

Ooredoo Group

Q1 2017 Results

27 Apr 2017



Disclaimer

- Ooredoo (parent company Ooredoo Q.S.C.) and the group of companies which it forms part of (“Ooredoo Group”) cautions investors that certain statements contained in this document state Ooredoo Group management's intentions, hopes, beliefs, expectations, or predictions of the future and, as such, are forward-looking statements
- 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
- This presentation does not constitute an offering of securities or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire or dispose of securities in any company within the Ooredoo Group
- 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



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Group Results

Key Highlights

Global customer base further expanded

- Strong customer growth by 26% to reach 149 million driven by solid growth across major markets
- Ooredoo continues to be a data leader in its markets: 4G roll-out continuous across multiple countries, 4G networks are now available in 8 of Ooredoo's 10 markets.
- Wataniya Palestine started to prepare for launch in Gaza and 3G network upgrade

Solid financial performance delivered with improving EBITDA trends

- Revenue increased to QAR 8.0 billion, an improvement of 2% over Q1 2016. In local currency terms, growth was driven by Qatar, Indonesia, Oman, Tunisia, Myanmar and Maldives. Excluding Foreign Exchange translation impact, revenues would have increased by 3% year-on-year.
- Group EBITDA increased by 8% to QAR 3.4 billion with an improved EBITDA margin of 43%, indicating a strong operational performance and cost control.
- Group Net Profit to Ooredoo shareholders decreased by 34% to QAR 584 million. Net Profit results in Q1 2016 benefitted from significant Foreign Exchange gains of QR 380 million, excluding these, Net Profit was up by 3%
- Continued strong data growth from consumer and enterprise customers: data revenue increased to 43% of Group Revenue. Revenue from data contributed QAR 3.5 billion in Q1 2017.

IPO of Ooredoo Maldives: plans to proceed with a listing of shares on the Maldives Stock Exchange.

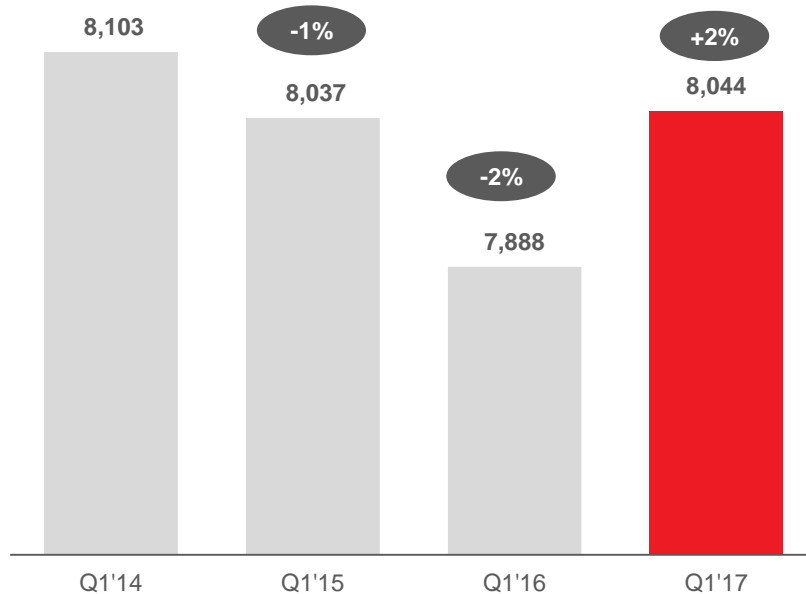
- The offering will represent up to 40% of the company and is expected to open for subscription on 30th April 2017.



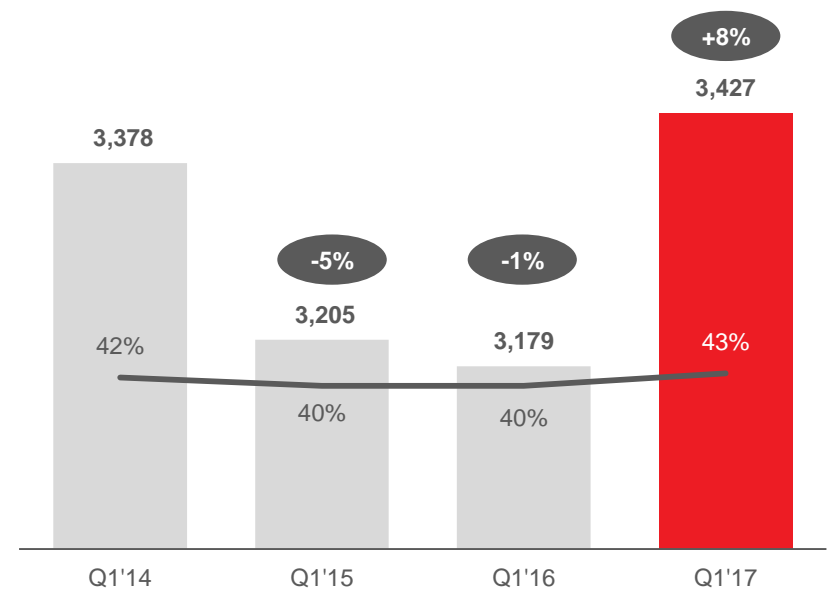
Group Results

Revenue and EBITDA

Revenue (QARm)



EBITDA (QARm) and EBITDA Margin



Healthy Revenue growth in Indonesia, Qatar, Oman and Maldives
Markets remain challenging in Iraq and Kuwait, negative FX impact in Myanmar and Tunisia
Excluding FX impact: Revenue +3% and EBITDA +8%

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

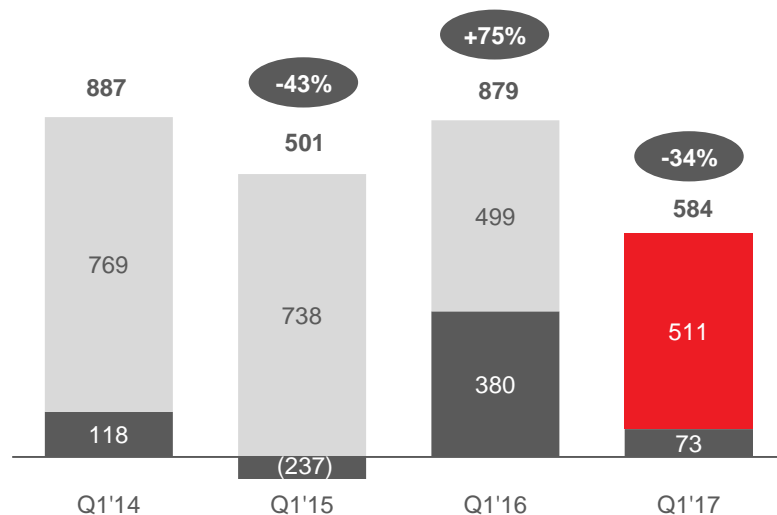


Group Results

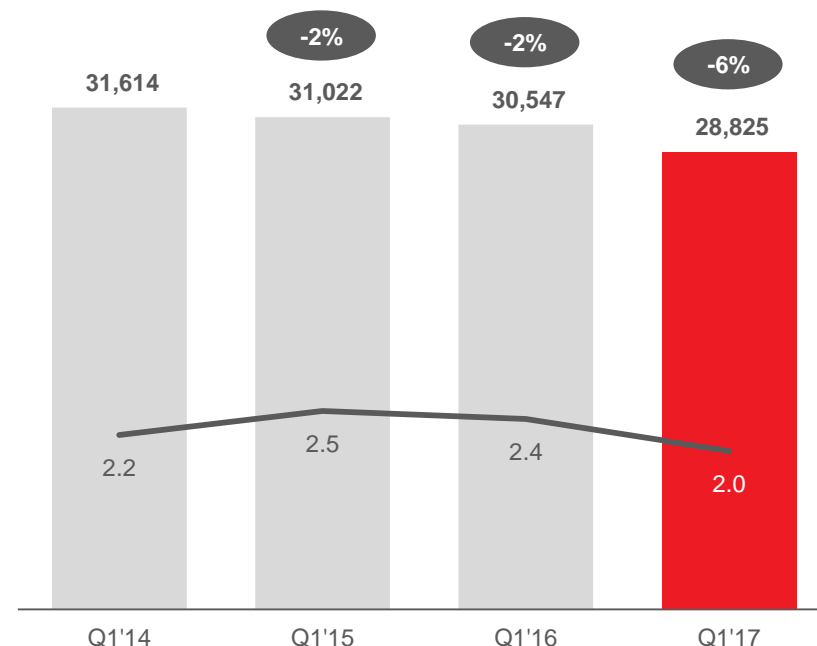
Net Profit and Net Debt¹

Net Profit Attributable to Ooredoo shareholders (QARm)

■ Net Foreign Exchange



Net Debt¹ (QARm) and Net Debt / EBITDA



Net Profit YoY comparison distorted by high FX gains in Q1 2016

Excluding FX impact: Net Profit up by 3%

Net Debt level decreased further

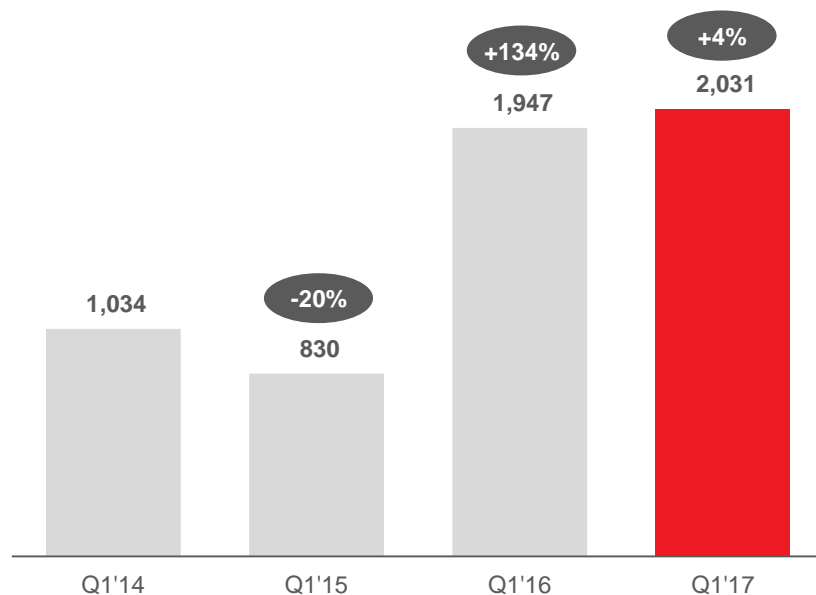
Note: (1) Net Debt = Total interest bearing loans and borrowings + contingent liabilities (letters of guarantee + letters of credit + finance lease + vendor financing) – cash (net of restricted cash and below BBB+ rating)



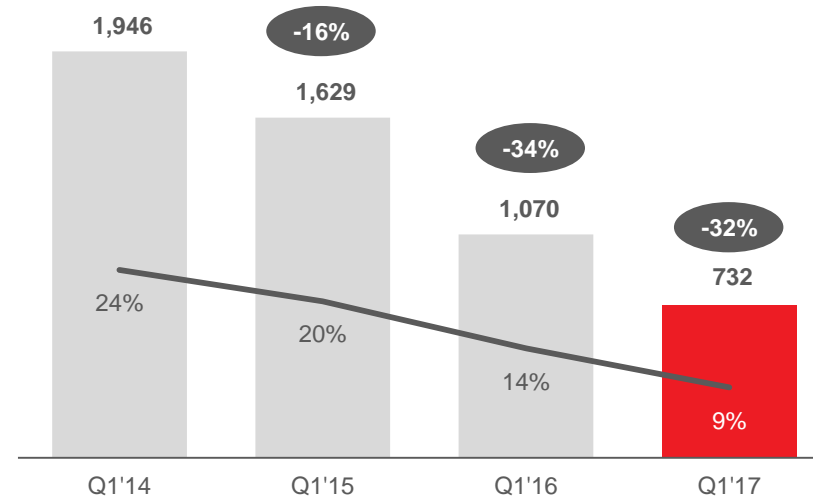
Group Results

Free Cash Flow and Capital Expenditure

Free Cash Flow ¹(QARm)



CAPEX (QARm) & CAPEX/ Revenue (%)



Focus on Capex optimization further improved Free Cash Flow
Centralized global sourcing strategy at Ooredoo Group achieving favorable equipment prices

Note: (1) Free cash flow = Net profit plus depreciation and amortization less capex; Capex excludes license fee obligations; Net profit adjusted for extraordinary items

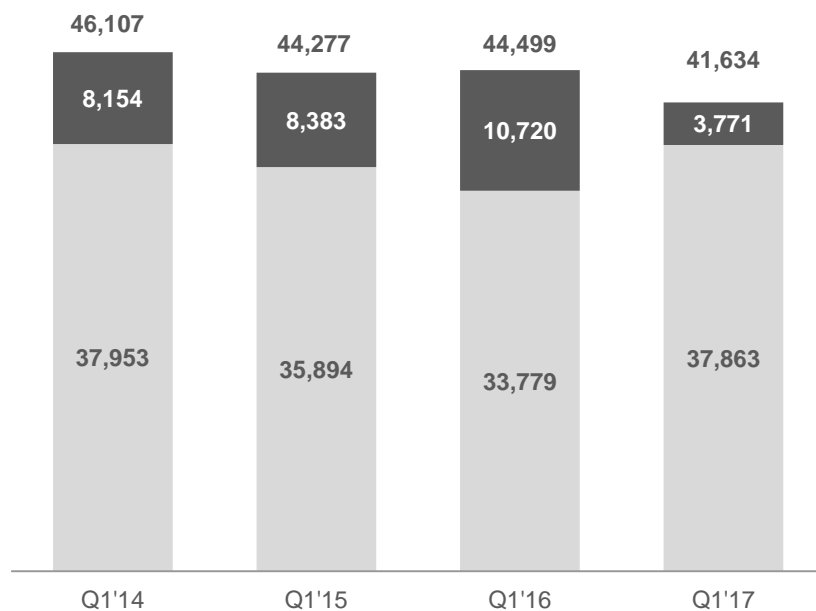


Group Results

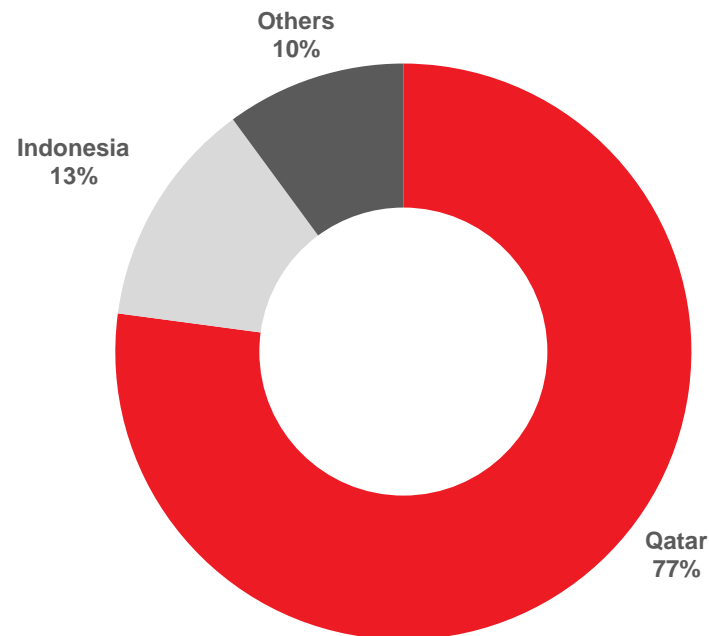
Total Group Debt Breakdown

Total Group Debt (QARm)

■ Short Term
■ Long Term



Total Group Debt Breakdown (as at March 31, 2017)



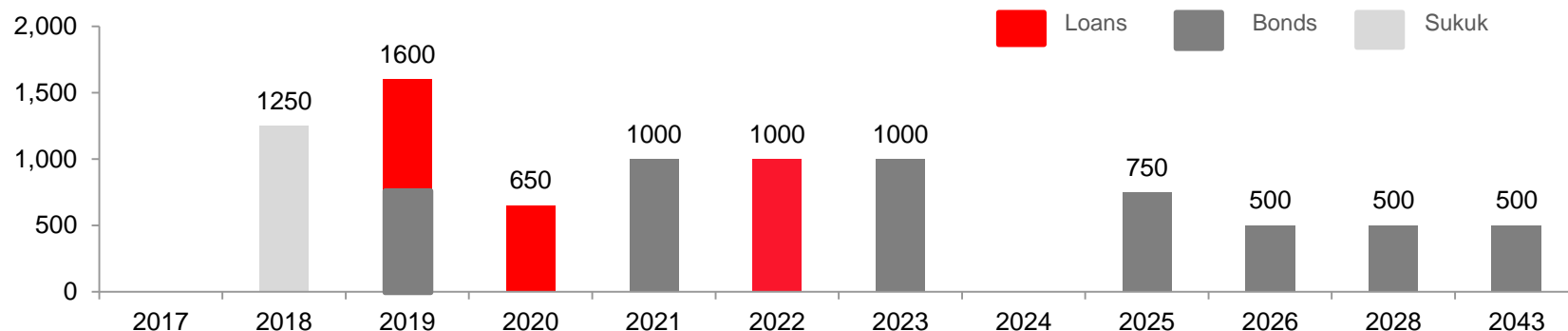
Well balanced Group debt reduced further and appropriate cash levels maintained
OpCo debt primarily in local currency

Note: (1) Includes Ooredoo International Finance Ltd. and Ooredoo Tamweel Ltd.



Group Results

Debt Profile – Ooredoo Q.S.C. level



Loan Type (in USD mn)	Amount	Usage	Rate*	Maturity	Bonds/Sukuk (in USD mn)	Issue Amount	Interest/ Profit Rate	Maturity	Listed in
QAR3bn RCF	824	0	QAR Money Market	31 Jan 2018	Fixed Rate Bonds due 2019	600	7.875%	10 Jun 2019	LSE
USD1bn RCF	1,000	1,000	Libor + 100bps	17 May 2019	Fixed Rate Bonds due 2021	1,000	4.75%	16 Feb 2021	LSE
USD 500mn RCF	500	500	Libor + 88bps	06 May 2020	Fixed Rate Bonds due 2023	1,000	3.25%	21 Feb 2023	ISE
USD150mn Term Loan	150	150	Libor + 90bps	31 Aug 2020	Fixed Rate Bonds due 2025	750	5.00%	19 Oct 2025	LSE
USD1bn RCF	1,000	1000	Libor+ 140bps	07 Jun 2022	Fixed Rate Bonds due 2026	500	3.75%	22 Jun 2026	ISE
					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%	03 Dec 2018	ISE
Total Loans	3,474 m	2,650 m			Total Bonds and Sukuk	6,100 m			

Total outstanding debt as at 31 March 2017 at Ooredoo Q.S.C. level

USD 8,750 million

* Fully drawn basis

Long term debt profile is well balanced

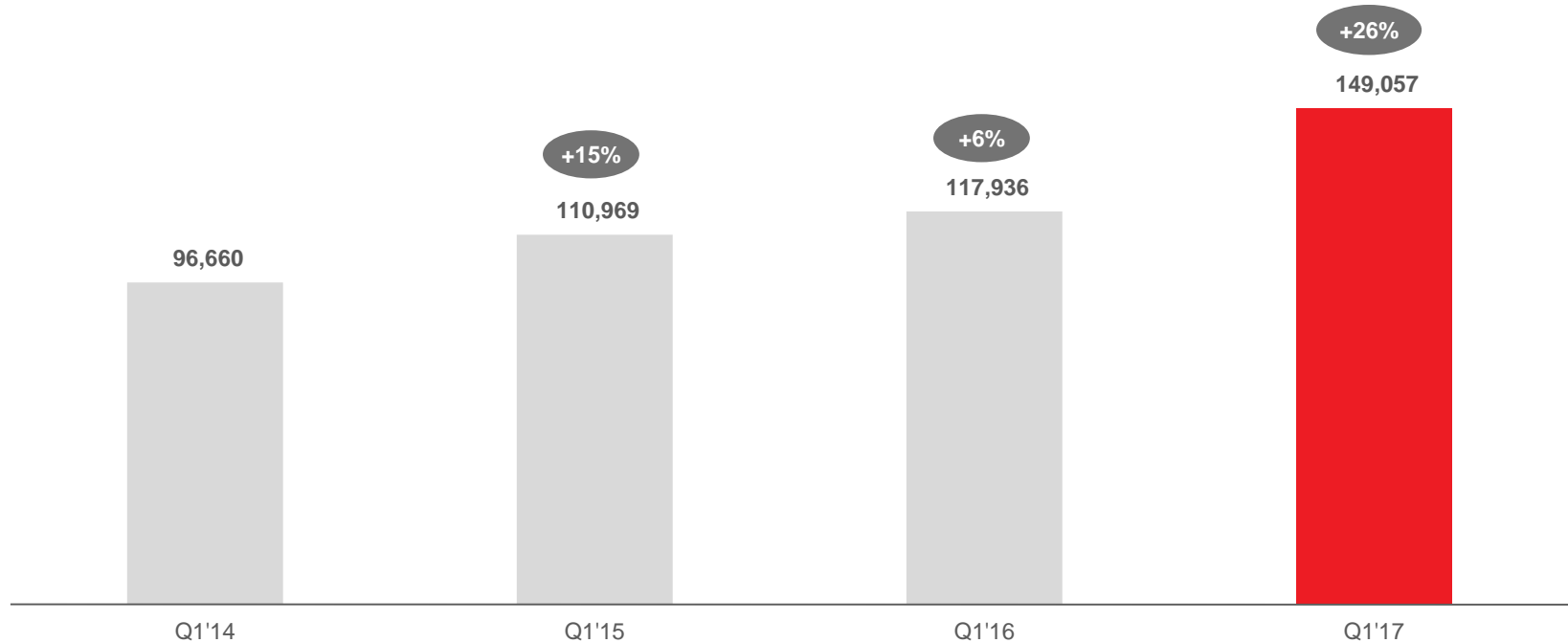


Group Results

Total Customers

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Total Group Customers (000)



31 million new customers added, mainly in Indonesia, Myanmar, Iraq, Oman, Algeria, and Tunisia



Group Results

2017 Q1 performance summary

QAR Millions	3 months ended March 2017	Q1 2017 / Q1 2016	2017 Annual Guidance
Consolidated revenue	8,044	+2%	-1% to +2%
EBITDA	3,427	+8%	0% to +3%
Capital expenditure	732	-32%	5.5 bn to 6.5 bn

Good start of the year, exceeding our guidance for Revenue and EBITDA in Q1



Ooredoo Maldives IPO



INITIAL PUBLIC OFFERING OF OOREDOO MALDIVES PLC

AN INVITATION TO THE PUBLIC
TO BE PART OUR GROWTH STORY

Offer Opening Date: April 30, 2017
Offer Closing Date: May 28, 2017

ABOUT US

Ooredoo Maldives is a leading telecommunications service provider in the Maldives that has continued to offer innovative and localised telecommunications services to the Maldives with a strong commitment to customer service

We are part of the Ooredoo Group, an international telecommunications operator with a customer base exceeding 138 Million and operations across 10 countries

KEY FEATURES OF THE OFFER

Offer Price	MVR 30.00
Offer Amount	Maximum of MVR 1,773,604,800
Number of Shares on Offer	59,120,160 (40% of the Issued Ordinary Shares) starting with 22,170,060 (15% of the Issued Ordinary Shares)
Minimum Subscription	Minimum subscription per application is 50 (Fifty) shares



OOREDOO MALDIVES IPO - A COMPELLING INVESTMENT OPPORTUNITY

For further information regarding the Ooredoo Maldives IPO please visit the website via: <http://www.ooredoo.mv/investors>



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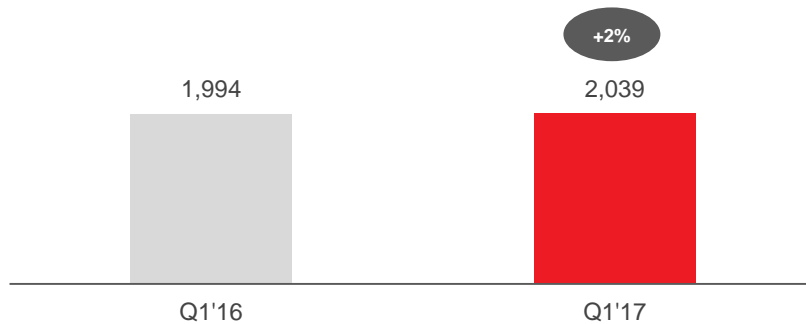
Group Operations

Qatar

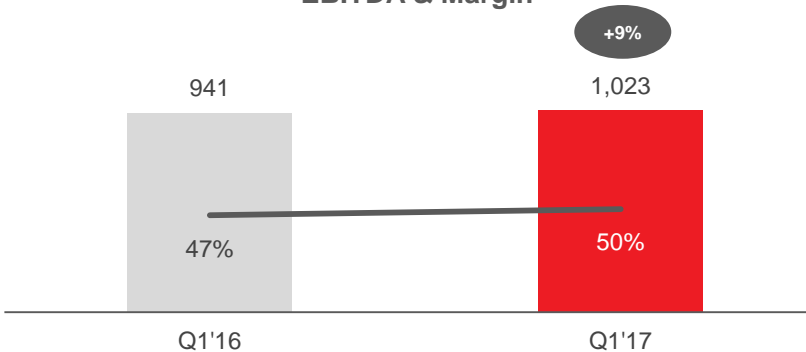
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QARm

Revenue



EBITDA & Margin



▪ 1 US\$ = 3.6415 Qatari Riyal (QAR)¹

Note: (1) Constant pegged currency

Qatar



- Number of customers increased by 1% YoY
- **Positive results** in terms of Revenue, EBITDA and Net Profit
- Revenue increase driven by fixed line business (dual to triple play migration) and higher number of mobile customers
- EBITDA improved due to higher revenue and efficiency in operations
- **Ooredoo TV** performance exceeding expectation, MBC+ became most watched channel
- Launch of **4.5G Pro network** (mobile data speed up to 800 Mbps) and **10 Gbps fibre service**
- Launched “**Endless Packs**”, very popular mobile data packages
- **Ooredoo’s Fibre-to-the-Home** program strong, homes passed **449k**, homes connected: **319k**



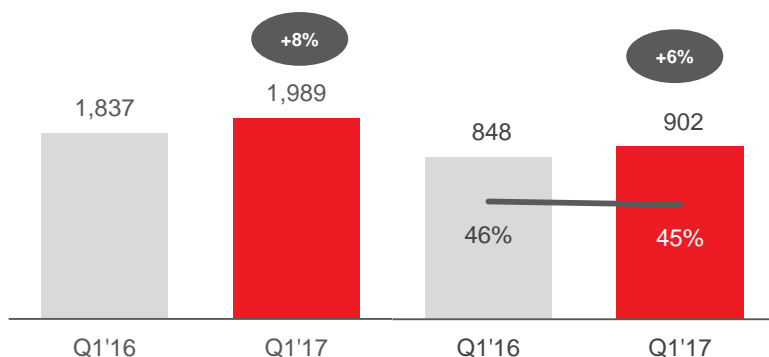
Group Operations

Indonesia

QARm

Revenue

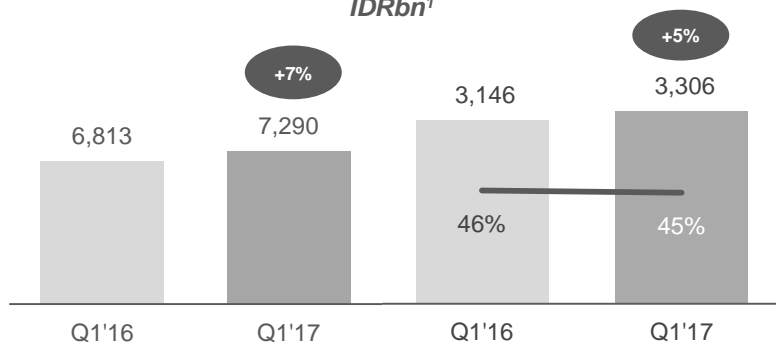
EBITDA & Margin



Revenue

IDRbn¹

EBITDA & Margin



▪ 1 US\$ = 13,344 Indonesia Rupiah (IDR)²

Note: (1) As per IFRS; (2) Three month average rate January – March

Indonesia



- More than 95 million customers, up 37% compared to March last year
- Very healthy Revenue growth YoY driven by MIDI (Multimedia Data and Internet) business and cellular business
- Strong EBITDA margin driven by higher revenue and improved operational processes
- Consumer and New Business digital initiatives on track
- 4G coverage has reached almost 30% of the population in more than 136 cities
- Stable currency environment

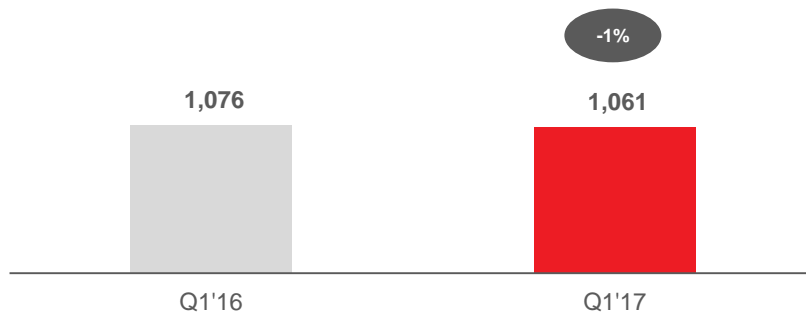


Group Operations

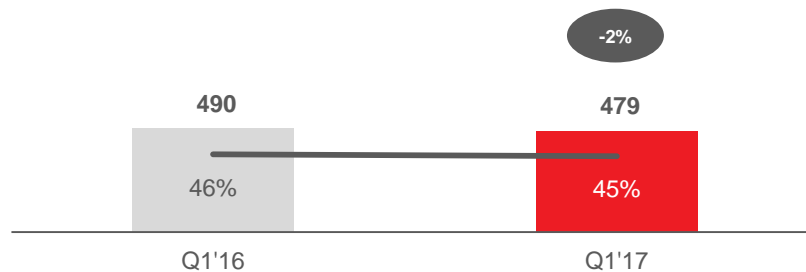
Iraq

QARm

Revenue



EBITDA & Margin



Iraq



- Customer numbers reaching 12 million, an increase of 13% supported by liberated areas (Mosul, Salahadden and Anbar).
- Revenue adversely impacted by negative FX trend and a reduction of interconnect rates (from 3 US cent to 1.25 cent)
- Data usage uptake and B2B showing positive trends
- Intense price competition at beginning of the year, slightly easing of towards the end of the quarter
- Strong focus on cost control
- Asiacell and international rescue committee won award for best sustainable initiative at Abu Dhabi sustainability leadership award

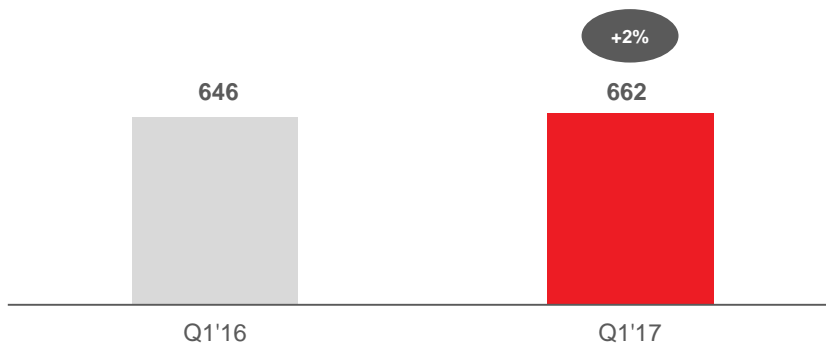
Group Operations

Oman

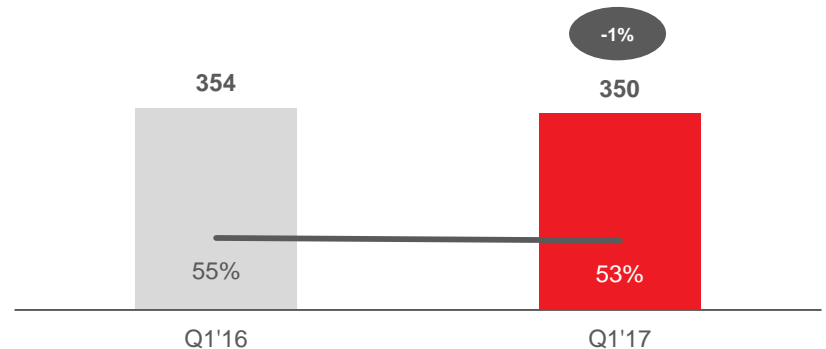
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QARm

Revenue



EBITDA & Margin



▪ 1 US\$ = 0.38463 Omani Rial (OMR)¹

Note: (1) Constant pegged currency

Oman



- Growth in Revenue driven by mobile and fixed data
- Customers grew by 9%, first time to exceed 3 million
- Higher customer acquisition cost, slight drop in EBITDA (-1%)
- Net profit impacted by increase in royalty fee from 7% to 12%, and increase in income tax rate from 12% to 15%
- 2 million (66% of the total base) subscribers are enrolled in the Nojoom (loyalty) program
- Ooredoo TV launched with unlimited live channel access and more than 6,000 hours of movies
- Trial of LTE on 900MHz successfully which will help expanding LTE footprint cost effectively
- Q1 management changes:
 - Ian Dench joined from Ooredoo Group HQ as new Ooredoo Oman CEO
 - Abdul Razzaq, promoted to new CFO



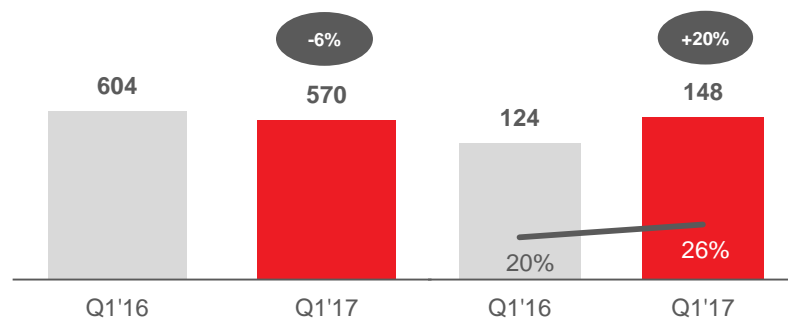
Group Operations

Kuwait

QARm

Revenue

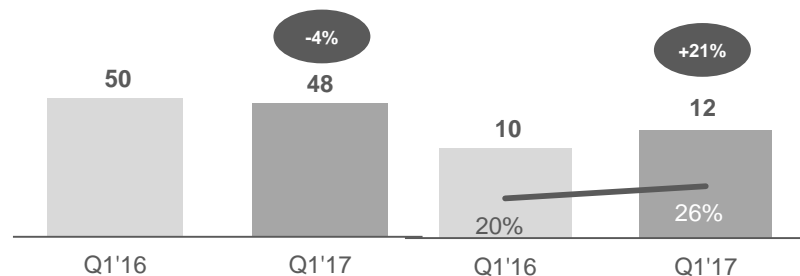
EBITDA & Margin



Revenue

KWDm

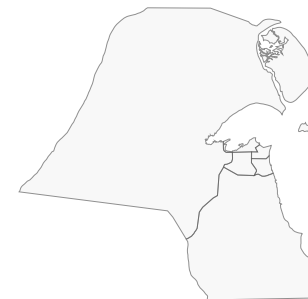
EBITDA & Margin



- 1 US\$ = 0.3053 Kuwait Dinar¹

Note: (1) Three month average rate January – March

Kuwait



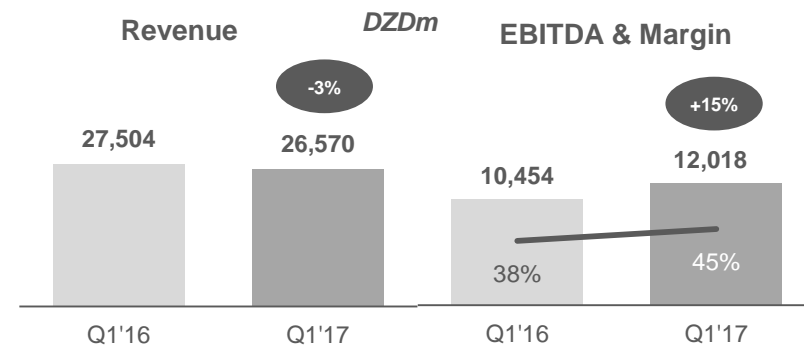
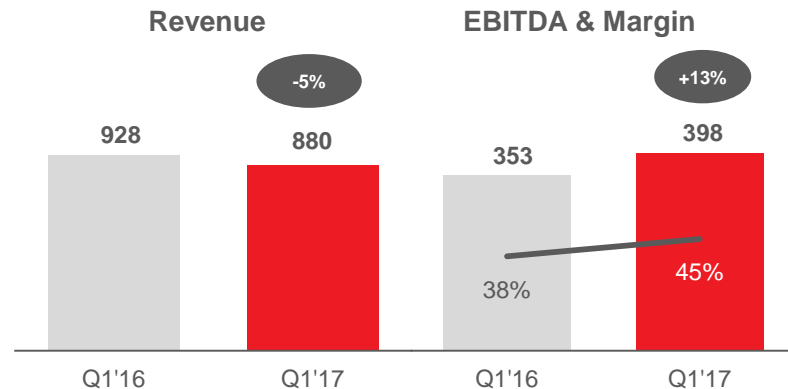
- Weak economic situation and cut throat competition in the market (especially post paid small screen segment) negatively impacting Revenues
- Customer numbers decreased by 2%. Increase in postpaid and wireless broadband offset by reduction in prepaid segment
- Continuous efforts on stringent cost controls to support EBITDA
- Strong network performance in voice & data



Group Operations

Algeria

QARm



- 1 US\$ = 109.9 Algerian Dinar (DZD)¹

Note: (1) Three month average rate January – March

Algeria



- Ooredoo Algeria maintains revenue market share growth despite challenging market conditions and fierce price competition
- Q1 seasonally slow quarter of the year plus increase in VAT negatively impacted Revenue
- Ongoing cost optimization efforts to offset overall revenue market decline
- Customer numbers up 5% to reach 13.9 million
- 4G services roll out progresses well, reaching a total of 31 wilayas. Widest 4G geographical footprint among the 3 operators



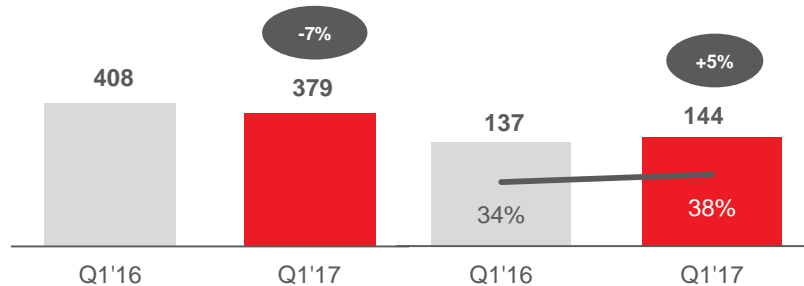
Group Operations

Tunisia

QARm

Revenue

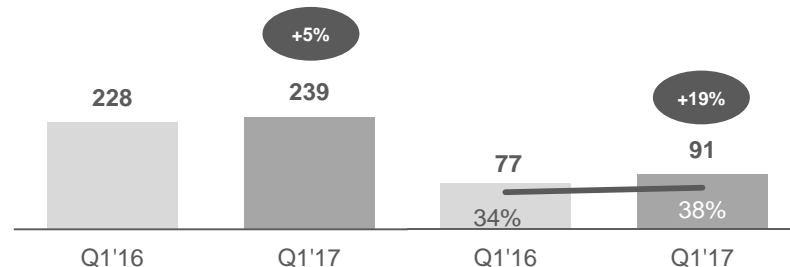
EBITDA & Margin



Revenue

TNDm

EBITDA & Margin



- 1 US\$ = 2.299 Tunisian Dinar (TND)¹

Note: (1) Three month average rate January – March

Tunisia



- Healthy Revenue increase in Tunisian Dinar terms despite intense competition
- Ooredoo managed to improve its margins and maintain market leadership keeping customer market share stabilized
- Mobile data and fixed line business drive Revenue increase
- Customer number increased 6% to reach almost 8 million
- Tight cost control supports EBITDA margin improvement
- Further LTE network roll out, additional LTE sites deployed.



Group Operations

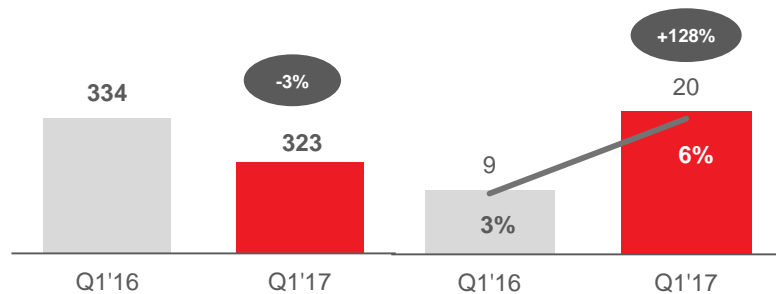
Myanmar

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QARm

Revenue

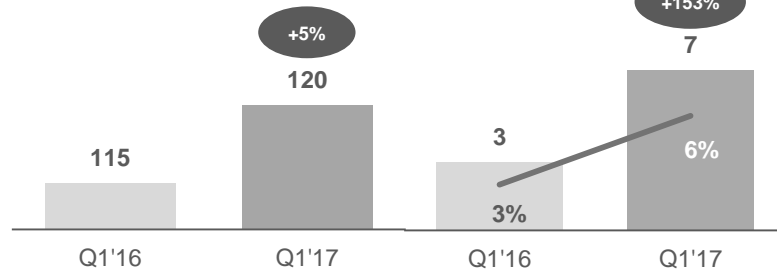
EBITDA



Revenue

MMK

EBITDA



Myanmar



- 5% top line increase in local currency driven by growth in data, B2B and VAS offset by depreciation of the Myanmar Kyat
- Customer number reached 9.3 million, up 35%
- Positive EBITDA achieved by gross margin expansion and Opex cost control
- Network roll out continues
- High demand for data
- ARPU of MMK 4,218 (USD 3.1) negatively impacted by data price erosion from competitive pressure yoy, ARPU stable sequentially
- 4th license awarded to a JV led by Viettel Global in January 2017, launch expected in Q4 2017 or Q1 next year.



Vote for Ooredoo at Extel survey (last day April 29)

The **EXTEL survey** for the Middle Eastern IR society awards is now open.

We value your feedback (positive or negative) and on this occasion especially **your vote**

<https://app.extelsurveys.com/quickvote>



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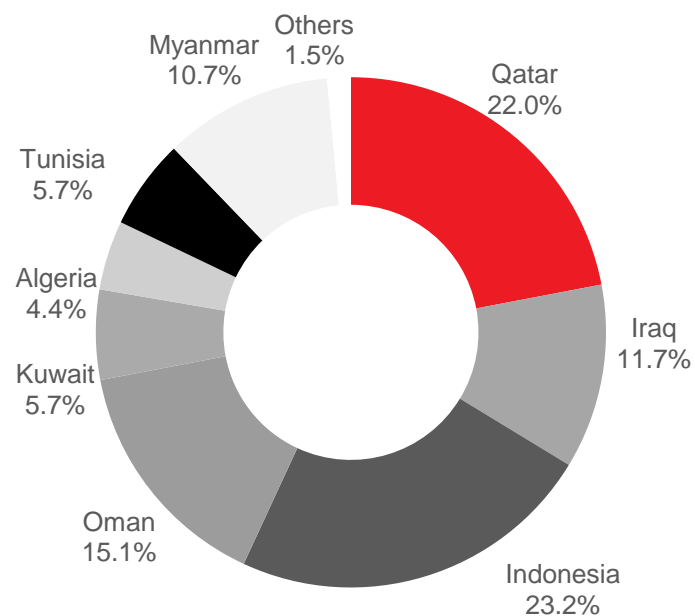
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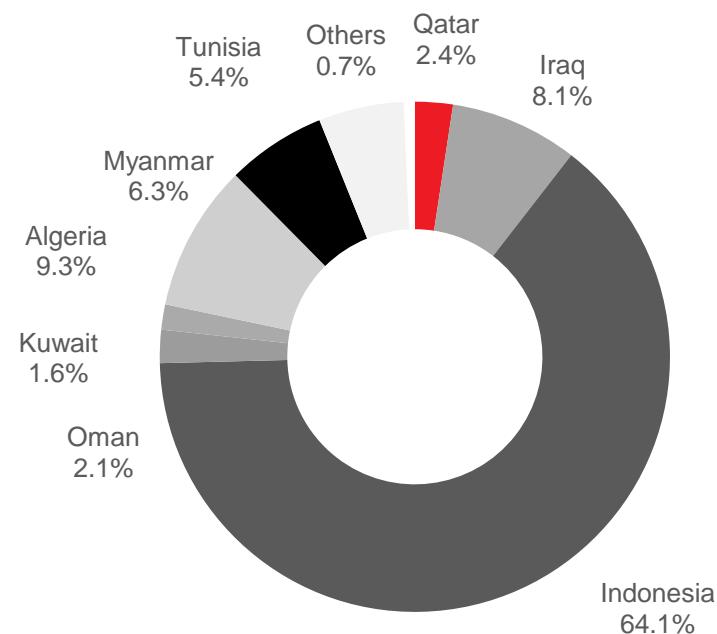
Group CAPEX and Customers Breakdown

CAPEX Breakdown (%)



Q1 2017 CAPEX = QAR 732 m

Customer Breakdown (%)



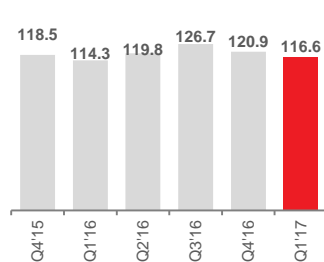
Q1 2017 Total Customers = 149 m



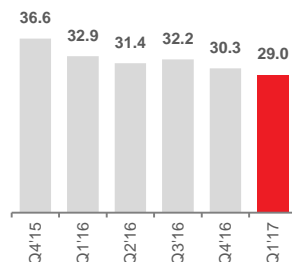
Group Operations Breakdown

Blended ARPU

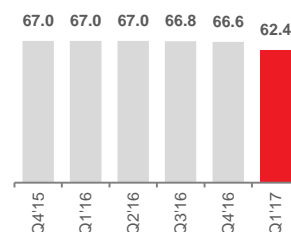
Qatar (QAR)



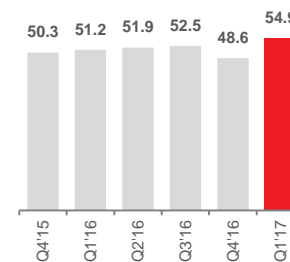
Iraq (QAR)



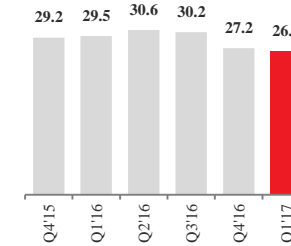
Oman (QAR)



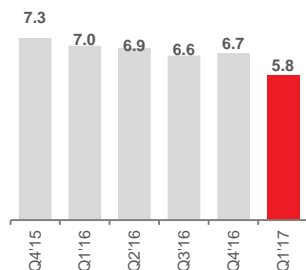
Maldives (QAR)



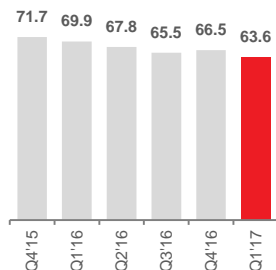
Palestine (QAR)



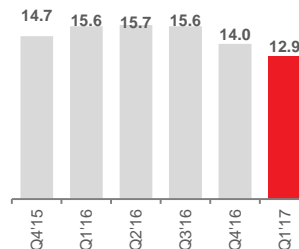
Indonesia (QAR)



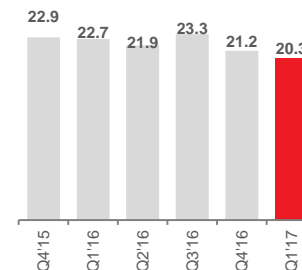
Kuwait (QAR)



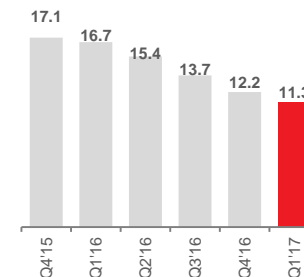
Tunisia (QAR)



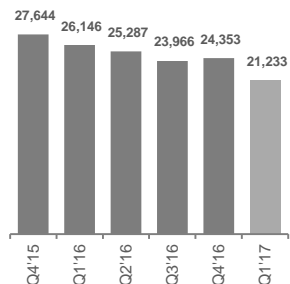
Algeria (QAR)



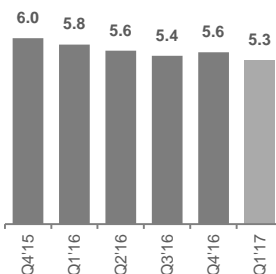
Myanmar (QAR)



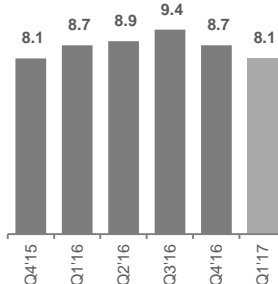
Indonesia (IDR)



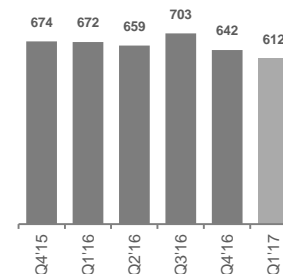
Kuwait (KWD)



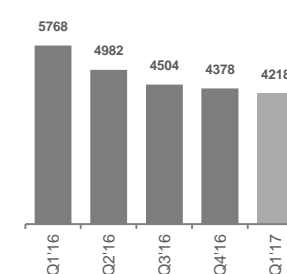
Tunisia (TND)



Algeria (DZD)



Myanmar (MMK)



Additional Information

Statutory Corporate Tax Rates

	Statutory Tax Rate	Losses C/Fwd Allowed	Notes
Algeria	26%	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 & national Labour Support Tax on consolidated profits
Maldives	15%	5 years	
Myanmar	25%	3 years	
Oman	15%	5 years	
Palestine	20%	5 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) 25% is the standard tax rate; 2) 35% tax rate applies to oil companies, banks, financial institutions including insurance companies and telecommunication companies



Thank You



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**Upcoming
Events**

2017 Q2 Results – July 28, 2017