



PRESS RELEASE

VODAFONE QATAR ANNOUNCES COMPANY CHANGES THAT RE-SETS IT FOR THE FUTURE

Doha, 26 February 2018: Today, with the presentation of the encouraging 9 month period ended 31 December 2017, the Board of Vodafone Qatar P.Q.S.C. ("Vodafone Qatar or the Company") announced a number of company changes that re-sets it for the future.

Extension of Licence

The Company's Telecommunications Networks and Services Licence (the "Licence") originally granted by the Communications Regulatory Authority (CRA) for 20 years has been extended for an additional 40 years to 2068. This will reduce the amortisation cost annually from QAR403 million to approximately QAR100 million. The Board believes this will make the Company profitable for the foreseeable future.

Capital Reduction

The Board has decided, subject to obtaining the approval of the shareholders of the Company at an Extraordinary General Assembly (EGA), as well as all necessary regulatory approvals, to implement a reduction in the share capital of the Company from QAR8.454 bn to QAR4.227 bn by means of reducing the nominal value of the shares of the Company from QAR10 per share to QAR5 per share in accordance with the relevant provisions of Articles 201 to 204 of the Commercial Companies Law No.11 of 2015, and the Articles of Association of the Company. This move is intended to address the accumulated losses of the Company, which to date stands at QAR4.272 bn, largely driven by the amortisation costs of the Licence. This will have no cash impact on the Company and will achieve the following goals:

- extinguish the historical losses, associated with the amortisation costs of the License;
- deliver the long term growth potential of the Company;
- attract new investors;
- enable future payment of dividends

Extension of Vodafone Group Plc technical support agreement

The Board has agreed to continue its long term partnership with Vodafone Group Plc by agreeing to a technical support agreement of 5 years with an option to extend which will provide Vodafone Qatar with access to all services and support it currently enjoys and with Vodafone Qatar continuing as a Vodafone branded company.



In parallel, Vodafone Qatar announced today that Qatar Foundation for Education, Science and Community Development ("Qatar Foundation") entered into a conditional Share Purchase Agreement ("SPA") with Vodafone Europe B.V. ("Vodafone Europe"), whereby Qatar Foundation agreed to purchase from Vodafone Europe shares representing 51% of the share capital of Vodafone and Qatar Foundation LLC ("Private Founder") (the "Transaction"). The Private Founder is an existing shareholder in Vodafone Qatar, owning 45% of the share capital of Vodafone Qatar. Upon completion of the Transaction, which is subject to and conditional upon various regulatory approvals being obtained and the satisfaction of a number of conditions precedent, the Private Founder will be 100% owned by Qatar Foundation whose direct and indirect shareholding in Vodafone Qatar will then increase from its current level of 27.05% to 50% of the share capital of Vodafone Qatar.

Board and Executive Management Restructure

To drive the Company forward and with the above in mind, Rashid Al Naimi has been elected the Managing Director with immediate effect. As the CEO of Qatar Foundation Endowment, Rashid Fahad Al-Naimi is responsible for Qatar Foundation's investment portfolios. He is also the residing Chairman of MEEZA and Mazaya Qatar, and a Board Member of Vodafone Qatar.

Ian Gray, Vodafone Qatar's current CEO and Board Director has decided to retire and steps down following the Company's Annual General Assembly (AGA) on March 19. H.E. Sheikh Hamad bin Abdullah Al-Thani will then take up the role of CEO. H.E. Sheikh Hamad bin Abdullah Al-Thani currently holds the role of Vodafone Qatar's Chief Operating Officer. Since joining Vodafone Qatar in 2013, he has served in several roles including: Senior Business Development Manager, Head of Public Sector Sales and Sales Director. Under his leadership, Vodafone Qatar's enterprise market share grew substantially as did the Company's position as an ICT and mega projects service provider. Before joining Vodafone Qatar, he held multiple ICT related roles in the oil and gas sector. He holds a BA in Computer Science from the University of Ottawa in Canada.

Moreover, the company intends to recommend to the shareholders at the EGA to reduce the size of the Board from 9 members to 7 members, which will take effect at the end of the term of the existing Board Members, subject to obtaining the approval of the shareholders of the Company at an EGA.

Commenting on these positive Company changes, H.E. Mr. Abdullah bin Nasser Al-Misnad, Chairman, Vodafone Qatar said, "I strongly believe that these changes will provide the immediate requirements needed to accelerate Vodafone Qatar's future development as an industry leader in Qatar. These changes will also have a positive impact on the operational and financial health of the Company and as a result, deliver strong long term shareholder value.



On behalf of the Board, I'd also like to express my sincere appreciation for Ian Gray's part in driving a strong recovery of the Company and laying a solid foundation which our new leadership will continue to build on going forward."

Current CEO, Ian Gray said, "I'd like to thank the Board, our shareholders, employees and customers for the opportunity to lead this great Company over the past two years. I am proud of the accomplishments we have had and am confident that the foundations we have to deliver our future growth are in place. I congratulate Sheikh Hamad on his new role as CEO in which his experience and commitment will have a profound impact on delivering the Company's vision."

Vodafone Qatar's future CEO H.E Sheikh Hamad bin Abdullah Al-Thani said, "I want to thank the Board and Ian for their trust in me. I am excited about the future of Vodafone Qatar. We are at the beginning of a journey that will bring us closer to providing a converged digital ecosystem with smart solutions. I am certain that Vodafone Qatar will play a crucial role in driving the digital transformation in support of Qatar National Vision 2030. Customers have a great deal to look forward to in terms of innovation and choice."

-ENDS-

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 Qatar launched a comprehensive range of fibre-based enterprise grade and residential fixed products and services. Through this fibre connectivity, Vodafone Qatar is set to become a total communications provider contributing to the country's digital agenda. Vodafone Qatar'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.

For press enquiries, please contact:

Lana Khachan

E-mail: lane.khachan@vodafone.com

For Investor Relations enquiries, please contact:

E-mail: investorrelationsqatar@vodafone.com