flows and whether these were appropriately reflected in the cash flow forecasts; and • Compared actual historical cash flow results with previous forecasts to assess forecasting accuracy. We used internal specialists to corroborate the forecast, the long-term growth rate and the discount rate used by management against internally approved plans and/ or external market data. We independently recomputed the sensitivity analysis on what we considered to be reasonable possible changes in the key assumptions to ascertain the extent of change in those assumptions that either individually or collectively would be required for an additional impairment charge.

Other Matter

The financial statements of the Company for the nine-month period ended December 31, 2017 were audited by another auditor who expressed an unmodified opinion on those statements on February 26, 2018.

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 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 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 IFRSs and applicable provisions of Qatar Commercial Companies Law, and the Company's Articles of Association, 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 skepticism 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 risk, 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 internal controls.
- 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 year and are therefore the key audit matters. We describe these matters in our auditor's report unless law and regulations preclude 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, we report the following:

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

Doha – Qatar
February 11, 2019

For **Deloitte & Touche**
Qatar Branch

Walid Slim
Partner
License No. 319
QFMA Auditor License No. 120156

STATEMENT OF INCOME

VODAFONE QATAR P.Q.S.C.

For the year ended 31 December 2018

	Notes	Year ended 31 December 2018	Nine months ended 31 December 2017
		QR'000	QR'000
Revenue	5	**2,101,061**	1,481,045
Interconnection and other direct expenses	6	**(784,888)**	(540,658)
Employee salaries and benefits		**(236,159)**	(174,600)
Network, rentals and other operational expenses	7	**(495,811)**	(383,301)
Other income	8	**-**	24,942
Earnings before financing income/costs, tax, depreciation, amortisation and industry fee		**584,203**	407,428
Industry fee	10	**(11,689)**	-
Earnings before financing income/costs, tax, depreciation and amortisation	2	**572,514**	407,428
Depreciation	12	**(256,047)**	(193,067)
Amortisation	13	**(169,066)**	(371,286)
Loss on disposal of property, plant and equipment	12	**(1)**	(4,428)
Operating profit/ (loss)		**147,400**	(161,353)
Wakala contract cost	21	**(29,401)**	(18,344)
Other financing costs	9	**(5,674)**	(3,942)
Profit from mudaraba		**5,463**	1,479
Profit/ (Loss) for the year/period		**117,788**	(182,160)
Basic and diluted earnings/(loss) per share (in QR per share)	11	**0.14**	(0.22)

The accompanying notes 1 to 30 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

VODAFONE QATAR P.Q.S.C.

For the year ended 31 December 2018

	Year ended 31 December 2018	Nine months ended 31 December 2017
	QR'000	QR'000
Profit/(loss) for the year/period	**117,788**	(182,160)
Other comprehensive income	**-**	-
Total comprehensive income/(loss) for the year/period	**117,788**	(182,160)

The accompanying notes 1 to 30 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Notes	**31 December 2018 QR'000**	31 December 2017 QR'000
Non-current assets			
Property, plant and equipment	12	**1,292,463**	1,201,978
Intangible assets	13	**4,428,490**	4,461,427
Trade and other receivables	14	**25,501**	24,932
Total non-current assets		**5,746,454**	5,688,337
Current assets			
Inventories	17	**35,289**	35,727
Contract assets	15	**26,660**	-
Contract costs	16	**4,421**	-
Trade and other receivables	14	**268,613**	301,966
Cash and bank balances	18	**401,278**	198,558
Total current assets		**736,261**	536,251
Total assets		**6,482,715**	6,224,588
Equity			
Share capital	19	**4,227,000**	8,454,000
Legal reserve	20	**51,493**	41,400
Retained earnings/(Accumulated losses)		**312,247**	(4,023,786)
Total equity		**4,590,740**	4,471,614
Non-current liabilities			
Provisions	22	**103,047**	105,290
Wakala contract	21	**-**	818,237
Trade and other payables	23	**53,246**	52,372
Total non-current liabilities		**156,293**	975,899
Current liabilities			
Wakala contract	21	**820,105**	-
Trade and other payables	23	**915,577**	777,075
Total current liabilities		**1,735,682**	777,075
Total liabilities		**1,891,975**	1,752,974
Total equity and liabilities		**6,482,715**	6,224,588

The financial statements were approved by the Board of Directors on 11 February 2019 and were signed on its behalf by:

Rashid Fahad Al-Naimi
Managing Director

Abdulla Bin Nasser Al Misnad
Chairman

The accompanying notes 1 to 30 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

			Retained earnings/(Accumulated losses)			
	Share capital	**Legal reserve**	**Distributable profits**	**Accumulated losses**	**Total**	**Total equity**
	QR'000	**QR'000**	**QR'000**	**QR'000**	**QR'000**	**QR'000**
Balance at 1 April 2017	8,454,000	35,405	134,045	(3,969,676)	(3,835,631)	4,653,774
Loss for the period (note 20)	-	-	-	(182,160)	(182,160)	(182,160)
Total comprehensive loss for the period	-	-	-	(182,160)	(182,160)	(182,160)
Transfer to distributable profits (note 20)	-	-	119,893	(119,893)	-	-
Transfer to legal reserve (note 20)	-	5,995	(5,995)	-	(5,995)	-
Balance at 31 December 2017	8,454,000	41,400	247,943	(4,271,729)	(4,023,786)	4,471,614
Cumulative effect of first time adoption of IFRS 9 (note 28)	-	-	-	**2,868**	**2,868**	**2,868**
Cumulative effect of first time adoption of IFRS 15 (note 28)	-	-	-	**1,415**	**1,415**	**1,415**
Restated balance as at 1 January 2018	**8,454,000**	**41,400**	**247,943**	**(4,267,446)**	**(4,019,503)**	**4,475,897**
Impact of capital reduction (note 1)	**(4,227,000)**	-	-	**4,227,000**	**4,227,000**	-
Transfer of amount as per shareholders' approval (note 1)	-	-	**(40,446)**	**40,446**	-	-
Balances after capital reduction	**4,227,000**	**41,400**	**207,497**	-	**207,497**	**4,475,897**
Total comprehensive income for the year (note 20)	-	-	-	**117,788**	**117,788**	**117,788**
Transfer to distributable profits (note 20)	-	-	**201,855**	**(201,855)**	-	-
Transfer to legal reserve (note 20)	-	**10,093**	**(10,093)**	-	**(10,093)**	-
Transfer to social and sports fund (note 20.1)	-	-	**(2,945)**	-	**(2,945)**	**(2,945)**
Balance at 31 December 2018	**4,227,000**	**51,493**	**396,314**	**(84,067)**	**312,247**	**4,590,740**

Proposed dividend

The Board of Directors has proposed a cash dividend of 5% of the nominal share value amounting to QR 211.4 million (QR 0.25 per share). The proposed dividend is subject to approval of the shareholders during the Annual General Assembly on 4 March 2019.

The accompanying notes 1 to 30 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

	Notes	Year ended 31 December 2018 QR'000	Nine months ended 31 December 2017 QR'000
Cash flows from operating activities			
Net profit/(loss) for the year/period		**117,788**	(182,160)
Adjustments for:			
Depreciation	12	**256,047**	193,067
Amortisation	13	**169,066**	371,286
Profit from mudaraba		**(5,463)**	(1,479)
Other financing costs		**5,674**	3,942
Wakala contract cost		**29,401**	18,344
Loss on disposal of property, plant and equipment		**1**	4,428
Change in operating assets and liabilities			
Decrease/(increase) in inventories		**438**	(22,562)
Decrease in trade and other receivables		**37,067**	55,338
Increase in contract assets		**(26,660)**	-
Increase in contract costs		**(4,421)**	-
Increase/(decrease) in trade and other payables		**132,030**	(38,907)
Decrease in provisions		**(8,501)**	(12,201)
Net cash flows from operating activities		**702,467**	389,096
Cash flows used in investing activities			
Purchase of property, plant and equipment	12	**(340,348)**	(162,693)
Purchase of intangible assets	13	**(142,284)**	(51,561)
Proceeds from disposal of property, plant and equipment		**6,228**	173
Movement in restricted bank accounts	18.1	**1,273**	1,159
Profit received from mudaraba		**5,463**	1,479
Cash flows used in investing activities		**(469,668)**	(211,443)
Cash flows used in financing activities			
Repayment of wakala contract	21	**(27,533)**	(145,661)
Dividend paid	23.1	**(1,273)**	(1,159)
Cash flows used in financing activities		**(28,806)**	(146,820)
Net increase in cash and cash equivalents		**203,993**	30,833
Cash and cash equivalents at the beginning of the year/period		**186,608**	155,775
Cash and cash equivalents at the end of the year/period	18	**390,601**	186,608

The accompanying notes 1 to 30 form an integral part of these financial statements.

1. INCORPORATION AND PRINCIPAL ACTIVITIES

Vodafone Qatar P.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 Economy and Commerce on 23 June 2008 under Commercial Registration No: 39656. The shares of the Company are listed on the Qatar Exchange.

Vodafone Group Plc was the ultimate parent of the Company until March 2018. However, pursuant to change in ownership of the immediate parent company i.e. Vodafone & Qatar Foundation LLC during the year, Qatar Foundation has now become the ultimate parent of the Company.

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 primarily regulated by the Communications Regulatory Authority (CRA) pursuant to Law No. 34 of 2006 (Telecommunications Law), the terms of its mobile and fixed licences and applicable regulation.

The Company is engaged in providing cellular mobile telecommunication services, fixed line services and selling 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 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 relevant amendments to the Articles of Association were approved by the Company's Extraordinary General Assembly ("EGA") held on 25 July 2016.

The final form of the amended and restated Articles of Association were approved and validated by the Ministry of Economy and Commerce on 24 April 2017 and the Ministry of Justice on 1 June 2017 and published by the Ministry of Economy and Commerce in the Official Gazette on 10 September 2017.

The Company held an EGA on 18 October 2017, where the shareholders approved certain changes to the Articles of Association to more closely align the Company with other listed companies in Qatar, allowing the Company to incorporate the recently issued Corporate Governance Rules for listed entities issued by Qatar Financial Markets Authority (QFMA) and to set the Company for future growth. At the EGA, the shareholders approved changing the financial year end of the Company from 31 March to 31 December. The change in financial year end was approved and validated by Ministry of Finance Tax Department on 9 November 2017. The amended and restated Articles of Association of the Company were approved by the Ministry of Economy and Commerce on 23 January 2018. The Ministry of Justice also approved the amended and restated Articles of Association, including the change in financial year end, on 31 January 2018. The authenticated and approved Articles of Association was re-submitted to the Ministry of Economy and Commerce and published in Official Gazette Volume 6 on 11 March 2018. Other amendments to the Articles of Association approved by the shareholders include changes to the procedures for election of the Chairman, granting permission for the Company to enter into potential financing arrangements and to grant security in respect of such financing arrangements and the introduction of a limit of 5% on individual shareholding in the Company, with certain exceptions.

On 25 March 2018, the Company was granted a 40 years' extension to its Public Mobile Telecommunications Network and Services Licence (the "Licence") as a result of which the Licence will expire on 28 June 2068.

To extinguish accumulated losses associated with the amortisation costs of the Company's Telecommunications Networks and Services Licence, the Company implemented a reduction in the share capital from QR 8,454 million to QR 4,227 million by means of reducing the nominal value of the shares of the Company from QR 10 per share to QR 5 per share in accordance with the relevant provisions of Articles 201 to 204 of the Commercial Companies Law No.11 of 2015, and the Articles of Association of the Company. The remaining balance of accumulated losses was extinguished by transferring an amount of QR 40.45 million from distributable profits to accumulated losses. The Company obtained its shareholders' approval at the Company's Extraordinary General Assembly held on 19 March 2018. The capital reduction was approved by Qatar Financial Markets Authority on 19 September 2018 and by Ministry of Economy and Commerce on 11 October 2018 together with the approval of the amended Articles of Association. The authenticated and approved Articles of Association were published in the Official Gazette on 18 November 2018.

The capital reduction transaction took effect on 15 November 2018 and has no impact whatsoever on value or the number of the shares held by shareholders or on the total equity, cash position or financial liquidity of the Company.

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) and applicable provisions of Qatar Commercial Company Law.

Accounting convention

The financial statements are prepared on a historical cost basis.

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.

Change in financial year end

The financial year end of the Company was changed from 31 March to 31 December during 2017 to publish annual financial statements of the Company in line with the annual reporting conventions of companies listed on Qatar Stock Exchange. Accordingly, the financial statements for the comparative period were prepared for the nine-month period from 1 April 2017 to 31 December 2017 and as a result, the comparative figures stated in the statement of income, statement of comprehensive income, statement of changes in equity, statement of cash flow and the related notes are not directly comparable.

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 27. 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 financing income/costs, tax, depreciation and amortization (EBITDA)

EBITDA has been a key external measure used by the Company to explain the financial performance to shareholders and others and has been presented as part of the statement of income.

3. SIGNIFICANT ACCOUNTING POLICIES

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

Revenue recognition – [Upon adoption of IFRS 15 – applicable from 1 January 2018]

The Company recognises 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 is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer.

The Company sells equipment/accessories both to the wholesale market and directly to customers through its own retail outlets. Sales-related warranties associated with goods cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Company accounts for warranties in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* consistent with its previous accounting treatment.

For sales of equipment to the wholesale market, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the wholesaler's specific location (delivery). Following delivery, the wholesaler has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Company when the goods are delivered to the wholesaler as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

For sales of equipment to retail customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the equipment.

Under the Company's standard contract terms, customers have a right of return within 7 days. The Company uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of immaterial returns over previous years.

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

Revenue – [Revenue recognition under IAS 18, applicable before 1 January 2018]

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. 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. Commission related to the acquisition of new customers is capitalised and amortised over the contract period.

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

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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 reporting period-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 contract 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Stock Exchange.

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"). Intangible assets with finite useful lives are subsequently carried at cost less accumulated amortization and impairment loss, if any.

License

Licence is 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 60 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 intangible 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 based on the contractual period/term.

Other 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. Recoverable amount is the higher of value in use and fair value less cost of disposal. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

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.

Financial Instruments – [Upon adoption of IFRS 9 – applicable from 1 January 2018]

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

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest rate method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For financial instruments other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Financial assets recognised by the Company include:

Trade receivables and contract assets

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, historical experience or when the counterparty has been placed under liquidation or entered into bankruptcy proceedings. Individual trade receivables are provided as per Expected Credit Loss (“ECL”) policy and written off when management deems them not to be collectible based on above mentioned criteria.

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 Sharia 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.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on trade receivables, contract assets and lease receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime expected credit losses for trade receivables, contract assets and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Equity instruments

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.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Company, are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a Company’ financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company’s documented risk management or investment strategy, and information about the same is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability’s credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Company that are designated by the Company as at FVTPL are recognised in profit or loss.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9 (see financial assets above); and
- the amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. Foreign exchange gains and losses on financial liabilities that are not part of a designated hedging relationship are recognised in statement of income. For those which are designated as a hedging instrument for a hedge of foreign currency risk foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Financial liabilities recognised by the Company include:

Trade payables

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

Wakala contract liabilities

The Company entered into a wakala contract 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 contract are stated at amortised cost in the statement of financial position. The attributable profits are recognised as wakala contract 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.

Financial instruments – [Financial instruments under IAS 39, applicable before 1 January 2018]

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 Sharia 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.

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 contract

The Company entered into a wakala contract 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 the wakala contract is stated at amortised cost in the statement of financial position. The attributable profits are recognised as wakala contract 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 insignificant to the overall business. The Company does not have any customer segment for which the revenues exceeds 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 December	Nine months ended 31 December
	2018	2017
	QR'000	QR'000
Revenue from pre-paid mobile services	854,811	706,400
Revenue from post-paid mobile services	846,321	530,793
Sale of equipment (mobile/network) and accessories	197,465	109,887
Other revenue	202,464	133,965
	2,101,061	1,481,045

The Company derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major product lines. As permitted under the transitional provisions in IFRS 15, comparative numbers are not disclosed.

	Year ended 31 December
	2018
	QR'000
Disaggregation of revenue – over time	
Pre-paid and post-paid services	1,701,132
Sale of equipment (mobile/network) and accessories	24,916
Other services	202,464
	1,928,512
Disaggregation of revenue – at a point in time	
Sale of equipment (mobile/network) and accessories	172,549
	172,549
Total Revenue	2,101,061

The transaction price allocated to (partially) unsatisfied performance obligations at 31 December 2018 amounted to QR143 million. As permitted under the transitional provisions in IFRS 15, the transaction price allocated to (partially) unsatisfied performance obligations as of 31 December 2017 is not disclosed.

Management expects 100% of the transaction price allocated to the unsatisfied contracts as of the year ended 31 December 2018 will be recognised as revenue during the next reporting period.

6 INTERCONNECTION AND OTHER DIRECT EXPENSES

	Year ended 31 December	Nine months ended 31 December
	2018	2017
	QR'000	QR'000
Interconnection and roaming costs	421,873	321,746
Equipment and other direct costs	196,009	116,201
Commissions and dealer costs	101,800	67,365
Regulatory costs	36,090	25,463
Provision for expected credit losses	29,116	9,883
	784,888	540,658

Provision for expected credit losses is net of collections from previously written off balances of QR 3.4 million (31 December 2017: QR 0.7 million).

7 NETWORK, RENTALS AND OTHER OPERATIONAL EXPENSES

	Year ended 31 December	Nine months ended 31 December
	2018	2017
	QR'000	QR'000
Operating lease rentals	151,791	110,204
Network and other operational expenses	344,020	273,097
	495,811	383,301

8 OTHER INCOME

This represents compensation from a network vendor on account of network outage experienced by the Company in July 2017.

9 OTHER FINANCING COSTS

Other financing costs include withholding tax payable on previous financing arrangement and unwinding of discounted portion of asset retirement obligations (note 22.1). This does not include any interest payments to third parties.

10 INDUSTRY FEE

In accordance with its operating licenses for Public Telecommunications Networks and Services granted in Qatar by ictQatar, now referred to as the Communications Regulatory Authority (CRA), the Company is liable to pay to the CRA an annual industry fee which is calculated at 12.5% of adjusted net profit on regulated activities undertaken in Qatar. Previously, the Company was making losses and therefore, was not liable to any industry fee.

11 BASIC AND DILUTED EARNINGS/(LOSS) PER SHARE

	Year ended 31 December	Nine months ended 31 December
	2018	2017
Profit/(Loss) for the year/period (QR '000)	117,788	(182,160)
Weighted average number of shares (in thousands)	845,400	845,400
Basic and diluted earnings/(loss) per share (QR)	0.14	(0.22)

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

12 PROPERTY, PLANT AND EQUIPMENT

	Network and equipment	Furniture and fixtures	Total
	QR'000	QR'000	QR'000
Cost:			
At 1 April 2017	2,065,793	223,020	2,288,813
Additions	165,973	-	165,973
Disposals	(19,108)	(125)	(19,233)
At 31 December 2017	2,212,658	222,895	2,435,553
Additions	339,001	7,605	346,606
Disposals	(20,668)	(2,156)	(22,824)
At 31 December 2018	**2,530,991**	**228,344**	**2,759,335**
Accumulated depreciation:			
At 1 April 2017	898,230	157,705	1,055,935
Charge for the period	182,888	10,179	193,067
Disposals	(15,302)	(125)	(15,427)
At 31 December 2017	1,065,816	167,759	1,233,575
Charge for the year	236,432	19,615	256,047
Disposals	(20,631)	(2,132)	(22,763)
Reclassification	13	-	13
At 31 December 2018	**1,281,630**	**185,242**	**1,466,872**
Net book value:			
At 31 December 2018	**1,249,361**	**43,102**	**1,292,463**
At 31 December 2017	1,146,842	55,136	1,201,978

The net book value of property, plant and equipment includes assets in the course of construction amounting to QR 164 million (31 December 2017: QR 30.39 million), which are not depreciated.

The Company sold network equipment and other assets during the year/ period and recognised a loss on disposal of QR 0.001 million (31 December 2017: QR 4.4 million).

13 INTANGIBLE ASSETS

	License	Software	Indefeasible right to use	Total
	QR'000	QR'000	QR'000	QR'000
Cost:				
At 1 April 2017	7,726,000	917,921	20,712	8,664,633
Additions	-	51,561	-	51,561
Disposals	-	(2,319)	-	(2,319)
At 31 December 2017	**7,726,000**	**967,163**	**20,712**	**8,713,875**
Additions	-	91,120	51,164	142,284
Disposals	-	(9,363)	(10,343)	(19,706)
At 31 December 2018	**7,726,000**	**1,048,920**	**61,533**	**8,836,453**
Accumulated amortisation:				
At 1 April 2017	3,190,530	686,046	6,110	3,882,686
Charge for the period	302,053	68,155	1,078	371,286
Disposals	-	(1,524)	-	(1,524)
At 31 December 2017	**3,492,583**	**752,677**	**7,188**	**4,252,448**
Charge for the period- Note 13.1	84,067	83,230	1,769	169,066
Disposals	-	(9,293)	(4,245)	(13,538)
Reclassifications	(13)	-	-	(13)
At 31 December 2018	**3,576,637**	**826,614**	**4,712**	**4,407,963**
Net book value:				
At 31 December 2018	**4,149,363**	**222,306**	**56,821**	**4,428,490**
At 31 December 2017	4,233,417	214,486	13,524	4,461,427

13.1 During the year, the Company was granted a 40 years' extension to its Public Mobile Telecommunications Network and Services Licence (the "Licence") at no additional cost. As a result of the extension, the Licence will expire on 28 June 2068 as it was originally granted to the Company on 29 June 2008 for a period of 20 years. The extension of the Licence and its useful economic life has resulted in a substantial reduction in the amortisation charge for the year.

13.2 The net book value of software includes software under development amounting to QR 37.2 million (31 December 2017: QR 4.66 million) which are not amortised.

14 TRADE AND OTHER RECEIVABLES

	31 December 2018 QR'000	31 December 2017 QR'000
Non-current assets:		
Prepayments	**25,501**	24,932
Current assets:		
Trade receivables – net	**231,634**	210,847
Prepayments	**27,536**	27,595
Due from related parties (note 24)	**9,443**	10,695
Accrued revenue receivables	**-**	25,582
Other receivables	**-**	27,247
	268,613	301,966

Trade and other receivables are net of the ECL provision amounting to QR 66.6 million (31 December 2017: QR 60.9 million).

No interest is charged on outstanding trade receivables. The Company measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss ("ECL"). The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Company has recognised a loss allowance of 100% against all non-government receivables over 180 days past due because historical experience has indicated that these receivables are generally not recoverable.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

Elements of the ECL models that are considered accounting judgments and estimates include:

- development of ECL models, including the various formulas and choice of inputs
- determining the criteria if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment;
- the segmentation of financial assets when their ECL is assessed on a collective basis; and
- determination of associations between macroeconomic scenarios and, economic inputs, and their effect on probability of default (PDs), exposure at default (EADs) and loss given default (LGDs)

Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models. It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The following table details the risk profile of trade receivables based on the Company's provision matrix.

	Up to 30 days	31 – 60 days	61– 90 days	91–180 days	Above 180 days	Total
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000
Expected credit loss rate	3%–6%	8%–24%	15%–42%	23%–70%	100%	
Gross carrying amount	139,069	35,827	18,823	31,501	73,060	298,280
Loss allowance						66,646

There is no loss allowance provided against bank balances, contract asset and due from related parties as there is no material expected credit loss risk associated with these financial assets.

The following table shows the movement in expected credit losses that has been recognised for trade and other receivables:

	QR'000
Balance as at 1 January 2018 under IAS 39	**60,869**
Adjustment upon application of IFRS 9	**(2,868)**
Balance as at 1 January 2018 – As restated	**58,001**
Expected credit loss allowance recognised during the year	**32,493**
Amounts written off during the year	**(23,848)**
Balance as at 31 December 2018	**66,646**

15 CONTRACT ASSETS

Amounts relating to contract assets are balances earned but not yet billed to the customers. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

Payment for telecommunication services is not due from the customer until the bill run is complete and therefore a contract asset is recognised over the period in which the telecommunication services are performed to represent the Company's right to consideration for the services transferred to date.

There were no impairment losses recognised on any contract asset in the reporting period (2017: QR Nil).

The management of the Company always measure the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects.

16 CONTRACT COSTS

This represents customer acquisition cost incurred by the Company. The amount is classified as a current asset and amortised over customer lock in period.

17 INVENTORIES

	31 December 2018 QR'000	31 December 2017 QR'000
Handsets	**33,628**	33,812
Scratch cards and accessories	**1,661**	1,915
	35,289	35,727

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

	31 December 2018 QR'000	31 December 2017 QR'000
Balance at beginning of the period	**3,437**	4,013
Amounts credited to statement of income	**(643)**	(576)
Balance at period end	**2,794**	3,437

18 CASH AND BANK BALANCES

Cash and bank balances at the end of the financial period as shown in the statement of cash flows are as follows:

	31 December 2018 QR'000	31 December 2017 QR'000
Mudaraba deposits	**189,000**	85,000
Cash at bank	**212,178**	113,458
Cash on hand	**100**	100
Total cash and bank balances	**401,278**	198,558
Less: Balance with restricted bank accounts – note 18.1	**(10,677)**	(11,950)
Cash and cash equivalents	**390,601**	186,608

18.1 This comprises funds maintained for uncollected shareholder dividends as per note 23.1.

19 SHARE CAPITAL

	31 December 2018		31 December 2017	
	Number	**QR'000**	Number	QR'000
Ordinary shares authorised, allotted, issued and fully paid:				
Ordinary shares of QR 5 each (2017: Ordinary shares of QR 10 each) note 19.1	**845,400,000**	**4,227,000**	845,400,000	8,454,000

19.1 During the year, the Company implemented a reduction in share capital from QR 8,454 million to QR 4,227 million by means of reducing the nominal value of the shares of the Company from QR 10 per share to QR 5 per share in accordance with the relevant provisions of Articles 201 to 204 of the Commercial Companies Law No.11 of 2015, and the Articles of Association of the Company. As a result of the capital reduction, accumulated losses and the share capital of the Company reduced by an equal amount (QR 4,227 million).

20 LEGAL RESERVE AND DISTRIBUTABLE PROFITS

The Company was incorporated under Article 68 of the Qatar Commercial Companies' Law No. 5 of 2002. This law was subsequently replaced by Qatar Commercial Companies Law No.11 of 2015.

The Article of Association were amended after the introduction of Qatar Commercial Companies Law No.11 of 2015 and subsequently approved by the Ministry of Economy and Commerce as described in note 1.

The legal reserve and distributable profits of the Company are determined in line with its Article of Association.

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 reported 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 movement in the balance of distributable profits is as follows:

	Year ended 31 December 2018		Nine months ended 31 December 2017	
	QR'000	**QR'000**	QR'000	QR'000
Balance at beginning of the year/period		**247,943**		134,045
Transfer to accumulated losses		**(40,446)**		-
Net profit/(loss)	**117,788**		(182,160)	
Amortisation of license fee	**84,067**		302,053	
Transfer to distributable profits		**201,855**		119,893
Transfer to legal reserve		**(10,093)**		(5,995)
Transfer to social and sports fund (note 20.1)		**(2,945)**		-
Balance at year/period end		**396,314**		247,943

20.1 Social and sports fund

According to Qatari Law No. 13 for the year 2008 and the related clarifications issued in January 2010, the Company is required to contribute 2.5% of its annual net profits to the State Social and Sports Fund. The clarification relating to Law No. 13 requires the payable amount to be recognised as a distribution of income in the statement of changes in equity.

21 WAKALA CONTRACT

	31 December 2018	31 December 2017
	QR'000	QR'000
Balance at beginning of the year/period	**818,237**	945,554
Wakala profit accumulation for the year/period	**29,401**	18,344
Repayment during the year/ period	**(27,533)**	(145,661)
Balance at year/period end	**820,105**	818,237

The Company entered into a Sharia compliant wakala contract with Vodafone Finance Limited for USD 330 million on 18 November 2014 (the "Wakala Contract"). 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 facility is guaranteed by Qatar Foundation for Education, Science and Community Development.

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. The Wakala contract will be due for repayment five years from the origination date unless early termination is initiated by management. Based on due date of payment, this liability has been classified as current on 31 December 2018.

The Company secured a new long-term financing facility of QR 911 million on 27 May 2018 from a local bank and plans to settle the existing Wakala Contract using the new facility.

22 PROVISIONS

	31 December 2018	31 December 2017
	QR'000	QR'000
Asset retirement obligations (note 22.1)	**69,772**	59,961
Employees' end of service benefits (note 22.2)	**33,275**	31,009
Other provisions	**-**	14,320
	103,047	105,290

22.1 Asset retirement obligations

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

During the year, the Company recorded an additional provision of QR 9.8 million (31 December 2017: QR 5.8 million) on account of new sites added and unwinding of discount for liability. An amount of QR 6.3 million (31 December 2017: QR 3.3 million) was capitalized as additions of property, plant and equipment which was excluded from the purchase of property, plant, and equipment in statement of cash flows.

22.2 Employees' end of service benefits

	Year ended 31 December 2018	Nine months ended 31 December 2017
	QR'000	QR'000
Balance at beginning of the year/period	**31,009**	28,269
Charge for the year/ period	**9,546**	7,332
Payments during the year/period	**(7,280)**	(4,592)
Balance at year/period end	**33,275**	31,009

23 TRADE AND OTHER PAYABLES

	31 December 2018 QR'000	31 December 2017 QR'000
Non-current liabilities:		
Supplier retentions	**53,246**	52,372
Current liabilities:		
Trade payables	**269,225**	206,967
Accruals	**490,064**	385,307
Deferred income	**119,686**	147,572
Contract liabilities	**801**	-
Other payables	**21,915**	22,384
Dividend payable (note 23.1)	**10,677**	11,950
Due to related parties (note 24)	**264**	2,895
Payable to social and sports fund (note 20.1)	**2,945**	-
	915,577	777,075

23.1 Dividend payable

	Year ended 31 December 2018 QR'000	Nine months ended 31 December 2017 QR'000
Balance at beginning of the year/period	**11,950**	13,109
Dividend paid in cash	**(1,273)**	(1,159)
Balance at year/period end	**10,677**	11,950

24 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.

During the year, there was a change in the ultimate ownership of the Company, as a result of which Vodafone Group Plc controlled entities are no longer related parties of the Company as of reporting date. For that reason, all amounts payable to/receivable from Vodafone Group Plc controlled entities have been reclassified as trade payables, trade receivables or other third party liabilities based on their nature.

For the purpose of faithful representation of events and transactions during the year, presented below is the following:

- Transactions with Vodafone Group Plc controlled entities until the date of change in the related party status and the balance as of reporting date.
- Transactions with Qatar Foundation controlled entities

	Year ended 31 December 2018 QR'000	Nine months ended 31 December 2017 QR'000
Sales of goods and services		
Vodafone Group Plc controlled entities	**10,359**	2,931
Qatar Foundation controlled entities	**40,876**	37,078
Purchases of goods and services		
Vodafone Group Plc controlled entities	**44,908**	110,922
Qatar Foundation controlled entities	**72,960**	29,323
Wakala contract costs		
Vodafone Finance Limited	**6,089**	18,344

Goods and services are bought from related parties at prices approved by management, as being on an arm›s length basis. Wakala contract has an anticipated profit rate as described in note 21.

Balances arising from transactions with related parties are as follows:

	31 December 2018 QR'000	31 December 2017 QR'000
Receivables from related parties:		
Vodafone Group Plc controlled entities	**-**	4,322
Qatar Foundation controlled entities	**9,443**	10,695
Payables to related parties:		
Vodafone Group Plc controlled entities	**-**	50,140
Qatar Foundation controlled entities	**264**	2,895
Wakala contract:		
Wakala contract from Vodafone Finance Limited	**-**	818,237

24.1 The amount of receivable from Vodafone Group Plc controlled entities as of 31 December 2018 was QR 12.8 million which has been reclassified as trade receivables.

24.2 The amount of payable to Vodafone Group Plc controlled entities as of 31 December 2018 was QR 121.13 million which has been reclassified as trade payables.

24.3 The amount of payable to Vodafone Finance Limited related to the Wakala contract as of 31 December 2018 was QR 820.11 million which has been presented as a current liability in the statement of financial position.

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 period (31 December 2017: Nil). The payables to related parties arise mainly from purchase transactions and bear no interest.

Compensation of key management personnel

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

	Year ended 31 December 2018 QR'000	Nine months ended 31 December 2017 QR'000
Salaries and short-term benefits	**24,574**	11,118
Employees' end of service benefits	**615**	465
	25,189	11,583

25 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Capital management

The following table summarises the capital structure of the Company:

	31 December 2018 QR'000	31 December 2017 QR'000
Wakala contract	**820,105**	818,237
Cash and bank balances	**(401,278)**	(198,558)
Net debt	**418,827**	619,679
Total equity	**4,590,740**	4,471,614
Gearing ratio	**9.12%**	13.86%

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.

Financial instruments

Significant accounting policies

Details of significant policies and methods adopted including the criteria for recognition for the basis of measurement in respect of each class of financial assets and financial liabilities are disclosed in note 3 to these financial statements.

25 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Categories of financial instruments

	31 December 2018	31 December 2017
	QR'000	QR'000
Financial Assets at amortised cost:		
Cash and cash equivalents	390,601	186,608
Contract assets	26,660	-
Trade and other receivables (excluding prepayments)	241,077	274,371
Other financial liabilities at amortised cost:		
Trade and other payables (excluding accruals and deferred income)	359,073	296,568
Wakala contract	820,105	818,237

Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices at the close of the business on the reporting date.
- The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar 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)

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values due to the short maturity period.

Reconciliation of liabilities arising from financing activities

The below table details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes:

	At 1 January 2018	Profit accumulation	Repayment	At 31 December 2018
	QR'000	QR'000	QR'000	QR'000
Wakala Contract	818,237	29,401	(27,533)	820,105
Dividend payable	11,950	-	(1,273)	10,677

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.

Majority of foreign currency receivable/payable balances are in US$ which is pegged against QR. Therefore, these receivable/payable balances are not exposed to foreign currency exchange rate fluctuation risk. The Company has an insignificant amount of receivable/payable balances in Euro and other currencies where effect of any 10% increase/decrease in foreign exchange rates is expected to be equal and opposite to QR 0.8 million.

Interest rate risk management

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

Profit rate on Wakala contract

The Company is liable to pay profit on Wakala contract 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 profit of the Company for the financial period by QR 8.3 million (31 December 2017: QR 6.3 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.

Furthermore, the Company reviews the recoverable amount of each trade debt and debt investment on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, the directors of the Company consider that the Company's credit risk is significantly reduced. Trade receivables consist of a large number of customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Company does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Movement in provision for expected credit losses account is presented in note 14.

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

	31 December 2018	31 December 2017
	QR'000	QR'000
0 – 30 days	139,069	150,040
31 – 60 days	35,827	29,681
61 – 90 days	18,823	12,649
91 – 180 days	31,501	25,832
Over 180 days	73,060	53,514
	298,280	271,716

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 December 2018	31 December 2017
	QR'000	QR'000
Cash and cash equivalents	390,601	186,608
Trade and other debit balances (excluding prepayments)	241,077	274,371
	631,678	460,979

25 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 contract, 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 December 2018	**Less than 1 Year**	**More than 1 year**
	QR'000	**QR'000**
Trade and other payables excluding deferred income	**810,629**	**53,246**
Wakala contract	**820,105**	**-**

At 31 December 2017	Less than 1 Year	More than 1 year
	QR'000	QR'000
Trade and other payables excluding deferred income	651,018	52,372
Wakala contract	-	818,237

All of the Company's non-derivative financial assets are expected to mature within one year.

26 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 December 2018	31 December 2017
	QR'000	QR'000
Within one year	**113,104**	154,106
In more than one year but less than two years	**64,553**	66,966
In more than two years but less than three years	**56,643**	61,464
In more than three years but less than four years	**52,323**	53,858
In more than four years but less than five years	**48,371**	49,509
In more than five years	**292,562**	312,776
	627,556	698,679

Other commitments

	31 December 2018	31 December 2017
	QR'000	QR'000
Contracts placed for future capital expenditure not provided for in the financial statements	**39,794**	64,364

Contingent liabilities

	31 December 2018	31 December 2017
	QR'000	QR'000
Performance bonds	**49,678**	14,722
Tender bonds	**5,880**	2,008
Credit and payment guarantees – third party indebtedness	**38,228**	37,949

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.

Tender bonds

This comprise bonds submitted at the time of submission of tenders.

Credit and payment guarantees – third party indebtedness

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

27 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 judgments 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, judgment 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 judgment, 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 financing income/costs, tax, depreciation and amortisation, 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 the Board of Directors 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 earnings before financing income/costs, tax, depreciation and amortisation.

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 December 2018 was 9.3% (31 December 2017: 9.9%) and the long-term growth rate was 2.5% (31 December 2017: 2.5%). 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 4.2 pps or decrease in terminal EBITDA margin by 15.7 pps or decrease in long term growth rate by 7 pps, would bring the headroom to zero. Any further decline would suggest an impairment, since the recoverable amount would be lower than carrying amount of long term assets net of working capital (excluding cash) of the Company.

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

Revenue recognition

Acquisition revenue is amortized over maximum lock in period of the customer which is three months in the State of Qatar.

The Company give its customers the option to return the handsets within a period of 7 days of purchase. Keeping in view the negligible numbers of returns in the history, no provision is made with regard to return of goods sold.

The Company operates a loyalty programme through which retail customers accumulate points on purchases of goods and services that entitle them to discounts on future purchases. As per customer loyalty program, reward points to the extent of 2% of the revenue are provided to the customers. Based on history, Management estimates that only 25% of the customers opt to redeem these points.

Revenue presentation: gross versus net

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

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

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.

Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company being 20% (31 December 2017: 19.3%) 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.

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 recognised 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 cost due to changes in the gross removal costs or discount rates, is dealt with prospectively as a change in accounting estimate and reflected as an adjustment to the provision and a corresponding adjustment to the infrastructure assets.

Expected credit losses

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.

Calculation of loss allowance

When measuring ECL, the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

If the ECL rates on trade receivables between 61 and 90 days past due had been 5% higher (or lower) as of 31 December 2018, the loss allowance on trade receivables would have been QR 0.5 million higher (or lower).

If the ECL rates on trade receivables between 31 and 60 days past due had been 5% higher (or lower) as of 31 December 2018, the loss allowance on trade receivables would have been QR 0.8 million higher (or lower).

28 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

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 January 2018:

- IFRS 9 *Financial Instruments*
- IFRS 15 *Revenue from contracts with customers*
- IFRIC 22 *Foreign Currency Transactions and Advance Consideration*

Impact of adoption of these standards is as under:

Impact of initial application of IFRS 9 Financial Instruments

In the current year, the Company has applied IFRS 9 *Financial Instruments* (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after 1 January 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives. As such, the Company has elected not to restate comparatives in respect of the classification and measurement of financial instruments.

Additionally, the Company adopted consequential amendments to IFRS 7 *Financial Instruments.*

IFRS 9 introduced new requirements for:

a. The classification and measurement of financial assets and financial liabilities,

b. Impairment of financial assets, and

c. General hedge accounting.

Details of these new requirements as well as their impact on the Company's financial statements are described below.

The Company has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

28 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

Impact of initial application of IFRS 9 Financial Instruments (continued)

(a) Classification and measurement of financial assets

The date of initial application (i.e. the date on which the Company has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is 1 January 2018. Accordingly, the Company has applied the requirements of IFRS 9 to instruments that continue to be recognised as at 1 January 2018 and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018.

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

Despite the aforegoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination in other comprehensive income; and
- the Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

In the current year, the Company has not designated any debt investments that meet the amortised cost or FVTOCI criteria as measured at FVTPL.

When a debt investment measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. When an equity investment designated as measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is subsequently transferred to retained earnings.

Debt instruments that are measured subsequently at amortised cost or at FVTOCI are subject to impairment.

The management of the Company reviewed and assessed the Company's existing financial assets as at 1 January 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following impact on the Company's financial assets as regards their classification and measurement:

- receivables under IAS 39 that were measured at amortised cost continue to be measured at amortised cost under IFRS 9 as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

None of the reclassifications of financial assets have had any impact on the Company's financial position, profit or loss, other comprehensive income or total comprehensive income for the year.

(b) Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the Company to recognise a loss allowance for expected credit losses on:

(1) Debt investments measured subsequently at amortised cost or at FVTOCI;

(2) Lease receivables;

(3) Trade receivables and contract assets; and

(4) Financial guarantee contracts to which the impairment requirements of IFRS 9 apply.

In particular, IFRS 9 requires the Company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses ("ECL") if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Company is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. IFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

Because the Company has elected not to restate comparatives, for the purpose of assessing whether there has been a significant increase in credit risk since initial recognition of financial instruments that remain recognised on the date of initial application of IFRS 9 (i.e. 1 January 2018), the requirement of comparing the credit risk of the respective financial instruments on the date of their initial recognition to their credit risk as at 1 January 2018 stand not applicable. Any adjustments to the carrying amounts of financial assets and liabilities at transition date were recognized in the opening balances of accumulated losses.

The net impact of IFRS 9 adoption on 1 January 2018 was a decrease in the accumulated losses by QR 2.87 million as a result of implementing the expected credit loss model.

(c) Classification and measurement of financial liabilities

A significant change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer.

Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognised.

Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL was presented in profit or loss.

This change in accounting policy has not affected the Company's accounting for such changes. Apart from the above, the application of IFRS 9 has had no impact on the classification and measurement of the Company's financial liabilities.

(d) Disclosures in relation to the initial application of IFRS 9

There were no financial assets or financial liabilities which the Company had previously designated as at FVTPL under IAS 39 that were subject to reclassification or which the Company has elected to reclassify upon the application of IFRS 9. There were no financial assets or financial liabilities which the Company has elected to designate as at FVTPL at the date of initial application of IFRS 9.

The table below explains the classification and measurement of financial assets and financial liabilities under IFRS 9 and IAS 39 at the date of initial application, 1 January 2018.

Original measurement category under IAS 39	New measurement category under IFRS 9	Original carrying amount under IAS 39	Additional loss allowance recognised under IFRS 9 [Retained earntting effect as at 1 January 2018]	New carrying amount under IFRS 9
		QR'000	QR'000	QR'000
Trade and other receivables	Financial assets at amortised cost	217,220	2,868	220,088

Financial liabilities of the Company were not impacted upon adoption of IFRS 9.

28 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

Impact of application of IFRS 15 *Revenue from Contracts with Customers*

In the current year, the Company has applied IFRS 15 *Revenue from Contracts with Customers* (as amended in April 2016) which is mandatorily effective for an accounting periods that begins on or after 1 January 2018. IFRS 15 introduced a 5-step approach to revenue recognition. Details of the new requirements as well as their impact on the Company's financial statements are described below.

The Company has applied IFRS 15 in accordance with the modified retrospective transitional approach with a cumulative effect of initially applying this standard as an adjustment to equity as permitted by IFRS 15.C3(b). The Company has also used the practical expedients for completed contracts in IFRS 15.C5(a), and (b), for modified contracts in IFRS 15.C5(c) and IFRS 15.C5(d) allowing both non-disclosure of the amount of the transaction price allocated to the remaining performance obligations, and an explanation of when it expects to recognise that amount as revenue for all reporting periods presented before the date of initial application, i.e. 1 January 2018

IFRS 15 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue', however the Standard does not prohibit an entity from using alternative descriptions in the statement of financial position. The Company has adopted the terminology used in IFRS 15 to describe such balances.

The Company's accounting policies for its revenue streams are disclosed in detail in note 3. Apart from providing more extensive disclosures for the Company's revenue transactions, the application of IFRS 15 has not had a material impact on the financial position and/or financial performance of the Company.

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 supersedes the earlier revenue recognition guidance including IAS 18 *Revenue,* IAS 11 *Construction Contracts* and the related interpretations upon becoming effective. The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios and extensive disclosures are required by IFRS 15. In April 2016, the IASB issued Clarifications to IFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance. The impact of the revenue standard for the Company is as follows:

Determination of Distinct Performance Obligations (POs) Sale of SIM Cards

Sale of SIM cards does not represent a distinct PO to connect the customers to Vodafone network and therefore revenue is deferred and recognised over time over the maximum lock in period of three months.

Recognition of revenue upon satisfaction of performance obligation

As mentioned above, major change brought by IFRS 15 was the recognition of revenue only upon the transfer of particular performance obligation to the customer. The Company historically had been following this principal of deferring the revenue for the unperformed performance obligation and therefore, the change has not had any impact on the Company revenue recognition.

Adjustment to the transaction price

Adjustment of significant financing component

Significant financing component exists if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the Company with a significant benefit of financing the transfer of goods or services to the customer. In such circumstances, the contract contains a significant financing component. The Company do not have arrangements to provide equipment and/or devices on instalment plans. Hence, adjustment of significant financing component on such arrangements stands not applicable on the Company.

Allocating the transaction price

Allocation based on the ratio of relative Standalone Selling Price ("SSP") of distinct performance obligations ("PO"):

The transaction price is allocated between POs based on relative SSP as determined at contract inception. Since the amount of revenue recognised for distinct POs will often be dependent on the relative SSP, the determination of appropriate SSP is critical. The SSP of a performance obligation is the observable price for the good or service sold by the Company in similar circumstances to similar customers.

Contract cost- costs to acquire and cost to fulfil a contract

The Company recognize the incremental cost of obtaining contracts over the customer lock in period i.e., 3 months.

While applying IFRS 15, the Company has elected not to restate comparative figures and any adjustments to the carrying amounts of assets and liabilities at transition date to be recognized in the opening balance of accumulated losses.

Impact of cumulative catch up adjustment on opening retained earnings:

	QR'000
Accumulated losses as at 31 December 2017	4,271,729
Revenue:	
Decrease due to change in the timing of recognition for acquisition revenue – note 28.1	954
Cost of sales:	
Decrease due to change in acquisition cost – note 28.2	(2,369)
	(1,415)
Accumulated losses as at 1 January 2018 – restated	4,270,314

28.1 Adjustment made to spread acquisition revenue from customers over the maximum lock in period

28.2 Adjustment made to spread acquisition revenue from customers over the maximum lock in period

The Company has elected modified retrospective approach and the cumulative effect of initially applying IFRS 15 is recognised in opening retaining earnings as at 1 January 2018 and comparative periods are not restated.

28 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

Impact of application of IFRS 15 *Revenue from Contracts with Customers* (continued)

Further, the Company has disclosed below the impact of changes to the line items in statement of financial position without adoption of IFRS 15:

Impact on the statement of financial position

	As reported	Adjustments	Amounts without adoption of IFRS 15
	QR'000	QR'000	QR'000
ASSETS			
Current assets			
Contract assets	26,660	(26,660)	-
Contract costs	4,421	(4,421)	-
Trade and other receivables			
Accrued revenue receivables	-	26,660	26,660
LIABILITIES			
Current liabilities			
Trade and other payables			
Contract liability	801	(801)	-

Further, the Company has disclosed below the impact of changes to the line items in statement of income without adoption of IFRS 15:

	As reported	Adjustments	Amounts without adoption of IFRS 15
	QR'000	QR'000	QR'000
Revenue	2,101,061	(153)	2,100,908
Interconnection and other direct expenses	(784,888)	(2,053)	(786,941)
Employee salaries and benefits	(236,159)	-	(236,159)
Network, rentals and other operational expenses	(495,811)	-	(495,811)
Other income	-	-	-
Earnings before financing income/costs, tax, depreciation, amortisation and industry fee	584,203	(2,206)	581,997
Industry fee	(11,689)	-	(11,689)
Earnings before financing income/costs, tax, depreciation and amortisation	572,514	(2,206)	570,308
Depreciation	(256,047)	-	(256,047)
Amortisation	(169,066)	-	(169,066)
Loss on disposal of property, plant and equipment	(1)	-	(1)
Operating profit/(loss)	147,400	(2,206)	145,194
Wakala contract cost	(29,401)	-	(29,401)
Other financing costs	(5,674)	-	(5,674)
Profit from mudaraba	5,463	-	5,463
Profit/(Loss) for the period	117,788	(2,206)	115,582
Basic and diluted earnings/(loss) per share (in QR per share)	0.139	(0.002)	0.137

New and revised IFRSs in issue but not yet effective and not early adopted

The Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

New and revised IFRSs	Effective annual periods beginning on or after
IFRS 16 Leases	1 January 2019
Annual Improvements to IFRSs 2015–2017 Cycle amending IFRS 3 Business Combinations, IFRS 11 *Joint Arrangements*, IAS 12 *Income Taxes* and IAS 23 Borrowing costs	1 January 2019
IFRIC 23 *Uncertainty over Income Tax Treatments*	1 January 2019
Amendments in IFRS 9 *Financial Instruments* relating to prepayment features with negative compensation	1 January 2019
Amendment to IAS 19 *Employee Benefits* relating to amendment, curtailment or settlement of a defined benefit plan	1 January 2019
Amendments in IAS 28 *Investments in Associates and Joint Ventures* relating to long-term interests in associates and joint ventures.	1 January 2019
Amendments to References to the Conceptual Framework in IFRS Standards - amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework	1 January 2020
Amendment to IFRS 3 *Business Combinations* relating to definition of a business	1 January 2020
Amendments to IAS 1 and IAS 8 relating to definition of material	1 January 2020
IFRS 17 *Insurance Contracts*	1 January 2021
Amendments to IFRS 10 *Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures* (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.	Effective date deferred indefinitely. Adoption is still permitted.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, except for IFRS 16 as highlighted in next paragraphs, may have no material impact on the financial statements of the Company in the period of initial application.

IFRS 16 Leases

IFRS 16 *Leases* (Annual periods beginning 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.

29 RECLASSIFICATION

The comparative amounts have been reclassified, where necessary, in order to conform to the current year's presentation. Such reclassification do not affect the previously reported net profits, net assets or equity.

Below are the reclassifications:

	2017 Audited Financials	Reclassifications	Adjusted Balances
	QR'000	QR'000	QR'000
Trade receivables- net	217,220	(6,373)	210,847
Due from related parties	4,322	6,373	10,695
	221,542	-	221,542

	2017 Audited Financials	Reclassifications	Adjusted Balances
	QR'000	QR'000	QR'000
Cash and cash equivalents	198,558	(11,950)	186,608
Restricted bank accounts	-	11,950	11,950
Cash and bank balances	198,558	-	198,558

	2017 Audited Financials	Reclassifications	Adjusted Balances
	QR'000	QR'000	QR'000
Trade payables	159,722	47,245	206,967
Due to related parties	50,140	(47,245)	2,895
	209,862	-	209,862

	2017 Audited Financials	Reclassifications	Adjusted Balances
	QR'000	QR'000	QR'000
Distributable profits	247,943	(247,943)	-
Accumulated losses	(4,271,729)	247,943	(4,023,786)
	(4,023,786)	-	(4,023,786)

30 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.

7 Glossary & Disclaimer

Glossary

Distributable Profits

Net profit or loss plus amortisation of the licence, for the financial period.

ARPU

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

EBITDA

Earnings Before Financing Income/Costs, Tax, Depreciation and Amortisation

EBITDA Margin

EBITDA divided by revenue for the financial period.

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 financial year ended 31 December 2018. 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 December 2018, 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.