

Ooredoo Investor Presentation



Q1 2015 Performance

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Q1 2015 Financial Results

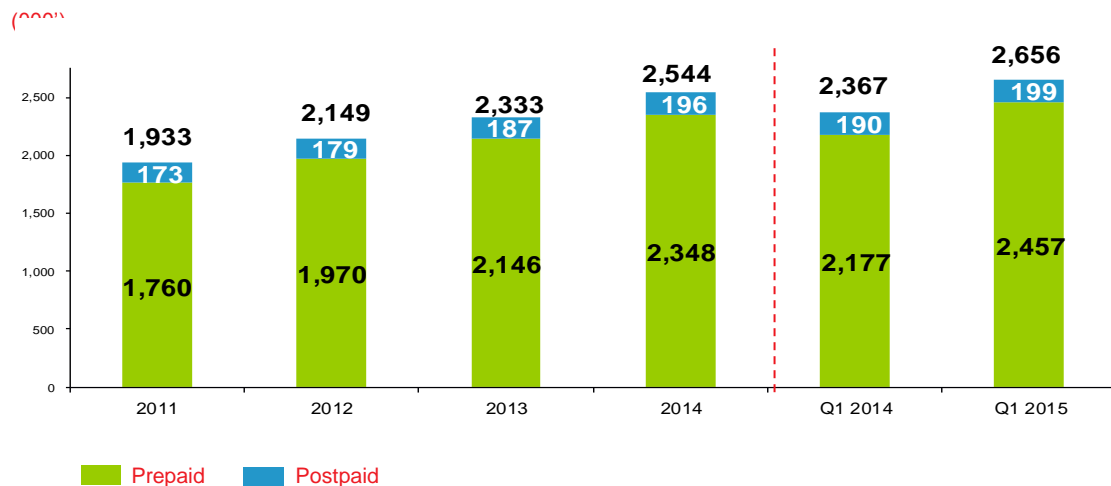
	Three months ended 31 March		
	2015	2014	Change%
Revenues (OMR m)	59.3	52.7	12.5%
EBITDA (OMR m)	33.8	27.3	23.8%
Net Profit (OMR m)	10.7	8.8	21.6%
Mobile and fixed customers ('000)	2,715	2,433	11.6%

Key Messages

- Revenues for Q1 2015 grew by 12.5% to OMR 59.3 million compared with OMR 52.7 million in Q1 2014. The growth is driven by increases in both mobile and fixed data revenue.
- EBITDA for Q1 2015 was OMR 33.8 million compared with OMR 27.3 million in Q1 2014 due to higher revenue.
- Net profit for Q1 2015 was OMR 10.7 million compared to OMR 8.8 million for the same period of 2014. The net profit increased by 21.6% due to an improvement in EBITDA that was partially off-set by investment in network modernisation and expansion.
- Total number of customers grew by 11.6% in Q1 2015 from 2,432,751 to 2,714,716.
- The fixed service customer base decreased by 11.1% to 58,435 customers in Q1 2015 compared to 65,728 in same period 2014. This is due to the transition period to a new Home Broadband technology that will bring improved services to our customers. The mobile post-paid customer base grew by 5.1% to 199,206 customers compared with 189,554 customers in Q1 2014. The mobile pre-paid customer base for Q1 2015 increased by 12.8% to 2,457,075 compared to 2,177,469 for the same period last year.

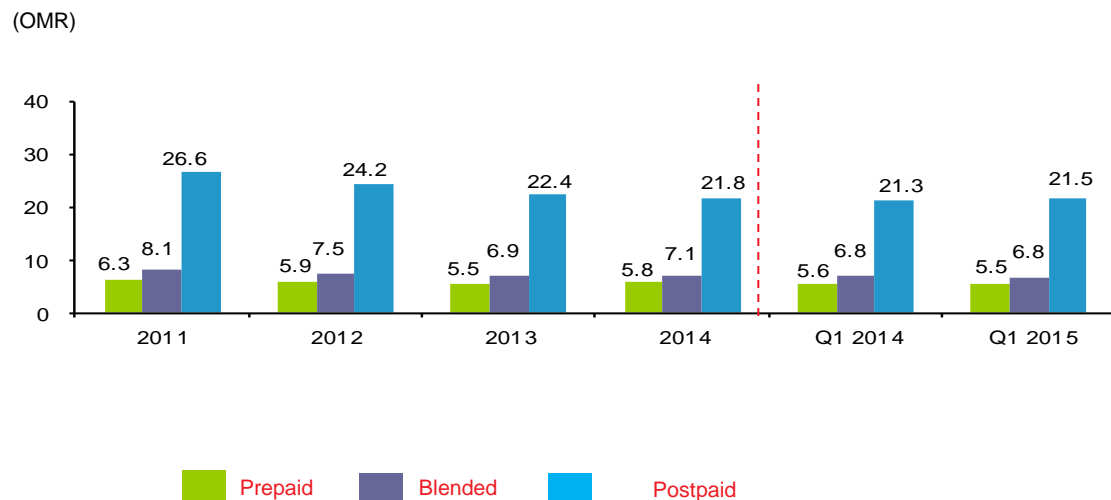
Mobile customer base and ARPU

End of period (EoP) mobile customers breakdown



- The mobile pre-paid customer base by end of Q1 2015 increased by 12.8% to 2,457,075 compared to 2,177,469 at the end of Q1 2014.
- The mobile post-paid customer base by end of Q1 2015 grew by 5.1% to 199,206 customers compared with 189,554 customers by end of Q1 2014.

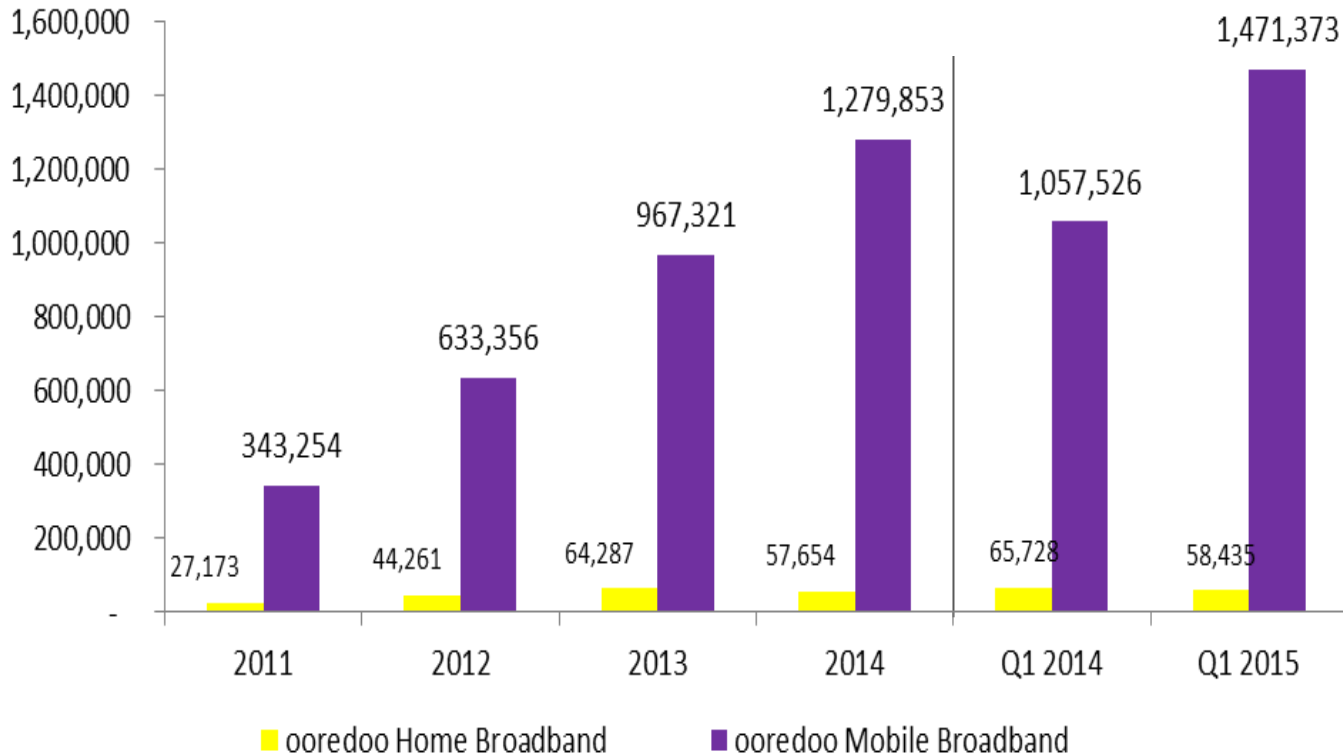
Monthly ARPU – Post-paid, prepaid and blended



- Q1 2015 ARPU has remained stable due to reduction in voice revenue being off set by growth in data revenue.

Ooredoo broadband customers

Broadband (Mobile and Fixed)



- Fixed service customers decreased by 11.1% Q-Q Resulting from the constraints during the transition period and migration to a new fixed broadband technology (WiMAX to TDD LTE)
- Mobile broadband customers grew by 28.1% Q-Q, supported by growth in data products as well as modernization network
- Mobile data revenue is 41% of total mobile revenues Q1
- Smart phone penetration across mobile base now at 66%



Q1 2015 Consumer Focus

KPI's

- Growth in revenues and customer numbers
- Main drivers of the performance were:
 - High Value base continues to grow
 - Mobile data, revenues and consumption
 - Prepaid
 - Postpaid
- Our growth in mobile data has been driven by the increases in the smartphone base, 4G usage and social changes meaning that more interactions are happening 'online'
- 1.4 million of our customers now regularly use mobile data

New Business Opportunities

- We've identified and prioritised a number of new business opportunities that will continue to drive the growth of the consumer segment including:
 - Connected Home
 - Mobile Financial Services
 - Mobile Identity
 - E-commerce

Launches

- Loyalty scheme was rebranded from 'Elite' to Nojoom. To coincide with this rebrand we introduced a number of 'non telecom' benefits including VOX cinema tickets, Shukran Points and Gloria Jeans coffee
- Nojoom is 100% app based
- We celebrated our 10th anniversary with a data offer
- We celebrated the return of His Majesty with a free calls offer
- Roam like Home was extended to ensure our travellers to the UAE got a great roaming rate
- Double your credit was introduced for 3 days on our 'More Recharge' plan.

Revenue Evolution

- 43% of the consumer revenues now come directly from data. Our success in smartphone adoption and our rollout of 4G services across the Sultanate has ensured that we are effectively monetizing future services based on data

Q1 2015 – Operational Focus

Network Modernization /Turbocharging

- Ooredoo Oman 3G mobile population coverage year end 2014 is almost 90% of population.
- Ooredoo Oman is the only service provider in Oman with five 3G carriers providing excellent customer experience.
- 98% of the WiMAX to 4G-LTE upgrade of the fixed network is completed

Customer Experience

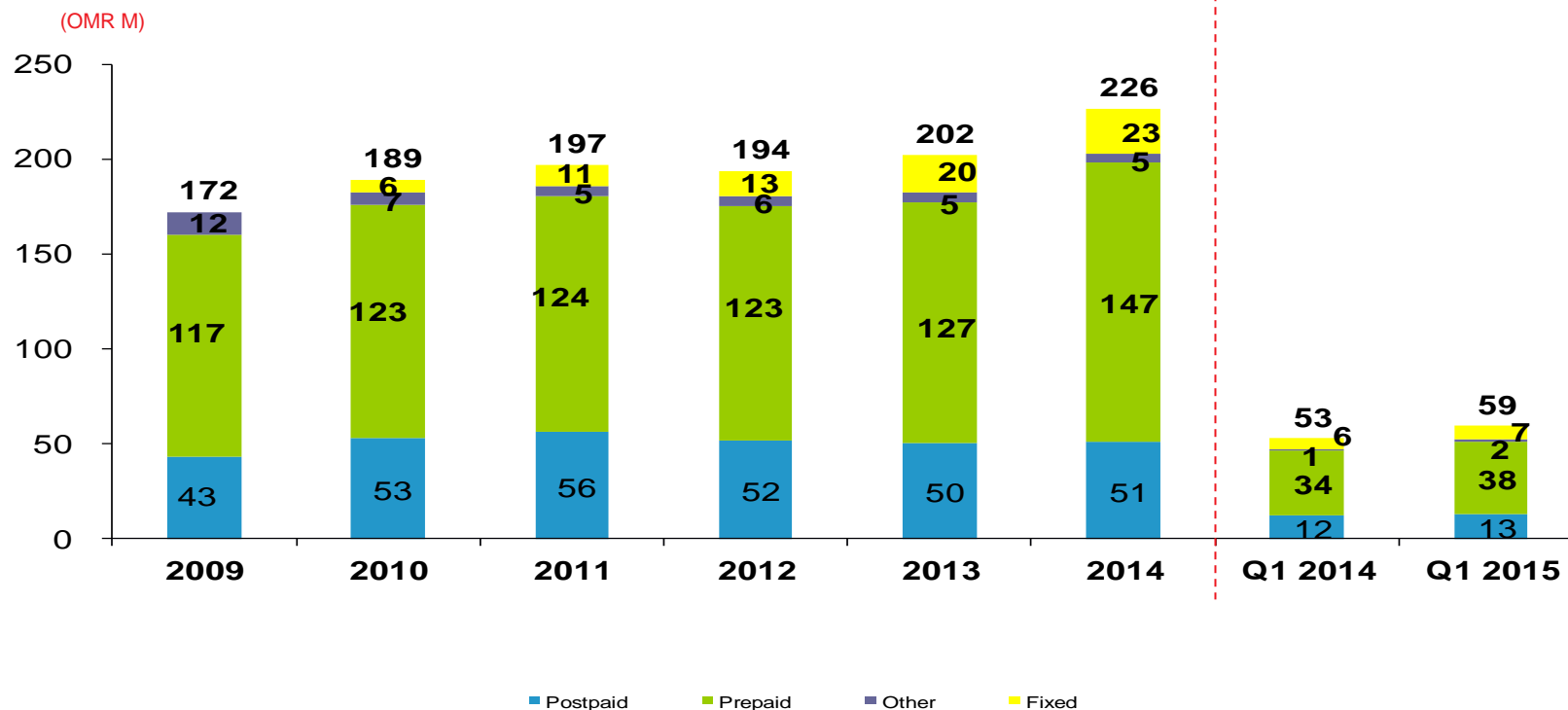
- Ooredoo continued to roll-out the ResponseTek ‘Voice of the Customer’ by introducing Retail channel.
- Launch the new IVR platform , The New IVR platform includes the latest cutting edge technologies for the interactive voice response which called (Avaya experience portal),With this technology we have introduce the below new innovated features;
- Smart detection: TT open detection/ Repeated Calls handling/ MBB low (under progress) / Better barring reason detection (Postpaid Four types)/(Prepaid two types)
- (FAM-Frequent accessed menus) Dynamic menu: this will keep a historical record of the previous calls staring from the second call and provide those menus first when a customer calls (favorite)
- USSD on IVR: Allow our customers to subscribe, check balance, cancel Subscription, and purchase more data and 4G add-on feature (live) Graphical User Interface.

Financial highlights



Revenue

Best performance since launch



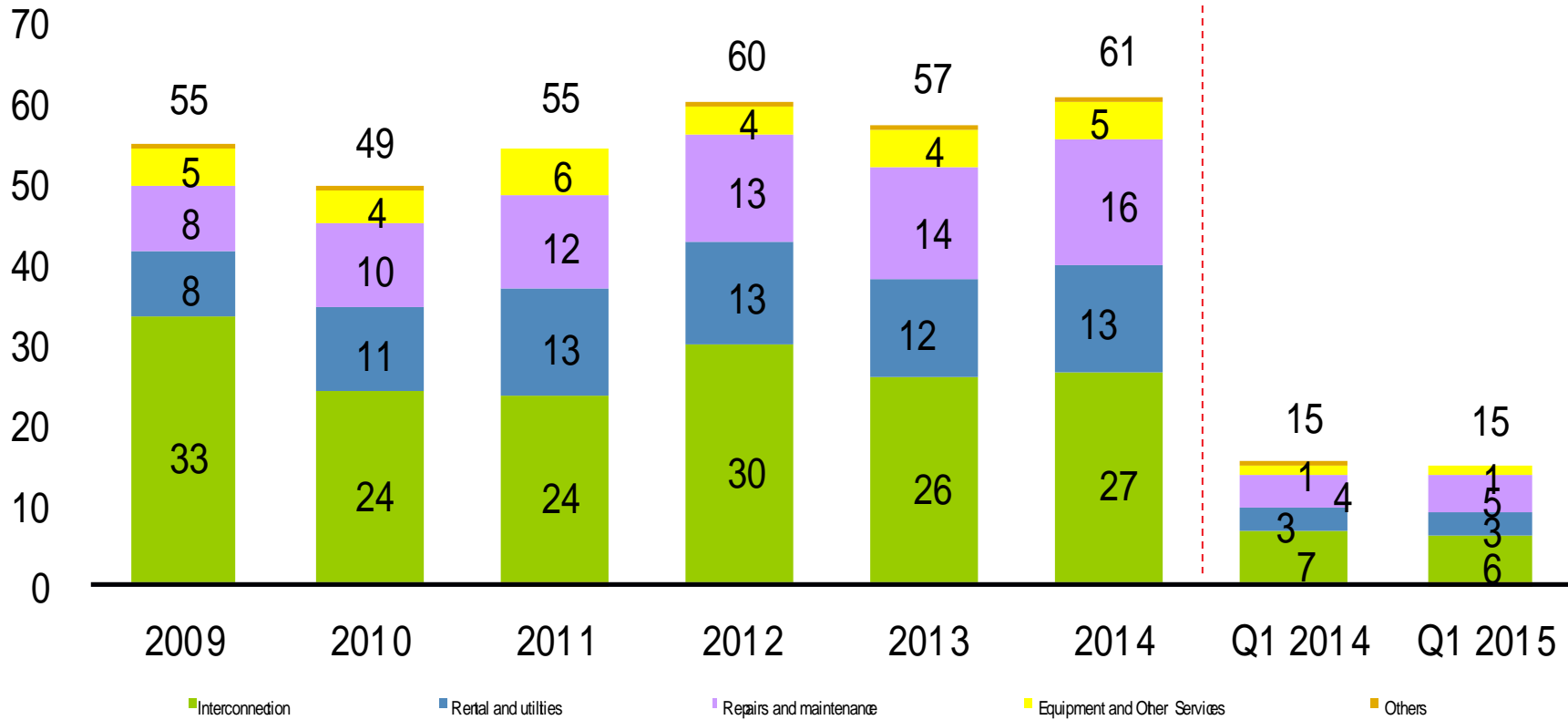
- The increase in revenue is driven by fixed and mobile data revenues as well as international voice.

Notes Source Ooredoo
 (1) Other revenue mainly includes inbound roaming and wholesale revenue from resellers

Key financial drivers

Operating expenses

(OMR M)



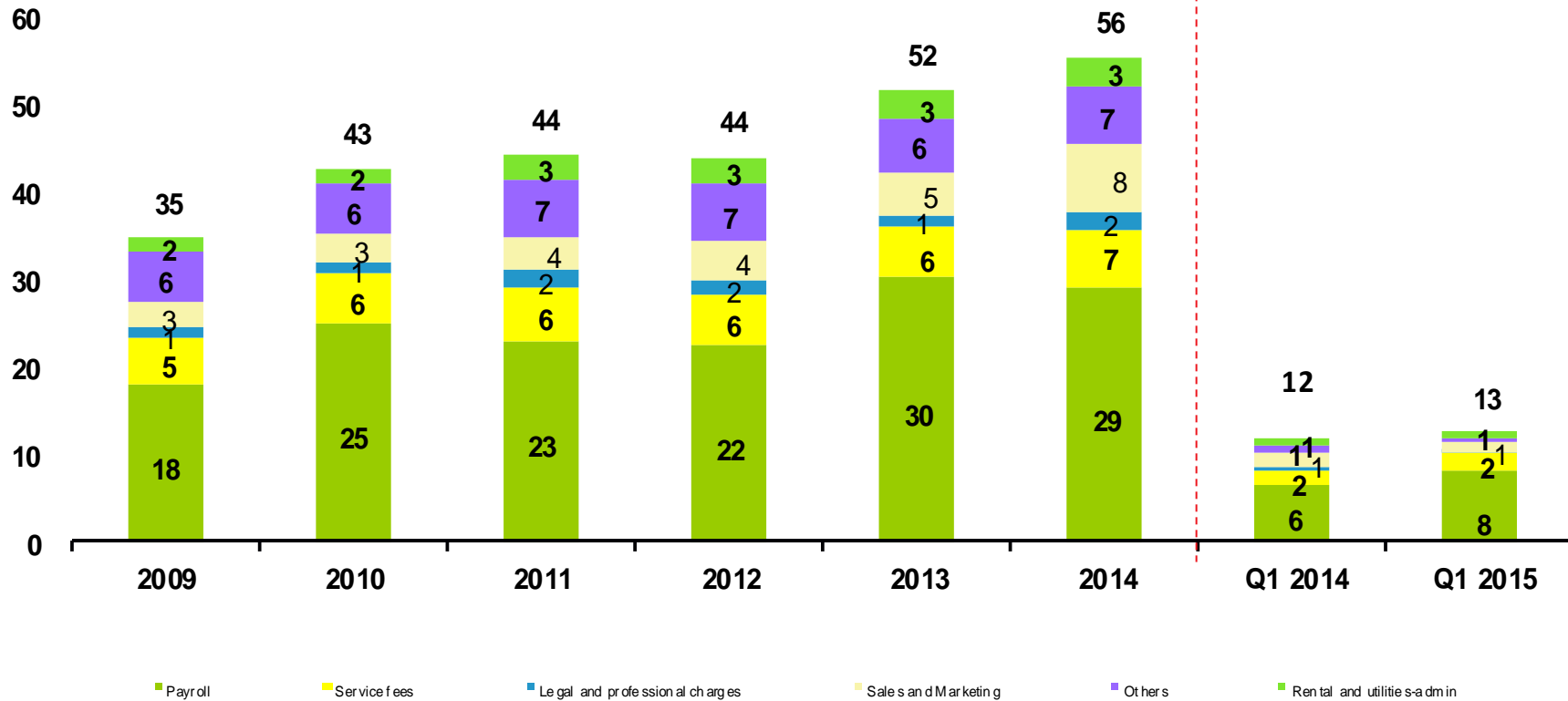
Stable operating expenses

Note Source Ooredoo
Totals may not add up to sum of parts in some cases due to rounding

Key financial drivers

SG&A

(OMR M)



- 2014 payroll expenses includes a reversal of accrual OMR 1.4 m

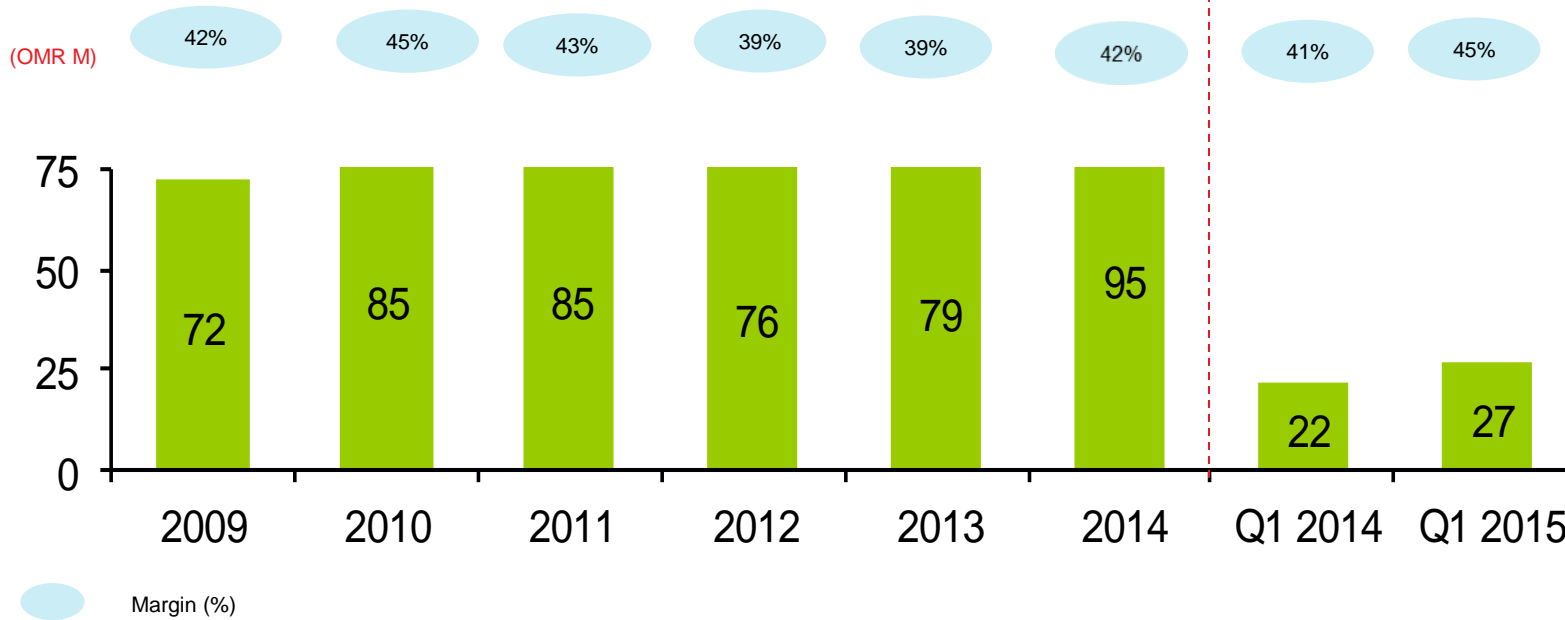
Note

Source Ooredoo
Totals may not add up to sum of parts in some cases due to rounding

EBITDA



Adj. EBITDA⁽¹⁾



- EBITDA has improved due to increase in revenues and stable expenses.

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

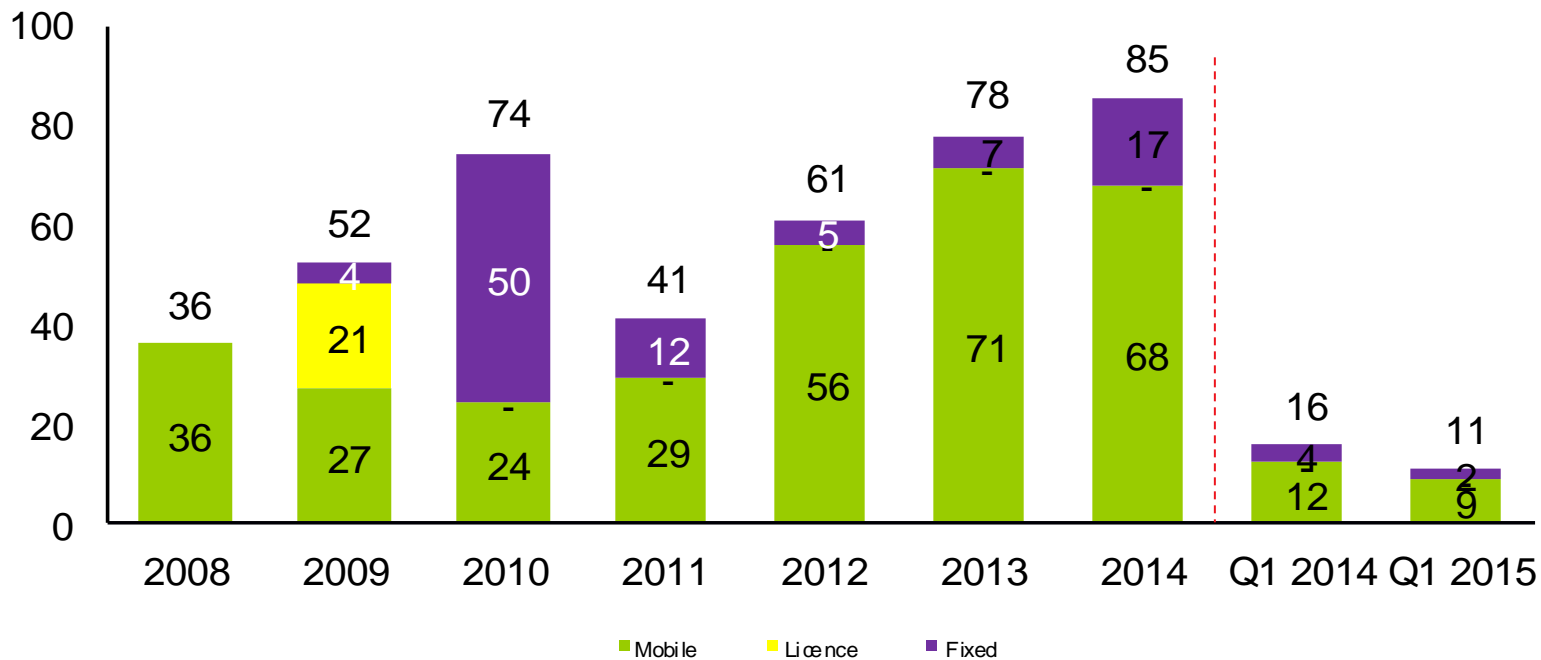


Key financial drivers



Capital expenditure

(OMR M)



- Decrease in 2015 vs prior year in related to time of capitalization.

Source

Ooredoo

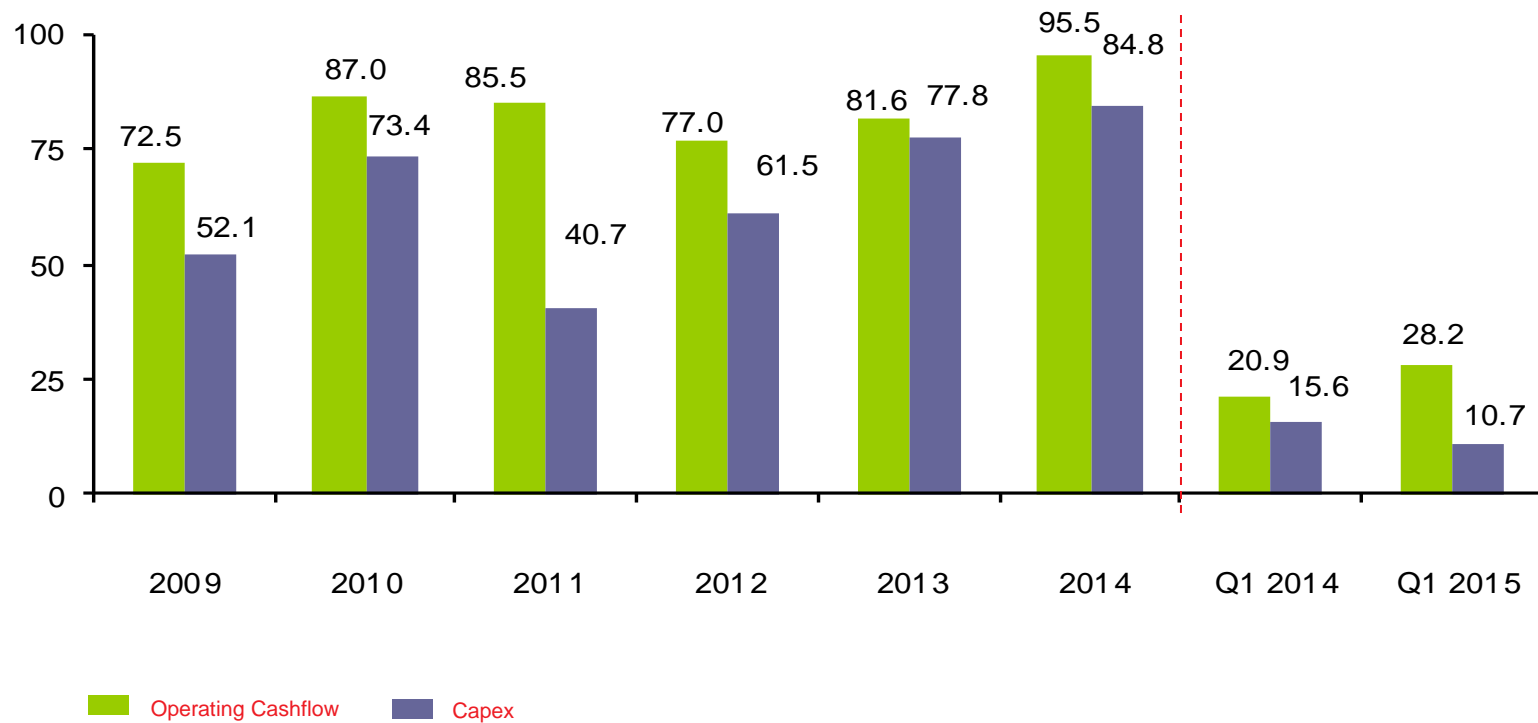


Key financial drivers

steady cash flow

Operating cashflow before working capital

(OMR M)



- Improved operating cash flow generation mainly due to revenue increase.

Source

Ooredoo

Net debt

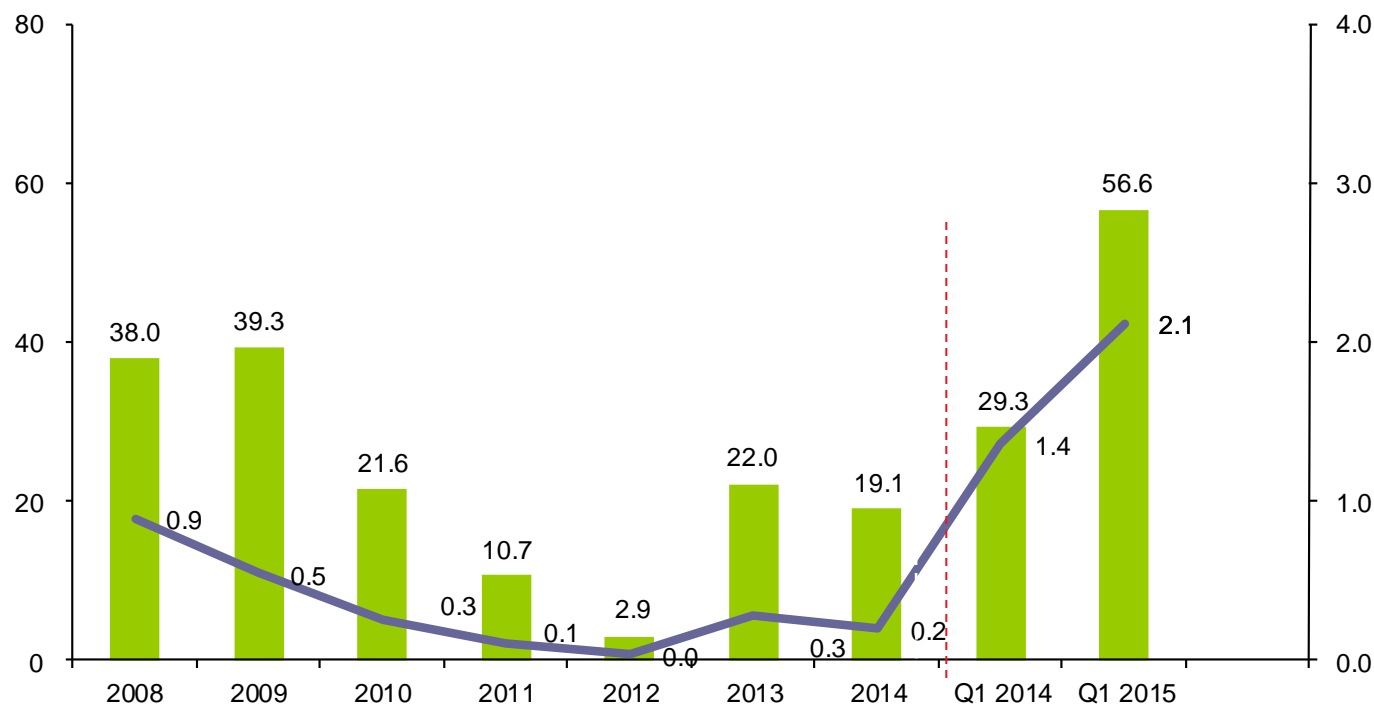
Improvement in leverage



Net debt⁽¹⁾

Net debt / Adj. EBITDA

(OMR M)



- As on March 2015 we have unutilized funds of OMR 44m

Net Debt Net Debt / Adj. EBITDA

Note

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



Summary

- Market
 - Q1 revenue and EBITDA growth of 12.5 % and 23.8 % respectively,
 - Strong revenue growth is driven by increases in both mobile and fixed data revenue.
 - 11.6% growth in total number of customers.
- Commercial and operational
 - More than 40% of our revenue is coming directly from data.
 - We continued to expand our fibre network, to future-proof our network countrywide and provide a unique customer experience.
 - Our investment will continue this year as we further improve network performance across the Sultanate.
- Future top line growth opportunities
 - Mobile, Home and Business broadband.
 - Full service provider for corporate services.
- Future bottom line growth
 - Strong operating leverage of fixed line business.
 - Reduction in national transmission cost.
 - Overall cost reduction and quality improvement.
- Strong cash flow generation



Thank you

