Vodafone Qatar
Annual Report 2012-2013

In the Name of Allah,
Most Gracious Most Merciful

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

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

Contents

Section One:
Executive Summary

Chairman's Statement

Dear Shareholders,

It is my pleasure to bring you Vodafone Qatar's fourth annual report detailing our financial results and business performance for the year ended 31 March 2013.

Performance

We continued to deliver solid growth in our third full year of operations with strong revenue growth of 25% over the year to reach QR 1.5 billion driven primarily from our mobile business. As a result, our share of the mobile revenue in Qatar grew to 27.4% by the end of the year, up from 24.5% last year. This growth provided a solid foundation for improving our profitability this year. This has led to an improvement in our EBITDA margin of seven percentage points over the year to reach 19%.

In turn this has enabled us to achieve the very important milestone of our first full year of positive Distributable Profit of QR 2 million. Since announcing our first quarter of positive Distributable Profit in December 2012, we have continued to generate profit on a monthly basis, recouping the losses from the first half of the financial year.

Vodafone's continuing strong performance can be attributed to the exceptional growth in mobile customers. In December we achieved the milestone of one million customers, and closed the year to 31 March at 1.084 million customers, representing growth of 247,000 customers or 30% over the year. This means that over 56% of Qatar's population are now using Vodafone's services on a monthly basis.

Strengthening our Local Roots

With a continued focus and commitment to seeking talented Qatari nationals to join our business, we have seen our Qatarisation level improve significantly to over 18%. At this year's Qatar Career Fair, Vodafone took a very proactive stance, offering candidates on-the-spot interviews, enabling the Company to recruit 15 Qatari nationals over the six day event.

With Vodafone Qatar's naturally strong ties to the UK, we are very proud to be platinum sponsors of Qatar UK 2013 Year of Culture, a year-long event which aims to celebrate and forge new partnerships between Qatar and the UK in the fields of art, culture, education, sport and science with the overall aim of developing mutual understanding and awareness.

Working with the Community

Vodafone Qatar's Corporate Social Responsibility programme, known as Vodafone Better World, aims to make a positive social impact, contributing to community development in Qatar. Our 5 year partnership with Reach out to Asia (ROTA), which started in 2009 continues to benefit over 500,000 community members in Nepal, Indonesia and Qatar, supporting community projects that focus on education, disaster resilience and youth development.

Our unique World of Difference programme provides financial support for individuals to start and work on their own Qatar-focused charitable initiative for a full year. This year we selected three winners with projects that will inspire the local community and change lives for the better.

Management Agreement Renewed

In November 2012, we were delighted to renew the Vodafone Qatar Management Agreement enabling Vodafone Group Plc to manage Vodafone Qatar for a further six years until 31 March 2018. Vodafone has demonstrated its commitment to Qatar, and through Vodafone Qatar, wishes to fully support Qatar's goal to be a truly connected global leader. This was made evident when the CEO of Vodafone Group Plc, Vittorio Colao, visited Qatar in March to spend time meeting key decision makers in the country as well as sharing his vision with the entire company.

As part of the new agreement with Vodafone Group Plc, we were able to negotiate a reduction in the annual fee payable. This is a reflection of the increased scale of our business and the transition to a full service telecommunications company, ultimately giving more value to our shareholders. We look forward to continuing to work with Vodafone going forward and utilising their extensive expertise as a global telecoms leader to bring industry leading technology and products to Qatar.

The Board and Governance

It has been five years since the incorporation of Vodafone Qatar and this marks the end of the term of the initial Board of Directors. I would like to thank the Board for all their hard work in creating the growing, successful company you see today. The Board brings together individuals from Qatar and the UK with years of experience and a wealth of expertise from different sectors and has been structured to provide the support and resources necessary to ensure that Vodafone Qatar is set up to succeed.

New Leadership

After two years in Qatar as CEO, Richard Daly has decided to return to the UK to spend more time with his family. Whilst we are disappointed to see Richard leave, the Board of Vodafone Qatar fully respects and supports Richard's decision, and we would like to express our thanks and gratitude for all his hard work over this time. We have appointed Kyle Whitehill as CEO of Vodafone Qatar. Kyle joins from Vodafone Ghana where he has held the position of CEO since 2010, significantly growing Vodafone Ghana's revenue market share and profitability over this time. We are delighted to welcome Kyle and his family to Qatar and I am sure that Kyle's years of experience in Enterprise and Fixed Line Services will ensure the continued success of Vodafone Qatar.

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

Abdulrahman bin Saud Al-Thani
Chairman

Chief Executive's Review

Dear Shareholders,

I am delighted to be writing to you at the end of a very exciting year for Vodafone in Qatar.

In our third full year of operations we can safely say that our 'start-up' phase is now behind us and we are established as a successful mobile operator with a strong network, serving over half of Qatar's population every month, with a healthy market share and rapidly improving profitability. We are 73% owned by Qatari individuals and institutions and our increasingly strong links with all elements of Qatari society enable us to make a significant difference to the country as we strive to provide world class telecommunications infrastructure to support His Highness The Emir's Qatar National Vision 2030.

A year of strong growth

Our unprecedented revenue growth in the last year has been driven by a number of factors:

1. Strong population growth with 147,000 more people living in Qatar than the same time last year.

   – We manage to capture a high proportion of the new arrivals to the country every year due to our global brand, our extensive local distribution network, our award-winning customer service and our great value for money on prepaid services and particularly international calling.

2. Substantial growth in the uptake of mobile data services driven by the Smartphone explosion.

   – Our superfast mobile network and market leading data pricing has attracted many high using data customers and this has helped to grow our revenues and profitability.

3. The launch of our Postpaid service allowing us to welcome large numbers of higher value customers into our family.

   – Many potential customers and businesses had been waiting for us to launch our postpaid billing service and many joined us throughout the second half of the financial year. These customers have higher than average monthly spend and a high proportion of them are local Qataris trying us for the first time. We welcome them all to our network.

4. The expansion of our international Roaming footprint to cover 190 countries with high quality, great value roaming services.

   – A significant number of our customers travel abroad each year and having a roaming experience that works 'just like being at home' is a key requirement for them. This year we have expanded our roaming footprint, introduced Vodafone passport (75 Dhs calling and surfing in 23 countries!) and ensured that the quality of experience and service is of the highest standard.

By the end of the financial year we have achieved a mobile market share of 27.4%. The profitability of the Company has also improved with our EBITDA margin at 19% for the full year and 23% for the final quarter. This margin improvement is driven not only by better revenue mix but also by tight cost control and improved economies of scale.

We have focused on reducing our network costs by building our own infrastructure; our own international landing station is now operational and we have built a fibre optic backbone network that connects to our base stations, our data centres, and to our international partners. This gives us greater independence, improved quality and helps our profitability.

Converged Services

In 2012, Vodafone connected its first fixed line customers offering both voice and high speed broadband capabilities. We serve many residents of Barwa City and also a number of businesses in West Bay and within Qatar Foundation. We are very proud to be partnering with Qnbn (Qatar National Broadband Network) supporting the Government's initiative to provide superfast broadband to 95% of households by 2015. Our range of services is now ready to be rolled out and we look forward to Qnbn expanding their 'last-mile' network throughout 2013 to enable us to provide a competitive offering to many more households and businesses across the country.

Connecting with Qatari customers and the Community

With phone numbers being of particular importance in Qatar, the long awaited launch of mobile number portability (MNP) means that customers can now keep their number when they change their service provider. MNP is one of the key drivers of success in the business market and for enabling postpaid customers to use Vodafone as their sole provider.
We have already seen steady inflows of customers porting their numbers to Vodafone. We expect this trend to continue in the enterprise segment in particular as we expand our fixed line rollout into the West Bay CBD area and offer converged solutions tailored to businesses.

Increasing the strength of our ties with the Qatari community has always been one of our key objectives. This year we appointed Mohammed Al-Sadah to the Executive Management team, and with over 18% of our workforce being Qatari nationals, we feel we have now made solid progress in embracing Qatarisation and we will continue to build on this in the coming year.

A team effort

Vodafone Qatar is a unique place to work. We have a young, motivated and highly capable work force from 43 different countries throughout the world. Our open, transparent, non-hierarchical culture attracts people who care deeply about building a world class operation to serve the population of Qatar. I would like to take this opportunity of thanking all my colleagues inside the company for their inspirational effort.

We are also deeply indebted to our Partners who help us to deliver our services. It would be wrong to single out anyone in particular but as a team we collaborate well and I would like to express my appreciation to them all for their understanding of our needs and their constant efforts to go the extra mile for our customers.

New Leadership and Future Plans

It is with regret that after two years in Vodafone Qatar I will be leaving this summer to return to the UK to spend time with my family. I have thoroughly enjoyed my time in Qatar where I have been truly welcomed by the local community and been fully immersed in the local culture. I am very proud of the Company's achievements during my time here and I believe Vodafone Qatar is well positioned for future growth and success under the new leadership of Kyle Whitehill. I will be working closely with Kyle over the summer to ensure a seamless transition.

Operating in such a vibrant economy provides us with a rare opportunity in today's economically challenged world. I believe that we are now well positioned to maximise this opportunity and under Kyle's leadership will reward our shareholders for their patience and support.

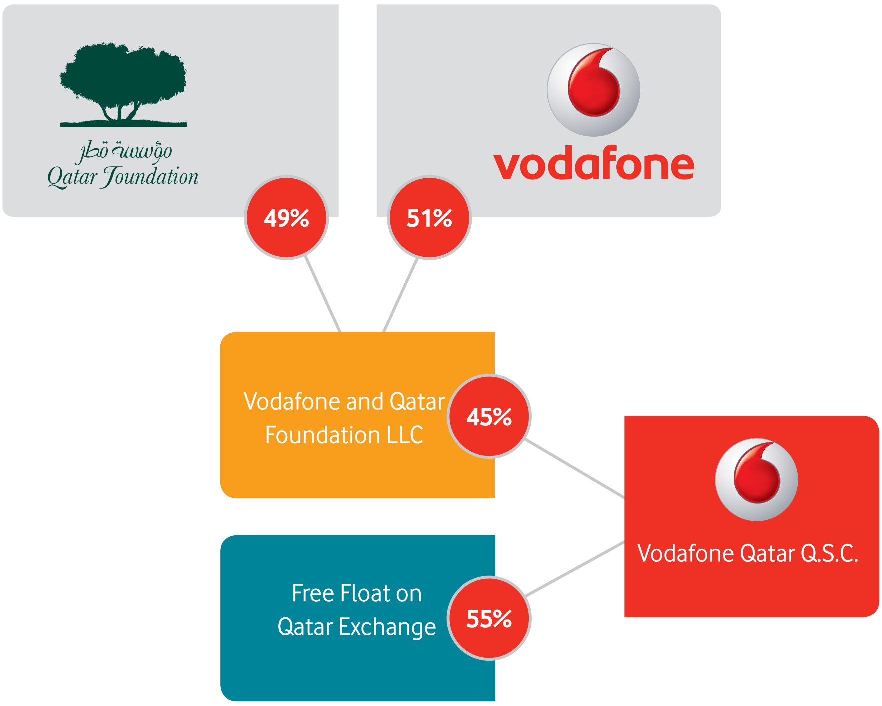
Richard Daly
Chief Executive Officer

Section Two: Overview

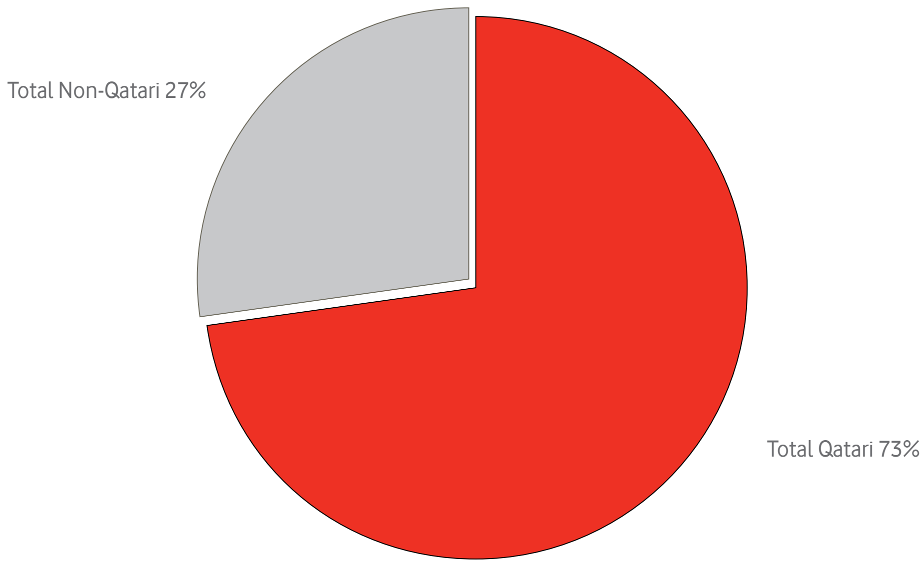
Who we are

Vodafone Group

Vodafone is a Global Company with well established local roots here in Qatar. With over 44,000 individual and business shareholders, Vodafone Qatar is 73% Qatari owned. This includes a 22% shareholding by Qatar Foundation. Vodafone Group shareholding amounts to a further 23%, whilst the remaining 3.8% is owned by foreign individual and institutional shareholders.



Vodafone Ownership Split



Board of Directors

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

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

Mr Abdulla bin Nasser Al-Misnad (Vice-Chairman)

A member of the Board since May 2009 (appointed by the Public Shareholders), Mr Al-Misnad was appointed as Vice Chairman of the Board on January 2011. Mr Al-Misnad is the Chairman & Managing Director of 'Al Misnad Holding' company having its roots in the private sector business since the 1950s. It owns and manages several companies with diverse business activities that play their full part in promoting economic growth and development of the State of Qatar. Mr Al-Misnad is also Chairman of Qatari Investors Group and Vice-Chairman of Al Khaliji Bank.

His Excellency Sheikh Abdullah bin Hamad bin Khalifa Al-Thani

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

Mr Rashid Fahad Al-Naimi

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

Mr Nick Read

A member of the Board since October 2008. Nick is CEO of Vodafone Africa, Middle East and Asia Pacific Region and a member of the Executive Committee of Vodafone Group Plc. He is a Director of Vodafone Hutchison Australia Limited, Vodacom Group Limited, Vodafone India Limited, Vodafone Egypt S.A.E., Indus Towers Limited and Safaricom Limited. He also became a Board Director of the GSMA in January 2013. Nick joined Vodafone in 2001. He spent six years at Vodafone UK for a short period as CFO, before becoming CCO and then CEO in 2006. He has been in his current role since November 2008. Prior to joining Vodafone, Nick spent 10 years at Federal Express Worldwide where he was Vice President and CFO for Europe, Middle East and Africa, based in Brussels, and Vice President Global Corporate Finance and Planning, based in the USA. He was also the former CFO of Miller Freeman Worldwide Plc, the largest division of the media group, United News and Media Plc.

Mr Richard Daly

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

Ms Aisha Mohammed Saad Al-Nuaimi

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

Mr Steve Walters

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

Mrs Alison Wilcox

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

Executive Management Team

Richard Daly
Chief Executive Officer

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

Cindy Moussa
Director of Marketing

Cindy joined Vodafone in 1998 and started her career in Customer Care. Since then she has had many roles moving through billing, finance, commercial and then the last 8 years in marketing. In marketing she held a number of general manager roles in the Australian business, and then transferred to the Head of Customer Marketing in Qatar in January 2009.

Mohamed Al-Yami
Director of External Affairs

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

Marc Norris
Chief Commercial Officer

Marc joined Vodafone Qatar in September 2012 from Vodafone Ghana where he held the role of Commercial Director, implementing a market-leading distribution and service model. Marc began his career in telecommunications in 1998 and over the past 12 years has built up extensive international telecoms experience with companies in Asia, Europe, Africa and the Middle East in general management roles covering mobile, fixed-line and digital content.

Ger Coolen
Chief Technology Officer

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

Niraj Singh
Director of Vodafone Business Services

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

Steve Walters
Chief Financial Officer

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

Mohamed Al-Sadah
Chief Administration Officer

Mohamed Al-Sadah joined the Executive Management Team in August 2012, bringing with him years of demonstrated success in delivering administrative and human resource management programmes and services with local and international organisations. Prior to joining Vodafone Qatar, Mohamed held the position of Human Resource Director for Qatar Investment Authority and Head of Human Resources at Dolphin Energy.

Matthew Osborne
Director of Legal and Regulatory

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

Vodafone Qatar has deep **local roots**

being 73% Qatari-owned by over 300 corporate shareholders and over 44,000 individuals

Section Three:
Review of the Year

Review of the Year

Executive Summary of 2012

2012 has been a great year for Vodafone. We continued our localisation as a business and today are proud to say with our Qatari shareholders and Qatari employees (representing 18% of our workforce), Vodafone Qatar is a global company with strong local roots. This enabled us to accelerate our growth as we introduced a number of products and services well designed for the Qatari community. We have also been able to set up the right partnerships, like Qnbn, to prepare for our expansion into converged services.

The results for the year show us achieving a significant milestone of over one million customers on our network. That's over 56% of the population relying on Vodafone every month. Revenue grew strongly with Vodafone achieving a 30.4% share of all mobile revenues by the end of the year.

With a number of important milestones achieved in 2012 our commitment to creating a world-class telecommunications infrastructure, in line with His Highness The Emir's Qatar National Vision 2030, is stronger than ever, and we look forward to being able to deliver even more to our customers and shareholders in 2013.

The Achievements of 2012

We are proud of our achievements in 2012. They are detailed below:

1. Strong growth from Postpaid launch and Data services

In previous years we had talked about bringing to market products and services for our local community, allowing us to connect with the Qatari segment and giving them a great reason to join Vodafone. Our Postpaid services launch was just the right opportunity. Vodafone Qatar undertook significant renovations in a number of its stores to enable a prestigious Postpaid experience. In addition to this, new exclusive franchise outlets were established, increasing our points of presence, with a strong focus on driving Postpaid connections.

Our Postpaid offer was highly differentiated, giving excellent value and bringing significant benefits to customers. For the first time ever, customers could get unlimited calls and SMS to any Vodafone number in Qatar as part of their Postpaid Plans as well as the ability to roam on the Vodafone footprint, the biggest in the world, at unprecedented roaming rates of 75Dhs per minute in 23 countries.

This launch, coupled with the launch of mobile number portability (MNP) in January 2013, now gave customers the freedom to choose which operator they wanted to be with, without having to sacrifice their mobile number. This meant customers could now take advantage of all that Vodafone had to offer whilst keeping their existing mobile numbers.

In addition to the launch of our Postpaid services, local customers also enjoyed a number of campaigns across the year, from great Ramadan offerings of free Vodafone local calls, to Qatar National Day and Qatar National Sports Day campaigns which further reinforced our commitment to the community. We also continued innovating in the Prepaid market with the launch of new services like Advanced Credit, keeping people connected in emergencies, as well as unique international products like calling India for 20Dhs per minute.

All of the above speaks to significant growth in our voice business. In 2012, we saw a large increase in revenues coming from data services. As smartphone adoption increases month on month with the introduction of lower end devices, and increased affordability of data coupled with significant customer demand, our network is carrying significant volumes of data traffic. Data penetration and adoption continues to grow, and we expect this to be an ongoing growth story in 2013.

2. Delivering great customer experiences

Vodafone was recognised in the industry for its unparalleled customer experience by winning the 'Insights Middle East Call Centre' of the year award for the third consecutive year. This award is a true reflection of the customer being at the heart of everything we do.

Vodafone continues to differentiate on its experience to customers, whether it is through our call centres, in our retail stores or online. With research conducted by our research partner Nielsen, we have seen time and time again, customers saying they prefer the experience provided to them by Vodafone. We are proud to serve our customers in this way.

Further testimony to this has been witnessed online. We now have one of the strongest Facebook communities in Qatar with over 245,000 fans, and over 13,500 Twitter followers with these numbers growing daily. You can now do more than ever with us online, as we expand our services constantly, recognising our customers have busy lives and need to be able to do what they want, when they want e.g. paying their bills online.

3. On a network that over 1,000,000 people trust

Over the past year, we continued to be relentless in our network improvement: We invested heavily in many parts of Qatar, in particular the densely-populated areas of greater Doha, Al Wakra and Al Khor.

Our network is more reliable than ever, with over 1 million people using our services every month. Compared to the same period last year, our network now carries close to 25% more call traffic and 127% more data traffic. During this whole time, our customers have continued to tell us through our monthly research, that they are happier with the performance on the Vodafone network.

Over

56% of the population

rely on Vodafone every month

Vodafone Store
Landmark - Doha

4. Positively impacting the community through sponsorship and CSR Programmes

Sponsorship

In February, we were platinum sponsors of the Dolphin Energy Doha Dash National Sport Day event. Our employees and their families enjoyed taking part in various running events, ensuring that there was something to suit all ages and fitness levels. We continue to be the proud sponsor of Al Sadd Football Club, and were delighted to be part of their successful year, winning the Qatar Stars League Cup. We are also a platinum sponsor of Qatar UK Year of Culture, which is a year-long partnership aimed at celebrating and forging new partnerships between Qatar and the UK in the fields of art, culture, education, sport and science with the overall aim of developing mutual understanding and awareness.

As part of the Qatar UK Sponsorship HRH The Duchess of Cornwall, during her official visit to the State of Qatar, was welcomed to Vodafone Qatar's office and spent time talking to Vodafone's Al Johara women sales team about their unique experiences.

The Al Johara initiative supports Qatar's 2030 National Vision in the areas of human development and Vodafone is extremely proud of their success. The Duchess of Cornwall took great interest in the women as they described how being part of Al Johara team made a huge impact to their lives by using their Vodafone training to build their own businesses within their community groups.


HRH The Duchess of Cornwall with Al Johara team

Al Sadd winning the QSL Champions League

Corporate Social Responsibility Programmes

Our responsibility in Qatar goes beyond financial returns. It's about helping those who are less fortunate, using resources wisely and acting with honesty and integrity. Whatever we do, we aim to create a Better World for our customers, our environment, our people and our community here in Qatar. This year, under our Better World programme, we ran several projects that have made a real contribution to Qatari society.

a. Vodafone Qatar World of Difference
   A unique initiative, which stimulates people to start community development and charity projects, of their choice, in Qatar. One year's funding is provided to start a charitable project. This promotes social entrepreneurship in Qatar and appeals to people who wish to deliver a positive change in society.

   Our 2012 winners were Abdulla Al-Naemi and Kathleen Bates. Abdulla was given this award to expand his work in the area of animal welfare shelters for abused, abandoned and stray animals in Doha; Kathleen, for developing a programme that gives physically disabled people in Qatar an opportunity to experience swimming, snorkeling and diving.

   Our World of Difference programme has run since 2011, and has now funded six projects in total. To learn more about it, please visit www.vodafone.qa/wod

b. Reach Out To Asia (ROTA)
   Vodafone Qatar entered a five year partnership with Reach Out To Asia (ROTA) in 2009. Our significant investment of QR 9.1 Million shows our commitment to community development and making a difference. Over 500,000 community members have been positively affected through education, disaster resilience and youth development in Qatar, Nepal and Indonesia.

   In addition to this, we support youth initiatives in Qatar through the ROTA Youth Service Clubs programme. Community development organisations, in over seven universities in Qatar, are supported with funds and guidance. This empowers local youth to stimulate positive change in society. To date, the program has funded 30 student organisations in Qatar.

Vodafone Qatar World of Difference
Landmark - Doha

ROTA's International Outreach Programme offers individuals in Qatar the opportunity to volunteer in community development projects around Asia. The volunteers make a sustainable difference by taking part in capacity building activities. Over 450 students and adults have volunteered through the program so far.

c. Your Health First
In 2012, we partnered with Weill Cornell Medical College in Qatar and other strategic partners. The mission was to educate the community in Qatar about healthy lifestyle, targeting topics like diabetes, heart disease, psychological health and healthy eating habits. We launched "Your Health First" campaign, a five year project, as well as developed a "Your Health First" application, helping people understand their weight targets and how to eat properly to achieve this. The project targets people from the 10-25 year old age group.

d. Global Biking Initiative
Vodafone Qatar supported a team of employees, who proudly participated in the Global Biking Initiative (GBI), a 900 kilometre cycling journey from Oslo, Norway to Dusseldorf, Germany. The team supported Reach Out To Asia's project in Kailali, Nepal - a remote rural area regularly affected by flooding. QR 39,000 was raised to fund scholarships. These allowed marginalised and disadvantaged female students in Kailali to continue their secondary education.

Captain for Sandstormers Cycling Team, Marouf Tirad Mahmoud and Hanadi Hassan from Qatar TV

Vodafone Qatar World of Difference
Landmark - Doha

2012 has been a
significant year
with a great number of achievements

5. Building blocks in place for rapid expansion into converged services

In an effort to introduce new and innovative services and products, we connected new fixed line customers with both voice and broadband services extending our coverage to include Barwa City. This was made possible through our partnership with Qnbn. This adds a key new residential community to our existing services in the Pearl Qatar. These customers enjoy super-fast internet speeds at the best possible value in the market.

With our own international landing station and fibre optic backbone network improving reliability, quality and speed, we can now truly market Vodafone Qatar state-of-the-art network with global reach. We are now in a position to offer enterprise customers tailored offerings which provide fast, reliable, high through put connectivity for their business from Qatar to the rest of the world.

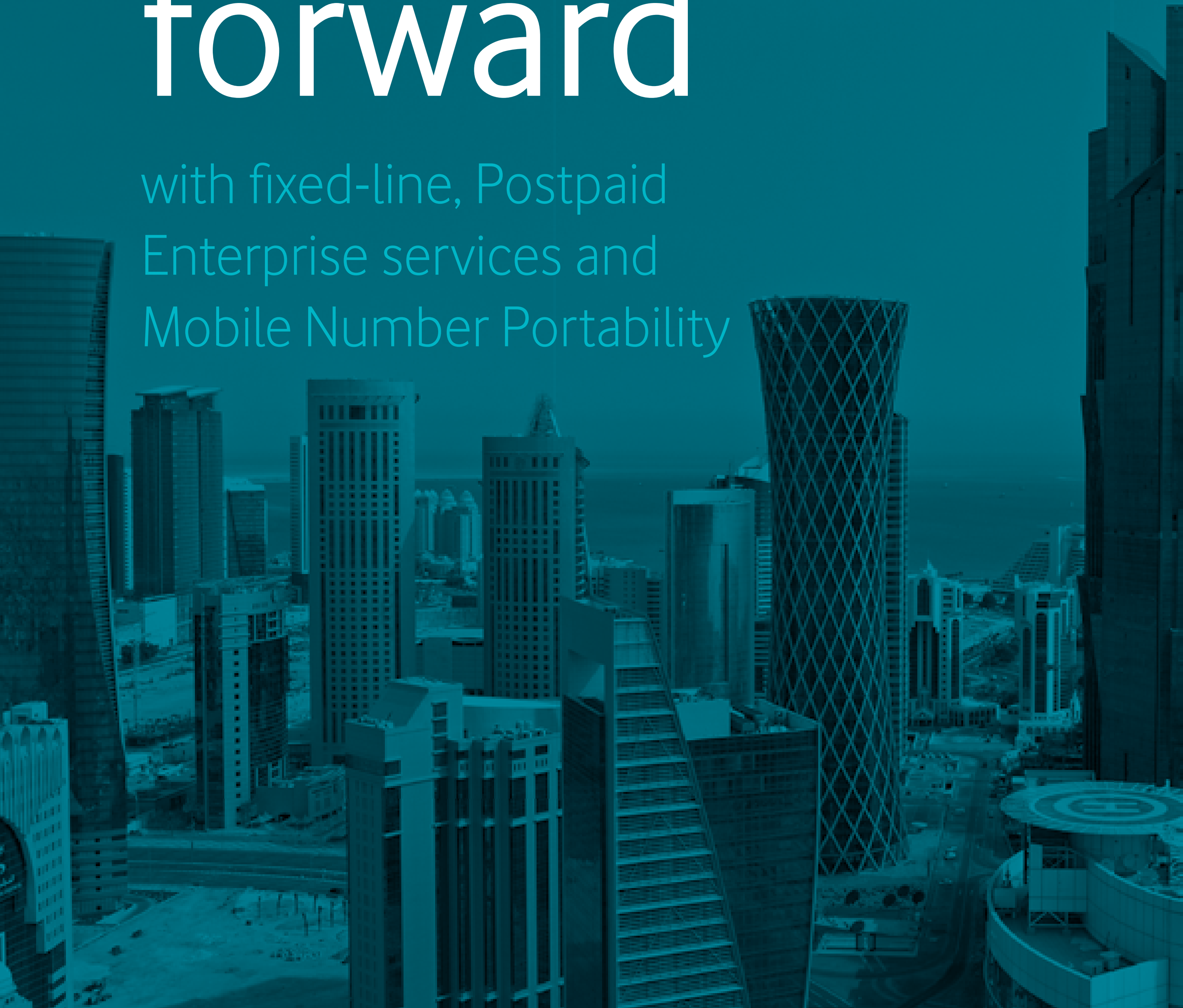
2012 has been a significant year with a great number of achievements. We look forward to continuing this success into 2013.

Qnbn branding at the Abu Dhabi Grand Prix 2012

As an integrated service provider, we are

constantly moving forward

with fixed-line, Postpaid Enterprise services and Mobile Number Portability



Section Four:
Financial Summary

Financial Highlights

Financial Performance

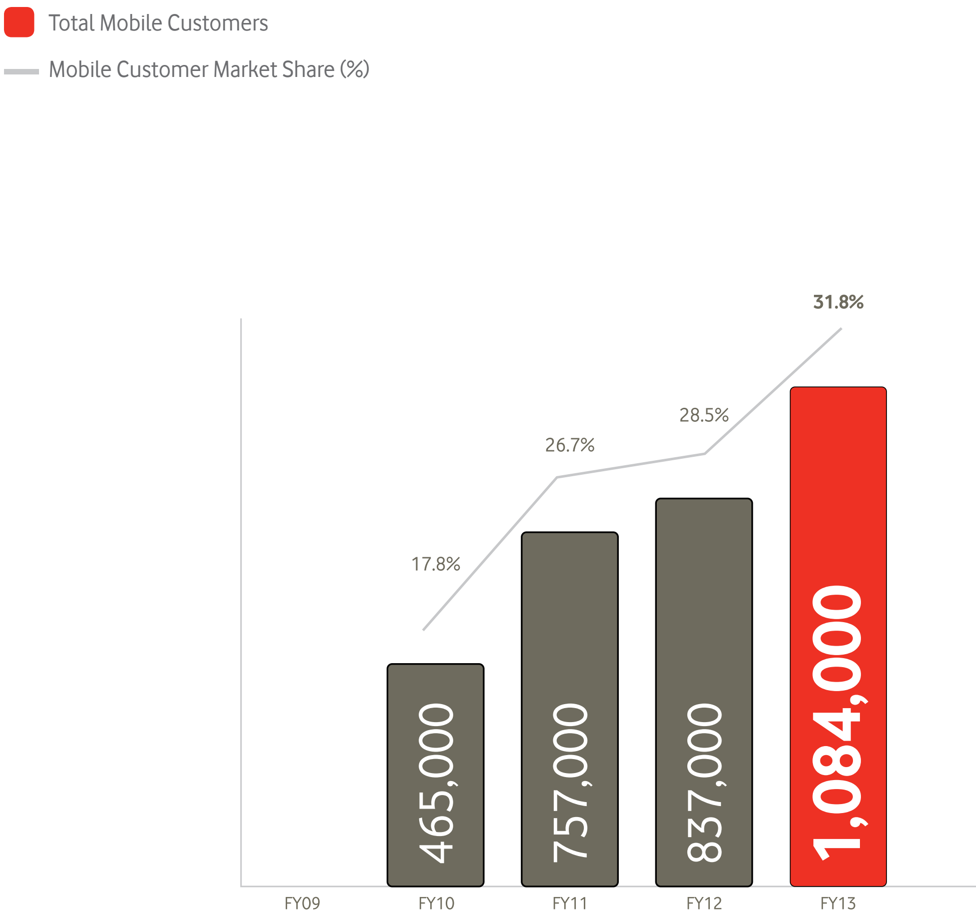
	Year to Mar - 09 QRm	Year to Mar - 10 QRm	Year to Mar - 11 QRm	Year to Mar - 12 QRm	Year to Mar - 13 QRm	YoY Growth %
Total Revenue	0	362	935	1,222	1,527	25%
EBITDA	(124)	(225)	(27)	144	284	97%
Net Loss	(133)	(673)	(601)	(486)	(401)	18%
Distributable Profit	(133)	(304)	(197)	(82)	2	n/a
Capitalised Fixed Asset Additions	389	524	475	399	395	(1%)
Free Cash Flow	(34)	(259)	(351)	(293)	(61)	79%
Net Debt	(34)	(294)	(644)	(937)	(998)	(7%)

Key Perfomance Indicators (KPIs)

	Mar - 09	Mar - 10	Mar - 11	Mar - 12	Mar - 13	YoY %
Total Mobile Customers	0	465,000	757,000	837,000	1,084,000	30%
Qatar's Population ('m)	1.647m	1.677m	1.679m	1.774m	1.921m	8%
Qatar's Mobile Penetration	111%	156%	169%	166%	176%	10ppts
Mobile Customer Market Share	n/a	17.8%	26.7%	28.5%	31.8%	3.3ppts
Mobile Revenue Market Share	n/a	8.6%	20.0%	24.5%	27.4%	2.9ppts

Financial Commentary

Mobile Customers



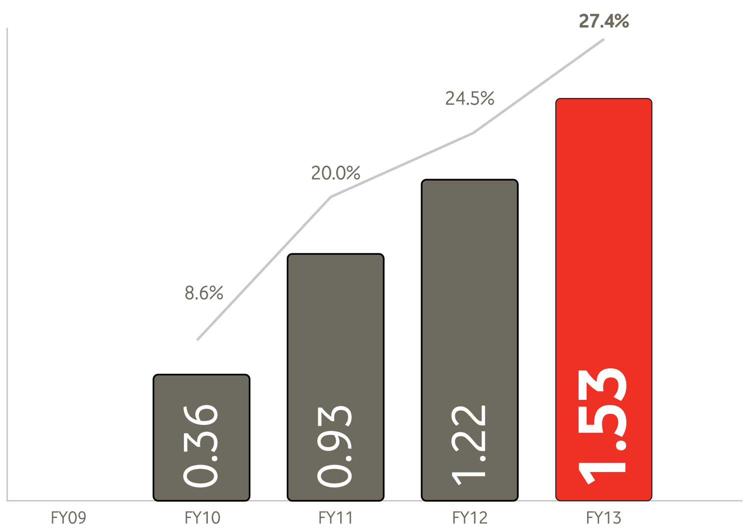
In December 2012, we were proud to connect our one-millionth customer in just over three years since launch. On 31 March 2013, we had 1,084,000 customers, representing year on year growth of 30%, well ahead of the population growth of just 8% over the same period. The 247,000 increase in customers in the last year was supported by a significant increase in the number of high value Postpaid customers we acquired following our Postpaid launch in June.

Mobile penetration in Qatar is high at 176% and continues to increase each year. Dual-SIM usage is a feature of the Qatari mobile telecommunications market, with most residents in Qatar owning more than one SIM. Our 31.8% customer market share represents Vodafone Qatar's share of all the SIMs that are currently reported in the market, and means that over 56% of the population are using a Vodafone SIM each month.

Total Revenue (Fixed and Mobile)

Revenue (QR bn)

Mobile Revenue Market Share

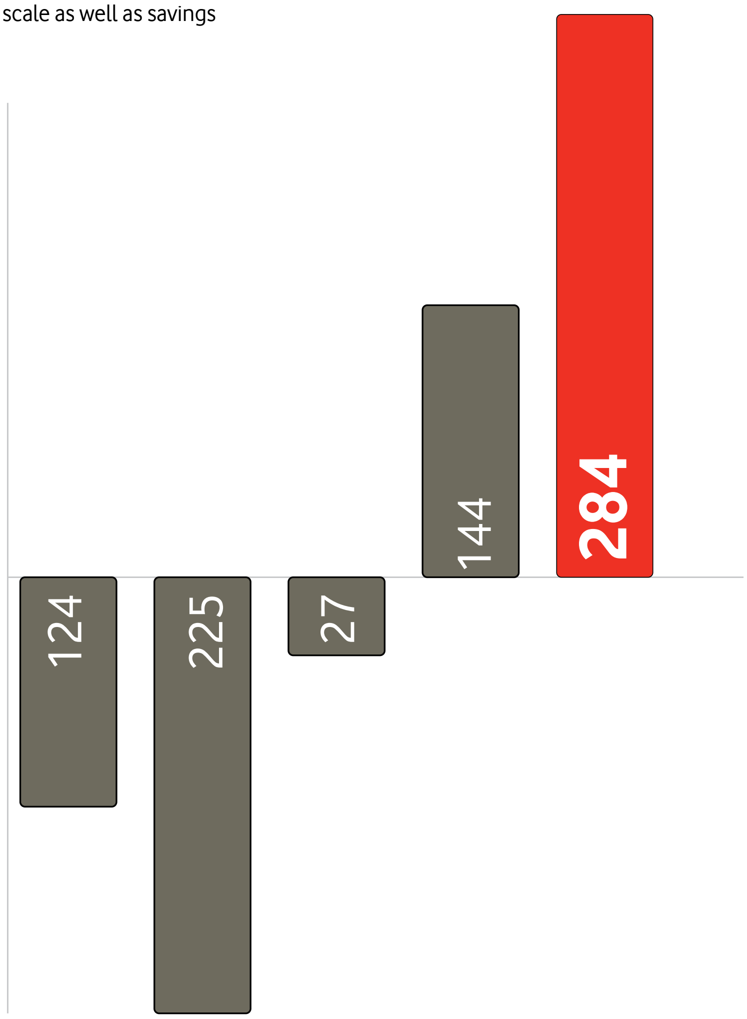


Total Revenue for the year was QR 1.53 billion, an increase of 25% compared to the same period last year. Our share of the mobile market revenue has increased to 27.4% for the year, a 2.9 percentage point improvement over last year. In the quarter to 31 March 2013, our share was 30.4%. Revenue growth was driven by an increase in our customer base together with an improvement in ARPU (the monthly revenue we receive from each customer). Improvement in ARPU resulted from increased data usage, and from adding new high value postpaid customers.

The launch of fixed line services through our partnership with Qnbn to Barwa City, as well as our existing services to customers at the Pearl Qatar are now contributing to the company's revenues, as well as its mobile operations.

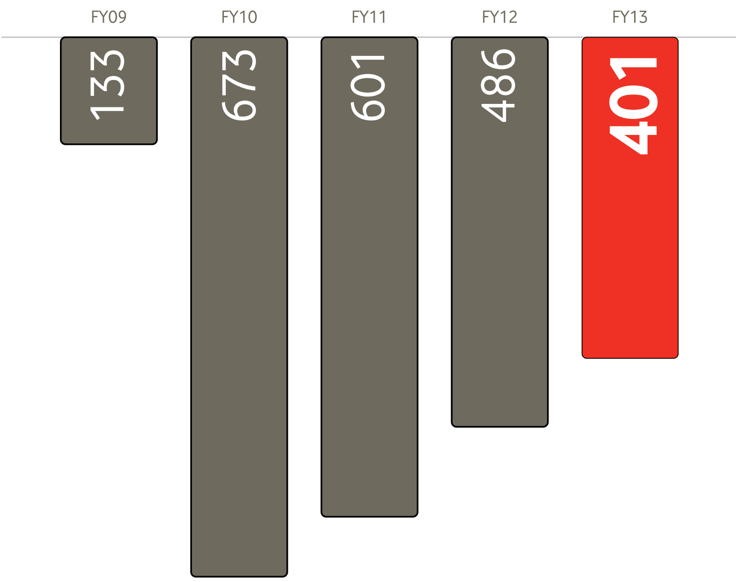
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)

EBITDA for the year was QR 284 million; this is almost double the EBITDA of last year. EBITDA margin has improved to 19% from 12% last year; this has been achieved through increased revenues from higher margin products such as data, continued economies of scale as well as savings from cost initiatives.



	FY09	FY10	FY11	FY12	FY13
EBITDA Margin %	n/a	(62%)	(2.9%)	12%	19%

Net Loss



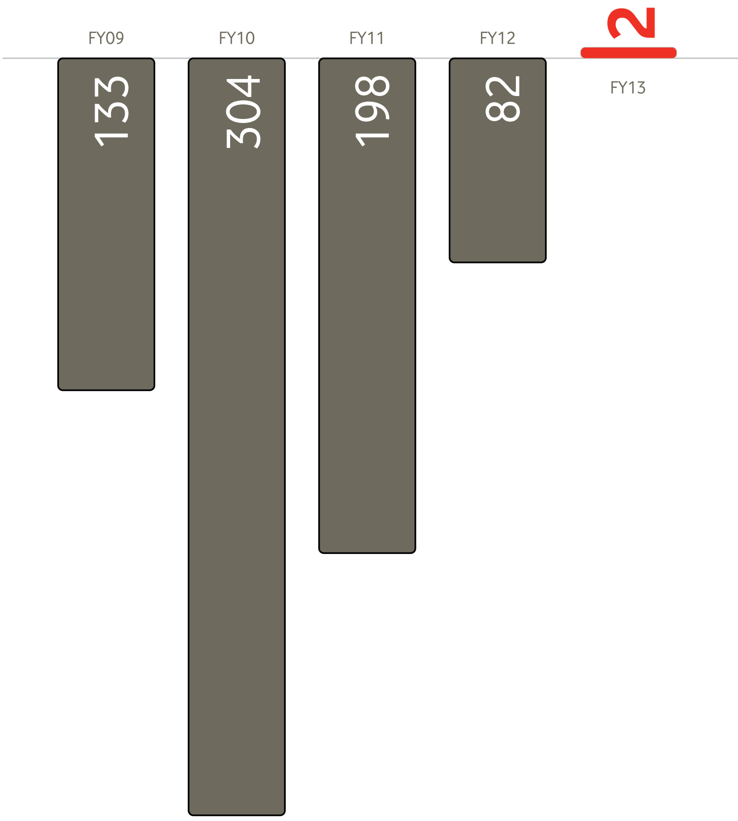
Net Loss for the year was QR 401 million; this was an improvement of 18% over the previous year. The most significant expense for Vodafone Qatar continues to be the amortisation of the mobile licence which is QR 404 million annually; whilst this is a considerable expense, it is a non-cash item that has no impact on either future dividend payments or the Company's cash flow.

In the last 12 months, we have

experienced 25% growth

of revenue reaching QR 1.53 bn, with profitability at 19% EBITDA margin

Distributable Profit



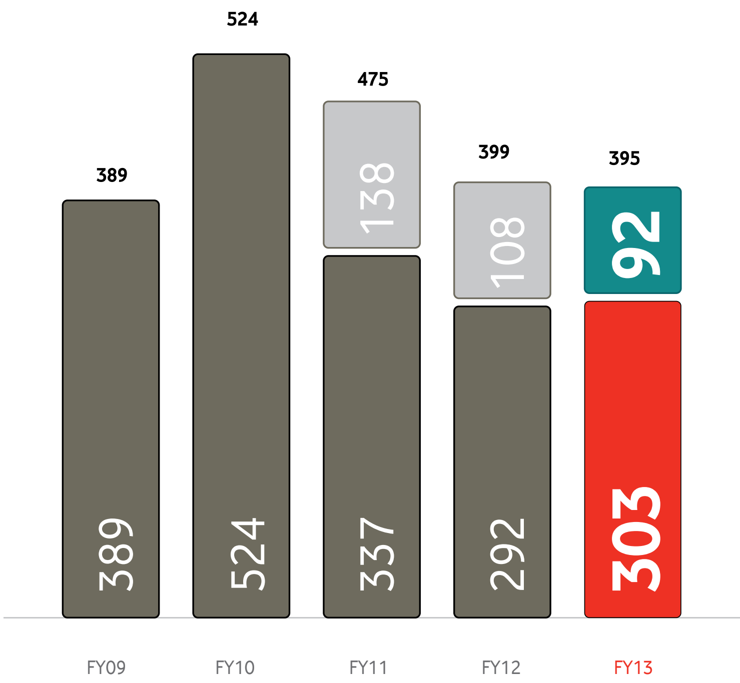
Distributable Profit is defined in Vodafone Qatar's Articles of Association (Article 69) as Net Profit for the financial year plus amortisation of the licence for that financial year.

We reached a very important milestone in the quarter to December 2012 when we announced our first quarter of positive Distributable Profit of QR 14 million. We have continued to achieve Distributable Profit on a monthly basis since then, allowing us to report our first full year of positive Distributable Profit of QR 2 million for the year ended 31 March 2013.

Capital Expenditure

The Company invested a total of QR 395 million in capital expenditure during the year, of which QR 303 million related to our mobile business, with QR 92 million invested to enable our launch of fixed line services. This brings the total amount of capital invested since the incorporation of the Company to QR 2.18 billion for both mobile and fixed operations.

Overall capital intensity (capital expenditure as a proportion of total revenue) for the year was 26%; this is a good improvement from 33% reported last year. We expect intensity to continue to decline steadily in the future.

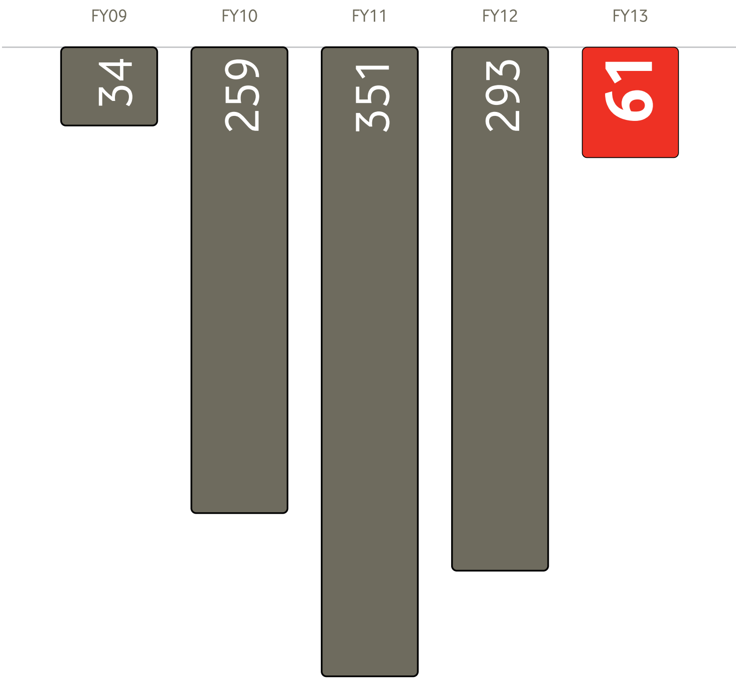


	FY09	FY10	FY11	FY12	FY13
Capital Intensity	n/a	145%	51%	33%	26%

Mobile

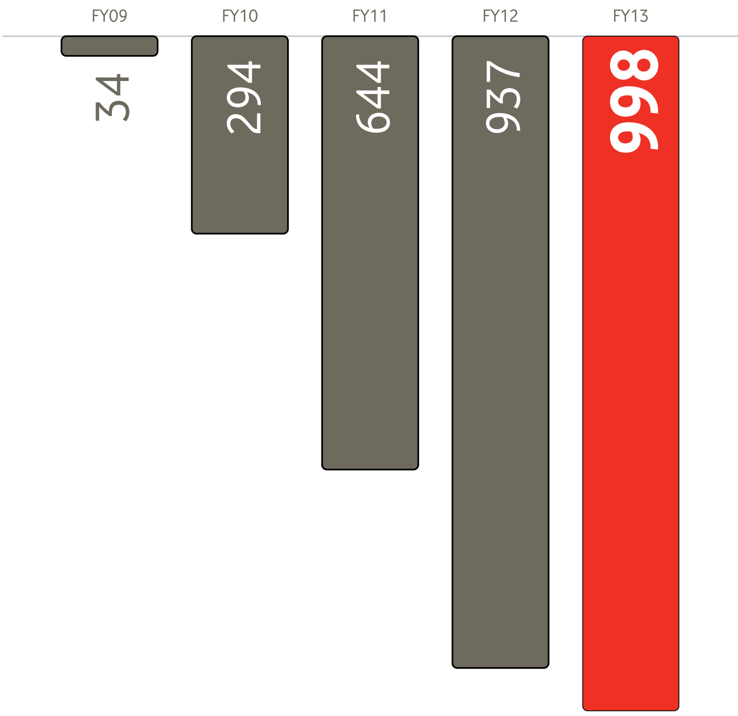
Fixed Line

Free Cash Flow



Free Cash Flow improved by 79% from the previous year to an outflow of only QR 61 million, as a result of increased EBITDA performance and good working capital management.

Net Debt (Total Borrowings less Cash)



Vodafone Qatar's total borrowing facility remained unchanged during the year at USD 330m (QR 1,201m). As at 31 March 2013, QR 1.16bn was drawn-down on these facilities offset by QR 162m of cash, leaving the net debt position at QR 998 million. Please refer to note 19 of the financial statements for further details on the long-term borrowings.

Section Five:
The Year Ahead

Our Vision:

To be

the most admired brand in Qatar

for our customers and our shareholders. Our aim is to achieve this through delivering against our five strategic pillars

Our Strategic Pillars

1. Grow market share

2. Differentiate through customer experience

3. Be truly admired throughout society

4. Create a fantastic place to work

5. Delight and reward our shareholders

We believe that by delivering a differentiated customer experience that truly focuses on the things that are important to our customers, we will be able to grow our market share in both the mobile and fixed markets.

By continuing our localisation as a company and ensuring we have strong local roots, out in the Qatari community and also within our Qatari workforce, we feel that Vodafone will become truly admired throughout society.
Without our people, none of this would be possible. Our people are critical in delivering these world-class experiences and products and services to our customers. We will therefore create a fantastic place for our people to work so that Vodafone will be a sought after employer in the Qatari market.
By delivering on this strategy, we will be best placed to deliver amazing results for our shareholders to delight and reward them for their continuing support.

Looking forward to 2013

Over the past year we have laid the foundations for our growth into Enterprise and 2013 will see us rapidly expand our converged service in this area.

Our partnership with Qnbn will enable us to expand our fixed network coverage across West Bay and other key parts of the country. This last mile coverage will connect with Vodafone Carrier Services' global network and enable us to offer international connectivity services together with our local enterprise offerings for connectivity, corporate internet and corporate voice.

We will promote our capabilities as a business services provider through a wide-reaching marketing programme and we will constantly strive to deliver the most innovative and tailored solutions to our customers whilst ensuring that costs are well managed.

We will also open Vodafone Al Safwa Centre located in West Bay. It is a customer experience centre dedicated to understanding businesses better and developing solutions that can help companies grow. The Al Safwa Centre is a place where business leaders can actively participate and uncover opportunities generated by new technologies through a tailor made, interactive journey. Helping us deliver a truly differentiated experience for our business customers.

In 2013, we will introduce an exclusive offer recognising the importance of our Shareholders and thanking them for being part of the success of Vodafone in Qatar. Our privileged shareholders, as our VIP customers, will also be serviced through Vodafone Al Safwa, and will enjoy a number of benefits that go along with their exclusive offer.

Additionally, our relentless pursuit of network excellence continues, as we plan further capacity and coverage improvements and the rollout of 4G services, continuing to push the boundaries for our customers to ensure they have a great Vodafone experience.

2013 is an exciting year ahead for Vodafone, and we look forward to reporting on its success.

Our commitment to providing state-of-the-art services, products and customer care means over

1,000,000

people are now Vodafone customers

Section Six:
Corporate Governance

Chairman's Statement

At Vodafone Qatar we strive to apply the highest standards of corporate governance and best practice which we consider critical to business integrity and maintaining investors' trust.

We expect all our directors, employees and suppliers to act with honesty, integrity and fairness.

Our business principles set out the standards that we set ourselves to ensure we operate lawfully and with integrity and respect.

Sound and robust corporate governance framework and processes help to ensure the Company is operated in a responsible and transparent manner that is in the best interests of the Company and its stakeholders and serves to increase the confidence of investors.

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

A full disclosure document detailing Vodafone Qatar's compliance with the QFMA Corporate Governance Code for the period 1 January 2012 to 31 March 2013, is publicly available on the dedicated investor relations section of the Company's website – www.vodafone.com.qa/en-ir

In the interests of transparency and disclosure, the full disclosure document further details Vodafone Qatar's compliance or non-compliance with every article of the QFMA Corporate Governance Code and offers explanations where the Company does not currently meet the precise requirements prescribed by the Code.

Abdulrahman bin Saud al-Thani
Chairman of the Board, Vodafone Qatar Q.S.C.

Board Organisation and Structure

Role of the Board of Directors

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

- has ultimate responsibility for the management, direction and performance of Vodafone Qatar;
- is required to exercise objective judgement on all corporate matters independent from executive management;
- is accountable to shareholders for the proper conduct of the business; and
- is responsible for ensuring the effectiveness of and reporting on our system of corporate governance.

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

Board Meetings

Article 34.1 of Vodafone Qatar's Articles of Association states the Board of Directors will meet at least four times per year to be aligned with quarterly reporting requirements. Article 11.1 of the "Corporate Governance Code for Companies Listed in Markets Regulated by the Qatar Financial Markets Authority" issued by the Qatar Financial Markets Authority in 2009 ("QFMA Corporate Governance Code") prescribes that Board meetings should be held at least six times per year. Vodafone Qatar holds additional Board meetings throughout the year as and when required.

Board meetings are structured to allow open discussion and facilitate the participation by all directors in discussions relating to strategy, trading and financial performance and risk management. All substantive agenda items have comprehensive 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 appoint a proxy for voting purposes.

Board Composition

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

Vodafone Qatar's Board of Directors is composed in accordance with Article 26 of the Company's Articles of Association. The Board of Directors consists of nine members, six of whom were appointed by the Private Founder (Vodafone and Qatar Foundation LLC), one of whom was appointed by the Founding Institutional Investors (QIF) and two members who were appointed by the public shareholders at the constituent General Assembly on 26 May 2009 following the Company's public offering.

The Company's first Board of Directors was appointed for an initial term of five years from the date of incorporation of the company on 23 June 2008.

Further information about individual Board members' qualifications and other board positions held are detailed on page 14 of this Annual Report.

Independent Advice

The Board recognises that there may be occasions where one or more of the directors consider it necessary to take independent legal and/or financial advice at the Company's expense. There is an agreed procedure to enable them to do so.

Division of Responsibilities

Vodafone Qatar has clear separation between the roles of the Chairman and Chief Executive Officer, and there is a clear division of responsibilities:

- The Chairman (H.E. Sheikh Abdulrahman bin Saud al-Thani) is responsible for the operation, leadership and governance of the Board, ensuring its overall effectiveness.

- The Chief Executive Officer (Richard Daly) is responsible for the management of the business and implementation of overall strategy and policy.

The following table shows composition of Vodafone Qatar's Board of Directors at 31 March 2013:

Name	Position	Date Appointed	Board Member Type	Representing
Sheikh Abdulrahman bin Saud Al-Thani	Chairman	26/06/2008	Independent and Non-Executive	Institutional Founding Investors (15%)
Abdulla bin Nasser Al-Misnad	Vice Chairman	26/05/2009 as member (11/01/2011 as Vice Chairman)	Independent and Non-Executive	Public Shareholders (40%)
Aisha Mohammed Saad Al-Nuaimi	Member	26/05/2009	Independent and Non-Executive	
Sheikh Abdullah bin Hamad bin Khalifa Al-Thani	Member	11/01/2011	Independent and Non-Executive	Vodafone & Qatar Foundation LLC (45%)
Rashid Fahad Al-Naimi	Member	26/06/2008	Independent and Non-Executive	
Richard Daly	Member	02/11/2011	Executive	
Steve Walters	Member	02/11/2011	Executive	
Nick Read	Member	24/08/2008	Independent and Non-Executive	
Alison Wilcox	Member	11/01/2011	Independent and Non-Executive	

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 the committees to other suitably qualified staff. The Company Secretary:

- assists the Chairman in ensuring that all directors have full and timely access to all relevant information;

- is responsible for ensuring that the correct Board procedures are followed and advises the Board on corporate governance matters; and

- administers the procedure under which directors can, where appropriate, obtain independent professional advice at the Company's expense. The appointment or removal of the Company Secretary is a matter for the Board as a whole.

The current Company Secretary of Vodafone Qatar is Matthew Osborne, Director of Legal and Regulatory Affairs. Matthew is a solicitor qualified in both New Zealand and England and Wales and previously held the position of General Counsel and Company Secretary of Vodafone Ireland and its subsidiaries from 2007 to 2011.

In his role as Company Secretary he makes use of Vodafone Group support and best practise in the discharge of his duties and responsibilities.

Board Committees

Vodafone Qatar currently has an Audit Committee and Remuneration Committee with detailed Terms of Reference documents which have been approved by the Board.

Audit Committee

The Audit Committee members are as follows:

Board Member	Position	Board Member Type
Rashid Fahad Al-Naimi	Chairman	Independent & Non-Executive
Aisha Mohammed Saad Al-Nuaimi	Member	Independent & Non-Executive
Nick Read	Member	Independent & Non-Executive

Article 17.1 of the QFMA Corporate Governance Code suggests that a company's Audit Committee should be comprised of at least three members, the majority of whom should be independent. Vodafone Qatar's Board believes the current composition of the Audit Committee is considered appropriate for its effective operation.

The Audit Committee responsibilities include:

- monitoring the Company's compliance with statutory, legal and regulatory requirements;
- overseeing the relationship with the external auditor;
- engaging independent advisors as it determines is necessary and to perform investigations;
- overseeing the integrity of the Company's accounting and financial reporting, and its systems of internal controls and the Company's risk management process;
- reviewing the scope, extent and effectiveness of the Company's internal audit function;
- reporting to the Company's Board of Directors on areas of improvement and recommending actions.

Article 17.4 of the QFMA Corporate Governance Code suggests that a company's Audit Committee should meet as required and at least once every three months. Vodafone Qatar's Audit Committee is scheduled to meet twice per year. Vodafone Qatar believes that in conjunction with the existing internal control and risk management processes adopted by the Company and described later in this report, a minimum of two Audit Committee meetings per year is sufficient. Furthermore, additional Audit Committee meetings shall be held during the year as required.

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

Remuneration Committee

The Remuneration Committee members are as follows:

Board Member	Position	Board Member Type
Abdulla bin Nasser Al-Misnad	Chairman	Independent & Non-Executive
Aisha Mohammed Saad Al-Nuaimi	Member	Independent & Non-Executive
Rashid Fahad Al-Naimi	Member	Non-Executive
Nick Read	Member	Non-Executive
Alison Wilcox	Member	Non-Executive

Article 16.1 of the QFMA Corporate Governance Code suggests that a company's Remuneration Committee be comprised of at least three non-executive Board members, the majority of whom must be independent. Currently, only two of the five Remuneration Committee members of the Vodafone Qatar Board are independent. The remaining non-executive members represent Vodafone Group and Qatar Foundation LLC and act in the best interests of all shareholders.

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

- advises the Board if it believes that there are particular matters relating to remuneration which should be put to the Company's shareholders; and
- prepares an annual report on remuneration policy and principles which complies with all relevant external disclosure requirements and which will be presented to shareholders at the General Assembly meeting. This report will also be made public as part of the Company's Annual Report.

Article 29.3 of the QFMA Corporate Governance Code states that the Board shall develop remuneration policies and packages that provide incentives for the employees and management of the Company to always perform in the best interests of the Company. This policy should take into consideration the long term performance of the Company.

Vodafone Qatar's Remuneration Committee has been formed to determine remuneration policy for the Company's Senior Executive Management team and not for all Company employees. For all other Company employees, remuneration policy continues to be managed and governed by Vodafone Qatar in accordance with Vodafone Group policy pursuant to the Vodafone Qatar Management Agreement.

The full Terms of Reference for the Remuneration Committee is publicly available on Vodafone Qatar's website www.vodafone.qa/en-ir

Nomination Committee

Article 15 of the QFMA Corporate Governance Code (relating to a company's Nomination Committee) states that nominations and appointments of Board members shall be made according to formal, rigorous and transparent procedures.

As of 31 March 2013, Vodafone Qatar did not have a Nomination Committee. Vodafone Qatar's Articles of Association (Article 26.4) provides that the Company's first Board of Directors was appointed for an initial term of five years from the date of incorporation of the Company which was 23 June 2008. The Company's Articles of Association provide a process for the appointment and replacement of directors during this period, removing the need for a Nomination Committee.

As well as taking part in career fairs and creating graduate programmes to support the nation's

future vision

of Qatarisation, senior management was enhanced by the appointment of Mohamed Al-Sadah, Chief Administration Officer

Shareholders' Rights

Disclosure

Vodafone Qatar conforms to all disclosure requirements of Article 20 of the QFMA Corporate Governance Code, providing quarterly financial statements prepared in accordance with International Financial Reporting Standards (IFRS) to the Qatar Exchange and Qatar Financial Markets Authority within the deadlines stipulated.

Vodafone Qatar is compliant with Article 21 of the Corporate Governance Code. Shareholders have all the rights conferred upon them by related laws and regulations including the Corporate Governance Code and the Company's by-laws. Further, the Board of Directors ensures that shareholders' rights are respected in a fair and equitable manner.

Vodafone Qatar is compliant with Article 24 of the Corporate Governance Code; the Company's Articles of Association includes provisions to ensure shareholders have the right to call for a General Assembly which is convened in a timely manner. Shareholders have the right to place items on the agenda, discuss matters listed in agenda and to address questions and receive answers.

Vodafone Qatar is compliant with Article 25 of the Corporate Governance Code ensuring equitable treatment of shareholders. All the company's shares are of same class and have the same rights attached to them. Further, proxy voting is permitted in compliance with all QFMA and Ministry of Business and Trade related laws and regulations.

Shareholder Relations

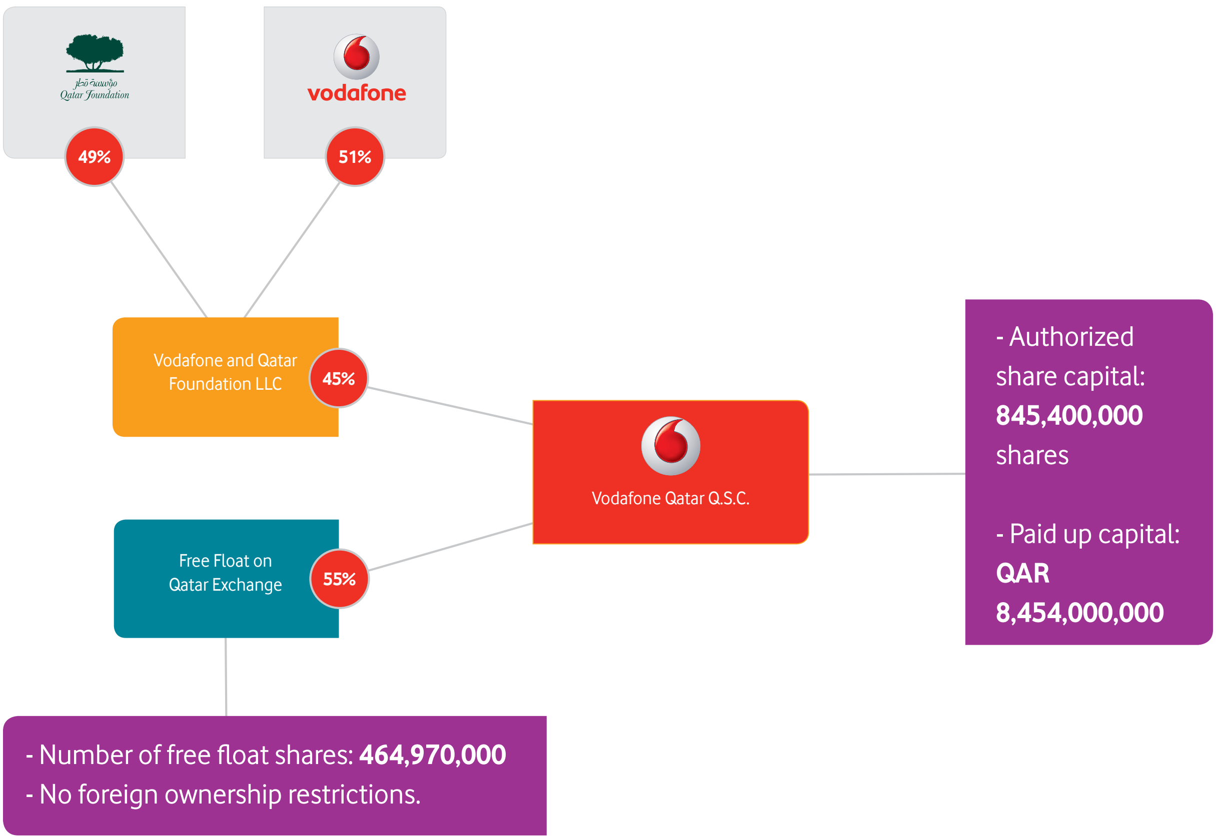
Vodafone Qatar has a dedicated Investor Relations department and is committed to communicating to shareholders the Company's strategy and activities, and seeks to maintain an active dialogue with investors through a planned programme of investor relations activities throughout the year. The investor relations programme includes:

- publication of press releases and presentation of quarterly, half-year and full-year results;
- hosting of the Annual General Assembly meeting which all shareholders are invited to attend through announcements in at least two local daily newspapers;
- publication of the Annual Report detailing the Company's financial statements and annual review of business operations;
- assigning a specialised company for the General assembly registration process and voting process to ensuring the rights of voting;
- explanation of the dividend policy at every General Assembly Meeting;
- meetings as required between institutional investors and analysts and the Chief Executive Officer and/or Chief Financial Officer to discuss business performance;
- hosting an annual investor and analyst session at which senior executive managers provide an overview of business and financial performance;
- attendance by executive managers at relevant meetings and conferences throughout the year;
- responding to enquiries from shareholders and analysts through our Investor Relations team; and www.vodafone.qa/en-ir is the Investor Relations section of our website dedicated to shareholders.

The principal communication with private investors is via the Annual Report and through the Annual General Assembly meeting where all shareholders are able to attend, and those present at the meeting are given the opportunity to question the Chairman and Board Members. After the General Assembly meeting, shareholders can meet informally with Board Members and the Executive Managers of the Company. A summary presentation of the Company's financial results is given at the General Assembly meeting before the Chairman deals with the formal business of the meeting.

Vodafone Qatar is compliant with Article 29 of the QFMA Corporate Governance Code. All shareholders have access to the Company's website www.vodafone.qa/en-ir to view quarterly financial performance, the Annual Report, Corporate Governance Report, Governance Charter, Board Charter, Articles of Associations and biographies of all Board members and the Company's executive management team.

As at 31 March 2013, Vodafone Qatar's capital structure is:



Stakeholders' 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 by the Board to incentivise and the Executive Management Team to perform in the best interests of the Company.

Vodafone Qatar has a process in place enabling its employees to report any suspicious behaviour to senior management, where such behaviour is unethical, illegal or detrimental to the Company. Employees can report such behaviour confidentially without the risk of a negative reaction from other employees or the employee's superiors.

Internal Control and Risk Management

Internal control processes

The Board has overall responsibility for internal risk management and control processes. Vodafone Qatar has implemented a dedicated compliance programme in accordance with best practice mandated by Vodafone Group. As part of the compliance programme Vodafone Qatar applies the policies and processes set forth in the Vodafone Group Policy Manual, which identifies 24 discrete governance policies designed to ensure that all material financial and business risks are identified and managed appropriately.

The existence and effectiveness of Vodafone Qatar's internal controls and processes to achieve and maintain compliance with the Vodafone Group governance policies is primarily the responsibility of Vodafone Qatar's management and is monitored through compliance / assurance functions. Internal audit provides an independent assurance over the internal control system and reports significant issues to the Audit Committee. The internal control system is formally self-assessed by Vodafone Qatar's management on an annual basis using a Key Control Questionnaire (KCQ) and Policy Compliance Review (PCR) which form part of Vodafone Group's global processes and is a function of Vodafone Group's Internal Audit Department. The KCQ / PCR is an annual self-assessment exercise completed by all Vodafone operating companies and administered by Vodafone Group's Internal Audit Department. Completion of the KCQ / PCR is mandatory and helps identify areas of weakness and assesses the relative strength of Vodafone Qatar's internal controls.

Internal Audit

Vodafone Qatar's Internal Audit Department is a service provided and supported by Vodafone Group as part of the company's internal governance and compliance framework. The Internal Audit Department provides objective and independent assurance over critical business processes and projects. The Internal Audit Department reviews business and technology processes to identify the risks, review the controls and make recommendations to enable better management of the business by identifying those aspects of the business that could be controlled more effectively. The Internal Audit team has the independence to report objectively on any function without being constrained by line management. The Internal Audit team monitors and supports key governance structures and activities to ensure ongoing effectiveness. The team also identifies and promotes good business practices and reviews the Company's financial and accounting policies and processes. The Internal Audit Department visits Vodafone Qatar regularly and provides a detailed report at each Audit Committee meeting, undertaking consultations as required. In addition, Internal Audit operates in co-operation with, and has full access to, the Vodafone Qatar Audit Committee. As a function provided by the Vodafone Group, the Board considers the Internal Audit Department as being independent from Vodafone Qatar.

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

Article 18.3.5 of the QFMA Corporate Governance Code prescribes that a company's internal audit function should be independent from the day-to-day functioning of the company and suggests reinforcing this independence by having the Board determine compensation of its staff. As a function provided by the Vodafone Group, the Board considers the Internal Audit Department as being independent from Vodafone Qatar.

External Auditor

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

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

Deloitte LLP 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 19.5 of the QFMA Corporate Governance Code states that a listed company should change its External Auditor every three years; while Article 141 of Commercial Companies Law No. 5 of 2002 states that the period of appointment of the auditors may not exceed 5 years. Vodafone Qatar's Articles of Association (Article 60) is aligned to the Commercial Companies Law and states that an auditor can be appointed for a period not exceeding five consecutive years. At the Company's Annual General Assembly following the year ending 31 March 2013, the Board of Directors will be proposing a change of External Auditor.

Conflicts of Interest and Insider Trading

Conflicts of Interest

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

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

Anti-Bribery

Vodafone Group takes a zero-tolerance approach to bribery and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates. This is consistent with Vodafone Group's policy to conduct all of its business in an honest and ethical manner. Vodafone Group is committed to implementing and enforcing robust and effective systems to counter bribery in all markets in which it operates, including Qatar.

Important provisions of the UK Bribery Act came into force on 1 July 2011. This legislation is relevant to the business through Vodafone Group's interest in Vodafone Qatar. Consequently, Vodafone Qatar, in accordance with Vodafone Group best practice that is applied across all Vodafone subsidiaries, undertook an extensive review of its business in the context of this new legislation to enable it to identify and address any areas of potential risk.

As a consequence of the review undertaken, a detailed action plan was prepared and approved by the Vodafone Qatar Executive Committee for implementation. The plan was designed to improve related controls and processes and ensure compliance with applicable domestic and international laws. standards and principles relating to anti-bribery and included:

(a) mandatory training for all staff in key positions of responsibility or influence;
(b) creating and maintaining an official register in which all employees are required to record all corporate gifts or hospitality whether given or received.
Breaches of this policy are treated as a serious disciplinary offence.

Insider Trading

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

Section Seven: Financial Statements

Financial statements and independent auditor's report
For the year ended 31 March 2013

Independent Auditors' Report

To The Shareholders
Vodafone Qatar Q.S.C.

Report on the financial statements

We have audited the accompanying financial statements of Vodafone Qatar Q.S.C. (the "Company"), which comprise the statement of financial position as at 31 March 2013 and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the financial statements presents fairly, in all material respects, the financial position of Vodafone Qatar Q.S.C. as at 31 March 2013, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other legal and regulatory requirements

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

For Deloitte & Touche

Doha – Qatar
3 June 2013
Midhat Salha
Licence No. 257

Statement of Income
for the year ended 31 March 2013

		Year ended 31 March	
	Notes	2013	2012
		QR'000	QR'000
Revenue	5	**1,526,618**	1,221,724
Direct costs		**(689,421)**	(560,743)
Other expenses	6	**(553,228)**	(516,914)
Earnings before interest, tax, depreciation and amortisation		**283,969**	144,067
Depreciation	10	**(254,719)**	(196,639)
Amortisation	11	**(403,886)**	(403,840)
Interest income		**494**	662
Financing costs	7	**(26,577)**	(30,236)
Loss before taxation		**(400,719)**	(485,986)
Income tax expense	8	**-**	-
Loss for the year		**(400,719)**	(485,986)
Basic and diluted loss per share (in QR per share)	9	**(0.47)**	**(0.57)**

Statement of Comprehensive Income
for the year ended 31 March 2013

		Year ended 31 March	
	Note	2013	2012
		QR'000	QR'000
Loss for the year		(400,719)	(485,986)
Other comprehensive loss			
Net movement in fair value of cash flow hedges during the year	17	(1,073)	(18,711)
Total comprehensive loss for the year		**(401,792)**	**(504,697)**

Statement of Financial Position

as at 31 March 2013

	Notes	31 March 2013 QR'000	31 March 2012 QR'000
Non-current assets			
Property, plant and equipment	10	**1,482,299**	1,363,974
Intangible assets	11	**6,167,056**	6,550,258
Trade and other receivables	12	**10,598**	6,940
Total non-current assets		**7,659,953**	7,921,172
Current assets			
Inventories	13	**16,623**	11,895
Trade and other receivables	12	**217,558**	171,339
Cash and cash equivalents	14	**161,549**	100,338
Total current assets		**395,730**	283,572
Total assets		**8,055,683**	8,204,744
Equity			
Share capital	15	**8,454,000**	8,454,000
Legal reserve	16	**11,543**	11,442
Hedging reserve	17	**-**	1,073
Accumulated losses		**(2,293,834)**	(1,893,014)
Total equity		**6,171,709**	6,573,501
Non-current liabilities			
Employees' end of service benefits		**10,666**	8,233
Trade and other payables	18	**54,564**	10,939
Long term borrowings	19	**1,159,611**	1,037,266
Total non-current liabilities		**1,224,841**	1,056,438
Current liability			
Trade and other payables	18	**659,133**	574,805
Total current liability		**659,133**	574,805
Total liabilities		**1,883,974**	1,631,243
Total equity and liabilities		**8,055,683**	8,204,744

The financial statements were approved by the Board of Directors on 3 June 2013 and were signed on its behalf by:

Abdulla bin Nasser Al-Misnad
Vice-Chairman

Richard Paul Daly
Chief Executive Officer

Stephen Charles Walters
Chief Financial Officer

Statement of Changes in Equity
for the year ended 31 March 2013

	Share capital	Legal reserve	Hedging reserve	Accumulated losses	Total equity
			QR '000		
Balance at 1 April 2011	8,454,000	11,442	19,784	(1,407,028)	7,078,198
Total comprehensive loss for the year					
Loss for the year	-	-	-	(485,986)	(485,986)
Other comprehensive income:					
Net movement in fair value of cash flow hedges	-	-	(18,711)	-	(18,711)
Total comprehensive loss for the year	-	-	(18,711)	(485,986)	(504,697)
Balance at 31 March 2012	8,454,000	11,442	1,073	(1,893,014)	6,573,501
Balance at 1 April 2012	**8,454,000**	**11,442**	**1,073**	**(1,893,014)**	**6,573,501**
Total comprehensive loss for the year					
Loss for the year	**-**	**-**	**-**	**(400,719)**	**(400,719)**
Other comprehensive income:					
Net movement in fair value of cash flow hedges	**-**	**-**	**(1,073)**	**-**	**(1,073)**
Total comprehensive loss for the year	**-**	**-**	**(1,073)**	**(400,719)**	**(401,792)**
Transfer to legal reserve (note 16)	**-**	**101**	**-**	**(101)**	**-**
Balance at 31 March 2013	**8,454,000**	**11,543**	**-**	**(2,293,834)**	**6,171,709**

Statement of Cash Flows
for the year ended 31 March 2013

		For year ended 31 March	
	Note	2013	2012
		QR'000	QR'000
Net cash flows generated from / (used in) operating activities	20	**326,779**	(19,573)
Cash flows used in investing activities			
Purchase of property, plant and equipment		**(362,022)**	(245,921)
Interest received		**494**	662
Net cash flows used in investing activities		**(361,528)**	(245,259)
Cash flows from financing activities			
Proceeds from long term borrowings		**95,960**	281,909
Net cash flows from financing activities		**95,960**	281,909
Net increase in cash and cash equivalents		**61,211**	17,077
Cash and cash equivalents at the beginning of the year		**100,338**	83,261
Cash and cash equivalents at the end of the year	14	**161,549**	100,338

Notes to the Financial Statements
for the year ended 31 March 2013

1 INCORPORATION AND PRINCIPAL ACTIVITIES

Vodafone Qatar Q.S.C ("the Company") is registered as a Qatari Shareholding Company for a twenty- five year period (which may be extended by a resolution passed at a General Assembly) under article 68 of the Commercial Companies Law Number 5 of 2002. The Company was registered with the Commercial Register of the Ministry of Business and Trade on 23 June 2008 under Commercial Registration No: 39656. The shares of the Company are listed in Qatar Exchange.

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

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

2 BASIS OF PREPARATION

Statement of compliance

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

Accounting convention

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

Functional and presentation currency

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

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting year. For a discussion on the Company's critical accounting estimates see "Critical Accounting Estimates" under note 24. 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.

3 SIGNIFICANT ACCOUNTING POLICIES

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

Revenue

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

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

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

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

Revenue from selling the right to use preferred numbers is recognised over the expected useful life of the customer. Revenue from money transfer transactions is recognised when earned, upon the transfer of funds.
Customer connection revenue is recognised together with the related equipment revenue to the extent that the aggregate equipment and connection revenue does not exceed the fair value of the equipment delivered to the customer. Any customer connection revenue is deferred and recognised over the period in which services are expected to be provided to the customer.

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

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

Interconnection costs

Costs of network interconnection with other domestic and international telecommunications carriers are recognised as a direct cost in the statement of income based on the actual recorded traffic minutes.

Commissions and dealer charges

Intermediaries are given cash incentives by the Company to connect new customers and upgrade existing customers, and distribute recharge cards. These cash incentives are recognised as direct costs on an accrual basis.

Regulatory fees

The annual license fee and spectrum charges are accrued as direct costs based on the terms of the License Fee Agreement and relevant applicable regulatory framework issued by ictQATAR.

Operating leases

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

Foreign currencies

Transactions in foreign currencies are initially recorded by the Company at the currency rate prevailing at the date of the transaction. Any differences on settlement of the transaction are immediately recognised in the statement of income.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the end of the reporting period. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.

Borrowing costs

The borrowing costs incurred on qualifying assets are capitalised being part of cost of construction. All other borrowing costs are recognised on an accrual basis in profit or loss as finance costs during the year in which they arise.

Income tax

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

Property, plant and equipment

- **Recognition and measurement**
  Furniture, fixtures and fittings and equipment which include network infrastructure assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Assets in the course of construction are carried at cost, less any recognised impairment 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 to 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 their intended use. 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

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 and spectrum fees and indefeasible rights of use (IRU's).

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

- **Indefeasible rights of use ("IRU")**
  IRUs correspond to the right to use a portion of the capacity of a terrestrial or submarine transmission cable granted for a fixed period. IRUs are recognised at cost as an asset when the Company has the specific indefeasible right to use an identified portion of the underlying asset, generally optical fibres or dedicated wavelength bandwidth, and the duration of the right is for the major part of the underlying asset's economic life, for which full costs are paid up front. IRU's are considered as intangible assets with finite lives.

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

Impairment of assets

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

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

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

Inventories

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

Employees' end of service benefits

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

Provisions

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

Non-derivative financial instruments

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

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

- **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.

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

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

- **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 and hedge accounting

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

- hedges of the change of fair value of recognised assets and liabilities ('fair value hedges'); or
- cash flow hedges

- **Fair value hedges**
  Fair value hedges are used while hedging the exposure to changes in the fair value of a recognised asset or liability or unrecognised firm commitment. The change in the fair value of a hedging derivative is recognised in the statement of income. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying value of the hedged item and is also recognised in statement of income.

- **Cash flow hedges**
  Cash flow hedging is used by the Company to hedge certain exposures to variability in future cash flows. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in statement of income. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting, or the Company chooses to end the hedging relationship.

Impairment of financial assets

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

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

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, 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.

4 SEGMENT REPORTING

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

5 REVENUE

	Year ended 31 March	
	2013	2012
	QR'000	QR'000
Revenue from sale of goods and services	**1,520,716**	1,177,251
Other revenue	**5,902**	44,473
	1,526,618	1,221,724

6 OTHER EXPENSES

	Year ended 31 March	
	2013	2012
	QR'000	QR'000
Employee benefits expense	**165,166**	164,716
Operating lease rentals	**119,533**	115,582
Other expenses	**268,529**	236,616
	553,228	516,914

7 FINANCING COSTS

	Year ended 31 March	
	2013	2012
	QR'000	QR'000
Interest on long term borrowings	**23,431**	27,640
Others	**3,146**	2,596
	26,577	30,236

8 INCOME TAX EXPENSE

	Year ended 31 March	
	2013	2012
	QR'000	QR'000
Income tax expense	**-**	-

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

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

9 BASIC AND DILUTED LOSS PER SHARE

	31 March 2013	31 March 2012
Loss for the year (QR '000)	**(400,719)**	(485,986)
Weighted average number of shares (in thousands)	**845,400**	845,400
Basic and diluted loss per share (QR)	**(0.47)**	(0.57)

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

10 PROPERTY, PLANT AND EQUIPMENT

	IT, furniture, fixtures and fittings	Network, plant and equipment	Total
	QR'000	QR'000	QR'000
Cost:			
At 1 April 2011	405,352	982,452	1,387,804
Additions	180,754	218,658	399,412
At 31 March 2012	586,106	1,201,110	1,787,216
Additions	224,453	154,212	378,665
De-recognition	(7,156)	(2,794)	(9,950)
At 31 March 2013	**803,403**	**1,352,528**	**2,155,931**
Accumulated Depreciation:			
At 1 April 2011	101,214	125,389	226,603
Charge for the year	87,556	109,083	196,639
At 31 March 2012	188,770	234,472	423,242
Charge for the year	117,949	136,770	254,719
De-recognition	(3,458)	(871)	(4,329)
At 31 March 2013	**303,261**	**370,371**	**673,632**
Net book value:			
At 31 March 2013	**500,142**	**982,157**	**1,482,299**
At 31 March 2012	397,336	966,638	1,363,974

The net book value of property, plant and equipment includes assets in the course of construction, which are not depreciated. These amounts to QR 180.3 million (2012: QR 146 million). Total capitalised borrowing costs amounted to QR 2.9 million during the year (2012:Nil).

11 INTANGIBLE ASSETS

	License fee	Indefeasible right to use	Total
	QR'000	QR'000	QR'000
Cost:			
At 1 April 2011	7,726,000	-	7,726,000
Additions	-	-	-
At 31 March 2012	7,726,000	-	7,726,000
Additions	-	20,684	20,684
At 31 March 2013	**7,726,000**	**20,684**	**7,746,684**
Accumulated amortisation:			
At 1 April 2011	771,902	-	771,902
Charge for the year	403,840	-	403,840
At 31 March 2012	1,175,742	-	1,175,742
Charge for the year	402,737	1,149	403,886
At 31 March 2013	**1,578,479**	**1,149**	**1,579,628**
Net book value:			
At 31 March 2013	**6,147,521**	**19,535**	**6,167,056**
At 31 March 2012	6,550,258	-	6,550,258

12 TRADE AND OTHER RECEIVABLES

	31 March 2013	31 March 2012
	QR'000	QR'000
Non-current assets:		
Prepayments	**10,598**	6,940
Current assets:		
Trade receivables – net	**138,140**	128,998
Prepayments	**24,970**	29,599
Due from related parties (note 21)	**16,149**	1,201
Accrued revenue receivables	**4,113**	-
Other receivables	**34,186**	11,541
	217,558	171,339

Trade receivables include provision for impairment amounting to QR 32.6 million (2012: QR 22.0 million), for which details are provided in note 22.

13 INVENTORIES

	31 March 2013	31 March 2012
	QR'000	QR'000
Goods held for resale	**16,623**	11,895

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

	31 March 2013	31 March 2012
	QR'000	QR'000
At 1 April	**2,761**	3,625
Amounts charged/(released) to statement of income	**753**	(864)
At 31 March	**3,514**	2,761

14 CASH AND CASH EQUIVALENTS

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

	31 March 2013	31 March 2012
	QR'000	QR'000
Cash at bank and on hand	**161,549**	100,338

15 SHARE CAPITAL

	31 March 2013		31 March 2012	
	Number	QR'000	Number	QR'000
Ordinary shares authorised, allotted, issued and fully paid:				
Ordinary shares of QAR 10 each	**845,400,000**	**8,454,000**	845,400,000	8,454,000

16 LEGAL RESERVE

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 Article 69(a) of the Articles of Association of the Company 5% of the distributable profits are to be transferred to legal reserve annually.

Distributable profits:
As per Article 69 of the Articles of Association of the Company distributable profits are defined as the net profit/loss for the financial year plus amortisation of license fees for the year.

	31 March 2013	31 March 2012
	QR'000	QR'000
Net loss for the year	**(400,719)**	(485,986)
Amortisation of license costs	**402,737**	403,840
Distributable profits / (losses)	**2,018**	(82,146)
Transfer to legal reserve	**101**	-

17 CASH FLOW HEDGES

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

During the year, the Company entered into a number of forward foreign exchange contracts. The fair value change in the statement of comprehensive income represents the difference between the fair value of the foreign exchange forwards at contract date and at the reporting date. There were no outstanding contracts as at 31 March 2013 (2012: contracts with notional amount of QR 16.5 million).

18 TRADE AND OTHER PAYABLES

	31 March 2013	31 March 2012
	QR'000	QR'000
Non-current liabilities:		
Asset retirement obligations (note 18.1)	**17,678**	10,939
Other payables	**36,886**	-
	54,564	10,939
Current liabilities:		
Trade payables	**200,140**	91,726
Accruals and deferred income	**412,233**	398,841
Other payables	**111**	-
Due to related parties (note 21)	**46,649**	84,238
	659,133	574,805

(18.1) Asset retirement obligations

	31 March 2013	31 March 2012
	QR'000	QR'000
At 1 April	**10,939**	8,604
Addition of sites during the year	**4,513**	-
Amounts charged to income statement	**2,226**	2,335
At 31 March	**17,678**	10,939

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

19 LONG TERM BORROWINGS

	31 March 2013	31 March 2012
	QR'000	QR'000
Loan from Vodafone Investment SARL	**1,159,611**	1,037,266

The Company has a first credit facility of USD $110 million (QR 400.4 million) from Vodafone Investments Luxembourg SARL. The loan of USD $110 million bears interest at a variable rate, and is repayable on 8 March 2019. The Company has drawn down USD $108.5 million (QR 394.9 million) from this facility as at 31 March 2013.

The Company's second revolving credit facility of USD $120 million (QR 436.8 million) was also obtained from Vodafone Investments Luxembourg SARL. The loan bears interest at a variable rate, and is repayable on 3 May 2014. The Company has drawn down USD $116.4 million (QR 423.6 million) from this facility as at 31 March 2013.
The Company obtained a third revolving credit facility of USD $100 million (QR 364 million) from Vodafone Investments Luxembourg SARL during July 2011. The loan bears interest at a variable rate, and is repayable on 1 June 2018. The Company has drawn down USD $93.6 million (QR 340.7 million) from this facility as at 31 March 2013.

The long term borrowings bear an average interest rate of 1.55% annually (2012: 1.57%).

20 RECONCILIATION OF NET CASH FLOWS USED IN OPERATING ACTIVITIES

	Year end 31 March	
	2013	2012
	QR'000	QR'000
Net loss for the year	**(400,719)**	(485,986)
Adjustments for:		
Depreciation and amortisation	**658,605**	600,479
Finance costs	**26,577**	30,236
Interest income	**(494)**	(662)
Increase in inventories	**(4,728)**	(399)
Increase/(decrease) in trade and other debit balances	**(45,663)**	8,992
Increase/(decrease) in trade and other payables	**54,467**	(178,095)
Increase in employees' end of service benefits	**2,433**	3,526
Increase in provisions	**36,301**	2,336
Net cash flow from / (used in) operating activities	**326,779**	(19,573)

21 RELATED PARTY TRANSACTIONS

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

The following transactions were carried out with related parties:

	31 March 2013	31 March 2012
	QR'000	QR'000
Sales of goods and services		
Vodafone Group Plc controlled entities	**3,730**	3,111
Purchases of goods and services		
Vodafone Group Plc controlled entities	**64,969**	76,025
Interest on long term borrowing		
Vodafone Group Plc controlled entities	**26,285**	27,640

Goods and services are bought from related parties at prices approved by management. Balances arising from sales/purchases of goods/services:

	31 March 2013	31 March 2012
	QR'000	QR'000
Receivables from related parties:		
Vodafone Group Plc controlled entities	**16,149**	1,201
Payables to related parties:		
Vodafone Group Plc controlled entities	**46,649**	84,238
Loan from a related party:		
Loan from Vodafone Investment SARL	**1,159,611**	1,037,266

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

	31 March 2013	31 March 2012
	QR'000	QR'000
Compensation of key management personnel		
Salaries and short-term benefits	**18,331**	12,417
Employees' end of service benefits	**881**	619
	19,212	13,036

22 FINANCIAL INSTRUMENTS

Capital risk management

The following table summarises the capital structure of the Company:

	31 March 2013	31 March 2012
	QR'000	QR'000
Cash and cash equivalents	**(161,549)**	(100,338)
Borrowings	**1,159,611**	1,037,266
Net debt	**998,062**	936,928
Total equity	**6,171,709**	6,573,501
Gearing ratio	**16.2%**	14.3%

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

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

Categories of financial instruments

	31 March 2013	31 March 2012
	QR'000	QR'000
Financial assets		
Cash and cash equivalents	**161,549**	100,338
Trade and other receivables	**203,186**	148,680
Financial liabilities		
Trade and other payables	**713,697**	585,744
Long term borrowings	**1,159,611**	1,037,266

Foreign currency risk management

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

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

Interest rate risk management

Under the Company's interest rate management policy, interest rates on monetary assets and liabilities are maintained on a floating rate basis. For every one percent rise or fall in market interest rates in which the Company had borrowings at 31 March 2013 there would be an increase or reduction in the total loss for the financial year before tax of QR 11.6 million (2012: increase or reduction by QR 10.4 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 annually.

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

	31 March 2013	31 March 2012
	QR'000	QR'000
At 1 April	**21,992**	20,911
Amounts charged to income statement	**10,566**	1,081
At 31 March	**32,558**	21,992

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

	31 March 2013	31 March 2012
	QR'000	QR'000
31 – 60 days	**16,143**	4,372
61 – 90 days	**7,010**	3,261
Over 90 days	**-**	10,431
	23,153	18,064

Exposure to credit risk

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

	Carrying amount	
	31 March 2013	31 March 2012
	QR'000	QR'000
Cash and cash equivalents	**161,549**	100,338
Trade and other debit balances	**228,156**	178,279
	389,705	278,617

Liquidity risk management

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

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

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

	Less than 1 Year	More than 1 year
	QR'000	QR'000
At 31 March 2013		
Trade and other payables	**659,133**	**54,564**
Long term borrowings	**-**	**1,159,611**

	Less than 1 Year	More than 1 year
	QR'000	QR'000
At 31 March 2012		
Trade and other payables	574,805	10,939
Long term borrowings	-	1,037,266

Fair value of financial instruments

Fair value is not materially different from the carrying amount.

23 COMMITMENTS AND CONTINGENT LIABILITIES

Commitments

Operating lease commitments

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

	31 March 2013	31 March 2012
	QR'000	QR'000
Within one year	120,406	102,111
In more than one year but less than two years	66,843	57,929
In more than two years but less than three years	62,837	54,072
In more than three years but less than four years	61,914	53,070
In more than four years but less than five years	60,625	52,719
In more than five years	447,469	389,290
	820,094	709,191

Capital commitments

	31 March 2013	31 March 2012
	QR'000	QR'000
Contracts, placed for future capital expenditure not provided for in the financial statements	**76,593**	118,738

Contingent liabilities

	31 March 2013	31 March 2012
	QR'000	QR'000
Performance bonds	**24,569**	20,000
Credit guarantees – third party indebtedness	**900**	900

Performance bonds

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

Credit guarantees – third party indebtedness

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

24 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

Impairment reviews

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

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

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

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

In estimating the value in use, the Company uses a discrete period of 5 years where a long term growth rate into perpetuity has been determined as the lower of:

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

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Company's impairment evaluation and, hence, results. The discount rate used in the most recent value in use calculation in the year ended 31 March 2013 was 10.4% (9% in 2012) and the long-term growth rate was 5.3% (5.6% in 2012).

Revenue presentation: gross versus net

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

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

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

Estimation of useful life

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

Licences fees

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

Provision for receivables

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

Fair value of bundling

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

Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company being 18.4% (2012: 16.6%) of the Company's total assets. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Company's financial position and performance.

Estimation of useful life

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

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

25 ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

25.1 Standards and Interpretations effective in the current period

The following amendments to IFRSs were effective in the current year and have been applied in the preparation of these financial statements:

(i) Revised Standards

- IFRS 1 (Revised)	First time adoption of International Financial Reporting Standards - Replacement of 'fixed dates' for certain exceptions with 'the date of transition to IFRSs' - Additional exemption for entities ceasing to suffer from severe hyperinflation
- IFRS 7 (Revised)	Financial Instruments Disclosures - Amendments enhancing disclosures about transfers of financial assets
- IAS 12 (Revised)	Income Taxes - Limited scope amendment (recovery of underlying assets)

The adoption of these revised standards had no significant effect on the financial statements of the Company for the year ended 31 March 2013.

25.2 New and revised IFRSs in issue but not yet effective

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

(i) Revised Standards

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

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

Effective for annual periods beginning on or after 1 January 2013

- IFRS 7 (Revised)	Financial Instruments Disclosures - Amendments enhancing disclosures about offsetting of financial assets and financial liabilities
- IAS 19 (Revised)	Employee Benefits - Amended Standard resulting from the Post-Employment Benefits and Termination Benefits projects
- IAS 27 (Revised)*	Consolidated and Separate Financial Statements (Early adoption allowed) - Reissued as IAS 27 Separate Financial Statements
- IAS 28 (Revised)*	Investments in Associates (Early adoption allowed) -Reissued as IAS 28 Investments in Associates and Joint Ventures

Effective for annual periods beginning on or after 1 January 2015

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

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

- IFRS 10*	Consolidated Financial Statements
- IFRS 11*	Joint Arrangements
- IFRS 12*	Disclosure of Interests in Other Entities
- IFRS 13	Fair Value Measurement

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

- IFRS 9	Financial Instruments - Classification and measurement of financial assets - Accounting for financial liabilities and de-recognition

(ii) Revised Interpretations:

- IFRIC 13	Customer Loyalty Programmes - Amendments resulting from May 2010 Annual Improvements to IFRSs
- IFRIC 14	IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction- November 2009 Amendments with respect to voluntary prepaid contributions
- IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

(iii) New Interpretation:

Effective for annual periods beginning on or after 1 January 2013

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

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

Management anticipates that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the Company.

26 RECLASSIFICATION OF COMPARATIVE FIGURES

Certain corresponding figures during comparative period have been reclassified where necessary, to preserve comparability with the current year presentation. However, these reclassifications do not have an impact on the net profits or total equity of the Company reported during the previous year.

Section Eight:
Glossary & Disclaimer

Glossary

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

ARPU

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

EBIT

Earnings Before Interest and Tax.

EBITDA

Earnings Before Interest, Tax, Depreciation and Amortisation.

Fixed License

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

Qnbn

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

Mobile License

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

ROTA

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

QFMA

Qatar Financial Markets Authority

Disclaimer

This constitutes the annual report of Vodafone Qatar Q.S.C. ("Vodafone Qatar") for the year ended 31 March 2013 and is dated 19 June 2013. The content of the company's website (www.vodafone.qa) should not be considered to form part of this annual report.

In the discussion of Vodafone Qatar's reported financial position, operating results and cash flow for the year ended 31 March 2013, the material is presented to provide readers with additional financial information that is regularly reviewed by management. However, this additional information is not uniformly defined by all companies, including those in Vodafone Qatar's industry. Accordingly, it may not be comparable with similarly-named measures and disclosures by other companies.

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

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

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

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