Ooredoo Group

Capital Markets Day 2016

Group CFO – Ajay Bahri

26 Sept 2016
Doha, Qatar

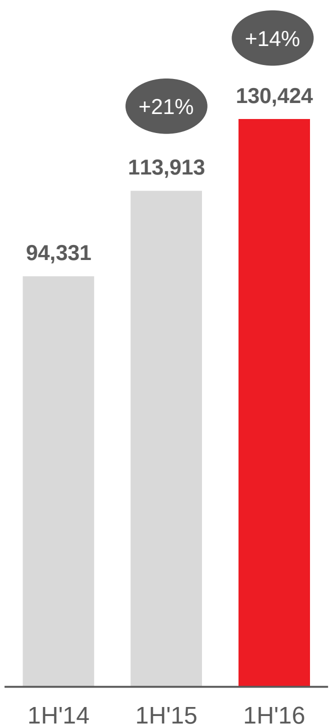
ooredoo

Group Results
2016 1H Highlights

Global customer base expanded	▪ Customer base increased by 14% to 130m; driven by strong growth in Indonesia and Myanmar
Solid performance delivered	▪ Revenue at QAR 16Bn: local currency growth in Qatar, Oman, Indonesia, Myanmar, Algeria, Kuwait, Palestine and Maldives. ▪ Group EBITDA stable at QAR 6.5Bn with an improved EBITDA margin of 41% ▪ Group Net Profit to shareholders increased by 46% to QAR 1.5Bn driven by strong contributions from Indonesia, Myanmar and Algeria supported by positive Foreign Exchange movements.
Strategic investments into networks, data and B2B	▪ Strong data growth from consumer and enterprise customers: Data revenue now 39% of Group revenue up from 34% in H1'15. ▪ Data leader in its markets: launch of 4G services in Myanmar (May 2016) and pre-launch finalized in Algeria (July 2016). 4G now available in 8 out of 10 markets. ▪ B2B revenue increased by 5% YoY to QAR 2.8Bn. ▪ Ooredoo Kuwait acquisition of local ISP "FASTtelco" to offer advanced fixed broadband and mobile services.
Successful new funding at attractive cost	▪ New USD 500m 10-year, 3.75% p.a. bond successfully concluded in June 2016 ▪ New USD 1Bn Revolving Credit Facility Agreement with a six years tenure signed in June 2016

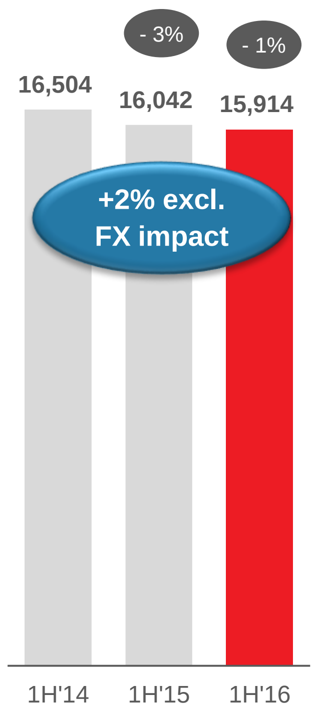
Successful group performance

Customers
('000)



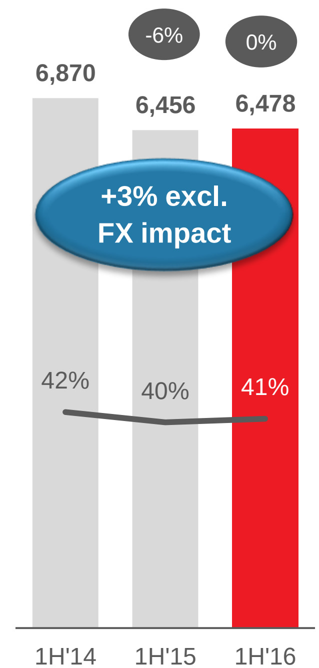
Customer growth continuing across key operations…

Revenues
(QAR m)



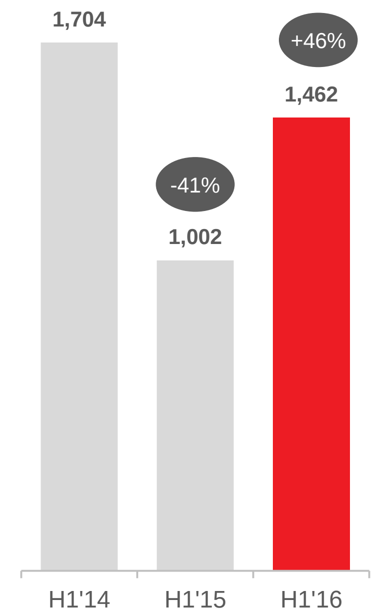
…translating into steady revenues in local currency terms…

EBITDA and EBITDA margin
(QAR m, % of Revenue)



…cost optimization initiatives offset margin pressure partially…

Net profit attributable to Ooredoo Shareholders
(QAR m)



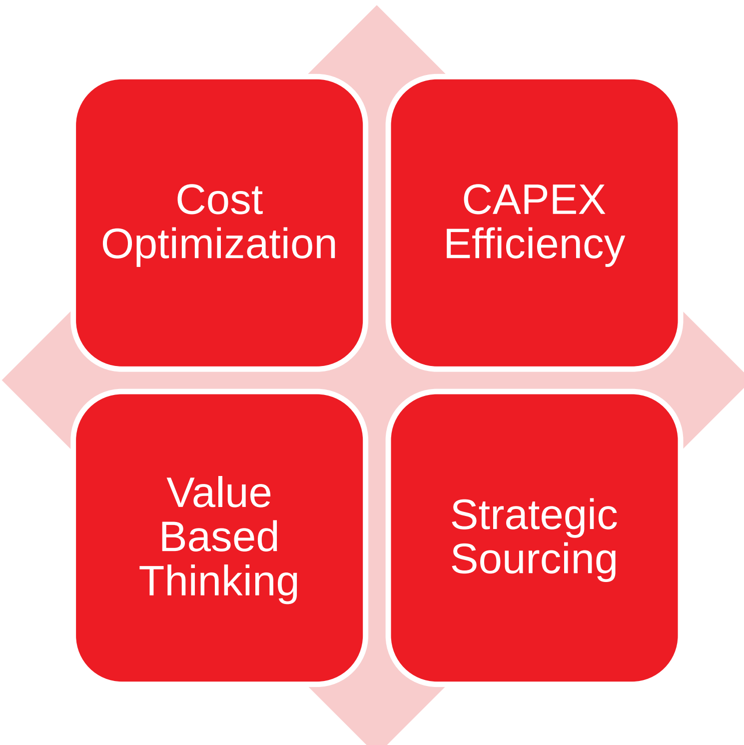
2016 positively impacted by FX

Group Results
2016 1H Performance Summary

(Results in QAR Bn)	1H 2016	% Change 1H 2016 / 1H 2015	2016 Annual Guidance
Consolidated Revenue	15.9	-1%	-1% to +2%
EBITDA	6.4	0%	-3% to 0%
Capital Expenditure	2.4	-37%	6.5Bn to 7.5Bn

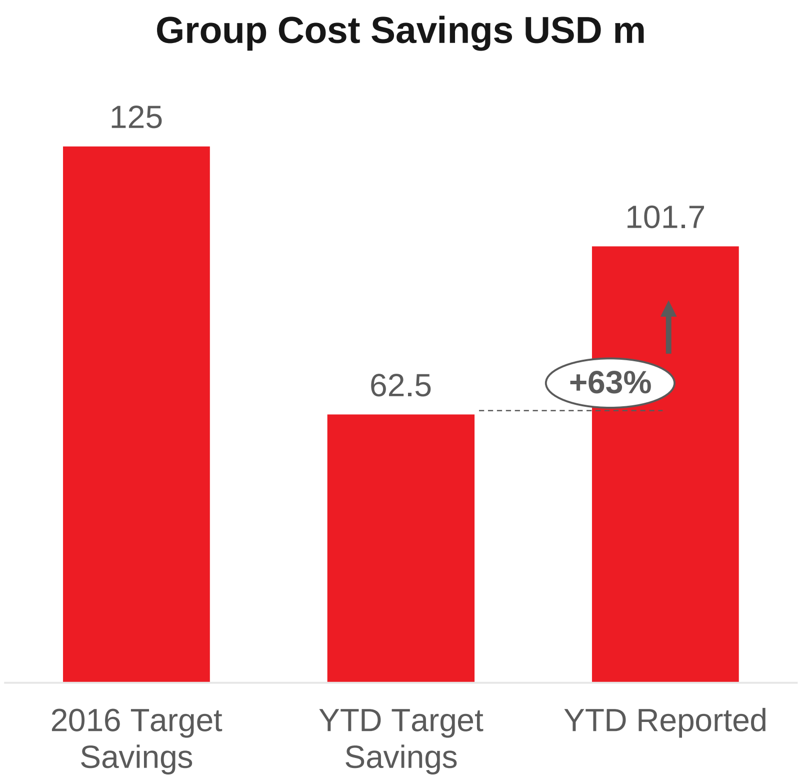
1H results in line with guidance given for 2016

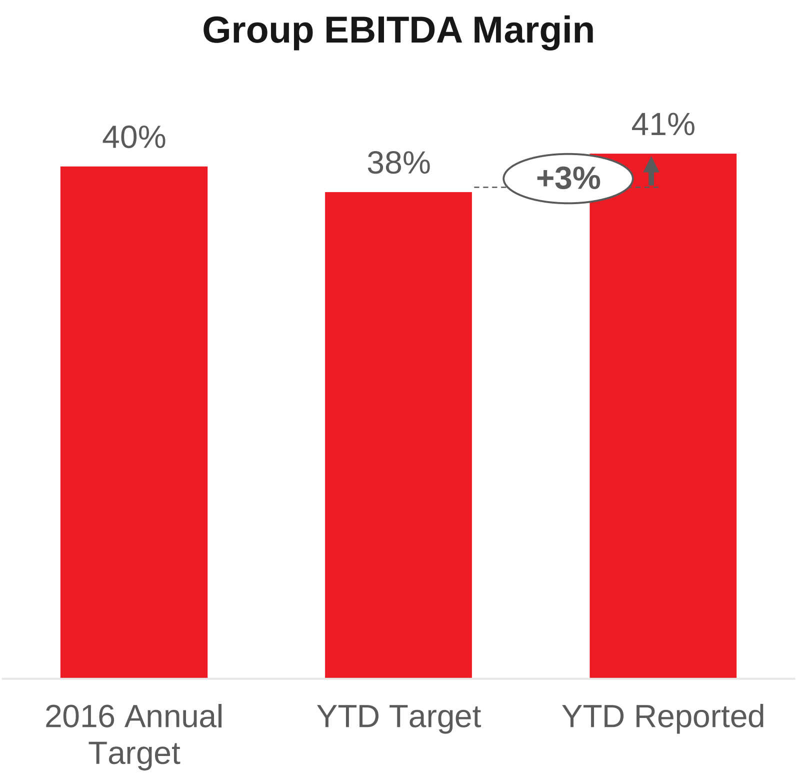
Efficient Models : An integral part of our strategy



- Previous cost saving target from 2013 (USD 550M) achieved
- 2015 new AT Kearney OpCo benchmarking exercise identified an addressable gap of USD 390m with USD 125m target for 2016
- Ooredoo Group and OpCos identified specific initiatives to achieve savings targets:
  - ***OG restructuring*** implemented in Q2 2016, moving to a leaner structure
  - ***OpCo OPEX savings*** achievement significantly above target
  - ***Improved CAPEX processes*** leading to savings
  - ***Sharing of best practices*** across OpCos, rollout of ***cost model*** across OpCos
  - Enhanced role for **Group Strategic Sourcing**, vendor contract renegotiations
  - **Power and managed services outsourcing**, review of sub-optimal projects
  - **Sharing of infrastructure**

Group June cost optimization: 63% favorable vs. YTD target EBITDA margin 3% favorable

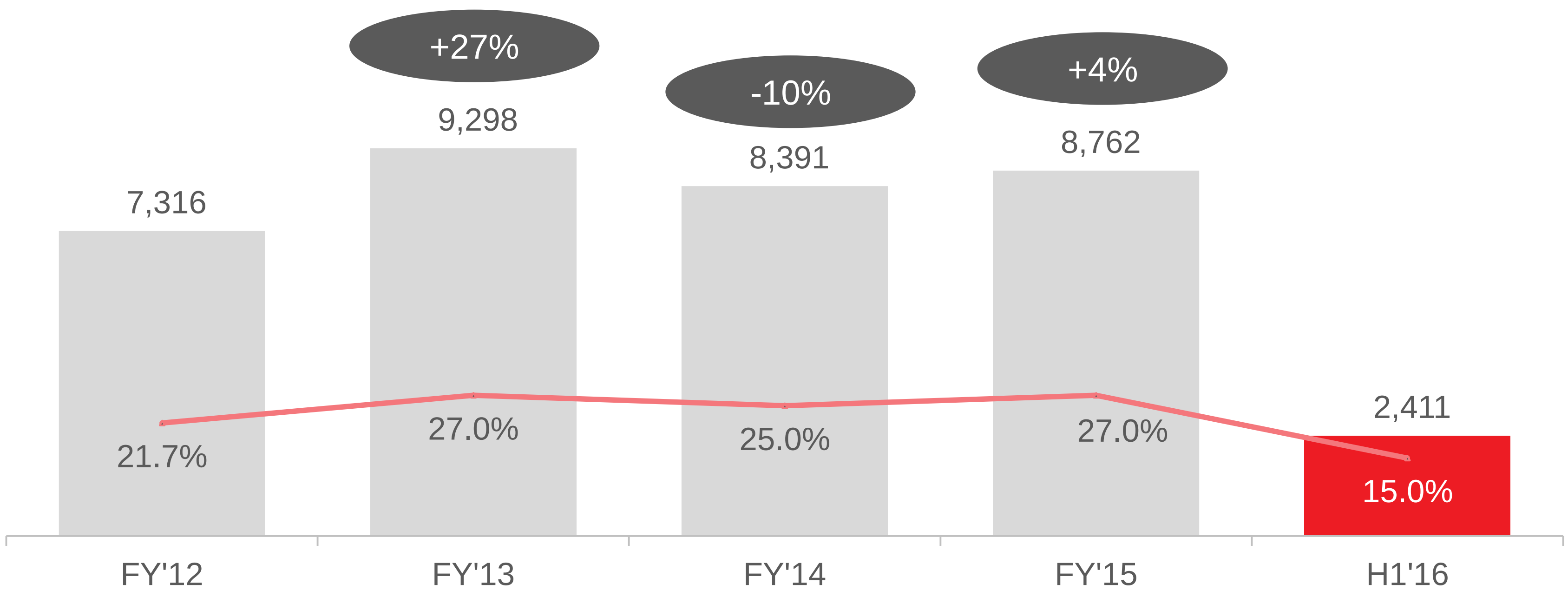




=> Cost Optimization on track for all OpCos

Capital expenditures:
Network modernization mainly complete

Total Group CAPEX (QAR m) and CAPEX/Revenue (%)



H2 CAPEX will accelerate due to project phasing

FY 2016 Guidance remains unchanged at QAR 6,500-7,500m

* In QAR mill and CAPEX to Sales ratio in %

Technology initiatives across Ooredoo Group 2016

Asiacell - Iraq
- 3G UMTS Launched
- RAN Sharing discussions underway

Ooredoo - Kuwait
- 4G LTE Advanced launched
- Converged Datacenter for IT & Telco Apps
- Fixed NW acquisition

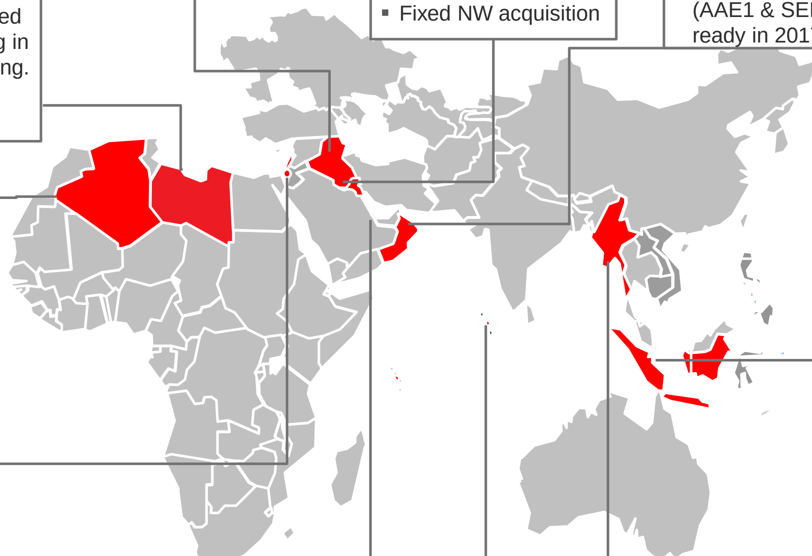
Ooredoo - Oman
- 4G LTE Expansion
- 4G LTE-A Launched
- Fixed NW rollout in progress
- Undersea Cable (AAE1 & SEME-5) ready in 2017

Indosat Ooredoo - Indonesia
- 4G LTE Launched
- RAN Sharing discussions underway
- DWDM (100G) backbone in Sumatra & Java in progress
- Fixed NW rollout in progress in Jakarta
- Undersea Cable (APX) in progress

Ooredoo - Tunisia
- 4G LTE Launched
- Network Sharing in place & expanding.
- Fixed NW progressing

Ooredoo – Algeria
- 4G LTE Rollout underway
- RAN Sharing in progress
- Transmission sharing in place

Wataniya – Palestine
- 3G Rollout underway



Ooredoo – Qatar
- 4G LTE Advanced launched (+300 mbps)
- FTTH phase 3 (final phase) in completion
- vIMS for VoLTE & Fixed voice
- Undersea Cable (AAE1 & SEME-5) ready in 2017

Ooredoo– Maldives
- 4G LTE launched
- 1100km Undersea cable in progress
- Fixed NW rollout in progress

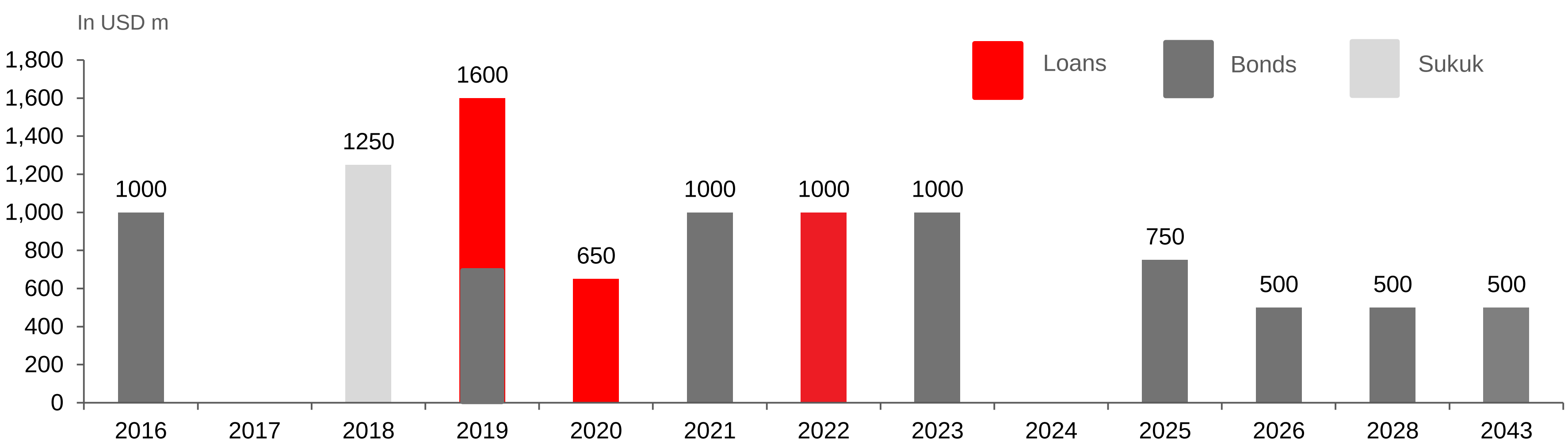
Ooredoo – Myanmar
- Fiber Sharing
- 4G LTE Launched (1st in Market)

CORNERSTONES OF OUR ACTIVITIES

- **Network Modernization completed for all 10 OpCos** with expansion continually underway to accommodate exponential data growth.
- **4G LTE in 8 OpCos** (Commercially launched in Qatar, Indonesia, Myanmar, Oman, Kuwait, Tunisia, Maldives with rollout under way in Algeria)
- **4G LTE-Advanced in 5 OpCos** (Commercially launched in Qatar, Oman & Kuwait with rollout underway in Indonesia & Tunisia).
- **Fixed Networks in 6 OpCos** (Qatar, Indonesia, Oman, Tunisia, Kuwait & Maldives)
- **UNIFY** (IT & NW virtualization) **in all OpCos** with benefits materializing from 2016
- **BSS Landscape/Architecture simplification** underway to improve business agility
- **Global Internet capacity upgrades & increased destinations** with 4 new undersea cables
- **Network sharing initiatives** under discussion in some OpCos

Long-term debt profile further improved…

Debt Profile – Ooredoo Q.S.C. Level



Total Loans	USD 2,650m	Total Bonds and Sukuk	USD 7,100m

Outstanding Ooredoo Q.S.C. debt as of 31 August 2016 (before 1Bn repayment)	**USD 9,750m**

From October 2016 debt will be reduced to USD 8,750m

Key financial risk management issues are addressed…

Debt refinancing / liquidity risk / rating

- No imminent refinancing requirements until Dec 2018
- Current cash levels adequate, smooth long term debt profile.
- **Investment grade credit rating maintained**
  Moody's "A2", outlook: stable; S&P "A-", outlook: stable; Fitch "A+", outlook: stable

✓

Interest Rate risk

- Majority in fixed rate debt

✓

Foreign Exchange risk

- Reducing FX debt in OpCos
- Updated Group Treasury policy is in implementation - Hedging levels appropriate

✓

Leverage levels

- **Leverage of 2.3x,** at the upper end of Board guidance of 1.5x – 2.5x (Net Debt to EBITDA)
- **Debt reduction** successfully implemented (sale of non-core assets)

✓

Cash up-streaming

- Iraq (some dividends received, challenges due to unstable banking system)
- Tunisia (dividends to be received in tranches)
- Algeria (1st dividend & shareholder loan repayment commenced in 2015)
- No issues in Oman, Kuwait and Indonesia

✓

...FX transactional risks are mitigated to extent practical

...via funding in local currency at OpCos	
Indonesia	• Medium term transformation of USD/IDR debt mix completed • More than 85% local currency debt achieved • Over the last 2 years, IDR 10t of new local currency bonds issued
Tunisia	• 100% local currency funding in TND
Algeria	• 100% local currency funding in DZD
Maldives	• USD loans with a provision to repay in local currency
Oman	• Majority local currency loans in OMR
Kuwait	• 100% local currency loans in KWD
Iraq / Myanmar	• No long term hedging and local currency debt available • Periodic conversion on spot basis into USD • Vendor contracts in local currency as practical

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

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

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Thank you

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