

Ooredoo Q.S.C.

Ooredoo Reports Q1 Revenue of QAR 8 billion Customer Numbers up by 14% to 111 million

Data Revenue Increases to 30% of Group Revenue

Doha, Qatar, 29 April 2015: Ooredoo Q.S.C. ("Ooredoo") - Ticker: ORDS.QA today announced results for the first quarter ended 31 March 2015.

Financial Highlights:

	Quarterly Analysis		
	Q1 2015	Q1 2014	% change
Consolidated Revenue (QAR m)	8,037	8,103	-1%
EBITDA (QAR m)	3,205	3,378	-5%
EBITDA Margin (%)	40%	42%	-
Net Profit Attributable to Ooredoo Shareholders (QAR m)	501	887	-43%
Consolidated Customers (m)	111	97	14%

- Earnings per share in Q1 2015 stood at QAR 1.56 (Q1 2014: QAR 2.77)

Highlights

- Number of customers increased by 14% to 111 million, driven by Indonesia, Myanmar and Algeria
- Q1 2015 revenue stable at QAR 8,037 million with strong performances in Qatar, Oman, Maldives and Myanmar, challenging market conditions remain in Iraq and Tunisia. Excluding the negative FX impact in Indonesia and Algeria, revenue increased by 3%
- EBITDA down 5% to QAR 3,205 million. Excluding the impact of currency depreciation (mainly in Indonesia and Algeria) the decrease in EBITDA was limited to 1 %
- Excluding the adverse FX impact Net Profit decreased by 4%, instead of the reported 43%
- Q1 2015 data revenue increased to 30% of Group revenue due to Ooredoo's strategy to market innovative services for consumer and B2B customers
- Asiacell launched 3G service in January – 2 million 3G customers; Ooredoo Kuwait launched 4G+

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

“Our investment in broadband networks, which contribute to the changes happening in the world around us, continues to deliver value for our customers and our shareholders. The world’s information, content and business opportunities are increasingly digital. Ooredoo is helping to shape the development of future opportunity for consumers and businesses alike across its developing market economies. Our customers are benefiting from our services delivered over our ultra-high-speed networks, while Ooredoo positions itself to be at the digital heart of our customers’ lives. Our results for the first quarter of 2015 demonstrate the diversity of Ooredoo’s services that has attracted an increasing number of customers.”

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

“The first quarter of 2015 reflects the successful execution of our data-centric strategy. Customers have grown by 14% to 111 million and revenue continues to be driven by the appeal of our ultra-fast broad band networks as our customers increasingly demand fast and easy access to digital content, services and information. The appeal of our network speeds, coverage and services continues to drive the growth of our data revenue, with data revenue increasing to 30% of total revenue. Our B2B strategy also continues to drive growth of customers and revenue, as we harness the value of creating business-focused communications services across our markets. Results have been strong in our home market, Qatar and in Oman. We are facing challenges in some of our markets including high levels of competition, adverse currency movements and the security situation in Iraq. However, we remain optimistic about the future potential of our strategy to generate long-term value.”

Financial and Strategy Review

As of 31 March 2015, the Group’s consolidated customer base stood at 111 million (Q1 2014: 97 million), representing year-on-year growth of 14%. Group revenue for the three months 2015 remained stable at QAR 8,037 million (Q1 2014: QAR 8,103 million). Group EBITDA stood at QAR 3,205 million (Q1 2014: QAR 3,378 million) with EBITDA margin decreasing to 40% (Q1 2014: 42%) due to the continued strategic investments across the business into broadband networks, customer acquisition and retention, service launches and customer experience. Net profit attributable to Ooredoo shareholders for Q1 2015 was QAR 501 million (Q1 2014: QAR 887 million) which was impacted by adverse currency movements primarily due to the depreciation of the Algerian Dinar and the Indonesian Rupiah.

Ooredoo’s strategy to become a data-centric business continued to make progress during the period. Customer and data revenue growth were all driven by Ooredoo’s investment in its broadband networks, data infrastructure, driving smart phone penetration and creating innovative new bundles and data offers for customers. Group data revenue increased to 30% of group revenue. The growth in data revenue reflects the growing adoption of data-based services, enabled by the pervasiveness of Ooredoo’s ultra-fast broadband networks. Ooredoo now has 4G deployed across five out of its nine markets, with Ooredoo Kuwait launching 4G+ in March 2015. Algeria, Iraq, Qatar, the Maldives and Tunisia are all markets where Ooredoo is the market leader in data. Ooredoo is also rolling out service agreements with OTT players to drive and capture a growing share of data revenue in its markets. Ooredoo generated strong revenue growth from its B2B strategy, which targets the communication needs of the businesses in its markets. Ooredoo continued to invest in its technology across its global footprint to create cost efficiencies and to continue to deliver world-class broad band connectivity.

Operational Review

Middle East

Ooredoo Qatar

Ooredoo Qatar delivered strong growth across its network in the first quarter of 2015. Revenue grew by 16% to QAR 1,986 million (Q1 2014: QAR 1,706 million) and customers grew by 12% to 3.3 million. EBITDA increased by 18% to QAR 980 million compared to the first quarter 2014. Net profit for Q1 2015 increased by 88% to QAR 616 million (Q1 2014: QAR 327 million) due to higher EBITDA and sale of investments.

Highlights of the quarter included a heightened focus on B2B services, including the launch of enhanced cloud security offerings, a mobility software-as-a-service analytics solution, and smart traffic management services. The OASIS smart solutions lab, which marked one year of operations in Qatar in February 2015, has worked with more than 200 Qatari organisations to test and deploy innovative new solutions, demonstrating the growing potential of the business sector. In addition, Ooredoo continued to invest in data services, expanding its fibre, 4G and 4G+ networks and launching a new series of data packs to support customers' digital lifestyles.

Ooredoo Oman

Ooredoo Oman's program of network investment continued to deliver strong growth across the business. Total customers grew by 12% to 2.7 million compared to Q1 2014 driven by the demand for Ooredoo Oman's network. Revenue growth of 12% to QAR 582 million for Q1 2015 was driven by strong growth of mobile and fixed data revenues, international voice revenue and value added service revenue, offset partially by a decline in SMS revenue. EBITDA also increased by 24% to QAR 320 million compared to Q1 2014 due to revenue growth and lower cost of sales partially offset by higher operational expenditure. Net profit increased by 21% to QAR 101 million compared to Q1 2014.

Ooredoo Kuwait

Ooredoo's customer base in Kuwait was 2.5 million at the end of Q1 2015, an increase of 11% over the same period last year. Revenues for Q1 2015 were QAR 545 million an increase 1% compared to Q1 2014. EBITDA was QAR 121 million versus EBITDA for Q1 2014 of 126 QAR million, a decrease by 4%. Net Profit was at QAR 37 million, down 2% compared with the same period in 2014. Kuwait's market share increase was driven by a range of new data-based services and bundles, pricing strategies and retail shops, all supported by the appeal of Ooredoo's global brand.

Asiacell - Iraq

Asiacell grew its customer base by 4% during the period to 11.2 million from 10.8 million year-on-year. Customers continued to be attracted by Asiacell's market-leading network coverage and quality following investments made during 2014 in addition to the January launch of Iraq's first 3G service which attracted more than 2 million customers during the period. Asiacell faced the challenge of the growing security issue in the country during the quarter, in addition to the heightened levels of competition in the market. Consequently, revenue for Q1 2015 was QAR 1,266 million (Q1 2014: QAR 1,618 million), a decrease of 22%; EBITDA was down 30% to QAR 538 million and EBITDA margin was reduced to 43% from 47%. Net Profit stood at QAR 49 million in Q1 2015 (Q1 2014: QAR 304 million).

North Africa

Ooredoo Algeria

Ooredoo's customer base in Algeria at the end of Q1 of 2015 was 12.6 million customers, up by 27% compared to Q1 last year. The Algerian Dinar depreciated by 16% over Q1 2014, which has significantly impacted the results reported in QAR. Revenues for Q1 of 2015 were QAR 1,011 million, a decrease of 8% compared with revenues of QAR 1,104 million for Q1 2014. In local currency, revenue increased by 9%. EBITDA for Q1 2015 was QAR 365 million a decrease of 15% on QAR 427 million for the same period in 2014. In local currency, EBITDA increased by 2%. The Net Loss for Q1 of 2015 was impacted by FX losses and stood at QAR 62 million compared to a Net Profit of QAR 156 million for the same period in 2014.

Ooredoo Tunisia

Ooredoo Tunisia maintained its market leadership position with a customer base of 7.4 million at the end of Q1 2015, in line with last year's Q1 number. Continuing economic difficulties, worsened by recent security issues, affected the business and the overall market. The Tunisian Dinar depreciated by 17% versus Q1 2014. Impacted by depreciation of the Dinar, the economy and significant price competition, revenues for Q1 2015 were QAR 446 million, compared to revenues for the same period in 2014 of QAR 586 million. EBITDA was also impacted, falling to QAR 186 million compared to QAR 289 million for the same period last year. The Net Profit for Q1 2015 was QAR 34 million compared to QAR 99 million for the same period in 2014.

Asia

Indosat – Indonesia

Indosat grew its customer base by 11% during the period to 66.5 million from 59.8 million in the first quarter 2014. Revenue remained stable at QAR 1,732 million (Q1 2014: QAR 1,780 million). Revenue in local currency increased by 6%, driven by the growth in wireless revenues as Indosat launched a range of new data services and bundles. Digital content also continued to deliver strong growth during the period. EBITDA decreased by 8% to QAR 786 million (Q1 2014: QAR 851 million), in local currency EBITDA would have been flat compared to Q1 last year. Adverse currency movements impacted the Net Loss for the period which stood at QAR 121 million compared to a Net Profit of QAR 261 million in Q1 2014.

Ooredoo Myanmar

Ooredoo Myanmar generated revenue of QAR 236 million and negative EBITDA of QAR 25 million. Net loss stood at QAR 154 million, reflecting the continued roll-out in Ooredoo's newest market.

Ooredoo Myanmar launched its service in August 2014 as the first international operator to begin commercial operations. By the end of the first quarter 2015, Ooredoo Myanmar had 3.3 million customers. More than 80% of Ooredoo Myanmar's customer use smart phones and are generating an average ARPU of USD 7 driven by services offered over Ooredoo's extensive 3G only network. Ooredoo continued its rapid network roll-out during the period and its 3G only network now covers more than 28 million people, covering the main cities and half of all townships. Ooredoo Business Myanmar continued to deliver products and services to Myanmar's burgeoning commercial sector. In addition, the second instalment of the licence fee was paid during the period (USD 252.5 million).

Ooredoo will publish its Q1 2015 financial statements on its website, accessible at: <http://www.ooredoo.com>.

Press release



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, 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\$ 9.1 billion in 2014 and had a consolidated global customer base of more than 107 million people as of 31 December 2014. Ooredoo's shares are listed on the Qatar Exchange and the Abu Dhabi Securities Exchange.