

# Ooredoo Investor Presentation



Q2 2015 Performance

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## Q2 2015 Financial Results

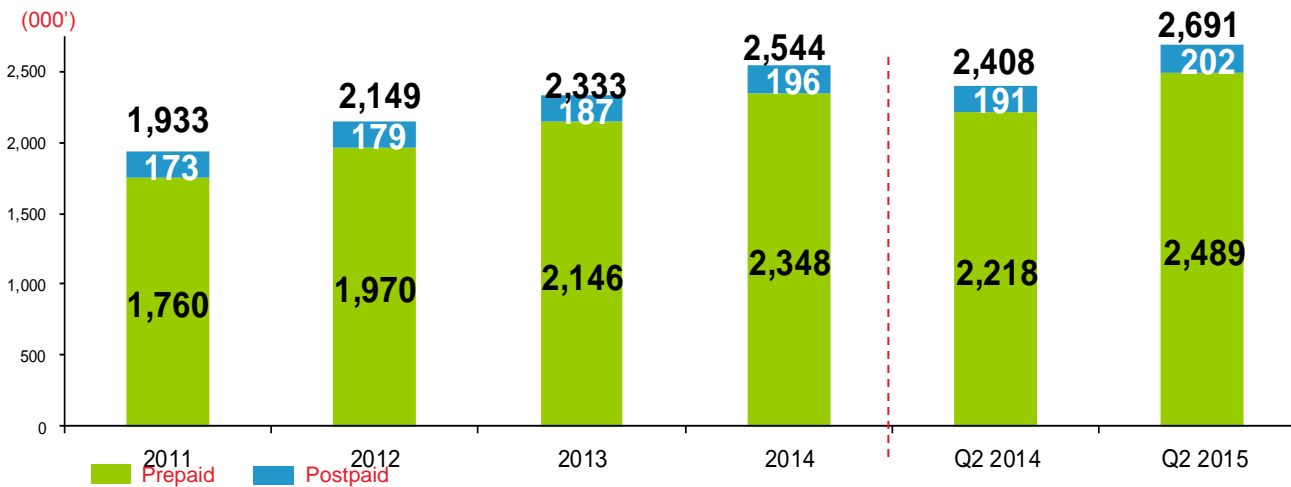
	Three months ended 30 June			Six months ended 30 June		
	2015	2014	Change%	2015	2014	Change%
<b>Revenues (OMR m)</b>	62.6	55.5	12.8%	121.9	108.3	12.6%
<b>EBITDA (OMR m)</b>	34.7	30.2	14.9%	68.4	57.5	19.0%
<b>Net Profit (OMR m)*</b>	11.5	9.9	16.2%	22.2	18.7	18.7%
<b>Mobile and fixed customers ('000)</b>				2,753	2,472	11.4%

### Key Messages

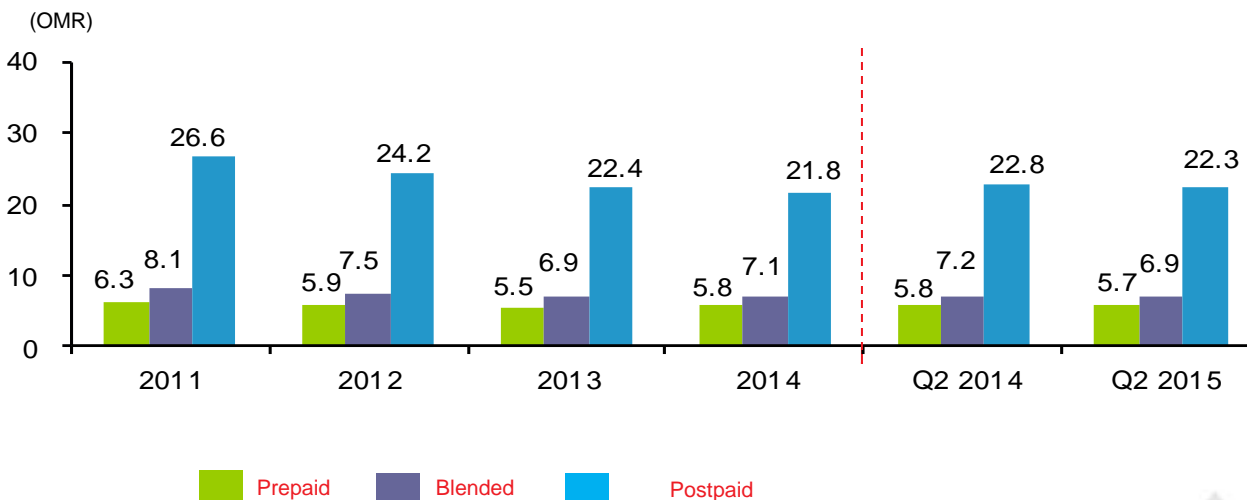
- Revenues for the first half of 2015 grew by 12.6% to OMR 121.9 million compared with OMR 108.3 million in 2014. The growth is driven by increases in both mobile and fixed data revenue.
- EBITDA for the first half of the year stood at OMR 68.4 million compared to OMR 57.5 million for the first six months of 2014. EBITDA growth for the year is driven by higher revenue.
- Net profit for the first half of 2015 was OMR 22.2 million compared with OMR 18.7 million in the same period of 2014. Increase in net profit for the year is driven by higher EBITDA partially offset by higher depreciation cost due to investment in network modernisation. Net profit for the first half of 2015 also include an additional income tax charge of OMR 0.9m (OMR 0.9m for the quarter) on account of tax years 2008 to 2013.
- Total number of customers grew by 11.4%, to be 2,753,140 at the end of the first half of 2015 compared to 2,472,497 for the same period of 2014.
- The fixed service customer base decreased by 2.8% to 62,410 customers in Q2 2015 compared to 64,192 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. However as the migration to new technology is coming to an end we have seen the fixed customers growing by 8.2% Vs Q4 2014. The mobile post-paid customer base grew by 6.0% to 202,026 customers compared with 190,531 customers in Q2 2014. The mobile pre-paid customer base for Q2 2015 increased by 12.2% to 2,488,704 compared to 2,217,774 for the same period last year

# Mobile customer base and ARPU

## End of period (EoP) mobile customers breakdown



## Monthly ARPU – Post-paid, prepaid and blended



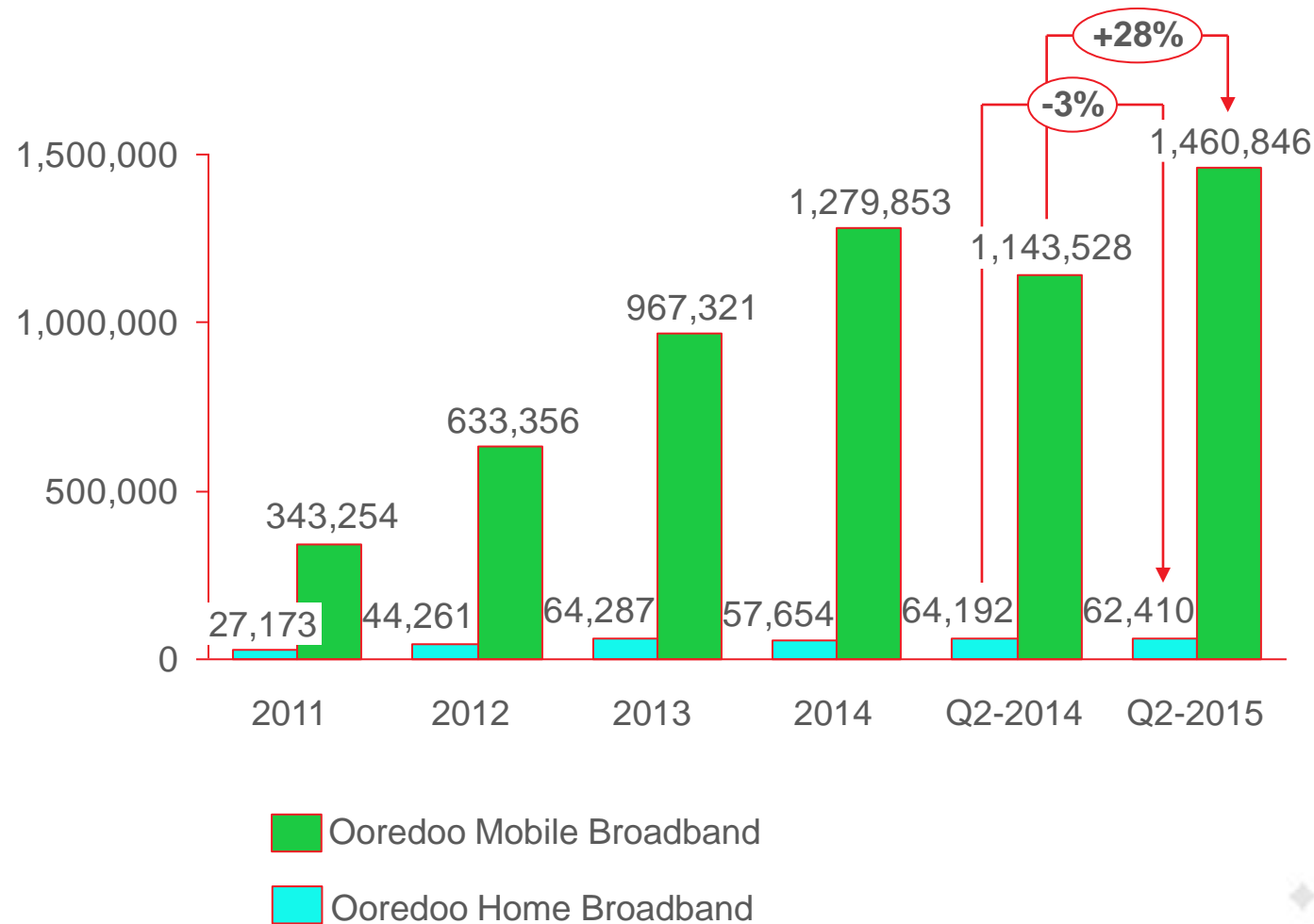
- The mobile pre-paid customer base by end of Q2 2015 increased by 12.2% to 2,488,704 compared to 2,217,774 at the end of Q2 2014.

- The mobile post-paid customer base by end of Q1 2015 grew by 6.0% to 202,026 customers compared with 190,531 customers by end of Q2 2014.

- Q2 2015 ARPU is lower than Q2 2014 due to reduction in voice revenue being off set by growth in data revenue.

# Ooredoo broadband customers

Broadband ( Mobile and Fixed)



- Fixed service customers decrease by 3% Q-Q resulting from the constraints during the transition period and migration to a new fixed broadband technology (WiMAX to TDD LTE). However, it increase by 7% from Q1 to Q2 2015.
- Mobile broadband customers grew by 28% Y-Y, supported by growth in data products as well as modernization network
- Smart device penetration across mobile base now at 71%



# Q2 2015 Consumer Focus

## KPI's

- Very strong revenue generation
- Main drivers of the performance were:
  - Prepaid and data revenues
  - Number of mobile customers in our base consistently using data equal to 70%
  - Number of customers in our base now having a smartphone equal to 71%
  - International segment and High Value base
- 4G usage in areas where 4G is available has grown by 125% (v Q1)
- Shahry Plans (bundle of voice and data) customer base represents 23% of the total postpaid base

## Rebranding

- Our rebrand to Ooredoo brings us in line with the global Group and emphasises our commitment to our customers as we work to take the company and communications to the next level in Oman.

## Launches

- Revamped Loyalty Program (Nojoom)
- Join & Win Shahry Offer
- Half price Shahry Offer
- International Calling offers for popular destinations
- Welcome pack and reactivation Offers

## Revenue Evolution

- Blended mobile data revenues now represent 42% of total mobile revenue. This is as a result of a focus upon smartphone adoption and using our expertise in base management to get customers into data bundles

# Q2 2015 – Operational Focus

## Network Modernization /Turbocharging

- Ooredoo Oman 3G mobile population coverage exceeded 91% across the Sultanate
- Phase III of the three years Network Modernisation Programme achieved 75% of its target milestones one month ahead of the plans
- LTE advanced demonstrated during COMEX (April 15) delivers highest data download speed experience in Oman

## Customer Experience

- Ooredoo continued to roll-out the ResponseTek ‘Voice of the Customer’ by introducing 6 new channels (Billing, Network, Nojoom, Payment, Recharge and Resurvey)
- Rollout systematic Voice of the Customer Close Loop Feedback to address customer dissatisfaction.
- launch of new IVR feature to ensure our commitment & determination to provide outstanding & exceptional customer experience for our Customers.: The New IVR feature includes the Latest cutting edge technologies for the interactive voice response which called (Avaya experience portal),and this technology helped us to introduce the Call back feature which allow the customer schedule a call back based on the customer convenience time.

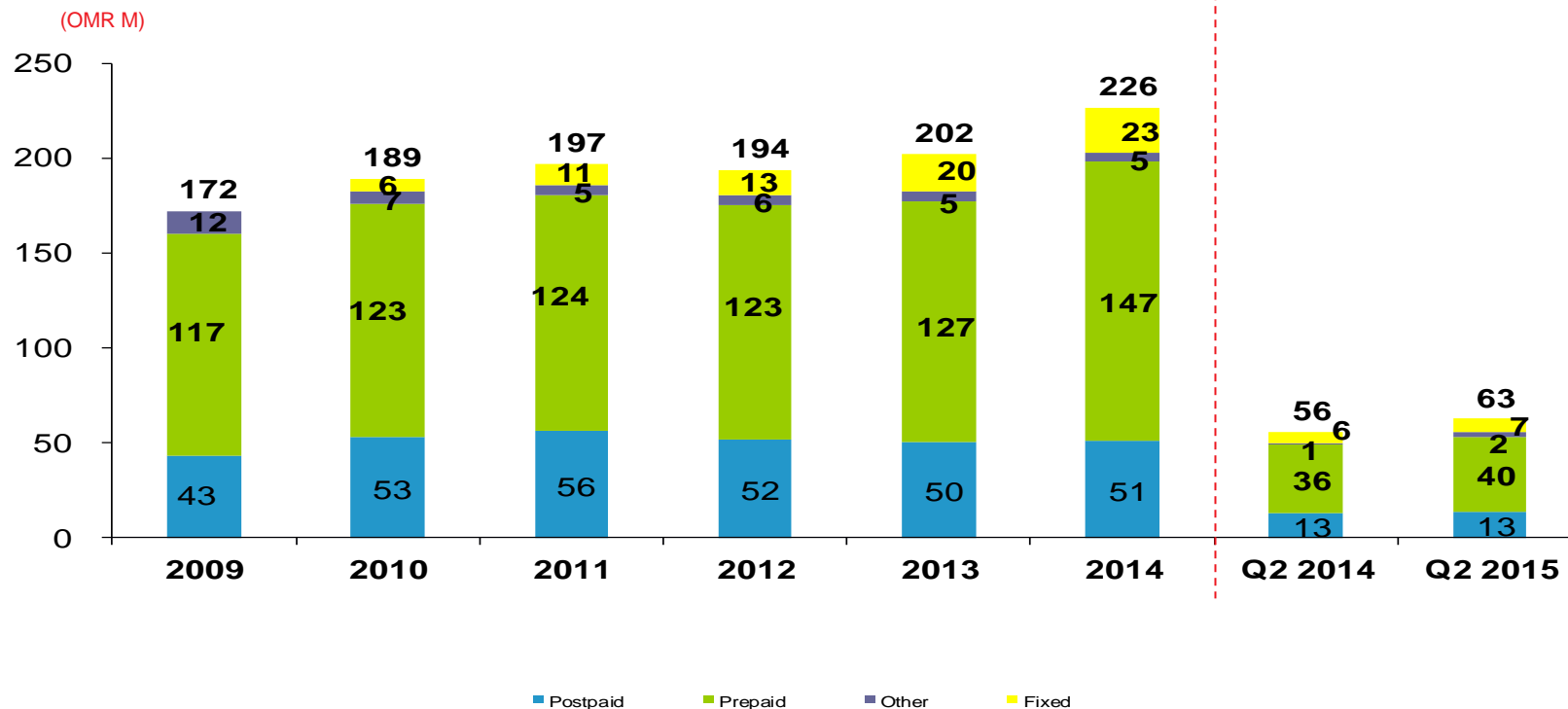
# Financial highlights





# Revenue

## Best performance since launch



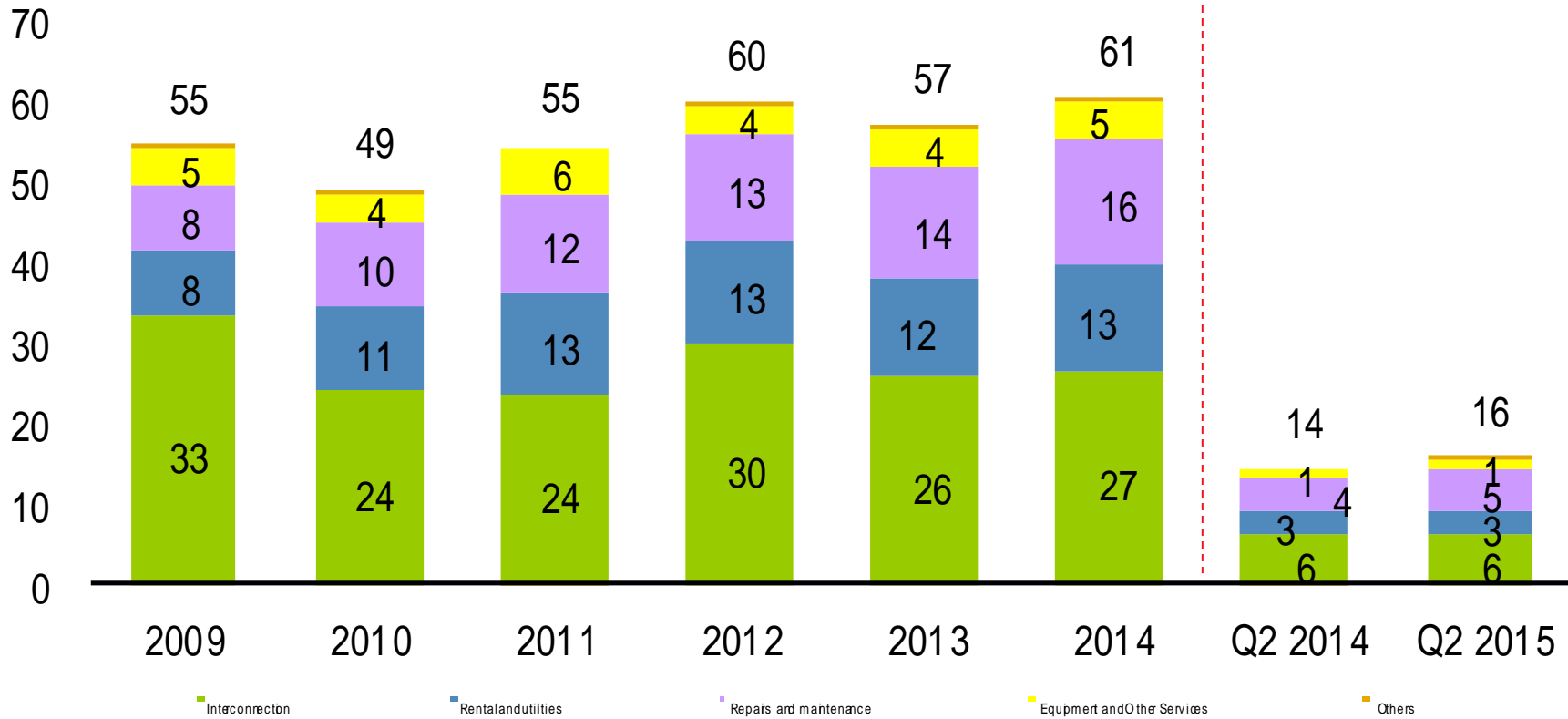
- The increase in revenue is driven by fixed and mobile data revenues as well as roaming.

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 with a slight increase in repairs and maintenance.

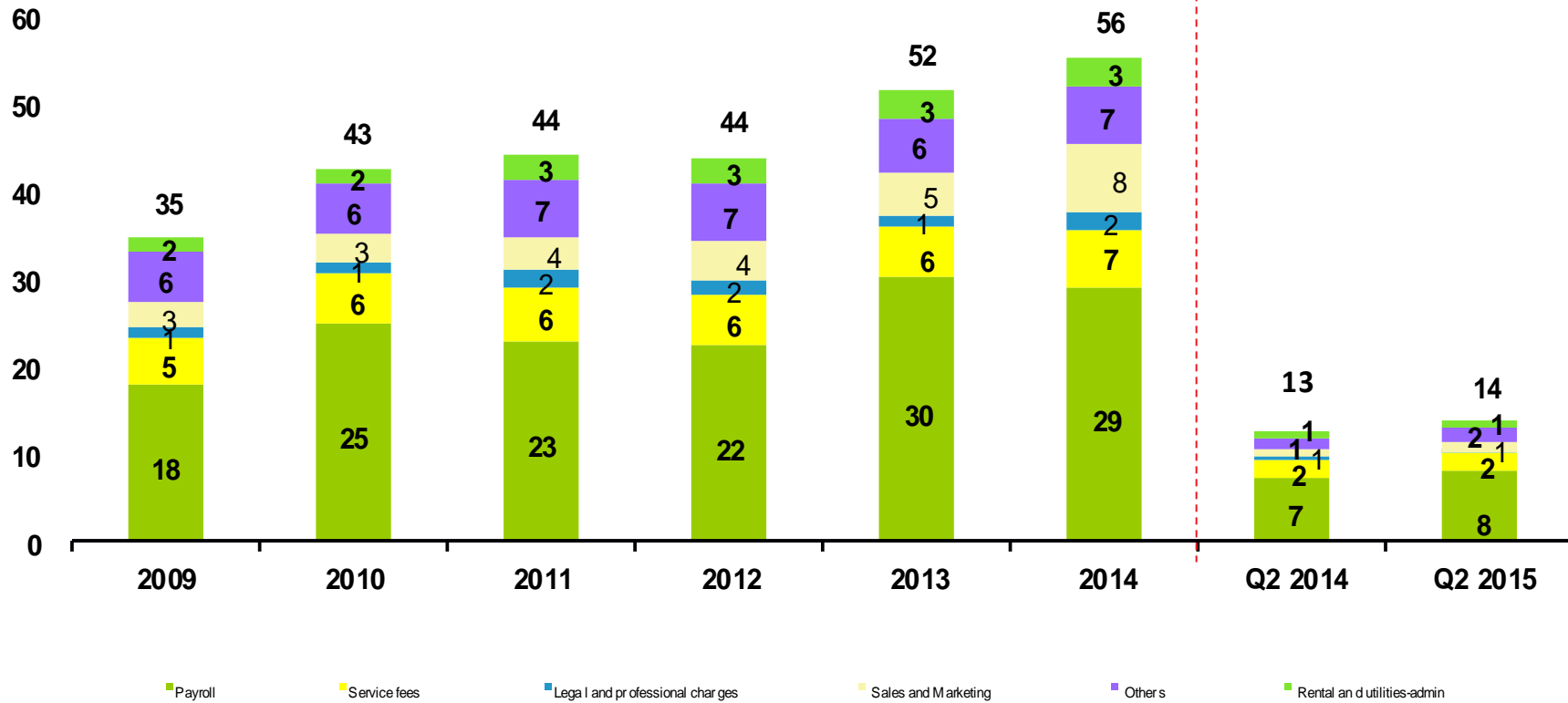
Note

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

# Key financial drivers

## SG&A

(OMR M)



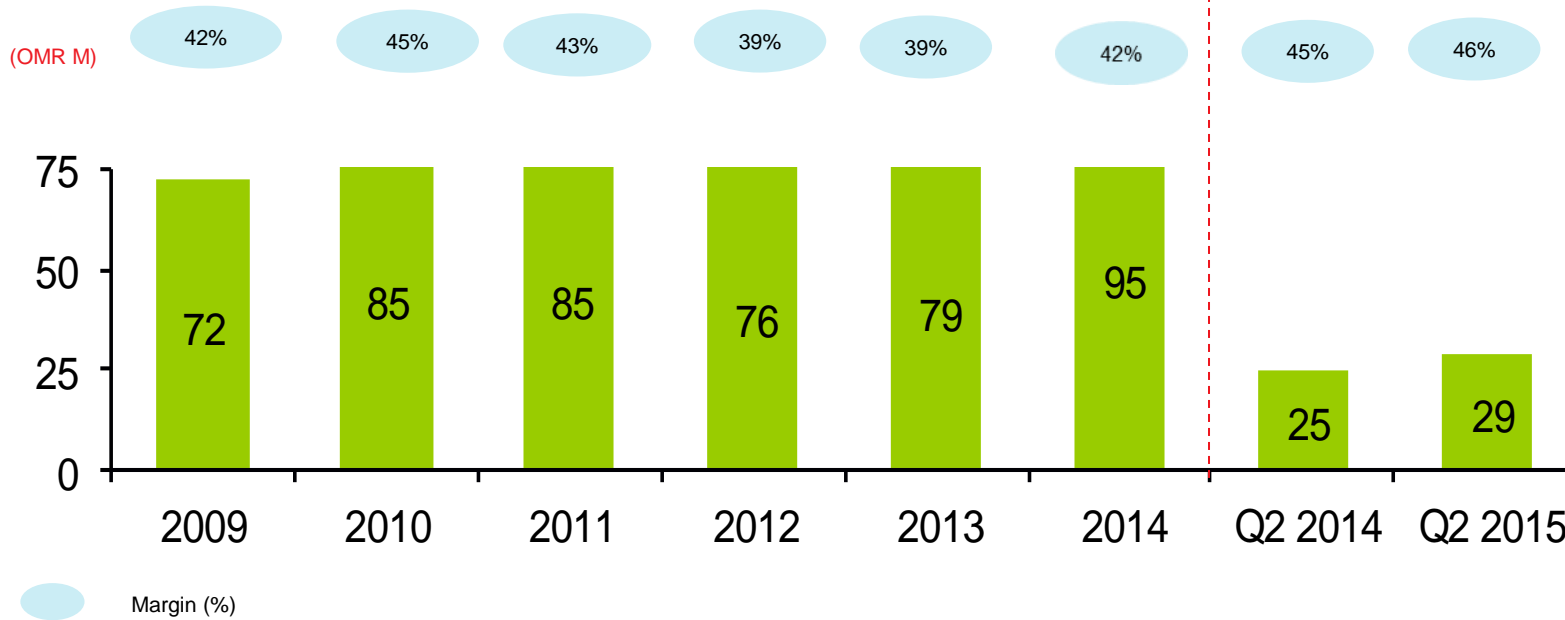
- Slight increase in payroll expenses

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

# EBITDA



## Adj. EBITDA<sup>(1)</sup>



- 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

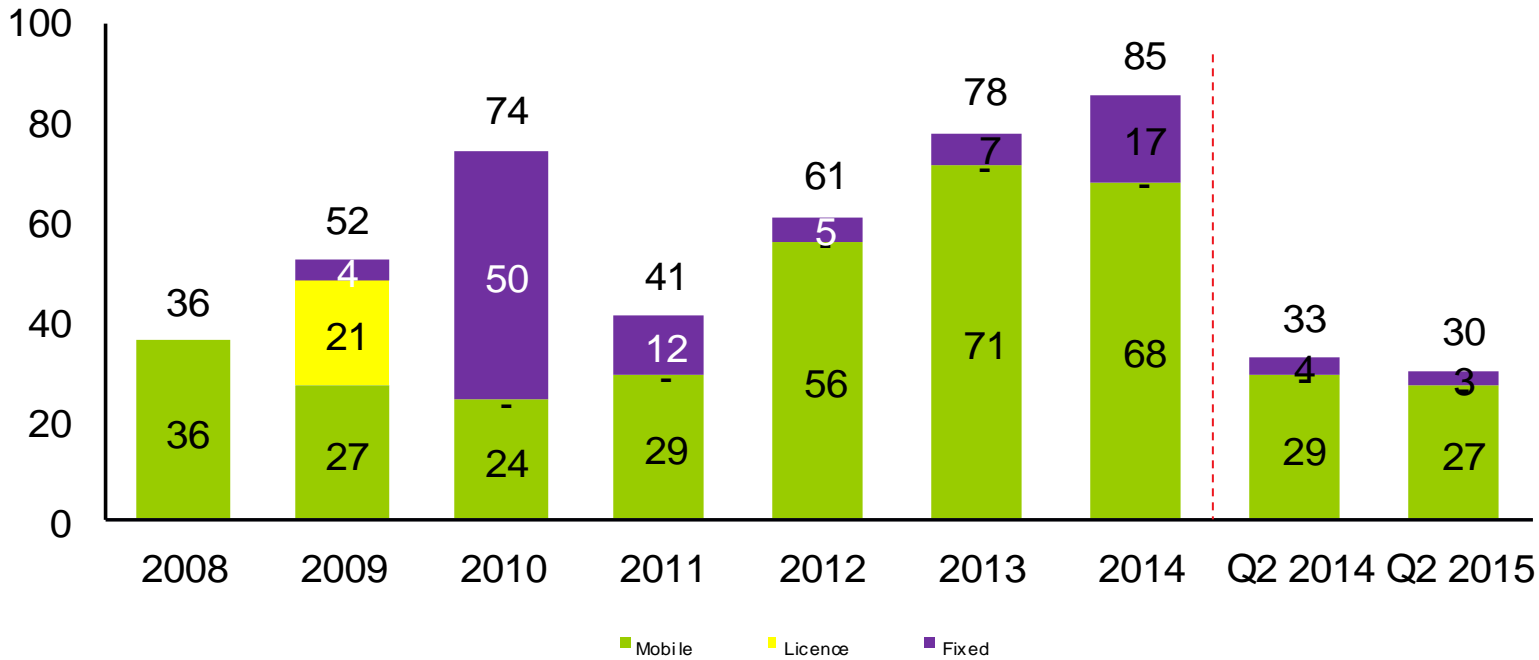


# Key financial drivers



## Capital expenditure

(OMR M)



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

Source

Ooredoo

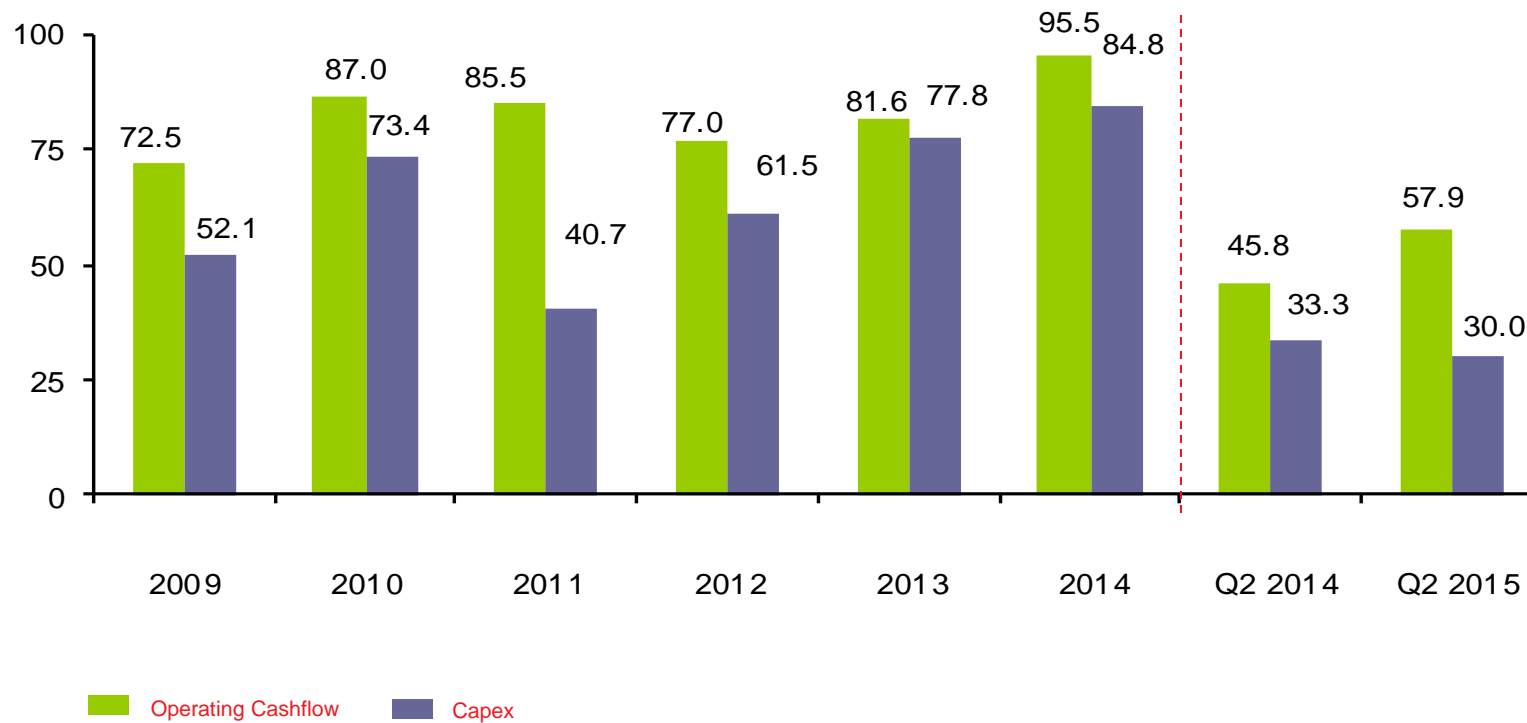


# Key financial drivers

## steady cash flow

### Operating cashflow before working capital

(OMR M)



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

Source

Ooredoo

# Net debt

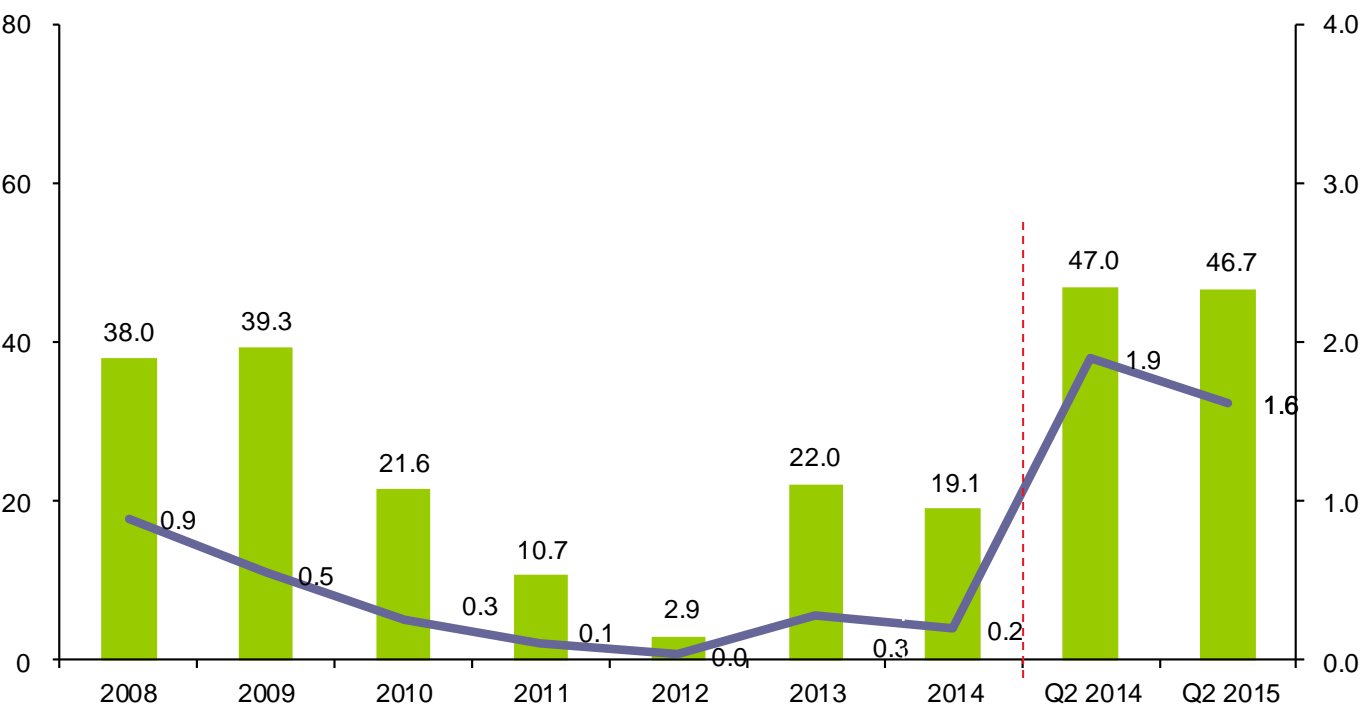
## Improvement in leverage



Net debt<sup>(1)</sup>

Net debt / Adj. EBITDA

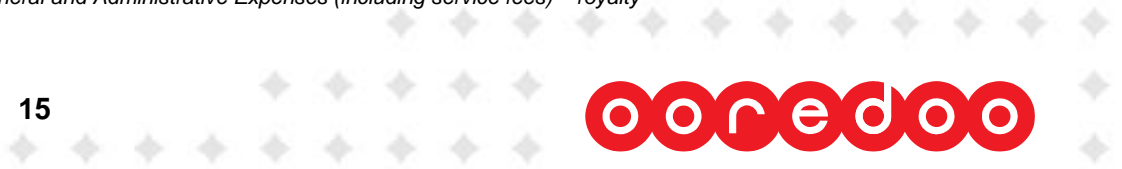
(OMR M)



Net Debt Net Debt / Adj. EBITDA

■ As on June 2015 we have unutilized funds of OMR 44m

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



# Summary

- Market
  - Q2 revenue and EBITDA growth of 12.8 % and 14.9 % respectively,
  - Strong revenue growth is driven by increases in both mobile and fixed data revenue.
  - 12.2% growth in total number of customers.
- Commercial and operational
  - More than 42% of our revenue is coming directly from data.
  - The growth in our customer base, both personal and business, shows that we are responding to the diverse needs and wants of all sectors more effectively.
  - Our investment in modernising our network, commitment to delivering an unparalleled customer experience and providing innovative products and services, is bearing fruit.
- 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

