

Ooredoo Q.S.C

Ooredoo Delivers Net Profit of QAR 1.7 billion in 1H 2014

Total customer base increases by 2% to 93.9 million

Doha, Qatar, 23 July 2014: Ooredoo Q.S.C. ("Ooredoo") - Ticker: ORDS.QA today announced results for the six months ended 30 June 2014.

Financial Highlights:

	Quarterly Analysis			Half Year Analysis		
	Q2 2014	Q2 2013	% change	1H 2014	1H 2013	% change
Consolidated Revenue (QAR m)	8,401	8,642	-3%	16,504	17,026	-3%
EBITDA (QAR m)	3,492	3,922	-11%	6,870	7,612	-10%
EBITDA Margin (%)	42%	45%	-	42%	45%	-
Net Profit Attributable to Ooredoo Shareholders (QAR m)	817	923	-11%	1,704	1,731	-2%
Consolidated Customers (m)	93.9	92.0	2%	93.9	92.0	2%

- Earnings per share in 1H 2014 stood at QAR 5.32 (1H 2013: QAR 5.41)

Overview:

- First half 2014 Group revenue down 3%: strong performances in Qatar, Oman and Algeria offset by decline in revenue in Indonesia, Kuwait and Iraq, which was impacted by the political situation. Excluding the impact of Indonesian Foreign Exchange, Group revenue would have increased by 1%
- EBITDA of QAR 6,870 million and EBITDA margin of 42% supported by group-wide cost management and increasing infrastructure sharing initiatives. Excluding the impact of Indonesian Foreign Exchange and Myanmar start-up costs, EBITDA would have decreased by 3% compared to the reported 10% reduction
- Net profit for 1H 2014 stood at QAR 1.7 billion. Excluding the impact of Indonesian Foreign Exchange and Myanmar start-up costs, Net Profit would have grown by 1%
- Data revenue reached 20% of total group revenue, as customers increasingly consume data based services
- Customer growth of 2.0% to 93.9 million as Ooredoo captures an increasing share of its markets through best-in-class telecoms services
- Strategic partnership with Rocket Internet to develop online businesses in Asia
- Appointment of Sheikh Mohammed bin Abdullah bin Mohammed Al Thani as new CEO of Ooredoo Kuwait

- Re-brand of Wataniya Kuwait to Ooredoo Kuwait: fifth Ooredoo operator to re-brand following Qatar, Algeria, Maldives and Tunisia

As at 30 June 2014, the Group's consolidated customer base stood at 93.9 million (1H 2013: 92.1 million), representing year-on-year growth of 2.0 percent. Group revenue for 1H 2014 decreased to QAR 16,504 million (1H 2013: QAR 17,026 million). Group EBITDA decreased by 10% to QAR 6,870 million (1H 2013: QAR 7,612 million) with EBITDA margin decreasing to 42% (1H 2013: 45%) due to lower revenues and the continued investment across the business into customer acquisition and retention, global brand roll-out, service launches and customer experience. The Group continues to invest in its start-up operation in Myanmar and its recovery strategy in Ooredoo Kuwait. Asiacell has been impacted by the current insurgency in Iraq.

Net profit attributable to Ooredoo shareholders for 1H 2014 was QAR 1,704 million (1H 2013: QAR 1,731 million).

Commenting on the results, His Excellency Sheikh Abdullah Bin Mohammed Bin Saud Al-Thani, Chairman of Ooredoo said:

"Ooredoo has produced solid revenue, profitability and customer growth for the first half of 2014 against a backdrop of challenges in some of our markets. Our strategy is based on the enormous positive power of global connectivity which Ooredoo is delivering across its markets through its continued investment in world-leading broadband networks and services. With the right level of investment, we can continue to transform people's lives in markets from Algeria to Myanmar, attracting growing numbers of customers to our global network."

Also commenting on the results Dr. Nasser Marafih, Group Chief Executive Officer of Ooredoo said:

"Ooredoo's results for the first half of 2014 reflect our commitment to investment across our markets to ensure we are building a global platform of growth that will generate customer and shareholder value over the long term. We are making great progress in developing revenues from our core areas of growth: data and B2B. Our data revenue has reached 20% of total revenue across the Group demonstrating both the demand for data and our ability to deliver to our customers, wherever they are. Costs are being managed proactively across the Group and we are evaluating all opportunities to share infrastructure with competitors and partners to ensure we are competing from a highly efficient cost base. The investment in our network capability and brand continues to help Ooredoo define and differentiate itself against its competitors as customers buy and access an increasing range of our services. With the investment we are making this year, we are confident that Ooredoo will be well set to deliver future value for its shareholders and customers."

Review of Operations

The Group's operational performance can be summarized as follows:

Ooredoo Qatar

Ooredoo Qatar delivered strong results during the period, with revenue growth driven in particular by an increased focus on business services and the on-going development of the data market. Revenue was up by 9% year-on-year to QAR 3,502 million (1H 2013: QAR 3,215 million), while EBITDA performance showed a healthy increase of 9% year-on-year to QAR 1,743 million. Customers increased by 9% to 2.99 million (1H 2013: 2.8 million) – almost reaching the three million consolidated customer milestone for the first time in the company's history.

As Ooredoo Qatar continued to pursue its strategy to make the country one of the best-connected in the world, the company achieved several significant milestones in the period. The company installed its 500th LTE site, delivering nationwide coverage for Qatar's first and fastest 4G LTE service. In addition, the #OoredooSmart campaign saw the revamp of the full range of Ooredoo Qatar's data portfolio, ensuring the company holds a leadership position in the provision of data services.

Also in the period, Ooredoo Qatar increased its total number of fibre service customers to 150,000 and continued to enhance its portfolio of business solutions. The opening of the Ooredoo Advanced Smart Innovative Solutions (OASIS) lab in Doha provided a national hub for innovation, while the Ooredoo Data Centre received a number of accolades and important certification from global institutions.

Indosat - Indonesia

Net profit for the first half was QAR 99 million (1H 2013: QAR (29) million). Indosat's net profit was partly driven by the sale of its 5% stake in the TBIG tower business and the positive impact of foreign currency as the Indonesian Rupiah appreciated against the US Dollar during the period. Indosat continued to face an intensely competitive market place, reflected in lower revenues for the first half of 2014 at QAR 3,609 million (1H 2013: QAR 4,375 million) and EBITDA decreasing by 21% to QAR 1,659 million (1H 2013: QAR 2,098 million) due to increased cost of sales and operational expenditure. Indosat's EBITDA margin decreased to 46% compared to 48% for 1H 2013. Indosat continued to invest in rolling out its broadband network, bringing Ooredoo's world-leading data-based products and services to a greater percentage of the population. At 30 June 2014, Indosat's consolidated customer base stood at 55 million (1H 2013: 56.6 million).

Wataniya Telecom

Wataniya Telecom ("National Mobile Telecommunications Company K.S.C.") encompasses the Ooredoo Group's businesses in Kuwait, Tunisia, Algeria, the Maldives and Palestine. Wataniya Telecom released 1H 2014 financial results on 23 July 2014.

Revenue for the first six months 2014 increased 3% to QAR 4,901 million (1H 2013: QAR 4,746 million) while EBITDA stood at QAR 1,783 million (1H 2013: QAR 1,887 million). The total customer base increased to 21.6 million for the half year, an increase of 10% (1H 2013: 19.6 million). Net profit for Wataniya Telecom for the first six months of 2014 was QAR 626 million (1H 2013: QAR 728 million).

Ooredoo Algeria continues to perform strongly as it benefits from its re-brand to the global Ooredoo brand and the rapid roll-out of its 3G offering in Algeria. Revenues were driven by higher voice and data consumption

across both consumer and business segments. Ooredoo Algeria's revenues increased by 24% to QAR 2,359 million (1H 2013: QAR 1,907 million). EBITDA also increased to QAR 946 million, 19% higher than 2013 (1H 2013: QAR 798 million). Net profit attributable to Ooredoo was up by 12% to QAR 381 million (1H 2013: QAR 342 million). Ooredoo Algeria's customer base increased by 17.2% to 10.9 million compared to the first half of 2013.

With its recovery strategy well under way and demonstrating positive progress, Sheikh Mohammed bin Abdullah bin Mohammed Al Thani was appointed as CEO of Ooredoo Kuwait to lead the growth strategy of the business. The business is re-capturing a growing share of the market as it targets a return to revenue growth with a 19% increase in customers to 2.33 million in 1H 2014 compared to 1H 2013. On 22 May 2014, Wataniya Kuwait became the latest Ooredoo operator to re-brand to the Ooredoo global brand which has already begun to score positively with Kuwaiti Ooredoo customers in market research. The re-brand was accompanied by the launch of a range of new services including Kuwait's first ecommerce platform; "My Offer", a prepaid service which recommends products and services based on customer usage patterns; and reward-based data packages. The business continued its investment in its network infrastructure, sales, marketing and customer experience initiatives to maintain its re-established competitive positioning in Kuwait. Ooredoo Kuwait's US\$ 400 million upgraded data network now offers comprehensive 3G and 4G LTE broadband across Kuwait and is the market's leading network for speed and coverage. Revenues for 1H 2014 were QAR 1,092 million (1H 2013: QAR 1,341 million), EBITDA was QAR 235 million (1H 2013: QAR 412 million) and net profit was QAR 60 million (1H 2013: QAR 173 million).

Ooredoo Tunisia continued to face the challenge of Tunisia's political and economic instability. Despite the challenges of the market, Ooredoo Tunisia produced relatively stable results for the first six months of 2014. Revenue was QAR 1,198 million (1H 2013: QAR 1,255 million), EBITDA was QAR 563 million (1H 2013: QAR 654 million). Revenue was slightly lower during the period due to heightened competition driven by the market's third operator aggressively pursuing market share, a decline in roaming revenue due to the reduction in tourism and lower international traffic volume. EBITDA was lower due to lower revenues and costs associated with network maintenance. Ooredoo Tunisia continued to focus on cost containment during the first half, making savings in its cost of sales. Customers increased slightly by 1% to 7.38 million when compared to the first half of 2013. Net profit attributable to Ooredoo decreased by 35% to QAR 183 million (1H 2013: QAR 280 million). Tunisia's re-brand to the Ooredoo global brand during the period achieved 80% consumer awareness within two months of launch. Data traffic and data revenue is growing at an accelerated rate across the business as smart phone penetration increases in the market and Ooredoo Tunisia is also increasing its share of the enterprise market through its converged fixed and mobile service product.

Wataniya Palestine's revenue remained stable for the half year 2014 at QAR 156 million, a 3% reduction compared to 1H 2013. EBITDA demonstrated strong growth of 82% to QAR 23 million (1H 2013: QAR 12.6 million) with EBITDA margin also improving from 8% to 15% for the first half of 2014. EBITDA improvement was driven by a programme of enhanced cost efficiency, smart social media marketing, tight credit control and aggressive collection. Net loss improved by 30% to QAR 29.7 million for 1H 2014 and customers grew by 8.3% to 679,000 as the business continued to roll out its network in Palestine ahead of its full commercial launch.

Ooredoo Maldives delivered a net profit of QAR 2 million, compared to the net loss of QAR 10 million in the first half of 2013. Revenues grew by 19% to QAR 97 million (1H 2013: QAR 82 million) with EBITDA increasing by 36% to QAR 31 million (1H 2013: QAR 23 million). Ooredoo Maldives' customer base also grew by 23% to 272,000 compared to the first half of 2013.

Nawras - Oman

Nawras' programme of network investment continued to deliver strong growth across the business. Revenue growth of 10% was driven by mobile and fixed data revenues. Revenue increased to QAR 1,066 million compared to 1H 2013, offset partially by a decline in SMS revenue. EBITDA also increased by 23% to QAR 544

million compared to 1H 2013 due to revenue growth and lower cost of sales partially offset by higher operational expenditure. Net profit increased by 23% to QAR 177 million compared to the first half of 2013. Total customers grew by 8% to 2.5 million compared to 1H 2013 driven by the demand for broadband and data services offered by Nawras' market-leading broadband network. The Omani telecoms market continues to grow although it remains highly competitive.

Nawras released its 1H 2014 financial results on 23 July 2014.

Asiacell - Iraq

Asiacell faced a growing wave of political and social instability during the period, allied to the effects of an increasingly competitive market. Consequently, revenue for the first half of 2014 was QAR 3,220 million (1H 2013: QAR 3,502 million), a decrease of 8%; EBITDA was down by 17% to QAR 1,544 million and EBITDA margin was also down to 48% from 53%. Asiacell focused on a number of cost efficiencies during the period in the face of growing competition whilst continuing its roll-out programme of network modernisation to ensure Asiacell customers continue to benefit from Iraq's best and most reliable network. Consequently, Asiacell's customer base grew by 10.6% to 11.6 million compared to the first half of 2013. In response to the political and social situation in the country, Asiacell is monitoring the situation carefully and has a range of contingency plans in place to ensure the continued operation of the business.

Ooredoo Myanmar

Ooredoo Myanmar continued its preparations to launch services in Myanmar following the official award of its licence by the Myanmar government in February 2014. The period saw the first successful off-network calls conducted with Telenor and the signing of an agreement with Samsung to partner on the development of affordable handsets for the Myanmar market. Ooredoo Myanmar also partnered with Microsoft to launch IdeaBox, an incubation programme targeted at Myanmar's burgeoning tech entrepreneurs. More than 1000 km of fibre access is now in place to support Ooredoo's network and tower construction progresses according to plan with all sites designed for co-location. Major distribution agreements are in place with a significant number of distribution points secured. The first instalment of Ooredoo's licence was paid during the period. Ooredoo Myanmar plans to launch its 3G+ network by the third quarter of 2014 in Mandalay, Nay Pyi Taw and Yangon and within five years will provide voice and data services to 97% of the population.

Ooredoo will publish its first half 2014 financial statements on its website, accessible at: <http://www.ooredoo.com>.

For further information:

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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,

Press release

The Ooredoo logo consists of the word "ooredoo" in a lowercase, sans-serif font. Each letter is contained within a red circle, and the circles are arranged in a slightly overlapping, horizontal line.

Tunisia, Iraq, Palestine, the Maldives, Myanmar and Indonesia. The company was named “Best Mobile Operator of the Year” at the World Communication Awards 2013.

The company reported revenues of US\$9.3 billion in 2013 and had a consolidated global customer base of more than 95 million people as of 31 December 2013. Ooredoo’s shares are listed on the Qatar Exchange and the Abu Dhabi Securities Exchange.