

## Ooredoo Q.S.C.

**Ooredoo Group reported QAR 32 billion Revenue in 2015**

**Group Customer Numbers increased by 9% to 117 million**

**EBITDA Margin improved to 40%**

*Board of Directors Recommends a Cash Dividend of QAR 3 Per Share*

**Doha, Qatar, 1 March 2016:** Ooredoo Q.S.C. ("Ooredoo") - Ticker: ORDS today announced results for the twelve months to 31 December 2015.

### Financial and Operational Highlights:

	Quarterly Analysis			Twelve Month Analysis		
	Q4 2015	Q4 2014	% change	FY 2015	FY 2014	% change
<b>Consolidated Revenue (QAR mn)</b>	7,965	8,368	-5%	32,161	33,207	-3%
<b>EBITDA (QAR mn)</b>	3,007	2,713	+11%	13,018	12,948	+1%
<b>EBITDA Margin (%)</b>	38%	32%	-	40%	39%	-
<b>Net Profit Attributable to Ooredoo Shareholders (QAR mn)</b>	360	55	+551%	2,118	2,134	-1%
<b>Consolidated Customers (mn)</b>	117	107	+9%	117	107	+9%

- Ooredoo Group customers reached 117 million at the end of 2015, an increase of 9% or 9.5 million net customer adds over 2014 driven by strong performances in Qatar, Indonesia, Myanmar, Oman, Algeria, Maldives and Palestine.
- Group recorded revenue and EBITDA growth across its key markets in 2015 while overall performance was impacted by the security situation in Iraq and adverse currency movements in Indonesia, Algeria, and Tunisia.
- Group revenue reached QAR 32.2 billion in 2015 supported by strong revenue growth in local currency terms in Qatar, Oman, Indonesia, Myanmar, Algeria, Kuwait and the Maldives. Excluding Foreign Exchange translation impact, 2015 Group revenue would have increased by 4% YoY, compared to a decline of 3% reported.
- Group EBITDA increased by 1% exceeding QAR 13 billion in 2015 with an improved EBITDA margin of 40%. Excluding Foreign Exchange translation impact, 2015 Group EBITDA would have increased by 8% YoY indicating a strong underlying operational performance. Quarterly EBITDA increased by 11% YoY to QAR 3 billion in Q4 2015.
- Group Net Profit to Ooredoo shareholders maintained at QAR 2.1 billion in 2015 driven by a strong EBITDA performance. Excluding FX impact, Group Net Profit to Ooredoo shareholders in 2015 would have increased by 6% YoY. Supported by an improvement in emerging market currencies towards the end of the year, the quarterly Net Profit to Ooredoo shareholders stood at QAR 360 million in Q4 2015, an increase of 551%

compared with QAR 55 million in Q4 2014 which was impacted by one-off customer acquisition and handset costs in Algeria.

- Group Earnings Per Share stood at QAR 6.61 in 2015, compared to QAR 6.66 in 2014.
- In November 2015, H.E. Sheikh Saud bin Nasser Al Thani (former CEO of Ooredoo Qatar) was appointed as Group CEO and Waleed Al Sayed (former COO of Ooredoo Qatar) was appointed as Deputy Group CEO and CEO of Ooredoo Qatar. Both Sheikh Saud bin Nasser Al Thani and Waleed Al Sayed have extensive experience in Qatar and Ooredoo's other operating countries as Board members.
- Group data revenues demonstrated robust growth during 2015 as Ooredoo enhanced network speeds and coverage across markets and focused on data package offerings to customers. Data revenue increased to QAR 12 billion in 2015 and now represents 37% of the Group revenue compared to 25% in 2014, confirming the success of Ooredoo's early adoption strategy.
- Revenue in the B2B segment increased by 10% YoY to QAR 5.2 billion in 2015, reflecting Ooredoo's continued focus on B2B services and growth in the enterprise customer base.
- The asset portfolio was further optimized by focusing on core assets across Ooredoo's footprint. The sale of non-core wi-tribe Philippines was completed successfully in 2015.

**Commenting on the results, H.E. Sheikh Abdulla Bin Mohammed Bin Saud Al-Thani, Chairman of Ooredoo, said:**

"Ooredoo Group delivered a strong performance in 2015 adding 9.5 million new customers and reaching a global customer base of 117 million. Despite currency volatility in emerging markets and the security situation in Iraq, our underlying financial and operational performance was solid. We grew revenue and EBITDA in local currency terms in our primary markets and continued to roll-out the Ooredoo brand across our footprint.

Ooredoo plays a key role in connecting people as we shift to an increasingly interconnected world. Our ability to connect people, information and markets is playing an integral role in developing the economies of our markets.

Having successfully established a global platform of branded network delivery for communication services, we are evolving our strategy to ensure the organization is aligned around creating competitive and sustainable operations in a rapidly changing industry. Our strategy is designed to strengthen Ooredoo's market position across our footprint and to deliver long term value to Ooredoo shareholders. In 2016 and beyond, our focus will remain on returns, operational speed, execution excellence, efficiencies and performance management to drive growth through our data-centric business.

On behalf of the Board of Directors, I am pleased to recommend to the General Assembly the distribution of a cash dividend of QAR 3 per share (30% of the nominal share value)."

**Also commenting on the results, H.E. Sheikh Saud bin Nasser Al Thani, Group Chief Executive Officer of Ooredoo said:**

"Ooredoo Group's performance was robust during 2015 as we generated organic revenue growth in local currency terms in Qatar, Oman, Kuwait, Algeria, Indonesia, Myanmar, Palestine and Maldives. This was partially offset by the challenges with the security situation in Iraq, a weakened Tunisian macro-economic environment and currency volatility in emerging markets.

Qatar and Oman delivered strong performances achieving double-digit revenue and EBITDA growth and margin improvement in 2015. Kuwait also increased its revenues by 6% and EBITDA by 31% with improved margin. After the successful rebranding in Indonesia in 2015, eight Ooredoo markets are now fully Ooredoo branded. As part of

our portfolio strategy, we sold our stake in non-core asset in Philippines to focus on our core markets, enabling further optimization of our operations.

In line with our focus on leading customer service and networks, we have made considerable progress on our strategy of being a data-centric business in all of our operating companies. Our data revenue share reached 37% of group revenue and our B2B offering was significantly enhanced across markets. We now have 4G in Qatar, Oman, Kuwait, Indonesia and Maldives and advanced 3G in Iraq and Myanmar. Algeria and Tunisia are preparing for a 4G roll out and Palestine plans to offer 3G in 2016.”

## **Financial and Strategy Review**

At the end of 2015, Ooredoo Group’s consolidated customer base stood at 117 million (FY a2014: 107 million), a 9% increase on 2014. Group revenue for the period decreased by 3% to QAR 32,161 million (FY 2014: 33,207 million). Group EBITDA increased by 1% to QAR 13,018 million (FY 2014: QAR 12,948 million) with EBITDA margin improving to 40% (FY 2014: 39%). Net Profit attributable to Ooredoo shareholders for 2015 stood at QAR 2,118 million (FY 2014: QAR 2,134 million).

Ooredoo Group’s strategic priorities of being a market leader with a performance culture and efficient models provide a framework for the Group to drive growth and focus on returns as well as maximizing shareholder value. It also provides the right ambition for Ooredoo Group companies while allowing for localization.

## **Operational Review**

### **Middle East**

#### **Ooredoo Qatar**

Ooredoo Qatar delivered a robust performance in 2015 driven by a continued growth in customer numbers and double-digit solid growth in revenue and EBITDA. Its wireless broadband customers grew strongly while total customers increased by 11% to 3.5 million.

Revenue grew 10% to QAR 7,897 million in 2015 (FY 2014: QAR 7,148 million), and EBITDA increased by 16% to QAR 3,995 million from QAR 3,448 million in 2014. Higher revenue and EBITDA resulted in a Net Profit of QAR 2,138 million in 2015, an increase of 11% YoY (FY 2014: QAR 1,919 million).

Ooredoo Qatar maintained its data leadership position and increased its overall market share during 2015, driven by strong revenue growth in both mobile (+11%) and fixed line services (+10%). The launch of “Ooredoo Supernet” in August 2015 represents the most significant network evolution in the company’s history encompassing all mobile, fixed, Wi-Fi, and digital entertainment services, and supported by a number of important technological breakthroughs, including a first-of-its-kind speed test using 4G LTE Advanced Category (achieved a peak data rate of 600 mbps). On-going expansion of 4G+ and Fiber services provided customers access to higher speeds and wider coverage.

Other network initiatives included the launch of Ooredoo-branded free onboard Wi-Fi on Qatar Airways flights and a full network optimization program.

#### **Ooredoo Oman**

Ooredoo Oman’s customer base increased to 2.8 million as at 31 December 2015, representing 7% growth on 2014. Revenue and EBITDA both increased by double digits with revenue up 11% to QAR 2,475 million (FY 2014: QAR 2,231 million) and EBITDA up 17% to QAR 1,302 million (FY 2014: QAR 1,115 million) driven by increases in both mobile and fixed data revenue. Net Profit for 2015 increased by 20% to QAR 394 million from QAR 329 million in 2014.

Ooredoo's LTE network is now covering the majority of households in the country. Ooredoo Oman has the fastest home broadband services in the country following its migration to LTE during 2015, which will continue to be a factor in customer growth. It also became integrated into the government's broadband strategy during the year with a view to providing e-government services - an opportunity to grow FTTH services.

## **Ooredoo Kuwait**

Ooredoo's customer base in Kuwait was 2.3 million at the end of 2015, a decrease of 10% on the same period in 2014 driven by an increase in post-paid and a decrease in pre-paid customers. Revenue for 2015 was QAR 2,275 million, an increase of 6% compared to QAR 2,149 million in 2014. EBITDA increased by 31% to QAR 620 million in 2015 compared to QAR 473 million for 2014. Ooredoo Kuwait's EBITDA margin improved to 27% in 2015 compared with 22% in 2014. Net Profit in 2015 grew by 25% to QAR 237 million.

Ooredoo Kuwait became the first telecom operator to launch 4G+ during 2015 and it now has the largest retail network in the country. In line with the Group strategy of driving revenue through data and B2B initiatives, Ooredoo Kuwait delivered double digit revenue growth from B2B.

## **Asiacell - Iraq**

Asiacell was impacted by the security situation in Iraq and aggressive pricing competition in the first half of the year. Consequently, revenue was down 22% to QAR 4,884 million in 2015 from QAR 6,298 million in 2014. Its customer base was 10.8 million, down from 12.3 million in 2014. EBITDA decreased to QAR 2,136 million in 2015 from QAR 2,939 million in 2014. Net Profit stood at QAR 159 million in 2015 (QAR 1,031 million in 2014) due to lower EBITDA and higher depreciation and amortization expenses on the back of 3G investments.

Shutdowns across Asiacell's network impacted active subscriber numbers and revenue. However, a number of areas were also liberated throughout the year with Asiacell beginning to see some return of revenue in areas such as Tikrit city. The aggressive pricing competition characterizing the first half of the year alleviated in the second half of the year and Asiacell successfully launched a series of regional pricing initiatives. In Q4 2015, Asiacell began to increase its customer base with a 2% improvement compared to Q3 2015.

Asiacell obtained its 3G license in 2014 and started 3G services from 1 January 2015. As a result, the company achieved double-digit growth in data revenues in 2015 compared to 2014.

## **North Africa**

### **Ooredoo Algeria**

Ooredoo's customer base in Algeria was 13 million at the end of 2015, an increase of 7% on 2014. Algeria recorded 8% revenue and 26% EBITDA growth in local currency terms in 2015 while figures reported in QAR were impacted by a 19% depreciation of the Algerian Dinar in the period compared to 2014. Revenue for 2015 was QAR 4,023 million, a decrease of 13% compared with 2014 revenue of QAR 4,623 million. EBITDA in 2015 was QAR 1,474 million compared to QAR 1,481 million in 2014. EBITDA margin improved to 37% in 2015 compared with 32% in 2014.

Ooredoo Algeria raised the equivalent of USD 400 million in local currency loans in 2015 to repay all loans in foreign currency, eliminating currency risk on its debt. Net Profit improved in 2015, up 7% to QAR 244 million from QAR 228 million in 2014.

Ooredoo Algeria maintained its position as the clear market leader in 3G and data services. Data and B2B revenues continued to grow supported by successful marketing initiatives. The company expanded its 3G coverage further by adding many new districts in the country during 2015.

### **Ooredoo Tunisia**

Despite challenging economic conditions, Ooredoo Tunisia's customer base was steady at 7.5 million in 2015. The results reported in QAR were impacted by a 15% depreciation of the Tunisian Dinar in 2015. Revenue was QAR 1,803 million in 2015, 21% lower compared to QAR 2,288 million in 2014. EBITDA was QAR 746 million in 2015 compared to QAR 1,072 million in 2014. EBITDA margin in 2015 stood at 41% in 2015 compared with 47% in 2014. Net Profit in 2015 was QAR 147 million, compared with QAR 299 million in 2014.

Ooredoo Tunisia delivered strong growth in mobile data revenue despite challenging macro conditions. It focused on network investments, expanding its 3G coverage and became the first mobile operator in the country to test 4G technology, successfully differentiating itself as a market leader in mobile data. The company was voted best operator in Greater Tunisia for its high-quality 3G mobile technology by the regulator. In December 2015, the company appointed a new CEO, Youssef El Masri, a 20 year veteran of the Ooredoo Group.

## Asia

### **Indosat Ooredoo – Indonesia**

Indosat rebranded to Indosat Ooredoo in November 2015, further building brand strength and becoming the eighth operator in the Group to adopt the Ooredoo brand. It generated solid revenue growth (+11%) and EBITDA growth (+14%) in local currency terms as well as significantly increasing its customer base by 10% to nearly 70 million customers supported by its network modernization. However, an 11% depreciation of Indonesian Rupiah during 2015 negatively impacted results reported in QAR.

Revenue stood at QAR 7,274 million in 2015, down 2% from QAR 7,395 million in 2014. EBITDA increased by 1% to QAR 3,303 million in 2015 with EBITDA margin improving to 45% compared to 44% in 2014. Depreciation of the Indonesian Rupiah and resulting FX losses impacted Net Income. Net Loss improved to QAR 320 million in 2015 compared to Net Loss of QAR 564 million in 2014. Excluding FX impact, Indosat Ooredoo would have recorded a Net Profit of QAR 175 million in 2015.

Indosat Ooredoo expanded its market share, successfully completed its network modernization, extended 3G coverage to priority areas and launched data commercialization of its 4G LTE network during the year – an important milestone in its three year plan to become one of Indonesia's top digital operators.

### **Ooredoo Myanmar**

Having launched commercial operations in August 2014, Ooredoo Myanmar recorded its first full year of financial results. After attracting 1 million customers within three weeks of the launch, Ooredoo Myanmar's customer base exceeded 5.8 million in 2015, representing a 160% increase from 2014. It delivered strong revenues of QAR 1,065 million for 2015 compared to QAR 189 million in 2014. EBITDA improved to QAR (76) million in 2015 from QAR (357) million in 2014.

The company continued its rapid network rollout to cover the majority of the population during the year, launched multiple new services including B2B fixed line and postpaid and became the first official telecom partner for Apple in the country. Ooredoo Myanmar appointed a new CEO, Rene Meza, in May 2015 to deliver on the company's strategy to accelerate the reach of its next generation telecommunications network across the country. In February 2016, Ooredoo Myanmar successfully secured USD 300 million of long term financing from the Asian Development Bank and International Finance Corporation to expand its mobile telecom network across Myanmar.

Ooredoo's Full Year 2015 financial statements will be available on its website, accessible at: <http://www.ooredoo.com>.

### **For further information:**

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# Press release



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## **About Ooredoo**

Ooredoo is a leading international communications company delivering mobile, fixed, broadband internet and corporate managed services tailored to the needs of consumers and businesses across markets in the Middle East, North Africa and Southeast Asia. As a community-focused company, Ooredoo is guided by its vision of enriching people's lives and its belief that it can stimulate human growth by leveraging communications to help people achieve their full potential. Ooredoo has a presence in markets such as Qatar, Kuwait, Oman, Algeria, Tunisia, Iraq, Palestine, the Maldives, Myanmar and Indonesia. The company was named "Most Innovative Company of the Year – MEA Region" at the 2015 International Business Awards.

The company reported revenues of USD 8.8 billion in 2015 and had a consolidated global customer base of 117 million customers as of 31 December 2015. Ooredoo's shares are listed on the Qatar Stock Exchange and the Abu Dhabi Securities Exchange.