

Ooredoo Oman Investor Presentation



Q1 2017 – First Quarter Performance

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Key Management Postings – 1st. Quarter 2017



Ian Charles Dench
Chief Executive Officer

Ian Dench joined Ooredoo Oman in January 2017.

He previously worked for Ooredoo Qatar operations, joining in 2006 as Executive Director, Corporate & VIP Accounts. In 2012 he was appointed as the Chief Marketing Officer. He was a key member of the Ooredoo Qatar leadership team and had significantly contributed in building Ooredoo's market share in Qatar through developing and maintaining strong product and service portfolios.

Ian is also a Member of the Board of ICT Company NavLink and an advisory board member for the Asia Pacific Internet Group.

Ian has over 25 years of experience with leading telecommunication companies across Europe, Asia & Middle East. Prior to joining Ooredoo he was the Head of Sales & Marketing operations for Batelco. He also held various senior leadership positions with O2 & British Telecom.

He holds an MBA from CASS (City University) Business School, London and is an FCIM - Chartered Marketer from CIM.

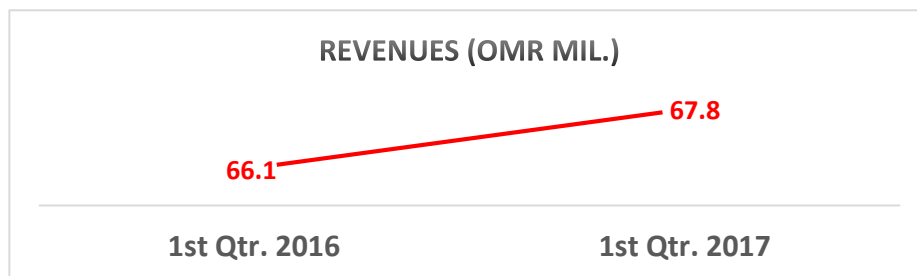


Abdul Razzaq Al-Balushi
Chief Financial Officer

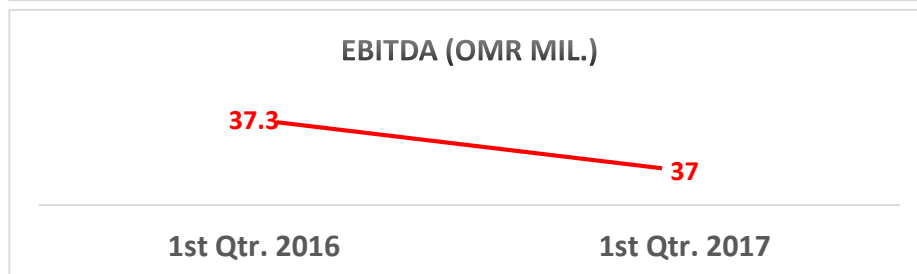
Abdul Razzaq has joined Ooredoo Oman in January 2016 and brings over 24 years of multi-discipline work experience, acquired mainly in senior management, finance, contracts & procurement, banking, strategy & corporate planning, risk management, board & several executive management committee secretary and consultancy. Abdul Razzaq spent his 24 years at HSBC, Oman LNG LLC, Oman Shipping Company SAOG, Aldersgate Partners and Oman Trading International.

Abdul Razzaq obtained his Master's in Business Administration from the University of Strathclyde UK. He is a Certified Treasury & Finance Professional (CTFP) as well as a holder of a Certificate in Accounts, Banking & Trade.

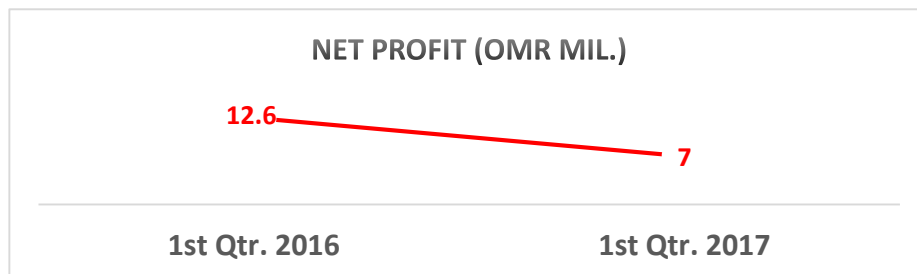
1st. Quarter 2017 – Financial Results Summary



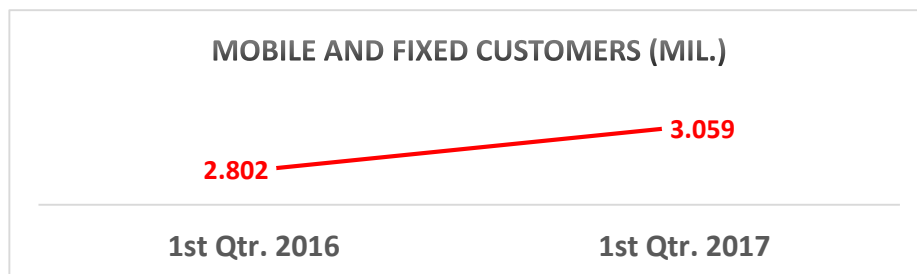
Revenues for the first three months of 2017 grew by 2.6% to OMR 67.8 million compared with OMR 66.1 million in 2016. The growth is driven by increases in both mobile and fixed data revenue.



EBITDA for the first three months of the year stood at OMR 37.0 million compared to OMR 37.3 million for the first three months of 2016. EBITDA for the quarter was marginally impacted by higher customer acquisition cost associated with increase in customer base which has grown by 9% in total and 23% for fixed. The benefit of this higher base will accrue over future periods

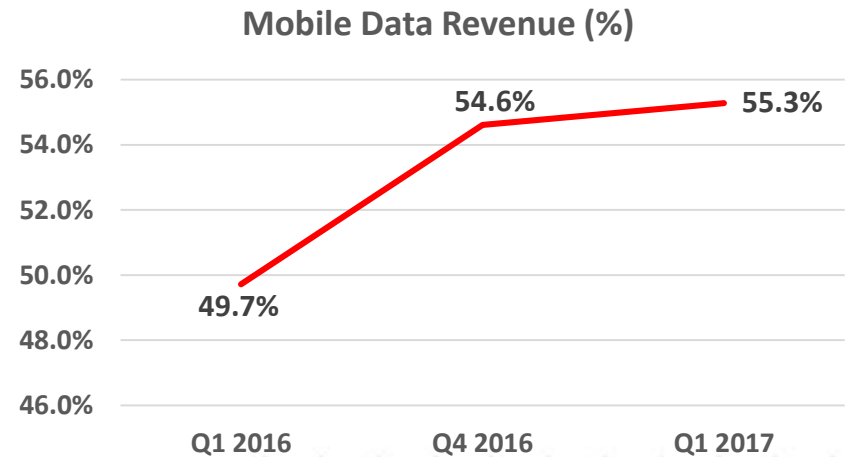
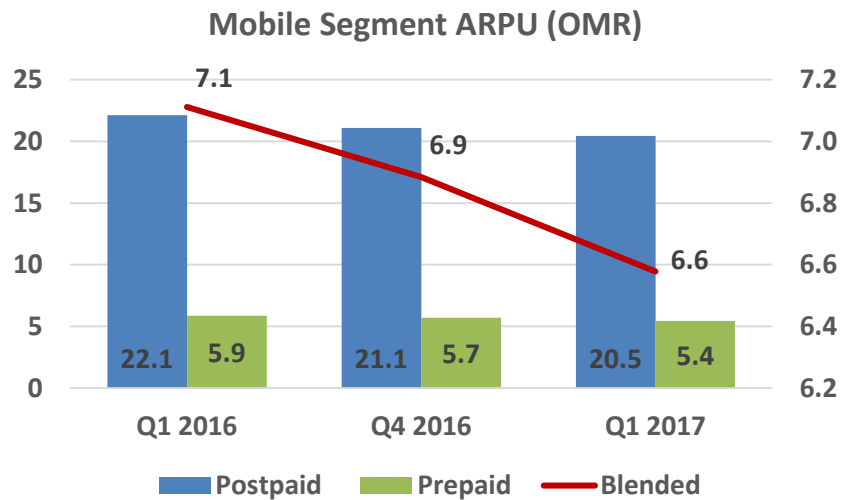
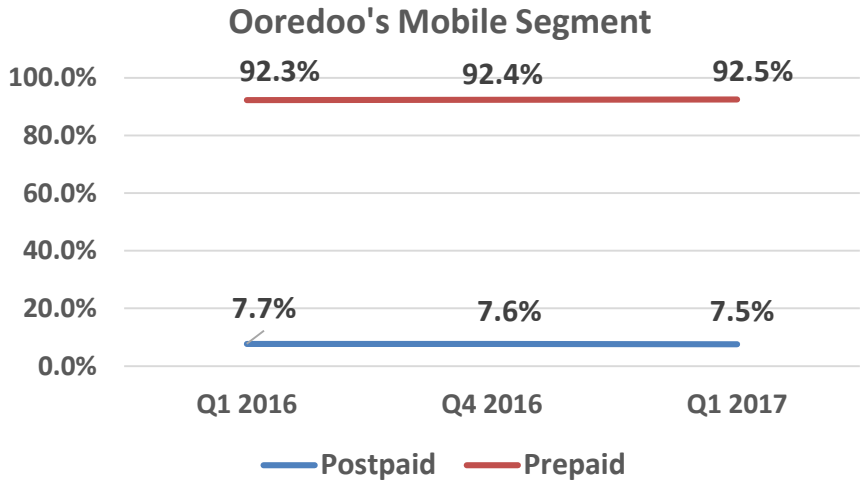
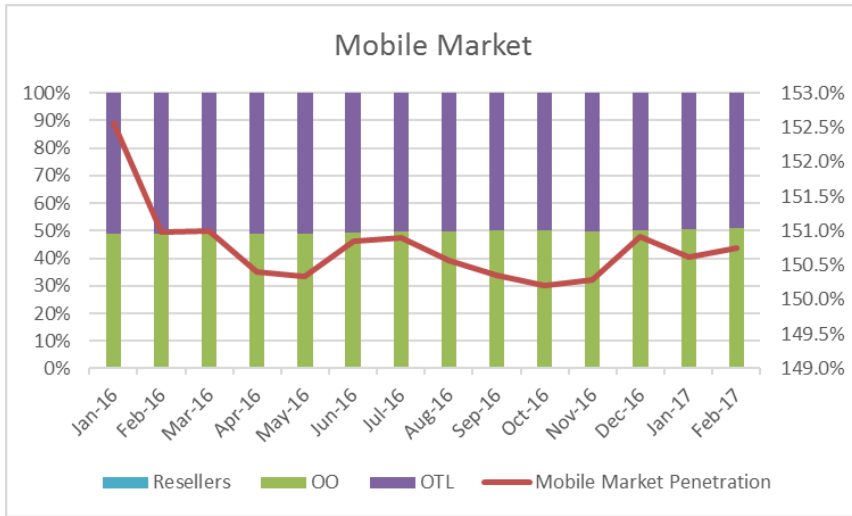


Net profit for the quarter is impacted by increase in royalty fee from 7% to 12%, increase in income tax rate from 12% to 15% as well as higher depreciation cost due to investment in network modernization.



Total number of customers grew by 9.2%, to be 3,059,344 at the end of the first three months of 2017 compared to 2,802,408 for the same period of 2016.

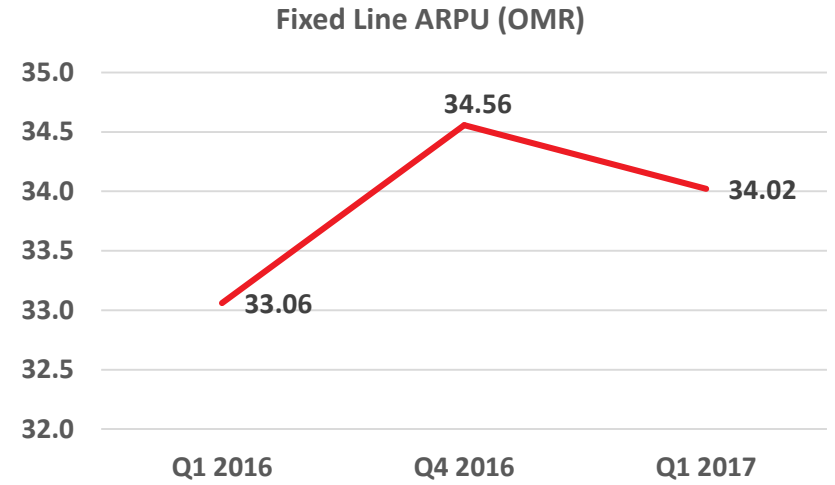
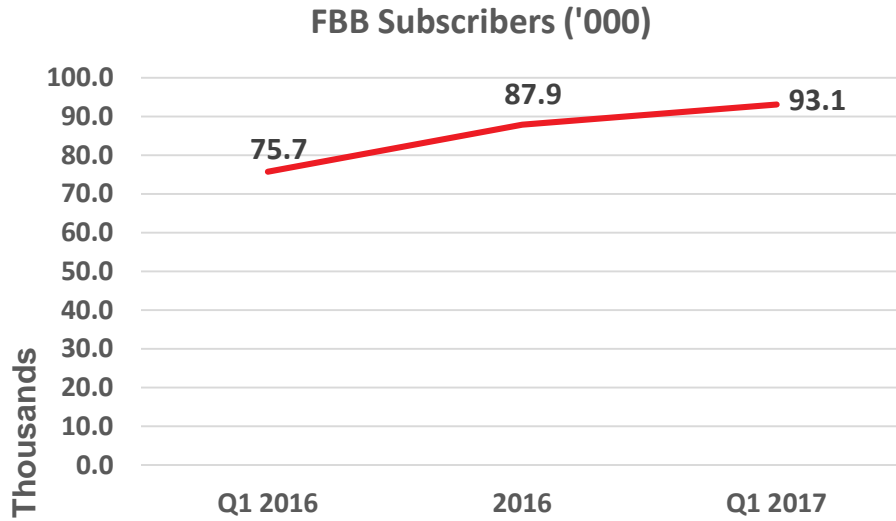
Mobile Segment Growth



Source: Ooredoo



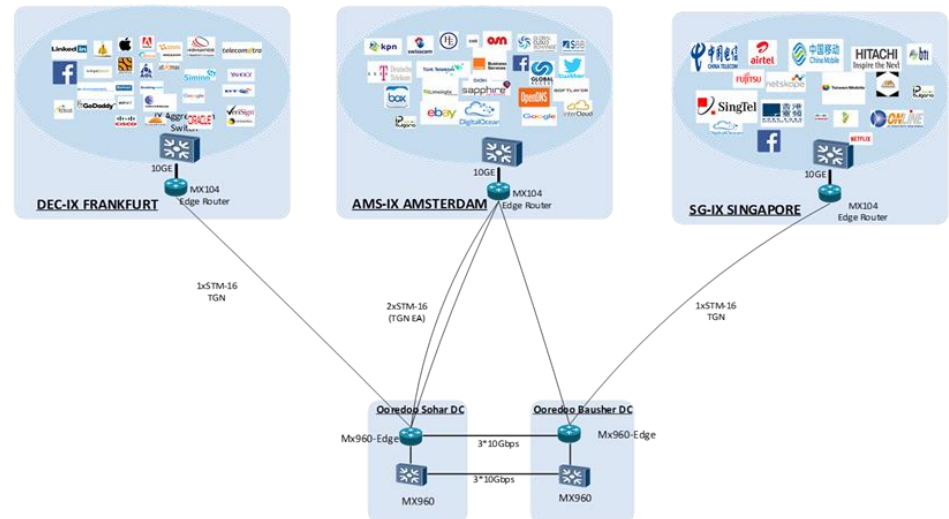
Fixed Segment Growth



Q1 2017 – Operational Focus

Technology & IT

- Trial of LTE on 900MHz successfully which will help expanding LTE footprint cost effectively
 - Total Internet Traffic crossed 50 Gbps landmark (56% Increase from Q1Y16)
 - Mobile Data Core reached 1 Million active data sessions
- Completed the modernization of Fixed Data Core and migrated traffic.
- Shift of focus from reactive response to proactive & predictable maintenance by automating the service quality monitoring cycle which increases the operational efficiency, hence improving customers experiences
- IT-Boost program is on track
- Managed Service Reload Project – Network & IT contracts have been awarded to Huawei/Wipro for a 5 year period
- Access to world's largest probe coverage & able to perform periodic roaming / international tests anywhere anytime
- Ooredoo's Network Reach:



2G Population Coverage	99.04%
3G Population Coverage	95.90%
Mobile LTE Population Coverage	54.30%
Fast HBB (TD LTE) HH Coverage	86.50%

Source: Ooredoo

Q1 2017 – Operational Focus – Customer Service

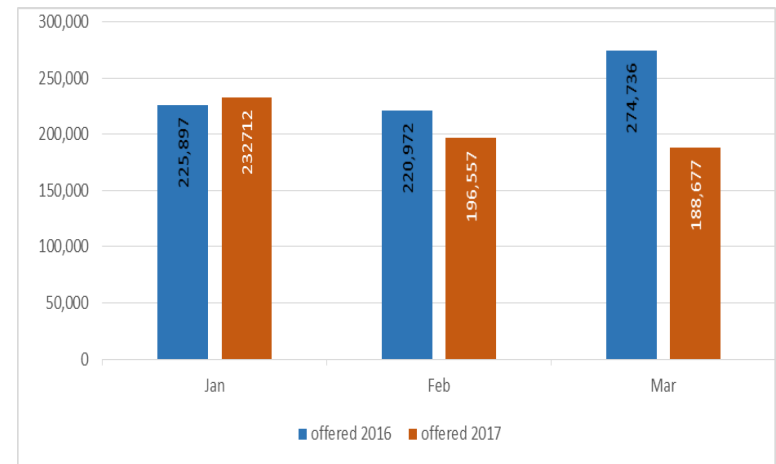
Operation Excellence

- Part of the self channel reinforcement ,We have managed to improve the IVR utilization by 2% reaching to 77% comparing to 66% in Q1 2016.
- BMC value Segmentation
- Promoting Ooredoo App via Contact center channels (IVR/Shell)and through internal campaigns
- Smart IVR detection to notify customers with the outstanding amounts.

E-Bill and IVR Payment

- Postpaid E-Bill Penetration reached to 85% in Q1 2017 compared to 78% in Q1 2016
- Reduction of Billing Cost by 30% in Q1 2017 compared to Q1 2016.
- Successful commissioning of payments done through IVR.

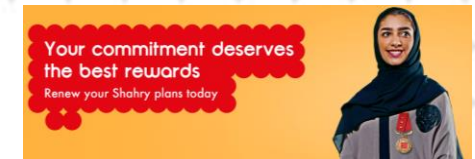
Digital Transformation



- Projects launched To drive the Top call reasons to the self services & digital channels result 13% Reduction of calls offered to CS compared to Q1 2016:
 - Bar/Unbarr users through IVR
 - payment through IVR
 - IVR dynamic prompt
 - BMC on IVR (resolved status)



OO Customer satisfaction score and NPS beats competition



 **NPS 21% above the competition**

Functional Customer Satisfaction

Emotional Brand Equity Index**

CSAT is 3% higher than the Incumbent

At par with the incumbent

OO is the leader in Net Promoter Score in Oman Telecom Market

Sahababiah stays with 2points higher in satisfaction & double NPS score compared to the regular Mousbak

Source: Third party research report



1st Quarter 2017 - Achievements



Category	Awards
Best Merchant	Best Merchant Bank Muscat Partner Program 
Customer Service	Most Customer Friendly Telecoms Provider 2017 International Finance Magazine
Digital Experience	Best Digital Experience Customer Experience Management (CEM)

Source: Ooredoo



Financial Highlights

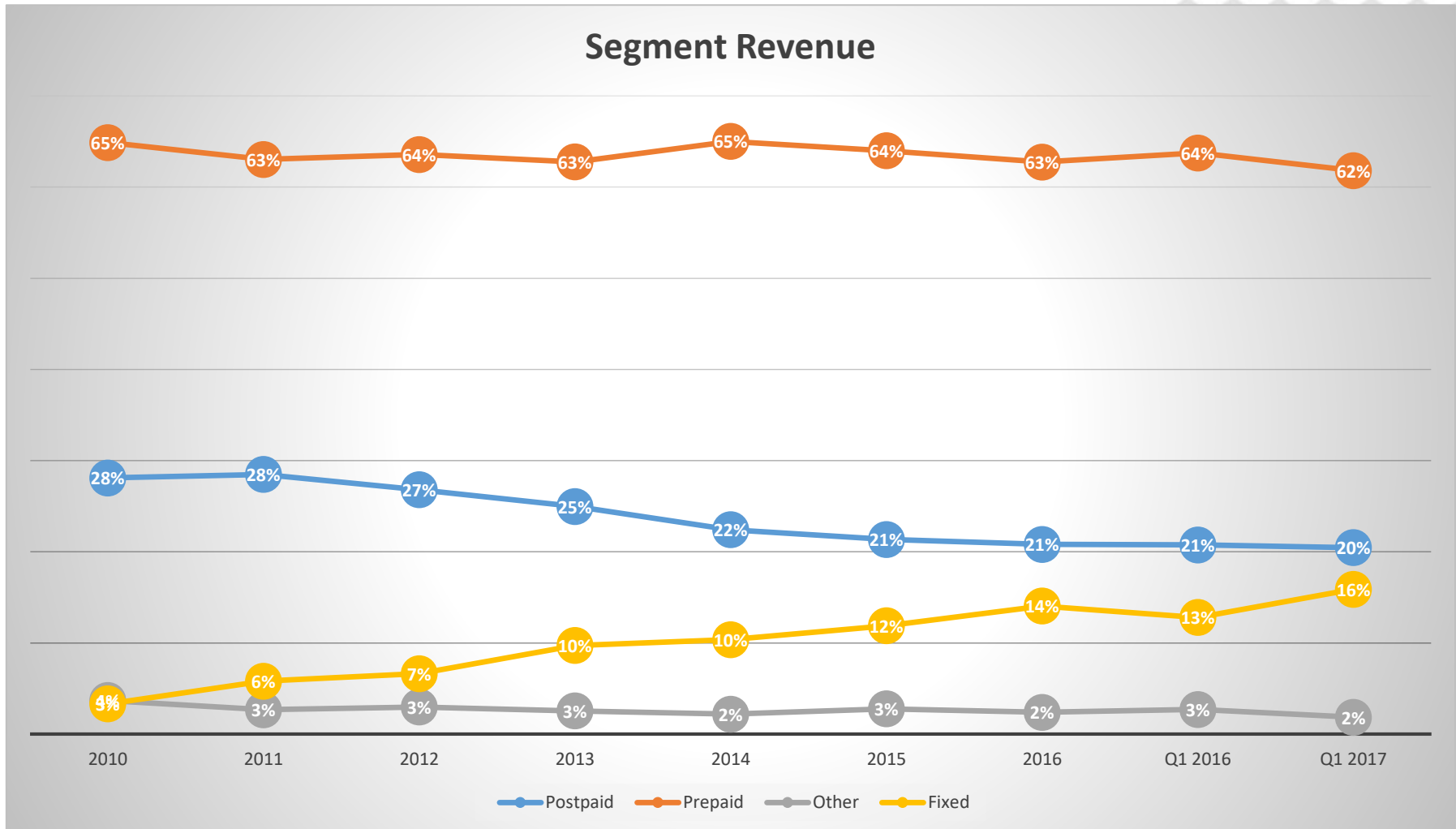


Income Statement for the three months ended 31 March 2017

	Actual Q1 2017 (RO Mil)	Actual Q1 2016 (RO Mil)	% Diff
Revenue	67.8	66.1	2.6%
Operating Expenses	19.3	18.0	7.3%
General & Admin Expenses	11.5	10.7	7.0%
EBITDA	37	37.3	-0.8%
Margin %	54.6%	56.4%	
Depreciation and Amortization	17.1	15.9	7.5%
EBIT	19.9	21.4	-7.5%
Margin %	29.3%	32.4%	
Financing Cost	0.56	0.64	-13.1%
Other Expense & Income	0.06	-0.81	-107.7%
Management & Brand Lic Fees	3.046	1.982	53.7%
Profit before Royalty & Tax	16.2	19.6	-0.2%
Royalty & Tax	9.2	7	31.4%
Net Profit	7.0	12.6	-44.4%
Margin %	10.3%	19.1%	
Earning per Share RO	0.011	0.019	
CAPEX	12	8	

Source: Ooredoo

Revenue (Segment Analysis)



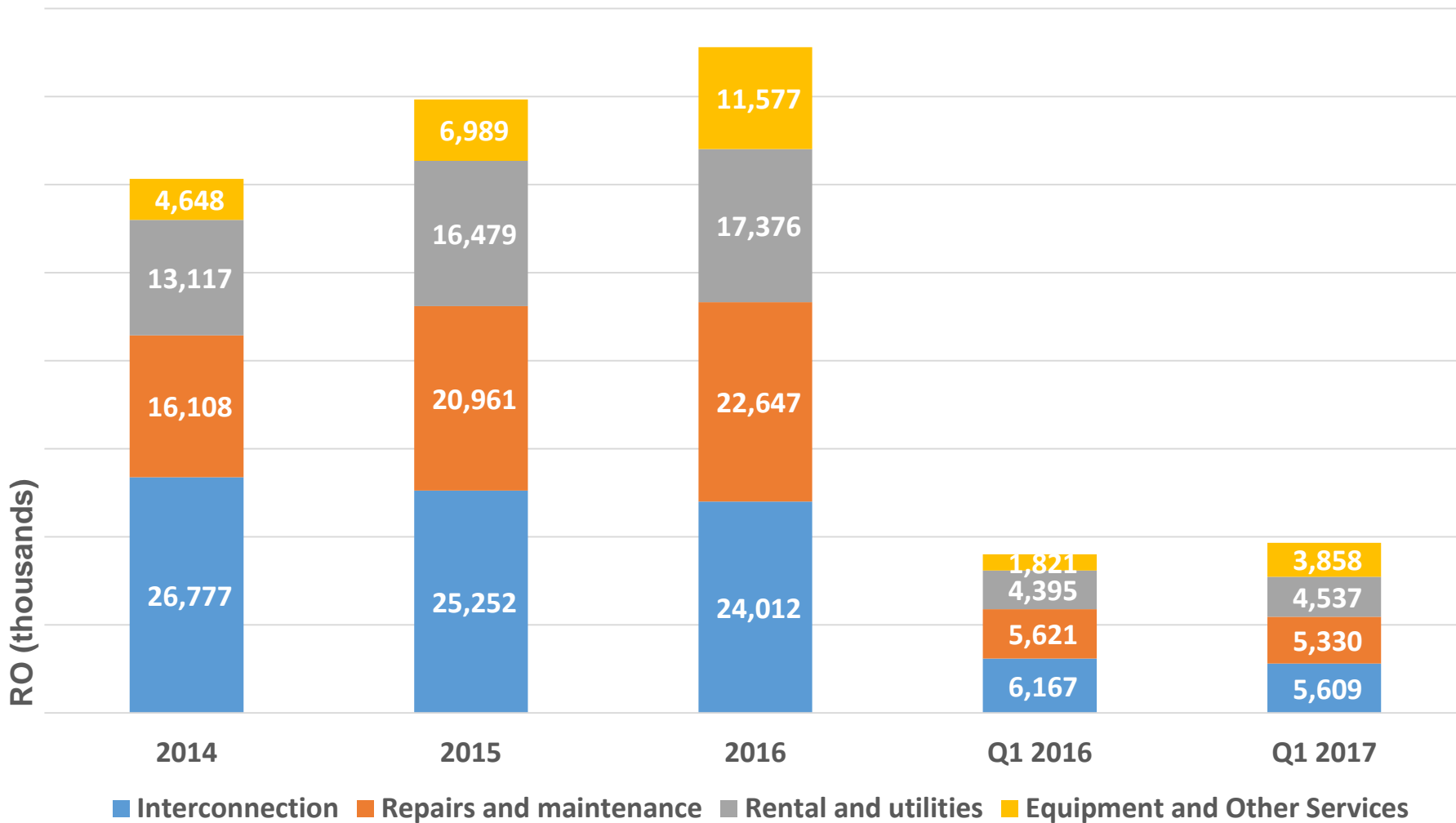
The increase in revenue is driven by fixed data revenues

Source: Ooredoo

Notes: Other revenue mainly includes inbound roaming and wholesale revenue from resellers



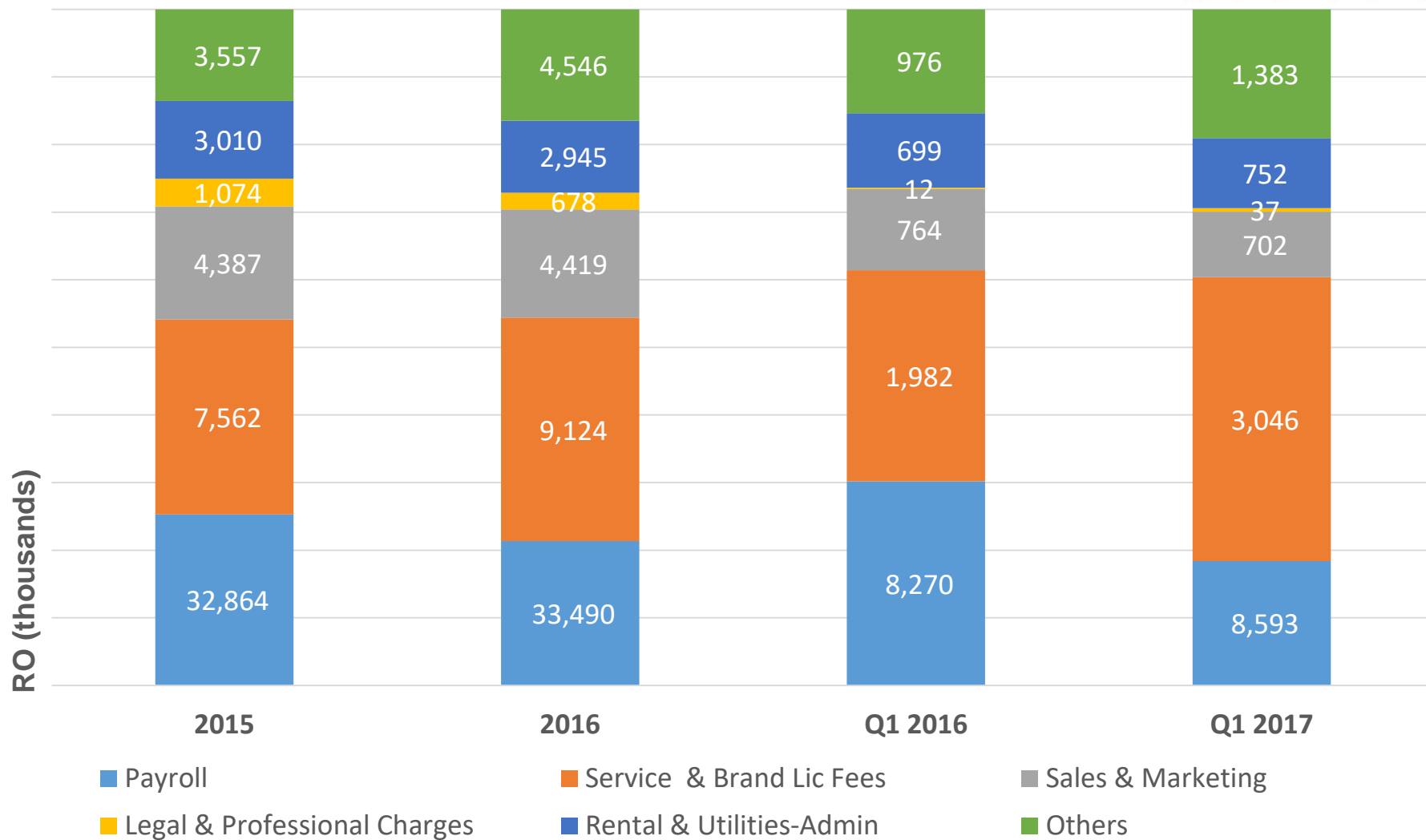
Operating Expense



Source: Ooredoo



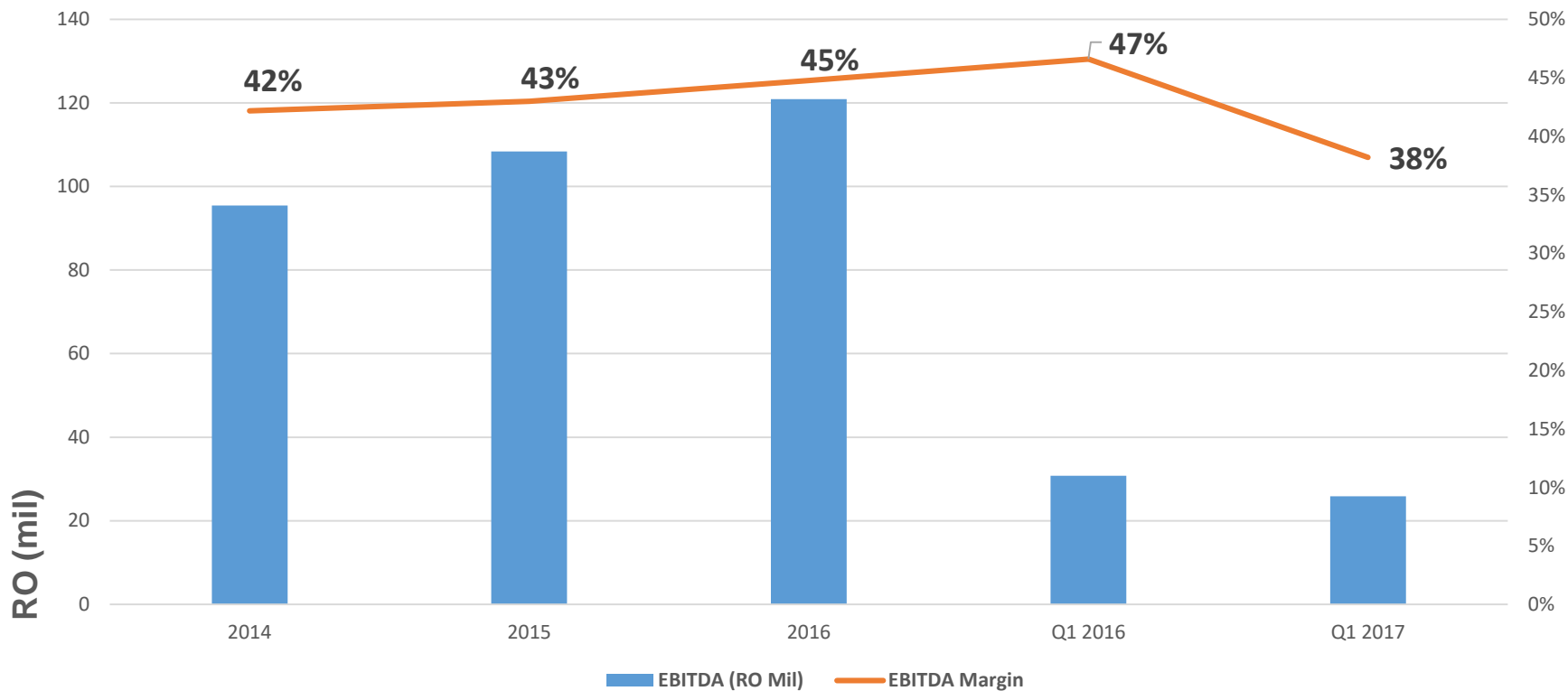
General & Administration Expense



Source: Ooredoo



Adjusted EBITDA



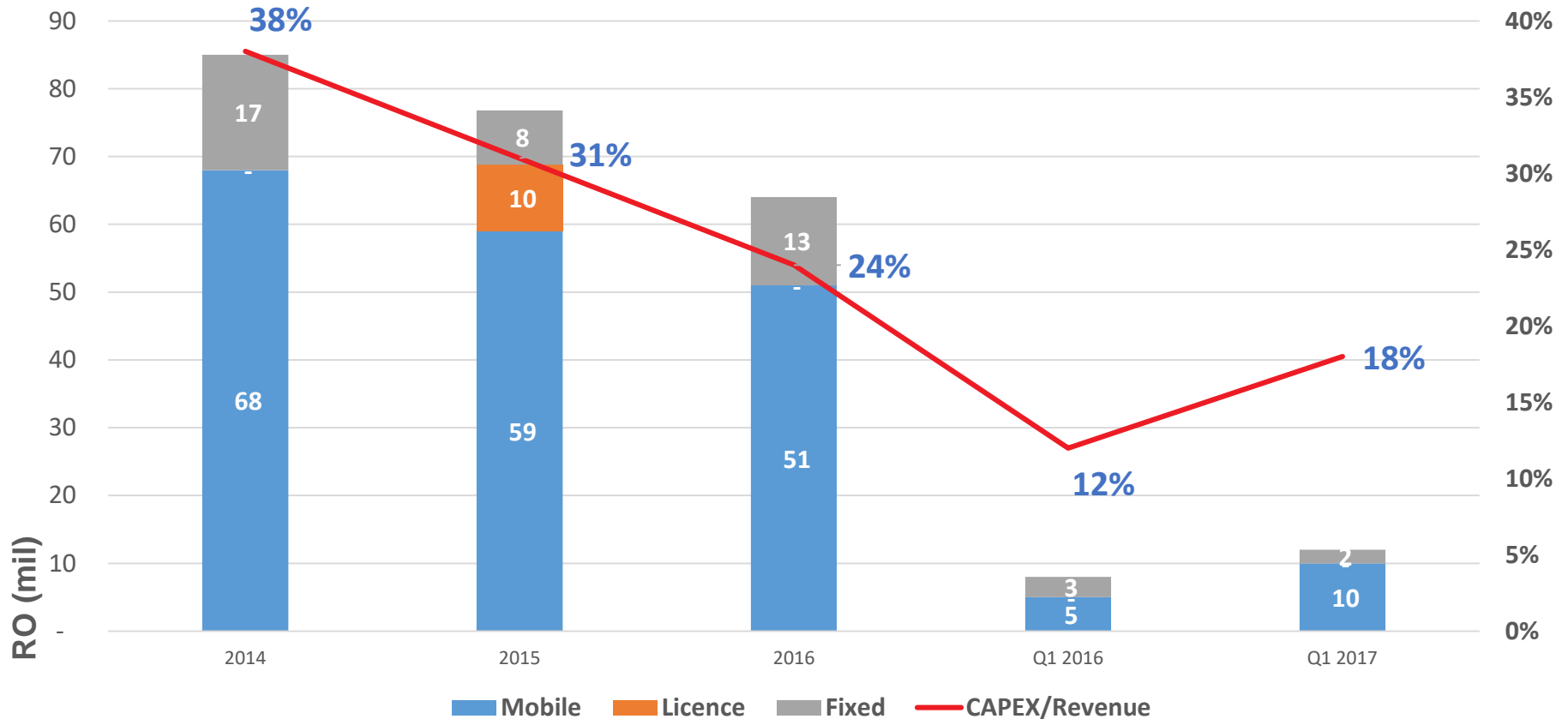
Adjusted EBITDA had decreased by 16% (from 47% to 38%) in Q1 2017 compared to Q1 2016 mainly due to increase in the royalty charged from 7% to 12% and the introduction of branding license fee which started from Oct 2016.

Source: Ooredoo

Adj. EBITDA = Revenues – Operating Expenses – General and Administrative Expenses (including service fees) - royalty



Capital Expenditure (CAPEX)

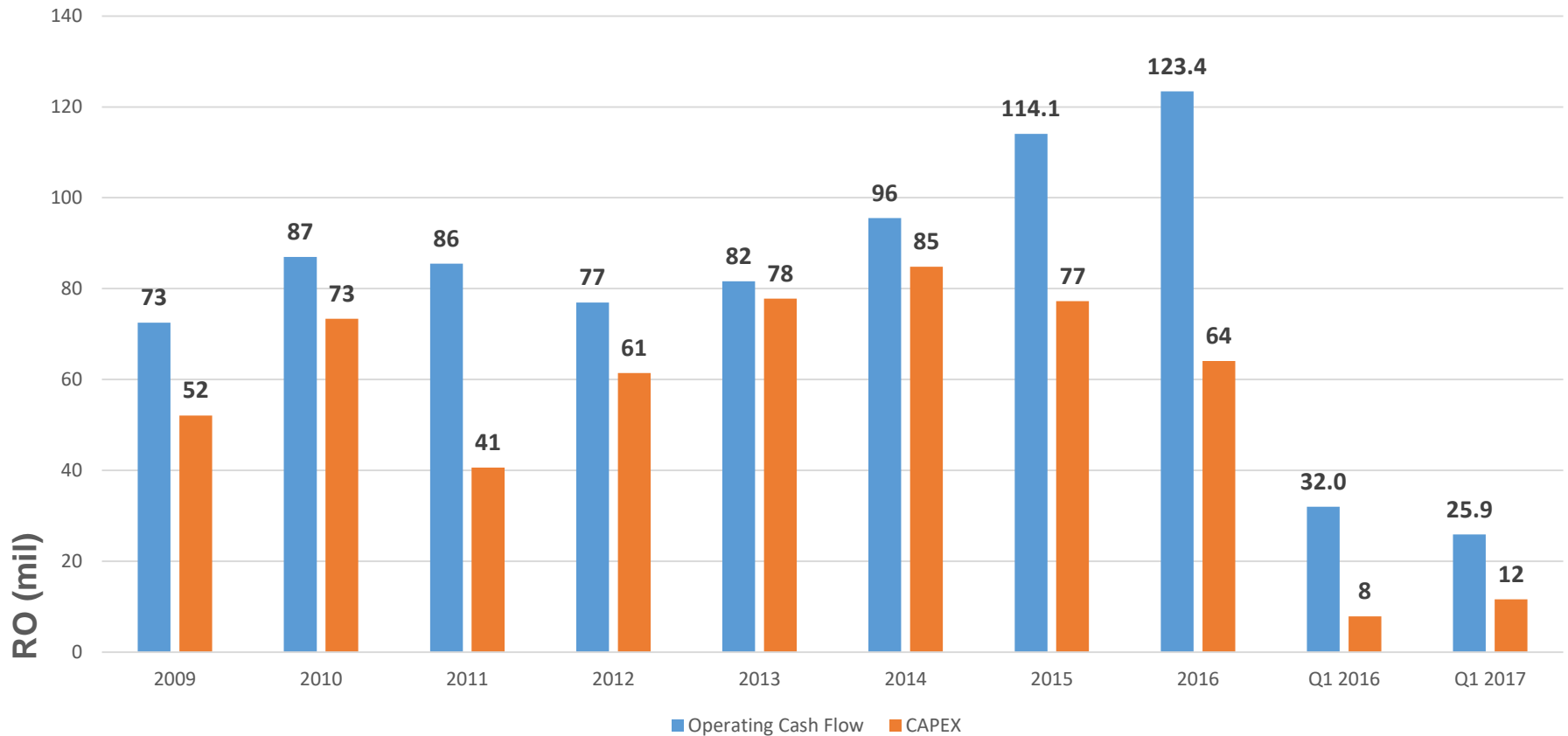


CAPEX spend in Q1 2017 has been higher due to investment in sea cable project and core network project.

Source: Ooredoo



Operating Cash Flow before Working Capital

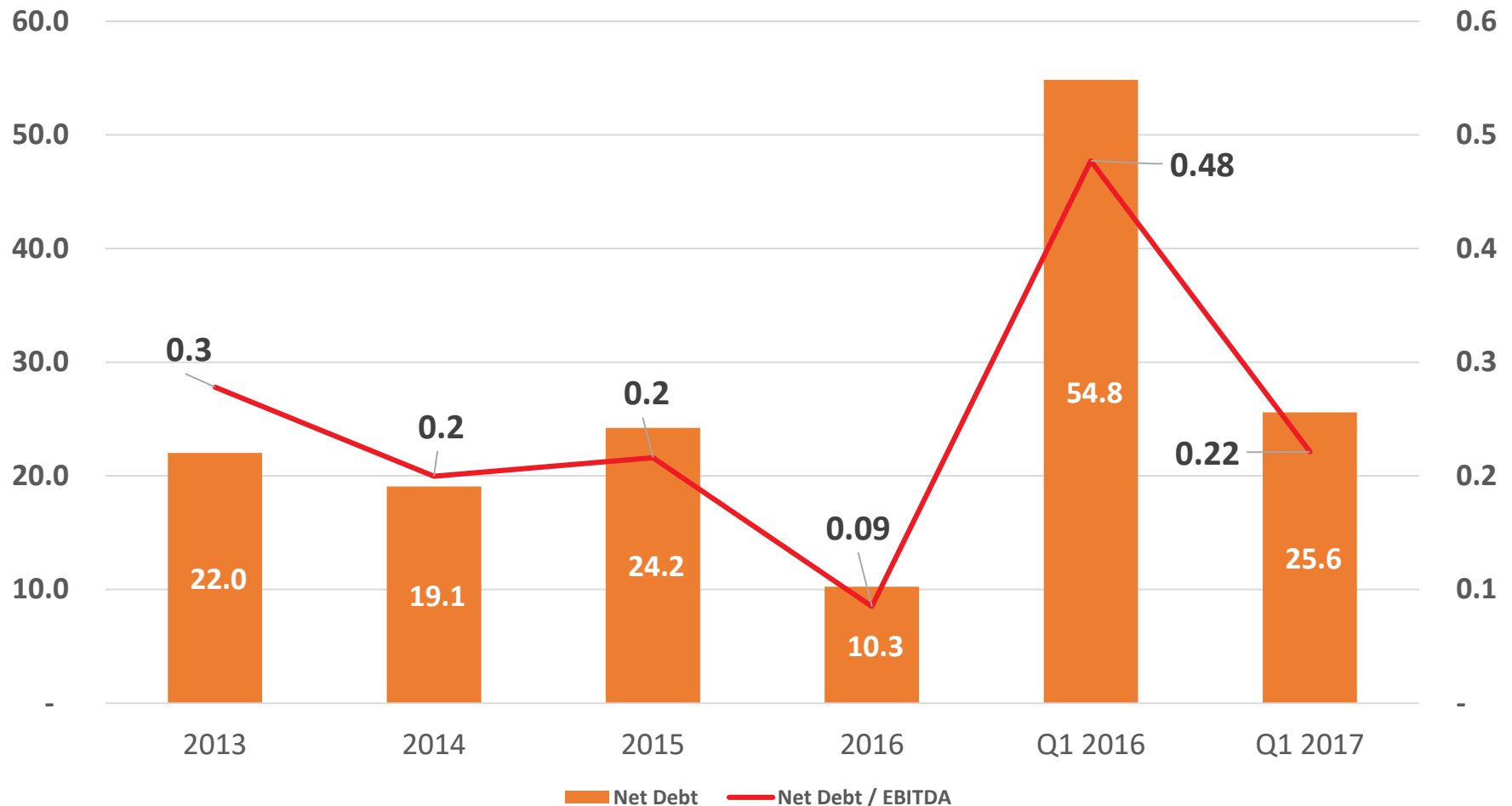


Operating cash flow is impacted by lower profit before tax.

Source; Ooredoo



Net Debt (Improvement in leverage)



As on 13st Mar 2017 we have unutilized funds of OMR 22 m

Source: Ooredoo



Summary

Overall Performance

- 1st Quarter 2017 revenue growth of 2.6%
- Revenue growth is driven by increases in both mobile and fixed data revenue.
- 9.2% growth in total number of customers.
- Healthy cash flow

Commercial and Operational

- Mobile data represents 54% of overall mobile revenues
- Our increase in customer base also reflects our award-winning customer experience, which we continue to innovate and build upon, across all of our touch-points.
- The ongoing investment in modernizing and expanding our network is also a factor in customer growth and we will continue to provide the coverage and speed, with our expanding 4G footprint as well as our Superfast Fiber Home Broadband packages

Future Top-line Growth Opportunities

- Maintain Mobile leadership
- Mobile, Home and Business broadband.
- Fully converge/managed service provider for corporate services.
- New ICT & Cloud managed services
- OTT partnership

Future Bottom-line Growth

- Strong operating leverage of fixed line business.
- Overall cost optimization and quality improvement.
- Continue excellence in customer care

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