

Ooredoo Investor Presentation



Q3 2015 Performance

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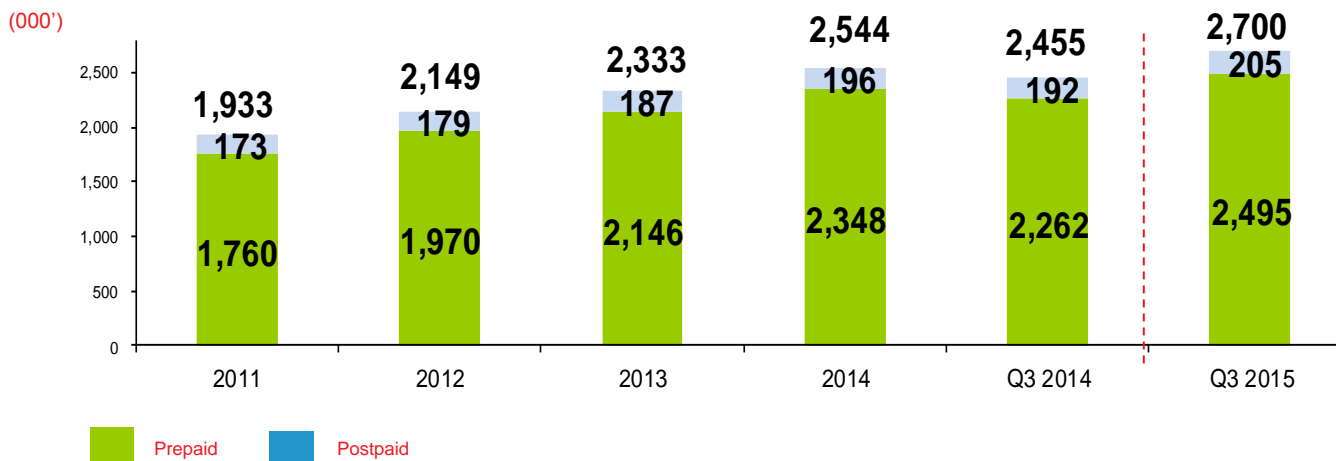
Q3 2015 Financial Results

	Nine months ended 30 September			Three months ended 30 September		
	2015	2014	Change%	2015	2014	Change%
Revenues (OMR m)	186.8	166.2	12.4%	65.0	57.9	12.3%
EBITDA (OMR m)	104.3	88.6	17.7%	35.8	31.1	15.1%
Net Profit (OMR m)*	32.3	29.5	9.5%	10.2	10.8	-5.6%
Mobile and fixed customers ('000)	2,766	2,514	10.0%			

- Revenues for the first nine months of 2015 grew by 12.4% to OMR 186.8 million compared with OMR 166.2 million in 2014. The growth is driven by increases in both mobile and fixed data revenue.
- EBITDA for the first nine months of the year stood at OMR 104.3 million compared to OMR 88.6 million for the same period of 2014. EBITDA growth for the year is driven by higher revenue.
- Net profit for the nine months to September 2015 was OMR 32.3 million compared with OMR 29.5 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 3rd quarter 2015 was further impacted by OMR 2.9 million (YTD Sep 2015 - OMR 4.2 million) due to provision for swapped out assets as part of network modernisation.
- Total number of customers grew by 10.0%, to be 2,766,395 at the end of the first nine months of 2015 compared to 2,514,231 for the same period of 2014.
- The fixed service customer base increased by 12.2% to 66,886 customers in Q3 2015 compared to 59,630 in same period 2014. The trend of reduction in fixed service customer base observed in last couple quarters is now reversed supported by the migration from WiMAX technology to LTE. The mobile post-paid customer base grew by 6.5% to 204,852 customers compared with 192,427 customers in Q3 2014. The mobile pre-paid customer base for Q3 2015 increased by 10.3% to 2,494,657 compared to 2,262,174 for the same period last year.

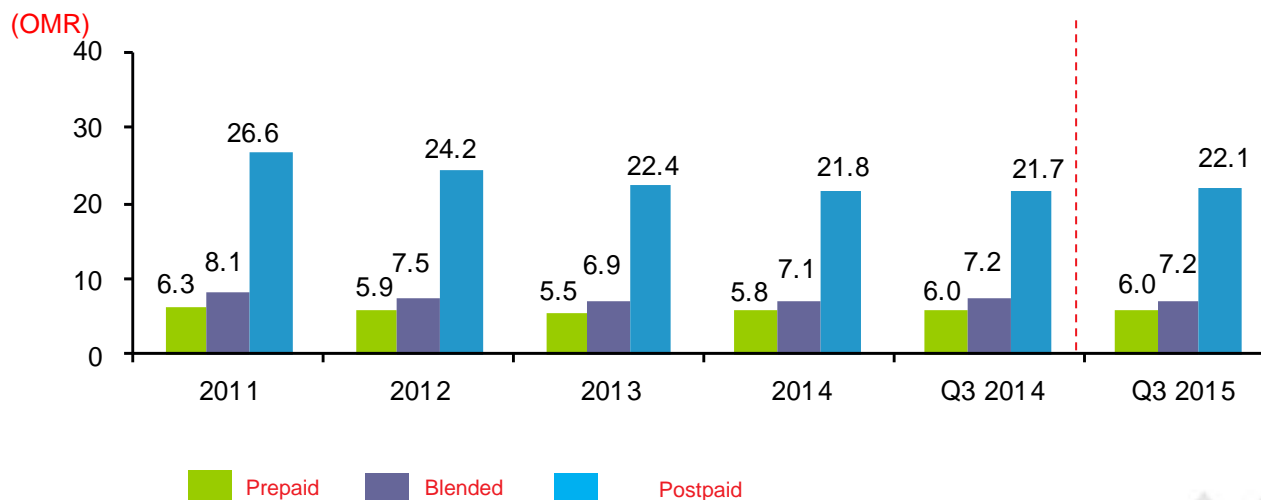
Mobile customer base and ARPU

End of period (EoP) mobile customers breakdown



- The mobile pre-paid customer base by end of Q3 2015 increased by 10.3% to 2,494,657 compared to 2,262,174 at the end of Q3 2014.
- The mobile post-paid customer base by end of Q3 2015 grew by 6.5% to 204,852 customers compared with 192,427 customers by end of Q3 2014.

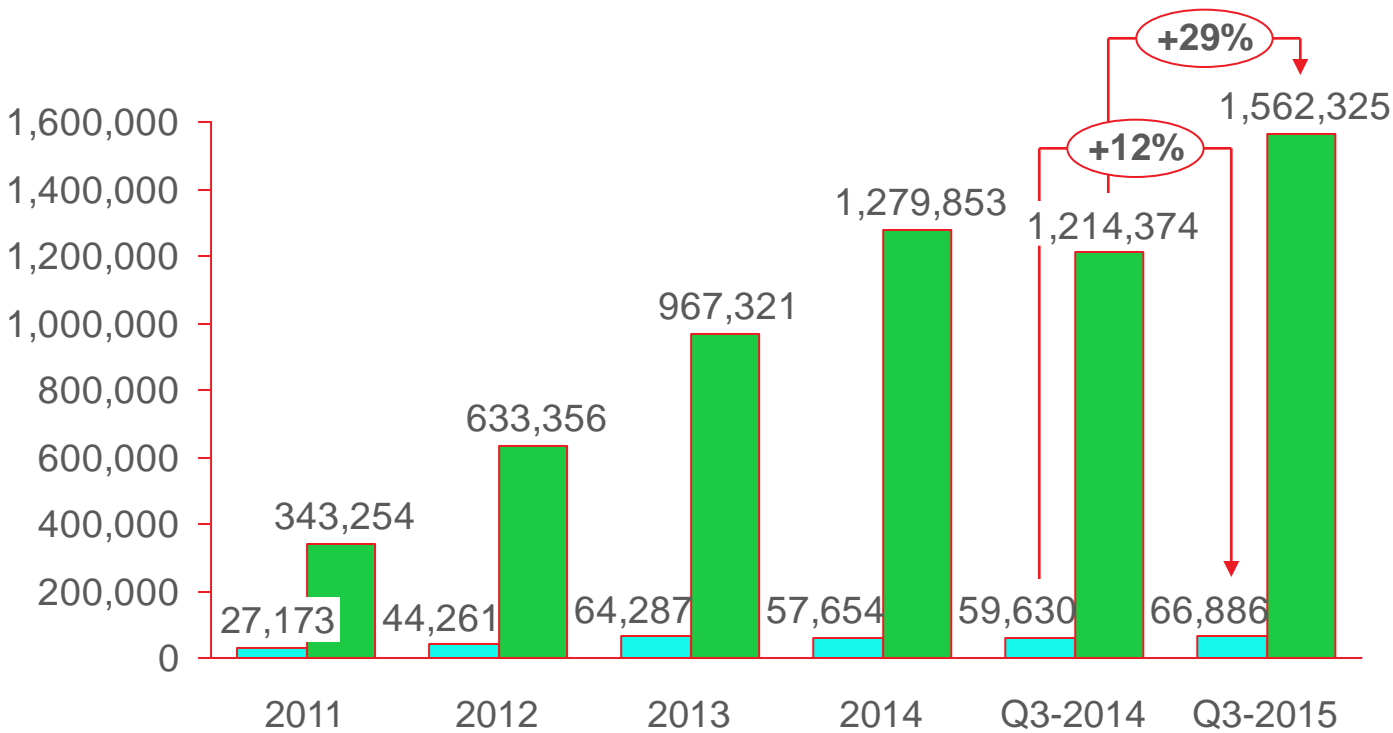
Monthly ARPU – Post-paid, prepaid and blended





- Q3 2015 postpaid ARPU is higher than Q3 2014 driven by data revenue.

Ooredoo broadband customers

Broadband (Mobile and Fixed)



 Ooredoo Home Broadband
 Ooredoo Mobile Broadband

- Fixed service customers increased by 12% Y-Y. increase by 7% from Q2 to Q3 2015.
- Mobile broadband customers grew by 29% Y-Y, supported by growth in data products as well as modernization of network
- Smart device penetration across mobile base now at 73.8%.

Q3 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 75%
 - Number of customers in our base now having a smartphone equal to 74%
 - International segment and High Value base
- Increased footprint of stores as of 38 stores (27 stores and , 3 converted franchises and 8 new)
- In Mobile we continue to focus in Shahry postpaid plans seeing growth on it.

Launches

- LTE roaming launched with Bell Canada
- Ooredoo TV under trail with Unlimited Access to Over 20 Live Channels and More than 4000 Hours of the latest Movies and Shows
- Launches Franchise Store in some Welayat
- Ooredoo Mondays
- Superfast fiber unlimited

Revenue Evolution

- Blended mobile data revenues now represent 45% of total mobile revenue.

Q3 2015 – Operational Focus

Network Modernization /Turbocharging

- Completes National Fibre Backbone Across Oman
- Fixed 4G-LTE network bandwidth has been upgraded from 10 Mhz to 20 Mhz all over country
- LTE 800 proof of concept which -comes prior the planed countrywide rollout- is implemented providing excellent results
- 21 new mobile coverage sites have been added to the network

Customer Experience

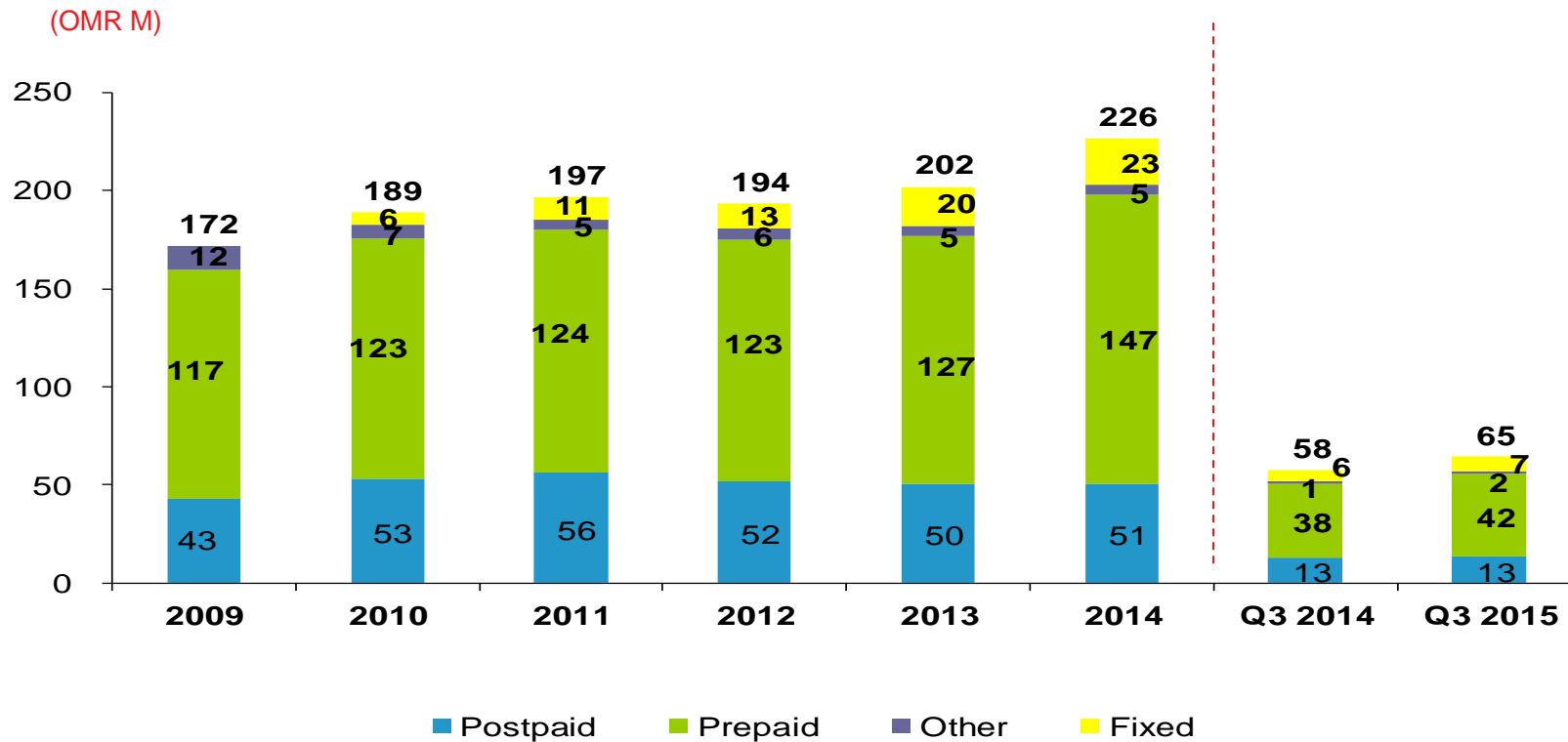
- Ooredoo continued to roll-out the ResponseTek ‘Voice of the Customer’ by introducing 3 new channels (Self-care, Port-in and Port-out)
- New initiatives on the IVR to improve the customer experience are added as following:
 - HBB on IVR
 - Smart detection Data barring
 - BMC calls routing option

Financial highlights



Revenue

Best performance since launch



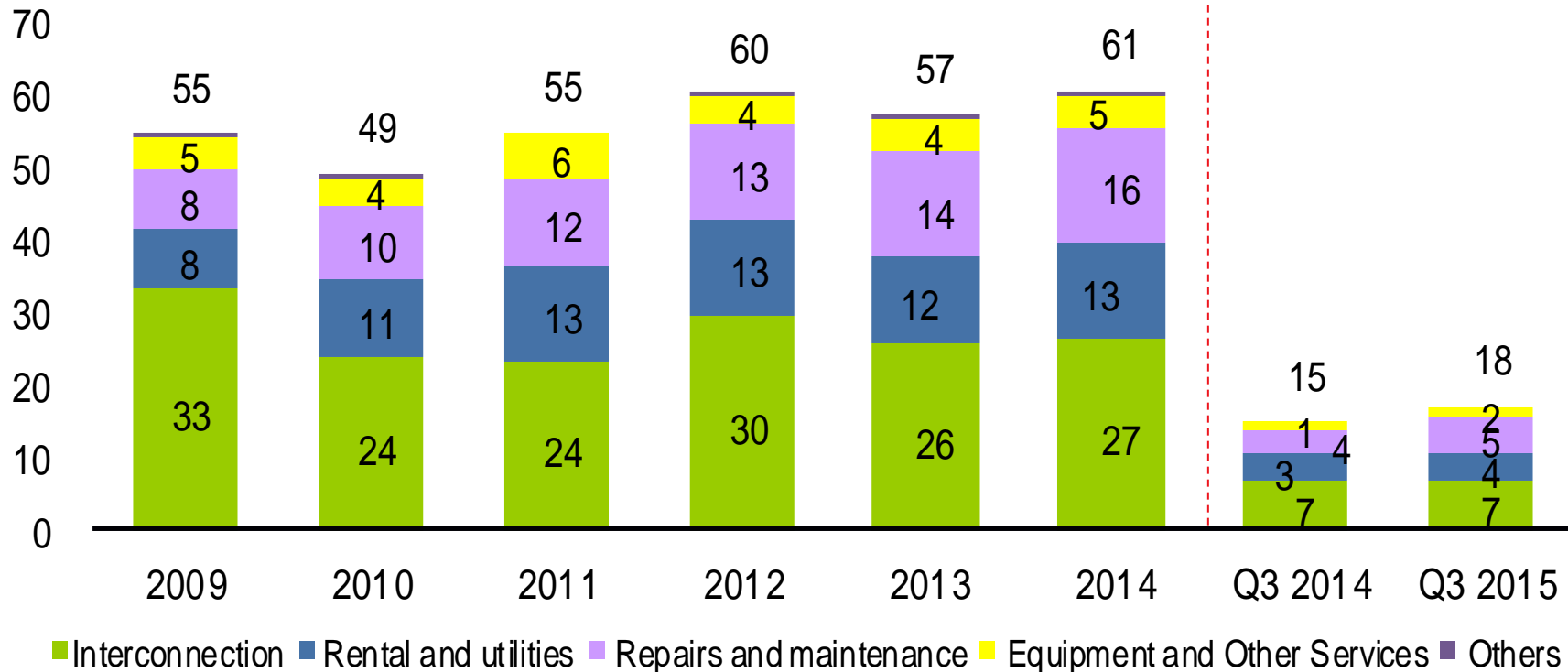
- The increase in revenue is driven by fixed and mobile data revenues as well as inroaming.

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

Key financial drivers

Operating expenses

(OMR M)



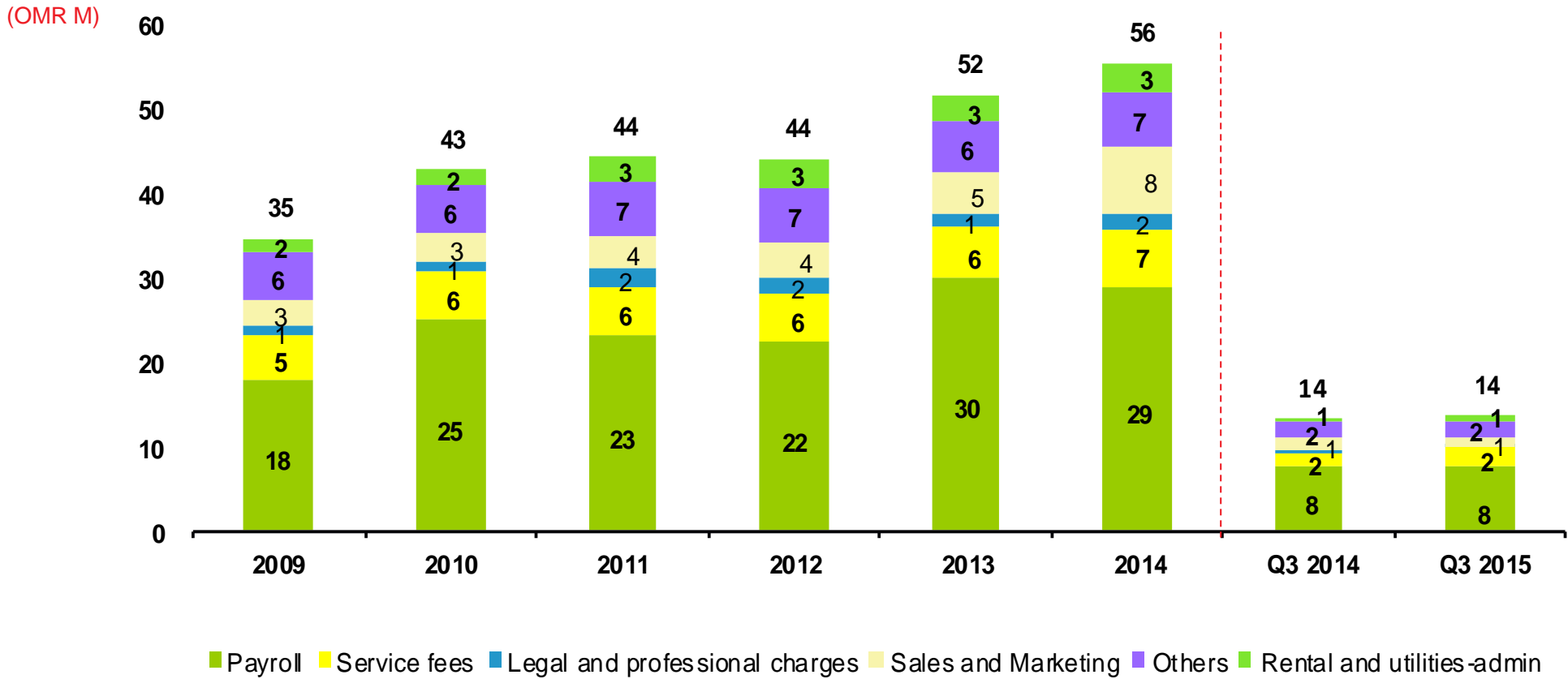
- Rentals and utilities increase driven by revised colocation rates.
- Repair and maintenance increase is driven by manage service related cost due to network expansion.

Note

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

Key financial drivers

SG&A



- SG&A expenses remained at same level

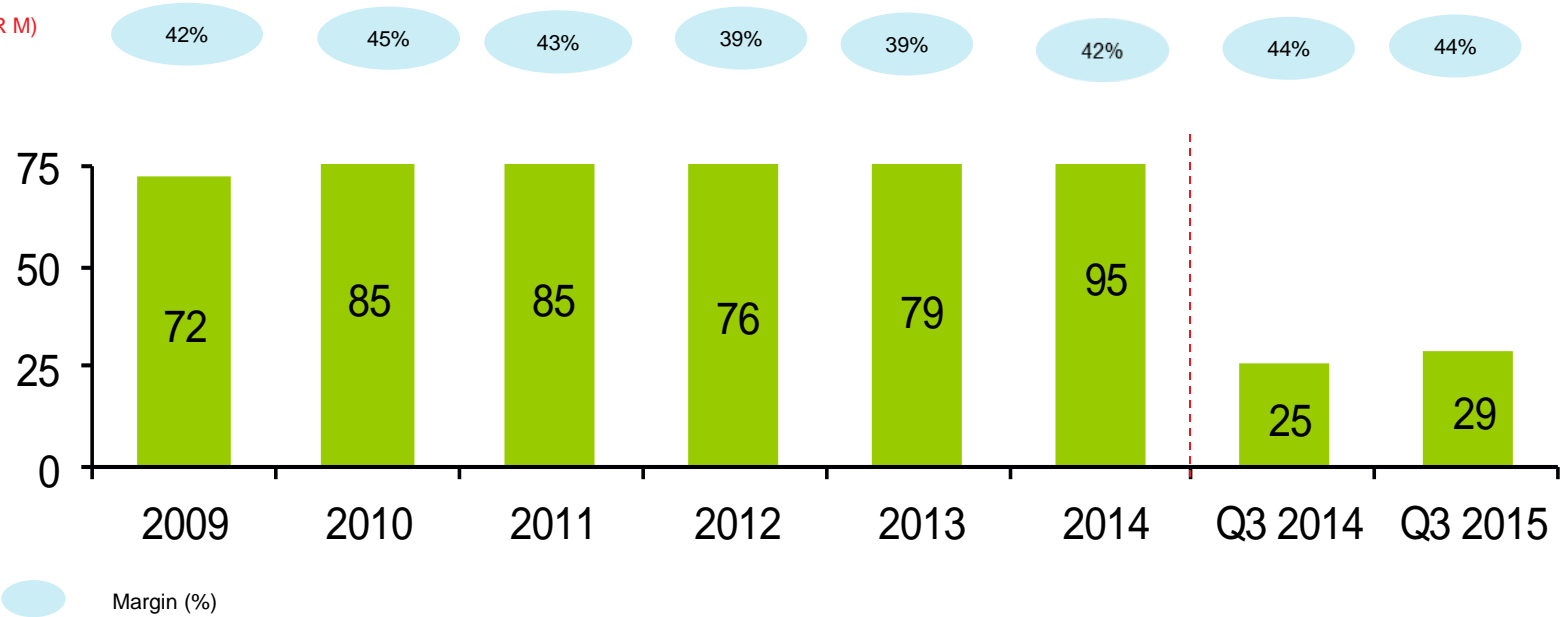
Source Ooredoo
 Note Totals may not add up to sum of parts in some cases due to rounding

EBITDA



Adj. EBITDA⁽¹⁾

(OMR M)



- EBITDA as a percentage of revenues has remained the same.

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

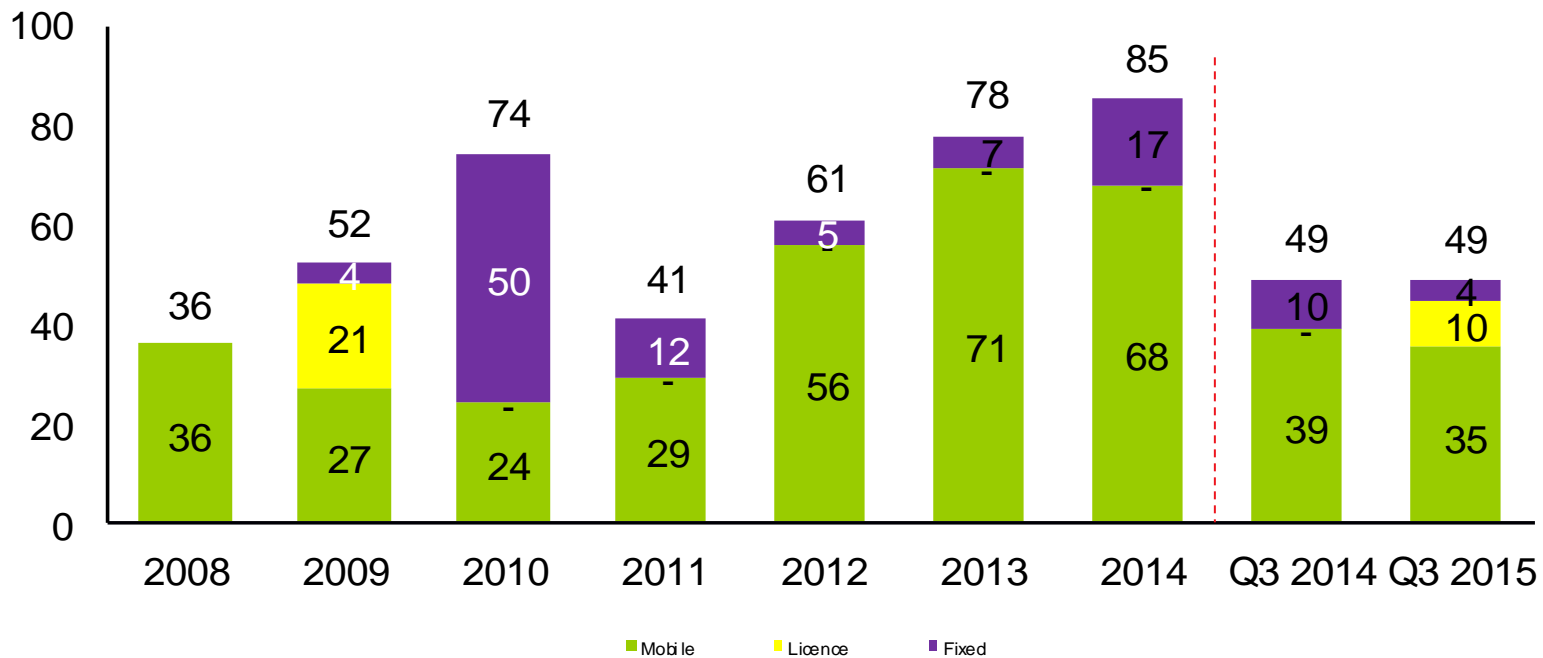


Key financial drivers



Capital expenditure

(OMR M)



- New LTE (4G) 800/2600 MHz spectrum acquired in Q3 2015.

Source

Ooredoo

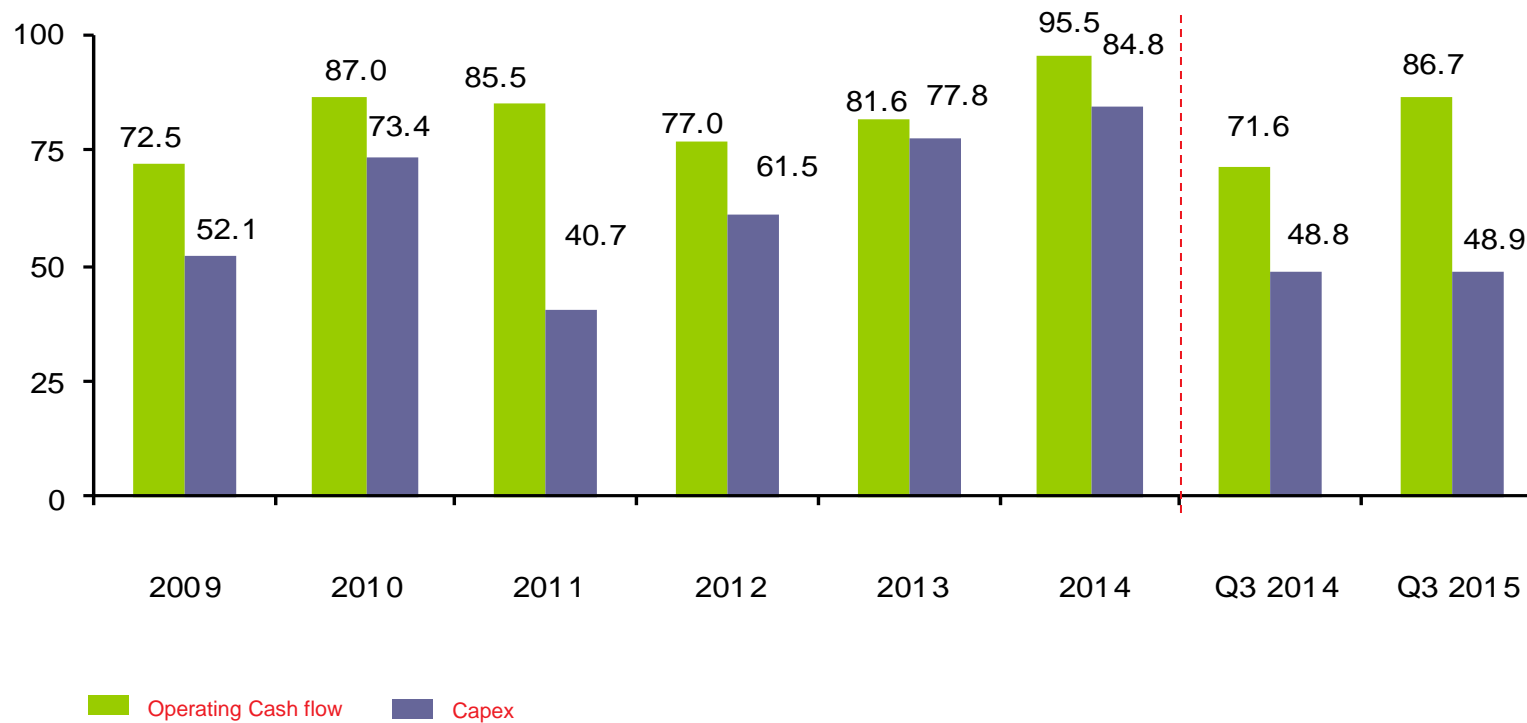


Key financial drivers

steady cash flow

Operating cashflow before working capital

(OMR M)



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

Source

Ooredoo

Net debt

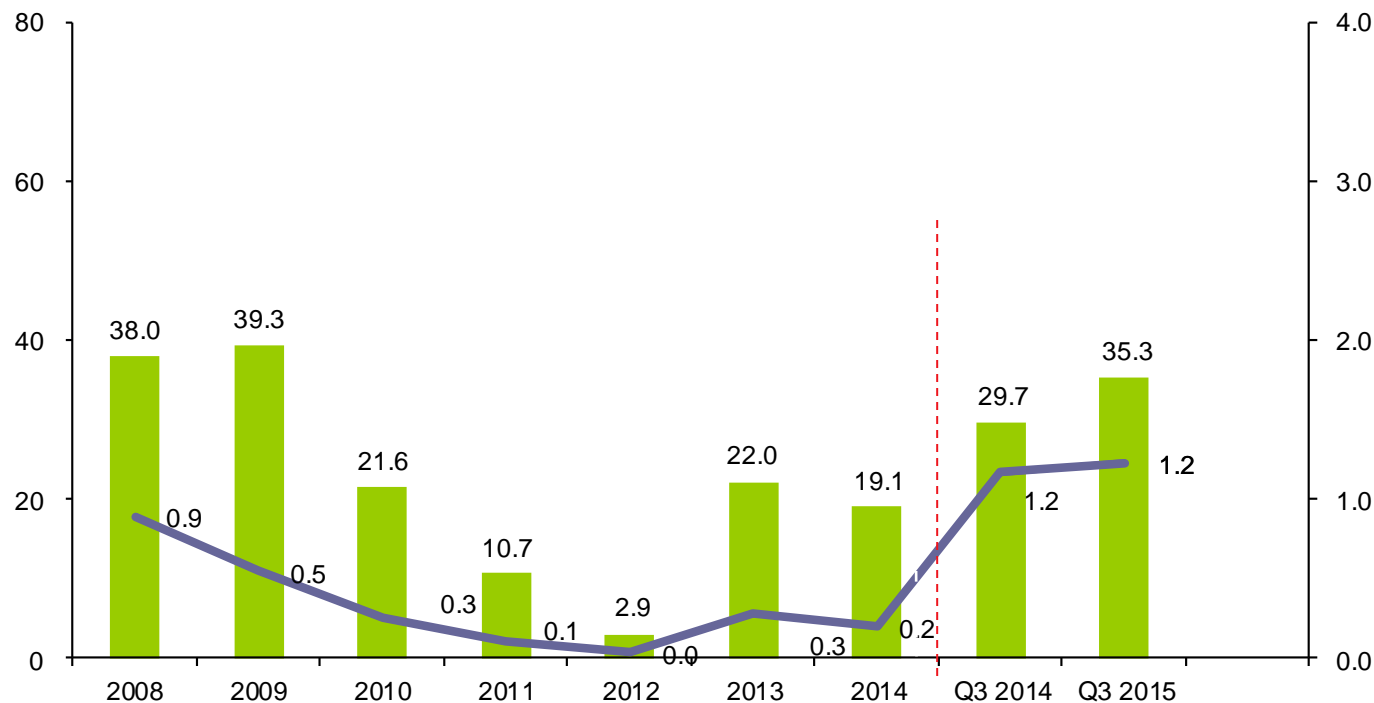
Improvement in leverage



Net debt⁽¹⁾

Net debt / Adj. EBITDA

(OMR M)



Net Debt Net Debt / Adj. EBITDA

- As on Sep 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
 - Q3 revenue and EBITDA growth of 12.3 % and 15.1 % respectively,
 - Strong revenue growth is driven by increases in both mobile and fixed data revenue.
 - 10.0% growth in total number of customers.
- Commercial and operational
 - More than 45% of our revenue is coming directly from data.
 - The ongoing investment in modernising and expanding our network is a main factor in customer growth.
 - Our investment will continue during the remainder of 2015 year as we further improve network performance and customer experience 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

