



**Ooredoo Group**

**Capital Markets Day 2014**

**Ooredoo Myanmar**

**May 12, 2014**



# Welcome to Ooredoo Myanmar: Contents

1. About us
2. Where we are today
3. Adopting best practices to mitigate risk
4. Myanmar regulatory framework
5. Adopting a winning strategy
6. Myanmar: Market characteristics
7. Myanmar: Market potential
8. Distribution
9. Our network
10. Our 3G
11. Our people
12. Key risks and uncertainties
13. Next steps
14. Summary

# About Ooredoo Myanmar

- **Full telecom license** awarded February 2014
  - **Nationwide**
  - **2100 MHz and 900 MHz spectrum**
  - **Technology agnostic**
  - **15 years renewable for additional 15 years**
  
- **2014 OPEX + CAPEX + License<sup>1</sup> = US\$ 1 Bn**
  
- **Ooredoo Myanmar 100% owned subsidiary of Ooredoo Group**



Note: (1) 2014 portion of total license payment

# Where we are today

- **License issuance:** February 5th 2014
- **Tower construction** companies and **key network vendors** mandated
- **First towers** built, **Yangon switch** complete, **first successful call** completed
- Sponsorship of Myanmar **Football Federation**
- **800+ employees**



# Adopting best practices to mitigate risk



# Myanmar regulatory framework

- **License award and negotiations** supported by Roland Berger
- **World Bank support** for law and rules
- **Myanmar Telecom Law** passed on 8 October 2013
  - **Rules against anti-competitive practices**
  - **Clear regulations for network sharing**
  - **Clear legal intercept rules**
- Myanmar Investment Commission **approval for 100% foreign ownership**

# Adopting a winning strategy

Data Everywhere



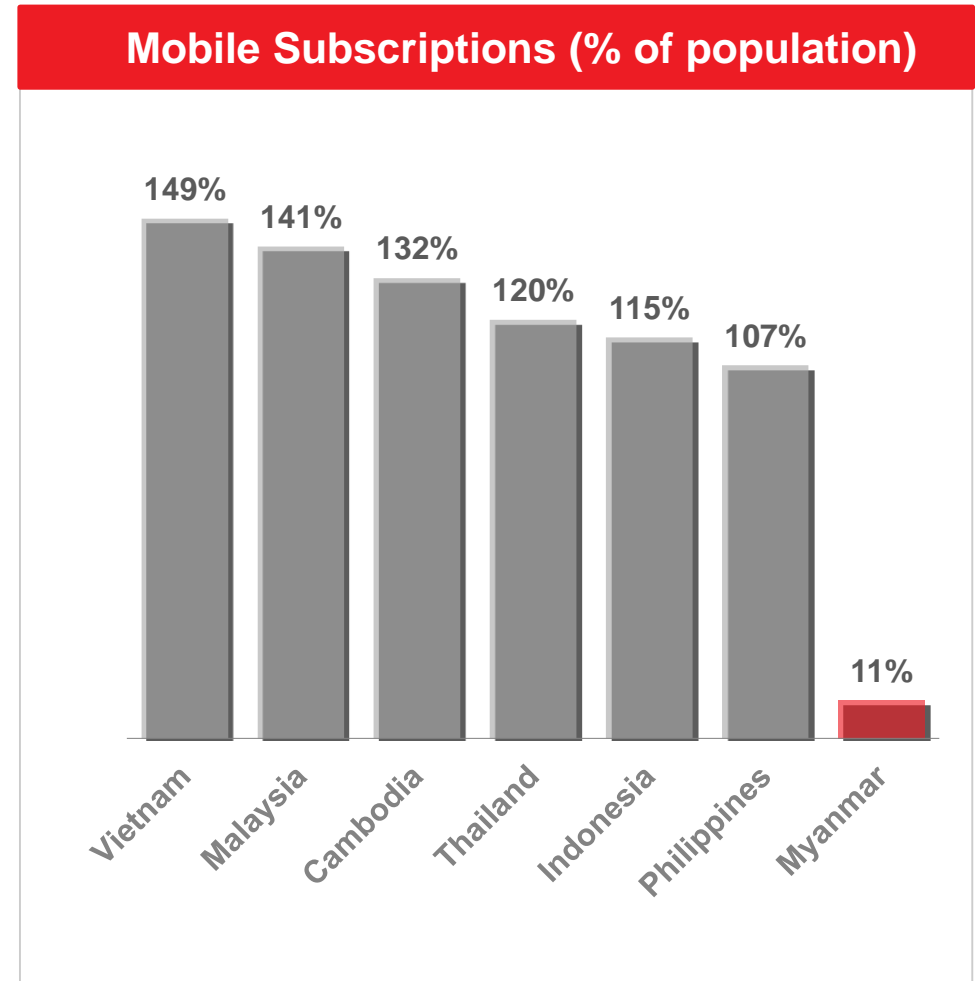
Country-Wide Distribution



Best Customer Experience

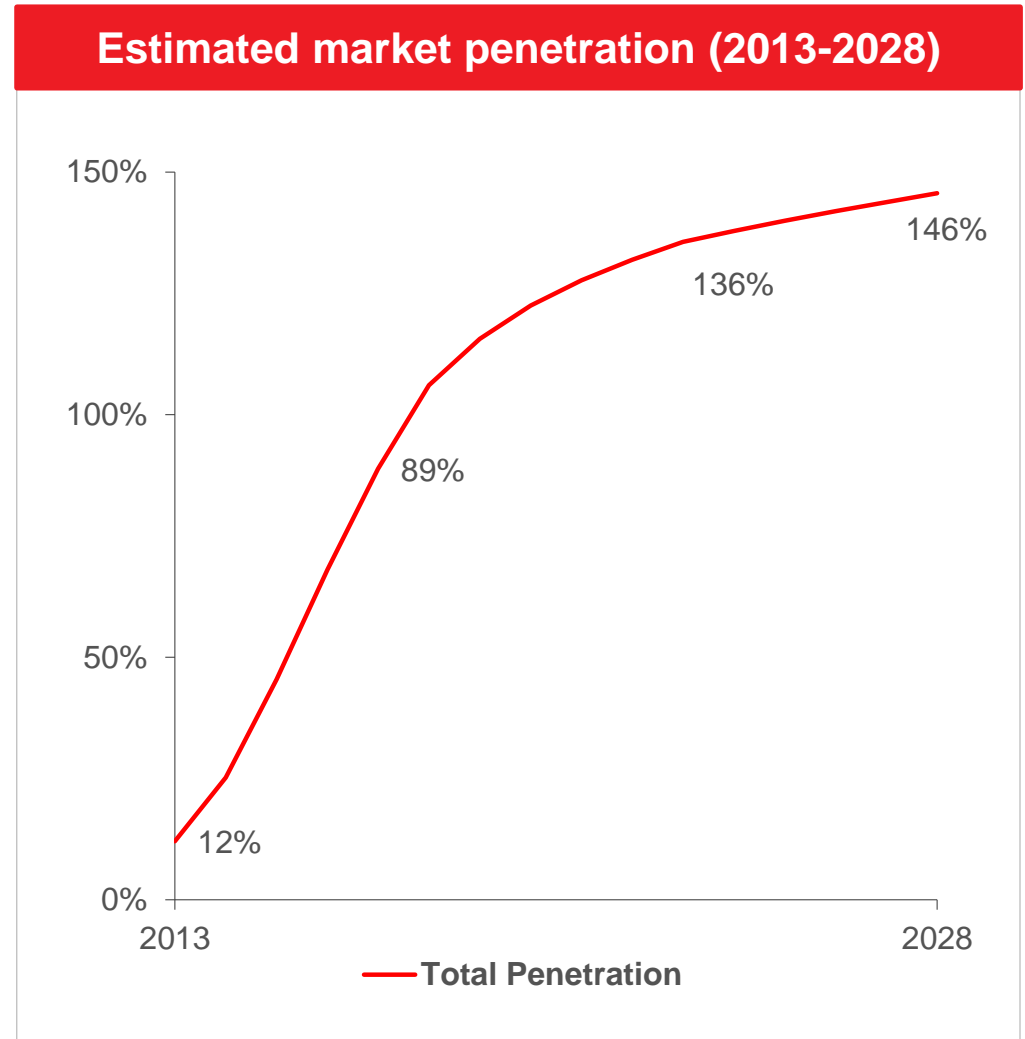
# Myanmar: Market characteristics

- **Mobile subscriptions (% of population) currently ~11%**
- Intermittent service quality
- Limited 3G infrastructure
- A four-player market:
  - **2 international operators, Ooredoo and Telenor**
  - **2 local operators with international investors, MPT (KDDI/ Sumitomo - Japan) and YTP**



# Myanmar: Market potential

- **Significant development impact** (10% penetration increase, 1.2% increase in national GDP, Deloitte)
- **High prices: ARPU ~US\$10.4**
- **146% mobile penetration by 2028**
- Reduction of prices (increases in affordability)
- **Significant additional revenue from data**



Source: Ooredoo Research

# Distribution

- Within 5 years:
  - **~240,000 SIM activation points**
  - **~722,000 top up points of sales**
- 6 of the **leading distributors** in Myanmar
  - **All contracts signed**
- **Direct relationship with retailers** and sales tracking system



# Our network

- **Tower construction outsourced:**
  - **Two companies mandated: Myanmar Tower Company (MTC) and Pan Asia Majestic Eagle (PAMEL)**
- Radio Access Network (RAN) core and managed services:
  - **Two companies mandated: NSN and ZTE**
- Microwave:
  - **Alcatel Lucent mandated**
- **Population coverage: 97% within 5 years**
- **Passive network sharing** remains part of strategy



# Our 3G network

- **Only 3G network (upgradable to 4G)**
- **Efficient network** using 900MHz spectrum (fewer towers required)
- **State of the art tower deployment**
- **Leading international tower companies**



# Our People

- 800+ employees (as of April 2014)
- ~75% Myanmar nationals
- >40 nationalities represented
- **40,000+ Indirect jobs** in Myanmar
- Development of **local talent**



# Key risks and uncertainties

**Network Rollout**

**Economic**

**Competition**

**Socio-Political**



**Performance bond  
(US\$200 million)**

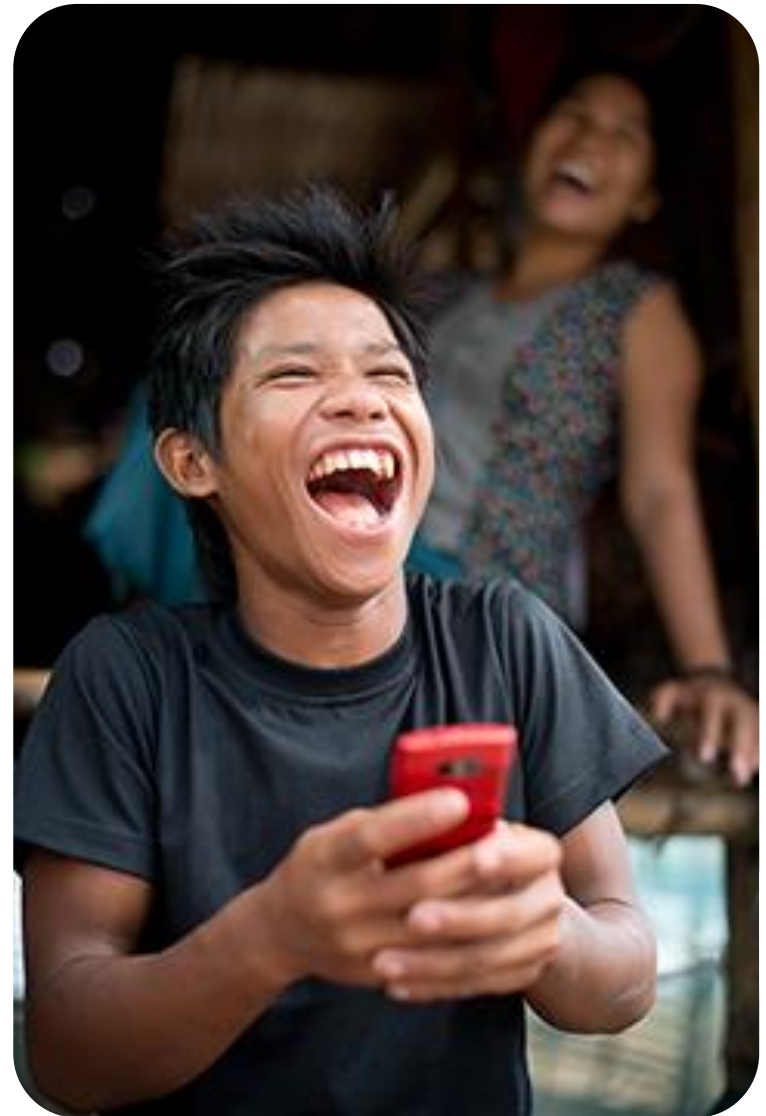
# Next steps

- **Planned Summer launch** in Mandalay, Naypyidaw and Yangon
- **3G+ network will allow innovation** in development of:
  - **mHealth**
  - **mFinance**
  - **mAgriculture**
  - **mEducation**
- Launch of innovative **Ooredoo community engagement programs**



# Summary

- Opportunity to **build network in last major telecoms frontier**
- Efficient 3G network with **emphasis on data**
- **Customer experience focus**
- Developing a **leading Myanmar workforce**
- **Robust business model with significant upside potential**



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  - 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
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events

2014 1H Results – August 2014 *TBD*