

Ooredoo Group

Capital Markets Day 2015

Finance Update, Ajay Bahri, OG
CFO

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



Group results

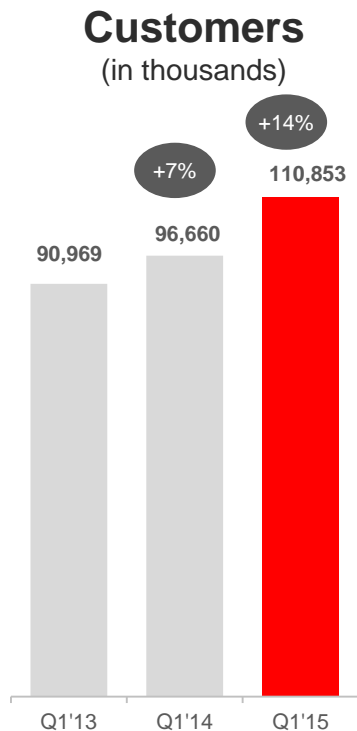
2015 Q1 highlights

A satisfactory start to 2015 in a challenging and competitive environment

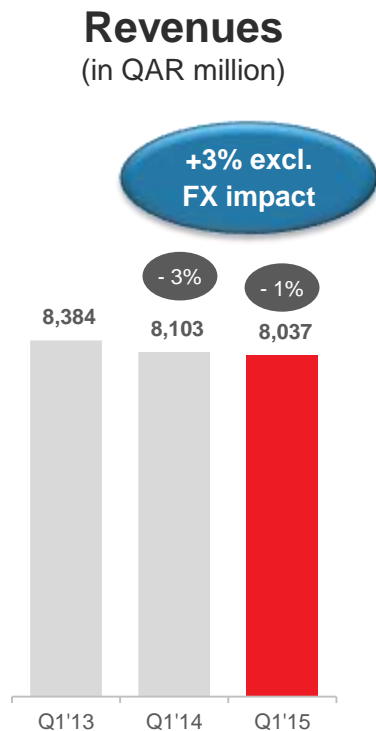
- Number of **customers increased by 14% to 111 million**, driven by Indonesia, Algeria, and Myanmar
- Q1 2015 revenue stable at QAR 8,037 million with strong performances in Qatar, Oman, Maldives and Myanmar, challenging market conditions remain in Iraq and Tunisia. **Excluding the negative FX impact** in Indonesia and Algeria, **revenue increased by 3%**
- EBITDA down 5% to QAR 3,205 million. Excluding the impact of currency depreciation (mainly in Indonesia and Algeria) the decrease in EBITDA was limited to 1 %
- Excluding the adverse FX impact Net Profit decreased by 4%, instead of the reported 43%
- **Q1 2015 data revenue increased to 30% of Group revenue** due to Ooredoo's strategy to market innovative services for consumer and B2B customers
- **Asiacell launched 3G service** in January – 2 million 3G customers; Ooredoo Kuwait launched 4G+
- Investment grade credit ratings maintained (Moody's "A2", S&P "A-", Fitch "A+")
- Post period: **New USD 500 Mill. Revolving Credit Facility (RCF)** signed in May 2015



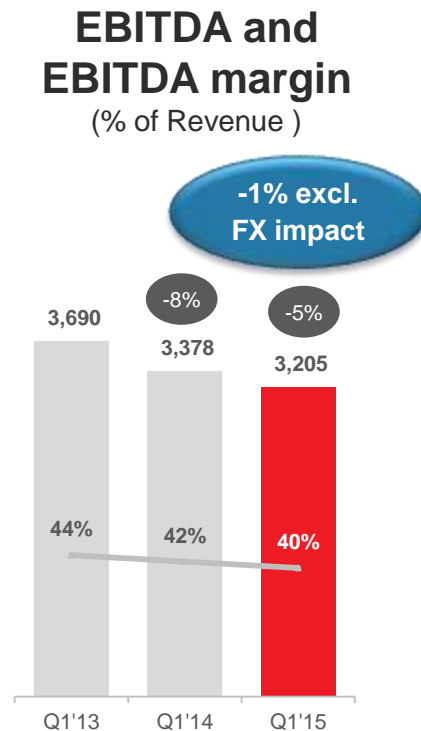
Group performance



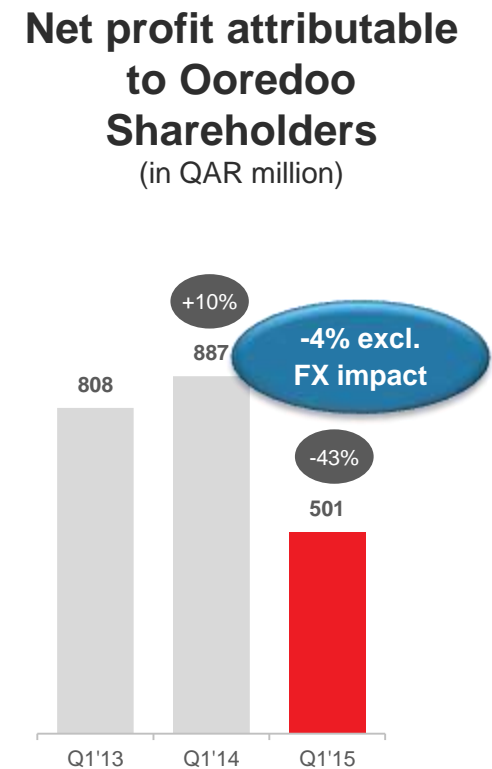
Customer growth continuing across key operations...



...translating into steady revenues in local currency terms...



...cost optimization initiatives offset margin pressure partially ...



...negative FX trends weighs on bottom-line results



Group results

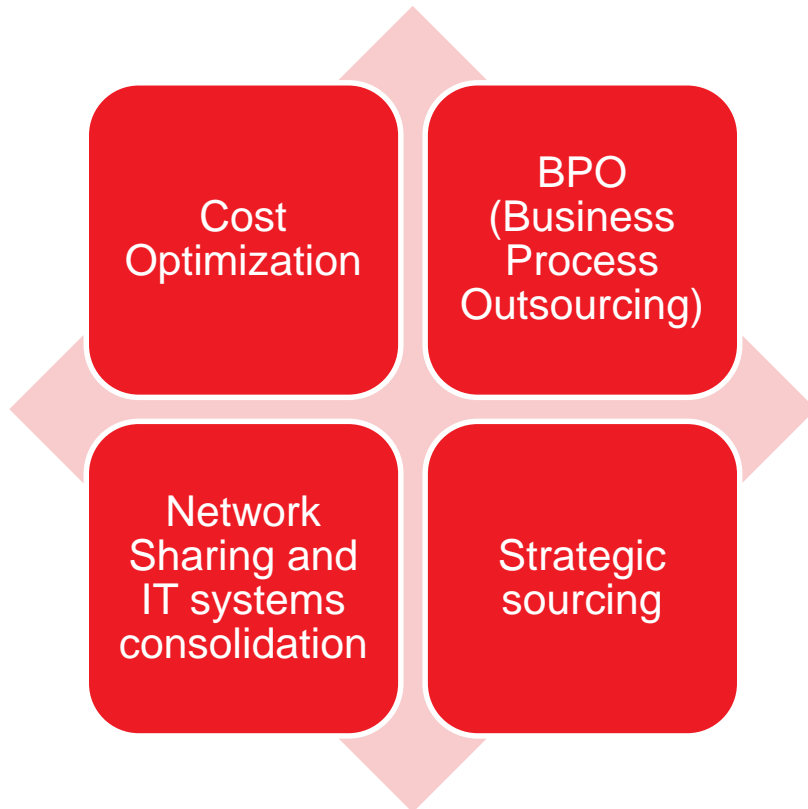
2015 Q1 performance summary

QAR Millions	3 months ended March 2015	Q1 2015 / Q1 2014	2015 Annual Guidance
Consolidated revenue	8,037	-1%	0 to -3%
EBITDA	3,205	-5%	-1 to -4%
Net profit attributable to Ooredoo shareholders	501	-43%	-
Earnings per share (in Qatari Riyals)	1.56	-43%	-
Market capitalization (as of 31 March 2015)	31,939	-28%	-
Capital expenditure	1,629	-16%	8,500 to 9,500

Guidance based on FX rate as of March 2015, without FX impact it would have been
Revenue: +1% to +4% and EBITDA: 0 to +3%.



Productivity : An integral part of Drive Strategy



- In 2013 a OPCO benchmarking exercise was performed by ATK with estimated addressable gap of around USD 550m, USD 393m (71%) covered in 2013/14
- OPCOs are incorporating the identified savings into their Business Plans; process for measurement and reporting of savings implemented across the group

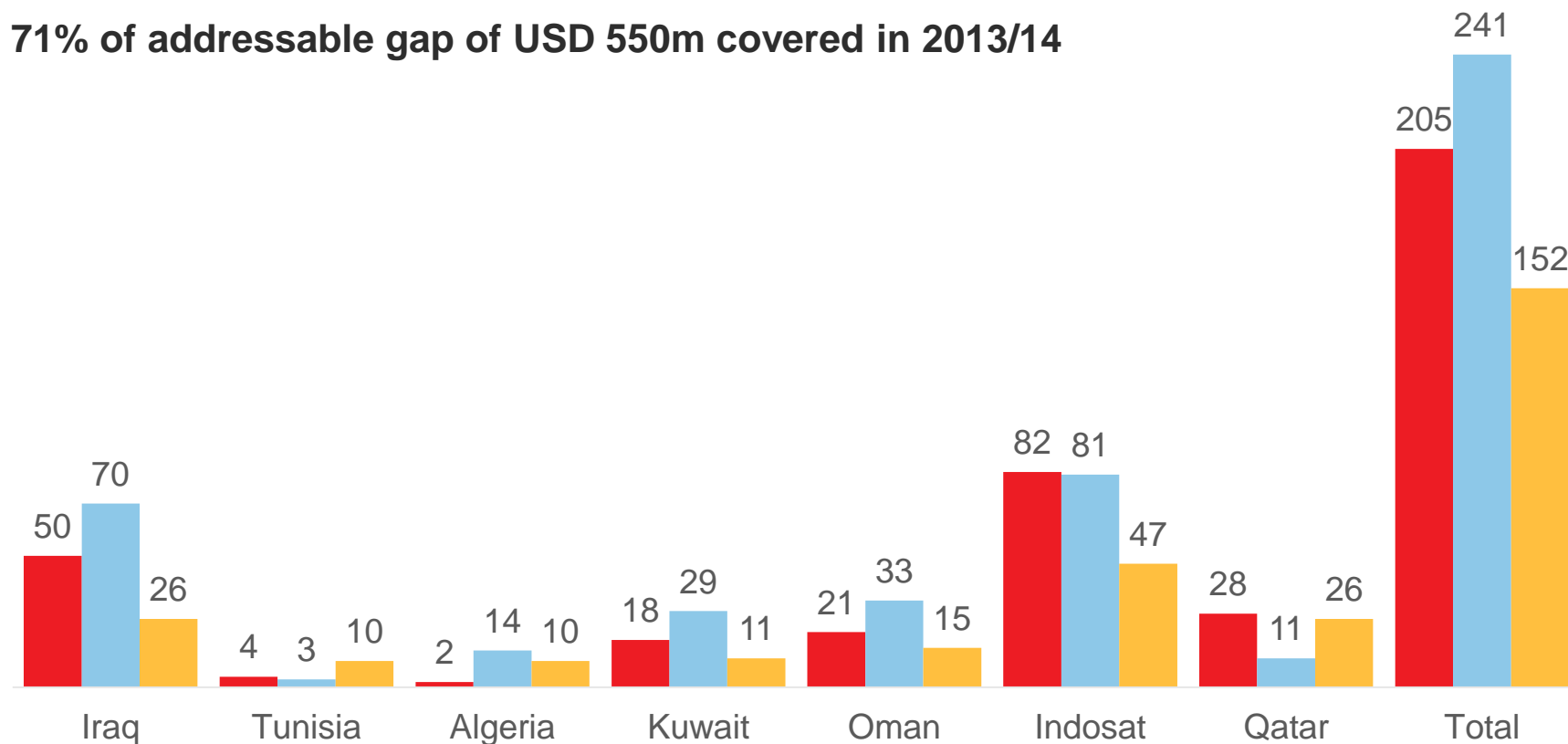
Several projects being carried out in 2015:

- Implementation of Best Practices in CAPEX management
- Data Costing & Data Profitability model
- Opco Cost Benchmarking exercise
- Outsourcing (Network & IT, RA & FM, Call Centre)
- Increasing scope of Group Strategic Sourcing.
- Telefonica Alliance in several areas (Procurement, Technology, Device Management etc.)
- Rationalization of creative agencies & marketing spend.
- Sharing of infrastructure

Cost Optimization

Actual savings achieved in key OpCos 2012 -2014

71% of addressable gap of USD 550m covered in 2013/14



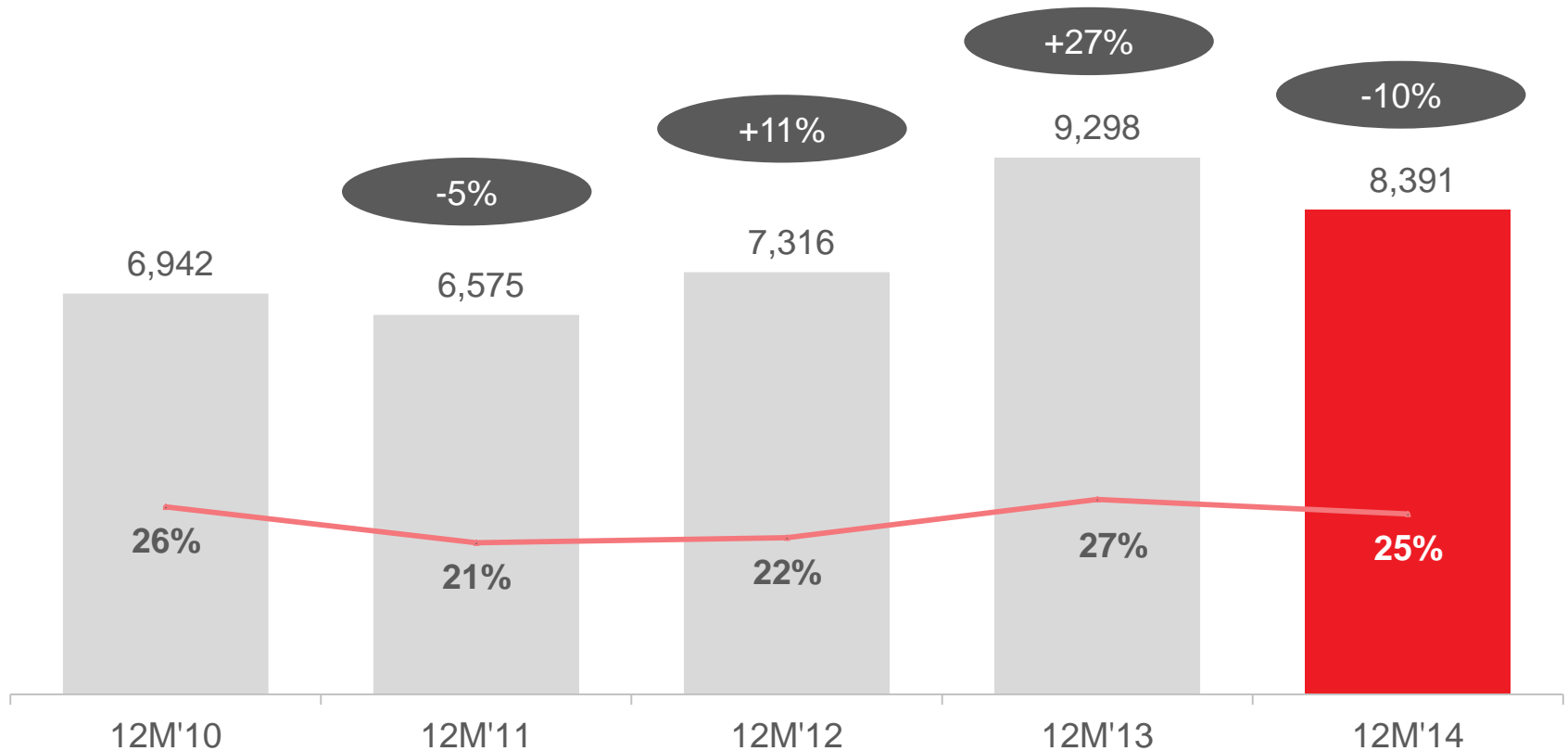
Total for 2014 includes USD 7m from small opcos

■ 2012 ■ 2013 ■ 2014

in (USD m)



Capital expenditures: Network modernization mainly complete

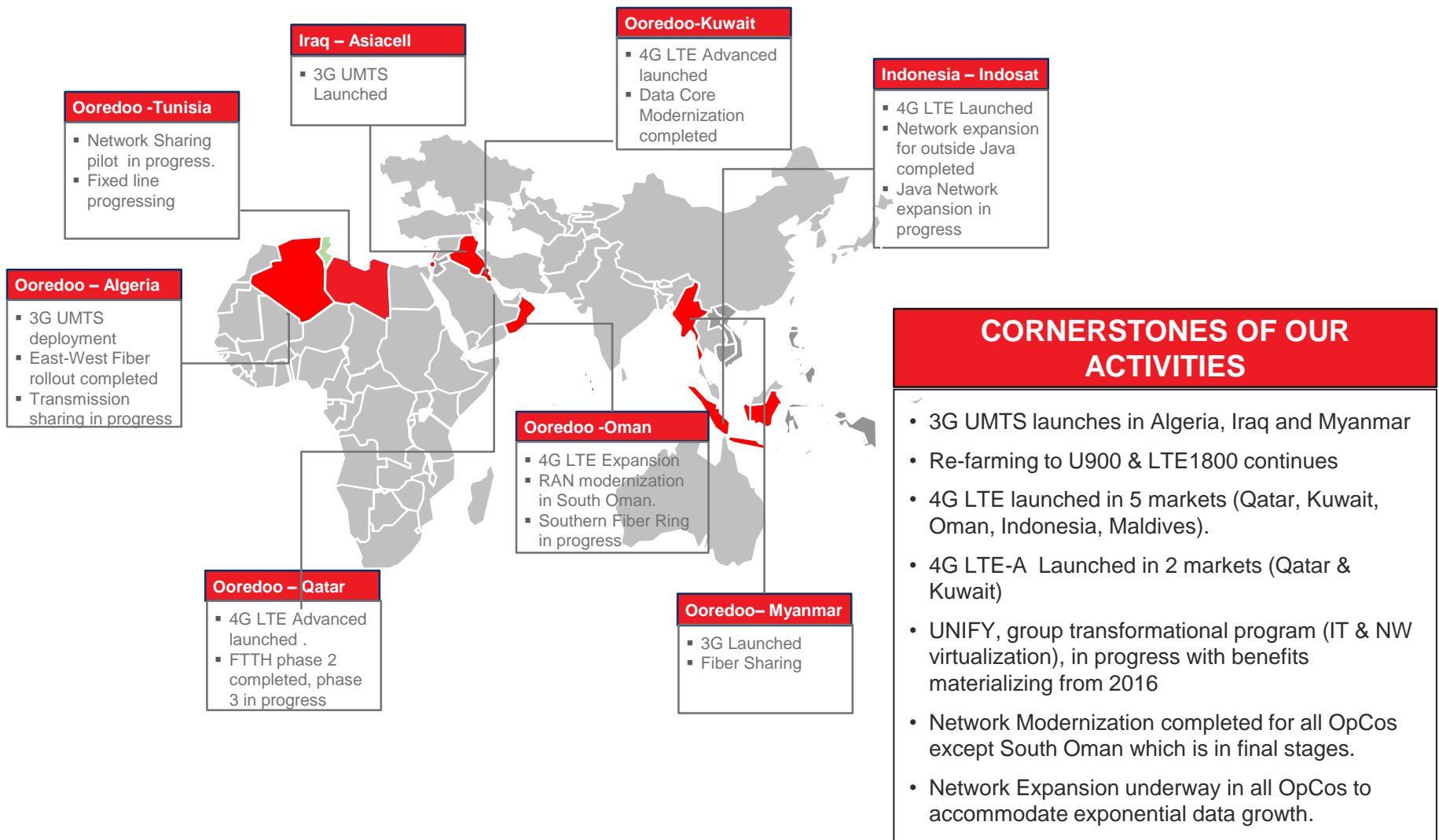


Guidance for 2015: QAR 8,500-9,500m including Myanmar

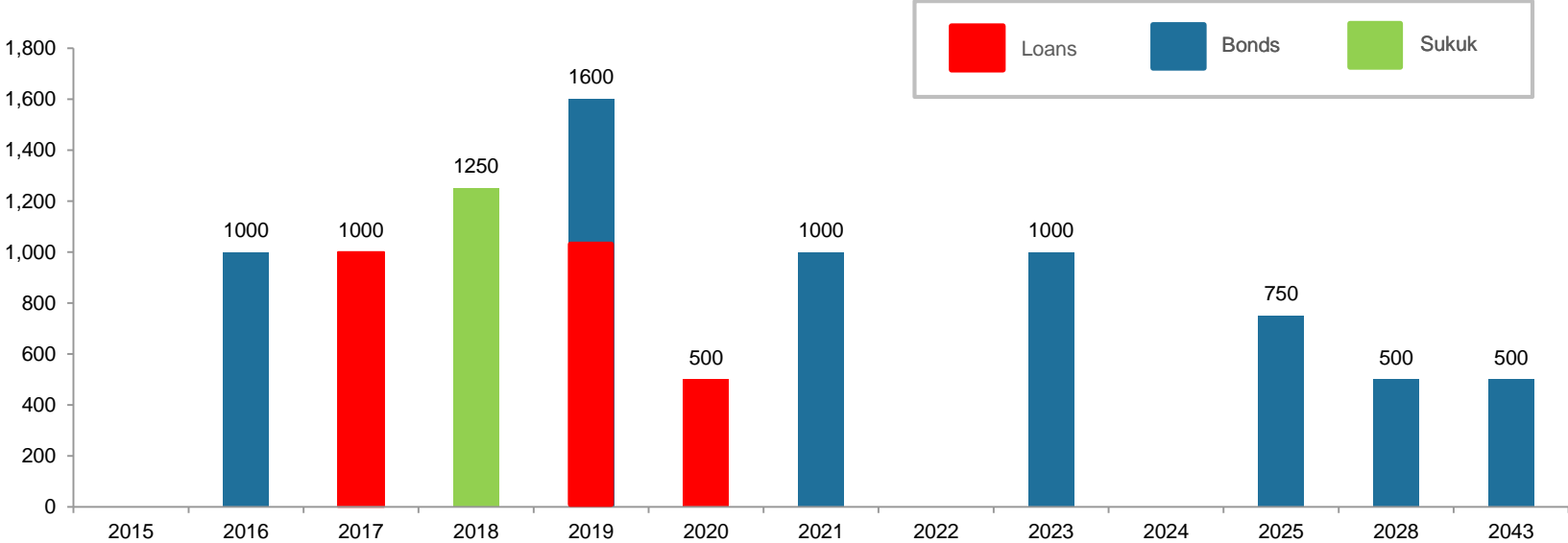
* In QAR mill and Capex to Sales ratio in %



Technology initiatives across the Ooredoo Group



Smooth long-term debt profile...



Total Outstanding Loans	USD 2,500m
Total Bonds and Sukuk	USD 6,600m
Total outstanding debt at Ooredoo Q.S.C. level (current status)	USD 9,100m

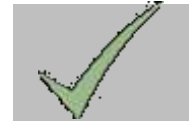
May 2015 USD 500m 5 year RCF has further improved the debt profile.



Key financial risk management issues are addressed...

Debt refinancing / liquidity risk / rating

- No imminent refinancing requirements in 2015
- Current cash levels comfortable, smooth long term debt profile.
- Investment grade credit rating maintained
Moody's "A2", outlook: negative; S&P "A-", outlook: stable; Fitch "A+", outlook: stable



Interest Rate risk

- Majority in fixed rate debt



Foreign Exchange risk

- FX risk is natural part of investing in Emerging Markets
- FX hedging policy recently reviewed - Hedging levels appropriate



Leverage levels

- Leverage of 2.5x, at the upper end of Board guidance of 1.5x – 2.5x (Net Debt to EBITDA)



Cash up-streaming

- Iraq (some dividends received, recent Central bank regulation changes, in progress)
- Tunisia (dividends received in stages)
- Algeria (in progress)
- No issues in Oman, Kuwait and Indonesia



...FX transactional risks are mitigated to the extent practical

...via funding in local currency at OPCOs

Indonesia	<ul style="list-style-type: none">• Medium term transformation of USD/IDR debt mix.• Target 75% local currency• Calling USD 650m bond in June 2015
Tunisia	<ul style="list-style-type: none">• 100% local currency funding in TND
Algeria	<ul style="list-style-type: none">• Plan to increase local currency funding to 100%
Maldives	<ul style="list-style-type: none">• USD loans with a provision to repay in local currency
Oman	<ul style="list-style-type: none">• Some local currency loans
Kuwait	<ul style="list-style-type: none">• All local currency loans

... foreign currency denominated vendor and other payments (leases, etc.) are hedged using:

- plain vanilla instruments to the extent available
- at reasonable costs





Thank you

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Upcoming
events

2015 1H Results – August 2015 *TBD*