

Welcome

Qtel Group 2012 Capital Markets Day

January 26, 2012 Doha Qatar



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- Qtel management wishes to further caution the reader that forward-looking statements are not historical facts and are only estimates or predictions. Actual results may differ materially from those projected as a result of risks and uncertainties including, but not limited to:
 - Our ability to manage domestic and international growth and maintain a high level of customer service
 - Future sales growth
 - Market acceptance of our product and service offerings
 - Our ability to secure adequate financing or equity capital to fund our operations
 - Network expansion
 - Performance of our network and equipment
 - Our ability to enter into strategic alliances or transactions
 - Cooperation of incumbent local exchange carriers in provisioning lines and interconnecting our equipment
 - Regulatory approval processes
 - Changes in technology
 - Price competition
 - Other market conditions and associated risks
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- Qtel undertakes no obligation to update publicly or otherwise any forward-looking statements, whether as a result of future events, new information, or otherwise.

The Qtel Group



Mr. Ajay Bahri, Chief Financial Officer - Qtel Group

January 26, 2012



Where we are today

1. **Top line growth continues to trend in line with guidance** (9M 2011: Revenue +17%, EBITDA +15%).
Margins remain stable and high (48%).
2. **Investment grade credit ratings maintained** (Moody's "A2", S&P "A", Fitch "A+").
3. **US\$2.75bn bonds issued out of GMTN program in Q4 2010** – Has provided ample liquidity headroom and preemptively addresses refinancing of US\$3bn loan due in August 2012.
4. Royalties and Industry Fees of QAR2.78bn (US\$765m) **repaid in Q4 2011**. Previously current liability: **Payable to Government of Qatar**.

Key financial issues being addressed

Foreign exchange risk

- Update of FX hedging policy for the Group approved.
- Appropriate hedging levels achieved; in some emerging markets no suitable hedging instruments available or cost prohibitive.



Debt refinancing risk

- Pre-emptive bond issuance in Oct 2010 of US\$2.75bn enhanced debt maturity profile; comfortable cash levels and US\$2bn RCF in place.



Interest rates risks – Conservatively managed

- Qtel bonds solidified long-term low fixed rates and reduces interest risk at group level.



Leverage levels

- Loan covenants further improved Net Debt to EBITDA to 1.91x for 9M 2011.
- Investment Grade rating maintained.



Counterparty Risk

- Selection of highly rated local and international bank counterparties



Efficiency program underway

- The Qtel Group launched operational improvement programs across all OpCos.
- 2012 Strategic Business Planning Process addresses a reduction of the performance gaps evaluated in the prior Group Benchmarking Project.
- Qtel Group OpCos project teams now in place:
 - Use root cause analyses to analyze the performance gaps
 - Develop initiatives to reduce the gaps
 - Use business case analysis to estimate savings
 - Roadmap developed to implement savings initiatives
- The Qtel Group has set up a Project Management Office to track and control the program.

OpCo progress to date



Qatar - Program up and running



Oman - Program up and running. Good progress on network cost reductions



Kuwait - “Quick Win” Program started in 2011



Tunisia - Program up and running.



Indonesia – Tower Project, Voluntary Separation Scheme; “Quick Win” Program started in 2011



Algeria - “Quick Win” Program started in 2011

Strategic Sourcing

Focus on high spend areas

- **Radio:** Core and transmission contribute to more than 50% of the total Qtel Group Capex.

Leverage group spend volumes

- **Frame agreements** in place with all major technology and IT providers: All OpCos can access more competitive pricing based on group volumes.

Savings in 2011

- Multi hundred million savings achieved through group synergies, network swap negotiations and adherence to frame agreements.

Alignment with technology strategy

- We focus on the products that support the technology strategy of the group where we will be able to ensure the longevity of the investment. **Build right, Buy right.**

Strategic Sourcing contd.

Network modernization plans

- Leveraging the technology inflection point to negotiate better outcomes for the group.
- Have worked with OpCos to modernize their network in 2011: Wataniya Palestine and Tunisiana.
- Currently working with Wataniya Kuwait, Nawras, Wataniya Maldives and Indosat on their network modernizations to Single RAN networks.
- Modernization opportunities for Nedjma and Asiacell.

Negotiating competitive pricing from technology leaders

- Drive competition among frame vendors and secure competitive pricing from technology leaders. Technical lead and pricing advantage.

Addressing the other 50%

- Drive competitive pricing for **Services and Site** Materials.
- Services strategy to align and rationalize KPIs (spares, optimization, rollout services, etc.).
- Developing **frame agreements** with site material suppliers and power and ancillary providers.

The Qtel Group



**Dr. Nasser Marafih, Chief Executive Officer - Qtel Group &
Mr. Jeremy Sell, Chief Strategy Officer – Qtel Group**

January 26, 2012



Our journey so far

For the last 5 years, our vision has been:

“To be among the top 20
telecommunications
companies in the world by 2020.”

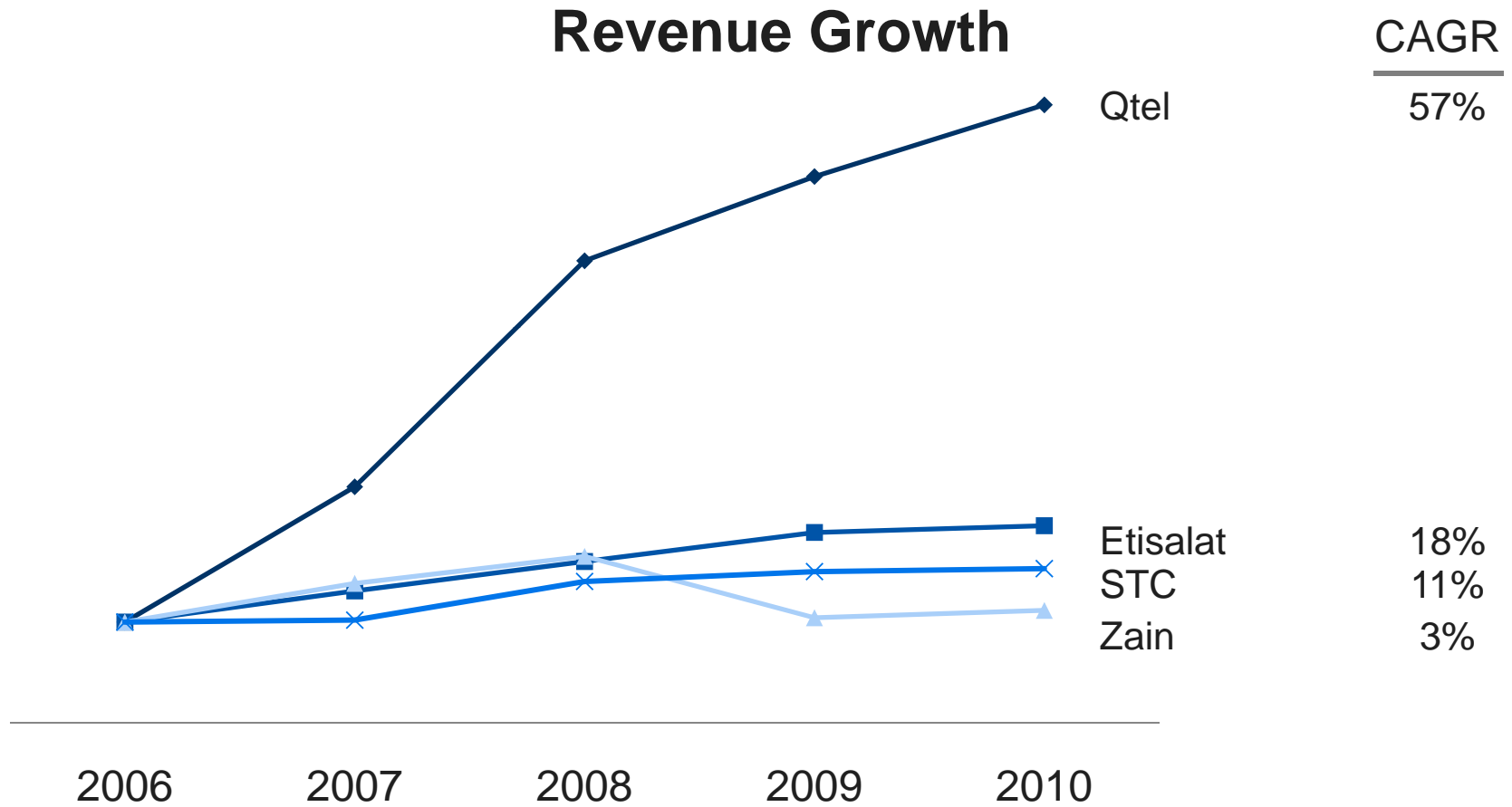
In 2006 we were alone



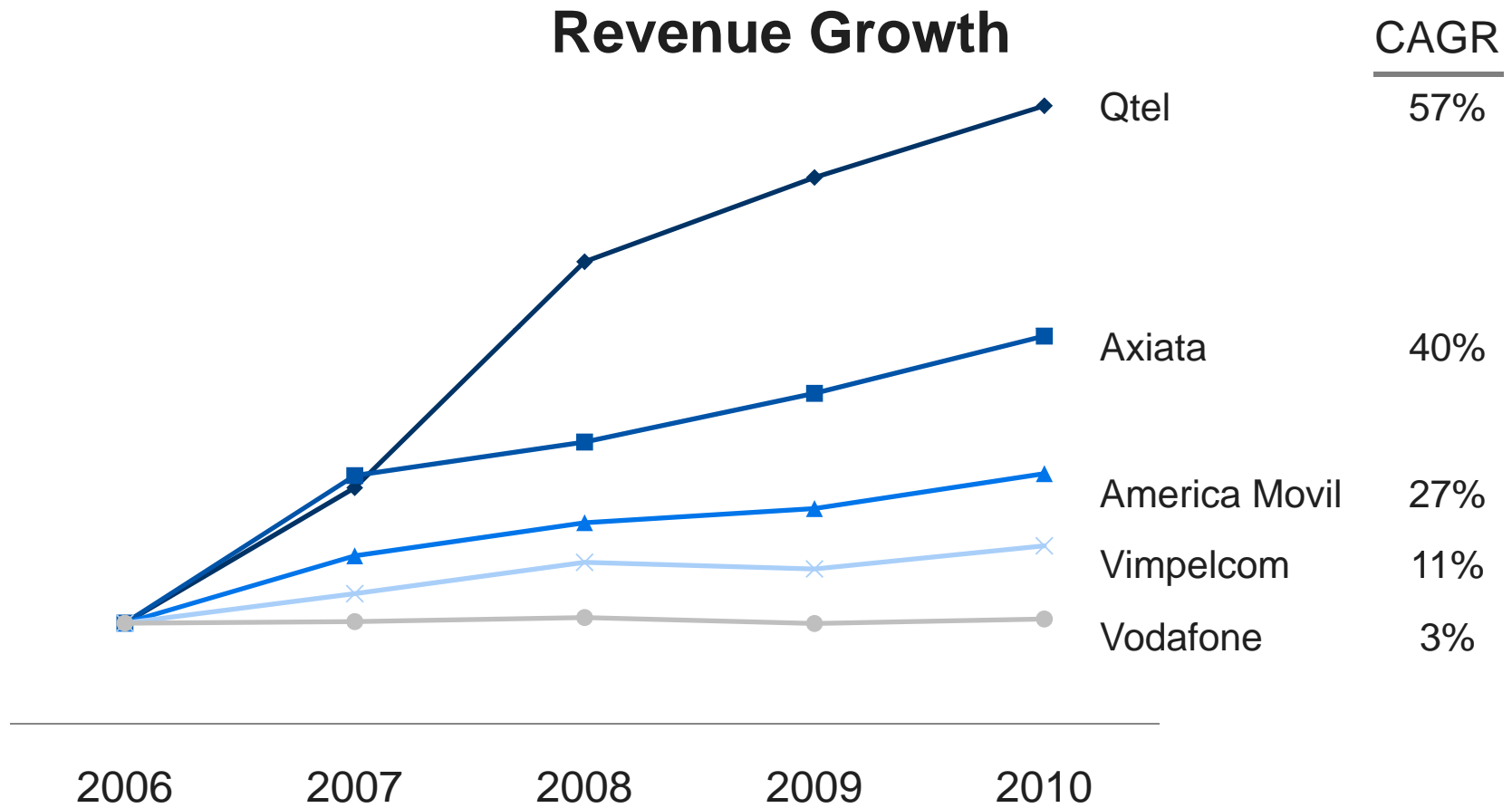
Today we're in 17 markets



We've grown faster than our regional competitors



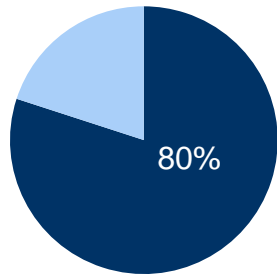
...and also international competitors



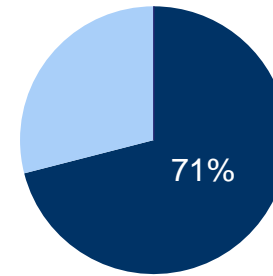
We've delivered on our 2006 targets

| | 2010 Targets | 2010 Actuals |
|-----------|--------------|--------------|
| Customers | >70 M | 74 M |
| Markets | 15 | 17 |
| Revenues | >\$7 B | \$7.4 B |
| EBITDA | >\$2.8 B | \$3.4 B |

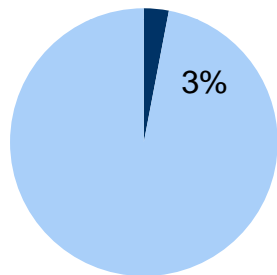
We've diversified our portfolio



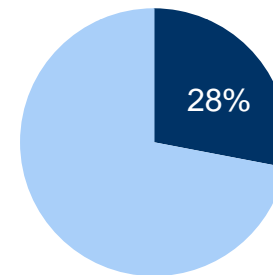
Consumer Mobile



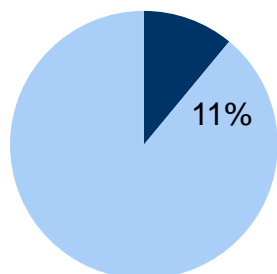
MENA



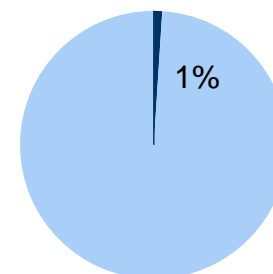
Consumer Broadband



Asia Pacific



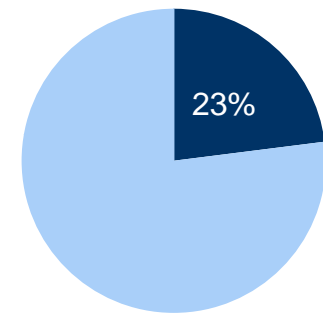
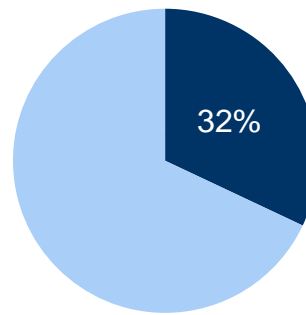
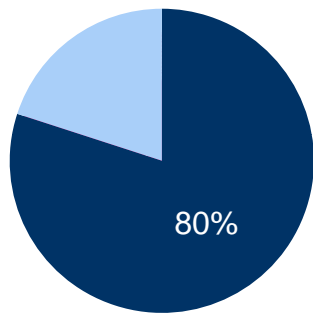
Enterprise



Subcontinent

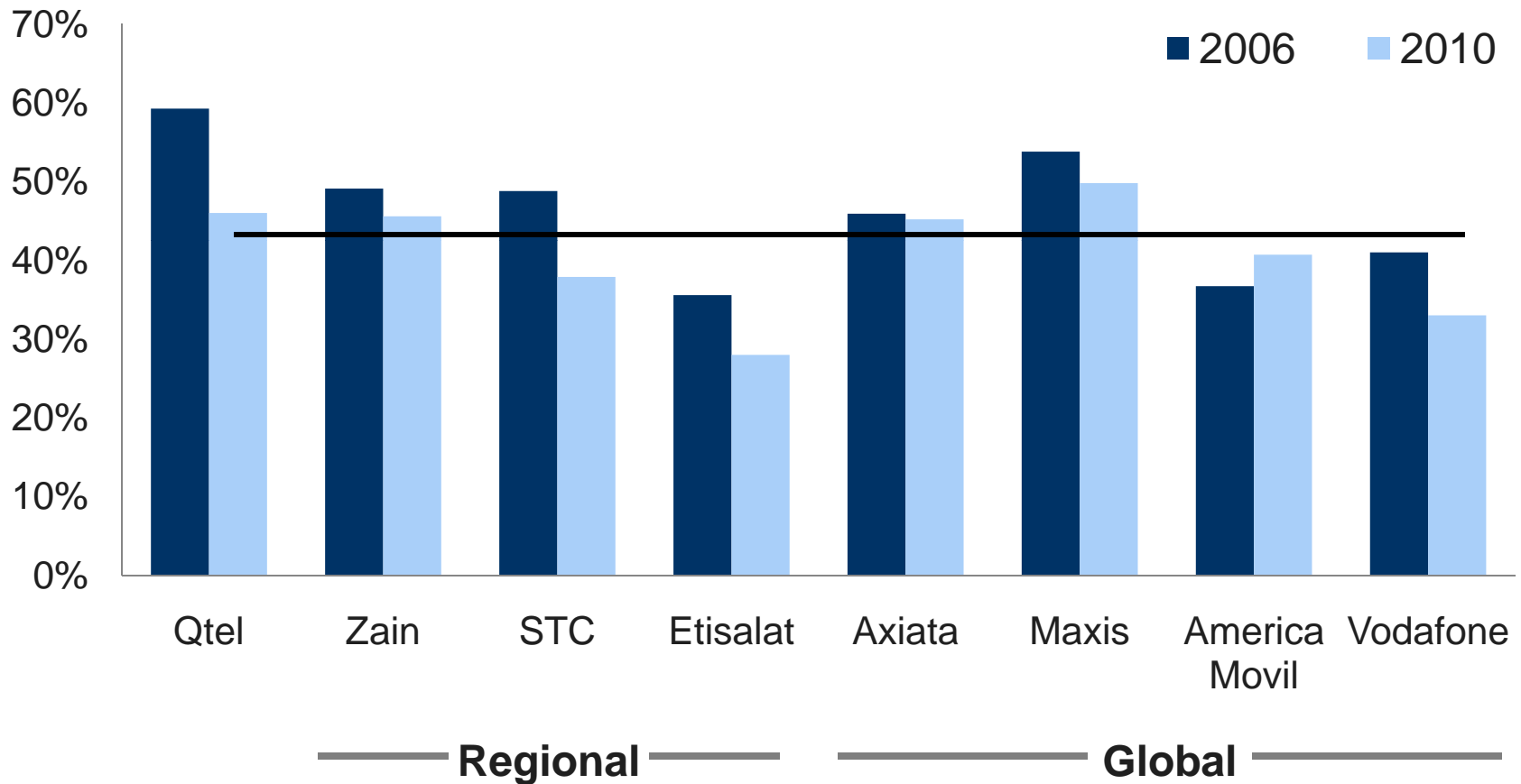
We're more diversified than our competition

International Revenue



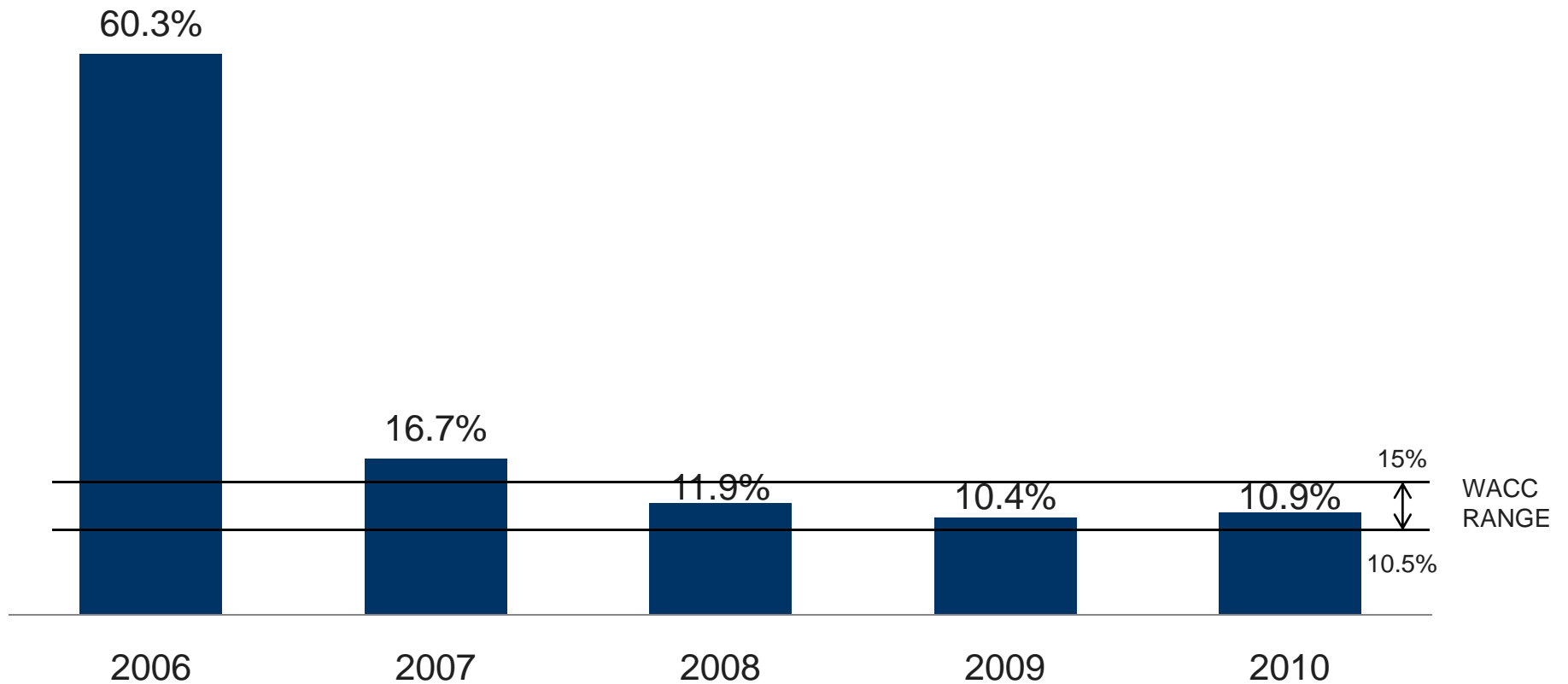
We continue to deliver strong margins

EBITDA



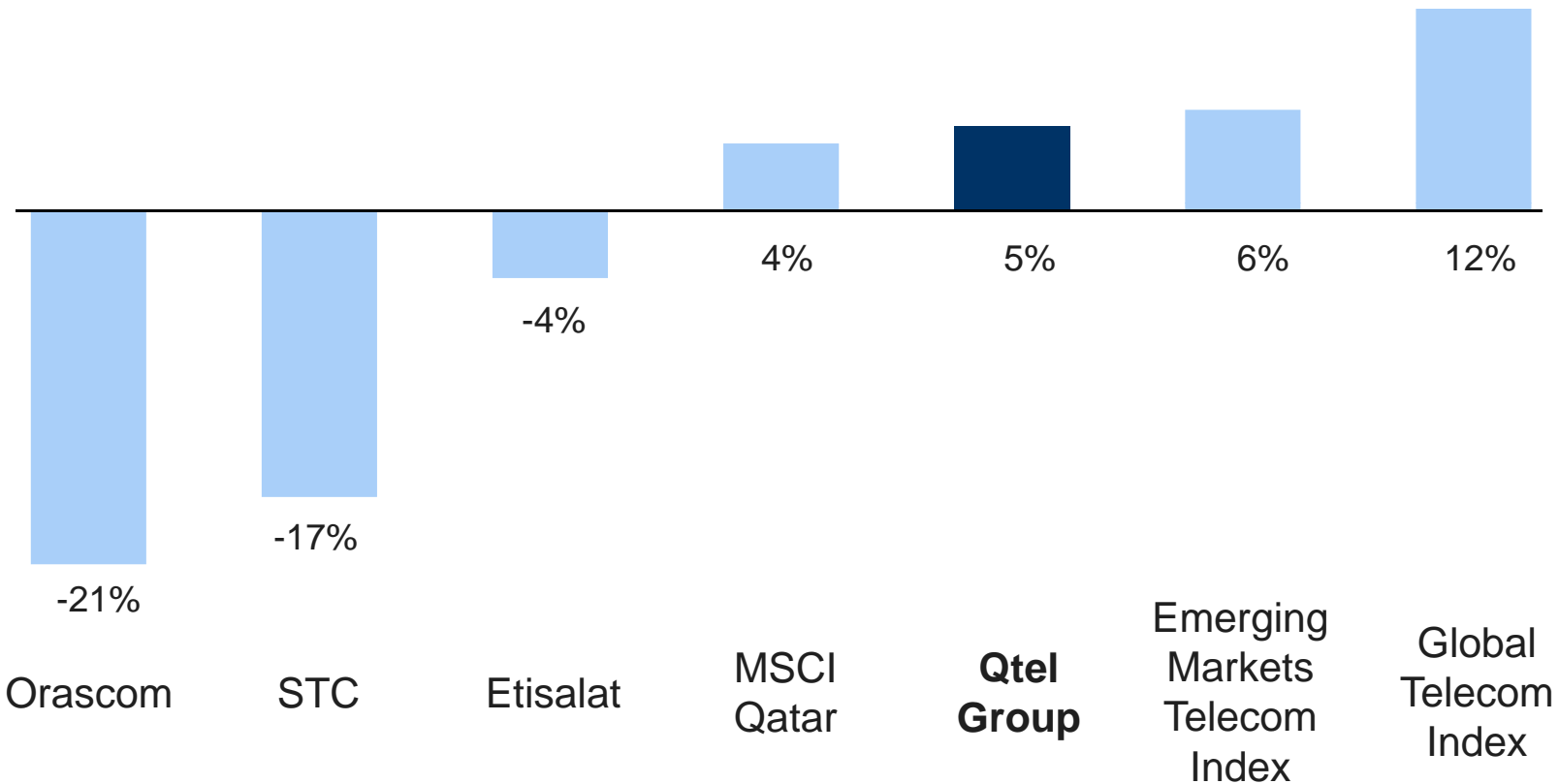
Our ROIC has declined but is improving

Return on invested capital (ROIC)



Shareholder returns are average

Total Return to Shareholders (TRS) 31 May 2006 – 07 Oct 2011



Telecom is facing a storm ...

Growth is slowing even in growth markets

New entrants and increasing competition

Prices are declining rapidly

Only partially able to monetize the data explosion

New innovations are threatening revenue



A new bright future is on its way ...

Usage continues to grow

Consumers spend more time on TMT services

Smartphone users have a higher ARPU...

...and smartphones are reaching emerging markets

New growth shows promise

In summary

Past performance

- Exceptional growth delivering on 2006 strategy
- Outperformed many peers in growth and EBITDA
- Returns declined as we've invested, but are now improving

Industry trends

- Slowing growth & increasing competition
- Data revolution changing telecom economics
- New revenue opportunities but tough to capture

We've revised our vision and values

Our Vision

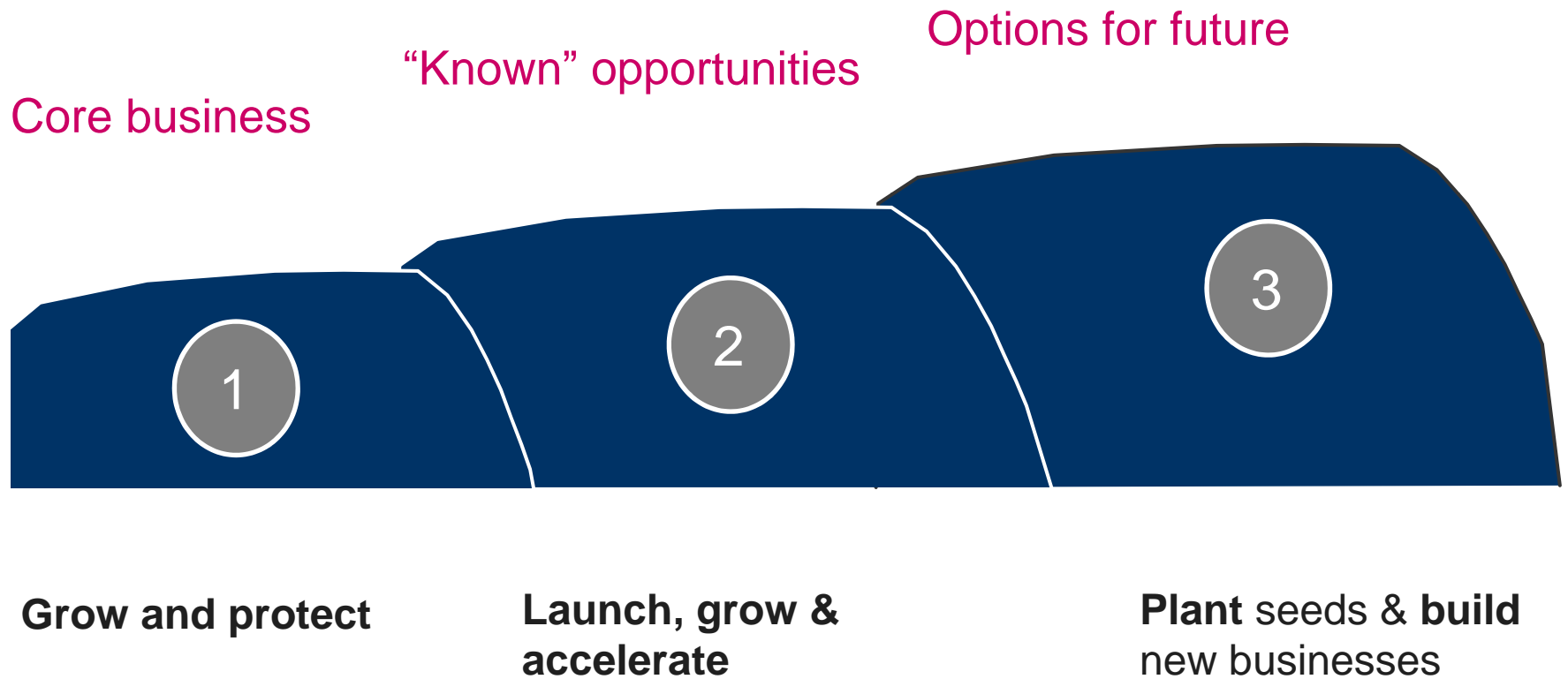
Enriching people's lives as a leading international communications company

ثري حياة الناس كشركة اتصالات دولية رائدة

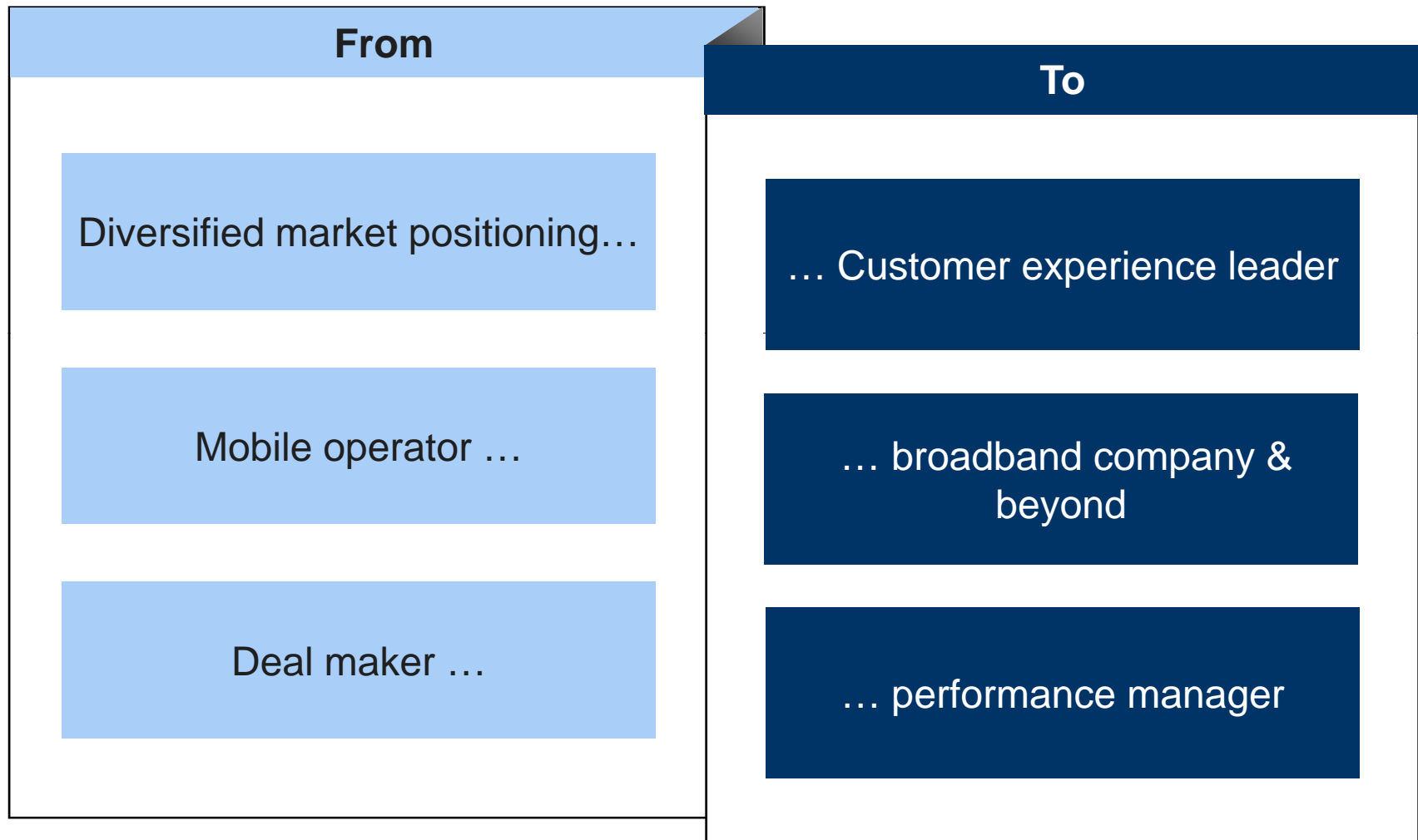
Our Values

- Make a Difference!
- Engage Others
- Respect All

Our strategy covers all 3 horizons of growth



We are evolving to change our focus



Our new Group Strategy: Drive



Differentiate on
customer experience



Strengthen our
foundations



Invest in new growth

Our new Group Strategy: Drive



Differentiate on customer experience

What?

- “Know” our customers
- Embrace customer experience mindset and culture
- Stand out from the competition

Strengthen our foundations

Invest in new growth

Why?

- Slowing growth, increasing competition and declining margins
- Customer experience lowers costs and increases margins
- We are in a good starting position

Our new Group Strategy: Drive



Differentiate on customer experience

What?

- Work smarter and work better together
- Increase productivity
- Scale profitable mobile data

Strengthen our foundations

Why?

- Best performing companies are leaders in talent development and management
- Our returns need to improve
- Slower growth and margin pressures make cost focus important
- Mobile broadband is a key growth engine of the industry

Invest in new growth

Our new Group Strategy: Drive



Differentiate on customer experience

What?

- Grow B2B & IT services
- Move into fiber in selected markets
- Explore new opportunities, such as TV, finance, and health

Strengthen our foundations

Why?

- Long-term growth delivers superior shareholder returns
- Growth in our core markets is declining, but opportunities in related markets appear attractive

Invest in new growth

Our new Group Strategy: Drive



Differentiate on customer experience

- “Know” our customers
- Embrace customer experience mindset and culture
- Stand out from the competition



Strengthen our foundations

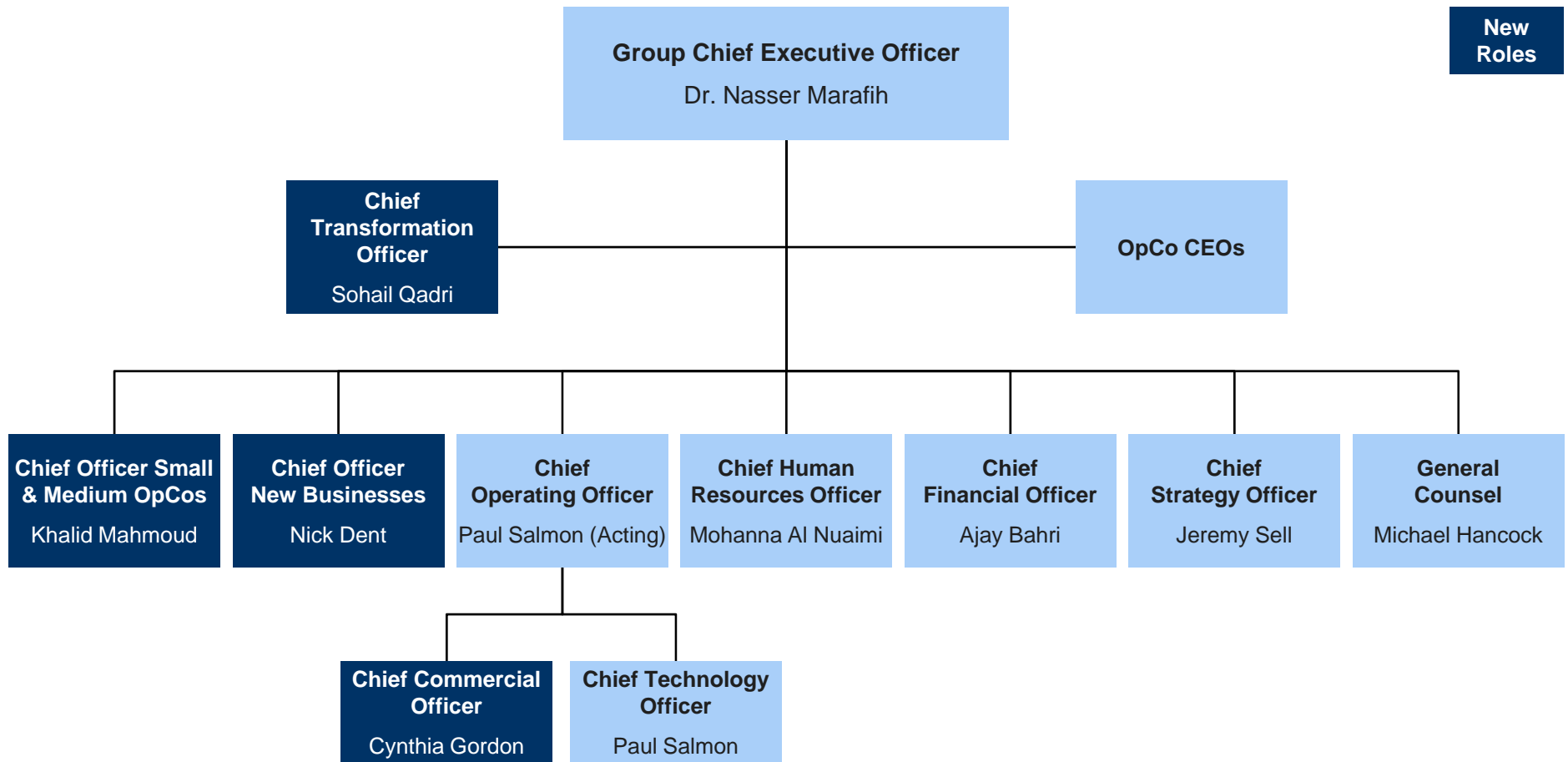
- Work smarter and work better together
- Increase productivity
- Scale profitable mobile data



Invest in new growth

- Grow B2B & IT services
- Move into fiber in selected markets
- Explore new opportunities, such as TV, finance, and health

New structure to support implementation



We have 2016 objectives aligned with Drive

Objective & Measure

Financial metrics

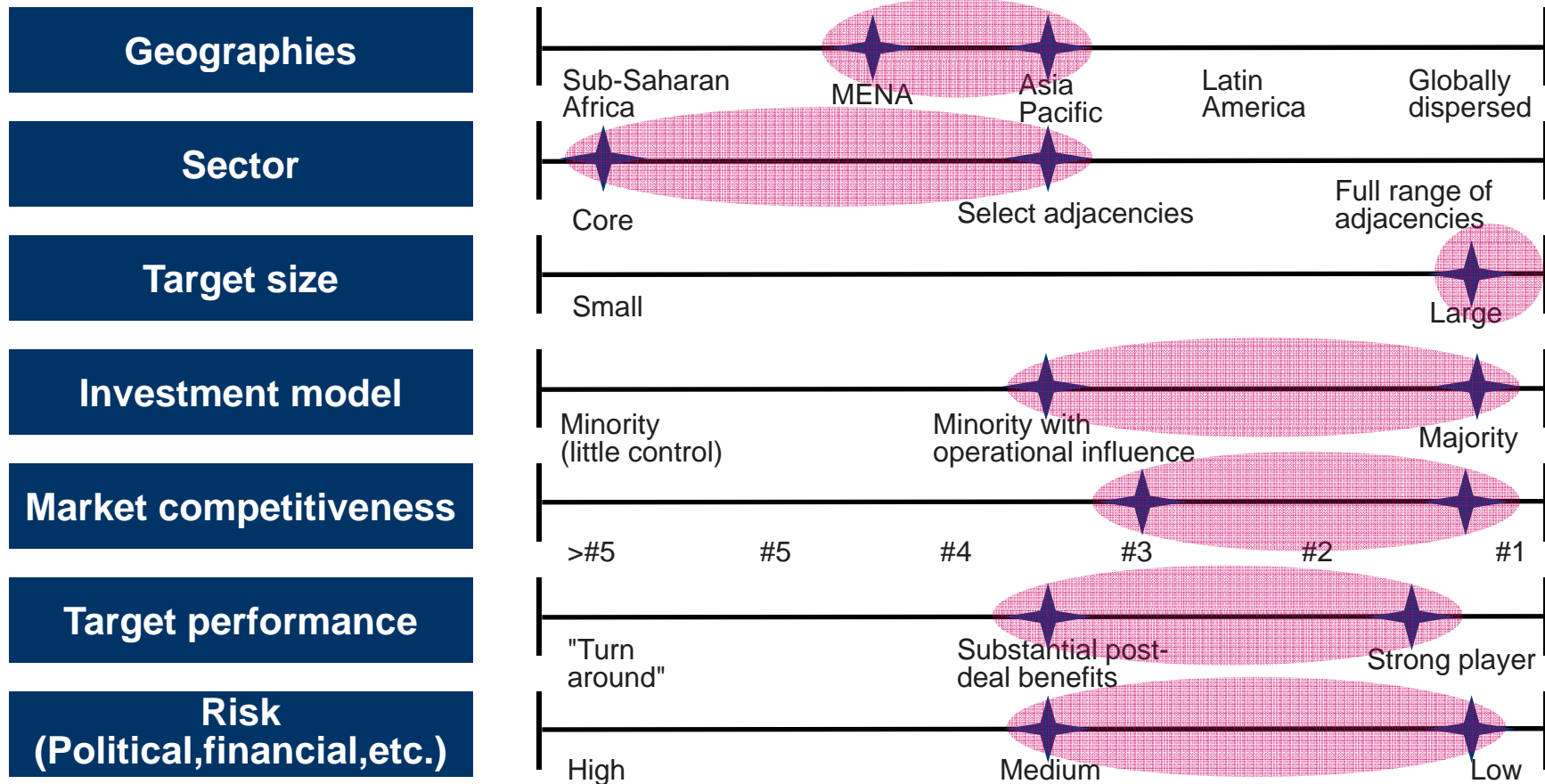
- 1 Deliver above average shareholder returns (TRS)
- 2 Increase return on capital (ROCE)
- 3 Sustain margins (EBITDA)
- 4 Continue growing (Revenue)

Strategic metrics

- 5 Lead customer experience (NPS)
- 6 Grow non-mobile revenue share
- 7 Improve employee engagement

We will maintain our disciplined focus

Qtel's Investment Focus



M&A will continue to support our growth

- Scale still matters; value exists in expansion
- But, need further 'value creation' before more M&A
- Transitioning from 'Deal-Maker' to 'Performance Manager'
- Support our core business, & accelerate new growth
- Consider transformative M&A deals opportunistically

In Summary

- Focused Group strategy around 3 themes:
 - Differentiating on Customer Experience
 - Strengthening our foundations
 - Investing in new growth
- Increased focus on group identity and performance management
- Continued disciplined M&A strategy

Thank-you

**Any further
questions?**

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**Upcoming
events**

FY 2011 Financial Highlights – March 4, 2012