

## Ooredoo Q.P.S.C.

### Ooredoo Group reports QAR 33 billion in Revenue for FY 2017 Group customer base up 18% to reach 164 million

**Doha, Qatar, 11 February 2018:** Ooredoo Q.P.S.C. (“Ooredoo”) - Ticker: ORDS today announced results for the year ended 31 December 2017.

#### Financial Highlights:

	Quarterly Analysis			Full Year Analysis		
	Q4 2017	Q4 2016	% change	FY 2017	FY 2016	% change
Consolidated Revenue (QAR m)	8,259	8,238	0%	32,735	32,503	1%
EBITDA (QAR m)	3,324	3,223	3%	13,783	13,379	3%
EBITDA Margin (%)	40%	39%	-	42%	41%	-
Net Profit Attributable to Ooredoo Shareholders (QAR m)	408	361	13%	1,967	2,193	-10%
Consolidated Customer base (m)	164	138	18%	164	138	18%

- FY 2017 Revenue increased to QAR 32.7 billion, driven by strong contributions from Indonesia, Iraq, Kuwait, Maldives and Oman. Excluding Foreign Exchange translation impact, revenues increased by 2% compared to the reported 1% revenue increase.
- Group EBITDA increased 3% to QAR 13.8 billion with a corresponding increase in EBITDA margin to 42%, indicating a further improvement in operational performance from FY 2016 (41%). Excluding Foreign Exchange translation impact, Group EBITDA increased by 4% year-on-year.
- New government levies in Oman and one-off provision reversals in 2016 lead to a decrease in Group Net Profit to Ooredoo shareholders by 10% to QAR 2.0 billion. Excluding these, the normalized net profit attributable to Ooredoo shareholders increased by 1%.
- 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 15.3 billion in 2017, up 16% from QAR 13.1 billion in 2016
- Group B2B revenue stands at QAR 5.5 billion in 2017 reflecting Ooredoo's ongoing investment to support the growth of businesses, SMEs and governmental clients.

#### Operational highlights:

- Customer base showed further strength, increasing 18% to 164 million, driven by multiple customer acquisition activities in Indonesia, Iraq, Oman, Algeria, Tunisia, Maldives and Palestine.

- Ooredoo continues to be a data leader in its markets with 4G networks now available in 8 of Ooredoo's 10 markets. The networks have been further enhanced across all 4G markets.
- Wataniya Mobile launched services in the Gaza strip in October 2017, and is now able to target a significant market, with the Gaza strip constituting about 40% of the Palestinian market.
- Looking to next-generation network services, Ooredoo Qatar became one of the world's first companies to offer "5G Speed Experiences", with download speeds of up to 1 Gbps, in a special demonstration during Qatar's National Day in December 2017.
- Indosat Ooredoo was awarded 5 MHz of the 2.1 GHz spectrum from the Government of Indonesia in Q4 2017 after winning the spectrum auction, part of which will be used for 4G capacity. The company started deployment of seamless 4G coverage in high value areas outside of Java

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

"2017 was another very good year for Ooredoo Group, with growth in Revenues, EBITDA, EBITDA margin and customer numbers. Most importantly, during 2017 we focused on what we do best: enrich people's digital and real-life journeys. We expanded access to 4G services in most of our operations and prepared our network for 4.5 and 5G.

A significant moment for the year was the much awaited launch of operations in Gaza, Palestine, with the largest investment in telecommunications in Gaza in nearly two decades.

We are proud to have received global recognition for enabling Qatar to have the fastest average broadband connection speeds in the Middle East and North Africa, and 7th-fastest in the world, and for leveraging the power of broadband for sustainable development.

Indosat Ooredoo celebrated its 50th anniversary during 2017, marked by numerous achievements not the least of which is its successful transformation into a leader in Indonesia's digital space.

We maintain our leadership position and commitment to connecting and developing the citizens of emerging economies where we operate and are proud to now serve almost 164 million people.

For our shareholders we continue to deliver long-term growth and value. The Board of Directors proposed a cash dividend of QAR 3.5 for 2017."

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

"I am pleased to report very solid results across the board. Group Revenue increased 1% to QAR 32.7 billion, driven by growth in Indosat, Iraq, Oman, Maldives and Kuwait. During 2017, we continued to streamline our operations and achieved significant savings in 2017, particularly through our focus on centralised purchasing and infrastructure sharing. As a result, we increased our EBITDA by 3% to QAR 13.8 billion and improved our EBITDA margin to 42%.

We are a well monetized data business, with QAR 15.3 billion in data revenue now accounting for 46% of our total revenues.

In our home market in Qatar we became one of the world's first companies to offer "5G Speed Experiences." Our biggest international operation, Indosat Ooredoo delivered another year of growth, with increases in Revenue and EBITDA. Ooredoo Oman increased its fixed service customers by one third, while Ooredoo Kuwait, Ooredoo Algeria

and Ooredoo Tunisia expanded 4G coverage to cater for the increased data traffic. With a strong efficiency programme, Ooredoo Myanmar reported positive EBITDA for the first time on a full year basis.”

## **Operational Review**

### **Middle East**

#### **Ooredoo Qatar**

Ooredoo Qatar delivered positive results for the year, building on its close links with the community and record of innovation. The company gained further value market share. It also ensured sustainable free cash flow levels via a series of cost optimisation programmes. Revenue stood at QAR 7.8 billion, while EBITDA was QAR 3.9 billion.

Network enhancement programmes delivered a significant upgrade of data services in 2017. In December, the company was able to offer customers a “5G speed experience” as part of Qatar National Day celebrations. The roll-out of Ooredoo Fibre connected another 55,000 homes in 2017. Digital entertainment also delivered good revenue growth, with Ooredoo tv attracting more than 100,000 customers by the end of the year.

#### **Ooredoo Oman**

Revenues for the year increased 1% to QAR 2.7 billion, driven by both mobile and fixed data business. EBITDA for the year increased 2% to QAR 1.4 billion for the year 2017. Omani results in 2017 were impacted by increase in royalty fee from 7% to 12% and an increase in income tax rate from 12% to 15%.

Ooredoo Oman now serves a total number of more than 3 million customers, representing a 4% increase over 2016. The fixed service customer numbers increased by one third to reach more than 115k.

#### **Ooredoo Kuwait**

Ooredoo Kuwait increased Revenues by 12% in 2017 to QAR 2.7 billion, up from QAR 2.4 billion in 2016. EBITDA was up 6% to QAR 652 million, compared to QAR 614 million in 2016. Ooredoo's customer base in Kuwait stood at 2.2 million for 2017, representing a 6% decrease compared to the same period in 2016 due to intense competition and the overall market condition. By focusing on digital growth and cost optimisation, Ooredoo Kuwait delivered improved financial results despite the slight decrease in customer numbers. The company prepared its network for 4.5G in anticipation of further growth opportunities, in addition to building new sites and expanding its existing network.

## **Asiacell - Iraq**

A key opportunity in 2017 was restoring our network sites in the liberated areas and helping customers living there to reconnect to our services. As a result, Asiacell increased customer numbers by 8% to reach almost 13 million as network recovery advanced in the liberated areas in the north and west of the country.

During 2017, Revenue increased 6% to QAR 4.5 billion and EBITDA also increased 3%, reaching QAR 2.0 billion, positively impacted by the increased revenue and good control of operating expenses. EBITDA margin was strong at 44%.

## **North Africa**

### **Ooredoo Algeria**

During 2017, Algeria focused on driving forward its cost optimization programme. As a result, Ooredoo Algeria increased EBITDA by 15% to QAR 1.5 billion (2016: QAR 1.3 billion), despite a decrease of 8% in Revenues to QAR 3.4 billion (2016: QAR 3.7 billion). Revenues were negatively impacted by the increase in VAT and a weak economic environment. Ooredoo's customer base in Algeria increased to 14.3 million customers for 2017, up by 4% compared with the same period in 2016.

Ooredoo Algeria continued deploying its 4G infrastructure during 2017, reaching 25 percent population coverage by year-end. More than 10 million people are now covered by the Ooredoo network and 15 percent of data traffic is 4G.

### **Ooredoo Tunisia**

Ooredoo Tunisia continued to be impacted by unfavourable foreign exchange rates. Revenue was QAR 1.5 billion, compared to QAR 1.7 billion in 2016. EBITDA was QAR 606 million, compared to QAR 686 million in 2016. EBITDA margin remained solid at 40%, the same level as in 2016. Tunisian Dinar depreciated by 11% year on year. In local currency terms, revenue increased by 1% in 2017.

Ooredoo's customer base in Tunisia reached 8.4 million in 2017, an increase of 5% compared to the previous year. To accommodate exponential growth of data demand, Ooredoo Tunisia offered customers innovative products and solutions, including new 4G mi-fi packs and managed and secured wi-fi solutions for businesses.

## **Asia**

### **Indosat Ooredoo**

Indosat Ooredoo was the highest revenue contributor to the Group, with Revenue of QAR 8.2 billion, up 3% from QAR 8.0 billion in 2016. EBITDA margin was strong at 47%, while EBITDA increased 4% to QAR 3.9 billion in 2017 compared to 3.7 billion in 2016. Customer numbers increased significantly, up by 29% to more than 110 million.

Indosat Ooredoo celebrated its 50<sup>th</sup> anniversary during 2017 marked by numerous achievements, not the least of which is its successful transformation into a leader in Indonesia's digital space. During the year, 4G coverage was deployed to high value areas outside of Java.

### **Ooredoo Myanmar**

Ooredoo Myanmar reported a positive EBITDA of QAR 152 million (2016: QAR (9) million), reversing the negative trend since the launch, mainly due to its success in driving forward its cost and efficiency programmes. Unfavourable

foreign exchange rates and increased competition impacted revenues which decreased 10% to QAR 1.3 billion in 2017. Ooredoo Myanmar serves 7.9 million customers.

Ooredoo's FY 2017 financial statements will be available on its website, accessible at: <http://www.ooredoo.com>.

***For further information:***

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**- Ends -**

**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 served 164 million customers and 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.