



Vodafone Qatar announces Q1 financial results

Doha, 20 July 2010: Today Vodafone Qatar Q.S.C. ("Vodafone Qatar" or "The Company") announced its financial results for the quarter ended 30 June 2010 where it has taken significant strides towards achieving profitability.

Vodafone Qatar's key financial achievements are as follows:

- 534,000 Customers at 30 June
- 32% Population Share as of 30 June
- Estimated 19% Customer Market Share as of 30 June
- Average Revenue Per User (ARPU) is QAR 104 for the three months to 30 June
- Total Revenue of QAR 175.8 million for the quarter to 30 June
- Profitability (EBITDA) continues to improve significantly with an adjusted loss of QAR (8.8) million for the quarter to 30 June compared to QAR (28.7) million last quarter.

Vodafone Qatar started the first quarter of the new financial year strongly, growing its customer base by an impressive 15% on last quarter to reach 534,000 customers at 30 June. This represents 32% of the population of Qatar and an estimated 19% customer market share. The Company has had a series of promotions which has attracted customers including "World Calling Club" which gives customers the chance to win QAR 10,000 each day simply by making international calls and the "Get 200" promotion whereby customers received 200 Vodafone minutes with every recharge over QAR 35. Near the end of the quarter on 15 June, Vodafone Qatar also launched its BlackBerry® service which is proving very successful.

Commenting on the Company's profitability, Vodafone Qatar CFO John Tomblason said "Investors should focus on EBITDA rather than Net Loss. We believe EBITDA is more indicative of our potential to generate future cash flows as EBITDA doesn't include the significant amortisation of the license fee. EBITDA is also the measure on which our dividends will be based in the future". The Company's quarterly adjusted EBITDA has made great strides towards profitability with a loss of just QAR (8.8)m for the quarter ended 30 June compared to QAR (28.7) million last quarter. This is an improvement of 69% quarter on quarter.

Total revenue in the June quarter of QAR 175.8 million is an increase of 22% from the previous quarter. The June quarter ARPU increased 3% to QAR 104, with customers continuing to maintain dual SIMs. Vodafone Qatar continued its drive to target the international worker community in the June quarter where it is estimated to have captured 50% of this market segment. The Company intends to launch



products for other high value market segments later this year once it has completed a series of projects including development of its technology systems.

Commenting on the mobile network Mr Grahame Maher, Vodafone Qatar's CEO said, "Vodafone Qatar's mobile network is now robust and we are concentrating on providing additional capacity where needed". Vodafone Qatar now has in-building coverage in 67 key buildings across Qatar providing high quality services.

The Company's Loss for the Financial Period also improved by 5% from an adjusted loss of QAR (155.7) million last quarter to QAR (148.7) million in the June quarter. "We continue to witness the positive trend in quarterly net loss. This is the fourth consecutive quarter of improvement," continued Mr Tombleson, "and we expect this trend to continue for the rest of the financial year".

Last month Vodafone Qatar held its Extraordinary General Assembly (EGA) where shareholders unanimously approved the changes to the Company's Articles of Association and Memorandum of Association to officially combine the Fixed Line and mobile businesses. Commenting on this, Mr Maher said, "We are delighted that Vodafone Qatar is now a full service telecommunications company, bringing us an important step closer to being able to compete equally with Qtel".

Vodafone Qatar has already launched broadband services to residents of The Pearl-Qatar in May 2010, and intends to roll out fixed line services there later this year. The Company is required to provide fixed services to the West Bay CBD area by October 2012 and to the rest of Qatar by April 2014. Stressing the importance of using the Government's planned National Broadband Network (NBN) to achieve this last goal, Mr Maher said, "Vodafone Qatar is committed to providing all the support necessary to enable us to work together with Qtel and the Government to deploy high speed broadband services for all people in Qatar".

Vodafone Qatar remains focused on developing their technology solutions and offering more exciting products and services "for all" people in Qatar. "We expect to have these projects completed later this year when we will truly open our organisation for all customers," said Mr Maher.

The Company has already made good progress in these areas with the very successful launch of its BlackBerry service in mid-June and Vodafone Mobile Broadband on 8 July.

Vodafone Qatar celebrated its full first year of operations on 7 July 2010. "This has been a fantastic first year in Qatar," remarked Mr Maher, "We have 100% mobile coverage across the country with 534,000 customers and 32% of the population, all achieved in one year. We continue to build on our solid customer base that is the key driver of future performance".

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