

Vodafone Qatar Q.S.C Financial Results

Press Presentation

For the half-year ended 30 September 2012



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Agenda

- Key highlights
- H1 FY13 Financial review
- Commercial and strategic progress
- Q&A



Key Highlights

For the 6 months ended 30 September 2012

936,300

Mobile Customers
15% growth

30.5%

**Mobile customer
market share**
2.5pp growth

QR 696m

Total Revenue
18% growth

25.4%

**Mobile revenue
market share for
the half-year**
1.4pp growth

QR 102m

EBITDA
15% margin, 57% growth

QR (39)m

Distributable Profits
36% underlying improvement



H1 FY13 Financial Review

Steve Walters

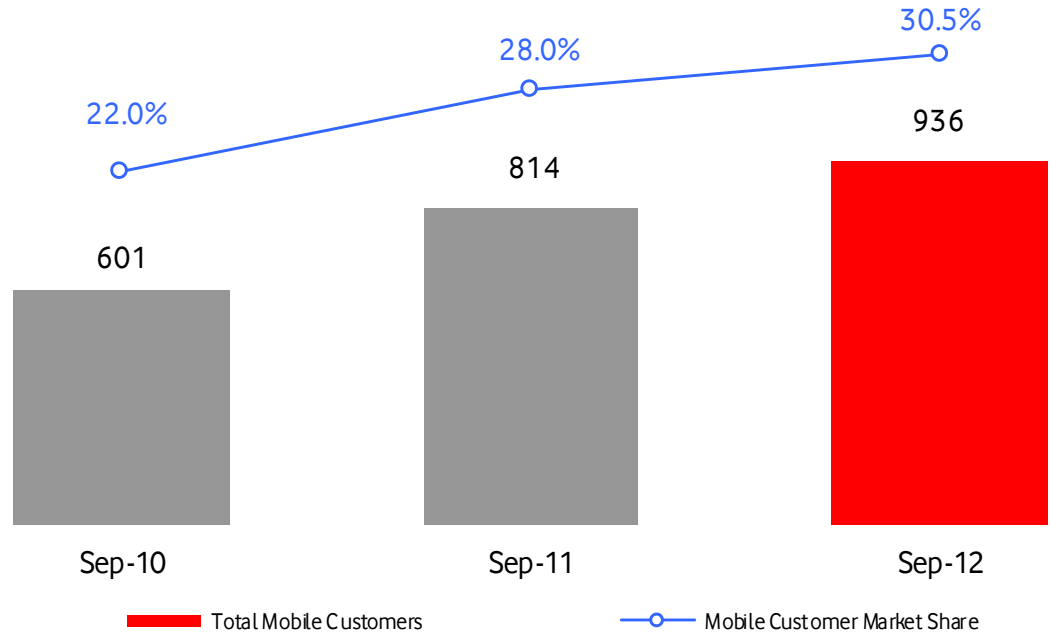


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Mobile Customer Growth

Year-on-Year Growth in Mobile Customers



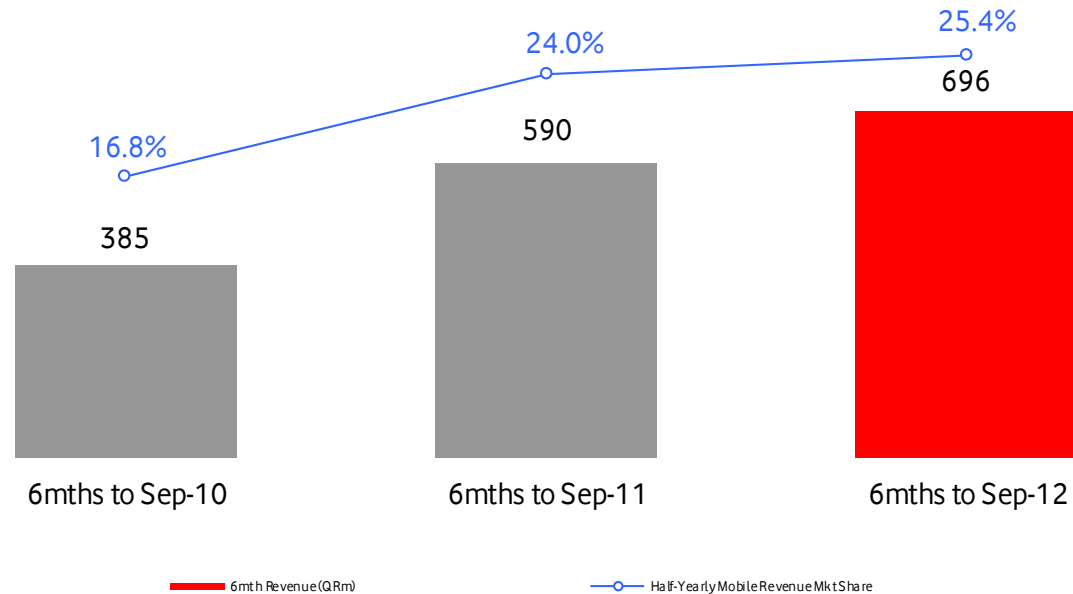
- **15% growth** in Customer Numbers year-on-year, 122k customers gained
- **8.4% growth** in population*
- **Successful Postpaid launch**

*Based on data from the Qatar Statistics Authority
6 H1 Financial Results - 30 September 2012



Total Revenue

Year-on-Year Total Revenue Comparison

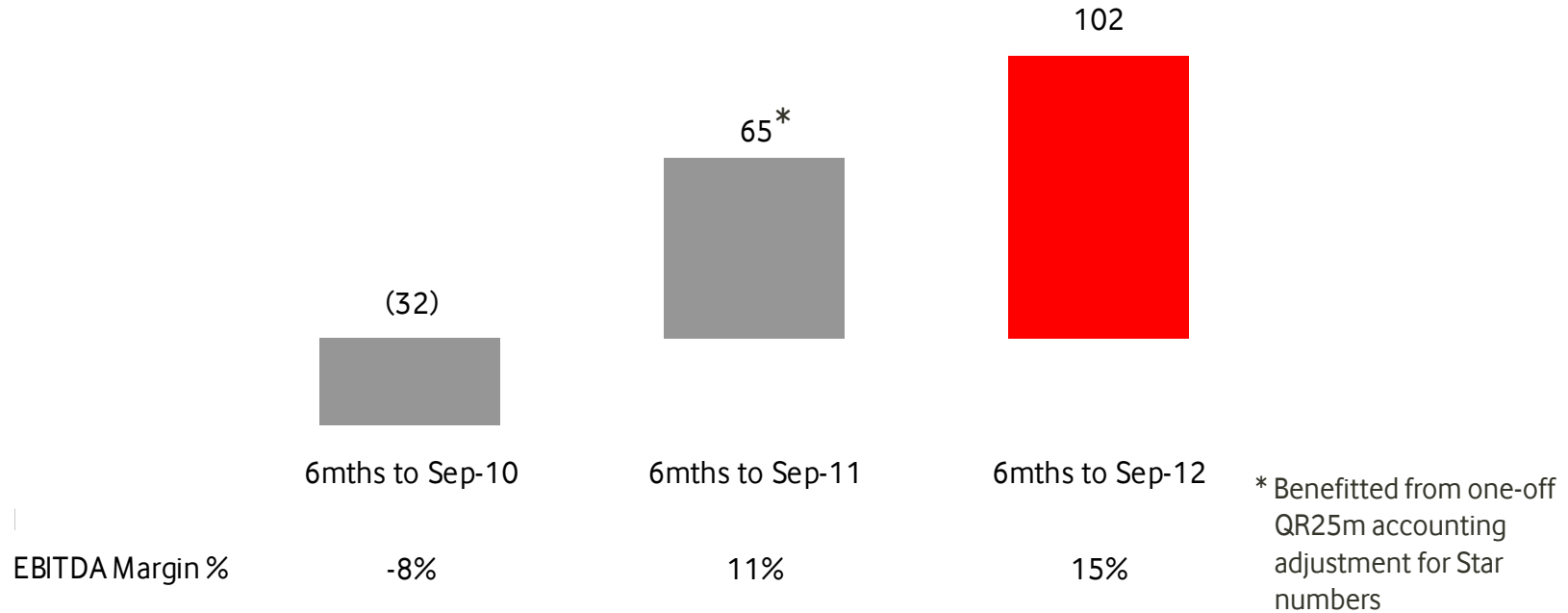


- **18% growth** in Total Revenue year-on-year, delivering 1.4pts improvement in market share
- Revenue growth driven by **increased customer base, improved ARPUs** and **higher handset sales**
- **ARPU for H1** was **QR 118** – 7.0% YoY growth due to strong data performance



EBITDA

Year-on-Year EBITDA Comparison

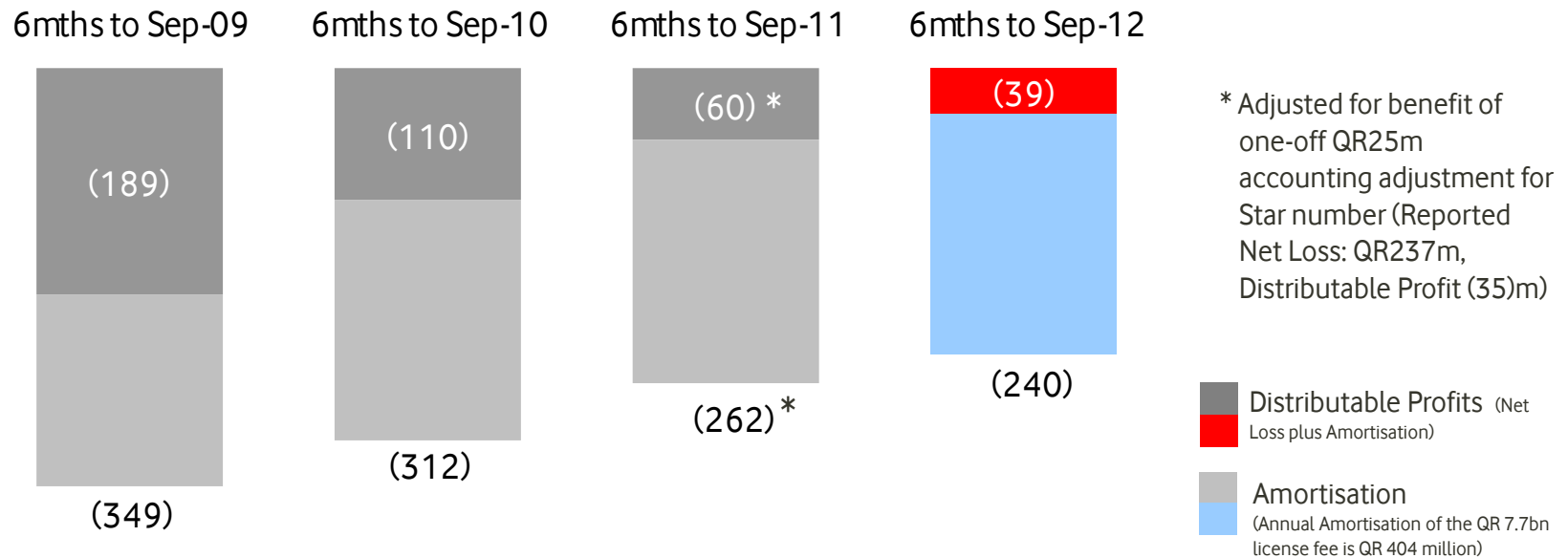


- **EBITDA growth continues**
- **57% increase** in EBITDA year-on-year
- **EBITDA margin improved to 15%** reflecting the continuation of an **improving sales mix and economies of scale**



Net Loss & Distributable Profits

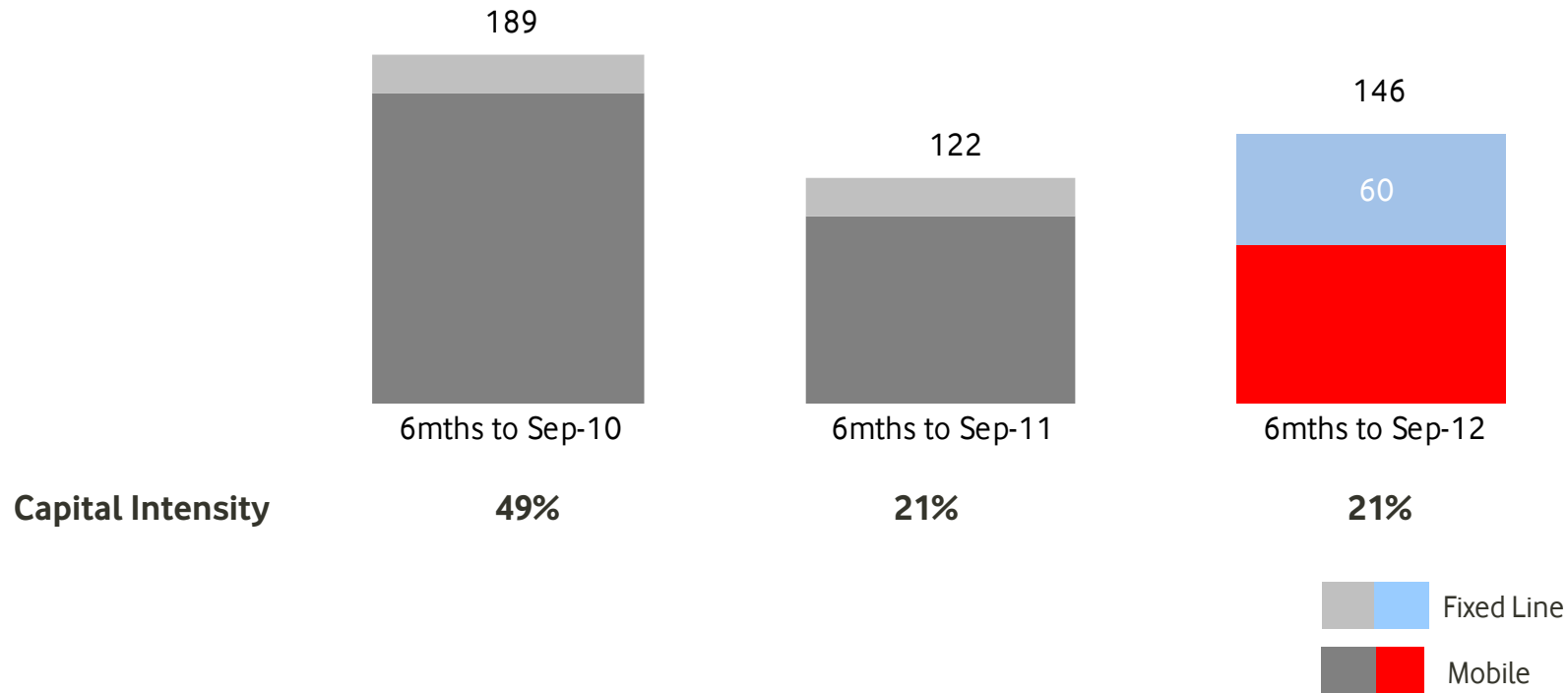
Year-on-Year Comparison



- **Underlying improvement** in Net Loss (+8.5%) and Distributable Profits (+36%) due to **strong EBITDA growth** despite the cumulative impact of significant network investment
- Amortisation of the mobile licence is a **non-cash item** with no impact on cash flows of the business.
- Annual Distributable Profits is the measure on which dividends will be based



Capitalised Fixed Asset Additions



- Mobile capital investment predominantly on 3G with 26 sites rolled out in the period
- **Greater capex** driven by increased fixed line investment in preparation for Q3 FY13 launch



Commercial and Strategic Progress

Richard Daly



Strategic Priorities

Key achievements

Fast Growing Market

Total market growing +14% YoY
936,300 customers – 51% of population
Revenue & EBITDA growth continues

Post-paid Launch

Strong customer numbers and high value profile
Mostly Qatari and Indian Nationals

Mobile Number Portability

Scheduled for Spring 2013
Vodafone ready to launch now

Mobile Network

Reliable voice, faster data
LTE trial in Q1 2013

Fixed Network

Barwa City customers live now!
Up to 100Mbps broadband available
First Business customers connected
Q.NBN partnership remains strong



Vodafone Qatar: Ready for Business

**Strong
Network**



Serving more than
half of the population
every month

Post-paid



Now available

Fixed Line



Now available



Appendices



Condensed Statement of Income – half-year ended 30 September 2012

	<u>Six months ended 30 September</u>	
	<u>2012</u>	<u>2011</u>
	(Reviewed) QR'000	(Reviewed) QR'000
Revenue	695,897	590,310
Direct costs	(308,042)	(275,925)
Other expenses	(285,421)	(249,208)
Earnings before interest, tax, depreciation and amortisation	102,434	65,177
Depreciation	(128,216)	(86,930)
Amortisation of licenses	(201,368)	(201,920)
Interest income	464	3,481
Financing costs	(13,303)	(17,114)
Loss before taxation	(239,989)	(237,306)
Income tax expense	-	-
Net loss for the period	(239,989)	(237,306)
Basic and diluted loss per share (in QR per share)	(0.28)	(0.28)

Net loss for the period	(239,989)	(237,306)
Other comprehensive income		
Net movement in fair value of cash flow hedges during the period	4,306	(18,235)
Total comprehensive income for the period	(235,683)	(255,541)



Condensed Statement of Financial Position – as at 30 September 2012

	30 September 2012	31 March 2012
	(Reviewed) QR'000	(Audited) QR'000
Non-current assets		
Property, plant and equipment	1,361,356	1,363,974
Intangible assets	6,369,575	6,550,258
Trade and other receivables	10,523	6,940
Total non-current assets	7,741,454	7,921,172
Current assets		
Inventories	12,504	11,895
Trade and other receivables	170,003	171,339
Cash and cash equivalents	78,842	100,338
Total current assets	261,349	283,572
Total assets	8,002,803	8,204,744

	30 September 2012	31 March 2012
	(Reviewed) QR'000	(Audited) QR'000
Equity		
Share capital	8,454,000	8,454,000
Legal reserve	11,442	11,442
Hedging reserve	5,379	1,073
Accumulated losses	(2,133,003)	(1,893,014)
Total equity	6,337,818	6,573,501
Non-current liabilities		
Employees' end of service benefits	9,585	8,233
Provisions	12,174	10,939
Long term borrowings	1,048,859	1,037,266
Total non-current liabilities	1,070,618	1,056,438
Current liability		
Trade and other payables	594,367	574,805
Total current liability	594,367	574,805
Total liabilities	1,664,985	1,631,243
Total equity and liabilities	8,002,803	8,204,744



Financial Summary

Financial Performance

	6mths to Sep-10 QRm	6mths to Sep-11 QRm	6mths to Sep-12 QRm
Total Revenue (Fixed & Mobile)	385	590	696
EBITDA (Fixed & Mobile)	(32)	65	102
Net Loss (Fixed & Mobile)	(312)	(237)	(240)
Capitalised Fixed Asset Additions (Fixed & Mobile)	189	122	146
Free Cash Flow (Fixed & Mobile)	(105)	(92)	(33)
Net Debt	(407)	(714)	(970)

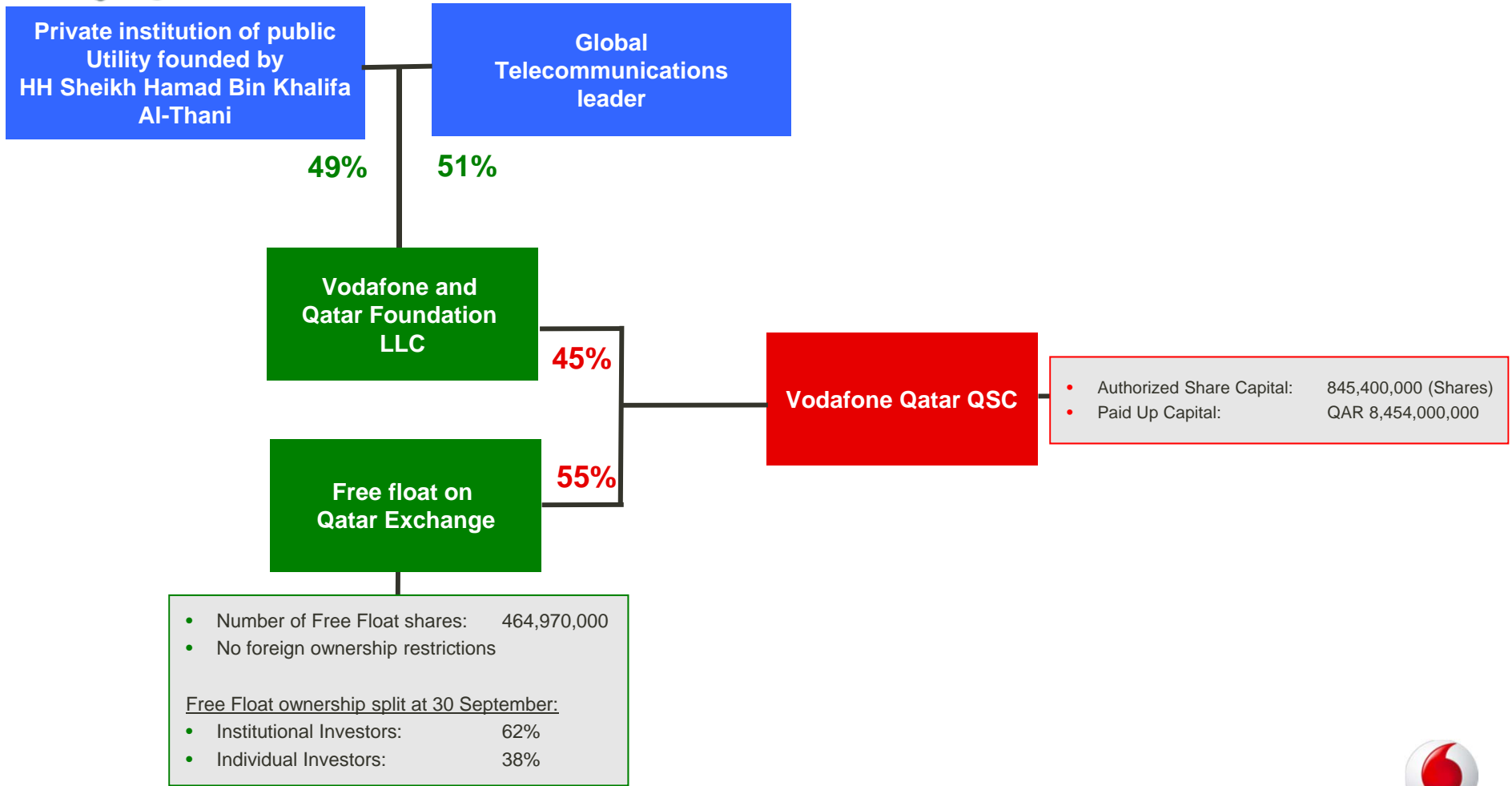
Key Performance Indicators (KPIs)

	Sep-10	Sep-11	Sep-12
Total Mobile Customers (000s)	601	814	936
Qatar's Population	1.642m	1.701m	1.844m
Qatar's Mobile Penetration	167%	171%	167%
Mobile Customer Market Share	22.0%	28.0%	30.5%
Half-Yearly Total Mobile Revenue Market Share ¹	16.8%	24.0%	25.4%

¹ Revenue market share is based on Vodafone Qatar's total mobile revenue and Qtel's reported postpay, prepay and other mobile revenue.



Vodafone Qatar Shareholder Structure



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