Vodafone Qatar Q.S.C
Financial Results

Year ended 31 March 2016

17 May 2016

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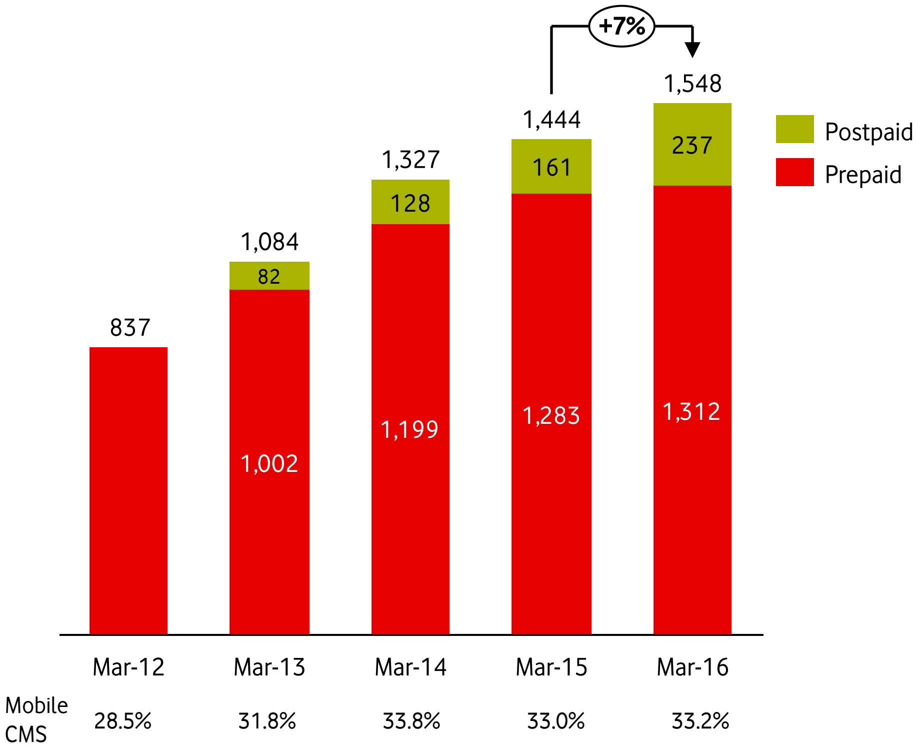
Financial Summary

For the twelve months ended 31 March 2016

QR m (unless otherwise stated)	12m to Mar 2016	*YoY Growth*
Mobile Customers (000)	**1,548**	*7%*
Total Revenue	**2,119**	*(8%)*
EBITDA	**401**	*(29%)*
EBITDA Margin %	*19%*	*(6pp)*
Distributable Profit	**(62)**	*(133%)*
Net Loss	(466)	*(116%)*
Loss per Share (QR)	(0.55)	*(116%)*
Capital Expenditure	**396**	*(32%)*

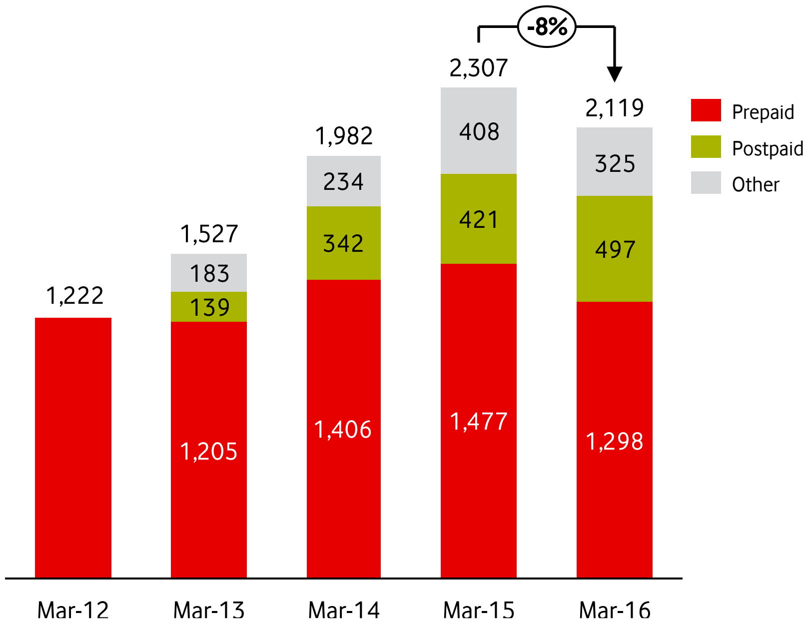
- **Healthy Customer growth continues** led by Postpaid Consumer and Enterprise
- **Revenue decline** reflecting structural changes in the industry, sustained price competition, the impact of lower mobile terminating rates and a slowdown in lower margin sales
- **Lower EBITDA and Margin %** from lower revenues and higher cost base, in addition to non-recurring expenses during the quarter
  - Underlying EBITDA of QR 451m, 21% margin
- **Net Loss and Distributable Profit** impacted by lower EBITDA, continued growth in depreciation and asset write-offs and disposals.
- **Continued CAPEX investment** marking completion of Network Modernization program
- **No Dividend recommendation** for the year as no available distributable profit

Mobile Customers (000)



- **7% growth in customers** to surpass 1.5 million
  - Strong growth in Postpaid customers across RED portfolio (consumer and business) and low-end supersaver plans
  - 8% population growth
- **Postpaid now accounts for 15% of the customer base**

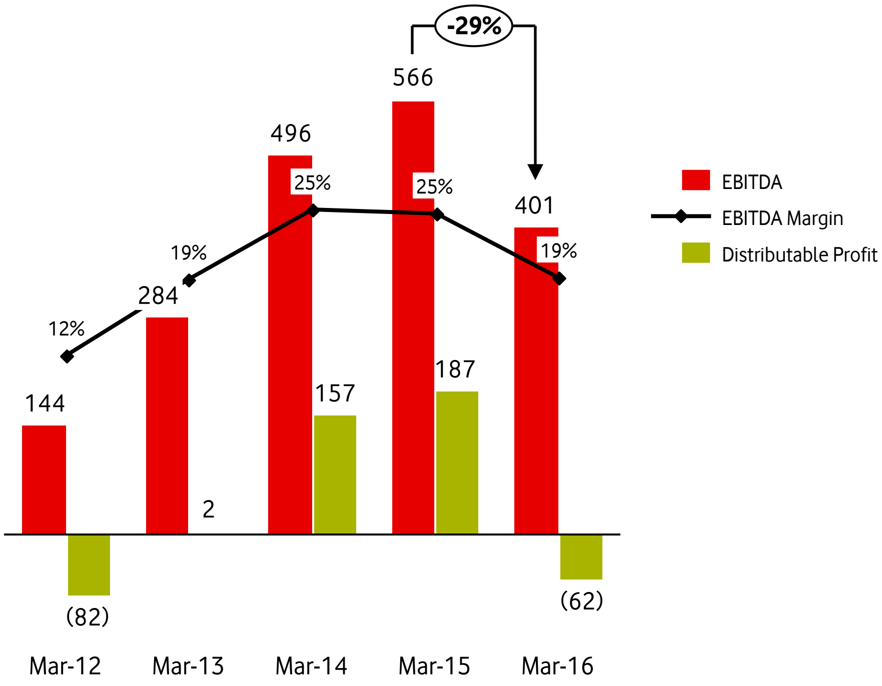
Revenues (QR m)



	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16
Mobile RMS (Q4)	24.5%	30.4%	33.4%	30.5%	27.8%
Mobile ARPU	112	121	126	122	107

- **8 % Revenue decline reflecting a combination of:**
  - Structural changes (voice substitution by data)
  - Sustained price competition in prepaid
  - Reduction to Mobile termination rates, and
  - Lower handset sales and other revenues
- **Postpaid revenue grew by 18%** aided by strong customer growth and demand for data services
- **13% reduction in Mobile ARPU** driven by Prepaid

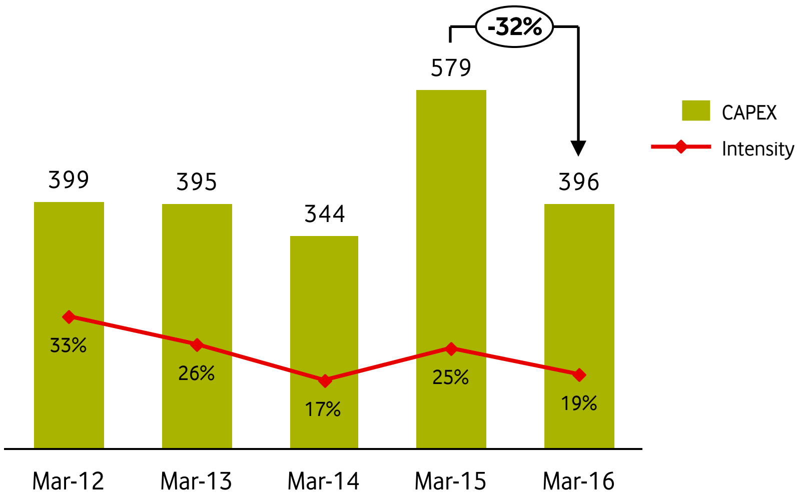
EBITDA & Distributable Profits (QR m)

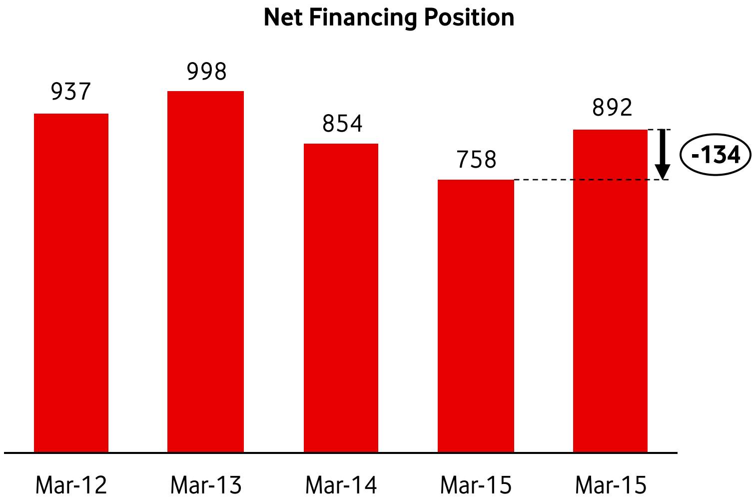


	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16
Net Loss	(486)	(401)	(246)	(216)	(466)
Underlying EBITDA %	11.8%	18.6%	24.7%	24.4%	21.2%

- **Lower EBITDA** from lower revenue and higher cost base from the increasing scale of operations and one-off costs
- **Underlying EBITDA** (excluding one-off costs) was QR 451m, representing an EBITDA margin of 21%
- **Lower Distributable Profit and Net Loss** flowing from lower EBITDA and increased depreciation, including the write-off of redundant assets

CAPEX and Financing Position (QR m)





- **Continued CAPEX** investment at previous levels despite revenue decline to complete the Network Modernization program, in addition to further site rollout and capacity upgrades
- **19% of annual revenues** reinvested
- **Net Financing position increased** year on year following payment of FY15 dividend of QR 177.5m
- **Headroom of QR 178m** on current wakala facility

Appendices

Financial Summary

	12 months to Mar-12 QRm	12 months to Mar-13 QRm	12 months to Mar-14 QRm	12 months to Mar-15 QRm	12 months to Mar-15 QRm
Total Revenue	1,222	1,527	1,982	2,307	2,119
EBITDA	144	284	496	566	401
Net Loss	(486)	(401)	(246)	(216)	(466)
Distributable Profit	(82)	2	157	187	(62)
CAPEX	399	395	344	579	396
Free Cash Flow	(293)	(61)	144	96	(134)
Net Debt	937	998	854	758	892

Key Performance Indicators (KPIs)	Mar-12	Mar-13	Mar-14	Mar-15	Mar-15
Qatar's Population (k)	1,774	1,921	2,144	2,347	2,527
Qatar's Mobile Penetration	166%	176%	183%	187%	184%
Total Mobile Customers (k)	837	1,084	1,327	1,444	1,548
ARPU (QR)	112	121	126	122	107
Mobile Customer Market Share	28.5%	31.8%	33.8%	33.0%	33.2%
Mobile Revenue Market Share (Q4) [1]	24.5%	30.4%	33.4%	30.5%	27.8%

[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

Visit our website for more information

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