

Ooredoo Q.P.S.C.

Ooredoo Group announced Revenue of QAR 23 billion for 9M 2018

Doha, Qatar, 29 October 2018: Ooredoo Q.P.S.C. (“Ooredoo”) - Ticker: ORDS today announced results for the first nine months ended 30 September 2018.

Financial Highlights:

	Quarterly Analysis			Nine Month Analysis		
	3Q2018	3Q2017	% Change	9M18	9M17	% Change
Consolidated Revenue (QAR m)	7,490	8,217	-9%	22,775	24,476	-7%
EBITDA (QAR m)	3,125	3,520	-11%	9,337	10,459	-11%
<i>EBITDA Margin (%)</i>	42%	43%	-	41%	43%	-
Net Profit Attributable to Ooredoo Shareholders (QAR m)	403	462	-13%	1,092	1,559	-30%
Customers in million (consolidated)	120	150	-20%	120	150	-20%

- Ooredoo’s 9M 2018 results were significantly negatively impacted by the overall Foreign Exchange weakness in Emerging Markets as well as the market situation in Indonesia following the new SIM card registration regulation.
- 9M 2018 Revenue was QAR 22.8 billion, driven by strong contributions from Qatar, Kuwait, Oman, Iraq and Myanmar, offset by reductions in Indonesia and Algeria. Group Revenue before the FX impact decreased by 5%, reported Revenue decreased by 7% year-on-year.
- Group EBITDA stood at QAR 9.3 billion with a corresponding EBITDA margin of 41%. Group EBITDA decreased by 11% year-on-year mainly due to lower revenue, pre FX EBITDA decreased by 9%.
- Group Net Profit attributable to Ooredoo shareholders stood at QAR 1.1 billion. The positive performances in Iraq, Oman and Tunisia were offset by market challenges and lower revenue in Indonesia and Algeria as well as a substantial FX loss in Myanmar.
- Increased monetization of data business, with significant data growth coming from consumer and enterprise customers: saw data revenue increasing to 46% of Group revenue. Revenue from data contributed QAR 10.5 billion at 9M 2018.

Operational highlights:

- Ooredoo Group continues to be recognised with world-class awards. In Oman, Telecoms World Middle East recognised Ooredoo Oman with two distinct awards for the “Best National Network Operator” and “The Best Digital Content.” In Iraq, Asiacell was awarded the CARE Award for excellence in customer service.
- Ooredoo Group successfully tested the first live eSIM on its world-class supernet network in Qatar and in Kuwait.
- Ooredoo Qatar tested the world’s first self-driving 5G connected aerial taxis. Ooredoo Qatar has more than 80 live 5G sites on the 3.5GHz spectrum band in the country.
- Ooredoo’s network was recognized by Ookla, the global leader in internet testing and analysis, as Qatar’s fastest mobile network while in Algeria, Oman and Myanmar, Ookla confirmed Ooredoo’s data network leadership for its 3G and 4G networks.
- In Qatar, 99% of Ooredoo’s consumer customers migrated to e-bills, in line with Ooredoo’s digital drive initiative to support Qatar’s vision to Go Green.
- Following the launch of operations in Gaza and the 3G launch in West Bank, Wataniya Palestine’s customer base increased significantly by 57% to more than 1.3 million customers.
- Indosat Ooredoo appointed Mr. Chris Kanter as the new Chief Executive Officer of the company.
- Ooredoo continues to be a data leader in its markets with 4G networks now available in 8 of Ooredoo’s 10 markets.

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

“Ooredoo Group maintains its global leadership in telecom innovation, being the first telecom operator to test the world’s first self-driving 5G connected aerial taxis, in line with our mission to support Qatar’s digital transformation vision. 5G technology is now a reality in Qatar, where we have 80+ live 5G sites and counting.

We continue to enrich people’s digital lives in our countries of operation and I am pleased to say that during the period our outstanding efforts were recognised with world-class awards. Our network has been voted Qatar’s fastest mobile network in 2018 by Ookla. In Oman, we were awarded the “Best National Network Operator” and the “Best Digital Content Creator” by Telecoms World Middle East, while in Iraq we were awarded the CARE Award for Excellence in Customer Service.

Digital enablement is the future and we remain committed to making the right investments to deliver new technologies to our customers, unlocking more of their potential and helping them prosper in a digital world. 46% of our revenues are now generated from our data and digital business.”

Revenue generated from the traditional telecom services remains under pressure, in line with regional and global trends for our industry, and our financial results for the period reflect these challenges. However, I am pleased to report good growth in profitability across a number of our key markets.”

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

“Group Revenue was QAR 23 billion, supported by strong contributions from our key markets in Qatar, Kuwait, Oman, Iraq and Myanmar. We continue to see challenging market conditions in Indonesia and Algeria and the overall structural changes in our industry, including the pressure on voice revenue, have impacted our financial results for the 9M 2018 period. Furthermore, a general weakness of currencies in Emerging Markets impacted our results negatively. Despite those challenges, Ooredoo Group delivered a Net Profit of QAR 1.1 billion and a solid EBITDA margin of 41%, supported by digital growth and cost optimisation.

In Qatar, we made significant progress in advancing our digital transformation agenda which positively impacted our results. We delivered growth across the board in Oman, with improvements in Revenue and EBITDA and a strong EBITDA margin of 53%. Ooredoo Kuwait increased revenue by 14%, driven by customer additions and an increase in handset sales. In Tunisia we increased our customer base by 5% and our continued focus on cost optimization helped to improve EBITDA for the nine-month period. Ooredoo Algeria maintained its mobile data leadership, with a solid growth in 4G data users during the third quarter driving record data usage. In Iraq we are benefitting from the stabilisation of market conditions and reported a 3% increase in revenue and 8% increase in EBITDA for the nine-month period.

Sequential top-line growth is returning in Indonesia, with improvements in quarterly revenue and EBITDA. We are beginning to see the impact of the SIM registration regulation subdue and a positive shift in market dynamics. Myanmar reported another strong set of results, with 10% top-line growth for the nine months ended 30 September 2018, compared to the same period last year.”

Operational Review

Middle East

Ooredoo Qatar

Ooredoo Qatar built its market leadership through 9M 2018, with particularly strong progress in the 5G space. Revenue stood at QAR 5.8 billion (9M 2017: QAR 5.9 billion). EBITDA stood at QAR 3.0 billion, an increase of 1% due to an improved revenue mix and cost efficiencies. Customer numbers stood at 3.3 million (9M 2017: 3.5 million).

The company made important progress in the global race to provide commercial 5G services, establishing 80+ live 5G sites in Qatar. During the period, Ooredoo Qatar also tested the world's first self-driving 5G-connected aerial taxi. Other important network achievements include being named as 'Qatar's Fastest Mobile Network' for 2018 by Ookla and the successful trial of the first live eSIM on its Supernet network.

Digital entertainment and business services were key drivers of growth during the quarter. The company's customer base for its Ooredoo TV service grew by 4% following a successful FIFA World Cup campaign. Ooredoo Qatar launched a Fleet Management IoT Solution and achieved 'Gold-tier Cloud Service Provider' status with Dell EMC during the period, enhancing its portfolio of business solutions.

Ooredoo Oman

Ooredoo Oman continues to deliver robust financial results, with growth across the board. Revenues increased by 3% to reach QAR 2.1 billion at 9M 2018, driven by growth in mobile and fixed data revenues. Reflecting a good efficiency programme, EBITDA increased 2% to QAR 1.1 billion, and EBITDA margin was strong at 53%.

Ooredoo Oman's customer base was 2.9 million at 9M 2018. Customers are now benefitting from new services and products designed to elevate their digital customer experience. Ooredoo Oman relaunched its award-winning app, with a new look and feel; launched the country's first chatbot, "Saeed" and provided digital training to customer service representatives, all of which cater to the increasingly digital requirements of consumers and businesses in the Sultanate.

Ooredoo Kuwait

Ooredoo Kuwait reported a strong revenue increase of 14% to QAR 2.2 billion for the nine month period ended 30 September 2018. Higher handset sales led to an increase in revenue, while at the same time negatively impacting margins. EBITDA was QAR 444 million for the nine months ended 30 September 2018, lower than QAR 474 million for the same period in 2017.

Ooredoo's customer base in Kuwait increased 2% to 2.3 million for the nine month period ended 30 September 2018, compared to the same period in 2017. To maintain its competitive position in the market, Ooredoo Kuwait launched new prepaid and postpaid data plans during the period. In addition, Ooredoo Kuwait ran key promotional campaigns, including Ooredoo passport internet packages and post-paid iPhoneXs offers.

During the period, Ooredoo Kuwait's brand equity score improved reflecting increased customer satisfaction.

Asiacell - Iraq

Asiacell Iraq benefitted from improvements in the security and economic situation in the country. With more areas liberated and network restoration underway, Asiacell reported a 3% increase in Revenue to QAR 3.5 billion at 9M 2018, compared to the same period last year. EBITDA was up 8% to QAR 1.6 billion, growing at a faster rate than revenue and reflecting good efficiency management.

Customer base increased 6% to 13.3 million customers for the 9M 2018 period, and Asiacell received the prestigious CARE award for its excellence in customer care service.

North Africa

Ooredoo Algeria

Business in Algeria was negatively impacted by the devaluation of the Algerian Dinar, intense price competition and a weak economic environment. Revenues decreased to QAR 2.1 billion for the nine months ended 30 September 2018, compared to QAR 2.6 billion for the same period in 2017. EBITDA was QAR 801 million for the nine months ended 30 September 2018, down from QAR 1.2 billion for the same period in 2017. Customer numbers declined by 3% to 13.8 million for the nine months ended 30 September 2018, compared with the same period in 2017.

Ooredoo Algeria maintained its mobile data leadership, with 57% growth in 4G data users during the third quarter driving record data usage. During the period, Ookla confirmed Ooredoo Algeria's data network leadership for its 3G and 4G networks for H1 2018.

Ooredoo Tunisia

Ooredoo Tunisia reported a robust set of results with growth across all key indicators. Ooredoo's customer base in Tunisia increased 5% to 8.8 million for the nine months ended 30 September 2018, compared to the same period in 2017. In local currency terms, revenues were up by 6%, however, in Qatari Riyals, revenue growth was flat at QAR 1.2 billion for 9M 2018. EBITDA was solid at QAR 477 million at 9M 2018, up 5% from QAR 455 million from the same period last year.

Growth was driven by mobile data and VAS revenues as well as fixed revenues and handset sales. During the period, Ooredoo Tunisia maintained its leadership in mobile data subscriptions, with 41% of market share according to data released by the regulator.

Asia

Indosat Ooredoo

Indosat Ooredoo reported revenue of QAR 4.3 billion and EBITDA of QAR 1.5 billion at 9M 2018 (9M 2017: QAR 6.2 billion and QAR 2.9 billion respectively). Quarter on quarter, we are starting to see early signs of growth, with improvement in our top-line, as the market adjusts to the new SIM card registration regulation introduced in Q1 2018.

We maintain a cautiously optimistic view and continue to see long term opportunities in the new market environment with a more loyal customer base and lower churn rates that will lead to higher margins in future.

Post period, Indosat Ooredoo held its Annual General Meeting where shareholders agreed on the appointment of new board of directors and commissioners. Indosat Ooredoo also announced the appointment of Mr. Chris Kanter as the new Chief Executive Officer of the company.

Ooredoo Myanmar

Ooredoo Myanmar reported another strong set of results, with growth across the board. Supported by solid growth in data, digital revenues and new customer additions, Revenue was up almost 10% to QAR 1.1 billion at 9M 2018, compared to QAR 961 million at 9M 2017.

The company's efficiency programme is showing good results, with an 87% increase in EBITDA to QAR 173 million at 9M 2018, compared to QAR 93 million for the same period last year.

Despite the market entry of the fourth operator, Ooredoo Myanmar increased its customer base by 23% to 9.4 million customers for the period ended 30 September 2018.

Ooredoo's Q3 2018 financial statements will be available on its website, accessible at: <http://www.ooredoo.com>.

For further information:

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About Ooredoo

Ooredoo is an international communications company operating across the Middle East, North Africa and Southeast Asia. Serving consumers and businesses in 10 countries, Ooredoo delivers the leading data

experience through a broad range of content and services via its advanced, data-centric mobile and fixed networks.

Ooredoo generated revenues of QAR 33 billion as of 31 December 2017. Its shares are listed on the Qatar Stock Exchange and the Abu Dhabi Securities Exchange.