

Ooredoo Group Full Year 2016 Results

23 Feb 2017



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 - 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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Group Results

Key Highlights

Solid top and bottom line performance delivered in 2016

- 2016 Revenue guidance target achieved – QAR 32 billion Revenue, growth in local currency terms across all markets except Iraq
- 2016 EBITDA guidance exceeded - QAR 13 billion EBITDA, increased by 3%, EBITDA margin further improved to 41%
- Net Profit improved by 4%, driven by strong contributions from Qatar, Oman, Indonesia, Maldives and increased cost efficiencies at Ooredoo Group headquarters

Global customer base further expanded

- Customer base increased by 19% to reach 138 million driven by strong growth across the board

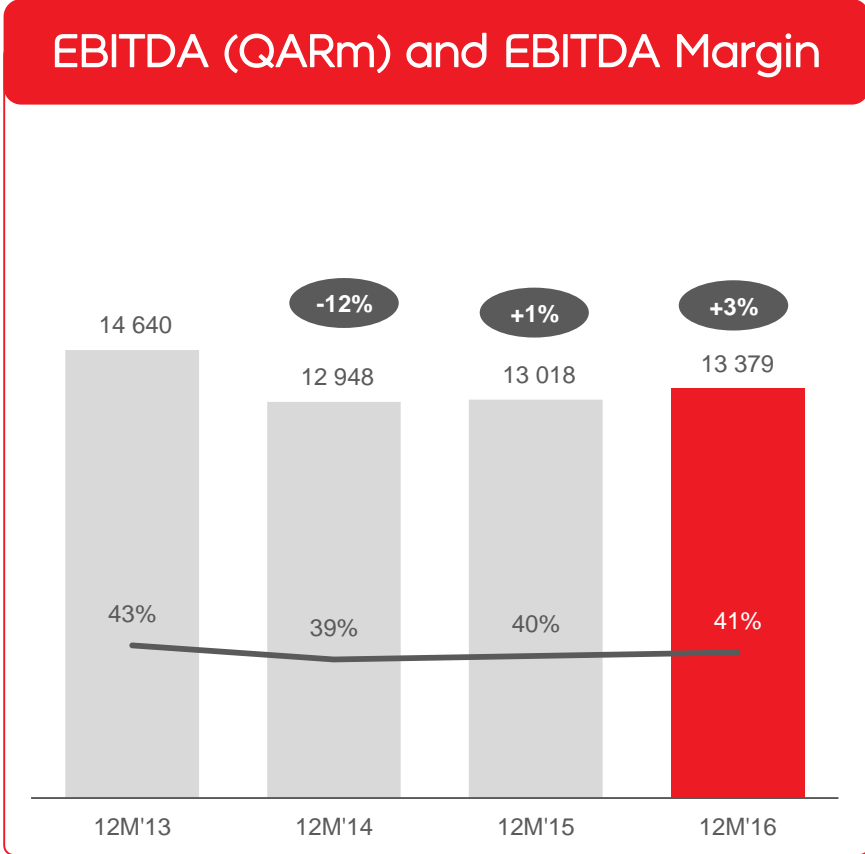
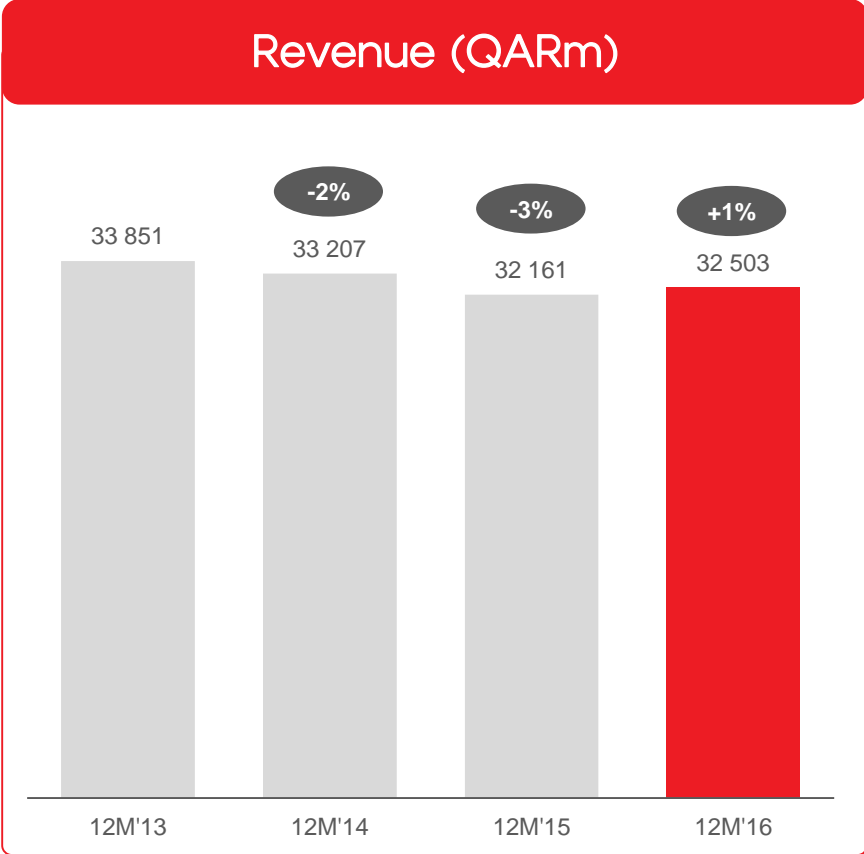
Data leader leadership further enhanced

- First telecom provider to launch 4G services in Qatar, Maldives, Myanmar and Tunisia
- 4G roll-out started in Algeria
- 4G networks are now available in 8 of Ooredoo's 10 markets
- Data revenue increased to 40% of Group revenue, QAR 13 billion at FY 2016



Group Results

Revenue and EBITDA



Growth in Revenue in line with guidance & EBITDA growth exceeded guidance
Cost efficiency programs resulted in higher EBITDA margin
Excluding FX impact, Revenue up +2% & EBITDA up +4%

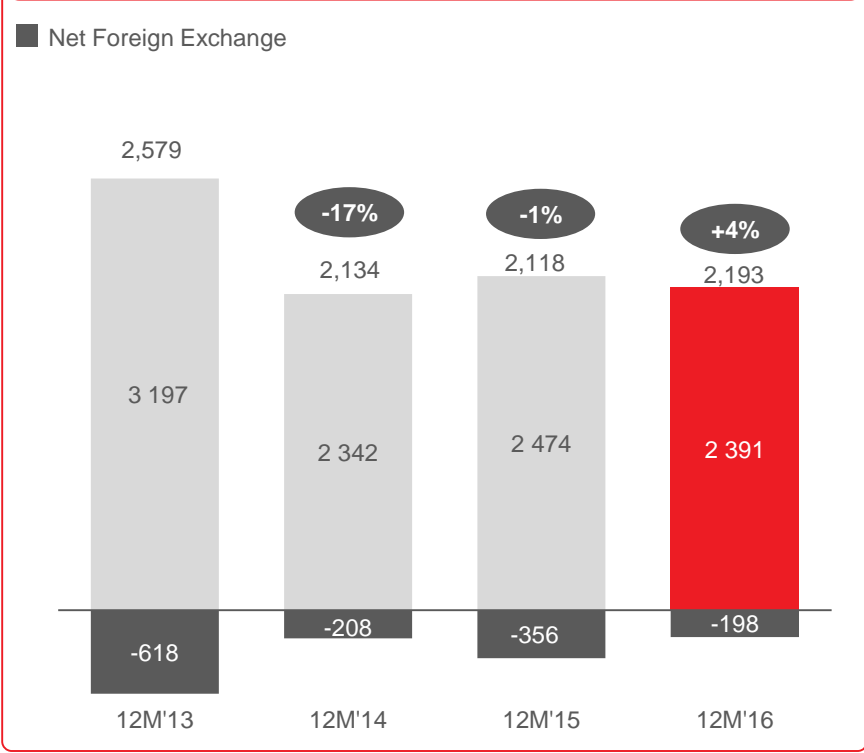
Note: All Indosat results as reported adhere to IFRS which may in some instances differ from INDOGAAP;



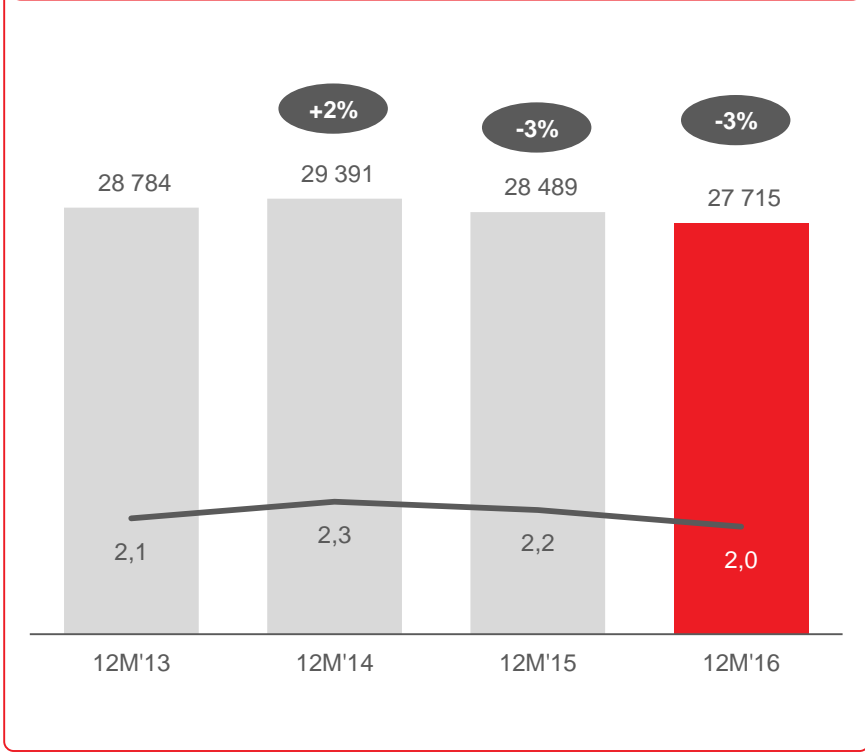
Group Results

Net Profit and Net Debt

Net Profit Attributable to Ooredoo shareholders (QARm)



Net Debt (QARm) and Net Debt / EBITDA



Net Profit up +4% YoY: Qatar, Oman, Indonesia, Maldives and increased cost efficiencies at Ooredoo Group
Net Debt / EBITDA ratio improved to 2.0x - middle of the long term Board guidance range of 1.5x to 2.5x

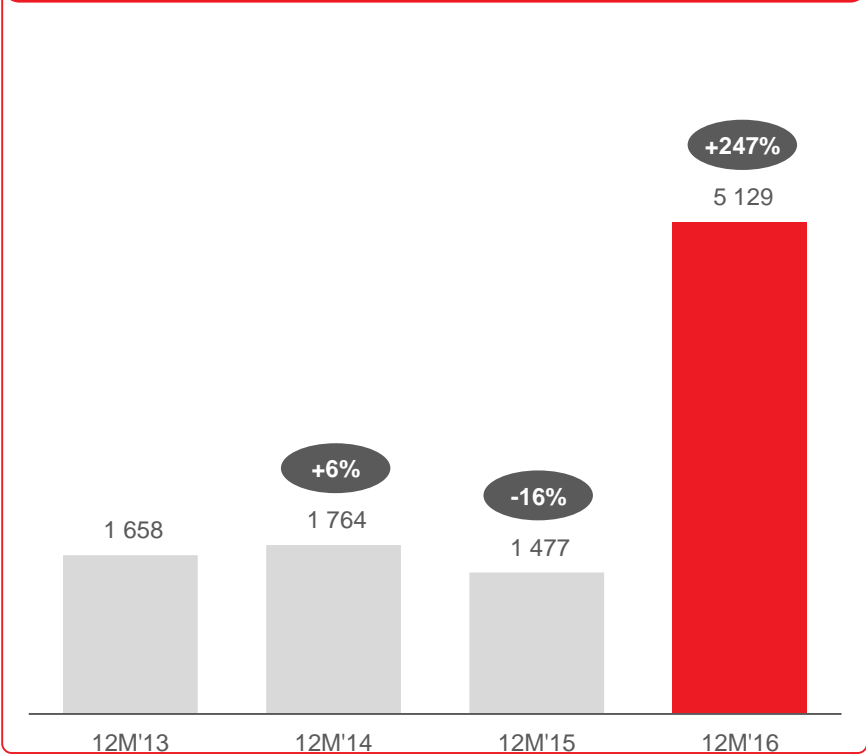
Note: Net Debt = Total interest bearing loans and borrowings + contingent liabilities (letters of guarantee + letters of credit + finance lease + vendor financing) – cash (net of restricted cash and below BBB+ rating)



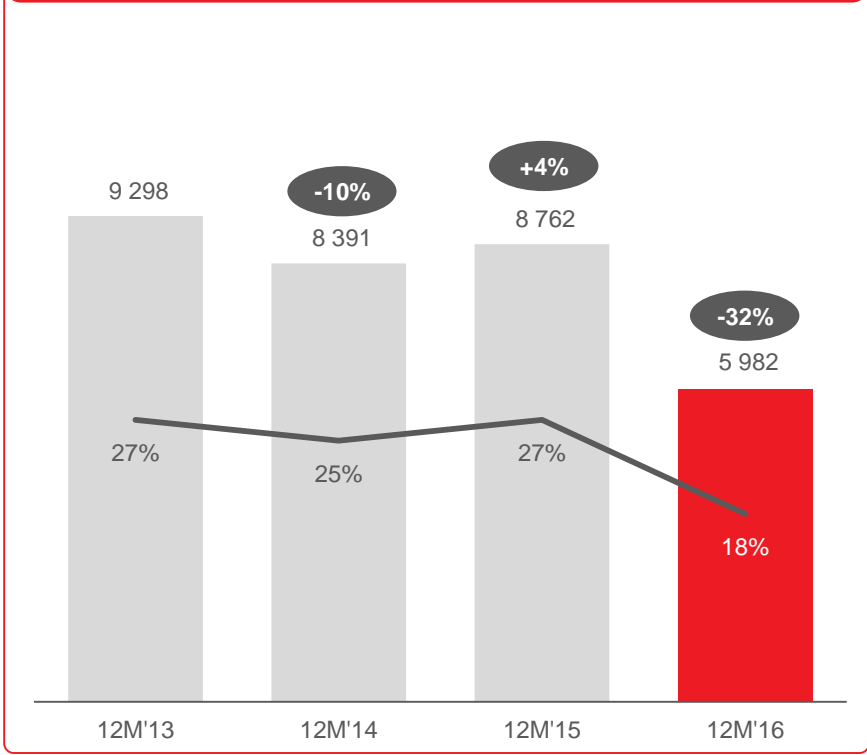
Group Results

Free Cash Flow and Capital Expenditure

Free Cash Flow (QARm)



CAPEX (QARm) & CAPEX/ Revenue (%)



Capex below 2016 guidance due to sourcing cost savings
Significant Capex reduction resulted in additional cash headroom
Cash was primarily used for debt reduction and new 4G spectrum/ licenses

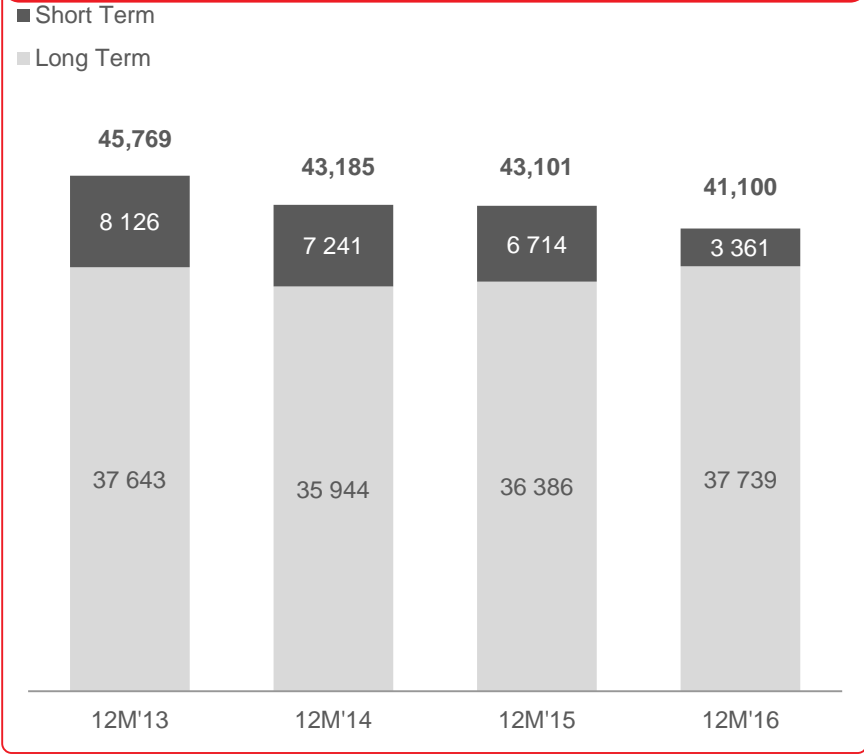
Note: Free cash flow = Net profit plus depreciation and amortization less capex; Capex excludes license fee obligations; Net profit adjusted for extraordinary items



Group Results

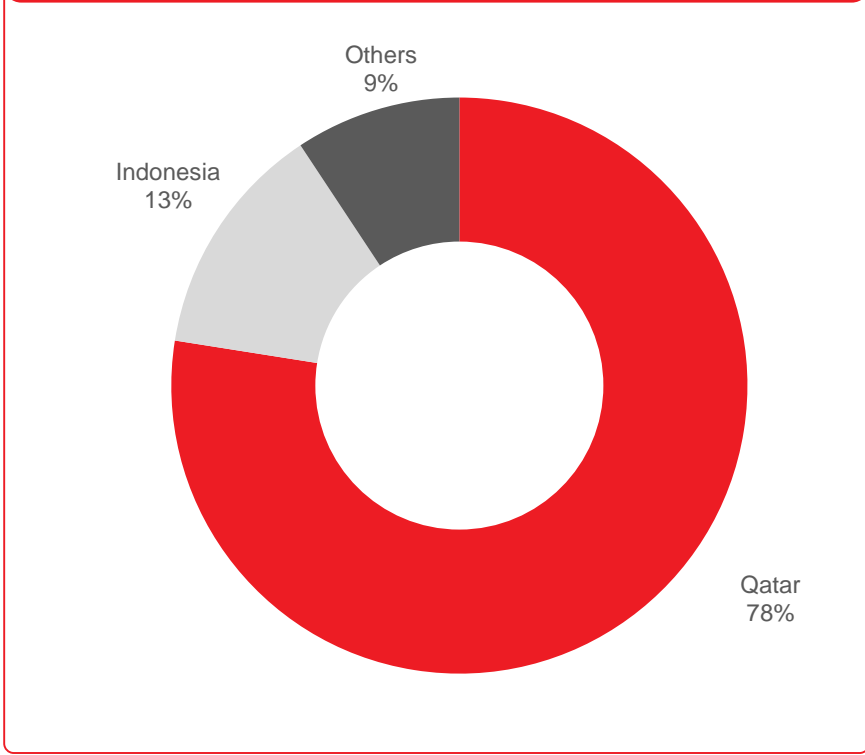
Total Group Debt Breakdown

Total Group Debt (QARm)



Further reduction of total Group debt and refinancing risk

Total Group Debt Breakdown (as at December 31, 2016)



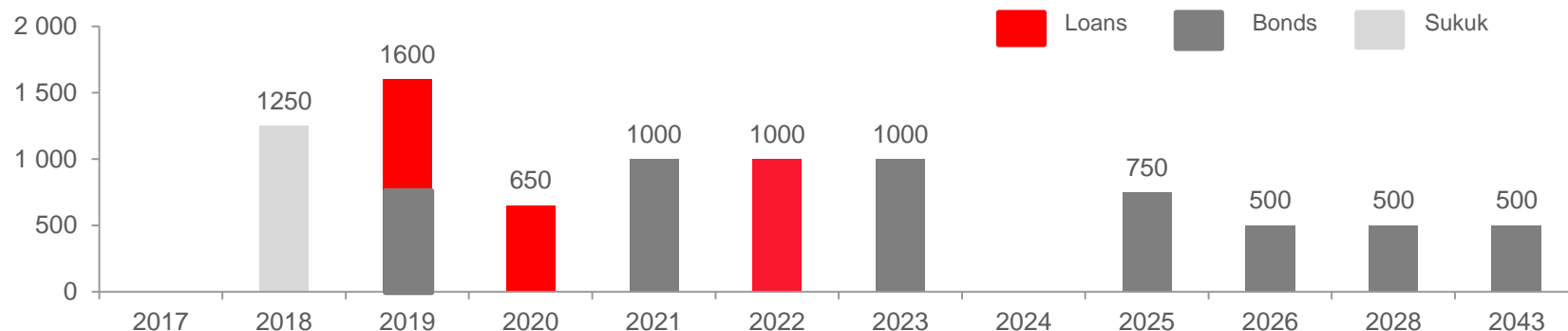
OpCo debt primarily in local currency

Note: Includes Ooredoo International Finance Limited 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 December 2016 at Ooredoo Q.S.C. level

USD 8,750 million

* Fully drawn basis

Long term debt profile is well balanced, no upcoming debt maturities in 2017



Group Results

Total Customers

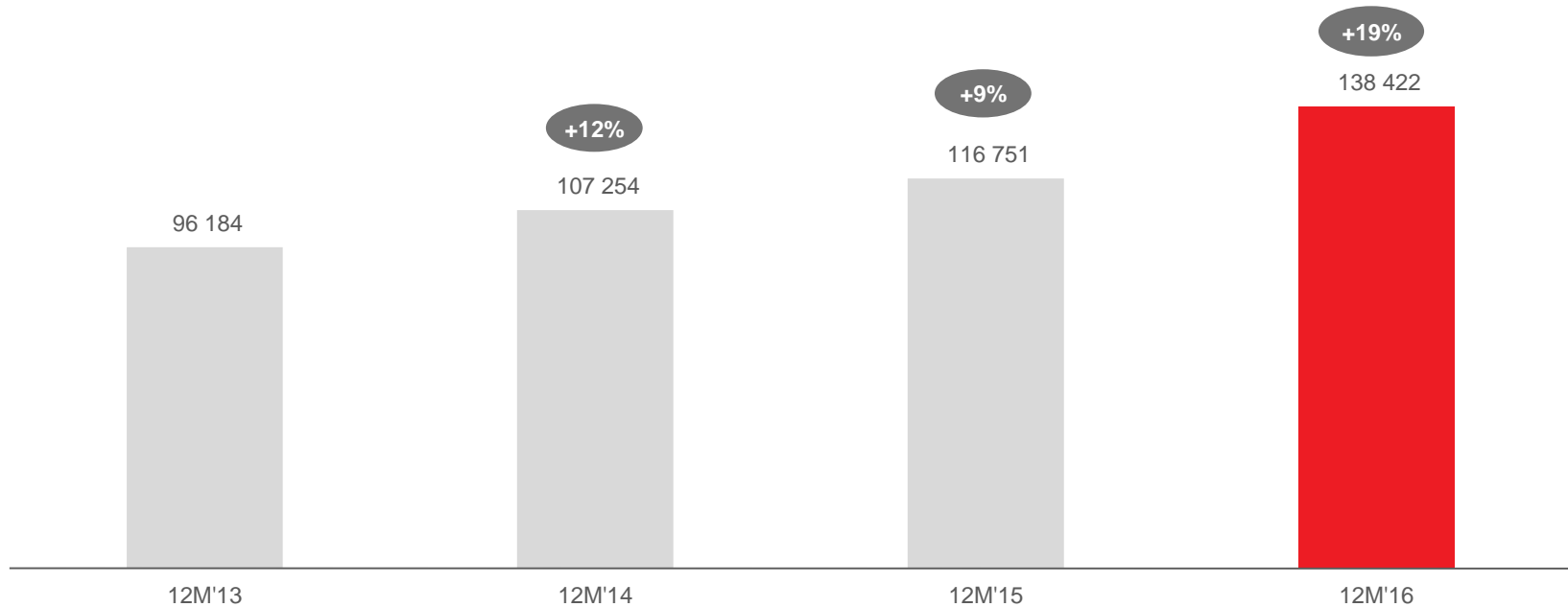
Overview

Results Review

Operations Review

Additional Information

Total Group Customers (000)



**Strong organic customer growth driven by Indonesia, Myanmar, Oman, Iraq, Tunisia, Kuwait, Algeria, Maldives and Palestine
Group added 22 million net new customers in 2016**



Group Results

2016 Performance & 2017 Guidance

Group Financials (QAR bn)	2016 Actual	% Change 2016 / 2015	2016 Full Year Guidance over 2015	2017 Full Year Guidance over 2016
Revenue	32.50	1%	-1% to +2%	-1% to +2%
EBITDA	13.38	3%	-3% to 0%	0% to +3%
CAPEX	5.98	-32%	6.5 bn to 7.5 bn	5.5 bn to 6.5 bn

2016 Revenue Guidance delivered, EBITDA Guidance exceeded – BoD recommending QAR 3.5 cash dividend per share

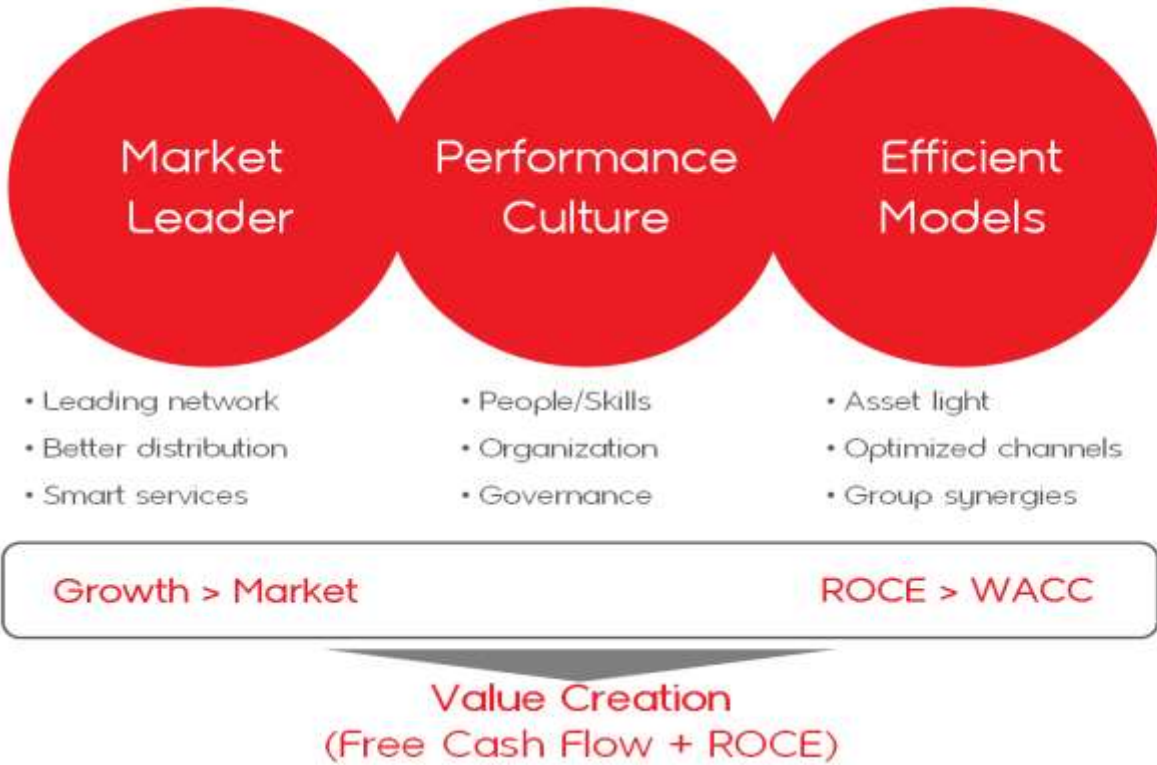
2017 Guidance drivers:

- growth continues in local currency terms across markets
- QAR figures impacted by FX
- disciplined CAPEX



Group Results


LEAD Strategy Progress



Group Results


Strategic Priorities Progress

Data Monetization



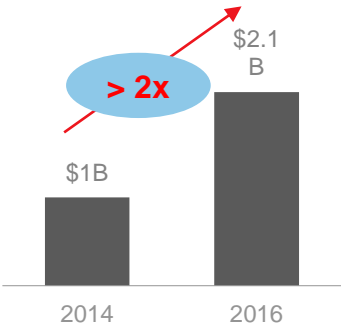
- Continued strong data growth from consumer and enterprise customers
- Data revenues increased to 40% of Group revenues as of FY 2016 (FY 2015: 37%).

Best Network



- 4G+ (LTE-Advanced) in Qatar, Oman and Kuwait; 4G launched in Indonesia, Maldives, Tunisia, Algeria and Myanmar
- 4G networks now available in 8 of Ooredoo's 10 markets
- Ooredoo Qatar in top 5 globally for fiber penetration

Brand Value



Year	Brand Value (\$B)
2014	\$1B
2016	\$2.1B

- Brand now launched in 8 out of 10 markets
- Top 10 MENA brand
- 3rd Telco brand in the region
- Collecting brand license fees from OpCos

Efficiencies



- Achieved significant savings across the Group through strategic sourcing and infrastructure sharing
- EBITDA % improved 1ppt
- CapEx/Rev improved 9ppts



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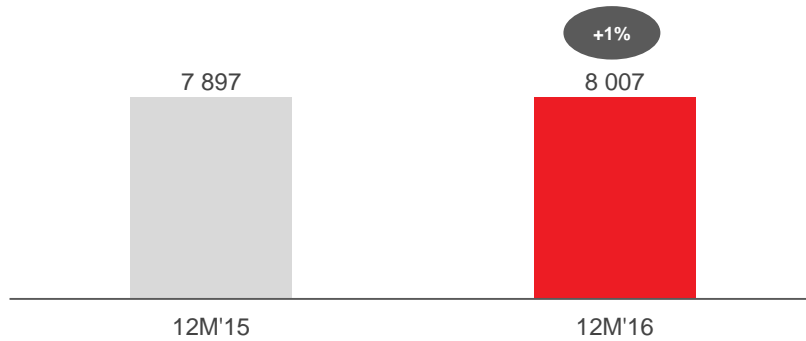


Group Operations

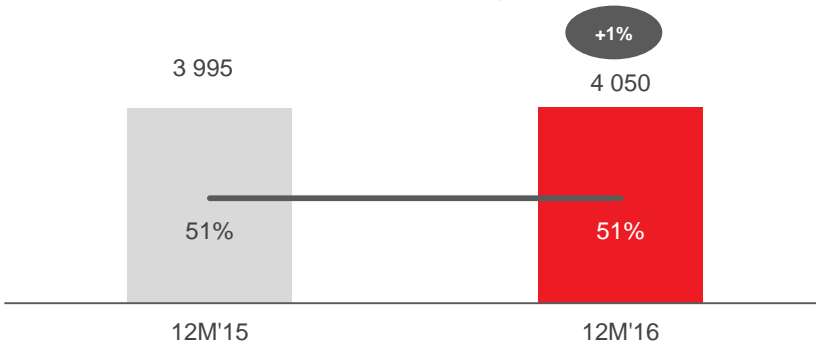
Qatar

QARm

Revenue



EBITDA & Margin



▪ 1 US\$ = 3.6415 Qatari Riyal (QAR)¹

Note: (1) Constant pegged currency

Qatar

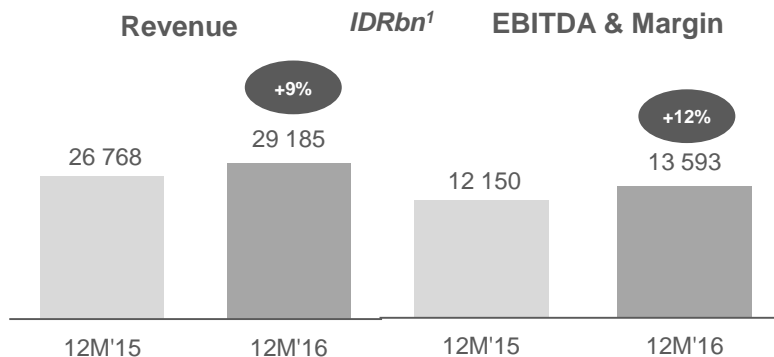
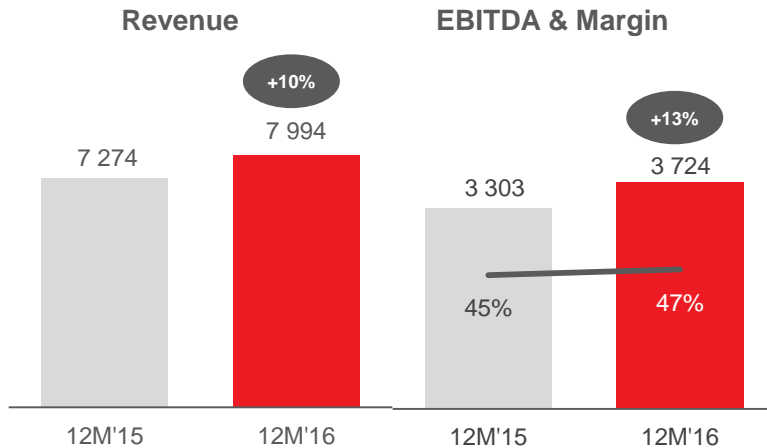


- Positive results in Revenue, EBITDA and Net Profit driven by data experience leadership
- Stable EBITDA margin
- Customer number sustained at 3.5 million
- Maintained market leadership
- Upgrading 4G+ services with speed up to 325 Mbps, launched 1Gbps fibre plan
- Testing 10Gbps fibre services, 5G mobile trials in the region and commercial trials of Voice over LTE services.
- First linear 4K TV channel on Ooredoo TV launched, 75,000 customers on Ooredoo TV
- Qatar fibre rollout : more than 427K homes passed with more than 305K homes connected across Qatar



Group Operations Indonesia

QARm



▪ 1 US\$ = 13,303 Indonesia Rupiah (IDR)²

Note: (1) As per IFRS; (2) Twelve month average rate January – December 2016

Indonesia

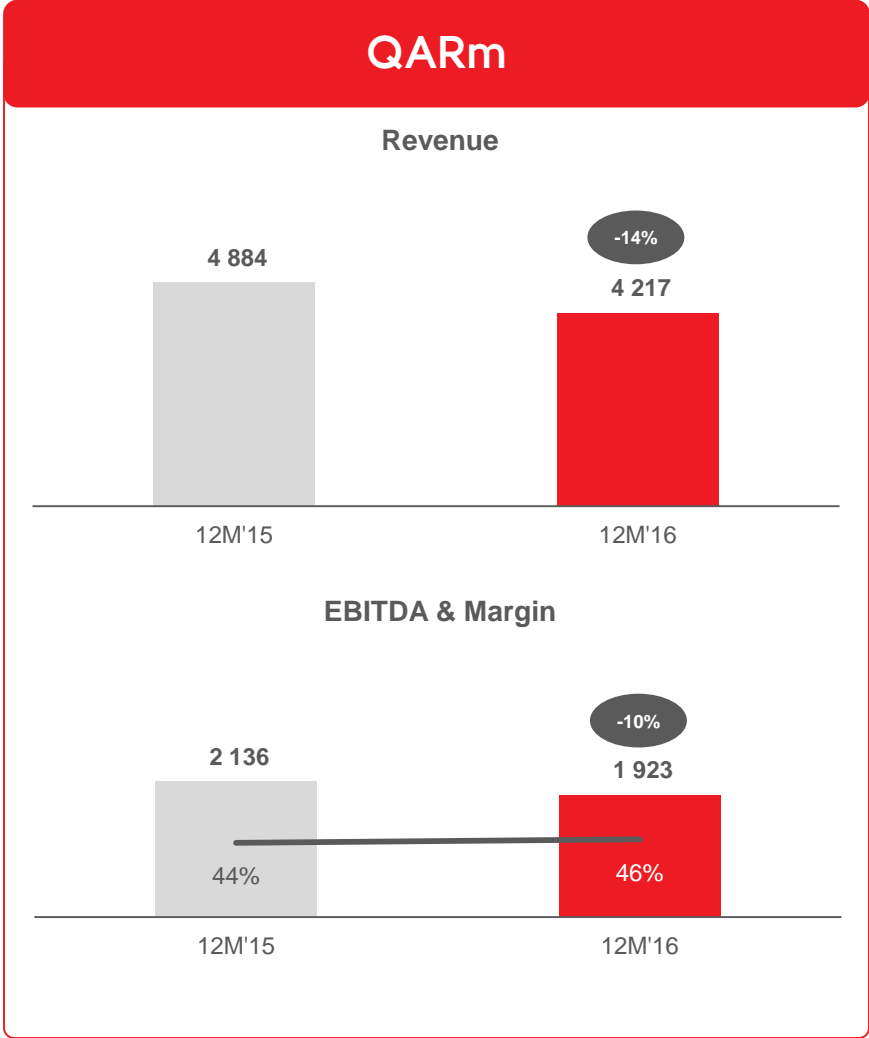


- Double digit increase in Revenue and EBITDA terms with improved EBITDA margin supported by strong growth in cellular business
- Reached more than 85 million customers, up 23% YoY
- Positive bottom line continued due to further improvement in operational processes, revenue growth, stable currency movement and lower foreign currency denominated debt.
- Data revenue growth contributing more than 40% of cellular revenue.
- 4G coverage has reached 112 cities in Indonesia and counting.



Group Operations

Iraq

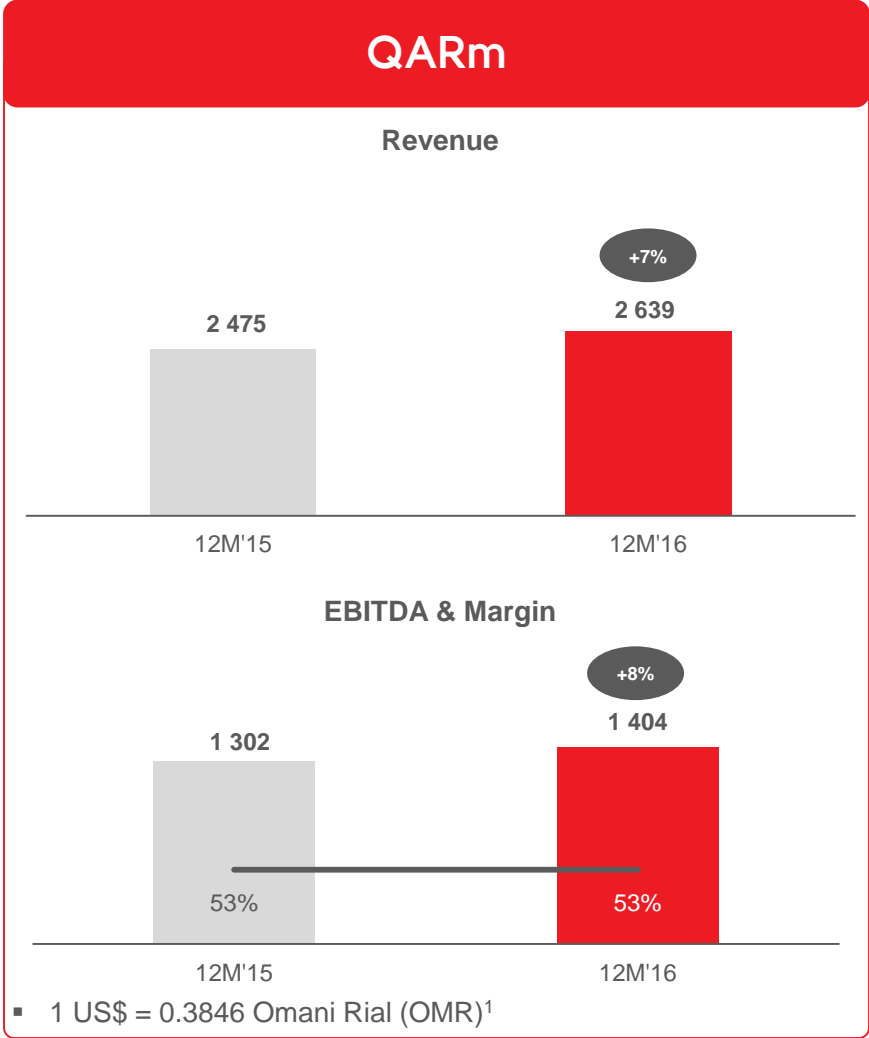


- Slight improvement in the overall Iraqi situation, but security and economic environment remains challenging. Asiacell started to reactivate network in parts of Mosul
- Maintaining position as market leader of revenue share and data
- Customer numbers increased by 11% to 12 million due successful promotions and reconnect in parts of Mosul
- Aggressive pricing competition in the market towards the end of the year
- Focus on improving operational efficiency and strict cost controls softened EBITDA impact
- Asiacell won an international award at the “Telecom Review Summit 2016” in Dubai for its exceptional CSR program



Group Operations

Oman



Note: (1) Constant pegged currency



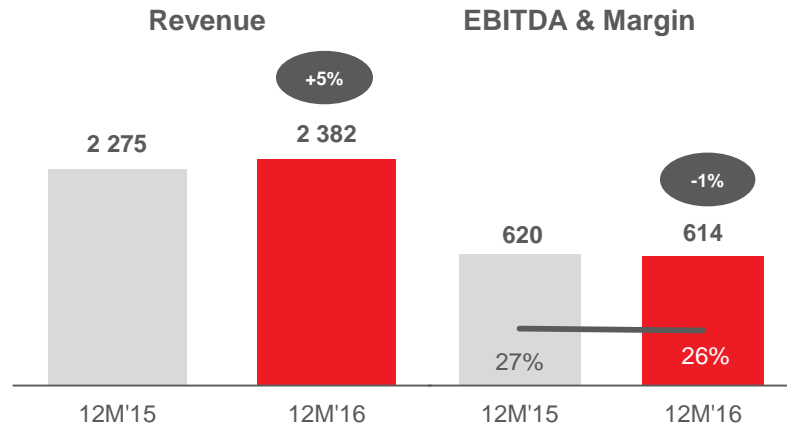
- Healthy growth in Revenue continued in Q4 driven by increases in both mobile and fixed data revenue.
- Higher revenues and cost optimization program supported growth in EBITDA
- Further network roll out, more than half of the Omani population now covered by 4G
- Reached almost 3 million customers, growth by 6% (+24% YoY growth in fixed line customers)
- Blended ARPU slightly lower due to lower voice usage
- More than half of the revenue generated by data



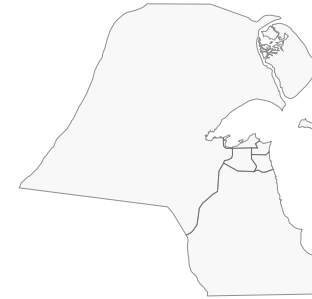
Group Operations

Kuwait

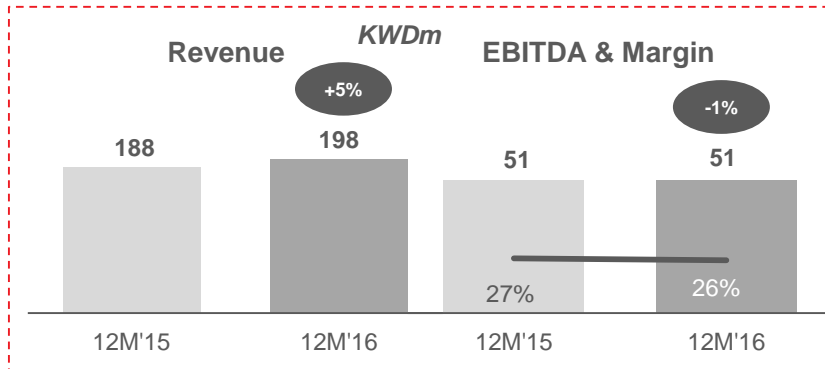
QARm



Kuwait



- Ooredoo Kuwait’s Revenue increased by 5% driven by post paid segment and Fast telco consolidation
- Highly aggressive market environment caused pressure on EBITDA, EBITDA margins improved sequentially though
- Customer numbers stood at 2.3 million up by 3% YoY, new proactive customer management strategy launched
- Cost saving initiatives in place
- Launched “Nukhba” program for its elite customers
- Ooredoo Kuwait won three creativity award trophies at the Arab Media Forum



▪ 1 US\$ = 0.3023 Kuwait Dinar¹

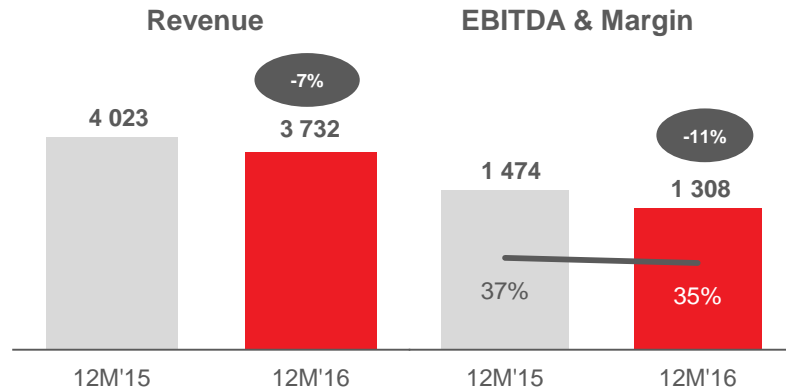
Note: (1) Twelve month average rate January – December 2016



Group Operations

Algeria

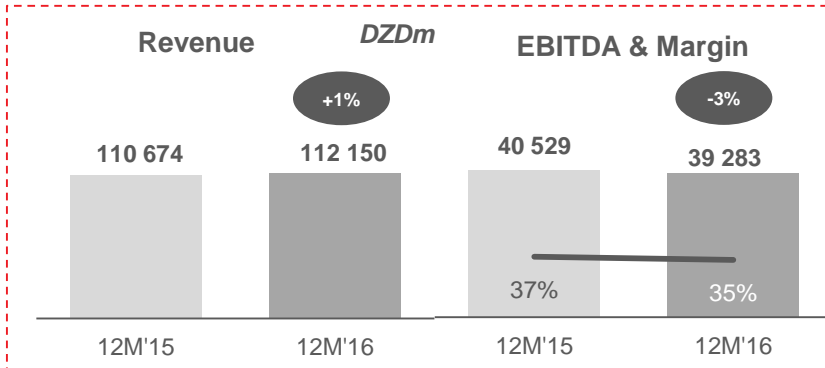
QARm



Algeria



- Revenue increased slightly in Algerian Dinar terms, negative FX trend impacting reported results though
- Weak market trend in second half of the year plus lower domestic MTR rates have negative effect
- Intense competition continued to impact margins
- Customer numbers up 6% YoY, reached more than 13.8 million
- Ooredoo Algeria launched its 4G services in October 2016 in the 3 mandatory wilayas: Tlemcen, Tizi Ouzou and Bechar.

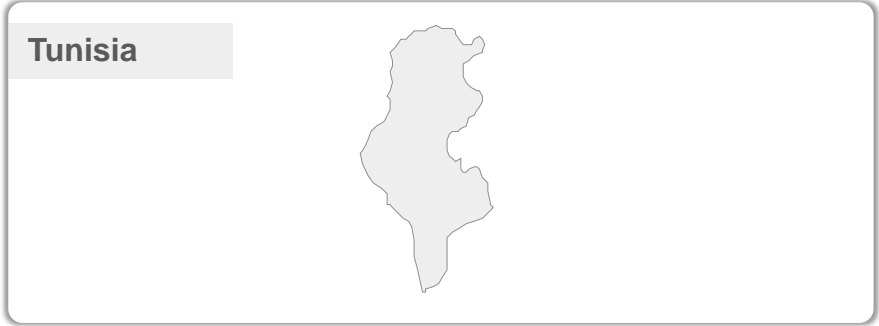
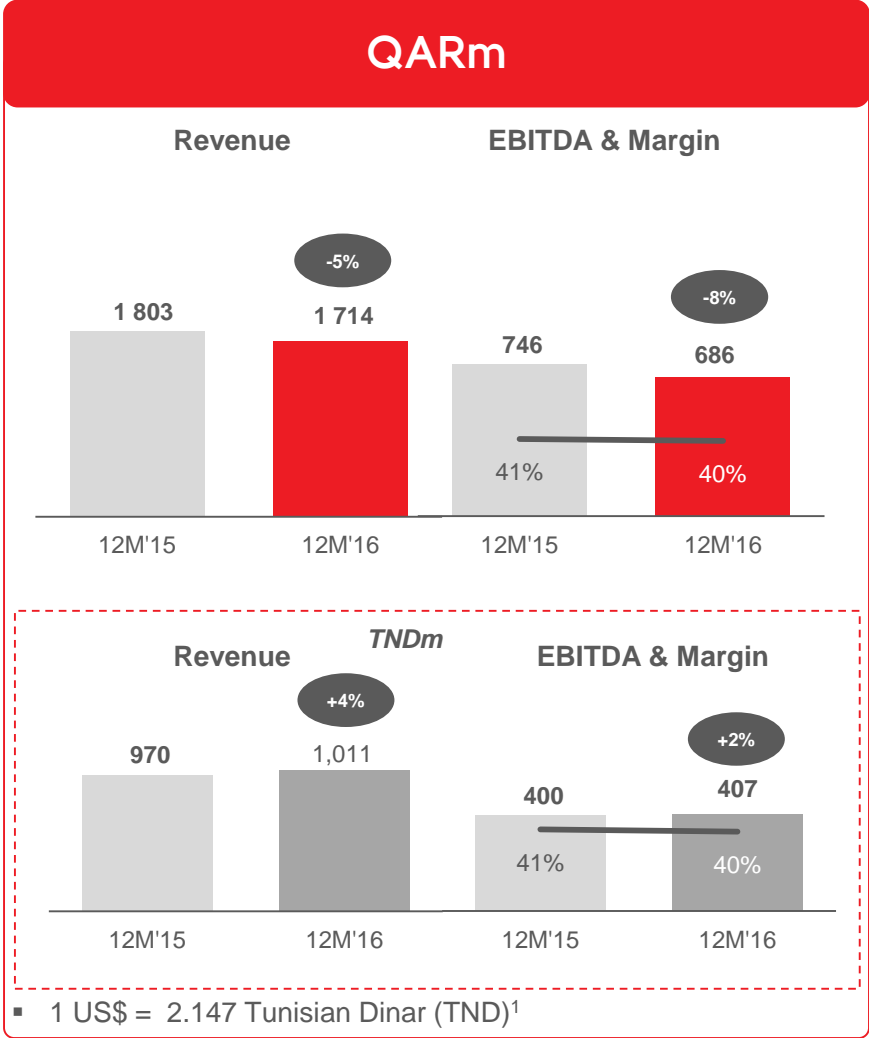


▪ 1 US\$ = 109.4 Algerian Dinar (DZD)¹

Note: (1) Twelve month average rate January – December 2016



Group Operations Tunisia



- Ooredoo Tunisia maintained its market leadership position amid still subdued Tunisian economic environment and a weak Tunisian Dinar
- Revenue increased in local currency by 4% despite intense competition especially in the voice segment . Focus on Data, as a key contributor to Revenue growth to offset the declines in voice and SMS
- Customer base reached 8 million, up 6%
- Expanded 4G coverage further
- Recently published report by the Tunisian regulator, ranked Ooredoo first on the quality in both voice and data services

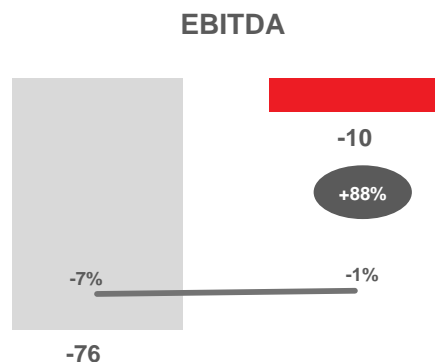
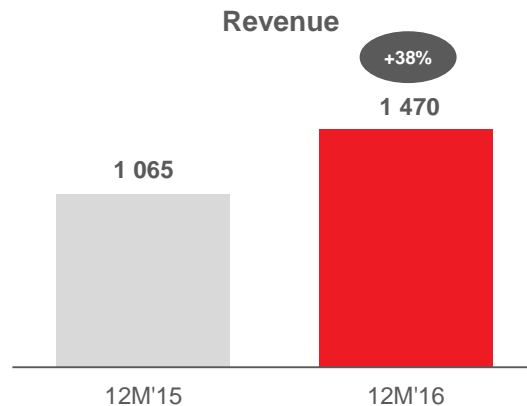
Note: (1) Twelve month average rate January – December 2016



Group Operations

Myanmar

QARm



▪ 1 US\$ = 1,236 Myanmar Kyat (MMK)¹

Note: (1) Twelve month average rate January – December 2016

Myanmar



- Ooredoo Myanmar maintained its growth performance reaching 9 million customers, 55% more than last year
- 38% Revenue increase driven by data services and further network rollout, increasingly intense competition
- EBITDA improved significantly supported by strong cost control, almost reaching breakeven in Q4 2016 (EBITDA margin: -1%)
- 4G roll out progresses, good coverage in main cities of Yangon, Mandalay and Naypyidaw.
- Actively pursuing cost efficiencies through network sharing opportunities with other operators
- International Business Award for customer care received
- 4th license awarded to a JV led by Viettel Global in January 2017, launch expected within 12 months



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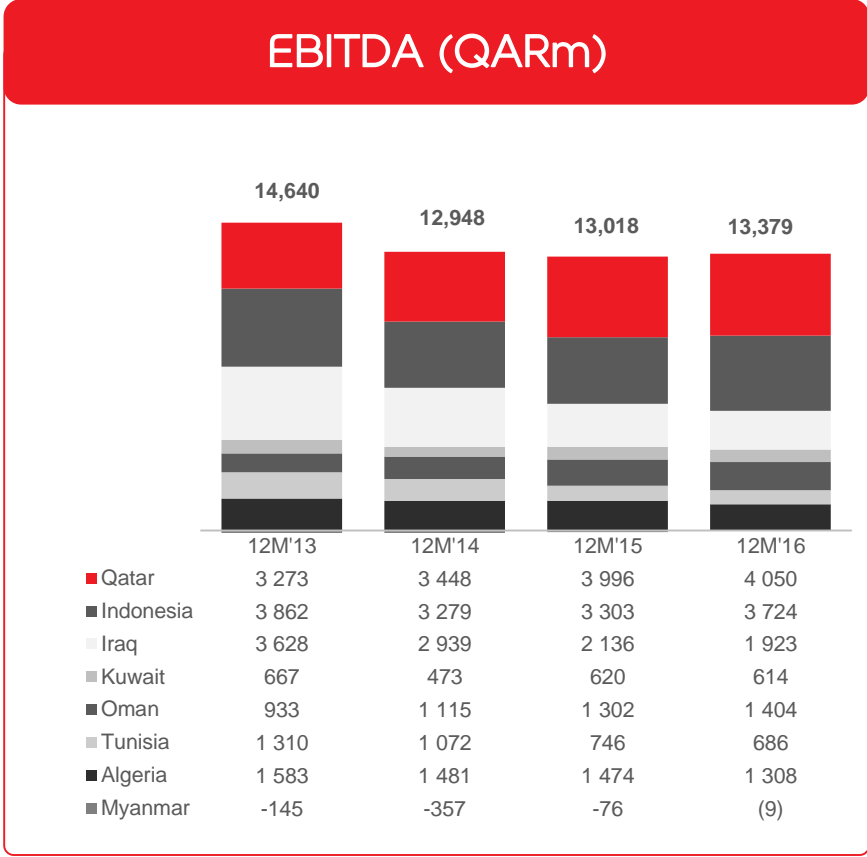
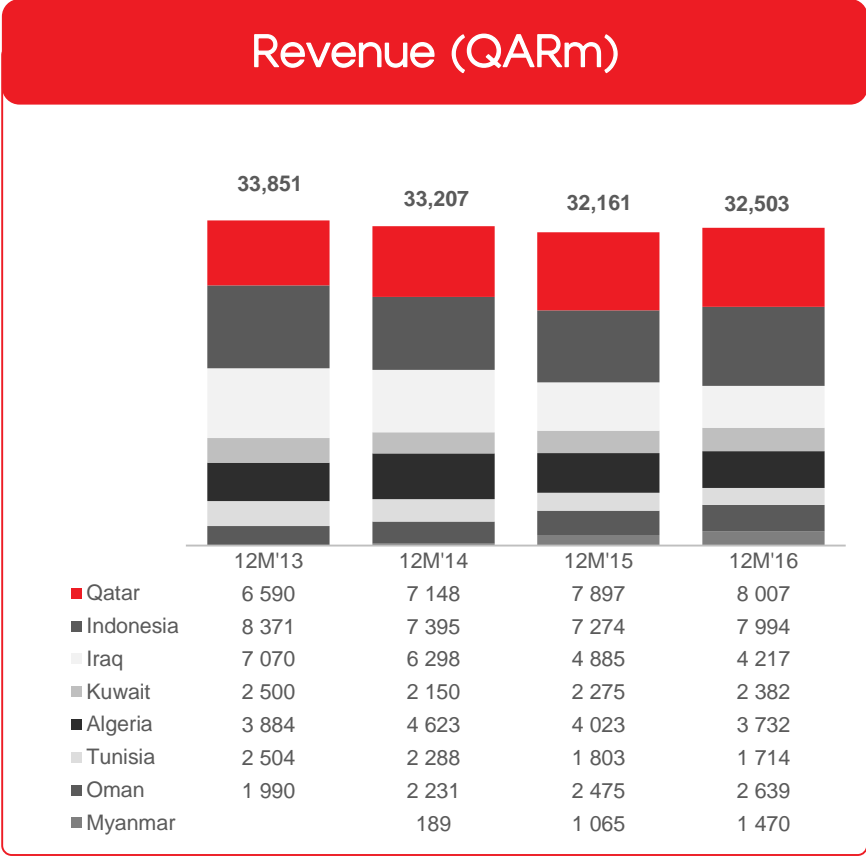
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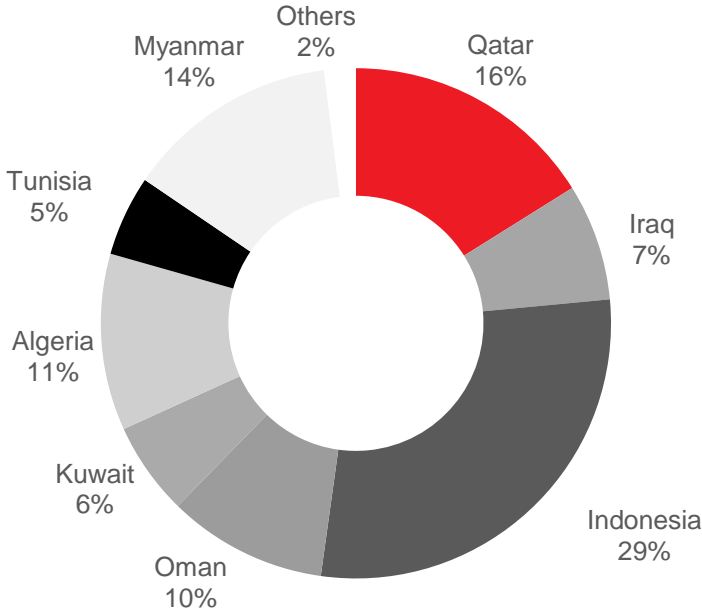
Group Revenue and EBITDA Breakdown



Additional Information

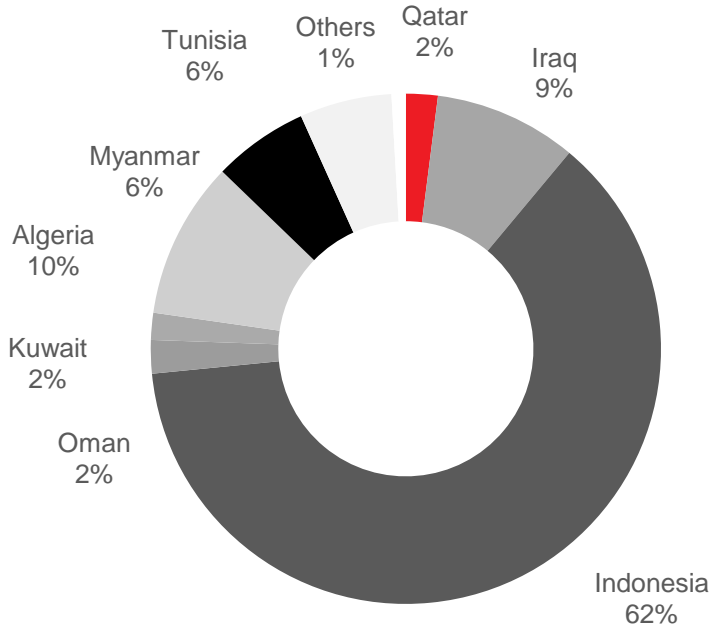
Group CAPEX and Customers Breakdown

CAPEX Breakdown (%)



12M 2016 CAPEX = QAR 5,982 m

Customer Breakdown (%)

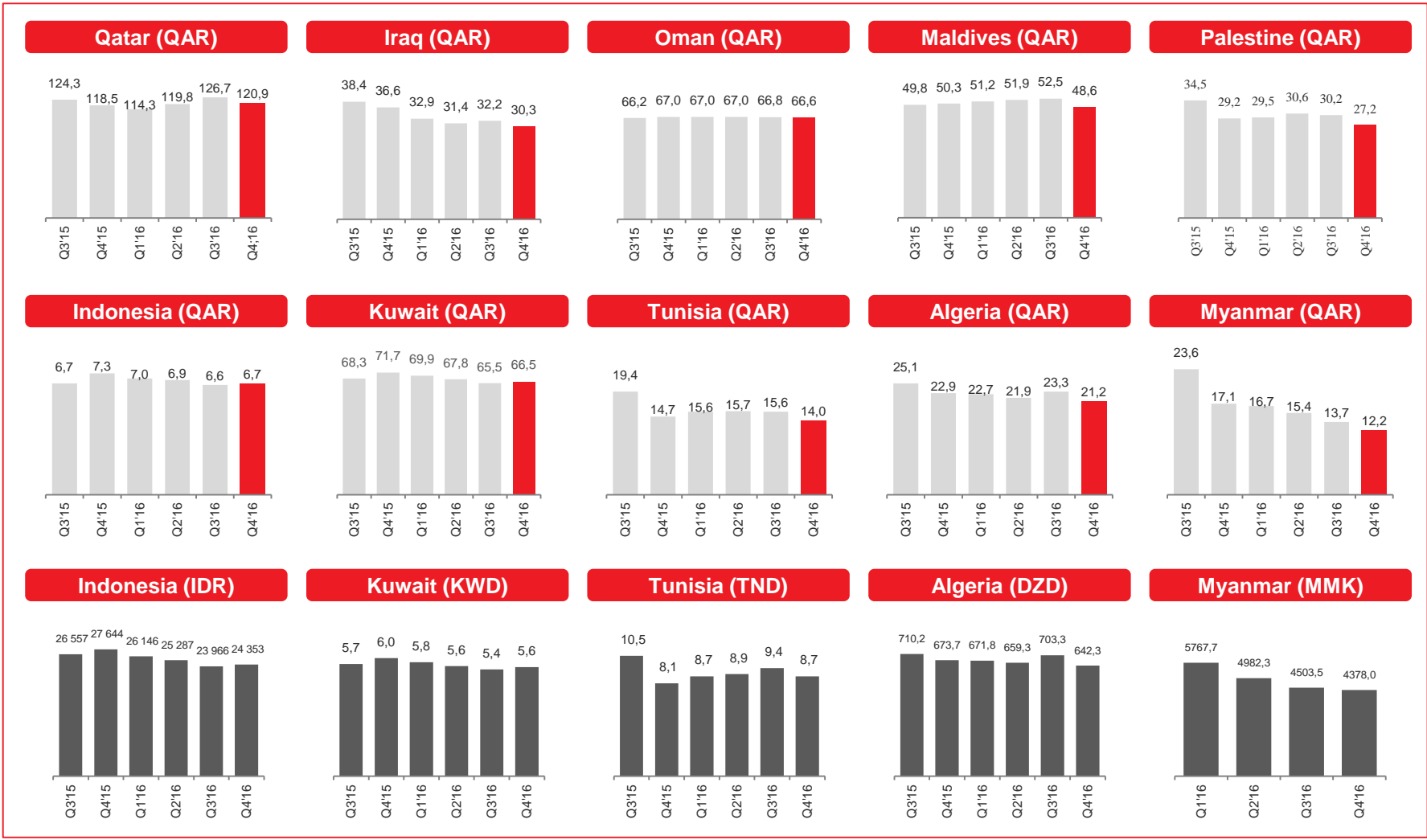


12M 2016 Total Customers = 138,422 m



Group Operations Breakdown

Blended ARPU



Additional Information

Forthcoming events

Ooredoo Maldives IPO

- Ooredoo Maldives Plc. plans to offer its equity through an Initial Public Offering (IPO) under the terms of its licence obligations.
- The IPO will be opened to the general public of the Maldives, foreigners, local institutional and international institutional investors.
- The IPO period has been agreed with regulatory authorities and is planned for Q2 2017
- Ooredoo Maldives does not require fresh capital so the IPO is to be a secondary sell down of shares held by Ooredoo Kuwait which currently owns 100% of the company.

Oct 2016:

H.E. Sheikh Abdulla Bin Mohammed Bin Saud Al Thani, Chairman, Ooredoo Group, said, “Ooredoo Maldives has been one of our best performing assets for several years now. The business has harnessed its employees' dedication and management expertise and benefited from the power of Ooredoo Group and its brand to deliver the best telecommunications products, services and branding. Crucially, Ooredoo Maldives has been able to develop its business in a well-regulated telecoms market based on the government's market-driven policies. Ooredoo Maldives' IPO will offer an opportunity to investors in the Maldives and abroad to participate in its success as it moves to its next phase of data-driven growth.”

Sheikh Saud Bin Nasser Al Thani, Group CEO, Ooredoo said: “This exciting announcement demonstrates the remarkable extent of Ooredoo Maldives' achievements in recent years. We look forward to further development and growth and we welcome new investors to contribute and share in our success. The upcoming IPO gives the opportunity for investors to be an active part of our progress, as we move beyond profitability and towards bringing transformational opportunities to people across our communities. Since its establishment in the Maldives, Ooredoo has played a key role in driving the telecommunication industry in the country to reach global standards of excellence.”

Further announcements will be made in due course.



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	12%	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





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**Upcoming
Events**

2016 Q1 Results – April 27, 2016