

# Achieving ambitious goals

We will continue to compete aggressively and will not deviate from our ongoing strategy of setting ambitious but achievable goals, with a renewed emphasis on operational execution.

"We are in a strong position to address risk and to face the never-ending challenges of our industry with confidence."



# 2.78 m

Total number of customers



# 2.5 m

Mobile pre-paid customers



# 206,000

Mobile post-paid customers



## A year of validation

Ooredoo Oman's 10th year of operation featured a number of significant milestones, in particular the completion of our independent nationwide fibre backbone, which spans the length and breadth of the country to provide cutting-edge reliable services to businesses and customers. We also continued the heavy investment in our network modernisation programme, acquired more broadband spectrum, and achieved another record financial and operational performance, including a 7 percent increase in our customer base.

We were honoured to receive awards for Middle East Mobile Operator of the Year at the *CommsMEA Awards 2015* and Best Middle East Operator for Enterprise Services at the *Telecom Review Summit 2015*: both regional accolades that mark our achievements as a communication leader.

A year after completing the rebranding from Nawras to Ooredoo, we were recognised as one of the country's top 20 performing companies for the fifth year running. We successfully improved our brand preference from 36 percent to 50 percent, while the brand equity index reached an all-time high, further underlining the success of the rebranding – supported by improved network performance and attractive offers – and a positive indicator that our rebranding strategy has executed against plan.

But perhaps most dramatic of all was the explosion in the use of data services, which now accounts for 44 percent of our revenues. This trend is set to continue on the back of the growing appetite for smartphones and tablets, in a country where three out of four people already use one of these devices.

We expect further growth in data use as our customers benefit from innovative products and services. The heart of our business is to listen to what our customers want and need, and by doing this, and tailoring our services accordingly, we have come up with offerings that have proved consistently popular.

We achieved 18 percent market share in fixed services and 99 percent mobile service coverage of the population, and saw a healthy upswing in fixed service customers – up 13 percent between June and September alone – driven by a large take-up of home broadband services. This followed the completion of the migration from WiMAX technology to the new LTE technology.

The launch at the end of Q3 of our fibre-based Home Broadband Superfast service, offering the fastest broadband speeds in the Sultanate, with speeds up to 100 Mbs, has proven very popular.

The company continued to make steady progress in its mission towards becoming the telecoms provider of choice to Government and Ministries. We are now a fully integrated player in the Government's broadband strategy, and we plan to enhance this association, particularly in the provision of e-government services, such as education and health. Oman eGovernment awarded us the building and operation of their dedicated high-speed next generation IP-VPN network.

## Closing the customer feedback loop

Our strategy to be a converged operator, with a full suite of fixed and mobile products and services, gained further traction during 2015. A key element of this process is an increasingly integrated sales, marketing and customer service focus, which has resulted in better alignment and coordination of our approach to Customer Experience Management (CEM).

In a first for the Middle East, we launched our Voice of the Customer programme, which aims to close the customer feedback loop by improving dialogue at every touch point. For example, every time a customer calls our Contact Centre, we send an SMS survey, which entails about 10,000 interactions per day.

This positive move sends out a strong signal to our customers that, by actively engaging with them, we value their opinion and loyalty.

In another new Ooredoo Oman initiative, every manager from the CEO down participates in a front-line position to experience interacting with customers and receiving their feedback.

## A year of scalability

For consumers, a stream of novel and popular products, including More International, Join and Win, 2X8, Welcome pack and many more, featured across the year. This helped drive a 7 percent increase in our total consumer base and an 11 percent rise in overall company revenue.

Recognising and rewarding the loyalty of our customers remains a priority for us, so it is encouraging to report that our Nojoom loyalty points programme has continued to attract new subscribers.

Now one of Oman's best-loved brands, we also rank as No 1 social media brand in terms of total customer base. Our active social media presence is key to engaging with the wider community.

3m

YouTube views



185,000

Twitter followers  
@OoredooMedia



20,000

The growing army of Ooredoo's  
Instagram followers



**Spectacular annual growth  
across social media channels**

- YouTube views 431%
- Twitter followers 203%
- Instagram 128%



## Supporting our wider family

Some 1,600 retailers and outlets are now part of the Ooredoo family, proof of our long tradition of championing SMEs and supporting entrepreneurship in the country.



Open to all pre- and post-paid customers, it rewards customers with a number of inspiring retail, telecoms and other benefits, and continues to grow as we add additional benefits, such as Airport services.

Beyond this, we launched "Ooredoo Mondays", offering our customers a range of great 1 + 1 free benefits, like movies and coffee treats, while other new services, such as VOX cinema and Shukran partnerships, enhanced customer engagement in the loyalty scheme.

Our customers increasingly expect personalisation and control, so we enhanced the Ooredoo smartphone application with a range of options, including checking or redeeming Nojoom loyalty points, bill payment and buying additional data packages. To date, more than 220,000 customers have downloaded the application.

In pre-paid, we launched the highly successful "Data Test Drive" campaign, with the exceptional data speed attracting more than 210,000 customers. The "More" offers became permanent as a result of customer demand and there were more than 975,000 customers using it by year-end.

In other firsts for Oman, the "Ooredoo Surprise" offer attracted more than 315,000 customers, while we were the first telecoms company to launch an online store enabling customers to order handsets from the comfort of their home.

On the post-paid side, we launched the very successful "Third Month Free" offer and our new Shary simplified post-paid tariffs.

Another major focus was engaging our customers in rural and more remote areas, which led to the launch of an exclusively Ooredoo-branded franchise network that now covers the country. Since we acknowledged that the sophistication and complex nature of some of our products requires a more dedicated and personal sales approach, we have opened 14 new franchise stores, which have fast become a feature in smaller towns and cities, extending our footprint and giving the customer easier access to our brand.

The network of stores and dealer outlets also serves as proof of our long-standing commitment to supporting SMEs in the country, where some 1,600 retailers and outlets are now proud to call themselves part of the Ooredoo family.

Turning to the public sector, the Government's re-evaluation of its telecoms strategy, as it looks to optimise contracts and introduce new incremental projects, presented some exciting opportunities.

In the corporate sector, we recognise that our business customers have very different and time-critical issues that can quickly affect the smooth running of their organisations, regardless of size, so we set up a Business Corporate Care Centre to focus exclusively on their needs. This demonstrates the growing importance of the B2B enterprise customers in our business, and our commitment to diversifying revenue streams across B2B, home broadband and post-paid services.

As part of a continued commitment to meeting the changing business needs of our enterprise customers, we pioneered Email Everywhere, a product that allows business customers access to emails and messages anywhere in the world, while roaming at a set price.

80%

The increase in the rate of redemption of points under our Nojoom loyalty scheme on some new services.



2015  
220,000

More than 220,000 customers have downloaded the Ooredoo smartphone application, which we are enhancing with new and flexible options.



Continuing our leadership in delivering innovative services, we enable our customers to buy bandwidth on demand on our portfolio of fixed enterprise grade services, further optimising against their business needs.

We have seen a growing requirement among our business customers for predictability around short- and medium-term cash flow management. In changeable economic times, we have responded strongly to this emerging trend with tailored mobile and fixed bundles that allow businesses, which may have changing outlooks and needs, to benefit – without tying them into inflexible cost structures.

Our Managed PBX is a prime example of this responsiveness to market needs. Previously, a business would have been committed to significant capital outlay to purchase a PBX facility outright, and then the costs of continuing to manage it. Our offer, however, simply involves a monthly charge per user, giving business more options and, vitally, the option to cover the costs from operating expenditure.

As a direct consequence of our Ooredoo Group membership, we were able to support several multi-national corporations (MNCs) in establishing and growing their businesses in Oman. The association with a global brand undoubtedly boosts our international competitiveness, and will strengthen loyalty, awareness and brand equity in the years ahead.

### People power

Being a good employer means retaining happy, motivated staff, so employee engagement continues to be a primary focus for the company. We are identifying and training the local talent who will become the next generation's leaders and managers, to underpin our ongoing Omanisation level of 90 percent.

Our HR function is now organised under four key pillars:

- **Organisational development**

Uplifting staff skill sets

- **Leadership development**

Developing and revitalising the leadership toolkit

- **Employee engagement**

Engaging our staff and maintaining a successful working environment, including internal communications

- **People Capability Maturity Model**

This covers HR policies and tools, and is benchmarked against other Group companies

Our well-regarded internship programme will continue next year as an important plank in our social responsibility strategy.

### Future-proofing our network

Our multi-year network modernisation programme, which is now in its latter stages, more than validated our vision and investment and, in addition to generating overwhelmingly positive customer feedback, gave us the ability to leverage and monetise new data services.

2015  
186,000

The number of new customers that joined Ooredoo during the year.

23%

Growth in fixed service customer base since 2014.



As the new digital internet economy drives offers that are increasingly digitalised, the company must continue its transformation and respond to the challenges with a fresh approach and new business models.

163,000

New mobile pre-paid customers



13,000

Fixed service new customers



10,000

Mobile post-paid new customers



**New customers joining us in 2015**

- Mobile pre-paid 87.6%
- Fixed service 6.9%
- Mobile post-paid 5.3%





The completion of the 5,500km independent nationwide fibre backbone was a major milestone for a number of reasons. Key among these is that it assures business continuity in the event of a natural disaster or unforeseen event – and eliminates our dependence on other operators.

Since we will no longer need to rely on lease lines, we can provide high-speed data packages at very competitive rates to customers and businesses countrywide.

Another area where we are future-proofing our network is our ongoing investment in international submarine cables, which will give us greater connectivity to a global communications network.

The annualised effect of the completion of the national fibre backbone exceeded OMR 1.2 million, but we will start to see the real financial payback from Q2 2016. This is further validation that the heavy capital expenditure of recent years, which has now reached its peak, is paying off.

### Outlook

Next year, we will see the heavy digital transformation of the company as our business offerings become increasingly digitalised, falling into three distinct categories:

- New products and services
- The use of digital to deliver an ever-improving customer experience and engagement model
- Driving efficiencies, boosting productivity, and managing costs through the use of digital systems and customer interaction

There will be no let-up in our dedication to enhancing the interaction with our customers. We will continue to drive the customer experience envelope to help differentiate us from current and future competition, while striving to go the extra mile for our customers.

The acquisition of new LTE spectrum will bridge the performance gap between 3G and 4G in the form of more seamless coverage, and we expect to see further high levels of 4G uptake in 2016.

Our focus on investing in the network since 2012 will now switch to IT modernisation, with a view to completion over a two-year period. The objective here is to support our strategy of being a leading data and internet services provider, with the agility to bring – and manage – new data products and services to market quickly and seamlessly.

Boosting coverage in the country's rural areas also remains an important and ongoing endeavour. The company will continue to expand coverage and 3G/4G service, balancing commercial priorities, investment return, and our own social and regulatory responsibilities.

Forming new alliances and partnerships will be vital in accelerating our services in Oman, and in identifying opportunities presented by the new digital and internet economy.

Further priorities for 2016 remain the need to maintain and improve our cost base, and to embed new business models already common in other countries into our own product portfolio.

For the past two years, the company has concentrated on improving governance, achieving economies of scale, increasing productivity and optimising costs. This investment has not only contributed to our outstanding financial success, but has also helped put in place a robust company structure that has prepared us to withstand changing economic conditions, and adapt to marketplace demands, competition and evolving customer needs.

Our focus going forward will be to continue the process of embedding this new culture and systems at all levels of our operation.

We continue to transform the company into a full service integrated telco, which derives 50 percent or more of its revenues from data, and to adapt to new business models in the emerging digital and internet economy.

The company will continue to compete aggressively, and will not deviate from its multi-year strategy of setting ambitious but achievable goals, which has proved highly effective to date. As we enter our second decade of operation, a renewed emphasis on operational execution, with consistency and continuity, places us in a strong position with the confidence to address risk and the never-ending challenges of our fast-moving industry.

**Greg Young**  
Chief Executive Officer