

# Vodafone Qatar Q.S.C Financial Results

## Press Presentation

For the quarter ended 30 June 2012



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# Agenda

- Key highlights
- Q1 financial review
- Commercial and strategic progress
- Q&A



# Key Highlights

For the 3 months ended 30 June 2012

**878,200**

**Mobile Customers**  
16% growth

**QR 350m**

**Total Revenue**  
21% growth

**QR 51m**

**EBITDA**  
15% margin

**QR (18)m**

**Distributable Profits**  
18% improvement



# Q1 FY13 Financial Review

Steve Walters

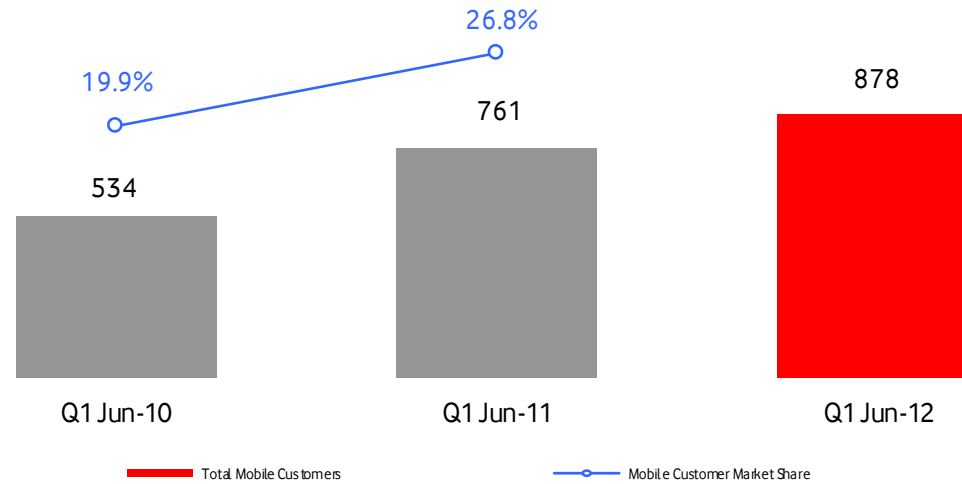


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# Mobile Customer Growth

Year-on-Year Growth in Mobile Customers



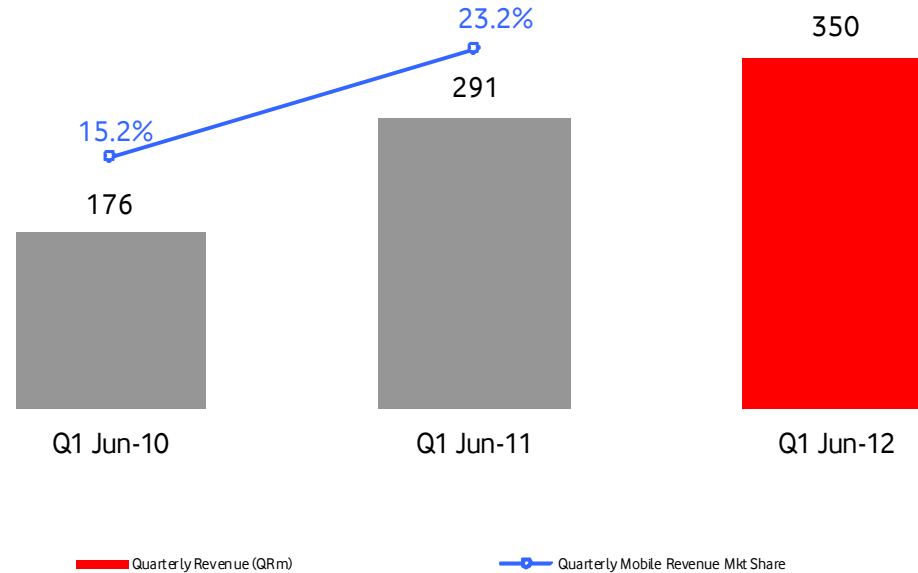
- **16% growth** in Customer Numbers year-on-year, 117k customers gained
- **6.0% growth** in population\*

\*Based on data from the Qatar Statistics Authority



# Total Revenue

## Year-on-Year Total Revenue Comparison

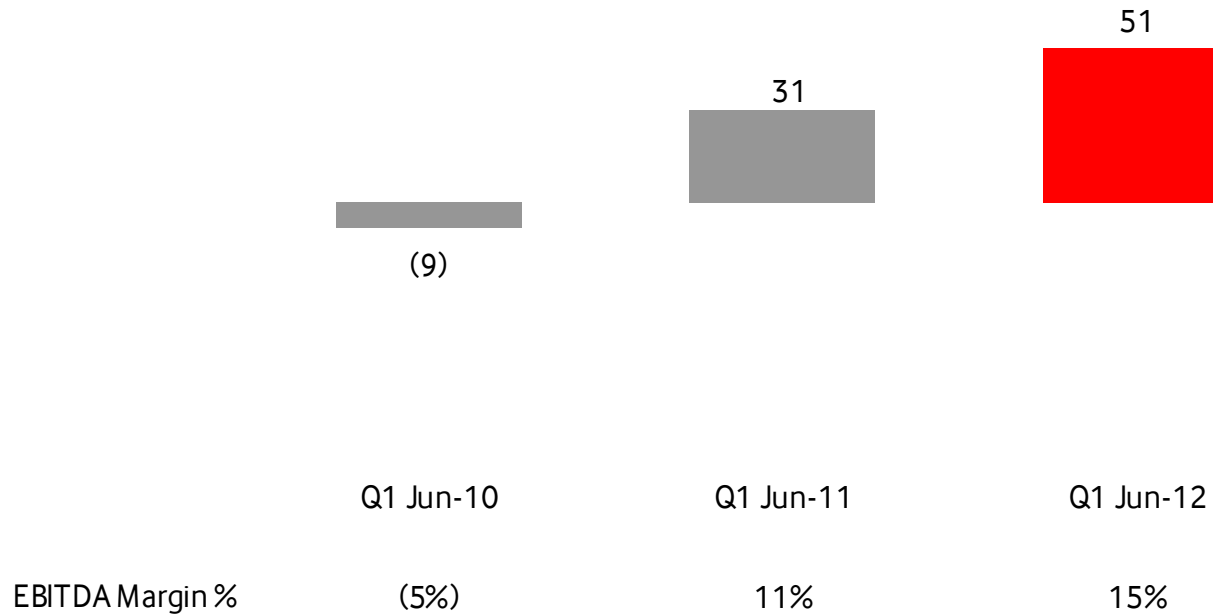


- **21% growth** in Total Revenue year-on-year
- Revenue growth driven by **increased customer base and improved ARPUs**
- **ARPU for the Quarter was QR 122** – 5% YoY growth due to strong data services



# EBITDA

## Year-on-Year EBITDA Comparison



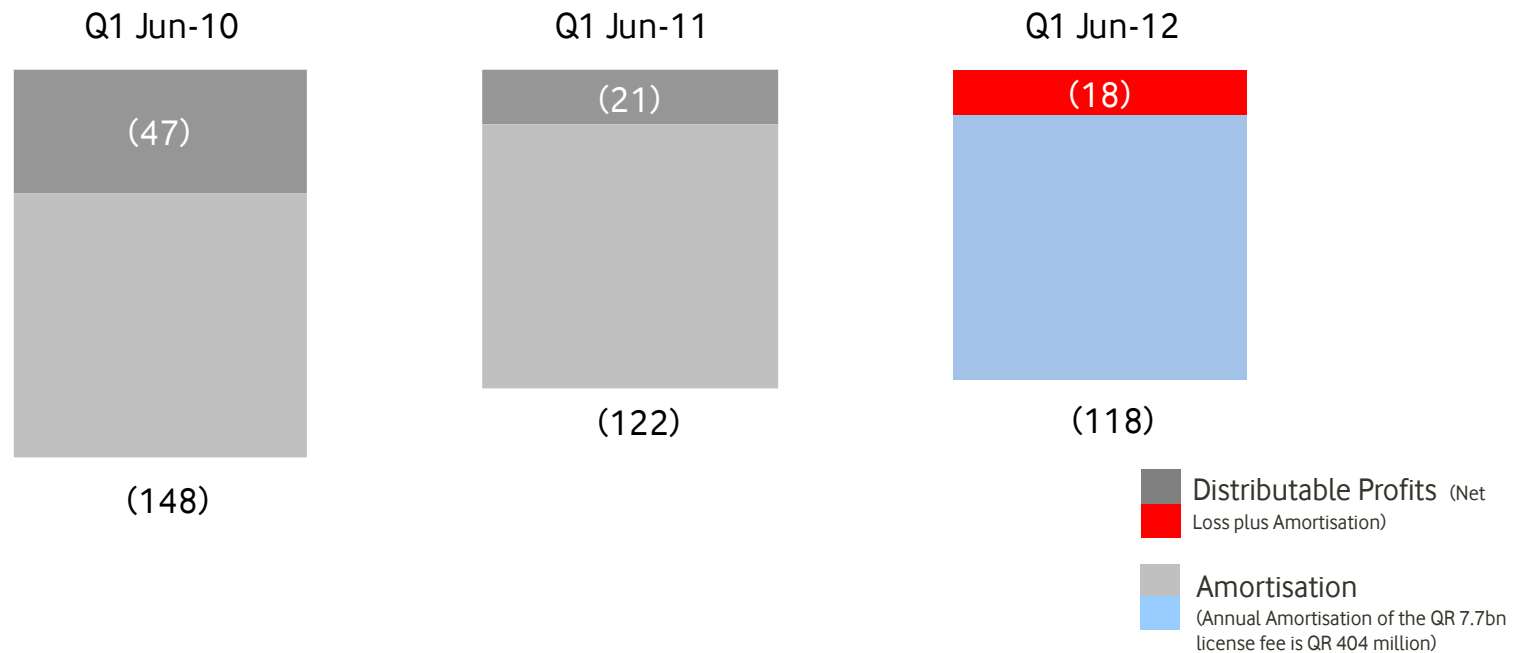
- **EBITDA growth continues**
- **67% increase** in EBITDA YoY, **23% growth** quarter-on-quarter
- **EBITDA margin improved to 15%** reflecting a more profitable sales mix and strong cost control





# Net Loss & Distributable Profits

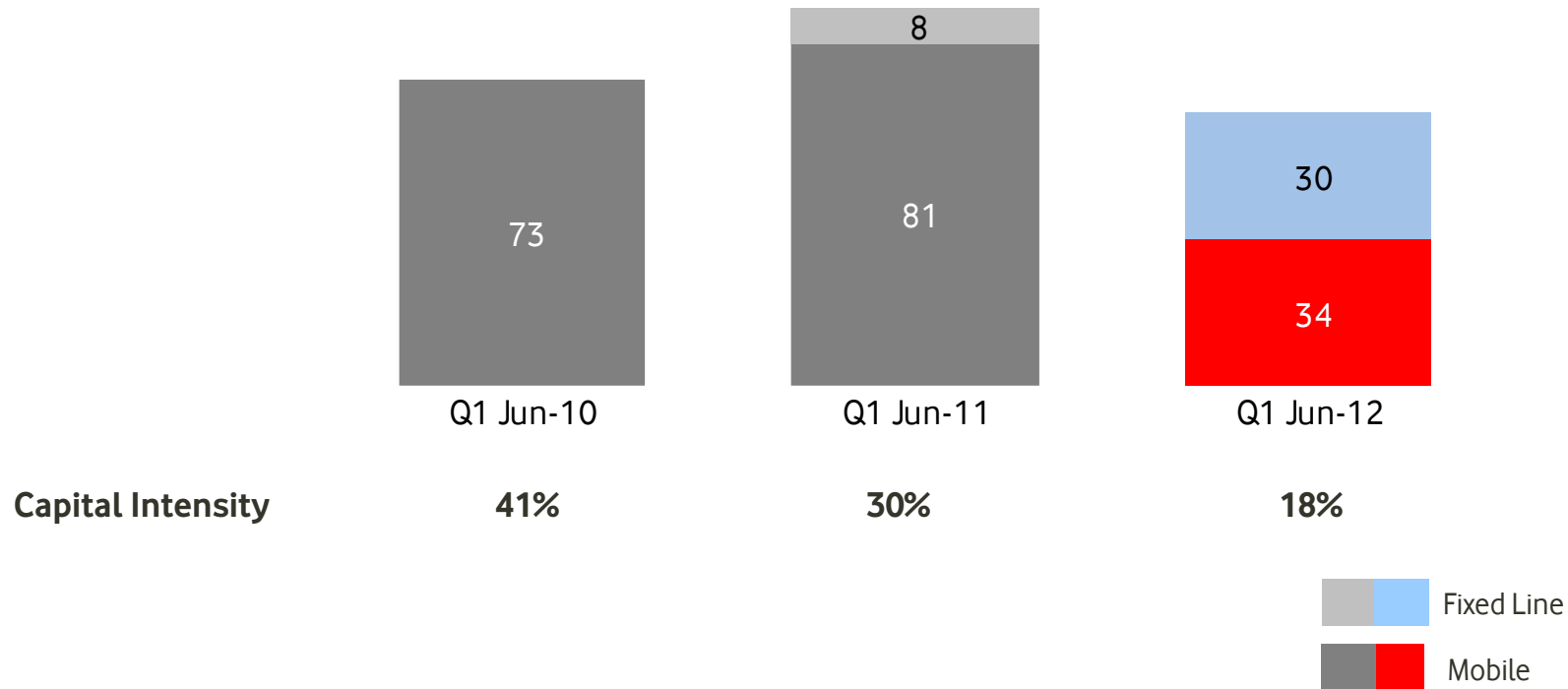
Year-on-Year Comparison



- **Lower Net Loss (3.3% YoY)** and **improvement** in Distributable Profits to a **loss of QR18m (18% YoY)**
- 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

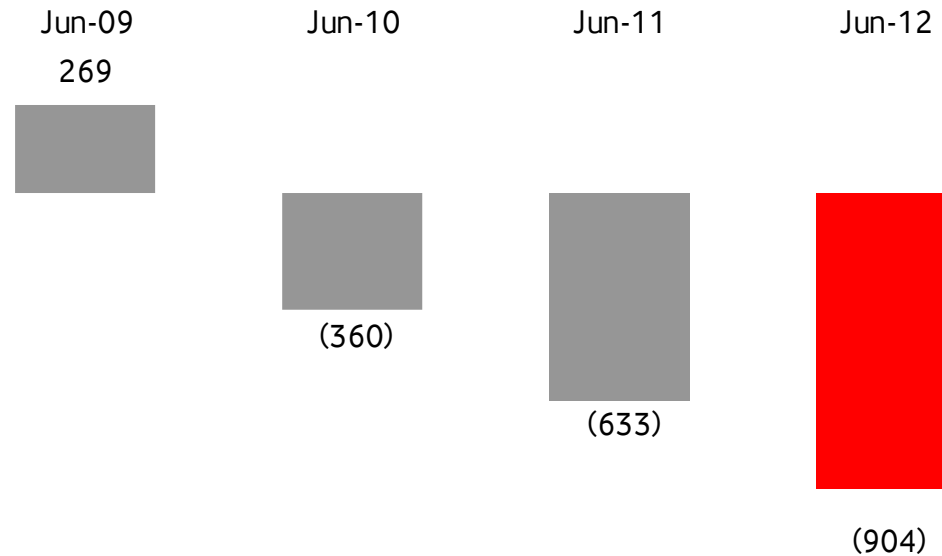


- Mobile capital investment predominantly on 3G with a further 10 sites rolled out during the quarter
- Fixed line expenditure on track to deliver services later this year. Investment will also **enhance the data experience and reliability** of our mobile network
- **Peak capital intensity** declining each year assisted by leveraging Q. NBN's access network



# 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
  - 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 30 June 2012 (17.9% if total borrowing facilities were fully utilised)



# Commercial and Strategic Progress

Richard Daly



## Strategic priorities – Moving to the next phase

- In the last quarter a number of our priorities have been achieved or become Business as usual:
  - Mobile network coverage, quality and performance
  - Roaming footprint and quality
  - Post-paid services launched
  - I.T. stability
- For the coming year our focus remains on:
  - Enterprise Launch (mobile and fixed line services)
  - Fixed Line deployment with QNBN
  - Mobile Number Portability
  - Qatarisation and localisation of the brand
- And new initiatives are reaching viability:
  - Value added services – Consumer and Business
  - Driving the data/Smartphone experience
  - Differentiation in Customer Experience (Retail, Care and Online)



# Appendices



# Condensed Statement of Income – quarter ended 30 June 2012

	Three month period ended 30 June 2012 (Unaudited) QR '000	Three month period ended 30 June 2011 (Unaudited) QR '000
Revenue	350,454	290,633
Direct costs	(150,073)	(132,804)
Other expenses	(148,882)	(126,927)
<b>EBITDA</b>	<b>51,499</b>	<b>30,902</b>
Depreciation	(62,691)	(43,055)
Amortisation of licence	(100,684)	(100,960)
Interest income	373	479
Financing costs	(6,805)	(9,702)
<b>Loss before taxation</b>	<b>(118,308)</b>	<b>(122,336)</b>
Income tax expense	--	--
<b>Loss for the financial period</b>	<b>(118,308)</b>	<b>(122,336)</b>
Other comprehensive income	--	--
<b>Total comprehensive loss for the financial period</b>	<b>(118,308)</b>	<b>(122,336)</b>
<b>Basic and diluted loss per share (QAR)</b>	<b>(0.14)</b>	<b>(0.14)</b>

## STATEMENT OF COMPREHENSIVE INCOME

	Three month period ended 30 June 2012 (unaudited) QR'000	Three month period ended 30 June 2011 (unaudited) QR'000
Loss for the financial period	(118,308)	(122,336)
(Loss)/Gain arising from cash flow hedges during the period	(848)	(1,885)
<b>Total comprehensive loss for the financial period</b>	<b>(119,156)</b>	<b>(120,451)</b>



# Condensed Statement of Financial Position – as at 30 June 2012

	30 June 2012 (Unaudited) QR '000	31 March 2012 (Audited) QR '000
<b>Non-current assets</b>		
Property, plant and equipment	1,364,973	1,363,974
Intangible asset	6,449,574	6,550,258
Trade and other receivables	6,764	6,940
<b>Total non-current assets</b>	<u>7,821,311</u>	<u>8,120,967</u>
<b>Current assets</b>		
Inventory	16,149	11,895
Trade and other receivables	196,208	171,339
Cash and cash equivalents	142,369	100,338
<b>Total current assets</b>	<u>354,726</u>	<u>283,572</u>
<b>Total assets</b>	<u><u>8,176,037</u></u>	<u><u>8,204,744</u></u>

	30 June 2012 (Unaudited) QR '000	31 March 2012 (Audited) QR '000
<b>Equity</b>		
Share capital	8,454,000	8,454,000
Legal reserve	11,442	11,442
Hedging Reserve	225	1,073
Accumulated losses	(2,011,322)	(1,893,014)
<b>Total equity</b>	<u>6,454,345</u>	<u>6,573,501</u>
<b>Non-current liabilities</b>		
End of employment benefits	8,989	8,233
Provisions	11,570	10,939
Long term borrowings	1,045,956	1,037,266
<b>Total non-current liabilities</b>	<u>1,066,515</u>	<u>1,056,438</u>
<b>Current liabilities</b>		
Trade and other payables	655,177	574,805
<b>Total current liabilities</b>	<u>655,177</u>	<u>574,805</u>
<b>Total liabilities</b>	<u>1,721,692</u>	<u>1,631,243</u>
<b>Total equity and liabilities</b>	<u><u>8,176,037</u></u>	<u><u>8,204,744</u></u>





# Financial Summary

## Financial Performance

	<b>Qtr to</b>	<b>Qtr to</b>	<b>Qtr to</b>
	<b>Jun-10</b>	<b>Jun-11</b>	<b>Jun-12</b>
	<b>QRm</b>	<b>QRm</b>	<b>QRm</b>
Total Revenue (Fixed & Mobile)	176	291	350
EBITDA (Fixed & Mobile)	(9)	31	51
Net Loss (Fixed & Mobile)	(148)	(122)	(118)
Capitalised Fixed Asset Additions (Fixed & Mobile)	73	89	64
Free Cash Flow (Fixed & Mobile)	(63)	23	34

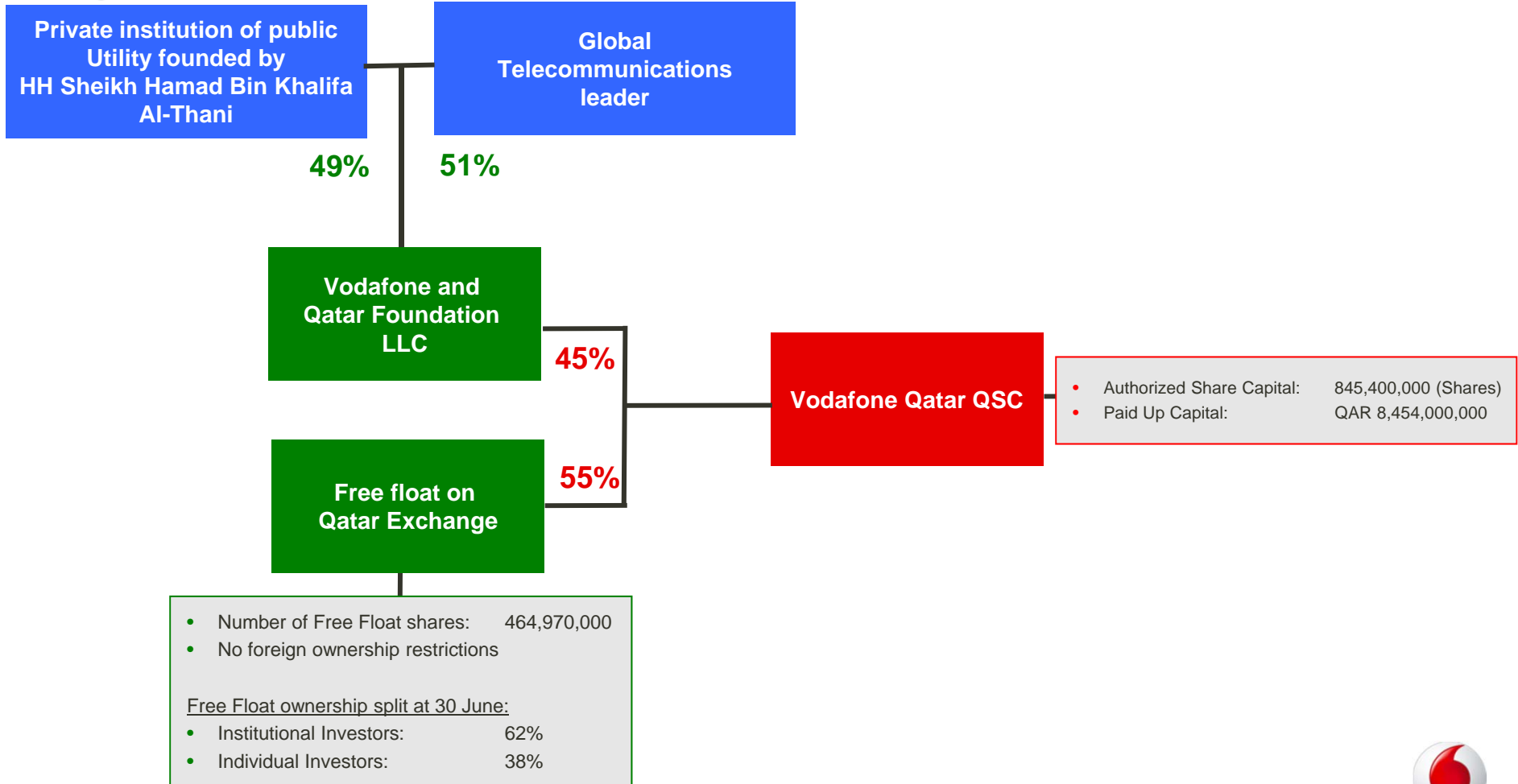
## Key Performance Indicators (KPIs)

	<b>Jun-10</b>	<b>Jun-11</b>	<b>Jun-12</b>
Total Mobile Customers	534,497	760,658	878,200
Qatar's Population	1.679m	1.625m	1.722m
Qatar's Mobile Penetration	160%	175%	n/a
Mobile Customer Market Share	19.9%	26.8%	n/a
Total Mobile Revenue Market Share <sup>1</sup>	15.2%	23.2%	n/a

<sup>1</sup> 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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