

# Ooredoo Group

## 1H 2015 Results



30 July 2015



# Disclaimer

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- Ooredoo Group management wishes to further caution the reader that forward-looking statements are not historical facts and are only estimates or predictions. Actual results may differ materially from those projected as a result of risks and uncertainties including, but not limited to:
  - Our ability to manage domestic and international growth and maintain a high level of customer service
  - Future sales growth
  - Market acceptance of our product and service offerings
  - Our ability to secure adequate financing or equity capital to fund our operations
  - Network expansion
  - Performance of our network and equipment
  - Our ability to enter into strategic alliances or transactions
  - Cooperation of incumbent local exchange carriers in provisioning lines and interconnecting our equipment
  - Regulatory approval processes
  - Changes in technology
  - Price competition
  - Other market conditions and associated risks
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- The Ooredoo Group undertakes no obligation to update publicly or otherwise any forward-looking statements, whether as a result of future events, new information, or otherwise.



# Contents

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- **Results Review**
- Strategy Review
- Operations Review
- Additional Information

# Group Results

## Key 2015 1H Highlights

[Overview](#)[Results Review](#)[Strategy Review](#)[Operations Review](#)[Additional Information](#)

### **Strong revenue growth in local currency terms across our main markets;**

- Group generated revenue of QAR 16 billion in 1H 2015 driven by local currency growth in Qatar, Oman, Indonesia, Myanmar, Algeria, Kuwait and the Maldives offset by adverse currency movements and the security situation in Iraq
- Group revenue would have increased by 3% excluding the negative FX impact in Indonesia, Algeria, and Tunisia compared to reported 3% decrease
- Group EBITDA realized as QAR 6.5 billion in 1H 2015; excluding FX impact, Group EBITDA would have been in line with 1H 2014 compared to reported 6% decline

### **Group customers increased by 21% YoY and exceeded 114 million**

- Group gained almost 20 million net new customers in the last twelve months
- Customer growth driven by Indonesia, Myanmar and Algeria
- Myanmar almost doubled number of customers in the first half

### **Group Data revenue share in total revenue reached 34%**

- Group data revenues grew 64% to reach QAR 5.4 billion in 1H 2015
- Strong data revenue growth driven by both consumer and enterprise customers
- Ooredoo continues data leadership across our key markets thanks to our best-in-class telecom services



# Group Results

## Revenue and EBITDA

Overview

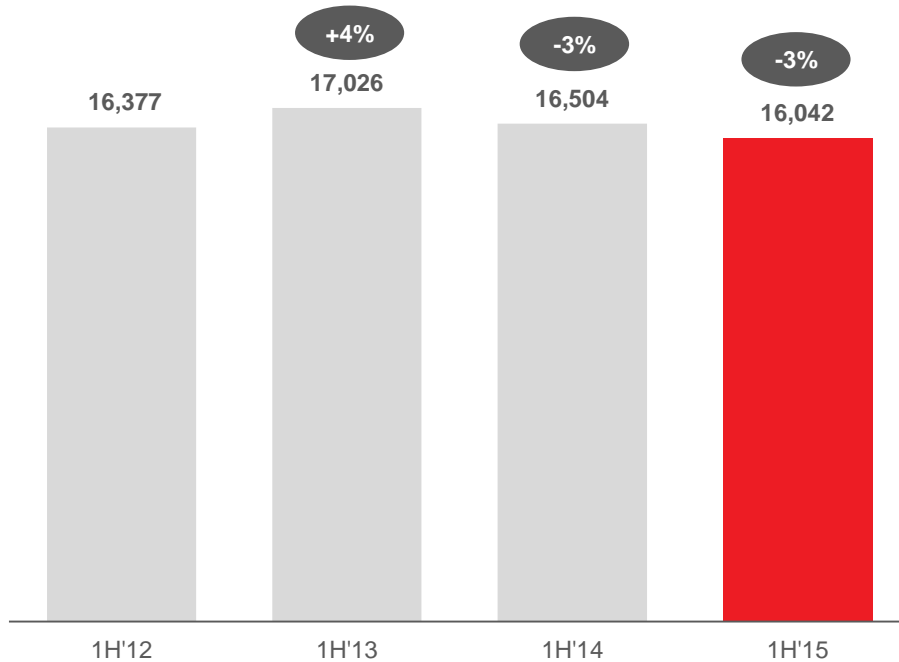
Results Review

Strategy Review

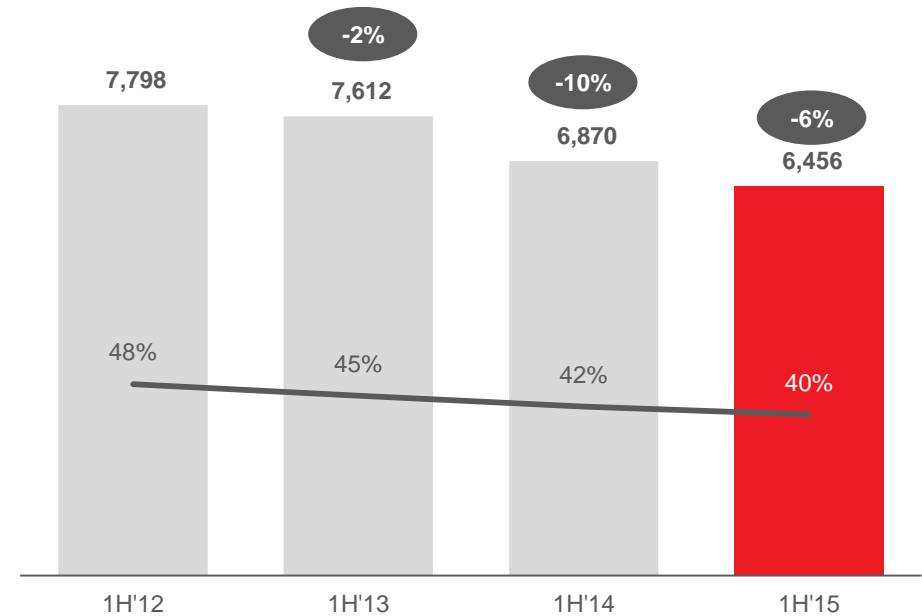
Operations Review

Additional Information

### Revenue (QARm)



### EBITDA (QARm) and EBITDA Margin



**Healthy revenue growth in local currency terms across main markets except Tunisia offset by challenging environment in Iraq; excluding FX impact: revenue up 3% and EBITDA flat**

Note: All Indosat results as reported adhere to IFRS which may in some instances differ from INDOGAAP



# Group Results

## Net Profit and Net Debt

Overview

Results Review

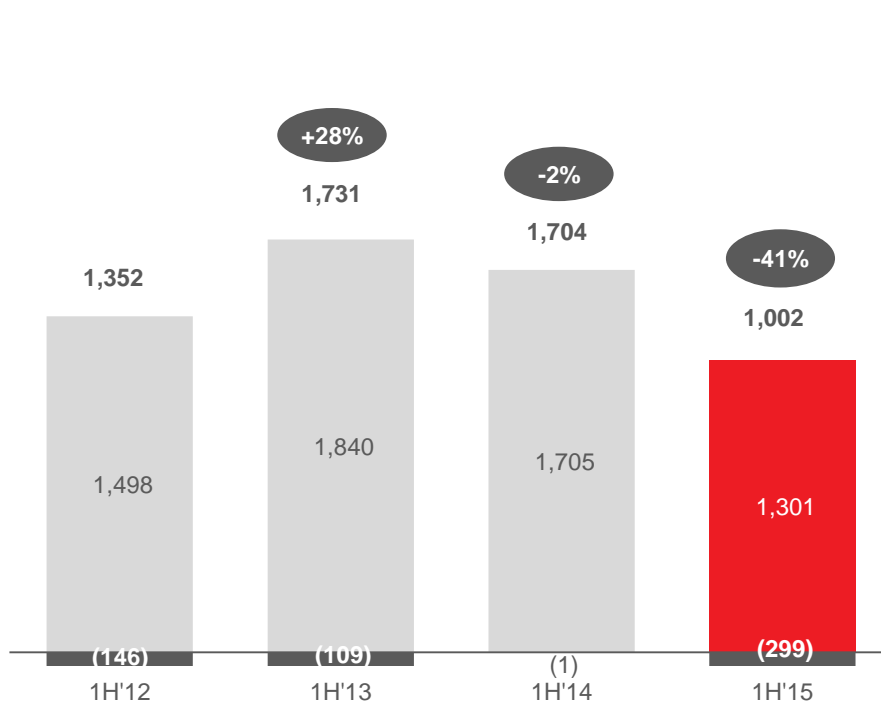
Strategy Review

Operations Review

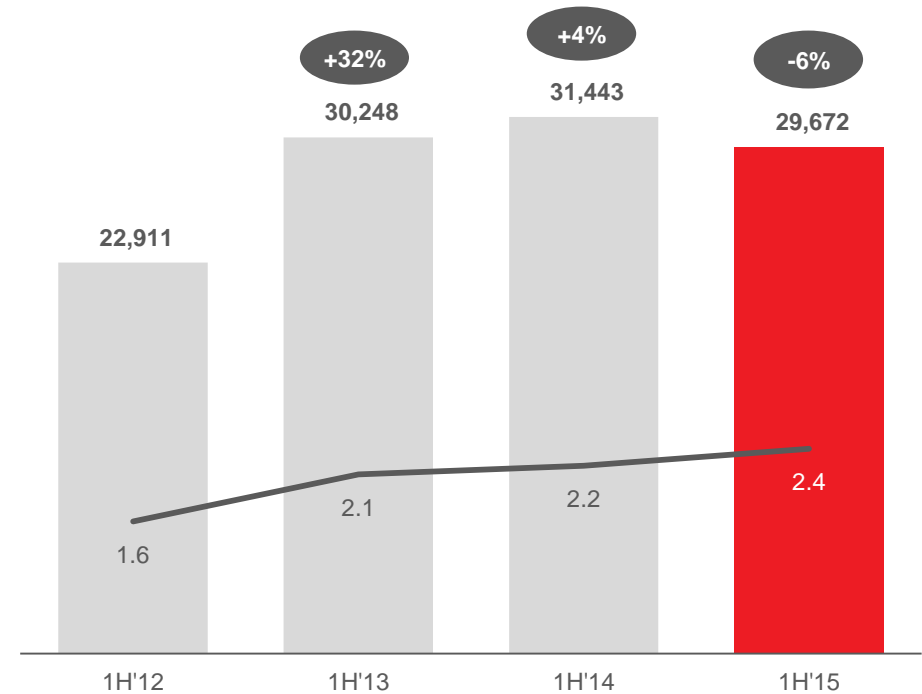
Additional Information

### Net Profit Attributable to Ooredoo Shareholders (QARm)

■ Net Foreign Exchange



### Net Debt (QARm) and Net Debt/EBITDA



**Net Profit negatively impacted by Asiacell (Iraq security situation)**  
**Net Debt / EBITDA on upper end of long term board guidance (1.5-2.5 x)**

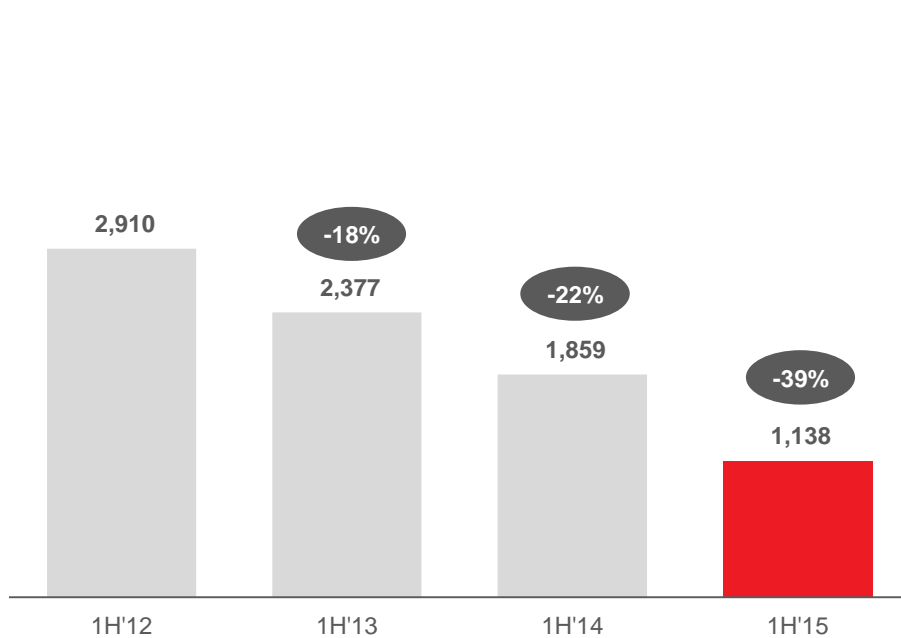
Note: Net Debt = Total interest bearing loans and borrowings + contingent liabilities (letters of guarantee + letters of credit + finance lease + vendor financing) – cash (net of restricted cash and below BBB+ rating)



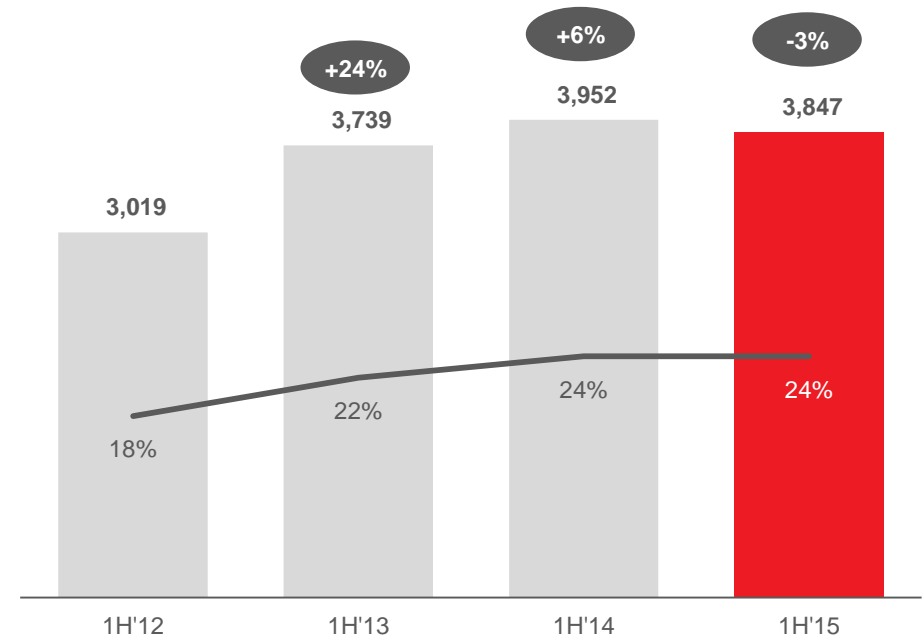
# Group Results

## Free Cash Flow and Capital Expenditure

### Free Cash Flow (QARm)



### CAPEX (QARm) and CAPEX/Revenue (%)



***Reduced FCF due to FX impact and the Iraqi situation***  
***Investment into network continued to maintain strong competitive position***

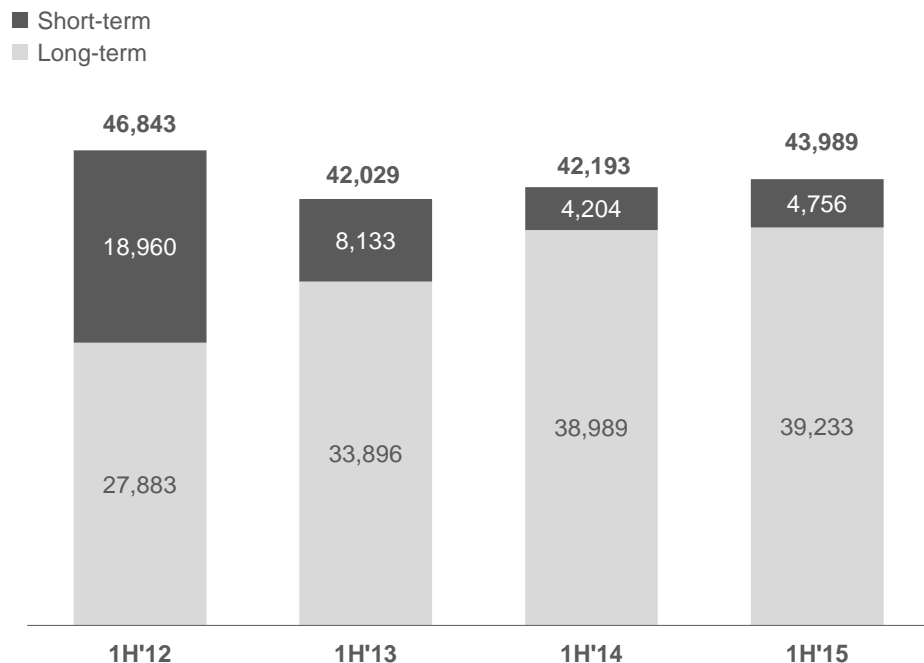
Note: Free Cash Flow = Net Profit plus Depreciation & Amortization less CAPEX; CAPEX excludes license fee obligations; Net Profit adjusted for extraordinary items



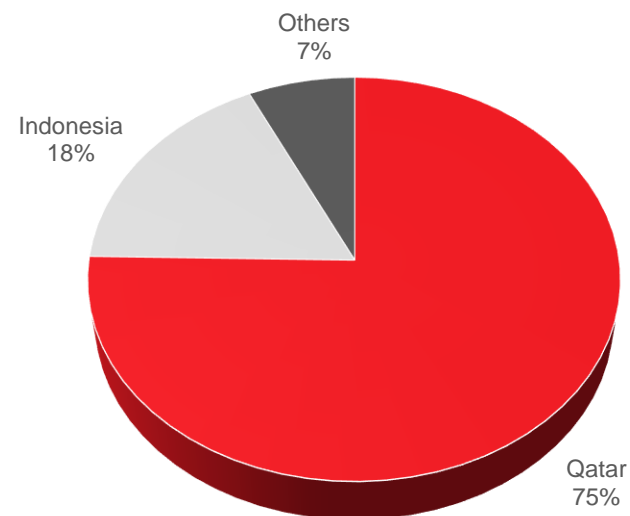
# Group Results

## Total Group Debt Breakdown

### Total Group Debt (QARm)



### Total Group Debt Breakdown (as of June 30, 2015)



**Total Group debt remains stable  
No imminent refinancing requirements**

Note: Qatar debt includes Ooredoo International Finance Ltd. and Ooredoo Tamweel Ltd.



# Group Results

## Debt Profile – Ooredoo Q.S.C. Only

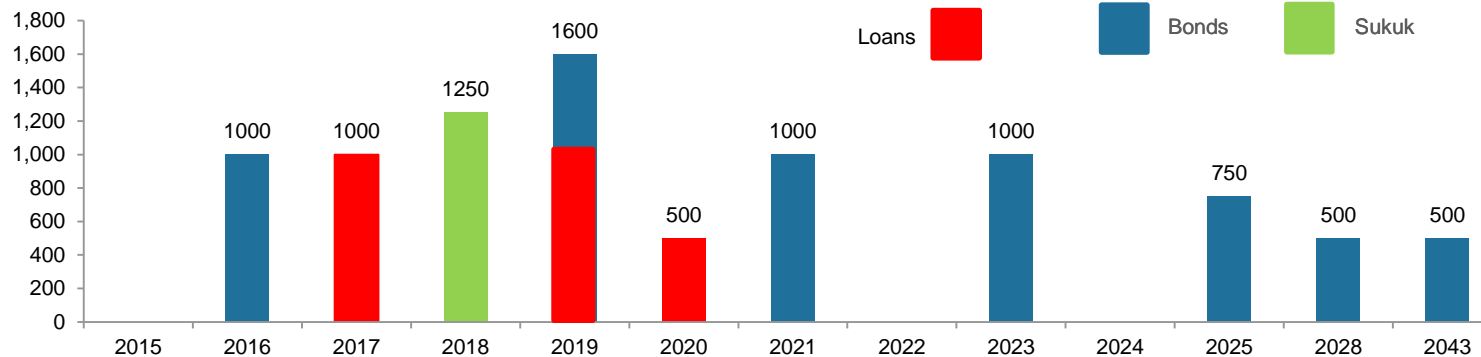
Overview

Results Review

Strategy Review

Operations Review

Additional Information



Loan Type (in USD mn)	Amount	Usage	Rate*	Maturity	Bonds/Sukuk (in USD mn)	Issue Amount	Interest/Profit Rate	Maturity	Listed in
QNB facility of QAR 3bn	823	0	QAR rates	31 January 2017	Fixed Rate Bonds due 2016	1,000	3.375%	14 Oct 2016	LSE
					Fixed Rate Bonds due 2019	600	7.875%	10 Jun 2019	LSE
USD 500mn RCF	500	500	Libor + 88bps*	06 May 2020	Fixed Rate Bonds due 2021	1,000	4.75%	16 Feb 2021	LSE
USD 1bn RCF	1,000	1,000	Libor+ 115bps*	31 Mar 2017	Fixed Rate Bonds due 2023	1,000	3.25%	21 Feb 2023	ISE
					Fixed Rate Bonds due 2025	750	5.00%	19 Oct 2025	LSE
USD 1bn RCF	1,000	1,000	Libor+100bps*	17 May 2019	Fixed Rate Bonds due 2028	500	3.875%	31 Jan 2028	ISE
					Fixed Rate Bonds due 2043	500	4.50%	31 Jan 2043	ISE
					Sukuk due 2018	1,250	3.039%	3 Dec 2018	ISE
<b>Total Loans</b>	<b>3,323 mn</b>	<b>2,500 mn</b>			<b>Total Bonds and Sukuk</b>	<b>6,600 mn</b>			

Total outstanding debt as at 30 June 2015 at Ooredoo Q.S.C. level

USD 9,100 mn

*Long term debt profile remains well balanced*

\* Fully drawn basis



# Group Results

## Total Customers

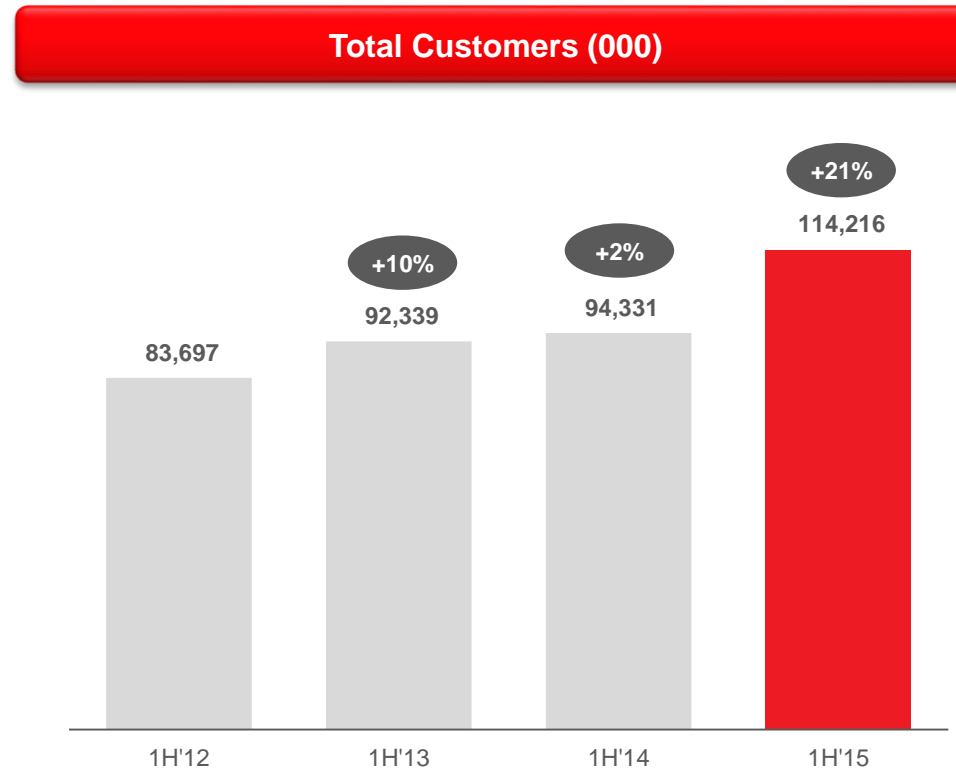
Overview

Results Review

Strategy Review

Operations Review

Additional Information



***Solid customer growth year on year, mainly from Indonesia, Algeria and Myanmar  
Gained almost 20 million net new customers YoY***



# Group Results

## 2015 1H Performance Summary

[Overview](#)
[Results Review](#)
[Strategy Review](#)
[Operations Review](#)
[Additional Information](#)

	1H 2015	% Change 1H 2015 / 1H 2014	2015 Annual Guidance
Consolidated Revenue (QAR bn)	16	-3%	0% to -3%
EBITDA (QAR bn)	6.5	-6%	-1% to -4%
Capital Expenditure (QAR bn)	3.8	-2.6%	8.5 bn to 9.5 bn



# Contents

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- Results Review
- **Strategy Review**
- Operations Review
- Additional Information

# Strategy Review

## Our portfolio focus remains unchanged

Overview

Results Review

Strategy Review

Operations Review

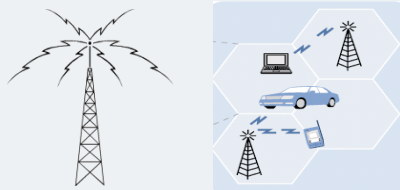
Additional Information

### 3 Business Lines

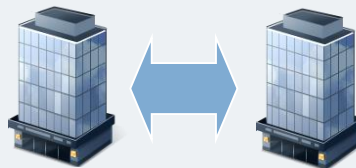
Consumer Mobile



Consumer Broadband

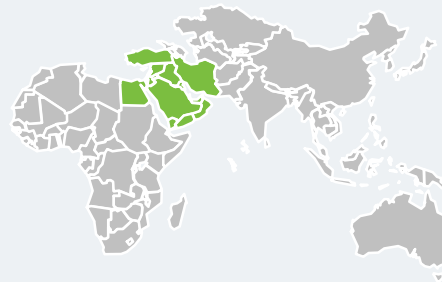


Enterprise

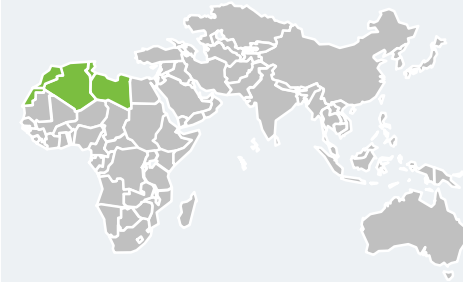


### 3 Geographies

Middle East



North Africa



South-East Asia



### Convergence

- **Bundling, churn reduction**, upselling/cross-selling
- **Cost benefits**: common infrastructure, leveraged brand and marketing
- **Stronger B2B** offering & capabilities
- **Partnership for content** – digital and content to differentiate

### Network Consolidation

- **Network consolidation** – improve competitive dynamics
- **True “game changer”** – stability, efficiency, big shareholder returns
- **Regulatory support** – recognizes downsides of unhealthy competition

### Efficiency

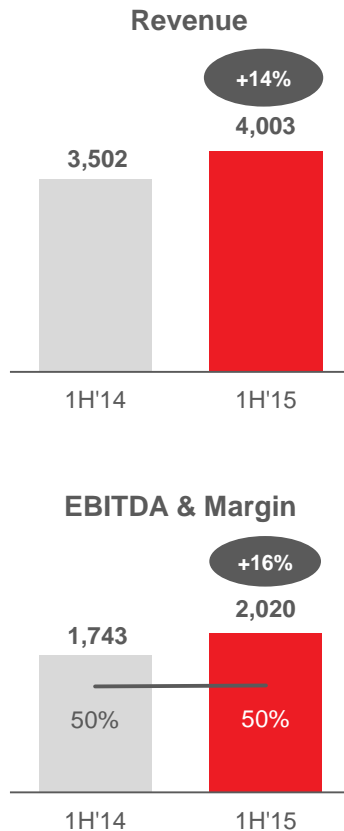
- **Cost and capital efficiency programs** – shared services, IT stack consolidation, outsourcing
- **Asset-light models/Infrastructure sharing** – shared/rented towers
- **Self-provisioning and self-care** – e channels, franchises, “digital” interface

# Contents

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- Results Review
- Strategy Review
- **Operations Review**
- Additional Information

## QARm



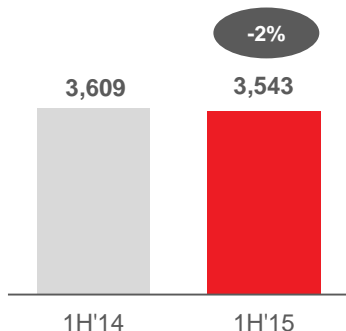
• 1 USD = 3.6415 Qatari Riyal (QAR)

- Strong growth in revenue and EBITDA continued driven by increasing demand for mobile data
- Good customer growth trend in all segments continued; customers up by 14% to over 3.4 million – major milestone of 3 million mobile customers achieved
- Market leadership position maintained - Ooredoo's fixed line and mobile networks in Qatar ranked among fastest globally
- Ooredoo's Fiber-to-the-Home network continued to grow; 236 K customers connected
- Ooredoo brand recognition continues to be one of the best in class – also leads the market by significant margin in terms of top-of-mind awareness

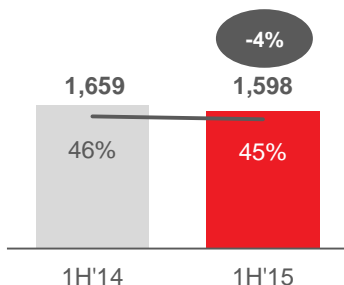


## QARm

### Revenue

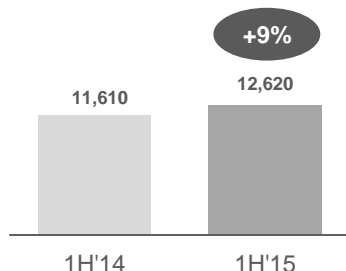


### EBITDA & Margin

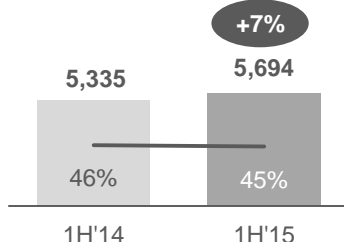


### IDRbn<sup>1</sup>

### Revenue



### EBITDA & Margin

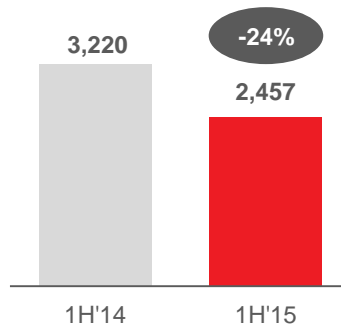


- 1 USD = 12,967 Indonesia Rupiah (IDR)<sup>2</sup>

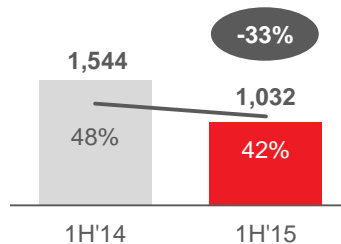
- Healthy revenue growth of 9% in local currency in 1H 2015 driven by higher customer base and strong performance in data compared to 1H 2014
- EBITDA in local currency increased by 7% with sustained EBITDA margin of 45%
- Depreciation of the Indonesian Rupiah (10% YoY) negatively impacted Revenue and EBITDA reported in QAR
- Customers grew by 24% to 68.5 million; 13 million net new customers YoY
- Indosat completed network modernization for main cities and continued to add new cities to its LTE coverage

## QARm

### Revenue

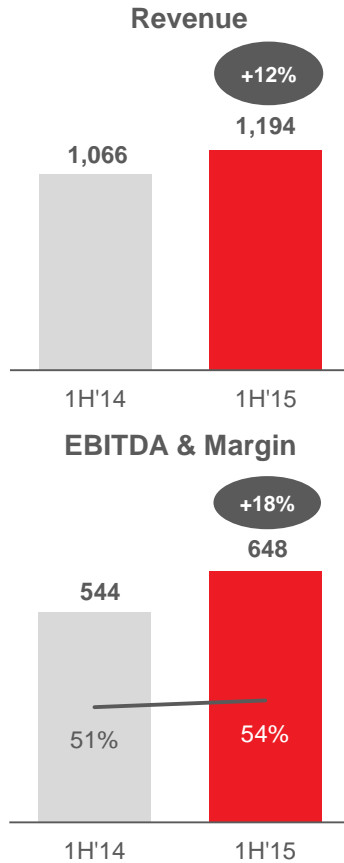


### EBITDA & Margin



- Revenue and EBITDA declined due to the security situation in parts of Iraq and intense competition
- Day to day operations continue on a normal level amidst service suspension in parts of Mousel, Tikrit , Anbar and parts of Kirkuk and Diyala.
- Data revenue growth supported by positive data usage uptake after successful launch of 3G services in 2015
- 11 million mobile customers as of 1H 2015
- Moderation of aggressive pricing towards the end of period
- Previously announced new VAT of 20% expected in August

## QARm

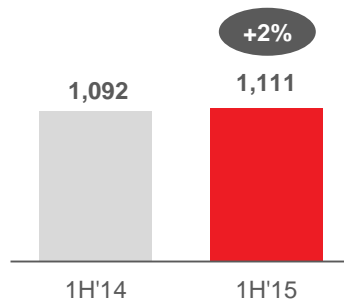


• 1 USD = 0.38463 Omani Rial (OMR)<sup>1</sup>

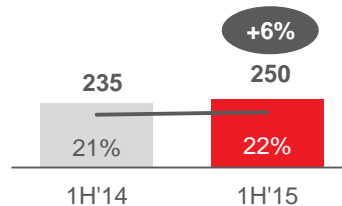
- Ooredoo Oman revenue increased by 12% YoY to QAR 1.2 billion driven by growth in both mobile and fixed data revenues
- EBITDA grew by 18% with EBITDA margin reaching 54% in 1H 2015
- Customer growth continued in all segments with an increase of 11% YoY to 2.8 million; strong performance both in postpaid and prepaid
- Network capacity upgrade continued to ensure 3G coverage across entire network and larger 4G footprint

## QARm

### Revenue

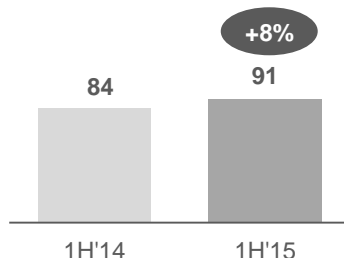


### EBITDA & Margin

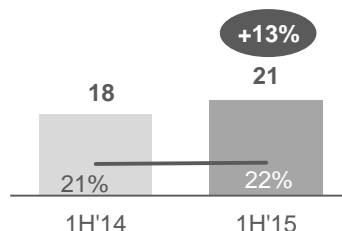


## KWDm

### Revenue



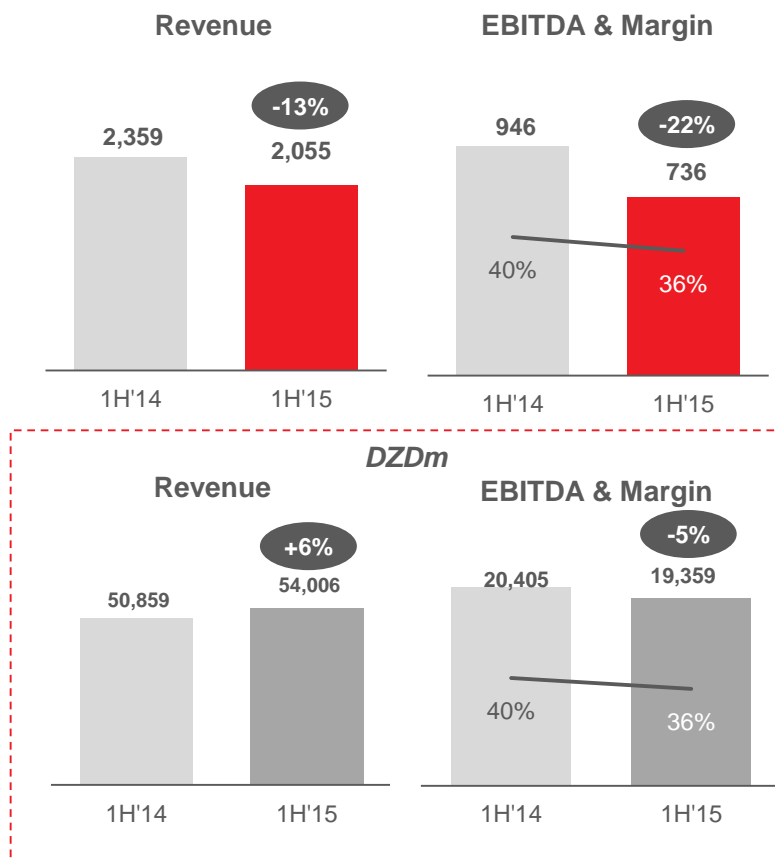
### EBITDA & Margin



- 1 USD = 0.2991 Kuwait Dinar (KWD)<sup>1</sup>

- Ooredoo Kuwait's turnaround strategy generated customer, revenue and EBITDA growth in the period
- Local currency revenue and EBITDA increased by 8% and 13% respectively, with improved EBITDA margin at 22%
- Customers increased by 8% YoY to more than 2.5 million in 1H 2015 driven by our network quality
- Continued to capitalize on being the first operator in Kuwait to launch 4G+ ; more than tripled the number of wireless broadband customers in the past 12 months
- Network roll-out completed and providing superior network experience for our customers

## QARm



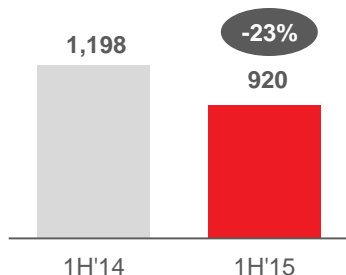
• 1 USD = 95.7 Algerian Dinar (DZD)<sup>1</sup>

- Ooredoo Algeria is the fastest growing operator in the period by delivering 6% revenue growth in local currency
- EBITDA margin stabilized including limited handset promotions
- Depreciation of the Algerian Dinar (18% YoY) negatively impacted Revenue and EBITDA reported in QAR
- Algeria customers grew by 21% to 13.2 million in 1H 2015 with sustained market share growth
- Data and 3G leadership in Algerian market supported by strong growth in data revenue
- Successfully completed a mobile LTE trial, confirming our position as the leading technology operator in the country.
- Successfully raised USD 389 million loan in Algerian Dinar to support our investment plans – Local currency loan supported by Algerian and international banks

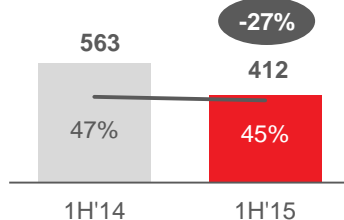
Note: (1) Six month average rate January – June 2015

## QARm

### Revenue

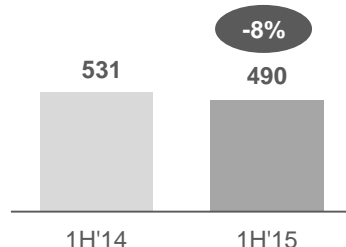


### EBITDA & Margin

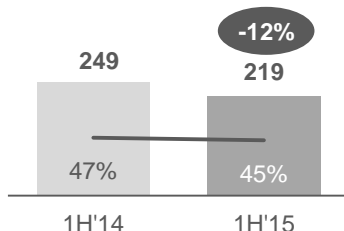


## TNDm

### Revenue



### EBITDA & Margin

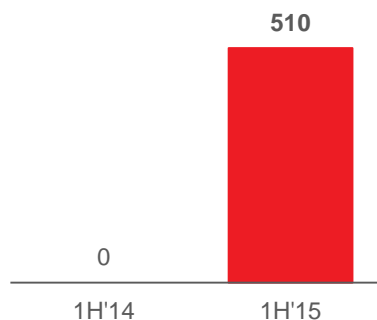


• 1 USD = 1.938 Tunisian Dinar (TND)<sup>1</sup>

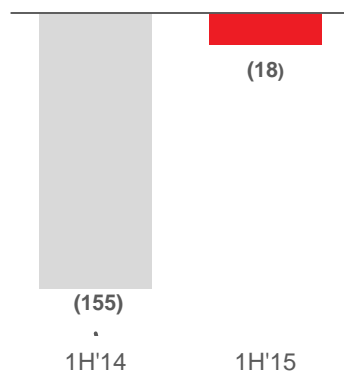
- Ooredoo Tunisia maintained its market leadership position with a total customer base of 7.3 million
- Recent terrorist attacks impacting economic environment ; mobile and fixed broadband still growing – long term potential
- Delivered strongest growth in the market in mobile data thanks to innovative bundle offers partially offset by a decline in the mobile voice market
- Depreciation of the Tunisian Dinar (17% YoY) negatively impacted Revenue and EBITDA reported in QAR
- Focused on convergence (total communication) and experienced growth in B2B fixed services resulting in a healthy increase in the number of fixed line customers

## QARm

### Revenue



### EBITDA & Margin



- Ooredoo Myanmar continued its growth performance and generated revenue of QAR 510 million in 1H 2015
- First ever positive EBITDA performance in Q2 2015, less than one year after launch of service in August 2014
- Customer base almost doubled in the period and reached 4.3 million across the country
- Customers highly value the superior quality of our 3G only network – data usage doubled during the first half of the year driven by 80 % smartphone penetration in our customer base
- Network roll-out continued; our network now covers over 35 million people across the country (total population of 51 million)



Q & A

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# Contents

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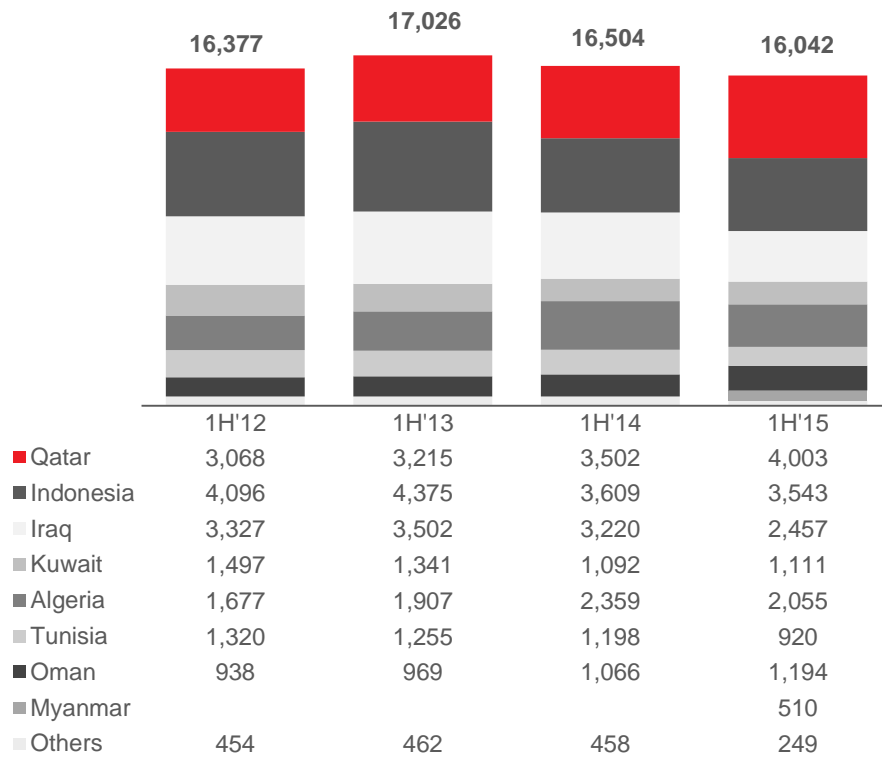
- Results Review
- Strategy Review
- Operations Review

- **Additional Information**

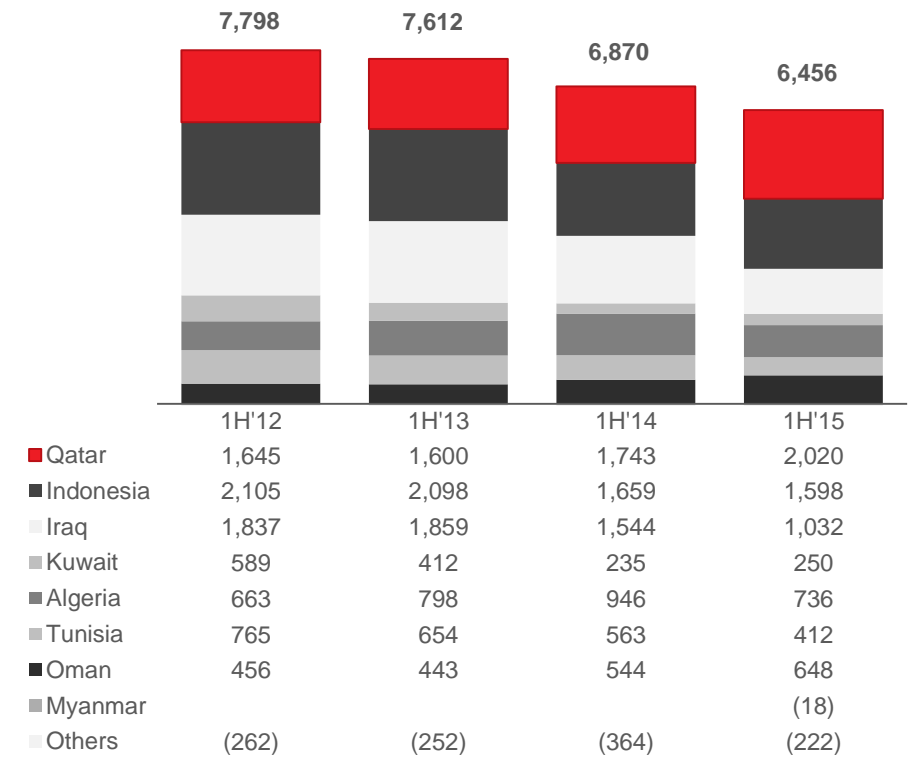
# Group Operations Breakdown

## Revenue & EBITDA

### Revenue (QARm)



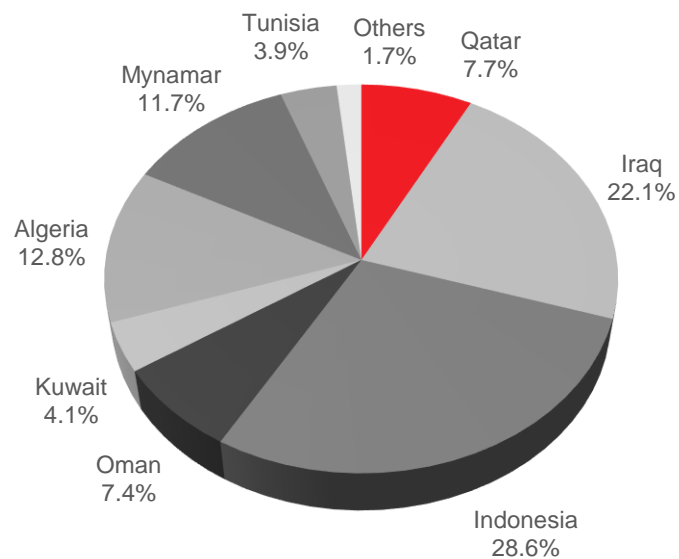
### EBITDA (QARm)



# Group Operations Breakdown

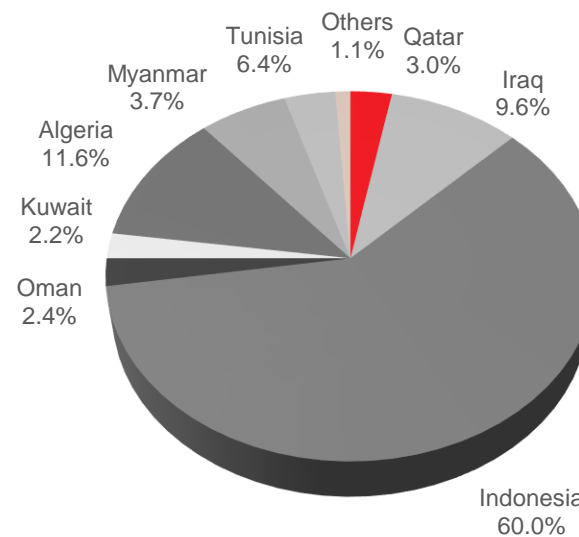
## CAPEX & Customers

### CAPEX Breakdown



**1H 2015 CAPEX = QAR 3,847 million**

### Customers Breakdown

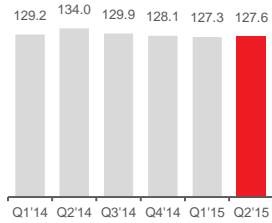


**1H 2015 Total Customers = 114.2 million**

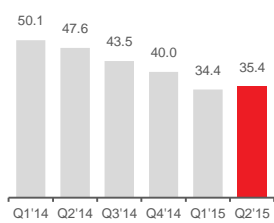
# Group Operations Breakdown

## Blended ARPU

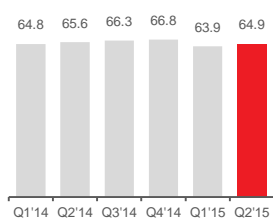
### Qatar (QAR)



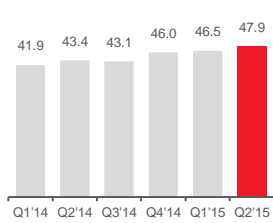
### Iraq (QAR)



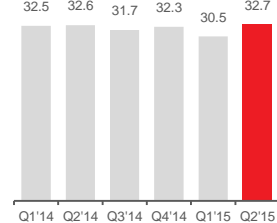
### Oman (QAR)



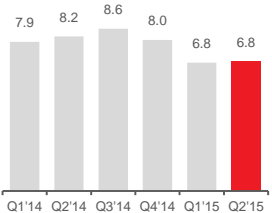
### Maldives (QAR)



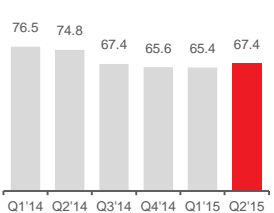
### Palestine (QAR)



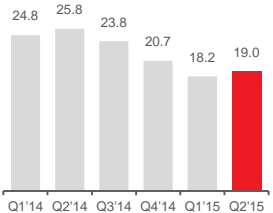
### Indonesia (QAR)



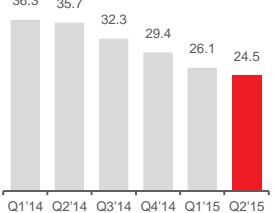
### Kuwait (QAR)



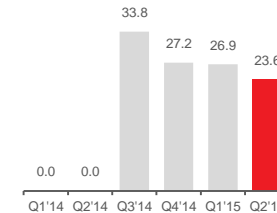
### Tunisia (QAR)



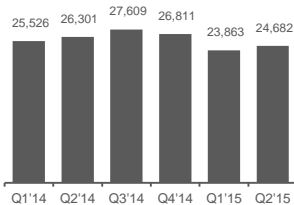
### Algeria (QAR)



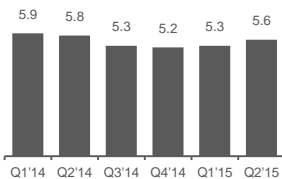
### Myanmar (QAR)



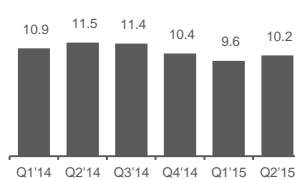
### Indonesia (IDR)



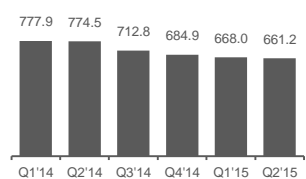
### Kuwait (KWD)



### Tunisia (TND)



### Algeria (DZD)



# Additional Information

## Statutory Corporate Tax Rates

[Overview](#)
[Results Review](#)
[Strategy Review](#)
[Operations Review](#)
[Additional Information](#)

	Statutory Tax Rate	Losses C/Fwd Allowed	Notes
Algeria	23%	4 years	
Indonesia	25%	5 years	
Iraq	15%	5 years	
Kuwait	15%	3 years	GCC companies (including NMTC) are exempted and are subjected to 4.5% Zakat, KFAS & Labour Support Tax on consolidated profits
Maldives	15%	5 years	
Myanmar	25%	3 years	
Oman	12%	5 years	
Pakistan	33%	6 years	
Palestine	20%	5 years	
Philippines	30%	3 years	
Qatar	10%	3 years	Qatari/GCC owned companies and companies listed on Qatar Exchange are exempt
Singapore	17%	Indefinitely	
Tunisia	35%	5 years	1) 30% is the standard tax rate; 2) 35% tax rate applies to oil companies, banks, financial institutions including insurance companies and telecommunication companies
UAE	-	-	



# Additional Information

## Key Operating Country Statistics

[Overview](#)
[Results Review](#)
[Strategy Review](#)
[Operations Review](#)
[Additional Information](#)

2014 (est.)	Algeria	Indonesia	Iraq	Kuwait	Maldives	Oman	Qatar	KSA	Tunisia
<b>GDP real growth %</b> (2013)	3.8 (2.8)	5.2 (5.8)	-2.7 (4.2)	1.4 (-0.4)	4.5 (3.7)	3.4 (4.8)	6.5 (6.5)	4.6 (4.0)	2.8 (2.3)
<b>Consumer prices %</b> (2013)	3.2 (3.3)	6.0 (6.4)	4.7 (1.9)	3.0 (2.7)	3.0 (4.0)	2.8 (1.2)	3.4 (3.1)	2.9 (3.5)	5.7 (6.1)
<b>Population</b> (millions)									
2013	37.9	248.0	34.8	3.9	0.34	3.6	2.0	30.0	10.9
2015	39.5	255.1	37.0	4.1	0.35	3.8	2.4	31.2	11.1
<b>GDP/Capita US\$</b> (2013)	\$5,886 (\$5,606)	\$3,404 (\$3,510)	\$6,474 (\$6,594)	\$44,850 (\$45,189)	\$7,030 (\$6,686)	\$21,688 (\$21,456)	\$94,744 (\$98,986)	\$25,401 (\$24,953)	\$4,467 (\$4,317)





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