

Vodafone Qatar Q.S.C Financial Results

Press Presentation

For the 12 months ended 31 March 2012



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Agenda

- Key highlights
- FY12 financial review
- Commercial and strategic progress
- Q&A



Key Highlights

For the Year ended 31 March 2012

837,233

Mobile Customers
11% growth

28.5%

**Mobile customer
market share**
1.8pp growth

QR 1.2bn

Total Revenue
31% growth

24.5%

**Mobile revenue
market share for
the year**
4.5pp growth

QR 144m

EBITDA
12% EBITDA margin

QR (82)m

Distributable Profits
58% improvement



FY12 Financial Review

Steve Walters

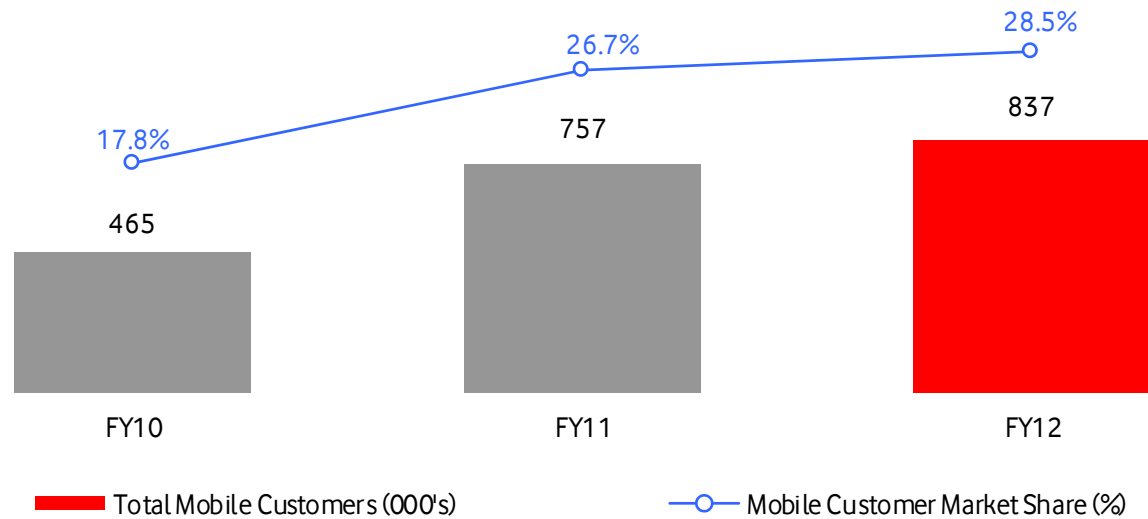


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Mobile Customer Growth

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



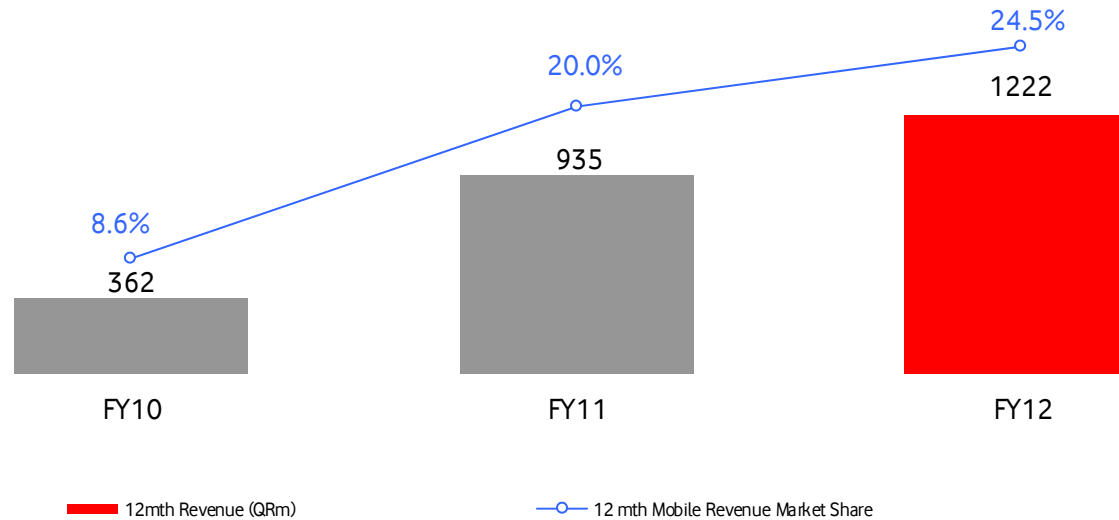
- **11% growth** in Customer Numbers year-on-year, 80k customers gained
- **5.6% growth** in population*
- Penetration **broadly unchanged** throughout the year at 166%

*Based on data from the Qatar Statistics Authority
6 FY Financial Results | 31 March 2012



Total Revenue

Year-on-Year Total Revenue Comparison

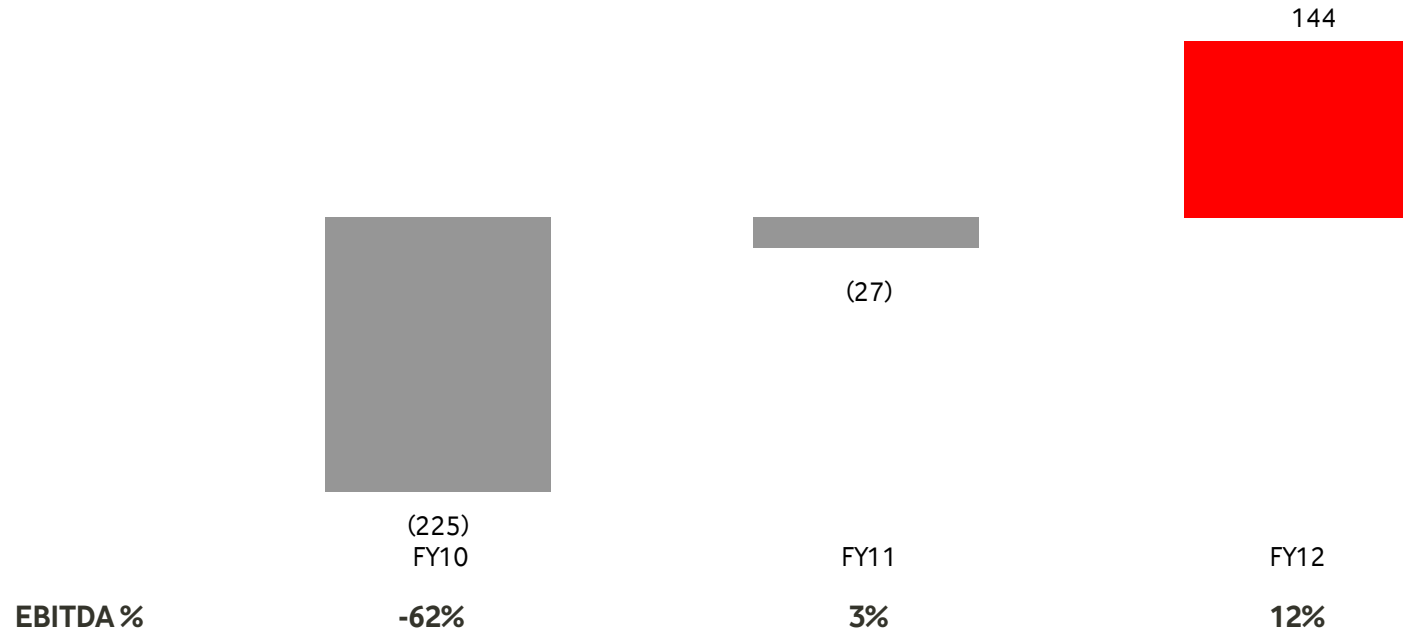


- **31% growth** in Total Revenue year-on-year delivering a **4.5pt improvement** in market share
- Results **ahead** of external guidance
- Revenue growth driven by **increased customer base and improved handset sales**
- **Full Year ARPU** is **QR 112** (broadly flat year-on-year) – mobile data services offsetting voice promotions



EBITDA

Year-on-Year EBITDA Comparison

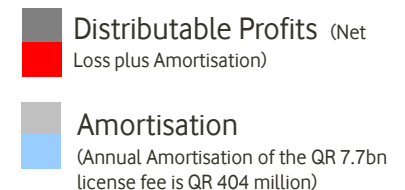
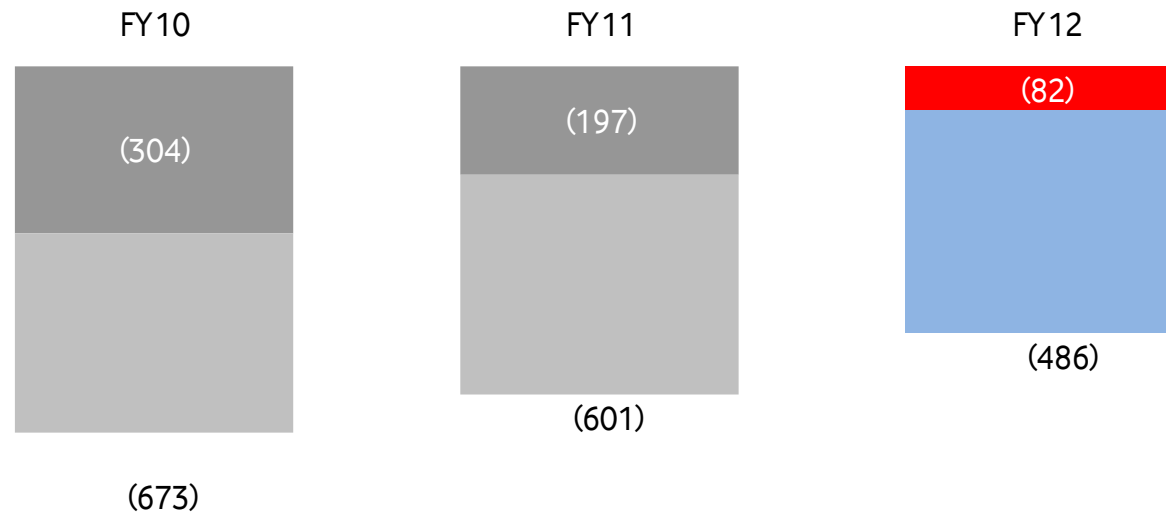


- Results **ahead** of external guidance
- **Positive quarterly EBITDA** since December 2010
- First full year of **positive earnings**
- **13.5% increase** in Quarterly EBITDA quarter-on-quarter
- **EBITDA margin improved to 12%** for the year reflecting benefits of greater operating scale and the sale of a higher proportion of more profitable voice and data services.



Net Loss & Distributable Profits

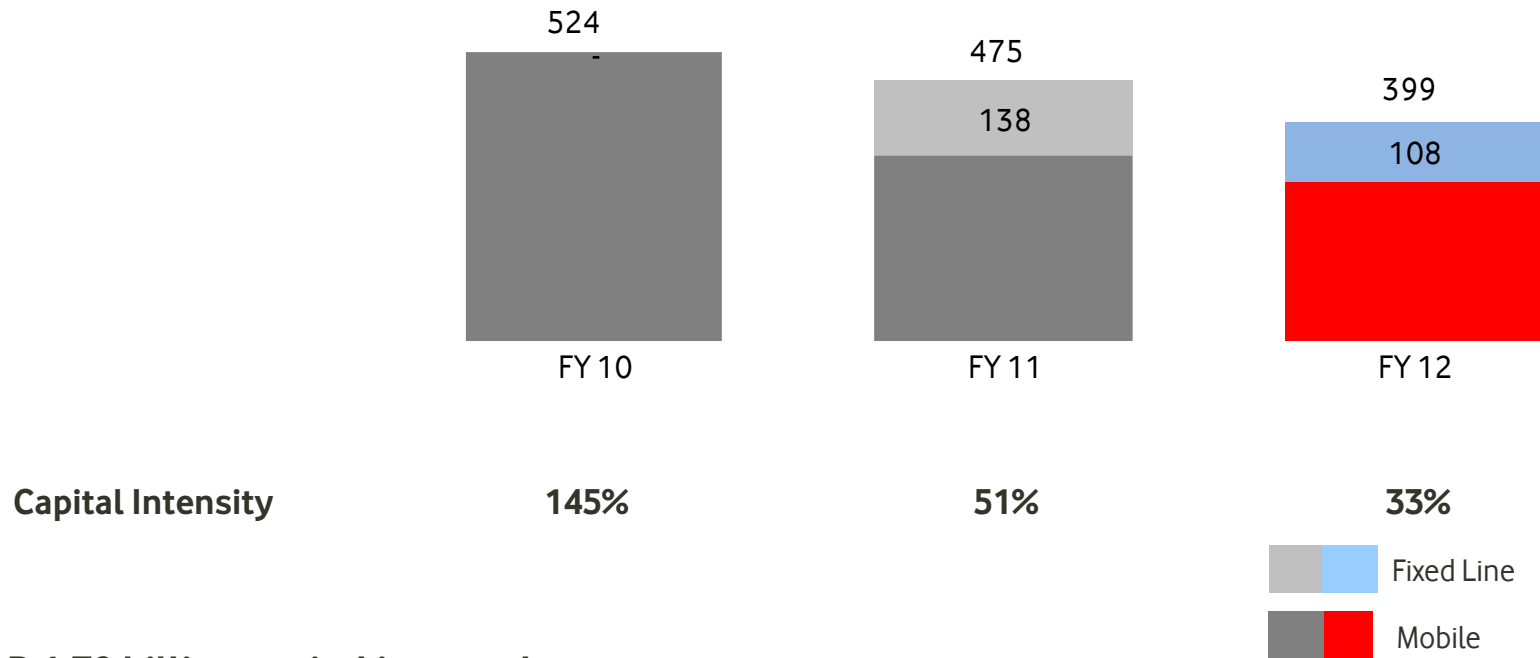
Year-on-Year Comparison



- **19% improvement** in Net Loss year-on-year
- Full year Distributable Profits **improve 58%** to a **loss of QR82m**
- **Improvements** driven by **increase in EBITDA**
- Whilst the amortisation of the mobile licence is a considerable expense, it is a **non-cash item** and has no impact on the cash flows of the business.
- Annual Distributable Profits is the measure on which dividends will be based



Capitalised Fixed Asset Additions

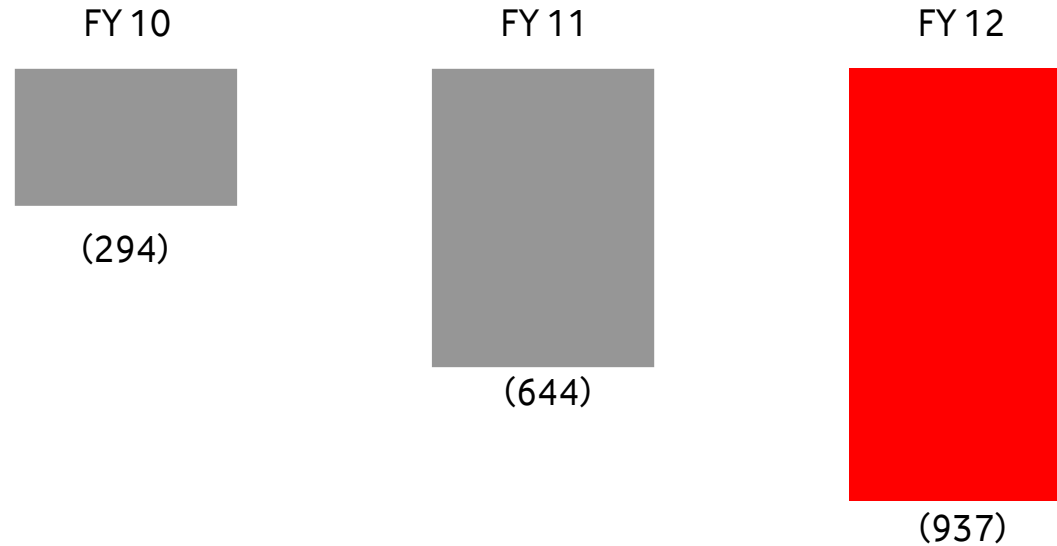


- **QR 1.79 billion capital invested** since incorporation
- 117 additional sites were rolled out contributing to **improvements in our customers' experience**
- Fixed line expenditure to develop infrastructure for **roll-out of fixed services in 2012**
- **Ongoing reduction** in Capital intensity



Net Debt

Borrowings less Term Deposits



- We have **borrowing facilities of US\$ 330m (QR 1.2 billion)** comprising:
 - US\$110m (QR 400m): 1mth US Libor + 1.30% maturing 8 March 2019 (replaced the previous 1mth US Libor + 3.55% loan for the same amount which expired 2 April 2012)
 - US\$120m (QR 437m): 1mth US Libor + 1.55%; maturing 3 May 2014
 - US\$100m (QR 364m): 1mth US Libor + 1.15%; maturing 1 June 2018
- **D/E ratio of 14%** at 31 March 2012 (17.9% if total borrowing facilities were fully utilised)



Commercial and Strategic Progress

Richard Daly



Strategic Priorities

Key achievements

Network	A further 45 new sites (542) and 11 indoor solutions (132) Significant improvement in call quality with 99.8% network availability Excellent data speeds – and incredible data usage
Postpaid Mobile Number Portability	Preparing to launch Post paid Mobile Number Portability planned for November -MOU signed with Qtel
Enterprise & Business	Team now built – new Enterprise Director in place Will launch new tariffs on post paid in Summer Services to follow later this year
Fixed Line	Vodafone Landing Station now operational – GBI services launched QNBN interim access agreement signed and service in Barwa City Vodafone fibre backbone almost complete connecting key hubs
Qatarisation	Qatari call centre in Doha now live and serving customers Middle Eastern call centre of the year award winner.. again 14% employees are Qatari including External Affairs Director
Brand Relaunch	New agency 'The Agency' – Qatar based and by design New Brand platform – network campaign Qatari NPS improved 21ppts from December to April

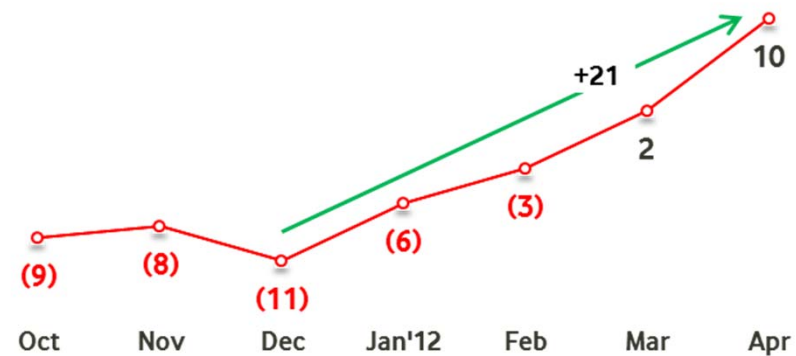


Qatari customers are appreciating the improvements in our service

- Localisation of our brand is one of the key priorities for the future
- Significant improvement in our Qatari customer satisfaction
 - Network Performance
 - Brand Campaign
 - Value offers
 - Community relevance
- Qatari call centre and new marketing campaign are two of the key successes



Qatari Net Promoter Score Trends



Appendices



Condensed Statement of Income – year ended 31 March 2012

	Year ended 31 March 2012	Year ended 31 March 2011
	QR '000	QR '000
Revenue	1,221,724	934,899
Direct costs	(560,743)	(475,042)
Other expenses	(516,914)	(486,939)
Earnings before interest, tax, depreciation, and amortisation	144,067	(27,082)
Depreciation	(196,639)	(145,844)
Amortisation of licences	(403,840)	(402,637)
Interest income	662	5,397
Financing costs	(30,236)	(30,551)
Loss before taxation	(485,986)	(600,717)
Income tax expense	-	-
Loss for the financial year	(485,986)	(600,717)
Basic and diluted loss per share (QAR)	(0.57)	(0.71)

STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 March 2012	Year ended 31 March 2011
	QR '000	QR '000
Loss for the financial year	(485,986)	(600,717)
(Loss)/Gain arising from cash flow hedges during the year	(18,711)	19,784
Total comprehensive loss for the financial year	(504,697)	(580,933)



Condensed Statement of Financial Position – as at 31 March 2012

	31 March 2012	31 March 2011
	QR '000	QR '000
Non-current assets		
Property, plant and equipment	1,363,974	1,161,201
Intangible assets	6,550,258	6,954,098
Trade and other debit balances	6,940	5,668
Total non-current assets	<u>7,921,172</u>	<u>8,120,967</u>
Current assets		
Inventories	11,895	11,496
Trade and other debit balances	171,339	200,314
Cash and cash equivalents	100,338	83,261
Total current assets	<u>283,572</u>	<u>295,071</u>
Total assets	<u><u>8,204,744</u></u>	<u><u>8,416,038</u></u>

	31 March 2012	31 March 2011
	QR '000	QR '000
Equity		
Share capital	8,454,000	8,454,000
Legal reserve	11,442	11,442
Hedging reserve	1,073	19,784
Accumulated losses	(1,893,014)	(1,407,028)
Total equity	<u>6,573,501</u>	<u>7,078,198</u>
Non-current liabilities		
Employees' end of service benefits	8,233	4,707
Provisions	10,939	8,604
Long term borrowings	<u>1,037,266</u>	<u>727,672</u>
Total non-current liabilities	<u>1,056,438</u>	<u>740,983</u>
Current liabilities		
Trade and other payables	<u>574,805</u>	<u>596,857</u>
Total current liabilities	<u>574,805</u>	<u>596,857</u>
Total liabilities	<u>1,631,243</u>	<u>1,337,840</u>
Total equity and liabilities	<u><u>8,204,744</u></u>	<u><u>8,416,038</u></u>



Financial Summary

Fixed and Mobile	Year to Mar-10 QRm	Year to Mar-11 QRm	Year to Mar-12 QRm	YoY Growth %
Total Revenue	362	935	1,222	31%
EBITDA	(225)	(27)	144	n/a
Net Loss	(673)	(601)	(486)	19%
Capitalised Fixed Asset Additions	524	475	399	(16%)
Free Cash Flow	(566)	(341)	(293)	14%

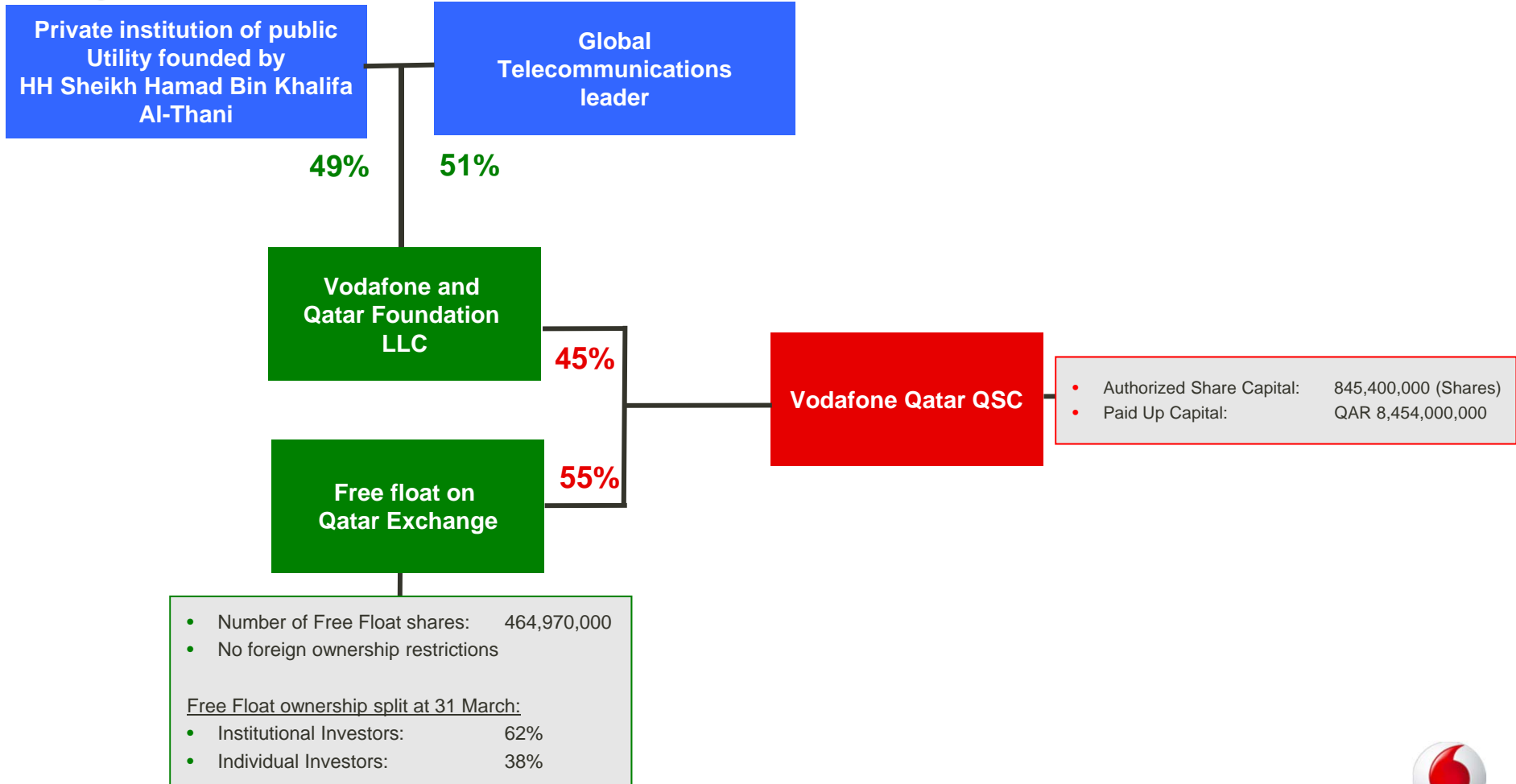
Key Performance Indicators (KPIs)

	Mar-10	Mar-11	Mar-12	YoY%
Total Mobile Customers ('000s)	465	757	837	11%
Qatar's Population ('m)	1.677	1.679	1.744	4%
Qatar's Mobile Penetration	156%	169%	166%	(3.2)ppts
Mobile Customer Market Share	17.8%	26.7%	28.5%	1.8ppts
Mobile Revenue Market Share ¹	8.6%	20.0%	24.5%	4.5ppts

¹ Revenue market share is based on Vodafone Qatar's total mobile revenue (in which content revenue is reported as net) and Qtel's reported postpay, prepay and other mobile revenue.



Vodafone Qatar Shareholder Structure



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