

## Ooredoo Q.S.C

### Net Profit increases 9.7% to QAR 887 million for first quarter 2014

*Total customer base increases by 6.3% to 96.7 million*

**Doha, Qatar, 30 April 2014:** Ooredoo Q.S.C. ("Ooredoo") - Ticker: ORDS.QA today announced results for the three months ended 31 March 2014.

#### Financial Highlights:

|   | Quarterly Analysis |         |          |
|---|--------------------|---------|----------|
|   | Q1 2014            | Q1 2013 | % change |
| Consolidated Revenue (QAR m)                            | 8,103              | 8,384   | -3.4%    |
| EBITDA (QAR m)  | 3,378              | 3,690   | -8.5%    |
| EBITDA Margin (%)                                       | 42%                | 44%     | -        |
| Net Profit Attributable to Ooredoo Shareholders (QAR m) | 887                | 808     | 9.7%     |
| Consolidated Customers (m)                              | 96.7               | 91.0    | 6.3%     |

- Earnings per share for the first quarter 2014 stood at QAR 2.77 (Q1 2013: QAR 2.52)

#### Overview:

- Strong customer growth of 6.3% to 96.7 million as Ooredoo captures a growing share of our markets by offering leading-edge telecoms services delivered across world-leading broadband networks
- Group revenue decreased 3.4% due to the challenging operating environment and depreciation of the Indonesian Rupiah compared to first quarter 2013; partially offset by strong growth in data revenue
- Robust results in Qatar, Oman and Algeria during the quarter; operating environment remains tough with persistent price competition in Iraq, Kuwait and Indonesia
- EBITDA reduced by 8.5% to QAR 3,378 million reflecting the current competitive challenges in our markets, FX impact and the investment in a new network in Myanmar
- Net profit for the first quarter increased by 9.7% driven by positive FX trends in Indonesia during Q1 2014
- Ooredoo subsidiary Wataniya Group completed the divestment of Bravo to STC in January. Bravo operates a "Push to Talk" technology-based business which is not core to Ooredoo Group's technology platform strategy
- Post period: On April 22 Ooredoo and Rocket Internet announced a strategic partnership to develop online businesses in Asia. eCommerce is a significant growth opportunity in the region adjacent to our traditional core business

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

*“Ooredoo has produced satisfactory results for the first quarter of 2014. Whilst our markets and our opportunities continue to grow, competition also continues to intensify. However, the trends we are seeing across our markets demonstrate that our investment into delivering the best customer experience is a positive strategy. We continue to believe that communication technology can transform people’s lives, and that is what we intend to do across our global footprint as we invest in building mobile broadband networks.”*

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

*“Ooredoo’s revenue in the first quarter of 2014 was driven by the increase in mobile and fixed data revenues across our markets. As we continue to invest in our broadband networks, Ooredoo is increasingly becoming a data-centric business which opens up a huge range of opportunity. We are starting to see the results of our strategy with the positive performances of markets such as Qatar, Oman, and Algeria where we have invested in deepening and expanding our network capability with positive results. Ooredoo’s ability to offer world-leading broadband products and services in a growing number of its markets drove our customer numbers up by 6.3% to 96.7 million as we capture a growing share of the market. The market, and its associated opportunities, continues to grow as does the level of competitiveness. However, with the investment that we are making we are building a business that will deliver long-term value to customers and shareholders.”*

## **Review of Operations**

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

### **Ooredoo - Qatar**

Qatar delivered solid results during the quarter, with revenue growing by 8.3% year-on-year to QAR 1,706 million (Q1 2013: QAR 1,575 million) and a consolidated customer base of 2.9 million. EBITDA performance showed a healthy increase of 7.4% year-on-year to QAR 828 million.

As Ooredoo Qatar seeks to make the country one of the best-connected in the world, the company saw several key broadband milestones during the quarter. Ooredoo Qatar reached nationwide coverage of the first and fastest 4G LTE network, with its 500th LTE site.

The #OoredooSmart campaign, which provides more data and value for customers, has seen strong success. Ooredoo Qatar has also taken the lead on corporate cybersecurity and disaster recovery services, and has enhanced the viewing experience for the beIN SPORTS channel in line with Ooredoo’s #Koora campaign.

### **Indosat - Indonesia**

Net profit for the first quarter was QAR 261 million (Q1 2013: QAR 17 million). Indosat’s net income 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. Indosat faced an intensely competitive market place during the quarter resulting in revenue loss when compared to the first quarter of 2013 as Indosat concentrated on managing its profitability levels. Indosat continued to invest heavily in rolling out its broadband network, bringing Ooredoo’s world-leading data-based products and services to a greater percentage of the population. EBITDA decreased due to the increased cost of sales and operational expenditure. At 31 March 2014, Indosat’s consolidated customer base stood at 59.8 million (Q1 2013: 56.1 million). Revenue for the three months to 31 March 2014 decreased by 18.2% year-on-year to QAR 1,780 million (Q1 2013: QAR 2,175million ) and EBITDA

decreased by 18.4% year-on-year to stand at QAR 851 million (Q1 2013: QAR 1,044 million). The revenue and EBITDA in local currency terms were almost on par with last year.

## **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 first quarter 2014 financial results on 22 April 2014.

Revenue for the first three months 2014 was QAR 2,358 million: a year-on-year increase of 1.0 % (Q1 2013: QAR 2,334 million) while EBITDA stood at QAR 862 million (Q1 2013: QAR 911 million). The total customer base increased to 20.5 million for the year, an increase of 5% (Q1 2013: 19.5 million). Net profit for Wataniya Telecom for the first quarter of 2014 was QAR 315 million, a decrease of 10.2% compared to Q1 2013.

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. Ooredoo Algeria’s revenues increased by 19.2% to QAR 1,104 million (Q1 2013: 926 million). EBITDA also increased to QAR 427 million, 15% higher than 2013 (Q1 2013: 371 million). Ooredoo Algeria’s customer base increased by 7.4% to 9.93 million compared to the first quarter of 2013.

Wataniya Kuwait began to see the initial success of its recovery strategy as it gained market share, increasing its customer base by 12.1% to 2.22 million compared to the first quarter of 2013. The investment by the business in its network infrastructure, sales, marketing and customer experience initiatives means that Wataniya has the most advanced network in Kuwait and has a clear advantage to market in the face of the intensely competitive nature of Kuwait’s telecoms market. Revenues for Q1 2014 were QAR 541 million (Q1 2013: QAR 678 million), EBITDA was QAR 126 million (Q1 2013: QAR 217 million) and net profit was QAR 37.2 million (Q1 2013: net profit of QAR 122 million), reflecting the strategic investment being made by Ooredoo into ensuring Wataniya Kuwait becomes a key force in the market.

Tunisiana continued to face the challenge of Tunisia’s political and economic instability although the business produced relatively stable revenue and EBITDA for the first quarter at QAR 586 million (Q1 2013: QAR 613 million) and QAR 289 million (Q1 2013: QAR 309 million) respectively. Tunisiana continued to focus on cost containment during the quarter. Customers increased by 2% to 7.41 million when compared to the first quarter of 2013. Net profit decreased by 20.4% to QAR 99.2 million (Q1 2013: QAR 125 million). The current political and economic instability has affected roaming traffic although data revenue and traffic is now growing at an accelerated rate. Tunisiana made good initial progress with the launch of its converged offering for the enterprise market during the quarter.

Wataniya Palestine grew its revenue by 4.5% to QAR 77.5 million (Q1 2013: QAR 74.2 million) and increased its customer base by 5% to 649,260 (Q1 2013: 619,648). EBITDA grew significantly from QAR 4.5 million to QAR 10.4 million as the business continues preparation for a commercial launch in Gaza.

Ooredoo Maldives grew its customer base by 37% to 256,955 compared to the first quarter 2013. Both revenue and EBITDA increased, 16.6% and 17.4% respectively to QAR 49.9 million and QAR 16.8 million.

## **Nawras - Oman**

Nawras’s programme of network investment delivered revenue growth during the quarter, driven by mobile and fixed data revenues. Revenue increased by 9.3% compared to Q1 2013, offset partially by a decline in SMS revenue. EBITDA also increased by 17.8% to QAR 258 million compared to Q1 2013 due to revenue growth and lower cost of sales partially offset by higher operational expenditure. Net profit increased by 15.5% to QAR 83.7 million compared to the first quarter 2013. Total customers grew by 8.9% compared to Q1 2013 to 2.4 million

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 first quarter 2014 financial results on 29 April 2014.

## **Asiacell- Iraq**

Asiacell continued to face increasing levels of competition in Iraq. Consequently, revenue for the first quarter was QAR 1,618 million (Q1 2013: QAR 1,730 million), a decrease of 6.4%; EBITDA was down by 15.1% to QAR 764 million and EBITDA margin was also down to 47%. Asiacell focused on a number of cost efficiencies during the quarter 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. Asiacell's customer base increased by 4.4% to 10.8 million compared to the first quarter of 2013.

## **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. 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 quarter 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, 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.