

PRESS RELEASE

VODAFONE QATAR P.Q.S.C. ANNOUNCES ITS FINANCIAL RESULTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2017

Doha, Qatar, 26 February 2018: Vodafone Qatar P.Q.S.C. (“Vodafone Qatar” or the “Company”) announced its financial results for the nine months ended 31 December 2017.

Financial Highlights:

- ✓ Customer numbers at 1.39 million
- ✓ EBITDA at QAR 407 million, flat year-on-year
- ✓ Net Profit (excluding amortisation) at QAR 120 million, an improvement of 12% year-on-year
- ✓ Free Cash Flow at QAR 157 million, an increase of 29% year-on-year

(In QRm unless otherwise stated)	3 Months ended		QoQ %	9 Months ended		YoY %
	31-Dec-17	30-Sep-17	Growth	31-Dec-17	31-Dec-16	Growth
Total Customers (000)	1,390	1,389	0%	1,390	1,472	(6%)
Total Revenue	536	429	25%	1,481	1,541	(4%)
Service Revenue	472	415	14%	1,371	1,460	(6%)
EBITDA	171	98	75%	407	406	0%
EBITDA Margin (%)	31.9%	22.8%	9.1 pps	27.5%	26.3%	1.2 pps
Net Profit Excl Amortization	72	4	1585%	120	107	12%

Financial Summary:

EBITDA for the nine months ended 31 December 2017 stood at QAR 407 million (flat year-on-year) reflecting an EBITDA Margin improvement of 1.2pps. Quarter-on-quarter EBITDA increased by 75% pointing to a strong recovery in revenue after the network outage in July 2017, disciplined cost management, and recognition of a one off benefits during the quarter. These benefits included QAR 13 million recognised as Service Revenue and QAR 25 million credit note from a network supplier.

Revenue for the reported period stands at QAR 1,481 million, representing a decrease of 4% year-on-year driven by a subscriber decrease of 6% year-on-year as a result of the network outage and slowdown in the overall Prepaid market. However, compared to the previous quarter, total revenue grew by 25% led by the acceleration of both the Postpaid subscriber segment (+9% for the quarter-on-quarter), handset and equipment revenues and the QAR 13 million benefit mentioned above.

The Company’s net profit excluding amortisation improved by 12% year-on-year to reach QAR 120 million driven by higher EBITDA and lower depreciation. The net debt position continued to improve, reaching QAR 620 million by 31 December 2017, the lowest net debt in the Company’s history.

Commenting on the results, Vodafone Qatar's Chief Executive Officer Ian Gray said: "The overall financial results clearly indicate a recovery in the performance of the business. Adding to this average revenue per user has returned to pre outage levels and our measure of customer satisfaction continues to improve, nearing our highest ever performance. Looking ahead, we will continue our growth plans by delivering innovative products and unmatched customer experience across our core mobile offering and further expand our rapidly growing fixed line proposition. We look to the future with confidence and optimism, supported by our clear strategy and experienced leadership."

The Board is encouraged by the progress of the business and in order to accelerate investment in coverage and fixed line opportunities, it has decided to recommend that no distribution of dividends be made for the nine months ended 31 December 2017.

The Company changed its financial year end from 31 March to 31 December at its Extraordinary General Assembly meeting held on 18 October 2017.

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About Vodafone Qatar P.Q.S.C

Vodafone Qatar P.Q.S.C. ("Vodafone Qatar") provides a range of services including voice, messaging, data and fixed communications in the State of Qatar. Vodafone Qatar commenced commercial operations in Qatar on 1 March 2009 with around 1.4 million customers now actively using Vodafone's services supported by the Company's state of the art network. Having built a converged IP network, in October 2012 Vodafone launched a comprehensive range of fibre-based enterprise grade and residential fixed products and services. Through this fibre connectivity, Vodafone is set to become a total communications provider contributing to the country's digital agenda. Vodafone's mission and purpose is to help its customers and communities to adapt and prosper as new trends and technologies reshape the world. Please visit www.vodafone.qa for more details.

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