

PRESS RELEASE

VODAFONE QATAR ANNOUNCES ANNUAL FINANCIAL RESULTS FOR YEAR ENDED MARCH 31, 2016 AND CHANGES TO ITS BOARD

Doha, Qatar, 17 May 2016: Vodafone Qatar Q.S.C. (“Vodafone Qatar” or the “Company”) today announced its financial results for the twelve months ended 31 March 2016 and changes to its Board.

Highlights for the twelve months to 31 March 2016:

- 1,548,000 mobile customers; an increase of 7% compared to March 2015
- Total revenue of QR 2,119 million; 8% decline over the same period last year
- Mobile average revenue per user (ARPU) was QR 107; this is a 13% year-on year reduction
- Underlying EBITDA of QR 451m representing an EBITDA margin of 21% after adjusting for one-off non-recurring items; Reported EBITDA was QR 401 million for the year
- Reported Net Loss of QR (466) million for the year delivering a loss per share of QR (0.55)
- Capital Expenditure of QR 396 million, representing 19% of revenues reinvested

Highlights for the three months to 31 March 2016:

- Total revenue of QR 516 million; 4% decline compared to the quarter to December 2015.
- Underlying EBITDA of QR 108m representing an EBITDA margin of 21% after adjusting for one-off non-recurring items; Reported EBITDA was QR 58 million for the period;
- Reported Net Loss of QR (180) million for the period representing a loss per share of QR (0.21)

Changes to the Board

H.E. Sheikh Dr Khalid Bin Thani Al Thani has decided to step down from his role as the Company's Chairman and as a Board member due to his other work commitments. Mr. Rashid Fahad Al-Naimi has been appointed as acting Chairman of the Company and will serve for the remaining term of the current Board, pending the appointment of a new Board at the Company's Annual General Assembly.

Mr. Rashid Fahad-Al Naimi said "The Board is thankful for H.E. Sheikh Dr Khalid Bin Thani Al Thani's leadership over the past three years as the Company has continued to grow. We understand and support his decision to step down due to his other work commitments and wish him well in his future endeavours"

Summary of Results

Mr. Rashid Fahad Al-Naimi, commented: "The past year has been difficult for the Company with the impact of structural changes in our industry, namely the increasing use of data at the expense of international voice traffic, and sustained price competition, particularly in the prepaid market, severely impacting our revenue performance. Meanwhile, our cost base has increased in line with the growing scale of our business operations, collectively leading to a reduction in earnings. In light of these results, the Company has performed a review of its cost base to ensure we sustain our margins in the future. As a result, we recently took the difficult decision to reduce our workforce by approximately 10% and write-off various non-performing assets. Unfortunately, the Company is not in a position to recommend a dividend for the fiscal year.

Despite the difficult trading conditions, Vodafone Qatar has taken important steps to strengthen its operations and network infrastructure to adapt to the developing market and be better positioned to deliver long term returns. We remain confident in the potential of the Qatari telecommunications market, investing QR 396m during the year to enhance our network infrastructure and expand coverage. Over the last two years, the Company has delivered a comprehensive network modernization program, spending nearly QR 1 billion in total. Today, Vodafone Qatar's network is stronger than ever and has



achieved “Best in Test” in a technical audit conducted by a third party in April 2016 endorsing our first-rate network performance in Qatar. Similar efforts are underway to deliver a matching superior customer experience. We look to the future with confidence and optimism that the market is showing signs of recovery. We believe the Company now possesses the necessary quality infrastructure, clear direction, and experienced leadership to deliver value for our shareholders.”

Key priorities for the coming year

The Company is focused on its mission to deliver innovative products and services and exceptional customer experience by taking an increasingly segmented approach to the market, differentiating itself through its international brand and superior network, delivered by a talented, effective and efficient team.

We will look to augment our traditional revenue streams with adjacent business opportunities and invest in a cost-effective approach to unlocking the country’s fixed service potential.

Annual General Assembly

Vodafone Qatar will be holding its Annual General Assembly on Monday 25 July at 5:00pm at the Four Seasons Hotel, Al Daibel function room. Registration starts at 4:00pm. Proxy voting forms and full details of the agenda are available on Vodafone Qatar’s website www.vodafone.qa/AGM-EN.

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About Vodafone Qatar Q.S.C

Vodafone Qatar Q.S.C. (“Vodafone Qatar”), part of one of the world’s largest telecommunications group, the Vodafone Group, is the holder of the Second Public Mobile and Fixed Telecommunications Networks and Services License in the State of Qatar. Vodafone Qatar switched on its mobile network on 1 March 2009 and shortly after started delivering great value to its customers with a range of exciting products and services. Having built a world class converged IP network, Vodafone launched fibre-based consumer and enterprise fixed-line services commercially in October 2012.

Vodafone’s vision is to expand successful product offerings and be the best at what we do. The Company is committed to providing world class telecommunications infrastructure to support Qatar National Vision 2030.



Effective January 2015, Vodafone Qatar became fully compliant with Islamic Sharia practices throughout its business, including commercial and financial operations.

Please visit www.vodafone.qa for more details.

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