Ooredoo Group

Capital Markets Day 2015

OpCo presentation: Algeria

25 May 2015

Agenda

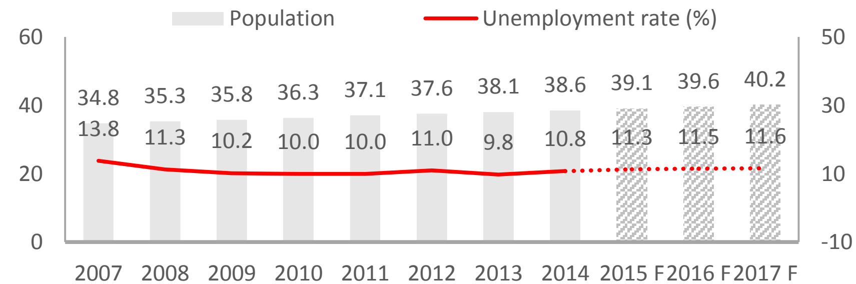
- 10:00-10:05 Agenda Andreas Goldau – Ooredoo Group Investor Relations
- 10:05-10:20 Welcome, Dr. Nasser Marafih, OG CEO
- 10:20-10:40 Strategy Update, Jeremy Sell, OG CSO
- 10:40-11:00 Finance Update, Ajay Bahri, OG CFO
- 11:00-11:20, B2B – A growth engine for Ooredoo, Tom Craig, Senior Director B2B
- 11:20-11:40 Opco presentation: Qatar
- 11:40-12:00 Opco presentation: Algeria
- 12:00-12:45 Q&A
- 12:45-13:00 Meet the Ooredoo Group Team
- 13:00-14:00 Lunch

Algeria in figures

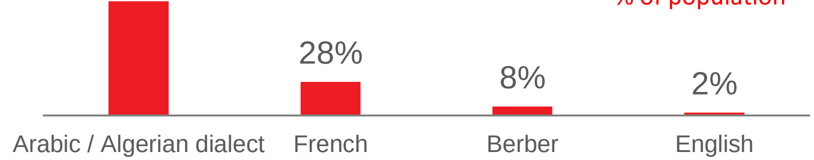
- **10th largest country in the world**, the largest in Africa and within Ooredoo Group (2.4mn Km2 ~ 5 times France)
- With **38.6mn people** Algeria is one of the least densely populated countries in the world (15 pop/km2)
- But there **are big disparities of density by region**: Algiers >3750 pop/km2
- GDP/Cap (PPP): $ 7,816. Nominal GDP Growth Rate in 2014F (LC): 9.7%

- Very young population with **51% of people below 30 years old and 25% below 14**
- Very diverse and still growing (1.6% CAGR)
- Average Household has 5.33 members
- Fixed Broadband Penetration is 28% of HHs
- **Mobile penetration is 78% of humans with over 100% SIM penetration**
- **Smartphone penetration has reached 20% of mobile users and 15% of total population**

Algerian population growth
Mn pops, % of the labor force



Spoken Languages/Dialects
% of population



Algerian mobile market history

ATM Monopoly	Duopoly: Market Creaming	3 Players 4 Brands: Market Hyper Growth	Market Moderate Growth
1999 - 2001	2002 - 2003	2004 - 2007	2008 - 2013

ATM Monopoly (1999 - 2001)

- Old state-owned PTT creates mobile arm/brand
- Pure postpaid product extremely expensive only accessible to high end officials and their social network
- Very small customer base: **around 100k in 3 years!!!**

Duopoly: Market Creaming (2002 - 2003)

- OTA launched under Djezzy's brand in **Feb 2002**
- OTA makes mobile accessible nationwide by reducing -50% prices of the base postpaid product and launching the **first prepaid offer** in Algeria
- OTA foster's creation of first Distributors in Algeria and invests in co-marketing with them
- At the end of 2003 OTA reaches **88% share of a market of 1.5mn high end subs (0.5bn USD).**

3 Players 4 Brands: Market Hyper Growth (2004 - 2007)

- WTA launched under Nedjma's brand **August the 25th of 2004**
- OTA launched ALLO "no frills" brand **August the 26th of 2004 with exactly the same color**
- OTA leads the market in all aspects profiting from its first mover advantage : price, network, biggest distribution network and 2 brands to compete in all segments
- At the end of 2007 OTA reaches **67% value share of a market of 2.6bn USD compared to 13% of WTA (24mn "official" subs).**

NEDJMA from Wataniya Telecom owned…

Market Moderate Growth (2008 - 2013)

Diagnosis and New Strategy that led to…

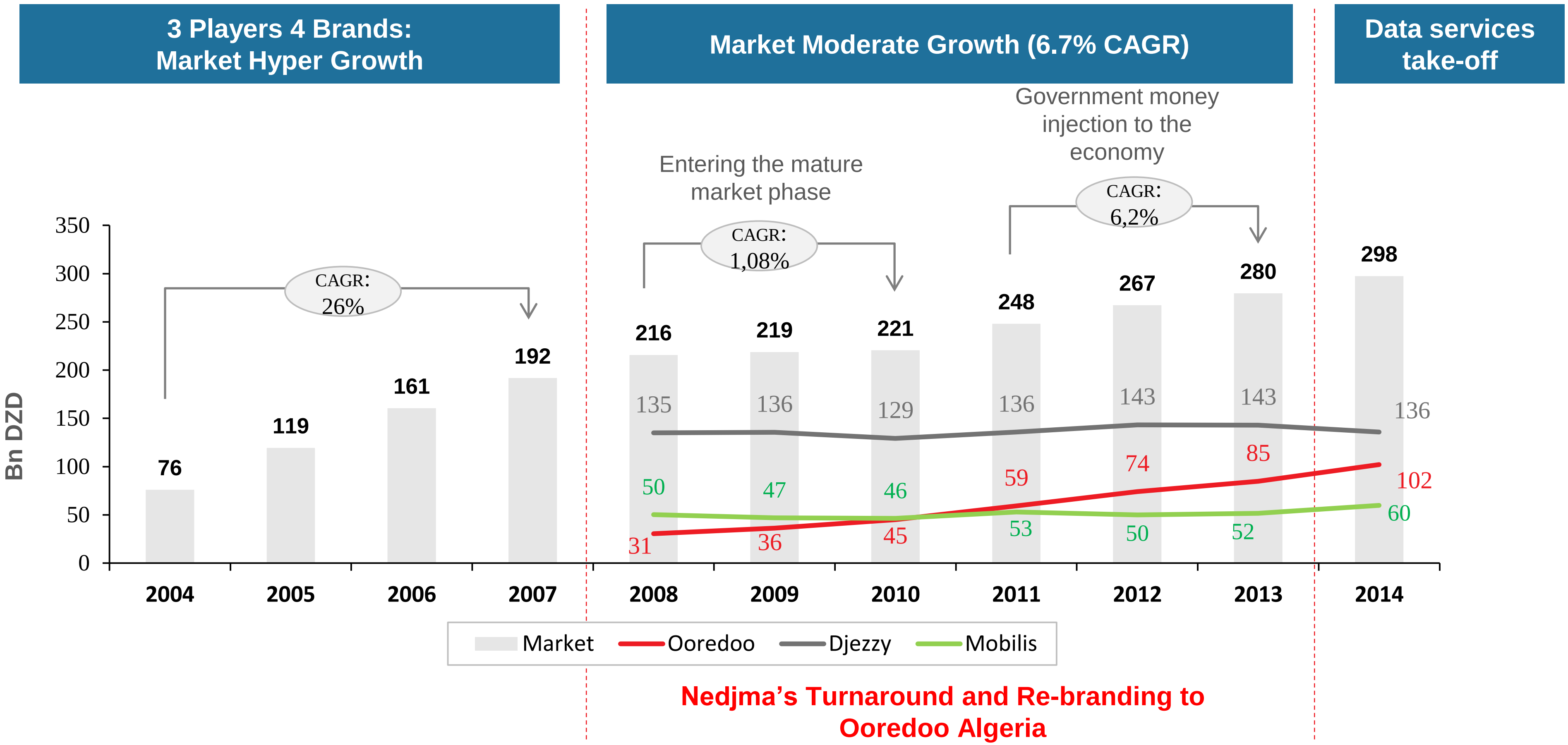
Nedjma's Turnaround and Re-branding to ooredoo

At the end of 2013 Ooredoo Algeria reached **30% value share of a market of 3.5bn USD (30mn "real" subs) while OTA drops to 51%.**

…to Ooredoo owned

And in 2014 the market enters into a new stage: 3G DEPLOYMENT and DATA SERVICES REALM

Ooredoo Algeria historical performance

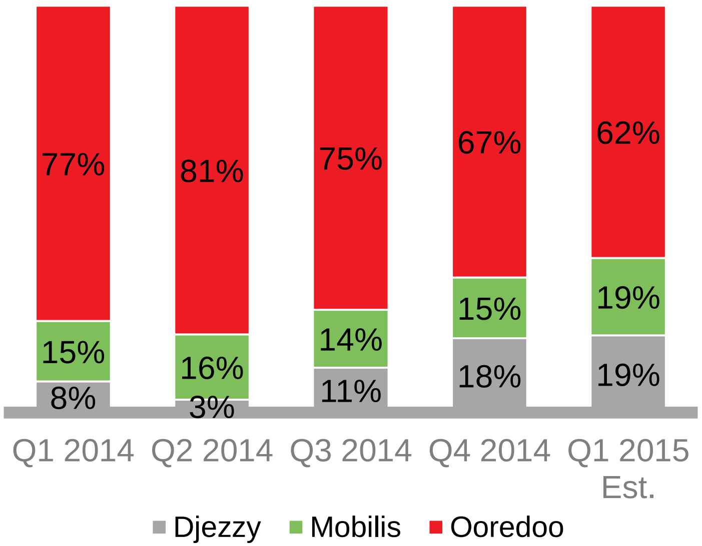


Ooredoo Algeria has grown its revenues at a 22.3% CAGR in the 2008-2014 period, outperforming a market which has grown at 5.5% CAGR and reaching 34.3% revenue share at 2014 EoP!!

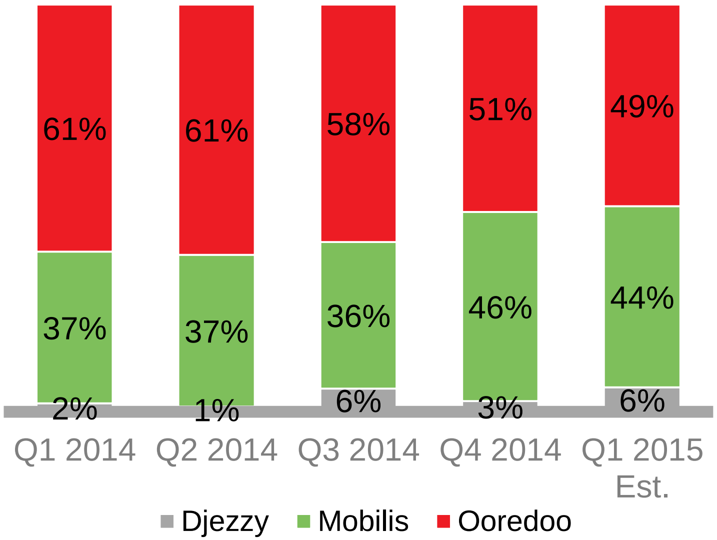
3G launch and OA's performance

Ooredoo Algeria was the first to commercially launch 3G services in the country on December 13th 2013, but OA had already taken the lead through an aggressive data pre-emption strategy which started in August 2012 stretching to the limit the EDGE technology (2.5G)

MI[1] Revenue Shares evolution



MBB[2] Revenue Shares evolution



Thanks to a **very aggressive devices' subsidies strategy** during 2014, OA has been able to speed up data adoption, **actually creating the data market**, while capturing the majority of the data active subscribers as well as the generated value. Outcome: OA still **holds a 58% data revenue share** after 5 quarters of commercial operation which represent **17% of overall OA's revenues** when before 3G that figure was 6%.

Notes: (1) MI="Mobile Internet"; (2) MBB="Mobile Broadband"

Q1 2015 financial and operational highlights

Financial KPIs in bn DZD (1 US$ = 93.1 dzd) (Avg FX during Q1 2015)	Q1 2014	Q1 2015	YoY	Q4 2014	Q1 2015	QoQ
Revenue	23,631	25,839	+9.3%	26,021	25,839	-0.7%
EBITDA	9,140	9,337	+2.2%	2,614	9,337	+257.2%
EBITDA Margin	38.7%	36.1%	-2.6ppt	10.0%	36.1%	+26.1ppt
Profit / Loss	3,333	-1,505	-145%	-5,124	-1,505	+70.6%
Revenue Share (%)	33.3%	35.5%	+2.2ppt	34.3%	35.5%	+1.2ppt
Data Revenue Weight (%)	10.4%	16.8%	+6.4ppt	12.9%	16.8%	+3.9ppt
Data Market Revenue Share (%)	61.7%	57.9%	-3.8ppt	60.7%	57.9%	-2.8ppt

Strategic focus

LEAD ON CUSTOMER EXPERIENCE

- **Keeping mobile data market leadership in Algeria**
- Best data usage experience in Algeria with **average data speed per customer far ahead of competition** and substantially higher than minimum threshold set out in the T&C's of the 3G License
- Boosting data adoption through devices with **the right price/quality balance**, improving digital content and customer service through digital channels

STRENGTHEN OUR FOUNDATIONS

- Tight control of **data pricing** to not jeopardize profitability targets
- Invest in state of the art network technology within the **CAPEX/Revenue** targets
- Proactively pursue **infrastructure sharing agreements** with competition
- Optimize **asset inventory management**

ACCELERATE GROWTH

- Actively seeking B2B **revenue growth beyond core** GSM/3G business (IT services)
- Proactive search of other **inorganic sources** of growth beyond mobile
- Strong focus on **creating new revenue streams** within digital domain via new strategic partnerships/JVs with Financial Services and e-Commerce businesses

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Thank you

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Upcoming events

2015 1H Results – August 2015 *TBD*