Vodafone Qatar Q.S.C Financial Results

Year ended 30 June 2015

30 July 2015

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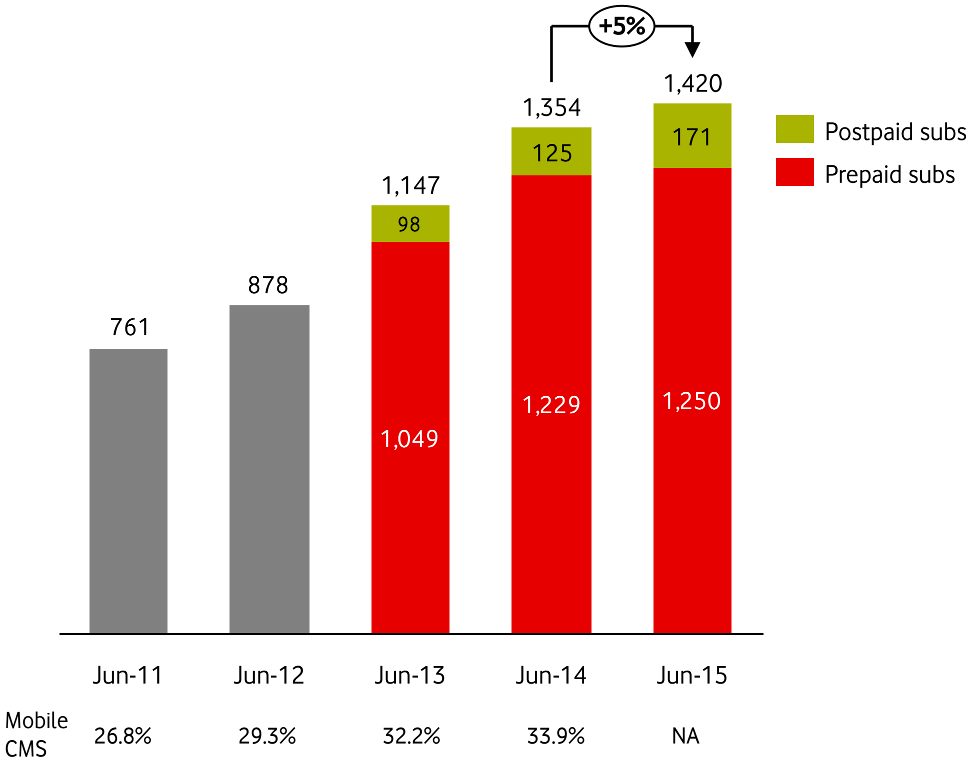
Financial Summary

For the three months ended 30 June 2015

QR m (unless otherwise stated)	3 months to June 15	*YoY Growth*
Mobile Customers (000)	**1,420**	*5%*
Total Revenue	**538**	*(8%)*
EBITDA	**110**	*(31%)*
EBITDA Margin %	*20.5%*	*(6.7pp)*
Distributable Profit	**1**	*(99%)*
Net Loss	(100)	*(264%)*
Loss per Share (QR)	(0.12)	*(264%)*
Capital Expenditure	**52**	*(64%)*

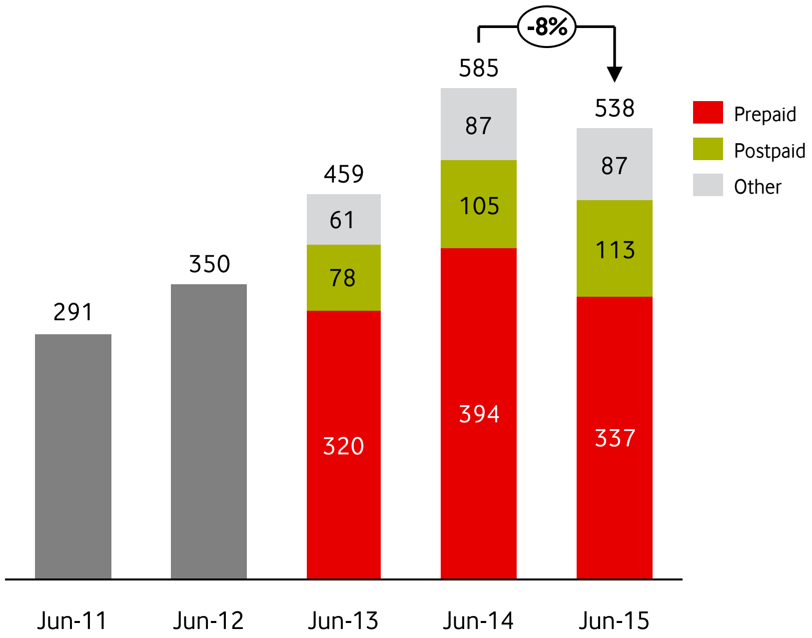
- **Overall:** negative growth principally due to impact of permanent competitor-led price reductions from Q2 of previous year
- **Revenue decline** due to intense pressure on consumer ARPU from ongoing pricing activity
- **Lower EBITDA margin** resulting from the adverse prepaid pricing environment
- **Net loss and Distributable profit impacted** by lower EBITDA and increased depreciation from high network investment during the previous year
- **Lower CAPEX**, a consequence of project phasing and significant spend of previous year

Mobile Customers (000)



- **5% growth in customers** to 1.42m
  - 46k customers added
  - 9% population growth
- Postpaid customers account for 12% of the total base – growth achieved in both Consumer and Enterprise segments

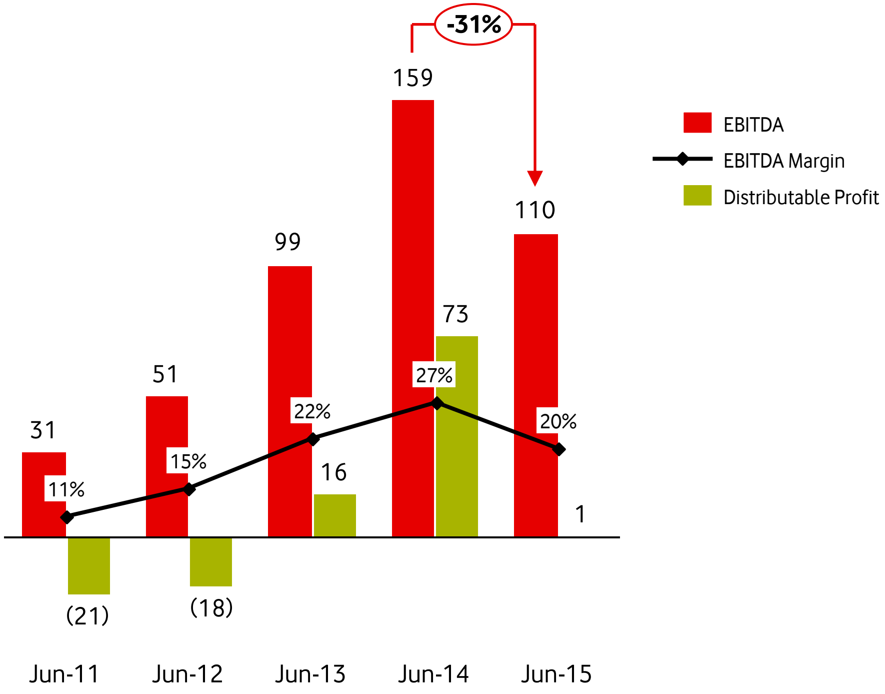
Revenues (QR m)



	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15
Mobile RMS (Q4)	23.2%	25.6%	30.2%	33.7%	NA
Mobile ARPU	116	122	123	131	111

- **8% decrease in Revenues** primarily from full year impact of aggressive price competition in prepaid segment causing significant ARPU erosion
- **Postpaid segment delivers 8% growth** driven by Enterprise performance through strong customer acquisitions

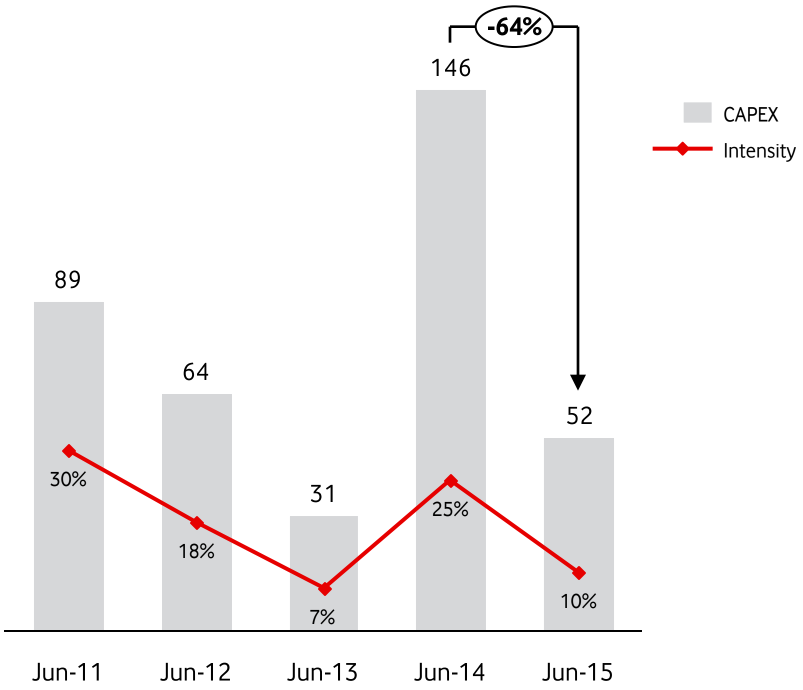
EBITDA & Distributable Profits (QR m)



Net Loss	(122)	(118)	(85)	(27)	(100)

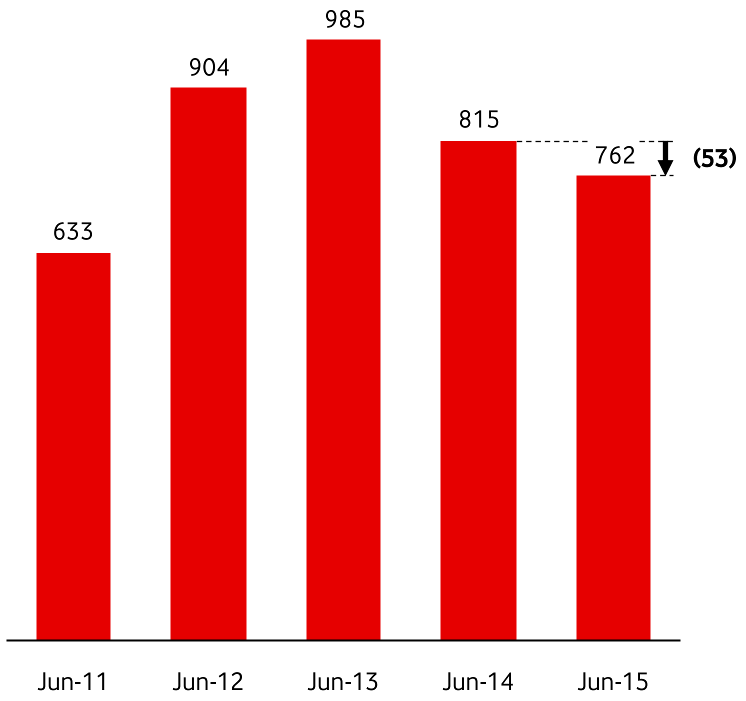
- **31% reduction in EBITDA:**
  - aggressive prepaid price environment driving lower revenues
  - increased network spend and business expansion
  - one-offs in previous period
- **Lower EBITDA margin** resulting from the aggressive prepaid pricing environment
- **Lower Distributable Profit and Net Loss** from lower EBITDA, increased depreciation from continued CAPEX investment and impact of network modernization

CAPEX (QR m)



- **Lower capex spend** following completion of Phase I of network modernization program
- Phase II to commence in Q2

Financing Position (QR m)



- **Improved Net Financing position**
- **Sharia compliance** through refinancing existing intercompany credit facilities into a single **$330m, 5-year term Wakala Facility**
- Headroom of QR 193m on current wakala facility

Appendices

Financial Summary

	3 months to Jun-11 QRm	3 months to Jun-12 QRm	3 months to Jun-13 QRm	3 months to Jun-14 QRm	3 months to Jun-15 QRm	YoY Growth %
Total Revenue	291	350	459	585	538	(8%)
EBITDA	31	51	99	159	110	(31%)
Net Loss	(122)	(118)	(85)	(27)	(100)	(264%)
Distributable Profit	(21)	(18)	16	73	1	(99%)
Capitalised Fixed Asset Additions	89	64	31	146	52	(64%)
Free Cash Flow	(11)	34	13	39	(4)	(110%)
Net Debt	633	904	985	815	762	(6%)

Key Performance Indicators (KPIs)	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15	YoY %
Qatar's Population (k)	1,625	1,722	1,916	2,152	2,345	9%
Qatar's Mobile Penetration	175%	174%	186%	186%	*NA*	
Total Mobile Customers (k)	761	878	1,146	1,354	1,420	5%
ARPU (QR)	116	122	123	131	111	(15%)
Mobile Customer Market Share	26.8%	29.3%	32.2%	33.9%	*NA*	
Mobile Revenue Market Share (Q4) [1]	23.2%	25.6%	30.2%	33.7%	*NA*	

[1] Revenue market share is based on Vodafone Qatar's total mobile revenue (in which content revenue is reported as net) versus the competitor's reported postpay, prepay and other mobile revenue.

Contact Details

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