

Vodafone Qatar Q.S.C.

Financial Results Presentation

Half-Year ended 30 September 2011



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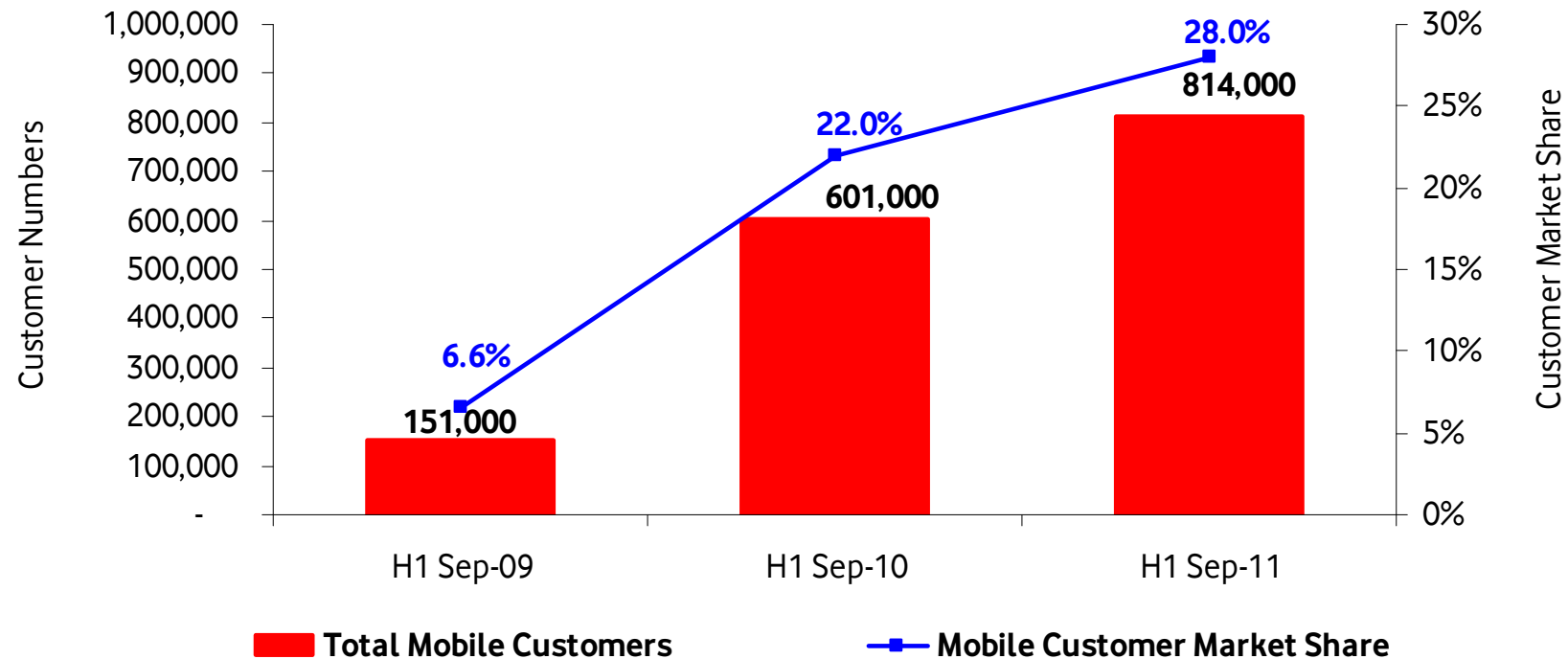
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Half-Year Key Highlights

<h3>Customer Numbers</h3>	<ul style="list-style-type: none"> • 814,000 Mobile Customers at 30 September 2011 • Mobile Customers grew 35% year-on-year (53k for the quarter)
<h3>Market Share</h3>	<ul style="list-style-type: none"> • 28.0% Mobile Customer Market Share at 30 September • 24.7% Mobile Revenue Market Share for the September quarter
<h3>Revenue, ARPU & Profit</h3>	<ul style="list-style-type: none"> • Half-Yearly Total Revenue increased 53% year-on-year to QR 590m • Half-Yearly ARPU increased 2% year-on-year to QR 111 • Half-Yearly EBITDA was QR 65m; 11% EBITDA margin
<h3>Network</h3>	<ul style="list-style-type: none"> • 80 new cell sites on air in last six months, increasing our network by 20% to 500 sites; a further 50 sites planned by March 2012. • Site-sharing with Qtel is a strategic priority which continues to progress
<h3>Fixed Line</h3>	<ul style="list-style-type: none"> • Converged fixed & mobile core switch installed in second data centre • Progress towards Fixed Line launch in 2012 continues in line with licence requirements. • Vodafone Qatar will be a customer of Q.NBN to deliver fibre to the home as the last mile.
<h3>Operational Highlights</h3>	<ul style="list-style-type: none"> • New prepaid IN release in June, allowing new plans to be launched • 75% of roaming now on bilateral agreements directly with VFQ • Stop the Clock – talk locally up to 30 mins, pay for 3 mins • BlackBerry on Prepay launched • Soft launch of fixed voice in The Pearl

Mobile Customer Growth

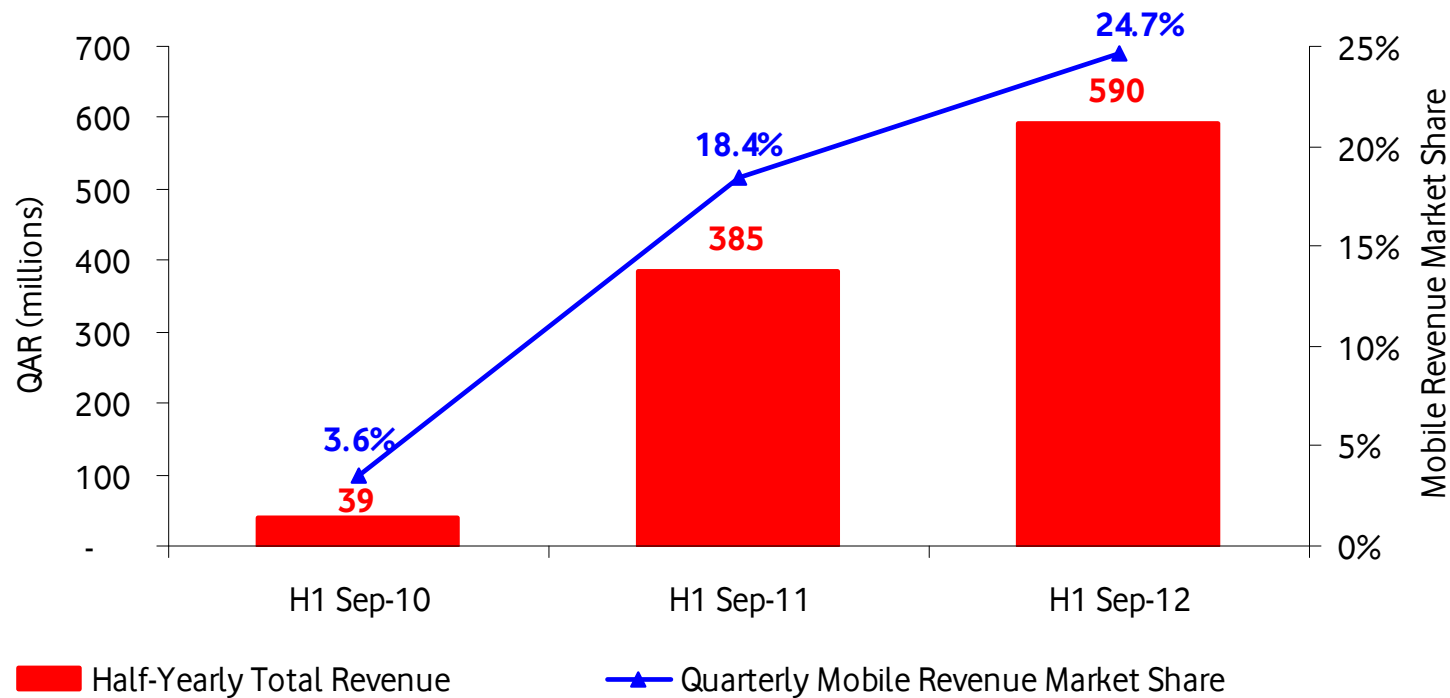
Year-on-Year Growth in Mobile Customers & Mobile Customer Market Share



- **35% growth** in Customer Numbers year-on-year

Total Revenue

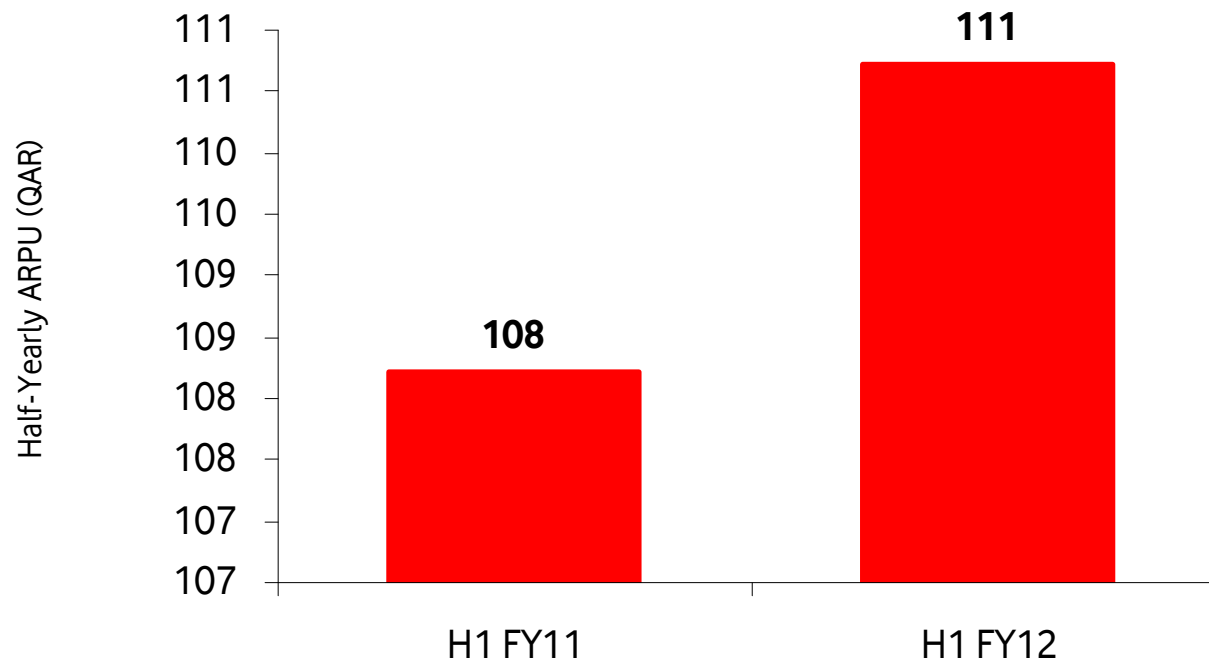
Year-on-Year Total Revenue Comparison



- **53% growth** in Total Revenue year-on-year

Mobile ARPU (Average Revenue Per User)

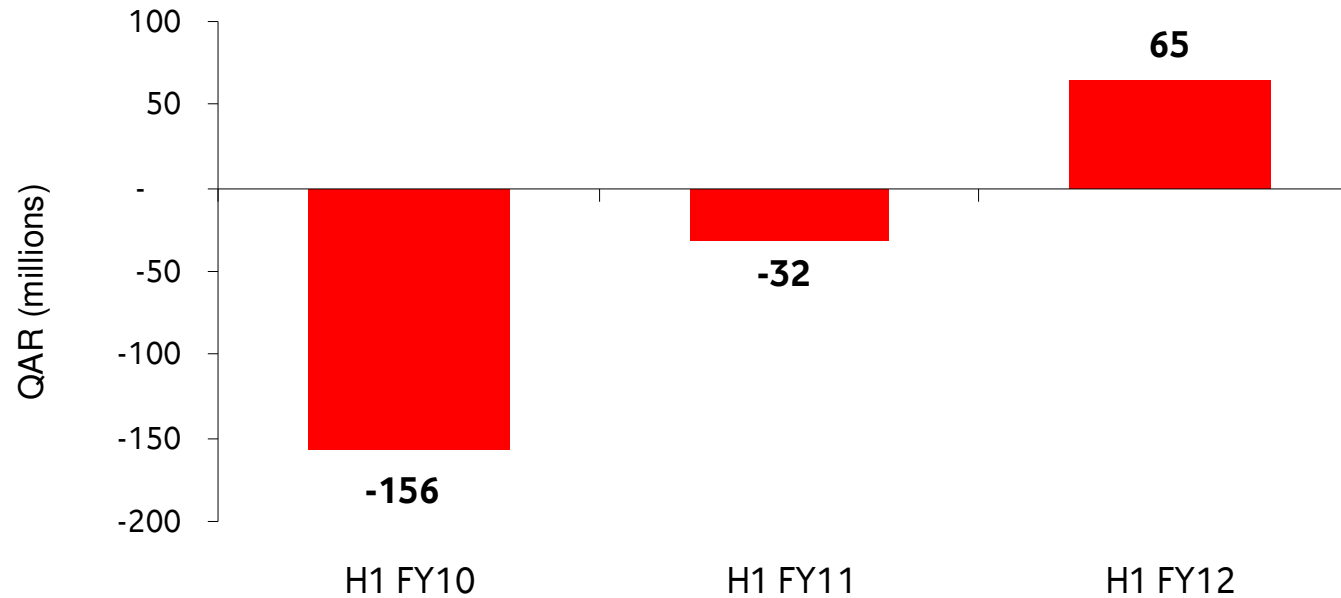
Year-on-Year Mobile ARPU



- **2% increase in ARPU** year-on-year

EBITDA

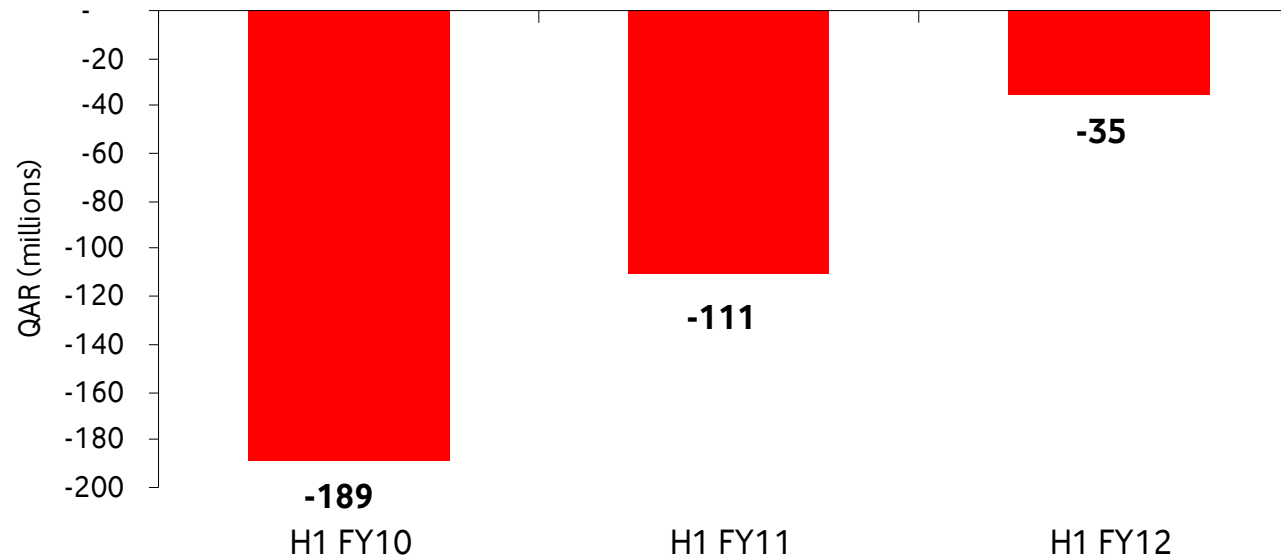
Year-on-Year EBITDA Comparison



- Half-yearly EBITDA margin of 11%

Distributable Profits

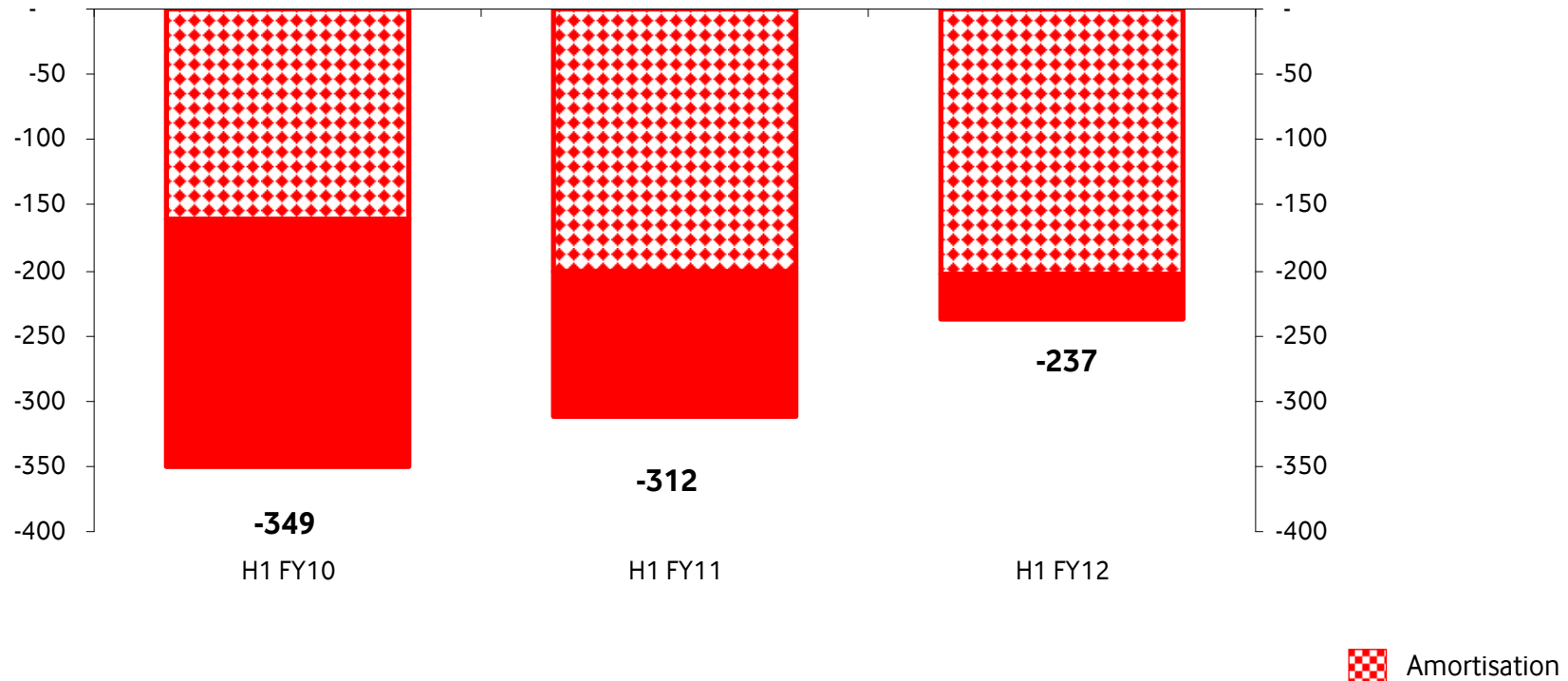
Year-on-Year Distributable Profits Comparison



- **68% improvement in Half-Yearly Distributable Profits** year-on-year
- Annual Distributable Profits is the measure on which dividends will be based

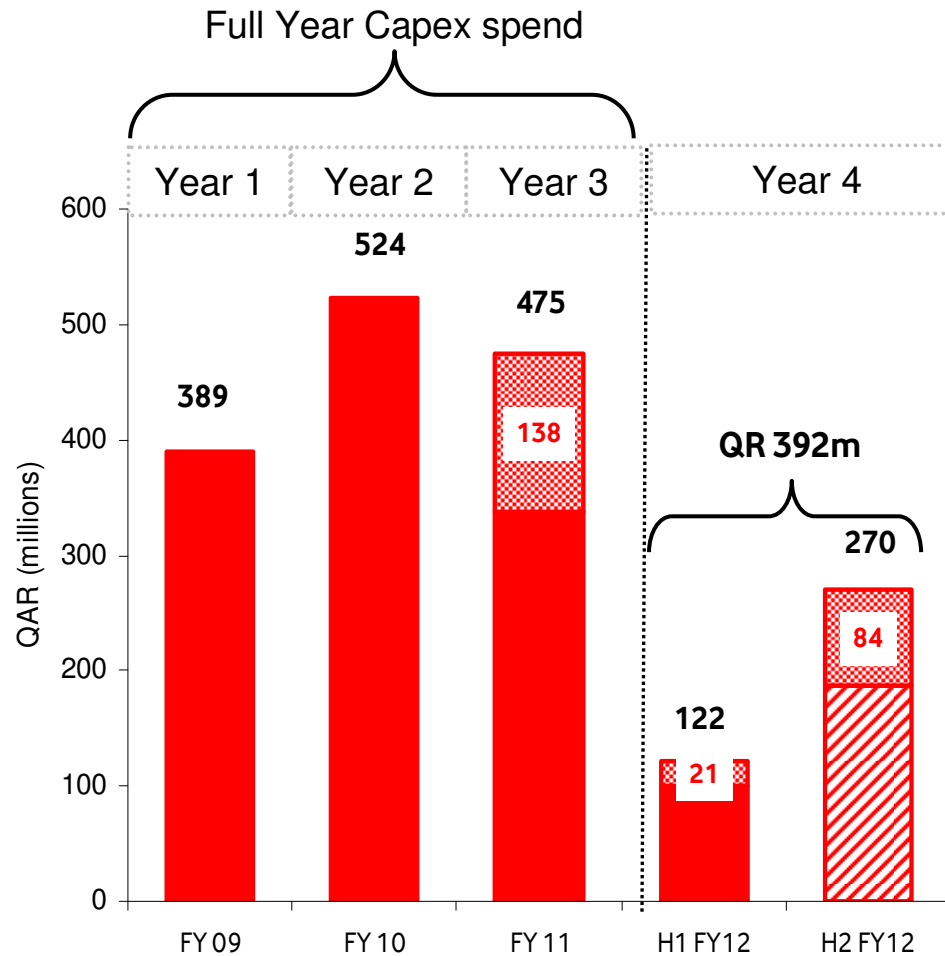
Net Loss

Year-on-Year Net Loss Comparison





- **24% improvement in Half-Yearly Net Loss** year-on-year
- Half-Yearly Amortisation of the QAR 7.7bn license fee is QAR 202 million.

Capitalised Fixed Asset Additions (Fixed Line & Mobile)



Capital Expenditure from FY09-FY12	
QR 1.52bn	Mobile capex
QR 0.26bn	Fixed line capex
QR 1.78bn	Total capex over 4 years
QR 7.72bn	Cost of mobile licence
QR 9.50bn	Total assets purchased over 4 years

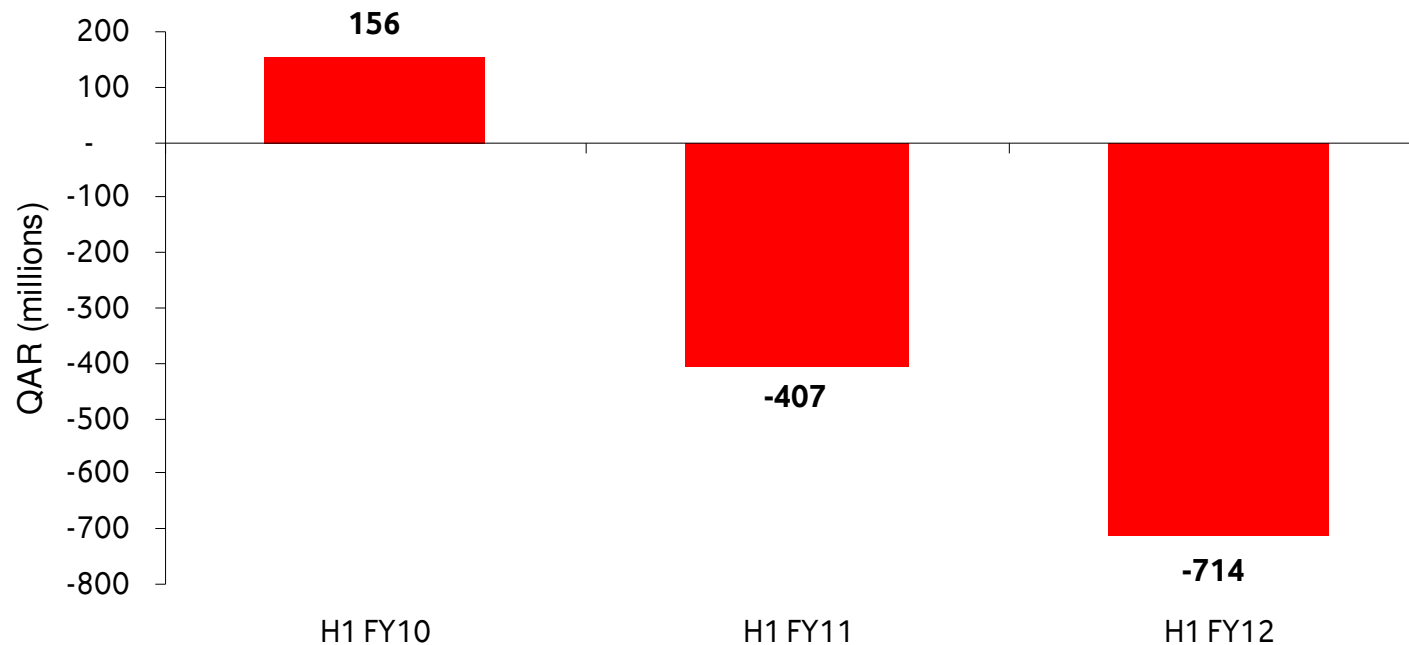
 Management forecast for H2 FY12
 Fixed Line

- Long-term total capital intensity expected to stabilise at 10% of revenue from FY15 onwards.



Net Debt

Borrowings less Term Deposits



- **D/E ratio of 10.5%** at 30 September 2011 (this would be 16.3% if the total borrowing facility was fully utilised)
- We have a **borrowing facility of US\$ 330m (QR 1.2 billion)** comprising:
 - US\$110m (QR 400m) at 1mth US Libor + 3.55%; matures 2 April 2012
 - US\$120m (QR 437m) at 1mth US Libor + 1.55%; matures 3 May 2014
 - US\$100m (QR 364m) at 1mth US Libor + 1.15%; matures 1 June 2018
- This is the total funding expected to deliver our current mobile & fixed 5 year plan

Fixed Line Rollout Plan

VFQ is proceeding with plans to:

- **Turn on converged fixed & mobile core switch**
- **Lay fibre from QSTP data centre to its international cable landing station near Al Khor**
 - Landing station is finished. Administrative approvals required before work can be started on laying fibre
- **Lay fibre between data centre 1 and data centre 2**
 - Completion due by December 2011
- **Lay fibre for backbone of the core fixed & mobile network**
 - Completion due by June 2012.
- **Trial broadband in Barwa City in February 2012**

Last mile access and metro to be delivered by QNBN entity (delivering fibre to the home at speeds of 100mbps for 95% of the population)

We are on track to deliver to our Fixed license requirements below:

Milestone	Location	Access Technology	Required Service	Time	Status
I	The Pearl	Not specified	Internet service	3 Months from Effective Date*	Complete
II	The Pearl	Not specified	Fixed Voice and internet	12 Months from Effective Date*	Complete (soft launch)
IV	West Bay CBD	Fibre to the Building	Fixed Voice	30 Months from effective date*	October 2012 launch to CBD
V	Rest of Qatar	Not specified	Fixed Voice	48 months from effective date*	In line with QNBN rollout

* Effective date was 29 April 2010

Short-Term Business Priorities – 2 Phases for Progress

Immediate Focus:

- Full network coverage
- Postpay billing experience
- Roaming

2nd Phase 2012:

- High value local customers
- Business segment
- Fixed line broadband in partnership with QNBN

Qatarisation

Appendices

Condensed Statement of Income and Cash Flows – six months ended 30 September 2011

	Six Months Ended September 30,	
	2011	2010
	(Reviewed)	(Reviewed)
	QAR '000	QAR '000
Revenue	590,310	385,447
Direct costs	(275,925)	(196,854)
Other expenses	(249,208)	(220,444)
EBITDA	65,177	(31,851)
Depreciation	(86,930)	(66,828)
Amortisation of license	(201,920)	(201,269)
Interest income	3,481	2,171
Financing cost	(17,114)	(14,598)
Loss before taxation	(237,306)	(312,375)
Income tax expense	-	-
Loss for the period	(237,306)	(312,375)
Basic and diluted loss per share (QAR)	(0.28)	(0.37)

	Six Months Ended 30 September	
	2011	2010
	(Reviewed)	(Reviewed)
	QAR '000	QAR '000
Loss for the period	(237,306)	(312,375)
Other comprehensive income		
Loss/gain arising from cash flow hedge during the period	(18,235)	32,049
Total comprehensive loss for the period	(255,541)	(280,326)

	Six Months Ended September 30,	
	2011	2010
	(Reviewed)	(Reviewed)
	QAR '000	QAR '000
Net cash flows generated from operating activities	65,820	23,760
Cash flows from investing activities		
Purchase of property, plant and equipment	(121,303)	(114,684)
Payment for intangible assets	-	(10,000)
Interest received	3,481	994
Net cash flows used in investing activities	(117,822)	(123,690)
Cash flows from financing activities		
Proceeds from long term borrowings	58,072	109,200
Interest paid	(2,076)	(1,810)
Net cash flows from financing activities	55,996	107,390
Net increase in cash and cash equivalents	3,994	7,460
Cash and cash equivalents at the beginning of the period	83,261	85,356
Cash and cash equivalents at the end of the period	87,255	92,816

Condensed Statement of Financial Position – as at 30 September 2011

	September 30, 2011 (Reviewed) QAR '000	March 31, 2011 (Audited) QAR '000		September 30, 2011 (Reviewed) QAR '000	March 31, 2011 (Audited) QAR '000
Non-current assets			Equity		
Property, plant and equipment	1,195,574	1,161,201	Share capital	8,454,000	8,454,000
Intangible assets	6,752,178	6,954,098	Legal reserve	11,442	11,442
Trade and other receivables	5,728	5,668	Accumulated other comprehensive income	1,549	19,784
Total non-current assets	7,953,480	8,120,967	Accumulated losses	(1,644,334)	(1,407,028)
Current assets			Total equity	6,822,657	7,078,198
Inventory	15,651	11,496	Non-current liabilities		
Trade and other receivables	153,480	200,314	End of employment benefits	6,354	4,707
Cash and cash equivalents	87,255	83,261	Provisions	9,743	8,604
Total current assets	256,386	295,071	Long term borrowings	405,718	727,672
Total assets	8,209,866	8,416,038	Total non-current liabilities	421,815	740,983
			Current liabilities		
			Short term borrowings	395,064	-
			Trade and other payables	570,330	596,857
			Total current liabilities	965,394	596,857
			Total liabilities	1,387,209	1,337,840
			Total equity and liabilities	8,209,866	8,416,038

Financial Highlights

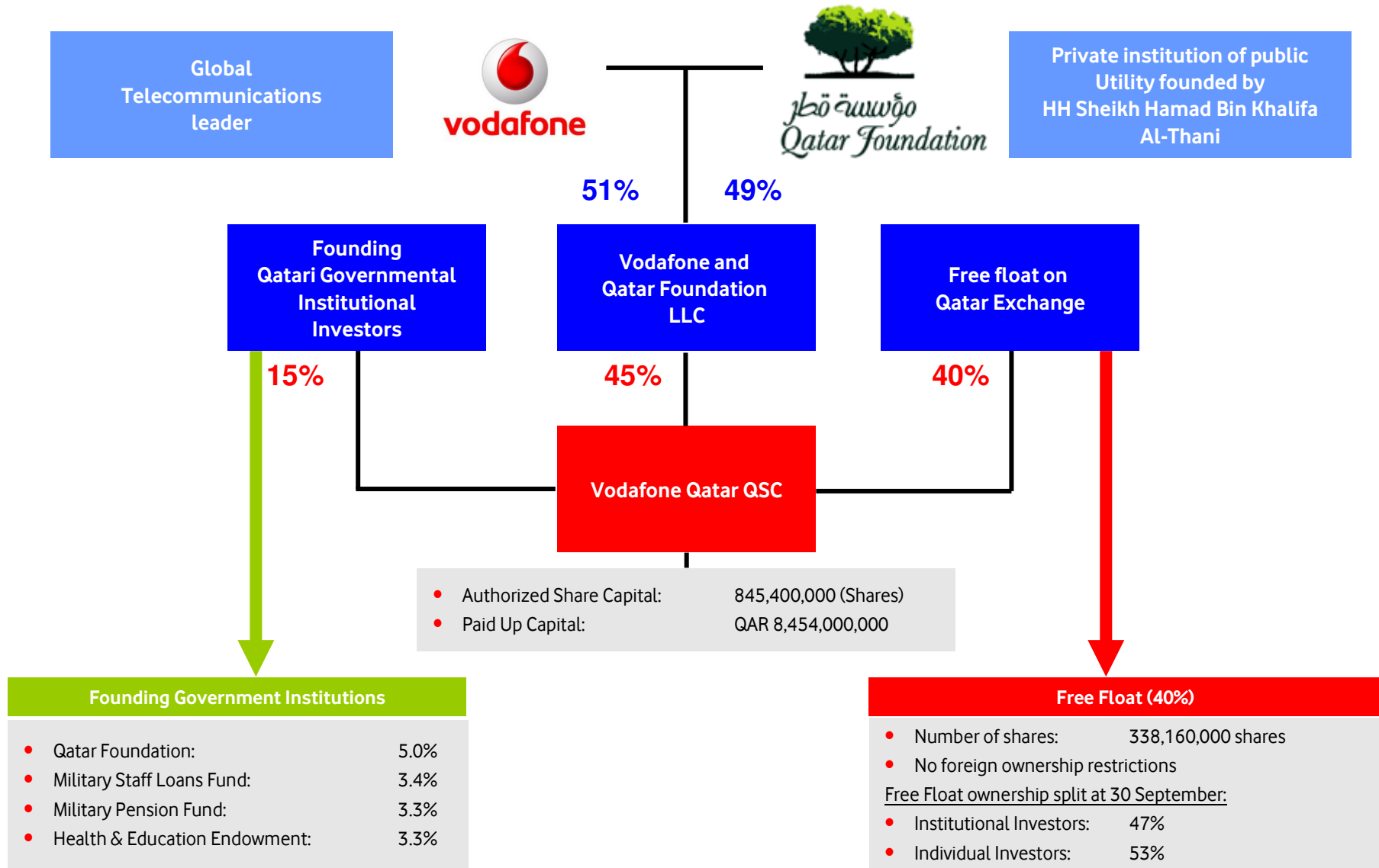
Financial Performance			
	H1 FY10	H1 FY11	H1 FY12
	Sep-09	Sep-10	Sep-11
	QRm	QRm	QRm
Total Revenue (Fixed & Mobile)	39.2	385.4	590.3
EBITDA (Fixed & Mobile)	(156.1)	(31.9)	65.2
Net Loss (Fixed & Mobile)	(349.4)	(312.4)	(237.3)
Operating Free Cash Flow (Fixed & Mobile) ¹	(88.9)	(116.9)	(77.4)
Capitalised Fixed Asset Additions (Fixed & Mobile)	182.3	188.7	121.7

Key Performance Indicators (KPIs)			
	Sep-09	Sep-10	Sep-11
Total Mobile Customers	151,000	601,000	814,000
Qatar's Population	1.623M	1.642M	1.701m
Qatar's Mobile Penetration	141%	167%	171%
Mobile Customer Market Share	6.6%	22.0%	28.0%
Quarterly Total Mobile Revenue Market Share ²	3.6%	18.4%	24.7%

¹ Excludes mobile licence payment made in May 2009

² Revenue market share is based on Vodafone Qatar's total mobile revenue (in which content revenue is reported as net) versus Qtel's reported postpay, prepay and other mobile revenue.

Vodafone Qatar Shareholder Structure



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