PRESS RELEASE

Qtel

Qtel 2010 Revenue Reaches a Record QAR 27.2 Billion

Qtel Board Recommends a Cash Dividend of 50% of the Nominal Share Value and Bonus Shares of 20% of the Share Capital

Doha, Qatar, 1 March 2011: Qatar Telecom (Qtel) Q.S.C. ("Qtel" or "The Qtel Group" or "The Group") (Ticker: QTEL.QA) today announced solid financial results for the twelve months ended 31 December 2010, as the Group continued to drive growth across its 17 country footprint and generate significant returns for shareholders.

Financial Highlights:

	Quarterly Analysis			Twelve Month Analysis		
	Q4 2010	**Q4 2009**	**% change**	**FY 2010**	**FY 2009**	**% change**
Consolidated Revenue (QAR m)	7,168.0	6,540.6	9.6%	27.179.0	24,025.3	13.1%
EBITDA (QAR m)	2,921.0	2,942.0	-0.7%	12,464.7	11,231.0	11.0%
EBITDA margin (%)	*41%*	*45%*		*46%*	*47%*	
Net Profit Attributable to Qtel Shareholders (QAR m)	451.9	476.5	-5.2%	2,887.8*	2,825.3	2.2%
Profits from Nawras IPO directly taken to Retained Earnings (QAR m)		556.8		556.8*		
Consolidated Customers (m)	74.1	60.4	22.7%	74.1	60.4	22.7%

Distributable earnings for 2010 including the above items increased by 21.3% to QAR 3,376 million (2009: QAR 2,783 million)

- Earnings per share for the twelve months ended 31 December 2010 grew 2.2% percent to QAR 19.69 (FY 2009: QAR 19.26)

Operational Highlights:

- Strong annual revenue, EBITDA and net profit momentum continues; 2010 guidance exceeded
- Successful completion of Nawras and Wataniya Palestine IPOs: QAR 557 million of profits from Nawras IPO directly taken to retained earnings
- Solid support from capital and loan markets with bond issuance of US$ 2.75 billion and US$ 2.0 billion syndicated loan facility
- Acquisition of a consolidating shareholding in Tunisiana to 75% (post period end)
- Good full year performances in Qatar and Indonesia against an increase in competitive pressure in Q4
- Positive quarterly trends continue in growth markets of Iraq, Tunisia and Algeria

In the twelve months ended 31 December 2010, Qtel has maintained solid operational and financial progress. The Group has successfully balanced the management of competitive pressure to maintain market share in mature markets with the ongoing development of operations in growth markets. This combined strategy has yielded robust full year Group revenue performance, with revenue increasing by 13.1 percent to end 2010 at QAR 27.2 billion (FY 2009: QAR 24.0 billion).

In the same period net profit attributable to Qtel shareholders also grew 2.2 percent to QAR 2.9 billion (FY 2009: QAR 2.8 billion) and at 31 December 2010 the Group's consolidated customer base stood at 74.1 million. EBITDA performance in 2010 was also strong, increasing 11% percent over the year to QAR 12.5 billion (FY 2009: QAR 11.2 billion). EBITDA margin remained resilient during the period, standing at 46 percent (FY 2009: 47 percent).

Commenting on the results, His Excellency Sheikh Abdullah Bin Mohammed Bin Saud Al-Thani, Chairman of the Qtel Group, said:

¨In 2010, we delivered a strong operational and financial performance to set the foundations for the ongoing development of our company. We have successfully consolidated our operations, defended our positions in mature markets and opened new opportunities in growth markets.

The success of our strategy is demonstrated by our strong growth of revenue, EBITDA and growth in net profit attributable to Qtel shareholders.

We have now successfully completed IPOs of our operations in Oman and Palestine and received continued excellent support from the international capital markets and banking community. Most importantly, we have positioned the company to leverage greater value from cost optimization and innovation across the Qtel Group. The increased scale of our operations enables us to pursue innovation-based partnerships that deliver new and in-demand services to customers across our footprint, and to extract full value from our network and relationships.

On behalf of the Board of Directors I am also pleased to recommend to the General Assembly the distribution of a cash dividend of 50% of the nominal share value (QAR 5.0 per share) and bonus shares of 20% of share capital (1 share for every 5 shares)."

Also commenting on the results Dr. Nasser Marafih, Chief Executive Officer of the Qtel Group said:

"In 2010, we have concentrated on in-market opportunities to drive organic growth, and have been rewarded with continued value from mature markets and positive growth from our presence in emerging markets.
Forward-looking capital investment and an enhanced portfolio of services have also delivered positive returns and position us well for the future. We have consolidated our market position in key markets such as Qatar and Kuwait through innovation and product diversification. At the same time we have been able to extract value and increase revenue in growth markets like Iraq and Algeria.

Looking ahead, we have made important steps towards taking a leadership role in the provision of Broadband services across the dynamic markets of the Middle East, North Africa and Asia, recognising that this sector holds significant potential for growth in the future."

Review of Operations

The Group's operational performance can be summarized as follows:

Qtel – Qatar

Invigorated by the positive support of the community in the first full-year of competition, Qtel began 2010 with a comprehensive refresh of its brand and service offering, supported by a range of public activities. This bold new look and feel was reinforced with the launch of an enhanced range of Broadband and Voice products, as well as an increased focus on customer service levels. Among the key initiatives, the roll-out of Fibre-to-the-Home (FTTH), a nationwide fibre network, achieved key project milestones, seeing the completion of the residential test phase in December 2010.

To complement the refreshed brand identity, Qtel invested in the opening of a network of new concept shops in December 2010, supported by the extension of its ATM network and upgrade of the national IVR system. Other enhancements to the product and service portfolio included the launch of a next day installation service, value-led promotions across the product range, and significant improvements to both the indoor and outdoor 3G network.

At the end of 2010 Qtel had 2.4 million customers (FY 2009: 2.4 million) in Qatar and revenue of QAR 5.4 billion (FY 2009: QAR 5.7 billion). EBITDA was impacted as a result of ongoing competitive dynamics and for the same period stood at QAR 2.9 billion (FY 2009: QAR 3.3 billion). Cost efficiencies have helped to partially offset the impact of ongoing competition on EBITDA margin.

Indosat – Indonesia

Indosat continued to make progress in 2010 as its transforms its business: successfully implementing a value-driven strategy, solidifying its cellular market share, and laying the technological foundations necessary to maintain this progress in future years.

As a result of the continuous focus on higher value customer and segmented offerings, Indosat delivered strong cellular revenue growth for the full year despite heightened competitive dynamics in Q4. This performance owes much to Indosat's ongoing commitment to service innovation, with the company launching a range of sophisticated new products. Indosat's total subscriber base at 31 December 2010 stood at 44.8 million (FY 2009: 33.6 million). Indosat has also remained focussed on network strength throughout 2010, implementing new technologies to support both current and potential future subscriber growth. The Indosat network is now DC HSPA+ ready, capable of offering mobile broadband speeds of up to 42 Mbps. In August global investors signalled their confidence in Indosat's future by significantly oversubscribing to a 10 year US$ 650 million Indosat bond: the largest such offering made in 2010 by an Indonesian company.

Revenue for the twelve months ended 31 December 2010 was QAR 7.9 billion (FY 2009: QAR 6.6 billion) and EBITDA for the same period was QAR 4.0 billion (FY 2009: QAR 3.2 billion).

Wataniya Telecom

Wataniya Telecom ("National Mobile Telecommunications Company K.S.C.", "Wataniya") encompasses the Qtel Group's presence in Kuwait, Tunisia, Algeria, Kingdom of Saudi Arabia, the Maldives and Palestine.

Wataniya has delivered another strong performance in 2010 as a Group. Competitive dynamics have remained stable in its home market of Kuwait and Wataniya has increased market share through focus on service excellence, supported by its strong in-market brand presence and by a targeted product suite focused on clear market segments.

In Algeria, investment in the business at the end of 2009 has translated into strong revenue growth (up 24.2%), increased EBITDA (up 42.5% compared to 2009) leading to a first annual net profit.

In Tunisia, Tunisiana has remained focused on customer retention and have successfully defended its market leadership position.

January 2011 saw the launch of Wataniya Mobile as a public shareholding company following a successful oversubscribed IPO in Palestine. Business has developed well with more than 350,000 customers.

These efforts, combined with continued good performance in other operations have delivered a 15.1% increase in revenue which closed the year at QAR 7.0 billion (FY 2009: QAR 6.1 billion). EBITDA increased by 16.1% for the same period and stood at QAR 2.8 billion (FY 2009: QAR 2.4 billion).

Nawras – Oman

2010 marks a year of achievement, expansion and transformation for Nawras. The company launched its fixed line and home broadband services transforming it into a full-service operator. In addition it also launched its own International Gateway to take advantage of increasing levels of international traffic. Even in the face of increasing competition, in August Nawras reached the important landmark of two million customers on its network.

These developments have contributed to a 9.3 percent increase in the customer base this year, closing 2010 at 2 million. Similarly, revenue increased this year to QAR 1.9 billion (FY 2009: QAR 1.6 billion) with EBITDA performance also improving, up 17.1 percent on 2009 to QAR 968 million (FY 2009: QAR 827 million).

Nawras successfully raised over US$ 450 million in the second largest IPO ever staged in Oman, Nawras officially became a public traded company on 1 November 2010 and now ranks as one of the five largest Omani companies listed on the Muscat Securities Market.

Asiacell - Iraq

2010 has proven to be yet another tremendous year for Asiacell. Following on from the strong subscriber growth achieved in 2009, Asiacell has continued to increase its subscriber base this year leveraging its country-wide network. Asiacell's total subscriber base at 31 December 2010 stood at 8.1 million (FY 2009: 7.4 million). At the same time, Asiacell has delivered a number of significant enhancements this year to both its infrastructure and its service line. These efforts combined have resulted in Asiacell delivering revenue growth in 2010 of more than 26.4 percent to QAR 5.1 billion (FY 2009: QAR 4.0 billion). EBITDA also increased, growing 21.2 percent year-on-year to end 2010 at QAR 2.6 billion (FY 2009: QAR 2.2 billion), a significant achievement in what remains a challenging and competitive marketplace.

Qtel will publish its Q4 and FY 2010 financial statements on its website.

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About Qtel

Qatar Telecom (Qtel) provides a full range of telecommunications services in Qatar and across its presence in 17 countries. Our vision is to be among the top 20 telecommunications companies in the world by 2020 through expansion in both the MENA region and South East Asia.