

Ooredoo Oman Investor Presentation



Q1 2016 Performance

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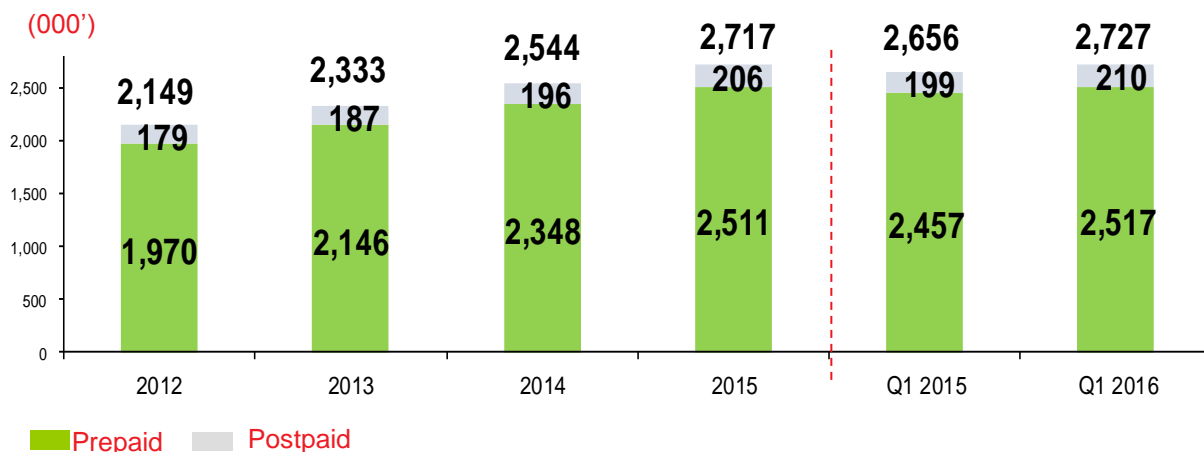
Q1 2016 – 3 Months Financial Results

	Three months ended 31 March		
	2016	2015	Change%
Revenues (OMR m)	66.1	59.3	11.5%
EBITDA (OMR m)	37.3	33.8	10.4%
Net Profit (OMR m)*	12.6	10.7	17.8%
Mobile and fixed customers ('000)	2,802	2,715	3.2%

- Revenues for Q1 2016 grew by 11.5% to OMR 66.1 million compared with OMR 59.3 million in Q1 2015. The growth is driven by increases in both mobile and fixed data revenue.
- EBITDA for Q1 2016 was OMR 37.3 million compared with OMR 33.8 million in Q1 2015 due to higher revenue.
- Net profit for Q1 2016 was OMR 12.6 million compared to OMR 10.7 million for the same period of 2015. The net profit increased by 17.8% due to an improvement in EBITDA that was partially off-set by depreciation impact of investment in network modernisation and expansion.
- Total number of customers grew by 3.2% in Q1 2016 from 2,714,716 to 2,802,408.
- The fixed service customer base increased by 29.6% to 75,738 customers in Q1 2016 compared to 58,435 in same period 2015. The mobile post-paid customer base grew by 5.3% to 209,695 customers compared with 199,206 customers in Q1 2015. The mobile pre-paid customer base for Q1 2016 increased by 2.4% to 2,516,975 compared to 2,457,075 for the same period last year.

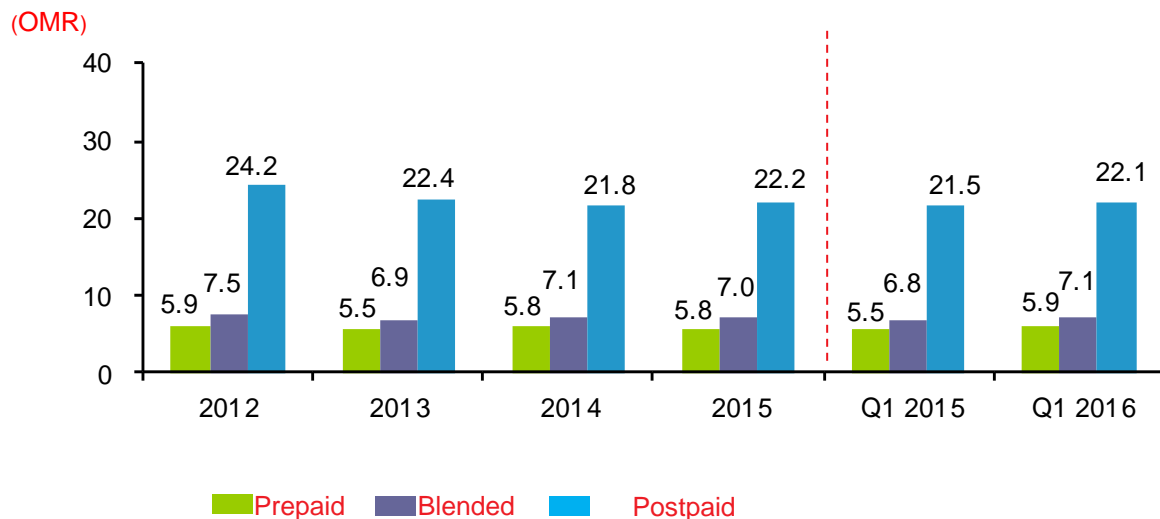
Mobile customer base and ARPU

End of period (EoP) mobile customers breakdown



- The mobile pre-paid customer base by end of Q1 2016 increased by 2.4 % to 2,516,975 compared to 2,457,075 at the end of Q1 2015.
- The mobile post-paid customer base by end of Q1 2016 grew by 5.3 % to 209,695 customers compared with 199,206 customers by end of Q1 2015

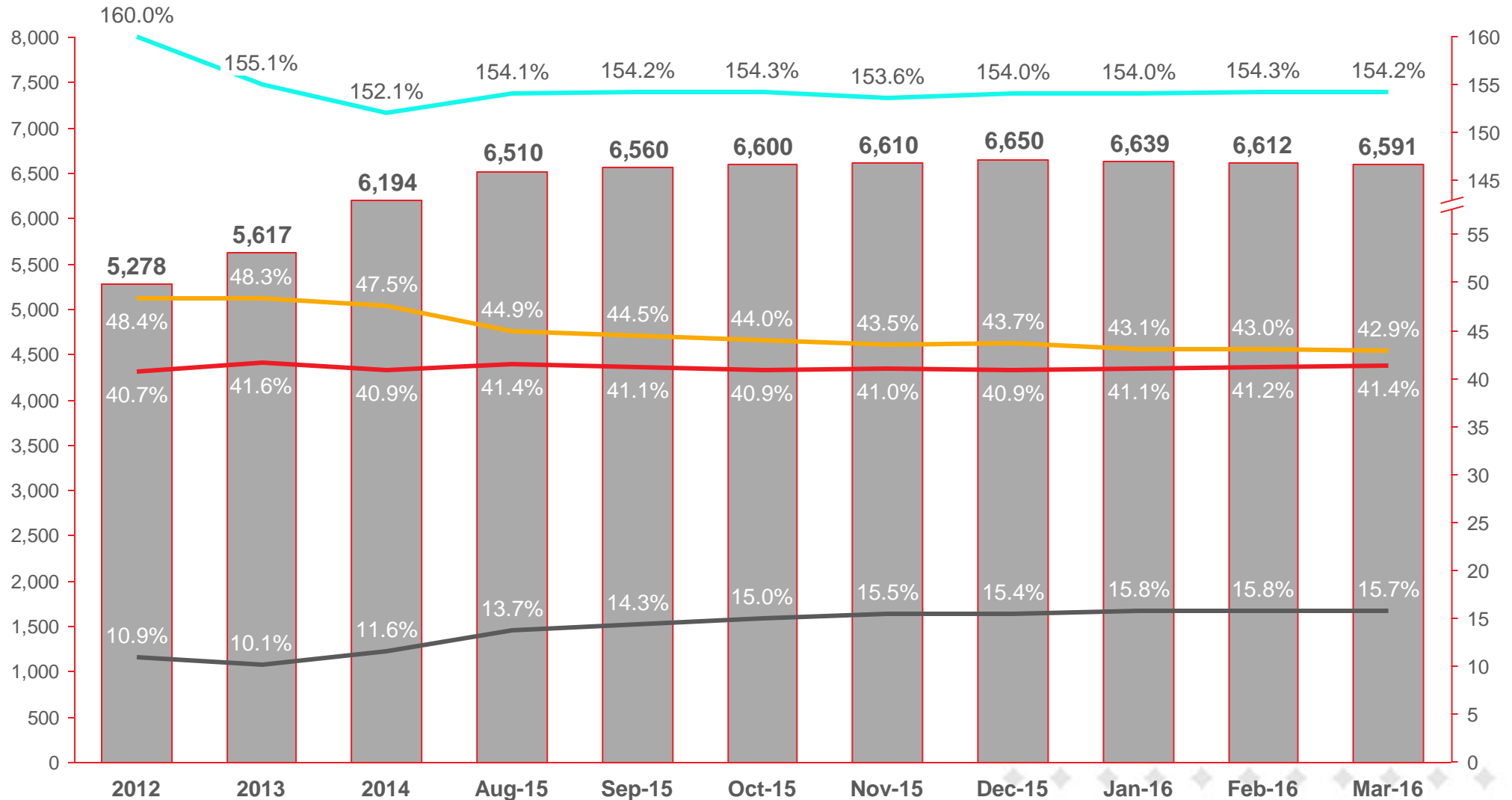
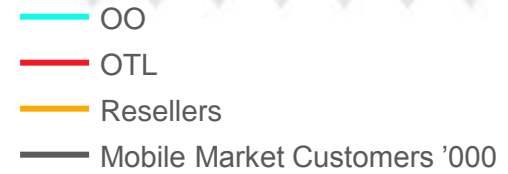
Monthly ARPU – Post-paid, prepaid and blended



- Q1 2016 postpaid ARPU grew by 2.8% Vs Q1 2015 driven by higher subscription revenue.
- Q1 2016 Prepaid ARPU grew by 7.3% Vs Q1 2015 driven by higher data revenue.

Mobile Market Share-Customers

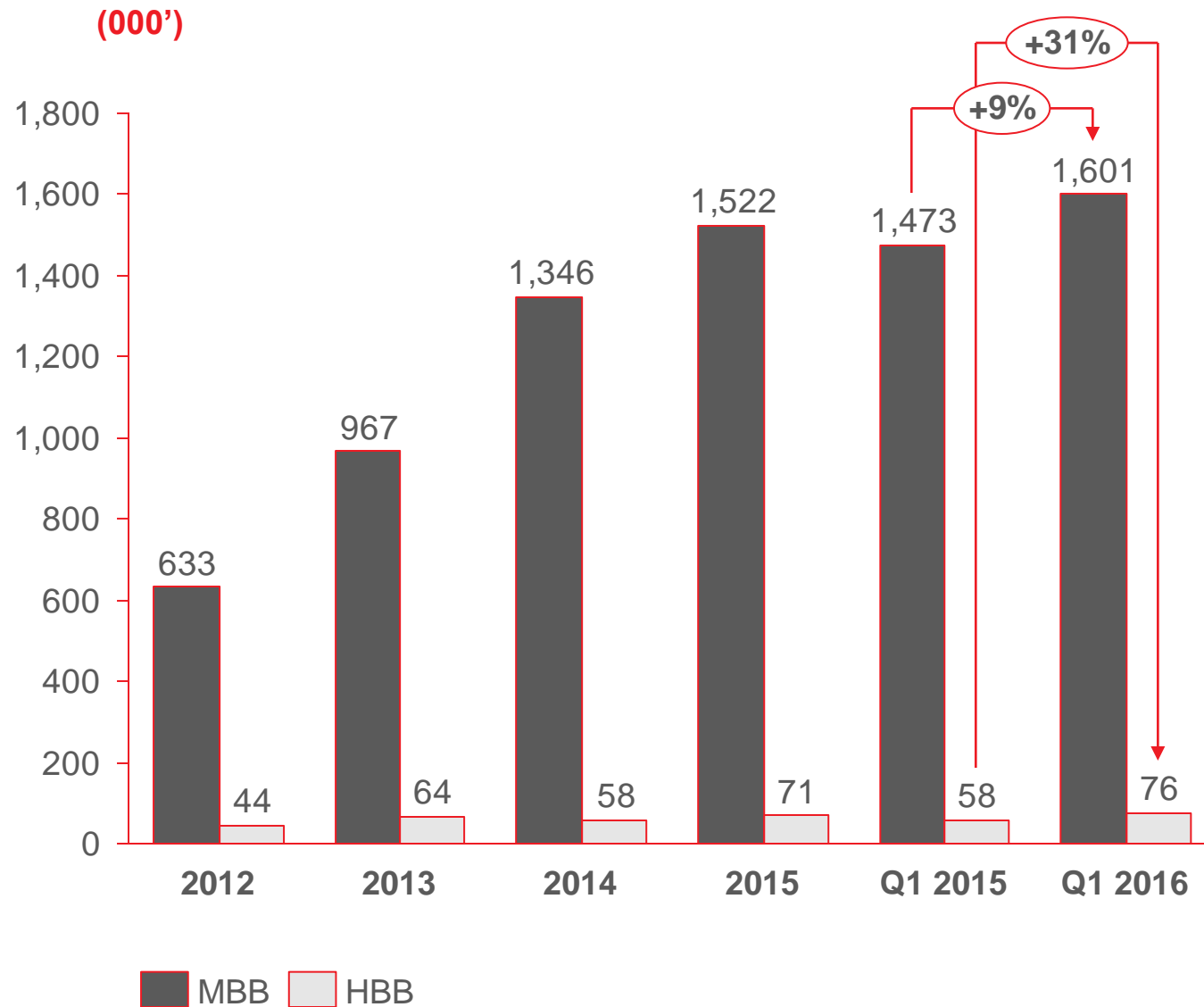
- Stable OO market share



Source: TRA , Omantel and Ooredoo



Ooredoo MBB and HBB customers



- Fixed service customers increased by 31% Q1 2016 vs Q1 2015.
- Mobile broadband customers grew by 9% Q1 2016 vs Q1 2015, supported by growth in data products as well as modernization of network
- Smart device penetration across mobile base now at 79%.

Q1 2016 – Operational Focus

Technology/IT

- Superior network quality in terms of voice and data service confirmed by independent benchmark test (Global Wireless Solutions GWS)
- First wave of LTE800 launched
- New Network Coverage Map (Makani) deployed to sales, marketing, customer care and stores with faster and more accurate information and Arabic supporting search engine
- 2nd international POP in Frankfurt is launched & carrying traffic
- Muscat Festival is completed with excellent network coverage & quality
- Madinat Sultan Qaboos FTTH POP is launched
- IT modernization program in commercial negotiation

Customer Experience

Customer Service :

- Customer service team have launched the new HBB USSD on IVR to enhance the customer experience: Customers can subscribe to an HBB data bundle using the self-service option in the IVR.
- Customer care is continuing the efforts of generating the revenue through the cross selling & upselling initiatives .
- Dimelo Social media kick off ,Dimelo platform will support the following; Filtering, categorizing and routing messages /allow more customer insights /improve the reporting for the social media interactions.

Customer Experience :

- 'Voice of the Customer' (VOC) program running full scale
 - +70K Customer feedback collected
 - +20K Customer feedback read and analyzed
 - VOC KPI in performance management (Corporate, CS, Stores, etc.)

Billing & Collection :

- Postpaid E-Bill Penetration reached to 78.8% in Q1 2016 compared to 61.2% in Q1 2015

Q1 2016 - Consumer and B2B Focus

Achievements

- Continuous revenue growth, 11 % Y-Y
- Revenue grew in all segments:
 - Strong growth in postpaid of 8% driven by the new Shahry plans
 - Continuous revenue growth in prepaid with 10% Y-Y, main drivers are subscriptions and bundles
 - Home Broadband (HBB) revenues growing with customer base exceeding 75K
- To enhance customer experience, the queuing management system has been installed in 29 key Ooredoo stores

Revenue Evolution

- Data usage & revenues continue to grow, now represent 48% of total consumer revenues
- Smart Devices penetration 79%

Launches

Consumer:

- Home Broadband- Muscat Festival 2016
- Device offers in combination with new Shahry postpaid plans
- Shahry Add-ons
- Mousbak International
- Musafir UAE Double Data & Roam Like Home

Business:

- Ooredoo's mobile offering for business customers have been enhanced to accommodate the ever increasing demands of data and voice to remain always connected

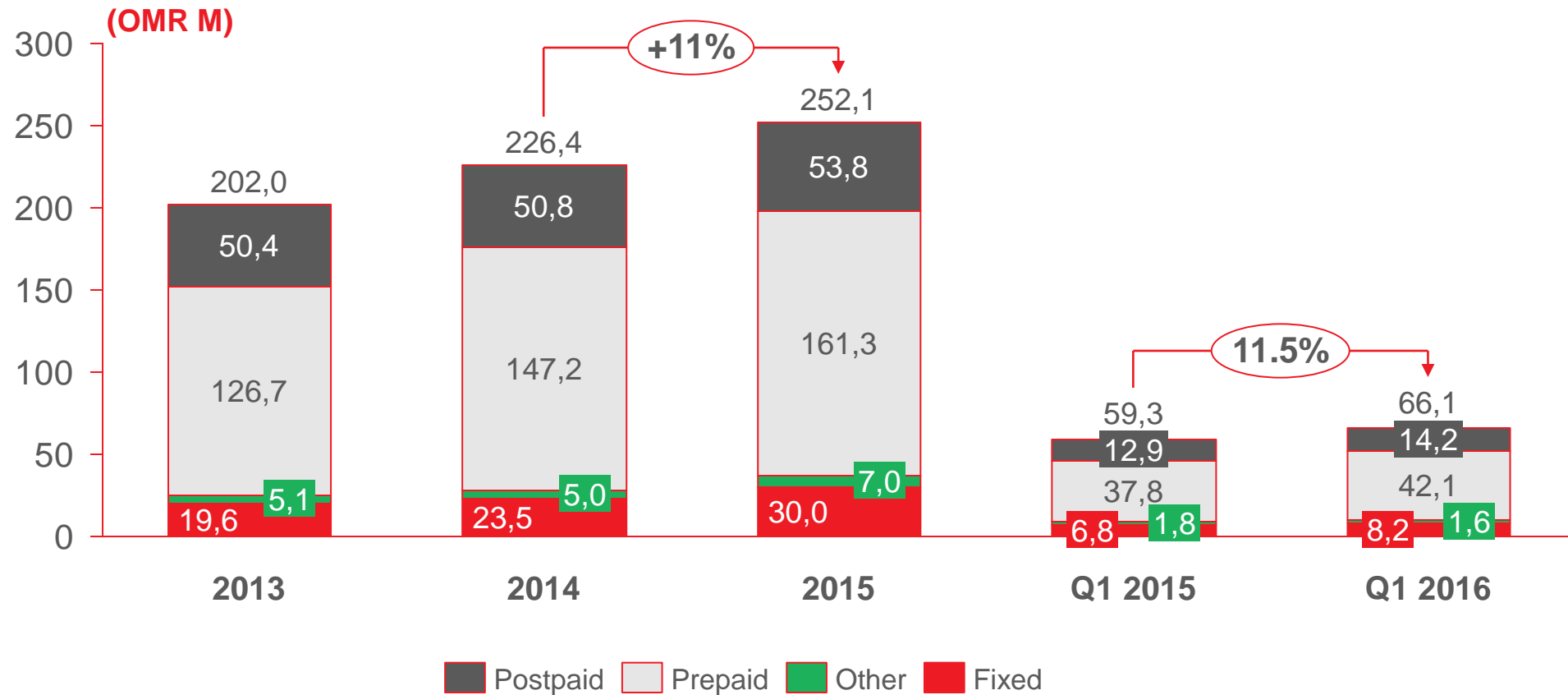
Financial highlights



Income Statement for the Three months ended 31 March 2016

	Actual 2016	Actual 2015	% Diff
GROSS REVENUE	66.1	59.3	11.5%
Other Income/(expenses)	.8	(1.3)	
	66.9	58.0	15.3%
Operating Expenses	17.3	14.7	17.7%
General and admin expenses	13.4	12.6	
EBITDA	37.3	33.8	10.4%
Margin %	56.4%	57.0%	
Depreciation and amortization	15.9	13.9	14.4%
EBIT	21.4	19.9	7.5%
Margin %	32.4%	33.6%	
Royalty	4.6	4.0	15%
NET PROFIT	12.6	10.7	17.8%
Margin %	19.1%	18.0%	
Capex	7.9	10.7	- 26.2%

Revenue (Best performance since launch)

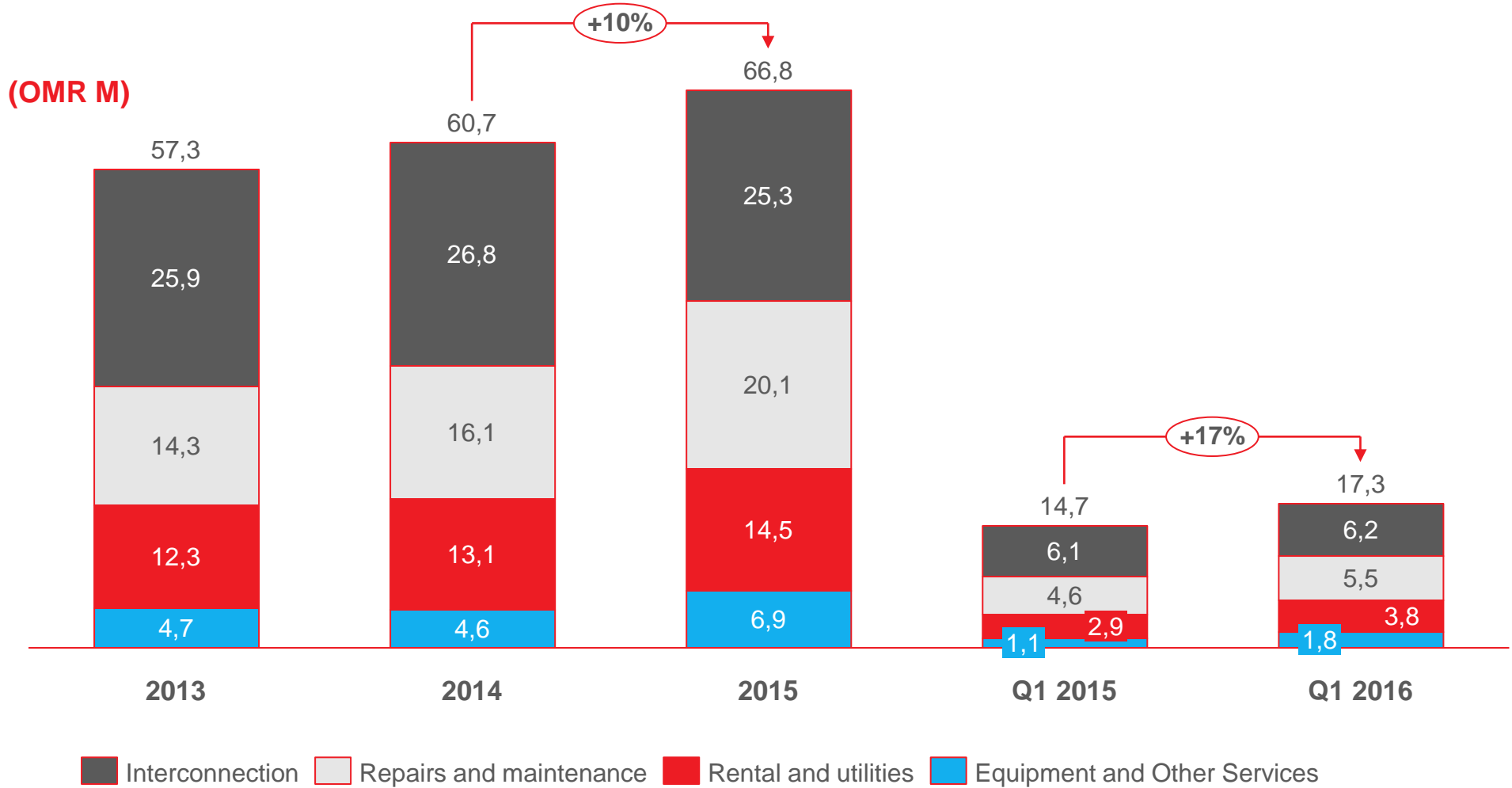


- The increase in revenue is driven by fixed and mobile data revenues.

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

Key Financial Drivers

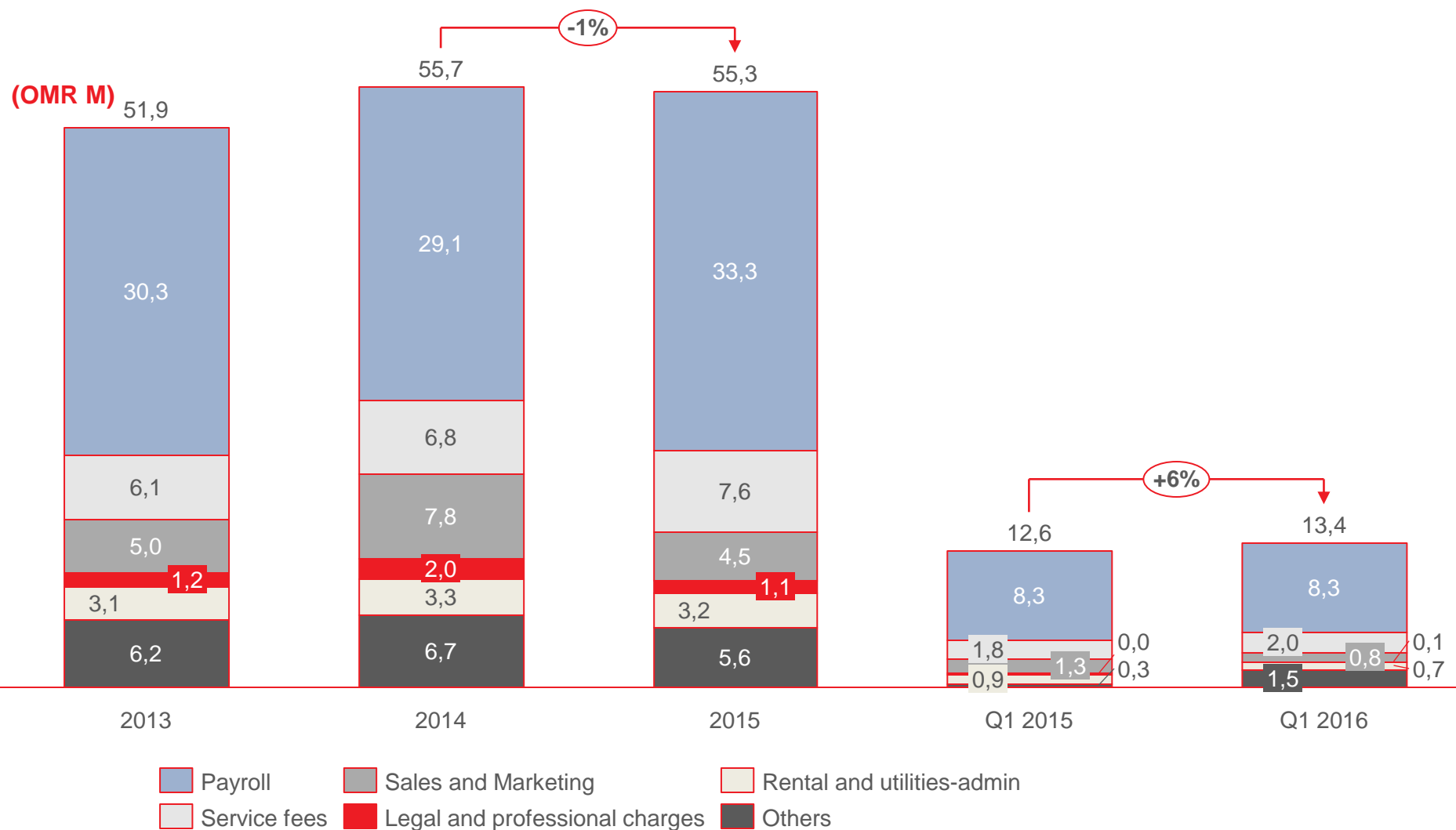
Operating expenses



- Operating expenses have increased mainly due to increase in Rental and Utilities due to Site rentals and electricity, increase in Cost of equipment and other services due to modem costs and VAS services and increase in Repairs and maintenance driven by increased MS and TRA maintenance costs

Key Financial Drivers

SG&A Expenses



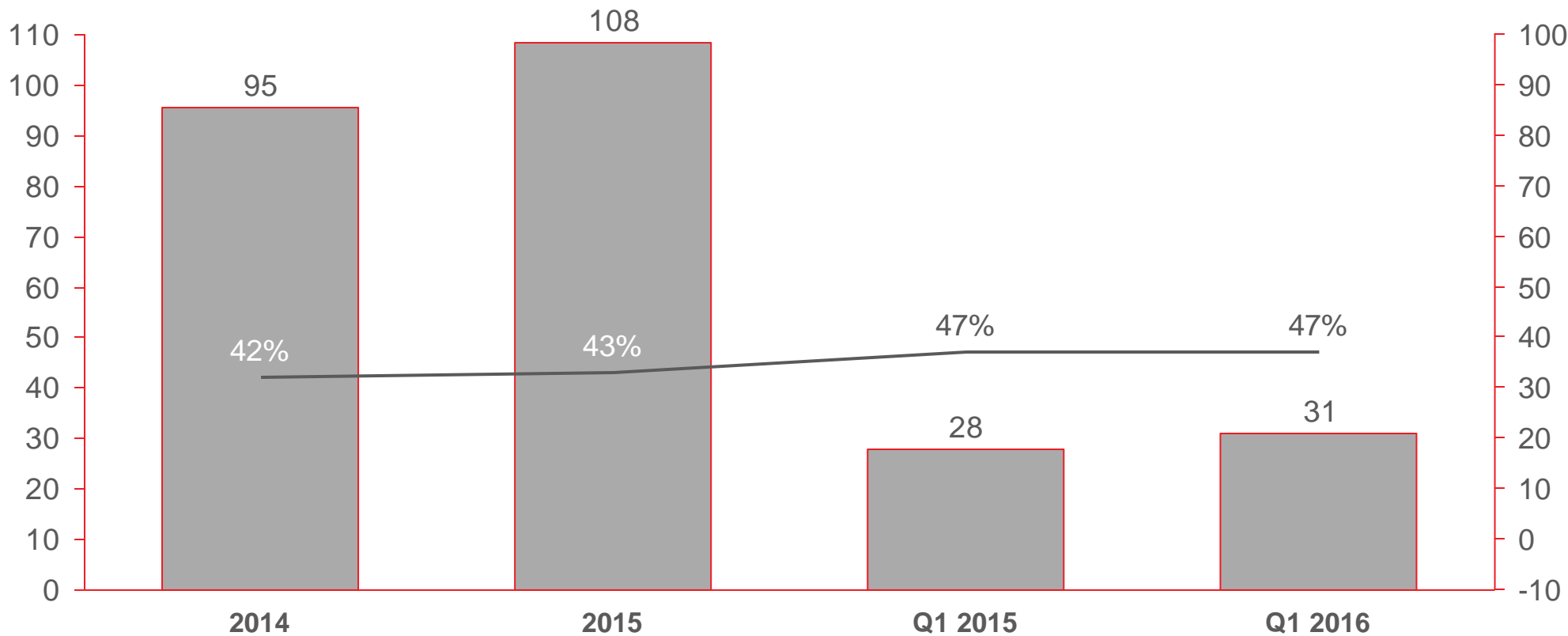
- SG&A expenses have increased due to higher Provisions on Receivables (there were reversals in Q1 2015) offset by lower Sales and Marketing expenses

EBITDA

Adj. EBITDA⁽¹⁾

(OMR M)

Margin (%)



- Stable EBTIDA margin

Source Ooredoo

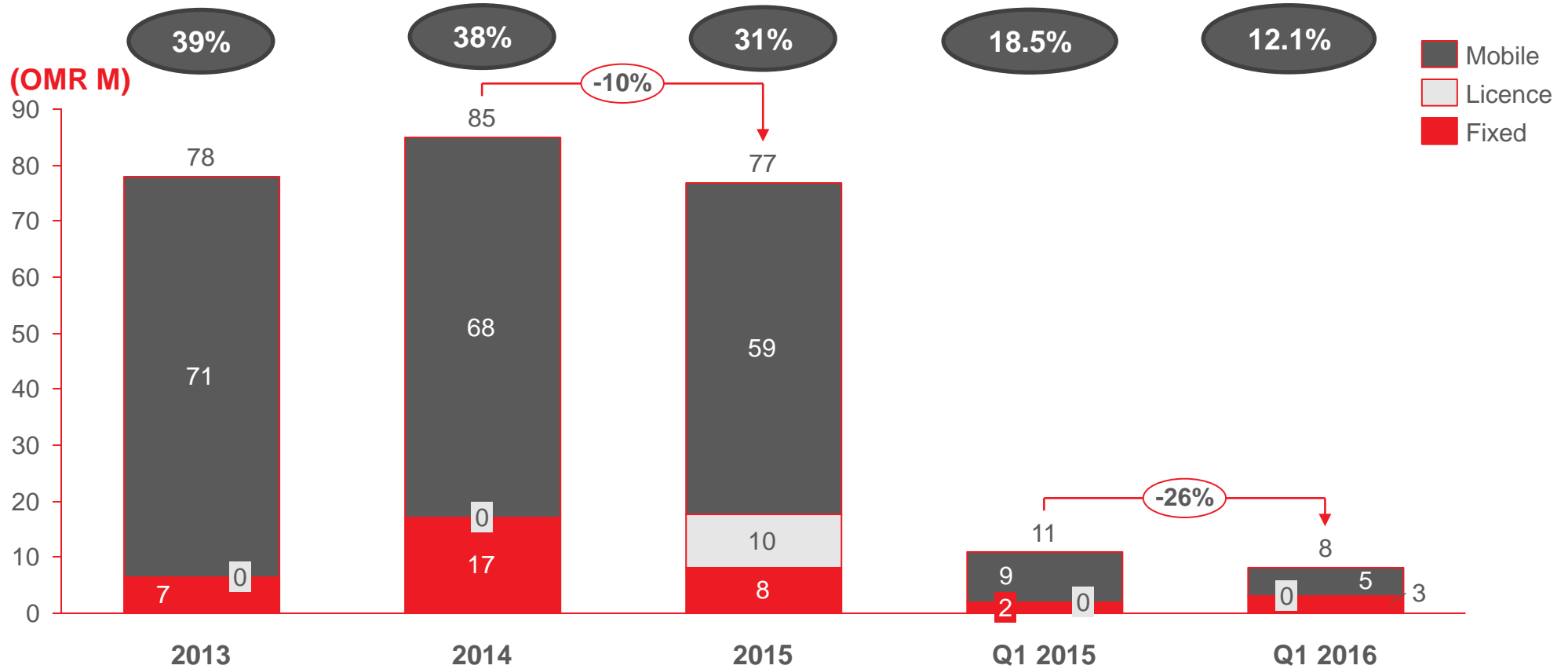
(1) Adj. EBITDA = Revenues – Operating Expenses – General and Administrative Expenses (including service fees) - royalty



Key Financial Drivers

Capital expenditure

Capex/Revenue

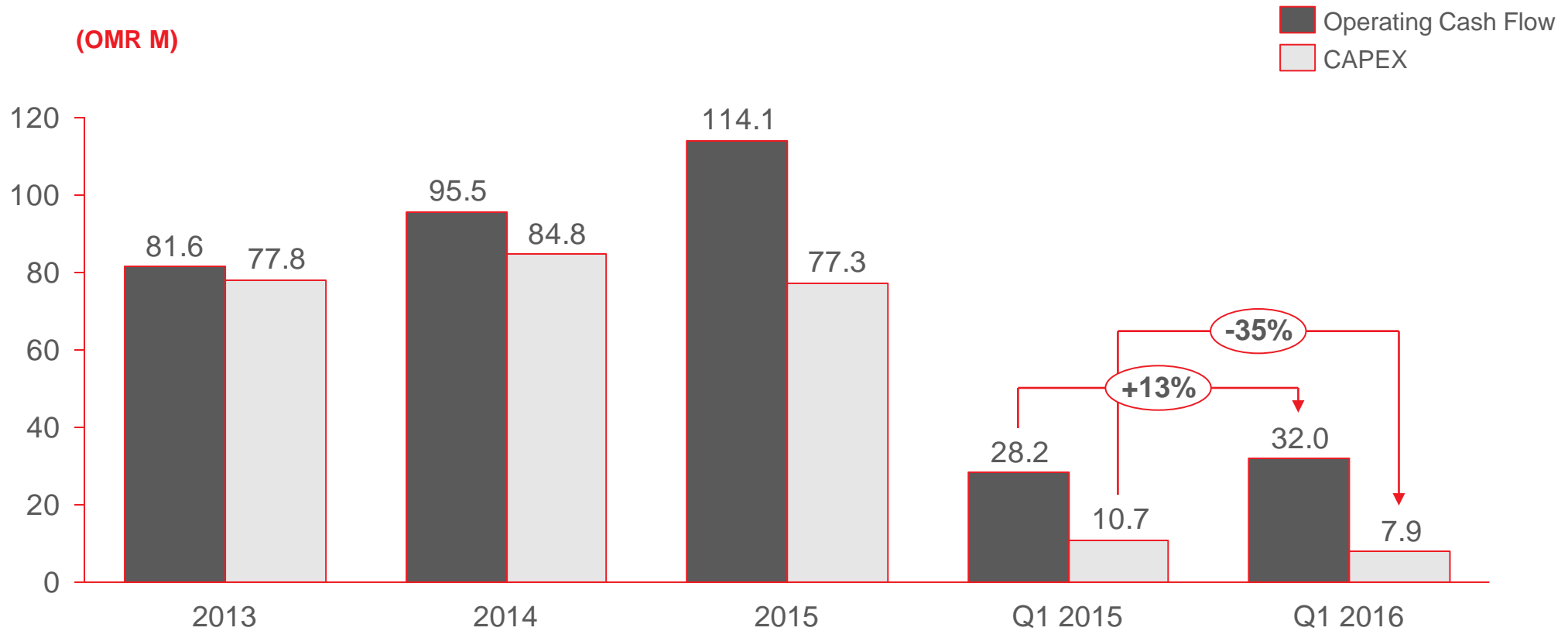


- Capex spend has been lower in Q1 2016 than in Q1 2015 as some of the projects are under tender process and expected to catch up in 2H

Source Ooredoo

Key Financial Drivers (Steady Cash Flow)

Operating cash flow before working capital



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

Source

Ooredoo

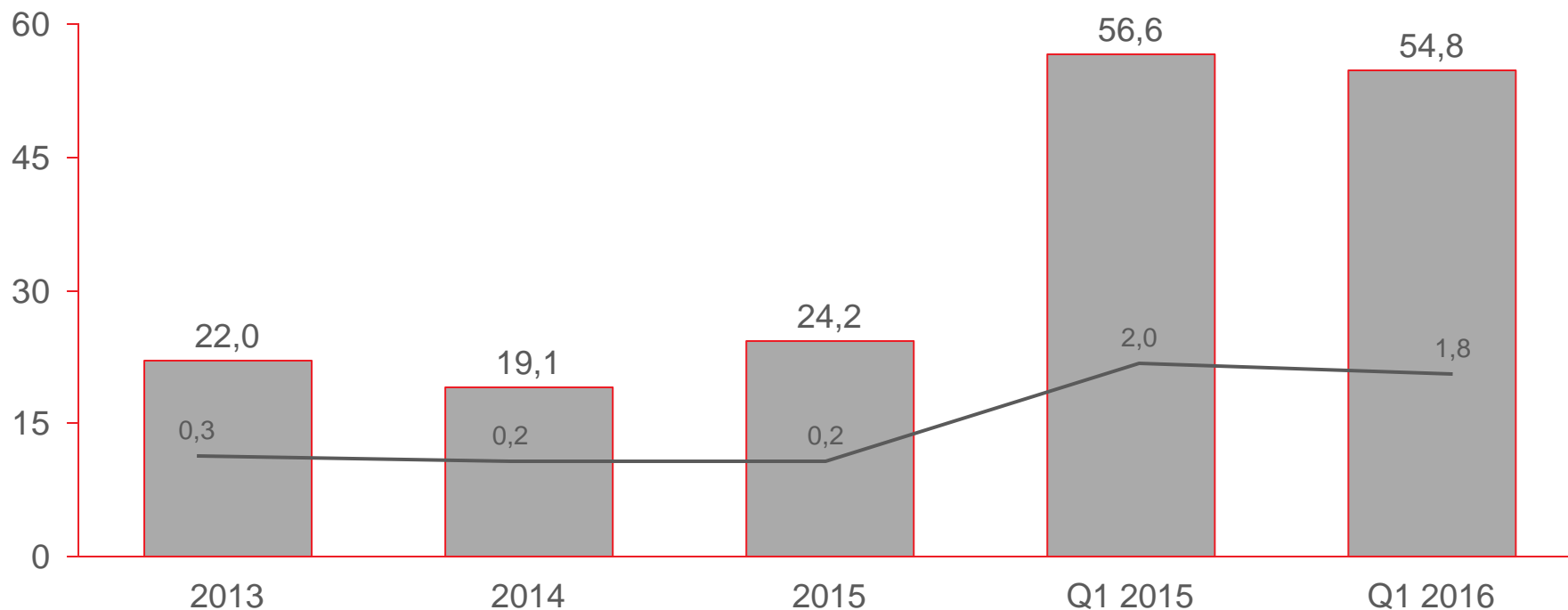
Net Debt (Improvement in leverage)

Net debt⁽¹⁾

Net debt / Adj. EBITDA

(OMR M)

— Net Debt / Adj. EBITDA(1)



- As on Mar 2016 we have unutilized funds of OMR 75m
- In January new loan facility of OMR 68.1 million

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

Source Ooredoo

Summary

- Market
 - Three months revenue and EBITDA growth of 11.5 % and 10.4 % respectively,
 - Strong revenue growth is driven by increases in both mobile and fixed data revenue.
 - 3.2% growth in total number of customers.
- Commercial and operational
 - More than 48% of our mobile revenue is coming directly from data.
 - Our growth is largely driven by the huge increase in data demand, both in the mobile and fixed markets
 - The continued investment in modernising 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 Fibre Home Broadband packages.
- 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
 - New finance facility raised of OMR 68.1 million



Thank you

