

Vodafone Qatar Q.S.C.

Q1 Financial Results Presentation

Quarter ended 30 June 2011



Disclaimer

- The following presentation is made only to, and is directed only at, persons to whom such a presentation may lawfully be communicated (“relevant persons”). Any person who is not a relevant person should not act or rely on this presentation or any of its contents.
- This presentation contains forward-looking statements that are subject to risks and uncertainties, including statements about Vodafone Qatar’s beliefs and expectations.
- These forward-looking statements are based on assumptions that Vodafone Qatar has made in light of its experience in the industry in which it operates, as well as its perceptions of historical trends, current conditions, expected future developments and other factors which Vodafone Qatar believes are appropriate under the circumstances. Prospective investors should understand that these statements are not guarantees of future performance or results.
- Due to these factors, Vodafone Qatar cautions that prospective investors 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.
- Vodafone, Vodafone Money Transfer and the Vodafone logo are trademarks of the Vodafone Group.



Our Purpose Based Organisation is:

Where

To be the most admired brand in Qatar

Why

To make a world of difference for all people in Qatar

What

- Aggressively compete to grow in all segments
- Really deliver an awesome customer experience
- Actively develop all talent and be the role model for Qatarisation
- Bravely take a few risks on cool new stuff
- Partner with the Government to provide super fast broadband for all

How

- Speed
- Simplicity
- Trust
- Vitality
- Worldliness

Priorities for the Year

- Qatarisation
- Mobile network growth
- Differentiation of products and services
- Implementation of consumer postpay
- Launch of Fixed Line services
- Expansion of Vodafone Money Transfer
- Launch of Number Portability (mobile & fixed)



Key Highlights

Customer Numbers

- 761,000 Mobile Customers at 30 June 2011
- Mobile Customers grew 43% over the year

Market Share

- 26.8% Mobile Customer Market Share at 30 June
- 23.4% Mobile Revenue Market Share for the June quarter

Revenue, ARPU & Profit

- Total Revenue increased 65% year-on-year
- ARPU increased 11% year-on-year to QAR 116
- EBITDA was QR 31 million for the June quarter

Network

- 25 new sites on air & 17 under construction. Target 80 by October 2011, and a further 40 by March 2012.
- Site-sharing with Qtel (6 sites secured, 8 in progress)

Fixed Line

- Converged fixed & mobile network installed in second data centre
- Vodafone Qatar will be a customer of Q.NBN to deliver fibre to the home as the last mile.

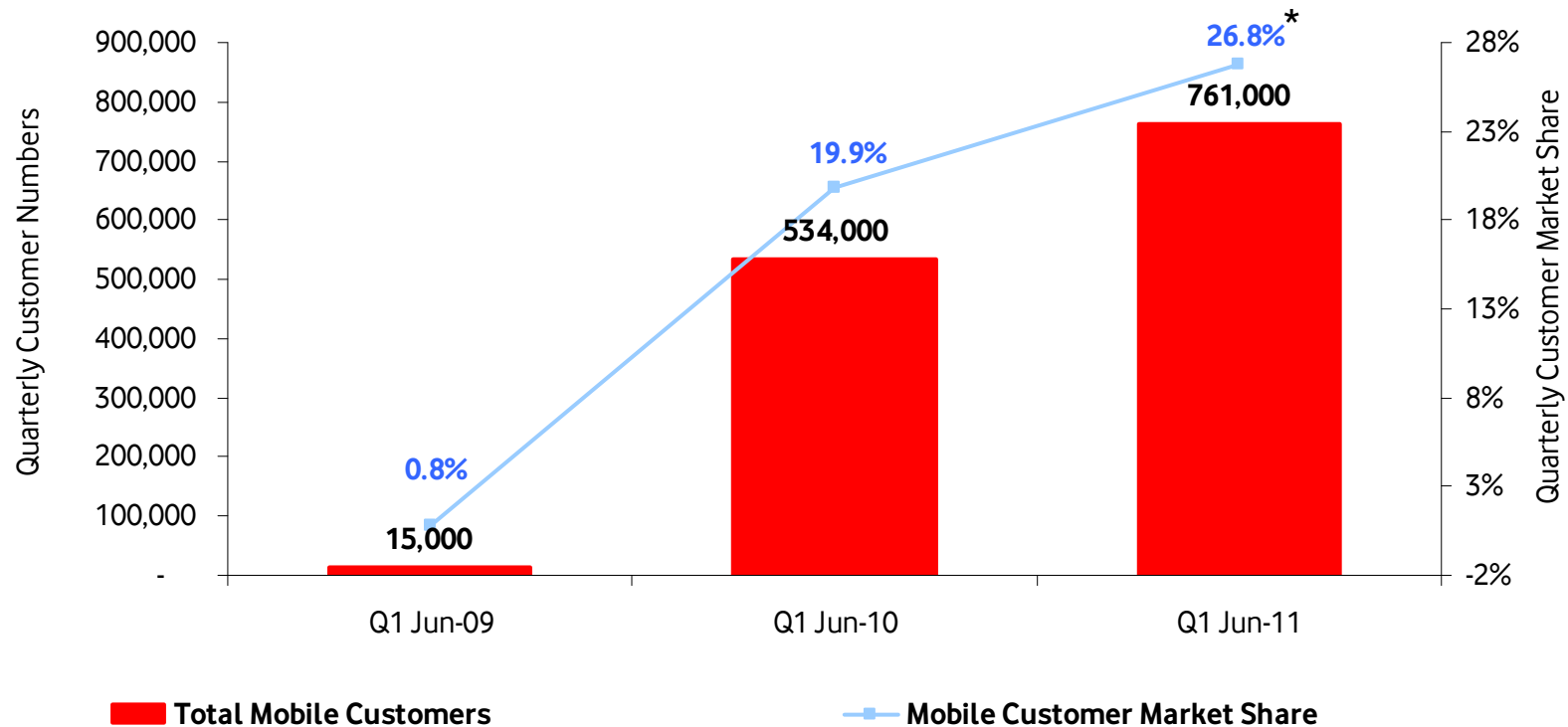
Operational Highlights

- Middle East Call Centre Awards – “Best Call Center of the Year”, “Best Voice of the Customer Programme” and “Best Retention & Motivation Programme”.
- IT upgrade in June to enable flexibility and wider breadth of products and services offered



Mobile Customer Growth

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



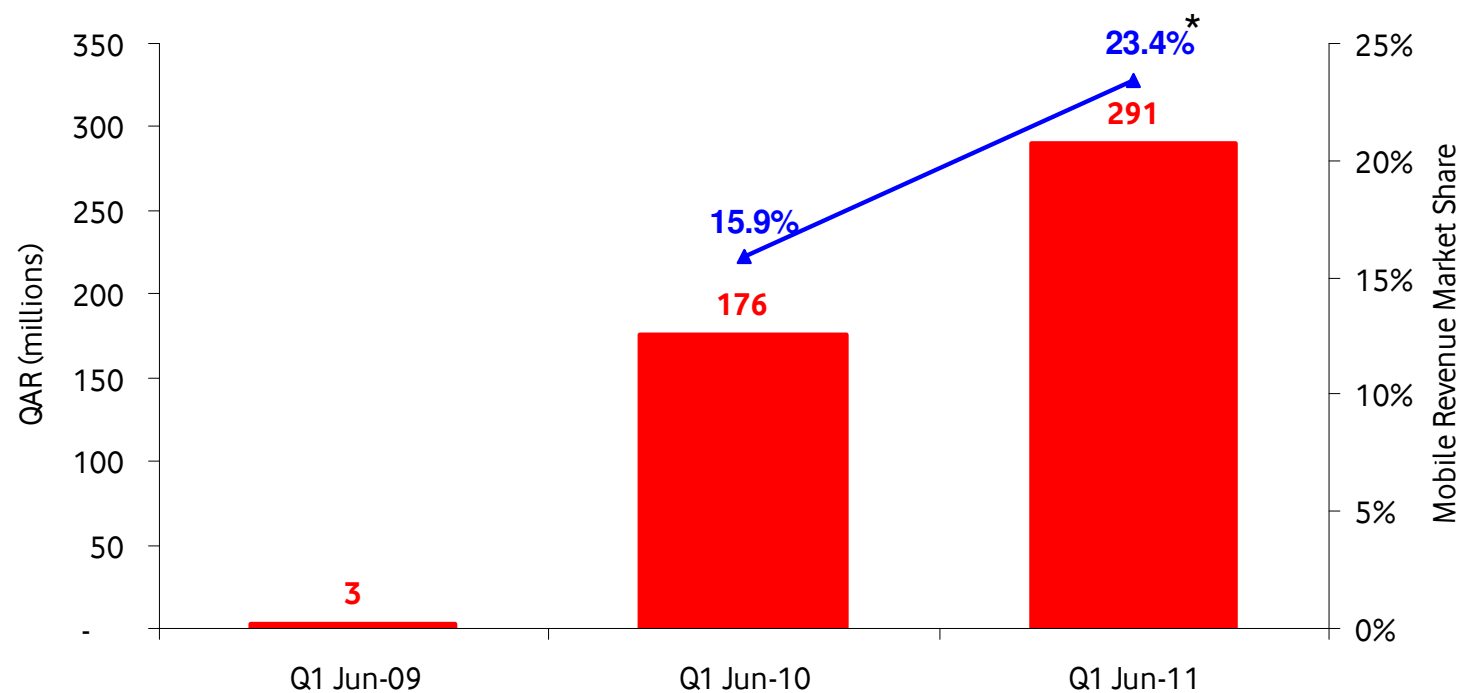
* estimated; Qtel's H1 results released on 14 August 2011

- **43% growth** in Customer Numbers year-on-year



Total Revenue (Fixed Line & Mobile)

Year-on-Year Total Revenue Comparison



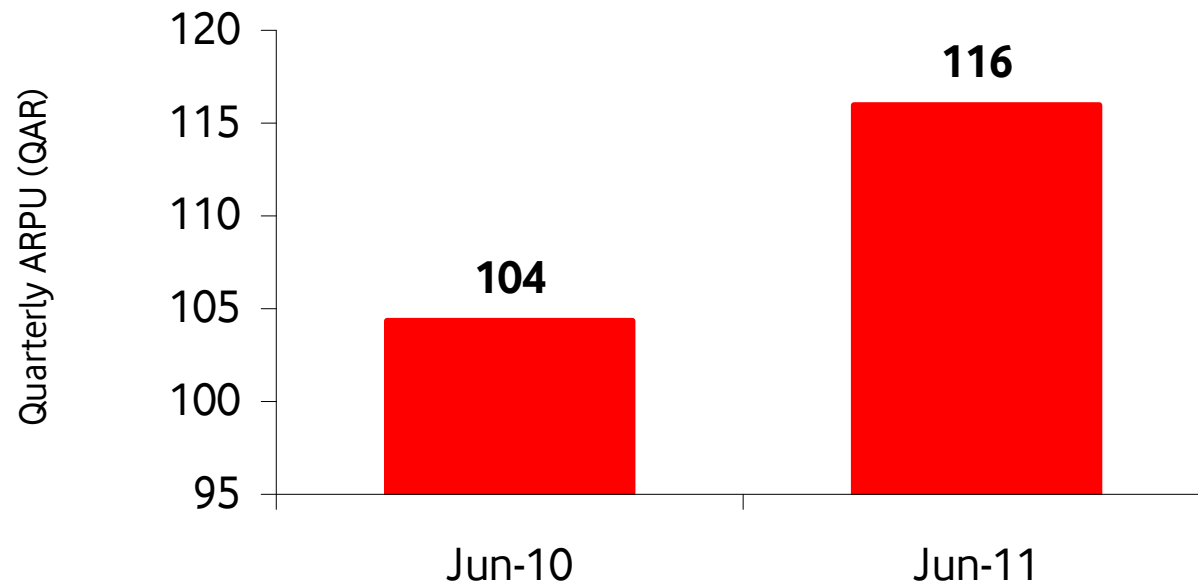
* estimated; Qtel's H1 results released on 14 August 2011

- **65% growth** in Total Revenue year-on-year



Total Mobile ARPU

Year-on-Year Total Mobile ARPU

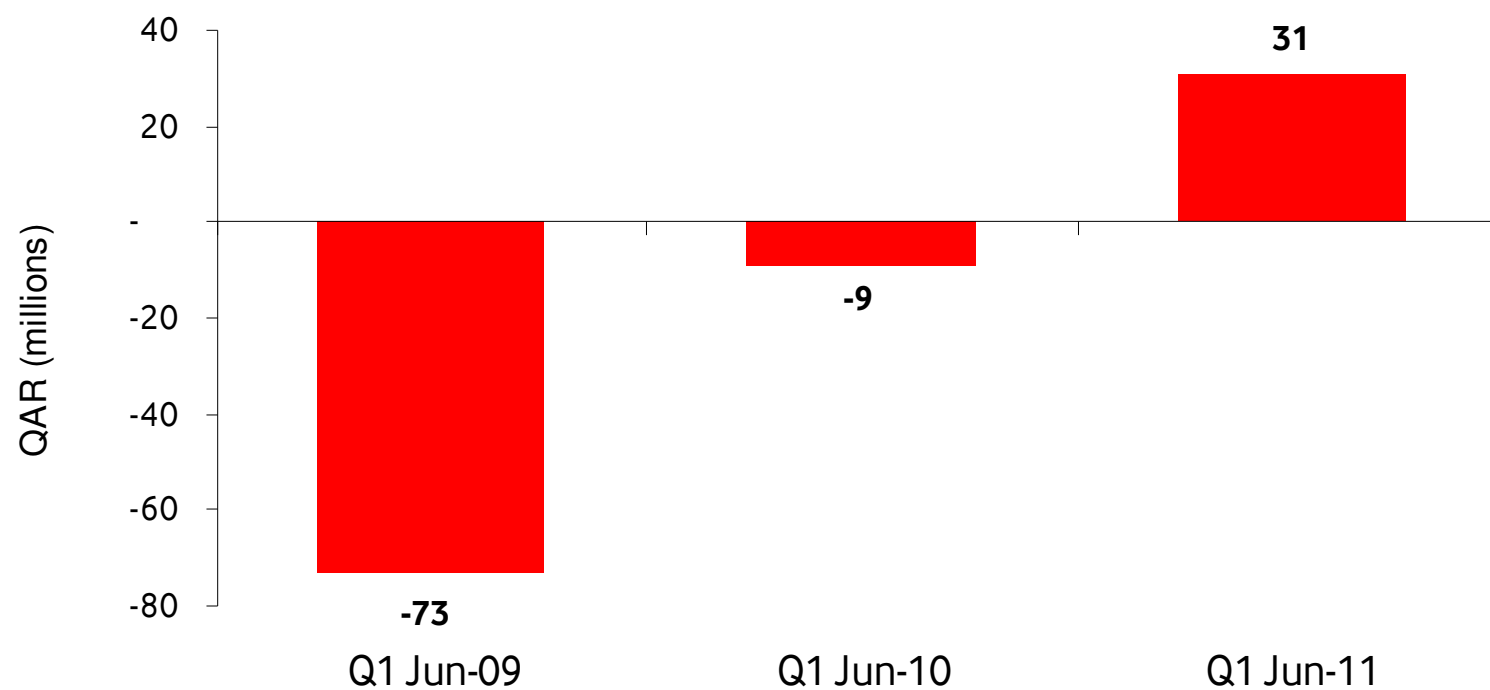


- **11% growth in ARPU** year-on-year



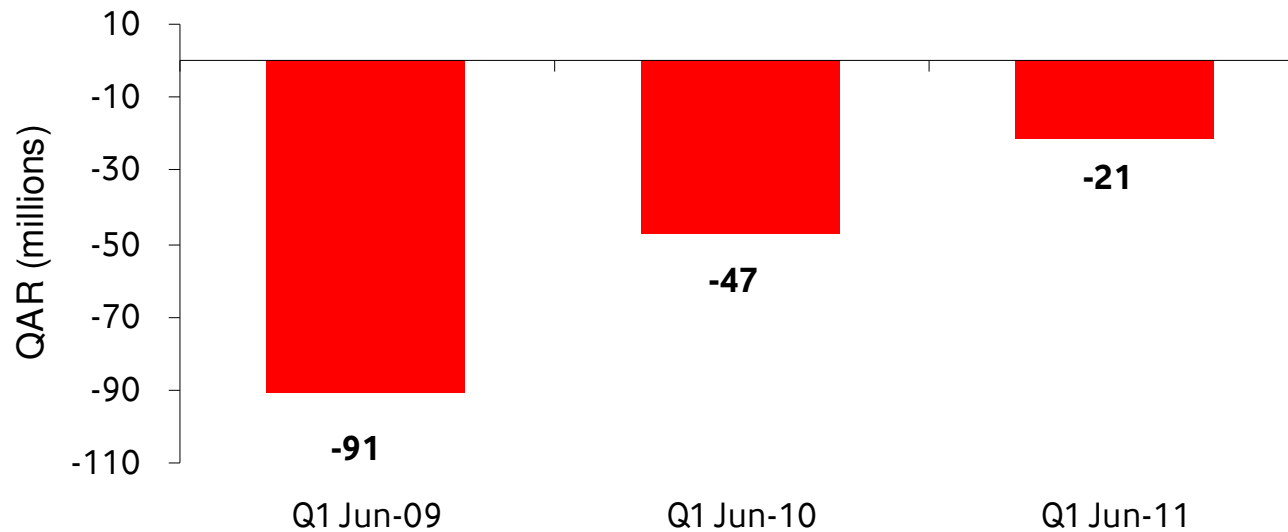
EBITDA

Year-on-Year EBITDA Comparison



Distributable Profits

Year-on-Year Distributable Profits Comparison

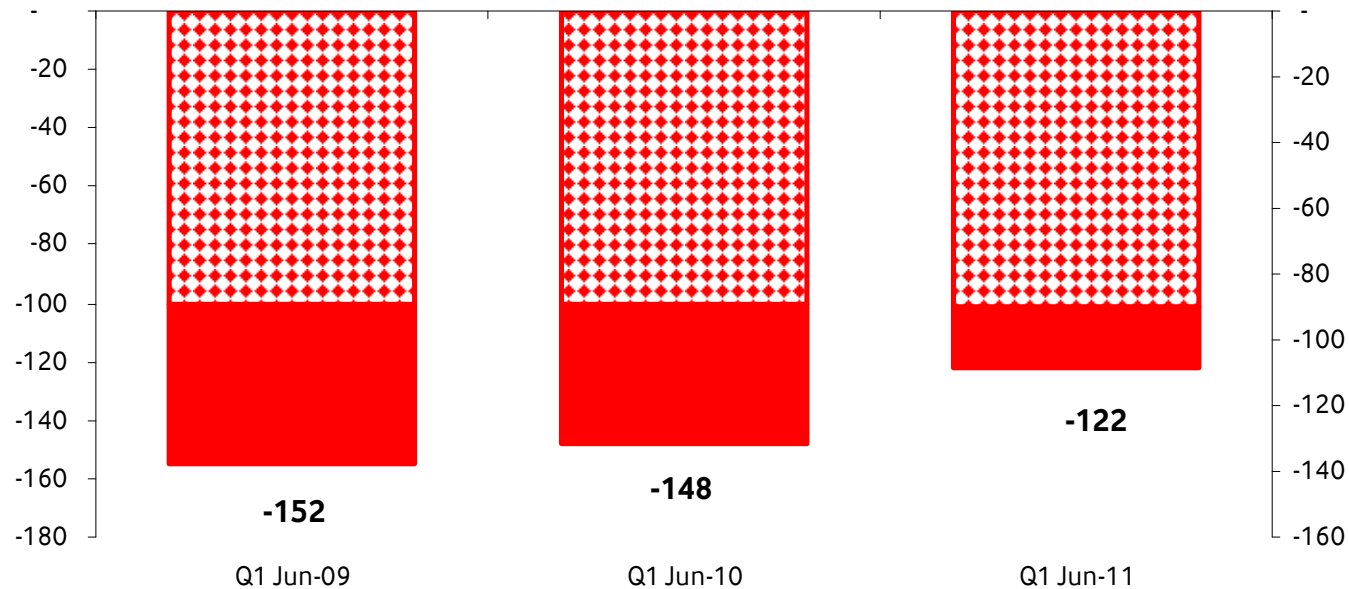



- **55% improvement in Quarterly Distributable Profits** year-on-year
- This is the measure on which dividends will be based



Net Loss

Year-on-Year Net Loss Comparison

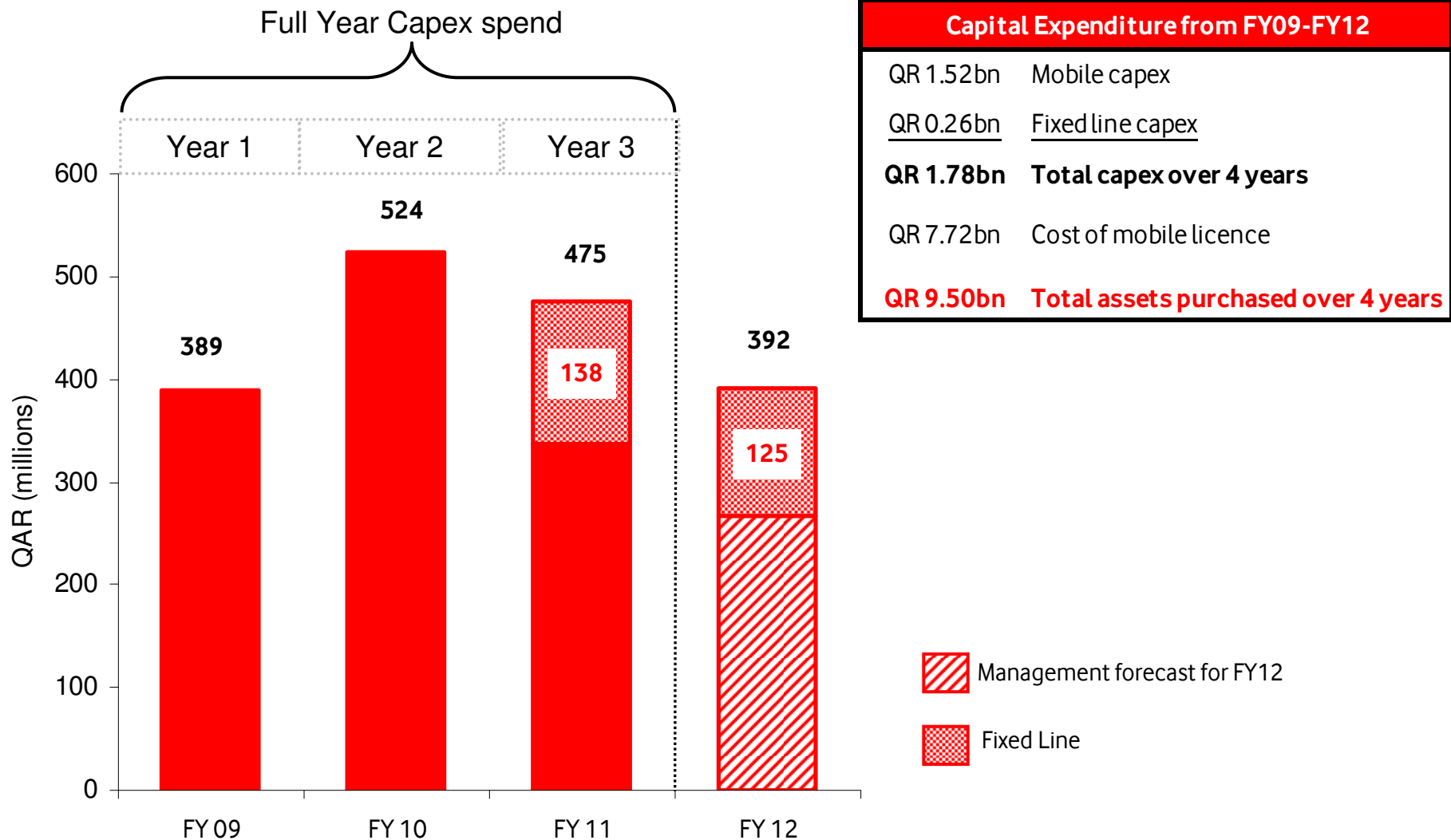


 Amortisation

- **17% improvement in Quarterly Net Loss** year-on-year
- Quarterly Amortisation of the QAR 7.7bn license fee is QAR 101 million.



Capitalised Fixed Asset Additions (Fixed Line & Mobile)

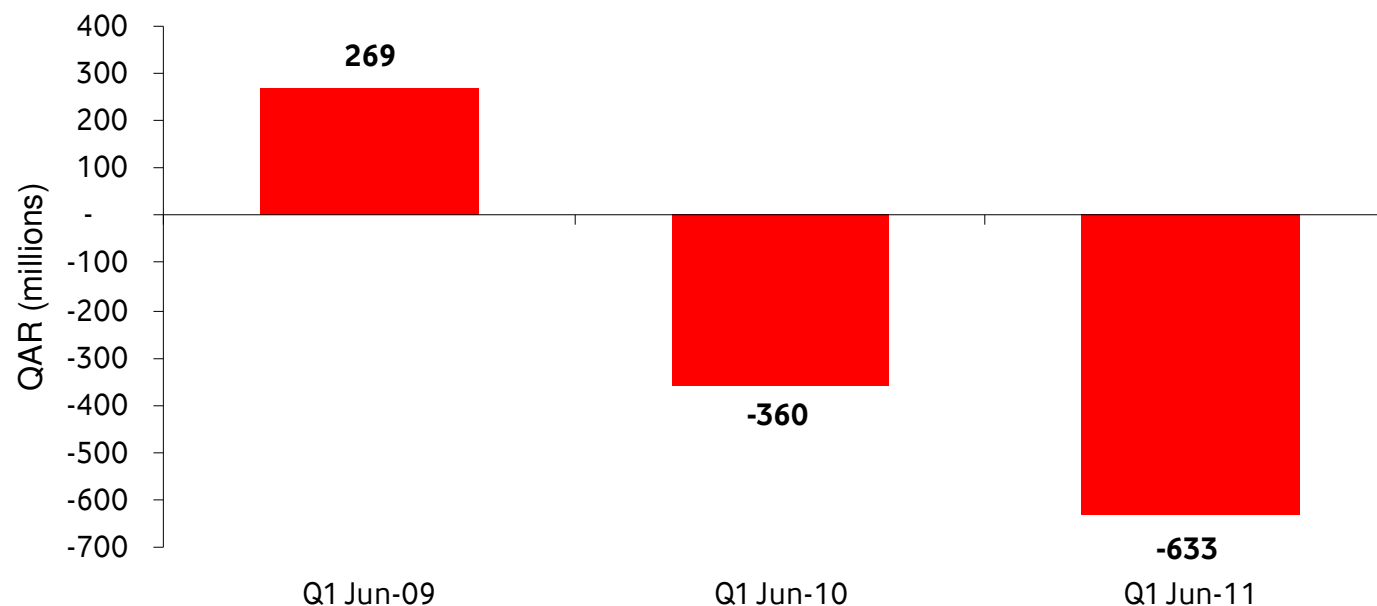


- Long-term total capital expenditure expected to stabilise at 10% of revenue from FY15 onwards.



Net Debt

Borrowings less Term Deposits



- We have a borrowing facility of US\$ 330m (QAR 1.2 billion) comprising:
 - US\$110m (QAR 400m) at 1mth US Libor + 3.55%
 - US\$120m (QAR 437m) at 1mth US Libor + 1.55%.
 - US\$100m (QAR 364m) at 1mth US Libor + 1.15%
- This is the funding expected to deliver our current mobile & fixed 5 year plan



Dividends

IPO Prospectus

“Based on the Business Plan, in particular the Company’s projected cash flow and profit before amortisation, the Company does not anticipate that it will declare a dividend before the financial results for the year ended 31 March 2013”

Articles of Association

“Article (69)

The distributable profits, calculated as net profits for the financial year plus amortisation of the License for the financial year, shall be distributed in accordance with Article (70)...”

We are on track to pay dividends for the year ended 31 March 2013



Outlook for September Quarter

- Delivering greater breadth of products & services to the market
- Continue to focus on our customers to ensure they have the best experience in the market
- Further expansion to the mobile network
 - Increasing the number of permanent cell sites
 - Replace temporary cell sites with permanent constructions
 - Finish the network optimisation
- Increase Vodafone Money Transfer footprint
- Launch of fixed line calling in specific estates



Future Guidance

	FY11 Actual	FY12 Target	FY16 Target
Total Revenue	QR 935m	QR 1.1bn	QR 2.6bn
Mobile Revenue Market Share	23%	27%	40%
Fixed Revenue Market Share	0.1%	0.4%	22%
EBITDA	QR (27.1)m	QR 120m	QR 920m
Capital Expenditure	QR 475m	QR 390m	QR 290m

Disclaimer:

The above table contains forward-looking statements that are subject to risks and uncertainties including statements about Vodafone Qatar's beliefs and expectations. 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.

Due to these factors, Vodafone Qatar cautions that you should not place undue reliance on any forward-looking statement. 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 until July 2012.

Vodafone and the Vodafone logo are trade marks of the Vodafone Group.

Copyright © Vodafone Qatar Q.S.C.



Contact Details

Rachael Mayo-Smith

Head of Investor Relations

M +974 7777 5642

E rachael.mayo-smith@vodafone.com

Khalid Barzak

Investor Relations Manager

M +974 7777 5413

E khalid.barzak@vodafone.com

John Tombleson

Acting CEO

M +974 7777 5835

E john.tombleson@vodafone.com

Wade Kirkland

Acting CFO

M +974 7777 5093

E wade.kirkland@vodafone.com

Address: Vodafone Qatar
PO BOX 27727
Doha, Qatar

Website: www.vodafone.com.qa



Appendices



Condensed Statement of Income – Quarter ended 30 June 2011

	Three month period ended June 30, 2011 (Unaudited) QAR '000	Three month period ended June 30, 2010 (Unaudited) QAR '000
Revenue	290,633	175,777
Direct costs	(132,804)	(81,620)
Other expenses	(126,927)	(102,923)
Earnings before interest, tax, depreciation, and amortisation	30,902	(8,766)
Depreciation	(43,055)	(32,559)
Amortisation of licences	(100,960)	(100,584)
Interest income	479	930
Financing costs	(9,702)	(7,132)
Loss before taxation	(122,336)	(148,111)
Income tax expense	--	--
Loss for the financial year	(122,336)	(148,111)
Basic and diluted loss per share (QAR)	(0.14)	(0.18)

	Three month period ended June 30, 2011 (Unaudited) QAR '000	Three month period ended June 30, 2010 (Unaudited) QAR '000
Loss for the financial year	(122,336)	(148,111)
Gains arising from cash flow hedge during the year	1,885	--
Total comprehensive loss for the financial year	(120,451)	(148,111)



Condensed Statement of Financial Position – as at 30 June 2011

	30 June 2011 (Unaudited) QAR '000	31 March 2011 (Audited) QAR '000
Non-current assets		
Property, plant and equipment	1,206,604	1,161,201
Intangible assets	6,853,138	6,954,098
Trade and other receivables	5,958	5,668
Total non-current assets	8,065,700	8,120,967
Current assets		
Inventories	15,517	11,496
Trade and other receivables	161,807	200,314
Cash and cash equivalents	123,480	83,261
Total current assets	300,804	295,071
Total assets	8,366,504	8,416,038

	30 June 2011 (Unaudited) QAR '000	31 March 2011 (Audited) QAR '000
Equity		
Share capital	8,454,000	8,454,000
Legal reserve	11,442	11,442
Hedging reserve	21,669	19,784
Accumulated losses	(1,529,364)	(1,407,028)
Total equity	6,957,747	7,078,198
Non-current liabilities		
End of employment benefits	1,004	4,707
Provisions	9,171	8,604
Long term borrowings	734,974	727,672
Total non-current liabilities	745,149	740,983
Current liabilities		
Trade and other payables	663,608	596,857
Total current liabilities	663,608	596,857
Total liabilities	1,408,758	1,337,840
Total equity and liabilities	8,366,504	8,416,038



Financial Highlights

Financial Performance			
	Q1 FY10	Q1 FY11	Q1 FY12
	Jun-09	Jun-10	Jun-11
	QARm	QARm	QARm
Total Revenue (Fixed & Mobile)	3.1	175.8	290.6
EBITDA (Fixed & Mobile)	(73.1)	(8.8)	30.9
Net Loss (Fixed & Mobile)	(152.3)	(148.1)	(122.3)
Operating Free Cash Flow (Fixed & Mobile) ¹	11.2	(63.9)	21.8
Capitalised Fixed Asset Additions (Fixed & Mobile)	79.8	72.6	88.6

Key Performance Indicators (KPIs)			
	Jun-09	Jun-10	Jun-11
Total Mobile Customers	15,000	534,000	761,000
Quarterly Mobile ARPU	n/a	104	116
Qatar's Population	1.609m	1.678m	1.625m
Qatar's Mobile Penetration	120%	160%	175%
Mobile Customer Market Share	0.8%	19.9%	26.8%*
Total Mobile Revenue Market Share ²	0.3%	15.9%	23.4%*

* estimated; Qtel's H1 results released on 14 August 2011

¹ Excludes mobile license 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, prepaid and other mobile revenue.



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 30 September 2011
- **Lay fibre for backbone of the core fixed & mobile network**
 - Completion due by 30 April 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
I	The Pearl	Not specified	Internet service	3 Months from Effective Date
II	The Pearl	Not specified	Fixed Voice and internet	12 Months from Effective Date
IV	West Bay CBD	Fibre to the Building	Fixed Voice	30 Months from effective date
V	Rest of Qatar	Not specified	Fixed Voice	48 months from effective date



Vodafone Qatar Shareholder Structure

