<table>
<thead>
<tr>
<th>Agenda</th>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Overview</td>
<td>Saleh Al-Abdooli</td>
<td>Group Chief Executive Officer</td>
</tr>
<tr>
<td>Financial Overview</td>
<td>Serkan Okandar</td>
<td>Group Chief Financial Officer</td>
</tr>
<tr>
<td>International Operations</td>
<td>Hatem Dowidar</td>
<td>Chief Executive Officer – Etisalat International</td>
</tr>
<tr>
<td>Etisalat - UAE Consumer Operations</td>
<td>Khaled ElKouly</td>
<td>Chief Consumer Officer</td>
</tr>
<tr>
<td>Etisalat - UAE Business Operations</td>
<td>Salvador Anglada</td>
<td>Chief Business Officer</td>
</tr>
<tr>
<td>PTCL Group Operations</td>
<td>Dr. Daniel Ritz</td>
<td>Chief Executive Officer – PTCL Group</td>
</tr>
<tr>
<td>Mobily Operations</td>
<td>Kais Ben Hamida</td>
<td>Chief Financial Officer – Mobily</td>
</tr>
<tr>
<td>Etisalat Misr Operations</td>
<td>Hazem Metwally</td>
<td>Chief Executive Officer – Etisalat Misr</td>
</tr>
<tr>
<td>Closing Remarks</td>
<td>Saleh Al-Abdooli</td>
<td>Group Chief Executive Officer</td>
</tr>
</tbody>
</table>
With wide reach, solid profitability, and strong balance sheet, etisalat Group continues to be amongst the regions’ top telecom groups

Key Highlights

- 17 countries, over 162 million subscribers
- Revenue: AED 52.4 billion
- EBITDA: AED 26.3 billion (at 50% margin)
- OFCF: AED 15.8 billion (at 30% margin)
- Net Profit: AED 8.4 billion (at 16% margin)
- Dividends per Share: 80 fils (at 83% payout ratio)
- A robust credit rating with AA-/Aa3 by S&P Global and Moody’s.
We have been ranked as the most valuable Telecom operator in the Middle East

Global Rankings

Source: Brand Finance top 500 global telco report, February 27th 2017 edition
We stand at the helm of global leadership when it comes to fixed fiber network connectivity as a result of our determined modernization strategy.

Global Rankings

Source: FTTH Council, September 2016 Update, covering economies with at least 200,000 households and greater than 1% household penetration.

Tenancies assumed at 1,896,583 household, percentage includes fiber to the curb.
In 2016, we focused on key organizational aspects that would support our group’s competitiveness and future outlook.

Key Achievements

**Restructuring of Etisalat Group**
- Optimization of Group Structure & Resources across all functions
- Definition of a new Operating Model
- Assuring synergy & value creation in the Group-wide Wholesale business

**Portfolio Rationalization**
- Divestment of our investment in Canar telecom (Sudan)
- Change of ownership structure in Nigeria
- Initiating a project that assures alignment and synergy between Ufone and PTCL

**Strategic Imperatives**
- Establishing Group Digital Unit that oversees the Group digital agenda while executing digital projects in local market.
- Acquisition of the 4G Services license in Egypt, 3G in Togo, and universal license in Ivory Coast.
- Continued strategic network investments to support the digital future, including successful 5G trials.
We delivered a Total Shareholder Return of 22%; that was driven by a strong and continuous stock price appreciation.

**Total Shareholder Return: Last 12 Months**

(% USD, December 31st 2016)

- Ooredoo: 41%
- Zain: 26%
- Etisala: 22%
- Vodacom/Vimpelcom: 19%
- MTN: 19%
- STC: 16%
- Orang: 13%
- Telenor: -6%
- Airtel: -6%
- Vodafone: -12%
- Millicom: -20%
- Axiata: -22%
- Ooredoo: -27%

**Stock Price Change**

- Ooredoo: 36%
- Vimpelcom: 12%
- Zain: 17%
- Etisala: 17%
- STC: 6%
- Vodacom: 5%
- MTN: 5%
- Orange: -7%
- Vodafone: -10%
- Airtel: -10%
- Telenor: -13%
- Millicom: -20%
- Axiata: -26%

**Dividend Yield**

- Ooredoo: 41%
- Vimpelcom: 10%
- Zain: 7%
- Etisala: 4%
- STC: 3%
- Vodacom: 1%
- MTN: 5%
- Orange: -1%
- Vodafone: 0%
- Airtel: 0%
- Telenor: 6%
- Millicom: 3%
- Axiata: 4%

**Total Shareholder Return**

- Ooredoo: 22%
- Vimpelcom: 36%
- Zain: 17%
- Etisala: 17%
- STC: 6%
- Vodacom: 5%
- MTN: 5%
- Orange: -7%
- Vodafone: -10%
- Airtel: -10%
- Telenor: -13%
- Millicom: -20%
- Axiata: -26%

**Notes:**

1. Shareholder returns assume reinvestment of dividend proceeds in the stock.
2. Dividend Yield based on end of period share price.

**Source:** Bloomberg
We continue to operate in a dynamic industry with various challenges...

Industry Outlook

**Macroeconomic Challenges**
- Impact of oil prices on global economy
- Inflation and Forex fluctuations
- Reduced governments’ spending
- Regulatory and tax policies
- Regional political instabilities

**Mass Industry Convergence**
- Intensifying competition beyond traditional rivals
- High OTT penetration
- Price Pressures

**Patterns of Consumer Behavior**
- Exponentially growing surge in data requirements
- Decline in voice and standard messaging

Source: Etisalat Group
.. while being on the verge of a major digital breakthrough that is driven by an array of new hot topics that are changing the rules of the game

Industry Outlook

Selected Key Topics affecting our Industry

- IoT
- Virtual/Augmented Reality
- Artificial Intelligence/Machine Learning
- Drones
- Big Data
- Blockchain
- Virtualization
- Cloudification
- Video/Digital Content
- Robotics
- E2E ICT Solutions
- Legacy Network Offloading
- Open Platforms
- Digitizing Consumers/Enterprises
- VoLTE
- VoLTE/VoWiFi
- Digital Portfolio Expansion

Source: GSMA, Ovum, Analysys Mason, BMI, Huawei, EIU, Pyramid Research, IMF, IDC, Gartner, Etisalat Corporate Strategy
Adopting, trialing, and rolling out next generation technologies is an essential component of our strategy in which we proactively engage in shaping our industry

Focus on next generation technologies

**IoT**
- Etisalat UAE has standardized the new 3GPP Narrowband Technologies to provide efficient connectivity for Internet of Things for: NB-IoT, LTE-eMTC and EC-GSM.
- Launched IoT Command Center for new IoT and SaaS Solutions.

**VoLTE**
- Etisalat UAE was the first in UAE to launch VoLTE, the new voice delivery lever under LTE network
- VoLTE allows HD Voice with parallel browsing and Call continuity assurance for user toggling between 3G/4G up to the level of pre-Alerting.

**5G**
- In October 2016, etisalat has conducted the region’s fastest trial for 5G with 36 Gbps speed
- As announced recently, 5G connections are forecast to reach 1.1 Billion by 2025, accounting for 1/8th of the world’s mobile connections worldwide by this time, deployment to start in 2020.

**Robotics**
- Etisalat has launched several use cases of Robotics Automation which improved efficiency, enhanced accuracy, and reduced process time with no human intervention.

Source: Etisalat Group, GSMA (February 26th, based on a study that surveyed CEO’s of 750 operators and industry stakeholders)

* eMTC stands for enhanced Machine Type Communication, EC-GSM stands for Extended Coverage – GSM
Moving forward, we will continue to follow a growth path while focusing on multiple business critical missions

Closing Remarks

- **Sustaining leadership** in home market and in Morocco, while improving market positioning of challenger units.

- Pursuing a **group wide Digital agenda**, that is covering:
  - An **internal digital transformation** in which we will be investing in developing digital capabilities, transforming our operating models to become more agile, and adopting, trialing, and rolling out next generation technologies.
  - An **external digital transformation** in which we develop and grow priority digital services and associated ecosystems across segments.

- **Enhancing the bottom line** through initiatives that drive group wide synergy and value creation, operational excellence, and cost efficiency.

- **Portfolio rationalization and optimization** will continue to be an area of focus, as we are trying to enhance the relevance and fit of individual investments within the bigger portfolio.

- We will continue to **pursue inorganic growth opportunities** that meet our investment criteria.
THANK YOU
## Etisalat Group Financial Highlights

<table>
<thead>
<tr>
<th></th>
<th>Q4 2016</th>
<th>Growth YoY%</th>
<th>Growth QoQ%</th>
<th>FY 2016</th>
<th>Growth YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AED Million</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>12,937</td>
<td>+3%</td>
<td>-2%</td>
<td>52,360</td>
<td>+2%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>6,245</td>
<td>-3%</td>
<td>-8%</td>
<td>26,283</td>
<td>-1%</td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td>48%</td>
<td>-3pp</td>
<td>-3pp</td>
<td>50%</td>
<td>-1pp</td>
</tr>
<tr>
<td>Net profit</td>
<td>2,235</td>
<td>-14%</td>
<td>+20%</td>
<td>8,421</td>
<td>+2%</td>
</tr>
<tr>
<td>Net profit Margin</td>
<td>17%</td>
<td>-3pp</td>
<td>+3pp</td>
<td>16%</td>
<td>0pp</td>
</tr>
<tr>
<td>Capex</td>
<td>5,245</td>
<td>+7%</td>
<td>193%</td>
<td>10,467</td>
<td>+2%</td>
</tr>
<tr>
<td>Capex/Revenue</td>
<td>41%</td>
<td>+2pp</td>
<td>+27pp</td>
<td>20%</td>
<td>0pp</td>
</tr>
</tbody>
</table>

### 4Q2016 Highlights
- Revenue growth is attributed to data and wholesale segments
- EBITDA impacted by higher direct cost of sales and regulatory costs
- Profit impacted by forex losses, higher interest costs, and non-recurring costs
- Higher capex spend due to 4G license acquisition in Egypt

### FY2016 Highlights
- Revenue growth driven by performance of domestic operations
- EBITDA impacted by changes in revenue mix, higher costs of sales, regulatory costs and network costs
- Profit increase due to lower losses from associates and royalty charges
- Higher capex spend due to licenses acquisition/renewal in Egypt, Ivory Coast and Togo

(1) Financial figures are restated to exclude the impact of discontinued operations
Etisalat Group Financial Highlights

Revenue Breakdown FY 2016 (AED bn)

- UAE: 58%
- MT: 24%
- Egypt: 8%
- Pakistan: 8%
- Others: 2%

EBITDA Breakdown FY 2016 (AED bn)

- UAE: 62%
- MT: 24%
- Egypt: 6%
- Pakistan: 5%
- Others: 3%

YoY Growth

- UAE: +5%
- MT Group: +2%
- Egypt: -11%
- Pakistan: -3%

(1) Financial figures are restated to exclude the impact of discontinued operations
Int’l Operations Financial Highlights FY 2016

### Maroc Telecom Group

<table>
<thead>
<tr>
<th></th>
<th>FY 2016</th>
<th>YoY Growth in AED</th>
<th>Growth in MAD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>12,602</td>
<td>+2%</td>
<td>+3%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>6,289</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td>50%</td>
<td>-1pp</td>
<td>0pp</td>
</tr>
</tbody>
</table>

### Etisalat Misr

<table>
<thead>
<tr>
<th></th>
<th>FY 2016</th>
<th>YoY Growth in AED</th>
<th>YoY growth in EGP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>4,033</td>
<td>-11%</td>
<td>+8%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,566</td>
<td>-7%</td>
<td>+11%</td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td>39%</td>
<td>+2pp</td>
<td>+1pp</td>
</tr>
</tbody>
</table>

### Pakistan

<table>
<thead>
<tr>
<th></th>
<th>FY 2016</th>
<th>YoY Growth in AED</th>
<th>YoY growth in PKR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>4,112</td>
<td>-3%</td>
<td>-1%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,391</td>
<td>+8%</td>
<td>+10%</td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td>34%</td>
<td>+3pp</td>
<td>+3pp</td>
</tr>
</tbody>
</table>

(1) Financial figures are restated to exclude the impact of discontinued operations
In FY’16 consolidated revenue increased Y/Y by 2% attributed mainly to UAE and Maroc Telecom operations; Int’l performance impacted by currency depreciation.

Growth in the UAE is attributed to higher fixed and mobile broadband and wholesale revenues.

Revenues from international consolidated operations declined by 2%, resulting in 41% contribution to Group revenues, 2 points lower than prior year attributed to currency devaluation.

- Growth in MT Group attributed to fixed segment in Morocco and Int’l operations that continue to grow
- Revenue growth in Egypt impacted by currency devaluation
- Revenue growth in Pakistan impacted by competitive pricing in the long distance international business

Note:
(1) Financial figures are restated to exclude the impact of discontinued operations
(2) “Others revenues” consist of domestic non-telecom operations, other international operations, management fees, etc.
In FY’16 consolidated EBITDA decreased Y/Y by 1% to AED 26.3 billion.

EBITDA in the UAE positively impacted by higher revenue trend and better costs control.

EBITDA of consolidated international operations decreased Y/Y by 1% due to currency devaluation, resulting in 36% contribution to Group EBITDA

- Negative contribution from Maroc Telecom Group due to competitive environment in Morocco
- Egypt impacted by currency devaluation
- Positive contribution from Pakistan due to cost optimization initiatives
Group CAPEX

CAPEX (AED m) & CAPEX/Revenue Ratio (%)

Q4’15 | Q3’16 | Q4’16 | FY’15 | FY’16
---|---|---|---|---
4,908 | 1,789 | 5,245 | 10,253 | 10,467
39% | 14% | 41% | 20% | 20%

Sources of Capex growth – FY’16 vs FY’15 (AED m)

FY’15 | UAE | MT Group | Egypt | Pakistan | Others | FY’16
---|---|---|---|---|---|---
10,253 | 1,387 | 331 | 1,903 | 61 | 31 | 10,467

Highlights

- In FY’16 consolidated capex increased Y/Y by 2% resulting in Capex/ Revenue ratio of 20%, impacted by licenses acquisition.
- Lower capital spend in the UAE with focus on mobile modernization and building digital and ICT capabilities.
- Capital expenditure in international operations increased by 30% and contributed 66% of consolidated Group Capex
  - Lower capex in MT Group attributed to higher spend on license acquisition and renewal in the prior year; on a like-for-like basis, capex increased by 2%
  - Higher capex in Egypt impacted by 4G license acquisition
  - Higher capex in Pakistan focused on mobile network and stores modernization

Note:
(1) Financial figures are restated to exclude the impact of discontinued operations
(2) “Others revenue” consist of domestic non-telecom operations, other international operations, management fees, etc.
## Group Balance Sheet & Cash Flows

<table>
<thead>
<tr>
<th>Balance Sheet (AED m)</th>
<th>Dec-15</th>
<th>Dec-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; bank Balances</td>
<td>21,422</td>
<td>23,676</td>
</tr>
<tr>
<td>Total Assets</td>
<td>127,235</td>
<td>122,546</td>
</tr>
<tr>
<td>Total Debt</td>
<td>22,080</td>
<td>22,279</td>
</tr>
<tr>
<td>Net Cash / (Debt)</td>
<td>(658)</td>
<td>1,397</td>
</tr>
<tr>
<td>Total Equity</td>
<td>59,673</td>
<td>55,915</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net cash position (AED m)</th>
<th>FY’15</th>
<th>FY’16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating</td>
<td>20,425</td>
<td>18,637</td>
</tr>
<tr>
<td>Investing</td>
<td>(9,349)</td>
<td>(9,361)</td>
</tr>
<tr>
<td>Financing</td>
<td>(8,108)</td>
<td>(7,292)</td>
</tr>
<tr>
<td>Net change in cash</td>
<td>2,967</td>
<td>1,983</td>
</tr>
<tr>
<td><em>Effect of FX rate changes</em></td>
<td>(9)</td>
<td>211</td>
</tr>
<tr>
<td>Reclassified as held for sales</td>
<td>(78)</td>
<td>60</td>
</tr>
<tr>
<td>Ending cash balance</td>
<td>21,422</td>
<td>23,676</td>
</tr>
</tbody>
</table>

### Investment Grade Credit Ratings

<table>
<thead>
<tr>
<th>S&amp;P Global</th>
<th>AA-/Stable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moody’s</td>
<td>Aa3/Negative</td>
</tr>
</tbody>
</table>

### Highlights

- Improved liquidity level
- Net cash position
- Operating cash flow impacted by changes in working capital
- Lower financing cash flow due to higher net borrowing

---

(1) Moody’s changed its view on the outlook of the UAE and GRE.
Debt Profile: Diversified debt portfolio

Borrowings by Operation FY 2016 (AED m)

- Group: 14,770
- MT Group: 3,574
- Egypt: 2,645
- Pakistan: 1,290

Borrowings by Currency FY 2016 (%)

- Euro 41%
- USD 31%
- MAD 11%
- Others 17%

Debt by Source FY 2016 (AED m)

- Bonds: 14,218
- Bank Borrowings: 7,156
- Vendor Financing: 346
- Others: 559

Repayment Schedule FY 2016 (AED m)

- 2017: 4,075
- 2018: 1,228
- Y2019-21: 9,676
- Beyond 2021: 7,300
Group Dividends: Proposed dividend for 2016 of 80 fils per share

- Proposed final dividend of 40 fils per share, bringing the full year dividend to 80 fils per share are subject to the shareholders approval on the AGM scheduled on April 9th, 2017

(1) Dividend yield is based on share price as of 14 August 2016 and 07 March 2017
Country by Country Financial Review
UAE: Growth coupled with improved profitability

### Revenue (AED m) / YoY Growth (%)

<table>
<thead>
<tr>
<th></th>
<th>Q4'15</th>
<th>Q3'16</th>
<th>Q4'16</th>
<th>FY'15</th>
<th>FY'16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>6,906</td>
<td>7,461</td>
<td>7,874</td>
<td>28,774</td>
<td>30,344</td>
</tr>
<tr>
<td>YoY growth %</td>
<td>-1%</td>
<td>4%</td>
<td>14%</td>
<td>6%</td>
<td>5%</td>
</tr>
</tbody>
</table>

### EBITDA (AED m) / EBITDA Margin (%)

<table>
<thead>
<tr>
<th></th>
<th>Q4'15</th>
<th>Q3'16</th>
<th>Q4'16</th>
<th>FY'15</th>
<th>FY'16</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>3,886</td>
<td>4,083</td>
<td>4,011</td>
<td>16,279</td>
<td>16,326</td>
</tr>
<tr>
<td>EBITDA %</td>
<td>56%</td>
<td>55%</td>
<td>51%</td>
<td>57%</td>
<td>54%</td>
</tr>
</tbody>
</table>

### Net Profit (AED m) / Profit Margin (%)

<table>
<thead>
<tr>
<th></th>
<th>Q4'15</th>
<th>Q3'16</th>
<th>Q4'16</th>
<th>FY'15</th>
<th>FY'16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Profit</td>
<td>1,828</td>
<td>1,942</td>
<td>1,905</td>
<td>7,325</td>
<td>7,790</td>
</tr>
<tr>
<td>Margin %</td>
<td>26%</td>
<td>26%</td>
<td>24%</td>
<td>25%</td>
<td>26%</td>
</tr>
</tbody>
</table>

### CAPEX (AED m) & CAPEX/Revenue Ratio (%)

<table>
<thead>
<tr>
<th></th>
<th>Q4'15</th>
<th>Q3'16</th>
<th>Q4'16</th>
<th>FY'15</th>
<th>FY'16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capex</td>
<td>2,685</td>
<td>39%</td>
<td>1,580</td>
<td>17%</td>
<td>3,553</td>
</tr>
<tr>
<td>Capex/Revenue Ratio</td>
<td>939</td>
<td>13%</td>
<td>1,580</td>
<td>17%</td>
<td>12%</td>
</tr>
</tbody>
</table>
**UAE: Steady growth in subscribers base**

### Mobile Subs (m) & ARPU\(^{(1)}\) (AED)

<table>
<thead>
<tr>
<th></th>
<th>Q4'15</th>
<th>Q3'16</th>
<th>Q4'16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Postpaid</td>
<td>110</td>
<td>112</td>
<td>108</td>
</tr>
<tr>
<td>Prepaid</td>
<td>7.91</td>
<td>8.37</td>
<td>8.43</td>
</tr>
<tr>
<td>Blended ARPU</td>
<td>1.77</td>
<td>1.91</td>
<td>1.97</td>
</tr>
</tbody>
</table>

### Fixed Subs (m) & ARPL\(^{(2)}\) (AED)

<table>
<thead>
<tr>
<th></th>
<th>Q4'15</th>
<th>Q3'16</th>
<th>Q4'16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed</td>
<td>122</td>
<td>136</td>
<td>158</td>
</tr>
<tr>
<td>ARPL</td>
<td>0.87</td>
<td>0.81</td>
<td>0.80</td>
</tr>
</tbody>
</table>

### eLife Subs – Double & Triple-Play (m)

<table>
<thead>
<tr>
<th></th>
<th>Q4'15</th>
<th>Q3'16</th>
<th>Q4'16</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-Life (2P &amp; 3P)</td>
<td>407</td>
<td>401</td>
<td>403</td>
</tr>
<tr>
<td>ARPL</td>
<td>0.87</td>
<td>0.93</td>
<td>0.96</td>
</tr>
</tbody>
</table>

### Fixed Broadband\(^{(3)}\) Subs (m)

<table>
<thead>
<tr>
<th></th>
<th>Q4'15</th>
<th>Q3'16</th>
<th>Q4'16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed BB</td>
<td>498</td>
<td>504</td>
<td>507</td>
</tr>
<tr>
<td>ARPL</td>
<td>1.06</td>
<td>1.10</td>
<td>1.11</td>
</tr>
</tbody>
</table>

---

(1) Mobile ARPU ("Average Revenue Per User") calculated as total mobile voice, data and roaming revenues divided by the average mobile subscribers.

(2) ARPL ("Average Revenue Per Line") calculated as fixed line revenues divided by the average fixed subscribers.

(3) Fixed broadband subscriber numbers calculated as total of residential DSL (Al-Shamil), corporate DSL (Business One) and E-Life subscribers.
### Maroc Telecom: Growth in Int’l subsidiaries

**Morocco, Benin, Burkina Faso, CAR, CDI, Gabon, Mali, Mauritania and Togo**

<table>
<thead>
<tr>
<th>Subscribers (m)</th>
<th>Revenue (AED m) / EBITDA Margin</th>
<th>CAPEX (AED m) &amp; CAPEX/Revenue Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Q4’15</strong></td>
<td>50.8</td>
<td>3,069 48% Revenue</td>
</tr>
<tr>
<td><strong>Q3’16</strong></td>
<td>52.3</td>
<td>3,267 51% EBITDA %</td>
</tr>
<tr>
<td><strong>Q4’16</strong></td>
<td>54.0</td>
<td>3,015 49% 51% 50%</td>
</tr>
<tr>
<td><strong>Q4’15</strong></td>
<td>12,316</td>
<td><strong>Q4’15</strong> 1,497 32% CAPEX</td>
</tr>
<tr>
<td><strong>Q3’16</strong></td>
<td>12,602</td>
<td><strong>Q3’16</strong> 526 16% CAPEX/Revenue Ratio</td>
</tr>
<tr>
<td><strong>FY’15</strong></td>
<td>34%</td>
<td><strong>FY’15</strong> 1,023 19% CAPEX/Revenue Ratio</td>
</tr>
<tr>
<td><strong>FY’16</strong></td>
<td>27%</td>
<td><strong>FY’16</strong> 2,966 21% CAPEX/Revenue Ratio</td>
</tr>
</tbody>
</table>

#### Revenue Breakdown Q4’16

<table>
<thead>
<tr>
<th>Domestic vs. Int’l</th>
<th>Int’l</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morocco</td>
<td>58%</td>
</tr>
<tr>
<td>Int’l</td>
<td>45%</td>
</tr>
<tr>
<td>Others</td>
<td>-3%</td>
</tr>
</tbody>
</table>

#### Capex Breakdown Q4’16

<table>
<thead>
<tr>
<th>Domestic vs. Int’l</th>
<th>Int’l</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morocco</td>
<td>55%</td>
</tr>
<tr>
<td>Int’l</td>
<td>45%</td>
</tr>
<tr>
<td>New subsidiaries</td>
<td>62%</td>
</tr>
<tr>
<td>Historical subsidiaries</td>
<td>38%</td>
</tr>
</tbody>
</table>
Egypt: Significant currency devaluation impacted results; 4G license acquisition

Total Subscribers (1) (m)

<table>
<thead>
<tr>
<th>Q4'15</th>
<th>Q3'16</th>
<th>Q4'16</th>
</tr>
</thead>
<tbody>
<tr>
<td>94</td>
<td>96</td>
<td>98</td>
</tr>
<tr>
<td>24%</td>
<td>24%</td>
<td>24%</td>
</tr>
</tbody>
</table>

Revenue (AED m) / EBITDA Margin

<table>
<thead>
<tr>
<th>Q4'15</th>
<th>Q3'16</th>
<th>Q4'16</th>
<th>FY'15</th>
<th>FY'16</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,246</td>
<td>1,094</td>
<td>722</td>
<td>4,544</td>
<td>4,033</td>
</tr>
<tr>
<td>32%</td>
<td>44%</td>
<td>35%</td>
<td>37%</td>
<td>39%</td>
</tr>
</tbody>
</table>

CAPEX (AED m) & CAPEX/Revenue Ratio (%)

<table>
<thead>
<tr>
<th>Q4'15</th>
<th>Q3'16</th>
<th>Q4'16</th>
<th>FY'15</th>
<th>FY'16</th>
</tr>
</thead>
<tbody>
<tr>
<td>340</td>
<td>136</td>
<td>2,214</td>
<td>880</td>
<td>2,783</td>
</tr>
<tr>
<td>27%</td>
<td>12%</td>
<td>22%</td>
<td>19%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Highlights

- Higher subscriber base mainly in the postpaid segment
- Revenue growth Y/Y impacted by steep currency devaluation
  - Revenue growth Y/Y in local currency at 8% level for the full year
  - Revenue growth across all segments with major contribution from data revenues
- Improvement in EBITDA margin Y/Y
- Capital spending impacted by 4G license acquisition

(1) Subscribers and market share data as per statistic published by the Ministry of Information and Technology
Pakistan: **Recovery in the mobile segment**

### Subscribers (m)

<table>
<thead>
<tr>
<th></th>
<th>Q4'15</th>
<th>Q3'16</th>
<th>Q4'16</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>24.0</td>
<td>22.5</td>
<td>21.9</td>
</tr>
</tbody>
</table>

### Revenue (AED m) / EBITDA Margin

<table>
<thead>
<tr>
<th></th>
<th>Q4'15</th>
<th>Q3'16</th>
<th>Q4'16</th>
<th>FY'15</th>
<th>FY'16</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>991</td>
<td>1,047</td>
<td>998</td>
<td>4,236</td>
<td>4,112</td>
</tr>
</tbody>
</table>

- **Revenue**: Green bar
- **EBITDA %**: Orange bar

### CAPEX (AED m) & CAPEX/Revenue Ratio (%)

<table>
<thead>
<tr>
<th></th>
<th>Q4'15</th>
<th>Q3'16</th>
<th>Q4'16</th>
<th>FY'15</th>
<th>FY'16</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>362</td>
<td>185</td>
<td>406</td>
<td>1,028</td>
<td>1,089</td>
</tr>
</tbody>
</table>

- **CAPEX**: Green bar
- **CAPEX/Revenue**: Orange bar

### Highlights

- Subscriber loss attributed to focus shift to value share and fixed to mobile substitution.
- Revenue growth Y/Y driven by mobile operations offset by fixed segment due to lower usage and price competition in international voice segment.
- EBITDA in absolute terms and EBITDA margin improvements as a results of cost optimization initiatives.
- Higher capex spending focused on enhancing capacity of the mobile network and stores modernization.
Nigeria: Change in ownership and corporate governance structure

In February 2017, Etisalat Group’s voting rights reduced to 25% while economic interest increased to 45%.

Performance impacted by worsening economic conditions, inflationary pressure and significant currency depreciation.

Subscriber growth impacted by competitive pricing environment.

Revenue growth Y/Y was flat, impacted by lower subscriber base, weakening consumer spending and lower handset sales.

EBITDA in absolute term declined due to higher roaming cost, rental charges and network costs; resulting in decline in EBITDA margin.

Slowing down capex spend resulted in capex intensity ratio of 18%.

Highlights

USD / NGN FX Rate (Naira)

- In February 2017, Etisalat Group’s voting rights reduced to 25% while economic interest increased to 45%.
- Performance impacted by worsening economic conditions, inflationary pressure and significant currency depreciation.
- Subscriber growth impacted by competitive pricing environment.
- Revenue growth Y/Y was flat, impacted by lower subscriber base, weakening consumer spending and lower handset sales.
- EBITDA in absolute term declined due to higher roaming cost, rental charges and network costs; resulting in decline in EBITDA margin.
- Slowing down capex spend resulted in capex intensity ratio of 18%.
(1) **Constant currency**: Financial results assuming constant foreign currency exchange rates used for translation based on the rates in effect for the comparable prior-year period. In order to compute our constant currency results, we multiple or divide, as appropriate, our current AED results by the current year monthly average foreign exchange rates and then multiply or divide, as appropriate, those amounts by the prior year monthly average foreign exchange rates.
### 2017 Outlook

#### Financial Objective

<table>
<thead>
<tr>
<th>Revenue Growth</th>
<th>Outlook 2017 [in AED]</th>
<th>Outlook 2017 [with constant currencies(^{(1)})]</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Slightly lower</td>
<td>1% - 2%</td>
</tr>
</tbody>
</table>

| EBITDA Margin         |                        | around 50%                                    |
| CAPEX / Revenue Ratio | 18%-19%                |

---

\(^{(1)}\) **Constant currency**: Financial results assuming constant foreign currency exchange rates used for translation based on the rates in effect for the comparable prior-year period. In order to compute our constant currency results, we multiple or divide, as appropriate, our current AED results by the current year monthly average foreign exchange rates and then multiply or divide, as appropriate, those amounts by the prior year monthly average foreign exchange rates.
THANK YOU

Q&A
Etisalat Group
Capital Markets Day 2017

International Operations

Hatem Dowidar
Chief Executive Officer Etisalat International

March 9th, 2017
Fairmont Bab Al-Bahar, Abu Dhabi
Diversified portfolio with an attractive MEA and Asian footprint

Key Development

- **Divestments of subscale assets:**
  - 2016: Canar (Sudan)
  - 2015: Zantel (Tanzania)

- **Ownership restructure:**
  - 2015: reorganized AT under Maroc Telecom

- **Shareholding restructured:**
  - 2017: Nigeria

<table>
<thead>
<tr>
<th>Agg. Subscribers:</th>
<th>Covered Population:</th>
<th>Operating Countries:</th>
</tr>
</thead>
<tbody>
<tr>
<td>162 million</td>
<td>~800 million</td>
<td>16</td>
</tr>
</tbody>
</table>

Etisalat Group International Footprint

Consolidated Associates 2015-16 Divestments
International operations generated at aggregate level AED 37 bn of Revenues with 37% EBITDA margin

<table>
<thead>
<tr>
<th></th>
<th>Revenues (AED bn)</th>
<th>EBITDA (AED bn, %)</th>
<th>Capex (AED bn, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consolidated perspective</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>21.9</td>
<td>9.5</td>
<td>5.3</td>
</tr>
<tr>
<td>2016</td>
<td>21.5</td>
<td>9.4</td>
<td>6.9</td>
</tr>
<tr>
<td><strong>Aggregated perspective</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>40.3</td>
<td>13.1</td>
<td>9.8</td>
</tr>
<tr>
<td>2016</td>
<td>37.2</td>
<td>13.8</td>
<td>10.3</td>
</tr>
</tbody>
</table>

-2%  
-1%  
+31%  
-8%  
+5%  
+6%  

(1) Includes associates
(2) Capex excluding licenses
Key focus on 4 key International Operations: Morocco Saudi, Egypt and Pakistan

These operations represent 76% of total revenues and 80% of EBITDA generated by International Operations.
Plenty of opportunities across the footprint, starting from fixed and mobile Broadband

**Key Opportunities**

- **Address Morocco appetite for Data,** through high quality **fixed and mobile Broadband** services

- **Complete operational transformation** to become the preferred ICT provider in Pakistan (consumer and business)
- **Capture synergies** from Fixed and Mobile businesses

- **Revamp core Mobile operations** and return to profitable growth
- **Unlock value from fixed assets**

- **Leverage the launch of 4G services** to accelerate the growth of Mobile Data
- **Grow value share in Business segment**
Challenges in the footprint must be properly managed...

Key Challenges

- **Intense competition in the Mobile**, extending into Fixed
- High competition from both dominant player and smaller challenger
- Improving macro-economic environment, but volatile security
- High concentration of mobile market, with two larger scale operators
- Challenging macro-economic environment
  - Tough Regulatory environment

Companies mentioned:
- Maroc Telecom
- Mobil
- PTCL
- Misr

Etisalat
... along with global/ regional trends in the Telecom industry

**Competitive dynamics**
- Competition dynamics is changing - global
- Intense competition and price pressure
- Consumption pattern exploding

**Regulatory environment**
- Spectrum availability & pricing
- Regulatory & tax policies

**Pressure on Financials**
- ROI expectations for the industry
- Investment requirements in hard currency
In this context, Etisalat priority is to strengthen its position as leading digital telecom group with increased efficiency.

**Etisalat Group-wide focus areas**

**Digitalization**

- Provide **Digital** customer experience, developing right value proposition to target priority segments
- Enriching B2B sector focusing on SMB & Global enterprises
- Target Adjacent markets, developing/deploying priority **Digital services**

**Operational efficiency**

- Seek **cost optimization** opportunities and improve **cost structure**
- **Limit Forex exposure** and impact of hyper-inflation
- Reduce capital intensity through **innovative solutions** (e.g.: Active sharing)
Guidelines and priorities for portfolio development focused on reinforcing our existing footprint positioning

Etisalat Group M&A Guidelines and priorities

Primary Focus

- Optimize Current footprint
  - Continue selective and strategic review of current portfolio
  - Infrastructure sharing
  - Acquisition of licenses and spectrum where required

- Select new geographies
  - Bolt-on acquisitions
  - Very selective on greenfields (must be sizeable opportunity adjacent to core operation)

- Enter New Business with potential
  - New business development, strategic partnerships and Joint Ventures
  - Selective acquisitions to accelerate business development in select areas
Way forward / Key messages

- International operations is a relevant contributor to Etisalat Group
  - On aggregate level they generate revenues in excess of 10bn USD a year with ~37% EBITDA margin
  - On consolidated level they represents 41% of revenue with 44% EBIDTA margin

- Portfolio optimization is on-going, with key milestones being completed

- Strategic focus on key operations to maximise value

- Pursue inorganic growth opportunities that reinforce existing footprint
Q&A

THANK YOU
Etisalat Group
Capital Markets Day 2017

Etisalat UAE - Consumer

Khaled Elkhouly
Chief Consumer Officer

March 9th, 2017
Fairmont Bab Al-Bahar, Abu Dhabi
# Key Highlights FY2016

## Financial

- **Strong +5.5% YoY revenue growth**
  - Fourth consecutive year of topline growth with 2012-16 CAGR of 7.5%

- **EBITDA margin at 54%, one of the highest in the industry**

- **Healthy growth in net profit with 6% increase YoY**

- **Strong delivery of cash-flow confirms healthy ROI on FTTH, LTE and ICT investments**

## Strategic

- **Strong subscribers performance, with increased focus on value**
  - Mobile active subscribers grew by +7.4%, above last year performance
  - Focus on value confirmed by accelerated uptake of postpaid (+11.1% YoY vs. +6.6% for prepaid)
  - eLife bundles continue to show double digit growth (10.3% YoY) and are driving Home ARPU by +4.6% YoY

- **Successful monetization the “data tsunami”** by exploring innovative concepts and leveraging on our superior LTE network

- **Digital and Customer Experience efforts are paying results**, with measurable improvements in customer satisfaction and reduced cost to serve
In 2016, we faced a slower macroeconomic cycle in UAE, marked by lower oil prices and reduced population growth

**UAE GDP Growth (YoY %)**

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>7.1%</td>
</tr>
<tr>
<td>2013</td>
<td>4.7%</td>
</tr>
<tr>
<td>2014</td>
<td>3.1%</td>
</tr>
<tr>
<td>2015</td>
<td>3.8%</td>
</tr>
<tr>
<td>2016F</td>
<td>2.3%</td>
</tr>
</tbody>
</table>

**UAE Population Growth (YoY %)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Population Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>16.2%</td>
</tr>
<tr>
<td>2008</td>
<td>14.8%</td>
</tr>
<tr>
<td>2009</td>
<td>11.7%</td>
</tr>
<tr>
<td>2010</td>
<td>8.1%</td>
</tr>
<tr>
<td>2011</td>
<td>4.9%</td>
</tr>
<tr>
<td>2012</td>
<td>2.5%</td>
</tr>
<tr>
<td>2013</td>
<td>1.0%</td>
</tr>
<tr>
<td>2014</td>
<td>0.5%</td>
</tr>
<tr>
<td>2015</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

**Crude Oil Price (WTI. USD/barrel)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Crude Oil Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$94.1</td>
</tr>
<tr>
<td>2013</td>
<td>$97.9</td>
</tr>
<tr>
<td>2014</td>
<td>$93.3</td>
</tr>
<tr>
<td>2015</td>
<td>$48.7</td>
</tr>
<tr>
<td>2016</td>
<td>$43.1</td>
</tr>
</tbody>
</table>

**UAE Airports Passenger Growth (YoY %)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Passenger Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>14.3%</td>
</tr>
<tr>
<td>2013</td>
<td>14.6%</td>
</tr>
<tr>
<td>2014</td>
<td>8.9%</td>
</tr>
<tr>
<td>2015</td>
<td>12.1%</td>
</tr>
<tr>
<td>2016</td>
<td>6.7%</td>
</tr>
</tbody>
</table>

Source: IMF; US Energy Information Administration; World Bank; Dubai and Abu Dhabi Airports; Internal analysis
Nevertheless, the UAE market has accelerated its growth, with Etisalat growing by +5.5% and increasing value share to 70.5%
Our revenue was driven by +7.4% YoY increase in mobile subs, with strong focus on postpaid with a +11.1% YoY growth...

### Etisalat UAE Mobile Subscribers (million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Prepaid</th>
<th>Postpaid</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>9.0</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>9.7</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>10.4</td>
<td></td>
</tr>
</tbody>
</table>

### Etisalat UAE Prepaid vs. Postpaid Growth (YoY %)

<table>
<thead>
<tr>
<th>Type</th>
<th>YoY %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepaid</td>
<td>6.6%</td>
</tr>
<tr>
<td>Postpaid</td>
<td>11.1%</td>
</tr>
</tbody>
</table>

### Performance Highlights

- **Strong mobile subscriber growth (+7.4% YoY),** despite the already very high penetration rate and mobile registration impact
- **Postpaid bundle plans** continue to drive acquisitions and migrations, locking ARPU and driving data usage
- **Optimal prepaid value management** via targeted segmented offers and development of engagement platforms (e.g. “Deal of the Day”)

### Strategic Priorities

- **Continue to leverage on segmented approaches,** to capture incremental growth while minimizing price erosion, and ensure optimal value vs. volume balance
- **Rebalance the prepaid portfolio** to drive mobile data revenues and address the shift in consumer behavior (i.e. from voice calls to social networks use)
- Continue to **drive the Customer Experience and Digital** as key competitive advantages

Note: Average market share for the 4 quarters of the year
... and further segmentation to optimize value and minimize price erosion
We’re successfully monetizing the “data tsunami” by exploring innovative concepts, leveraging on our superior LTE network, …

### Mobile Data Traffic (PB)

<table>
<thead>
<tr>
<th></th>
<th>Jan-16</th>
<th>Apr-16</th>
<th>Jul-16</th>
<th>Oct-16</th>
<th>Jan-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>4G</td>
<td>58%</td>
<td>63%</td>
<td>63%</td>
<td>66%</td>
<td>68%</td>
</tr>
<tr>
<td>3G</td>
<td>42%</td>
<td>37%</td>
<td>36%</td>
<td>33%</td>
<td>32%</td>
</tr>
</tbody>
</table>

+43%

### Commercial Highlights

**Talk and get FREE data!**

With Etisalat Prepaid line, get 1MB free data for each minute you talk!

Talk more to surf more!

To subscribe, dial *140*51#

**Mobile data for just 2 fils/min with Prepaid Start/Stop Data**

[Image of promotional content]

800101 | 800101
etisalat | etisalat

**Get mobile data for only 2 fils/min**

[Image of promotional content]

**Experience what’s next**

For queries, visit

- [www.etisalat.ae](http://www.etisalat.ae)
- [www.etisalat.com](http://www.etisalat.com)

(1) Retail revenues only
... as well in a rich, but yet focused, offer of mobile devices which has been a key contributor to data uptake and growth.
Our data success is extended to fiber, with our eLife bundles and content focus driving strong subscriber and ARPU growth.

**Performance Highlights**

- **eLife bundles maintain a strong growth trend**, with net adds in 2016 in line with previous year albeit the higher penetration.
- **Push of 3Play and high-tier packages is driving ARPU**, and leading to higher customer satisfaction and product stickiness.
- **Bitstream driving low volumes**, but still Etisalat maintains the lead in a much smaller target market.

**Strategic Priorities**

- **Continuous optimization of the product mix**, driving customers to higher packages tiers in order to maintain a positive ARPU development.
- **Grow micro-targeting activities to optimize customer acquisition** and increase FTTH penetration.
- **Expand the competitive advantage around content, user interface and overall experience**, in order to minimize market share and price risks.
On eLife, the new user interface and continuous waves of fresh content have been key to drive usage and ARPU growth.

- Personalized experience, allowing customers to tailor programming according to individual interests
- Improved content discovery across both linear TV channels and on-demand content
- Use of real-time data to simplify navigation, search and content selection
Customer Experience has been a strategic priority, with already relevant improvements in stores, digital and customer care.

**Etisalat Stores: Waiting and Handling Time (min)**

- **Waiting Time**
  - Dec’15: [Graph]
  - Dec’16: [Graph]
  - **-53%**

- **Handling Time**
  - Dec’15: [Graph]
  - Dec’16: [Graph]
  - **-18%**

**Mobile App: Active Users (’000)**

- Feb 16: [Graph]
- Mar 16: [Graph]
- Apr 16: [Graph]
- May 16: [Graph]
- Jun 16: [Graph]
- Jul 16: [Graph]
- Aug 16: [Graph]
- Sep 16: [Graph]
- Oct 16: [Graph]
- Nov 16: [Graph]
- Dec 16: [Graph]

- **+48%**

**Customer Care: Calls and FCR¹ (million, %)**

- **Number of Calls**
  - Dec’15: [Graph]
  - Dec’16: [Graph]
  - **-30%**

- **First Call Resolution**
  - Dec’15: [Graph]
  - Dec’16: [Graph]
  - **+4 p.p.**

**Customer Effort Score² (score)**

- Dec 14: [Graph]
- Mar 15: [Graph]
- Jun 15: [Graph]
- Sep 15: [Graph]
- Dec 15: [Graph]
- Mar 16: [Graph]
- Jun 16: [Graph]
- Sep 16: [Graph]
- Dec 16: [Graph]

- **-7%**

---

¹ First Call Resolution; ² Reported effort put by customers to handle an issue with Etisalat. Based on 6-months moving average.
In summary...

- In a context of a slower macroeconomic scenario, the UAE telecom market has shown growth in 2016 (higher than in 2015)

- Etisalat is in the best position to capture this growth – we increased our revenues by +5.5% YoY

- This is a direct result of our segmented market approach, focusing our acquisition and marketing activities in value creation – postpaid segment is growing +11.1% YoY, faster than prepaid, and eLife is boosting ARPU by +4.6% YoY

- Digital and Customer Experience continue to be strategic imperatives to limit price erosion, meet customers’ expectations and reinforce the bonding and value of our brand

- We will continue to deliver on this strategy in 2017, which will be marked by a continued erosion of consumer spending and increased competition, but still with Etisalat in the best position to capture the value of the industry
2016 Key Messages

- **Business unit** is one of Etisalat UAE main revenue growth engines.
- We have an **extensive market share** in the UAE and we provide telecommunications and digital services to large enterprise, government entities and SMB.
- We have developed a **robust and specific operating model**, from sales to service delivery, that is supporting our growth.
- Our main strategy is to evolve from connectivity to **managed services** and create end-to-end **vertical solutions** for our customers, and we have developed extensive capabilities across the company.
- We have won unique **references in the ICT and digital** space such as DPR and Dubai Expo2020, that could be replicated in the UAE and other additional markets.
- We launched **Etisalat Digital** in 2016 to accelerate our presence and growth in the digital space.
Etisalat is the dominant player in business in the UAE, where the economy continues growing despite the drop in oil prices.

**UAE Annual GDP Growth**

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017*</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP</td>
<td>3.8%</td>
<td>2.3%</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

Source: data.worldbank.org  
*Forecast

**UAE GDP* Contribution (%)**

- Hydrocarbons: 34%
- Others: 66%

Source: IMF  
*2014

**Government Budget Evolution**

(Billion AED)

<table>
<thead>
<tr>
<th>Government</th>
<th>2016</th>
<th>2017</th>
<th>YoY Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td>49</td>
<td>49</td>
<td>0%</td>
</tr>
<tr>
<td>Abu Dhabi *</td>
<td>100</td>
<td>100</td>
<td>0%</td>
</tr>
<tr>
<td>Dubai</td>
<td>46</td>
<td>47</td>
<td>2.6%</td>
</tr>
</tbody>
</table>

*Estimate
In 2014, we set a clear vision and strategy to transform our business, and we are on track to achieve our goals.

Our Vision...
To be the preferred supplier for government entities and private companies (ES & SMB) providing all ICT services from the cloud.

Our Strategy...
- Offer integrated value propositions...
- ...providing the best customer experience in the market...
- ...supported by best-in-class processes, tools and capabilities.

Our Goals...

<table>
<thead>
<tr>
<th>Growth</th>
<th>Customer Satisfaction</th>
<th>Employee Engagement</th>
<th>Digital Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAGR</td>
<td>TRIM</td>
<td>Employee Engagement Index</td>
<td>% of total Business Revenue</td>
</tr>
<tr>
<td>10%</td>
<td>&gt;</td>
<td>&gt;</td>
<td>+5p.p.</td>
</tr>
</tbody>
</table>
Our value proposition includes end-to-end ICT services, customized for enterprise and government, and ‘all in one’ in the case of SMB.
In mobile we are differentiating through propositions that provide great experience and control to our customers.

**MobileHub Proposition**

- Commitment based tariffs
- Bespoke Framework
- Greater control over spending
- Self-diagnostics

**Average Customer Base**

*Number of lines*

- 2015
- 2016

**Average Billing Per Unit (ABPU)**

*(AED)*

- 2015
- 2016

**Business Yearly MNP**

*Number of lines*

- 2014
- 2015
- 2016

*Percentage changes: +12% for Average Customer Base, -3% for Average Billing Per Unit.*
In SMB we have bundled our services to increase value perception and boost our growth.
In enterprise and government we have expanded our data services customer base and increased managed services penetration.
Etisalat is aiming to be the regional leader for global services and it has reinforced its network, services and capabilities.

Global Services Proposition & Network Coverage

- Managed end-to-end connectivity
- Global NOC/SOC
- Online Portal
- SLAs

192+ countries coverage
1000+ POPs accessible globally

Global Services Performance

Global Services Links (Number of Links)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Links</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>+8%</td>
</tr>
</tbody>
</table>

Global Services Customers Across Various Sectors

- ADIA
- Schlumberger
- Facebook
- Standard Chartered
- Ethihad Airways
- Deutsche Bank
- Thomson Reuters
- Emirates
Our ICT and digital business is growing fast significantly contributing to Etisalat business segment revenue.

Integrated Digital Value Proposition

Digital Industries
- Entertainment
- Education
- Healthcare
- Defence
- Financial Services
- Energy and Utilities
- Retail and Distribution
- Smart Cities

Go Smart
- Go Intelligent
  - Machine 2 Machine
  - Internet of Things
  - Big Data & Analytics
- Go Physical
  - Digital Marketing
  - Digital Payments
- Go Trusted
  - Network Security
  - Managed Security
  - Cyber Security
- Go Agile
  - Data Center
  - Cloud
- Go Mobile
  - Managed Mobility
  - Business Devices
  - Unified Commms
- Go Connected
  - Managed Voice
  - Managed Data
  - Managed IPTV

Digital Capabilities

Platforms
- Best in class Datacenters
- Cloud
- M2M Control Center
- IoT Platform
- Digital Payments
- Digital Marketing

Capabilities
- Command & Control Center
- Security Operations Center (SOC)
- End-to-End Service Model

Talent
- Digital Solutions Experts
- Digital Vertical Experts

ICT & Digital Revenue *
(Million AED)

2014 2015 2016

+35% +36%

*ICT, Managed Services & Digital Solutions
Etisalat delivered DPR the biggest and smartest theme park in the region

Integrated Smart City Proposition

Project Key Facts
- 400+ people under Etisalat PMO
- 20+ partners and suppliers

Etisalat Deliverables
- Passive & Active Infrastructure
- Datacenter & Cloud
- Physical and Logical Security
- Command & Control Centers
- Smart Services
- Digital Channels

Etisalat DPR Video
In 2016, we won a historic deal as the premier partner of Dubai Expo 2020 for telecommunications and digital services.

Etisalat Scope & Deliverables

- Telecom and enterprise network infrastructure and operations
- Managed Network Security Services
- Datacenter and Cloud
- Digital Solutions & Operations
- System Integration & Program Management
At the end of 2016 we launched ‘Etisalat Digital’, an independent unit within Etisalat UAE, to accelerate our growth.
We continue our focus to develop strategic verticals in the UAE to provide end-to-end digital solutions to our customers.
Conclusions

- Business unit will continue to be an engine of growth for Etisalat UAE and Etisalat Group.
- In spite of high market share, our core business will continue expanding fueled by data connectivity and managed services.
- SMB space will grow leveraging on Business in a Box platform to deliver new services to our customers.
- Etisalat Digital will accelerate our revenue growth speed.
- Our aspiration is to double our market share in the digital space by 2021.
Etisalat Group
Capital Markets Day 2017

PTCL Group Operations

Dr. Daniel Ritz
Chief Executive Officer
PTCL Group

March 9th, 2017
Fairmont Bab Al-Bahar, Abu Dhabi
2016 – Key highlights

Financials

Consolidated Net Profit\(^1\)

\[
\begin{align*}
150 \% & \\
\end{align*}
\]

Consolidated EBITDA

\[
\begin{align*}
10 \% & \\
\end{align*}
\]

Mobile Revenue

\[
\begin{align*}
4 \% & \\
\end{align*}
\]  

Excl. VSS one-time impact (adjusted for tax)

Operations

PTCL:
- Major access network transformation initiated
- Comprehensive shop revamp
- Workforce optimization (VSS) -1840 FTE

Ufone:
- Strategic shift from volume to value initiated
- Significant improvement in TRI*M results
- Spectral efficiency through U900 roll out

PTCL Group:
- Cash flow synergies worth USD 20 million (annualized) achieved
- Strategic alignment and first integration steps delivered
Country highlights

200 Mn population
6th most populous country
65% below age of 30
30+ Mn households

Economic outlook stable currently
Expected average GDP growth >5.5% (next 3 yrs)
Lowest inflation rate in the region (~ 4% p.a.)

DSL household penetration ~5%
IPTV penetration <1%
Mobile penetration 70%
MBB penetration 20%
Telecom market overview

Total market value 453 PKR b

Market map 2016 by service (PKR b)

- Voice: 61 (29%), 346 (85%), 46 (68%)
- Non Voice: 71% Fixed, 15% Mobile, 32% Wholesale

Market map 2016 by competitor (PKR b)

- PTCL Group: 71, Mobilink 116, Ufone 53, Warid 31
- Jazz: 147
- Telenor: 101
- Zong: 56
- Other: 24

Source: PTA, Financial statements, Management Estimates
Regulatory and taxation highlights

1. 850 Mhz New spectrum auctioned
2. Biometric SIM verification for WLL operators
3. Regulator and competition commission agreed to review anti-dumping pricing practices
4. New telecom policy aiming at a technology-neutral environment; encourages infrastructure sharing
5. Regulator has set the minimum sale price of any type of new SIM @Rs. 200
6. *Heavily taxed sector / Tax incidence of 35% on consumer revenues
7. *Mobile sector disproportionately contributes with 3% of Tax Revenues VS 1% GDP contribution

*GSMA Report
PTCL Group - Key financial highlights 2016

Revenue (PKR bn)/ Revenue Growth (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (PKR bn)</th>
<th>Revenue Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>119</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>117</td>
<td>-1%</td>
</tr>
</tbody>
</table>

EBITDA (PKR bn)/ EBITDA Margin (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA (PKR bn)</th>
<th>EBITDA Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>36</td>
<td>31%</td>
</tr>
<tr>
<td>2016</td>
<td>40</td>
<td>34%</td>
</tr>
</tbody>
</table>

Net Profit (PKR bn)/ Profit Margin (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Profit (PKR bn)</th>
<th>Profit Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1.9</td>
<td>2%</td>
</tr>
<tr>
<td>2016</td>
<td>1.6</td>
<td>1%</td>
</tr>
</tbody>
</table>

Op Cash flow & OpCF (PKR bn)/Revenue (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Op Cash flow &amp; OpCF (PKR bn)</th>
<th>Revenue (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>54</td>
<td>45%</td>
</tr>
<tr>
<td>2016</td>
<td>55</td>
<td>47%</td>
</tr>
</tbody>
</table>

1 Without VSS one time charge of PKR 4.6bn; Adjusted for tax impact

Source: Consolidated accounts
### PTCL - Key financial highlights 2016

<table>
<thead>
<tr>
<th>Revenue (PKR bn)</th>
<th>Revenue Growth (%)</th>
<th>EBITDA (PKR bn)</th>
<th>EBITDA Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>76</td>
<td>71</td>
<td>23</td>
<td>24</td>
</tr>
<tr>
<td>2015</td>
<td>-6%</td>
<td>2015</td>
<td>31%</td>
</tr>
<tr>
<td></td>
<td>2016</td>
<td>2016</td>
<td>33%</td>
</tr>
<tr>
<td></td>
<td>++2%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Profit (PKR bn)</th>
<th>Profit Margin (%)</th>
<th>Op Cash flow &amp; OpCF (PKR bn)</th>
<th>Revenue (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.8</td>
<td>10%</td>
<td>37</td>
<td>37</td>
</tr>
<tr>
<td>2015</td>
<td>12%</td>
<td>2015</td>
<td>48%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2016</td>
<td>53%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>+3%</td>
</tr>
</tbody>
</table>

1. Without VSS one time charge of PKR 4.6bn; Adjusted for tax impact

Source: Consolidated accounts
PTCL revenue decline driven by Retail Voice, EVO and ICH

<table>
<thead>
<tr>
<th>Category</th>
<th>Change in Revenue (PKR b)</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Voice</td>
<td>-1.8</td>
<td>Subscriber loss because of fixed/mobile substitution and DSL churn</td>
</tr>
<tr>
<td>DSL</td>
<td>-0.8</td>
<td>Growth slowing because of churn driven by network related issues</td>
</tr>
<tr>
<td>EVO</td>
<td>-1.7</td>
<td>Intense competition from 3G/4G operators with clear network and customer reach advantage</td>
</tr>
<tr>
<td>Corporate</td>
<td>0.1</td>
<td>Growth ceased due to pricing pressure and network related issues</td>
</tr>
<tr>
<td>Carrier &amp; WS</td>
<td>0.02</td>
<td>Overall stable, several counterbalancing effects</td>
</tr>
<tr>
<td>International</td>
<td>0.2</td>
<td>IP bandwidth price decline offsetting volume growth; Int’l voice under pressure from local LDIs and OTTs</td>
</tr>
<tr>
<td>ICH</td>
<td>-1.3</td>
<td>ICH discontinued in early 2015</td>
</tr>
</tbody>
</table>

PTCL revenue evolution 2015-16 (PKR b)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (PKR b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>75.8</td>
</tr>
<tr>
<td>2016</td>
<td>71.4</td>
</tr>
</tbody>
</table>
Comprehensive transformation agenda to improve PTCL performance

Transformation Agenda

- Network Performance
- Organization/Processes
- Product/Channel
- Fault Management
- Billing/Customer Care
- Cost & capex efficiency
- Biz Intelligence & Steering
- People & Culture
Phase I of end-to-end network revamp has been launched ....

Top 100 exchanges

- Serve 51% of DSL subscriber base
- Generate 54% of total retail revenue
- Contribute 6% higher APRU

Implementation in 5 phases

I. 13 exchanges by 04/17
II. 20 exchanges by 08/17
III. 20 exchanges by 01/18
IV. 24 exchanges by 04/18
V. 24 exchanges by 08/18
... and initial results from pilot exchange are encouraging

**GTR Pilot exchange**

Initiated in May and completed in Sep-16

<table>
<thead>
<tr>
<th>DSL Average Monthly Net Sales (2016)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr</td>
</tr>
<tr>
<td>-15</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DSL Monthly ARPU - Pkr (2016)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr</td>
</tr>
<tr>
<td>1,488</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DSL Monthly Revenue – Pkr Mn (2016)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr</td>
</tr>
<tr>
<td>5.1</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>
Changing the face of our own shops
44 PTCL shops refurbished to date, 19 joint shops with Ufone operational now
**PTCL investing in ICT and Content partnerships**

<table>
<thead>
<tr>
<th>ICT partnerships</th>
<th>Content partnerships</th>
</tr>
</thead>
<tbody>
<tr>
<td>• PTCL signed <strong>Fiber Leasing Agreements</strong> with Telenor and Zong</td>
<td>• PTCL became the <strong>first operator in South Asia</strong> and <strong>Middle East</strong> to sign partnership with Netflix</td>
</tr>
<tr>
<td>• PTCL signed an <strong>agreement</strong> with IBM to launch <strong>Public Cloud Services</strong> in Pakistan</td>
<td>• PTCL signed a <strong>commercial agreement</strong> with Iflix to serve Pakistani audience with best of TV content</td>
</tr>
</tbody>
</table>

**Increasing customer stickiness, adding new revenue streams**
Ufone - Key financial highlights 2016

Revenue (Pkr b) / Revenue Growth (%)

- 2015: 49
- 2016: 51
- Revenue Growth: +4%

EBITDA (Pkr b) / EBITDA Margin (%)

- 2015: 13
- 2016: 16
- EBITDA Margin: +23%

Net Profit (Pkr b) / Profit Margin (%)

- 2015: -6.9
- 2016: -5.3
- Net Profit Margin: -23%

Op Cash flow (Pkr b) & OpCF /Revenue (%)

- 2015: 27%
- 2016: 34%
- Op Cash flow Margin: +31%
Upgrade of network and smarter tariff portfolio helped to improve Ufone network experience

**57% Reduction in cell site congestion**

**Immediate Increase in Voice Users**
(Coverage Improvement)

<table>
<thead>
<tr>
<th>Average</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>35%</td>
<td>71%</td>
</tr>
</tbody>
</table>

**Throughput Improvement**

<table>
<thead>
<tr>
<th>Average</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>114%</td>
<td>201%</td>
</tr>
</tbody>
</table>

Based on Statistical and Field Drivetext Results
Significant progress in Ufone customer experience across touchpoints

Customer Touchpoints Experience

- Call Center
- Shop
- Website
- Mobile App
- Billing
- Network Use - Data
- VTM
- IVR
- Social Media

All customers touch points showed improvement ranging from 2ppt to 10ppt
Progressing on PTCL/Ufone alignment and synergies

<table>
<thead>
<tr>
<th>Unified Packet Core</th>
</tr>
</thead>
<tbody>
<tr>
<td>DPI/PCRF consolidation</td>
</tr>
<tr>
<td>DNS, Caching &amp; URL filtering</td>
</tr>
<tr>
<td>Advanced Analytics &amp; Campaign Management</td>
</tr>
<tr>
<td>DWH IaaS for PTCL</td>
</tr>
<tr>
<td>Microwave Backhaul</td>
</tr>
<tr>
<td>IP Bandwidth consolidation</td>
</tr>
<tr>
<td>Transmission cost savings for USF projects</td>
</tr>
<tr>
<td>Grey traffic blocking</td>
</tr>
<tr>
<td>Joint shops rental &amp; capex savings</td>
</tr>
<tr>
<td>Joint media buying</td>
</tr>
</tbody>
</table>

Cash flow synergies worth 20 MUSD (annualized) delivered in 2016
Summing up

• Macro improving, significant market potential in Fixed BB, Corporate and Wholesale

• Turnaround at PTCL and Ufone initiated, beginning to deliver results

• Significant investments in enhancing network performance, service processes and customer experience

• Developing partnerships to increase customer stickiness and add new revenue streams

• PTCL Group well positioned to capture future market opportunity
Q&A

THANK YOU
Etisalat Group
Capital Markets Day 2017

Mobily Operations

Kais Ben Hamida
Chief Financial Officer
Mobily

March 9th, 2017
Fairmont Bab Al-Bahar, Abu Dhabi
Overview of the Operating Environment | Saudi Arabia Macro Overview

**Oil Price ($/barrel)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Oil Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>104.2</td>
</tr>
<tr>
<td>2014</td>
<td>95.7</td>
</tr>
<tr>
<td>2015</td>
<td>49.4</td>
</tr>
<tr>
<td>2016F</td>
<td>40.8</td>
</tr>
</tbody>
</table>

- Dropping oil prices led to OPEC agreement to cut production by 1.2 mbpd commencing Jan-17 with Saudi Arabia contributing 42% of the total cut.
- Recovery in oil prices in H2-16, however, fiscal consolidation will negatively impact private sector activity leading to lower growth in non-oil GDP.

**Inflation (% change)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Inflation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>3.5</td>
</tr>
<tr>
<td>2014</td>
<td>2.7</td>
</tr>
<tr>
<td>2015</td>
<td>2.2</td>
</tr>
<tr>
<td>2016</td>
<td>3.4</td>
</tr>
</tbody>
</table>

- Inflation picked up in 2017 after decelerating trend.
- Increase of SIBOR from 1.10% in Q4-15 to 2.28% in Q3-16 even if it started to flex down at the end of 2016.

**GDP (% growth)**

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>2.7</td>
</tr>
<tr>
<td>2014</td>
<td>3.6</td>
</tr>
<tr>
<td>2015</td>
<td>3.5</td>
</tr>
<tr>
<td>2016F</td>
<td>1.2</td>
</tr>
</tbody>
</table>

- Announcement of the Vision 2030 and the National Transformation Plan 2020 to reduce oil dependence.
- Reduction in governmental employees allowances and benefits which negatively impacted disposable income and put further pressure on consumer spend.

Source: Jadwa Investments report and IMF report
Overview of the Operating Environment | Telecom Market

Market Trend

• Loss of 14.1 pts of penetration mainly due to the fingerprint registration process implementation.

• Erosion of telecom market revenues (-0.7%) and wireless revenues by more than 7%.

Competitive Dynamics

• STC remains in a dominant position.

• Despite a slight erosion in market share, Mobily has the critical size and an extended infrastructure on which it can leverage.

Source: © CITC Q3 Report
© Published STC & Zain financials
Key Highlights FY2016 | Major Events

Fingerprint Process
- Finalization of the implementation of the fingerprint process.

Universal License
- Initiating the discussions in connection with the universal license, allowing Mobily to offer fixed voice services (concluded in Feb 2017).

License Extension
- Extension of mobile license for an additional 15 years, providing higher level of visibility to the business.

Infrastructure Sharing
- Signing of an MoU between Mobily and STC for extracting value form both telecom tower portfolios.

Winning Zain Case
- Final ruling in favor of Mobily against Zain with a cash award of SR 219M to be paid by Zain to Mobily.

Balance Sheet Stabilization
- Rebuilding banks confidence, waiving the breach of covenants and signing new facilities. A new 7.9 BSAR refinancing has been signed in Feb. 2017.
Key Highlights FY2016 | Main Achievements and Key Developments

- **Internal Governance**
  - Improving internal governance practices to increase control and steer efficiency.

- **Cost Efficiency**
  - Implementing various initiatives toward higher efficiency through cost optimization and rationalization of capital expenditures.

- **Product Revamp**
  - Revamping products in Consumer and Business segments to boost data profitability and stimulate cash flow generation.

- **FTTH monetization**
  - Leveraging on FTTH existing assets to stimulate growth, and increasing the penetration of already built infrastructure.

- **Staff Engagement**
  - Building peoples’ capabilities, engaging staff and retaining talents.
Key Highlights FY2016 | Financial Highlights

**Base and Revenues**
- Decline of revenues (-12.8%) and subscribers base due to fingerprint process implementation, MTR reduction and uncompetitive spectrum positioning.

**Profitability**
- Significant growth of EBITDA by 36.3% (pro-forma 7%) as a result of higher operational efficiency.
- Reduction in losses by 81% (pro-forma 30%) despite higher interest rates.

**Investment**
- CAPEX spending went down by 6% reflecting optimization of resources and efficiency of spend.

**OpCF**
- Significant improvement of Operational Cash Flow (OpCF) by 247.3% increasing from SR -543M to SR +800M.
Key Highlights FY2016 | Commercial Highlights

Data Focus

• Propose several data offerings to regain market share.

Value Driven

• Focus on value creation offers.

Generous Offers

• Leverage on improved spectrum allocation to better compete.
Revenues
SAR Million

2015: 14,424
2016: 12,569

2016 has been a challenging year from revenue prospective due to:

- Implementation of the fingerprint registration process.
- Decrease in interconnection rates as a result of mobile termination rate reduction.
- Uncompetitive position related to spectrum allocation.
- Slowdown of macro-economy growth.
- Intensified competition.

EBITDA and EBITDA Margin - SAR Million

EBITDA
- 2015: 2,941
- 2016: 4,009
  +36%

EBITDA Margin
- 2015: 20%
- 2016: 32%

Significant improvement of the EBITDA:

- Higher efficiency of OPEX spending due to cost control measures.
- Decrease in General & Administration expenses and Selling & Marketing expenses in addition to certain reversal of accruals.
Continuous efforts towards CAPEX rationalization:

- Rationalization approach of CAPEX spending and optimization of existing asset base while maintaining a high level of efficiency, quality and cash flows generation.

Despite the backlog CAPEX impact, significant improvement in operational cash flow YoY reflecting higher focus on cash generation.
Key Operational and Financial Highlights | Net Debt and Net Income

- Close monitoring of the Net Debt and Net Debt/EBITDA ratio.
- Q2 2016 increase in Net Debt reflects reduction of Accounts Payables as a result of drawing on the ECA facilities following the release of the draw-stop provision under ECA financing.
- Net Debt/EBITDA ratio closed at 3.5x at the end of Q4 2016.
- In 2016 the company successfully paid SR 3.6Bn in debt principal and Interest.

Net Debt and Net Debt/EBITDA SAR Billion

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Net Debt</th>
<th>Net Debt/EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 2015</td>
<td>12.5</td>
<td>3.7x</td>
</tr>
<tr>
<td>Q1 2016</td>
<td>12.2</td>
<td>3.9x</td>
</tr>
<tr>
<td>Q2 2016</td>
<td>13.6</td>
<td>3.3x</td>
</tr>
<tr>
<td>Q3 2016</td>
<td>13.7</td>
<td>3.3x</td>
</tr>
<tr>
<td>Q4 2016</td>
<td>14.0</td>
<td>3.5x</td>
</tr>
</tbody>
</table>

Net Income - SAR Million

- Close monitoring of the Net Debt and Net Debt/EBITDA ratio.
- Q2 2016 increase in Net Debt reflects reduction of Accounts Payables as a result of drawing on the ECA facilities following the release of the draw-stop provision under ECA financing.
- Net Debt/EBITDA ratio closed at 3.5x at the end of Q4 2016.
- In 2016 the company successfully paid SR 3.6Bn in debt principal and Interest.

Q4 showed a reduction of loss by 58% comparing to previous quarter:

- Successful management to improve the net income despite the increase in financing cost.
Key Indicators | Network Coverage and Band Distribution

- Over 10,000 Sites
- Over 600 Petabyte Data sent
- Over 46Bn Voice minutes
- Over 1Bn SMS sent and received

Mobile Network Population Coverage

- 99.42% 2G
- 97% 3G
- 80% 4G
## Way Forward | Key Messages

<table>
<thead>
<tr>
<th>Category</th>
<th>Message</th>
</tr>
</thead>
<tbody>
<tr>
<td>Topline</td>
<td>• Expand offerings to improve the topline, usage growth and market share in a challenging market environment.</td>
</tr>
<tr>
<td>Digitalization</td>
<td>• Improve the digitalization of services to enhance customer experience.</td>
</tr>
<tr>
<td>Asset Monetization</td>
<td>• Continue monetizing FTTH and optimizing the existing CAPEX and asset base.</td>
</tr>
<tr>
<td>Efficiency</td>
<td>• Implement sustainable efficiency measures.</td>
</tr>
<tr>
<td>Deleverage</td>
<td>• Deleverage the company over the medium term.</td>
</tr>
<tr>
<td>Employee Engagement</td>
<td>• Focus on developing employees to meet the business challenges and growth demands.</td>
</tr>
</tbody>
</table>
Q&A

Etihad Etisalat Investor Relations
Email: Investorcontact@mobily.com.sa
Website: www.mobily.com.sa
Etisalat Group
Capital Markets Day 2017

Etisalat Misr Operations

Hazem Metwally
Chief Executive Officer
Etisalat Misr

March 9th, 2017
Fairmont Bab Al-Bahar, Abu Dhabi
Macroeconomic indicators are giving positive signals for future economic recovery despite short-term pressured view

Challenging market conditions with fierce competition

- **Awarding LTE licenses** (Oct 2016) for all market players including a 4th market entrant (TE)

- Waiting for receiving the **allocated spectrum** related to LTE license

- **Currency Devaluation**: down by ~133% since Feb’16 reaching ~EGP18.2 in Dec’16

- **Inflation reached 28% in Jan’17** affecting consumer spending behavior

- **Multiple Interest rate hikes** reached 16% to combat hyper-inflation

... However, the future bears some good promise

- Egypt **ranks #1 in Population** among Arab countries (~50% < 23 years old), with expected **real GDP growth** of ~4% in 2017 (3.8% in 2016)

- **EGP strengthening** against USD during Feb’17 to reach ~EGP16 with expectation to gain more power

- **IMF approved bailout program** of $12bn, in addition to $3bn facility from **World bank**. This would help to restore economic stability and investors’ confidence

- Egypt has **successfully raised $4bn of bond issuance**. The combined order books for the bonds exceeded **$13.5bn**, which is almost **3.5 times the value needed**

- **S&P revised Egypt’s sovereign credit outlook** from “negative” to “stable” due to projected support by IMF

Sources: IMF report Oct’16 | Central bank of Egypt | Trading Economics | Ministry of finance
### MACRO ECONOMIC INDICATORS

**Macroeconomic indicators reinforcing the signals for positive future outlook**

**Egypt’s economic indicators**

<table>
<thead>
<tr>
<th>GDP real growth rate</th>
<th>Population and unemployment</th>
<th>Inflation rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>Millions, %</td>
<td>%</td>
</tr>
<tr>
<td></td>
<td>Unemployment rate</td>
<td>Population</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>'14</td>
<td>'15</td>
<td>'16f</td>
</tr>
<tr>
<td>2.2%</td>
<td>4.2%</td>
<td>3.8%</td>
</tr>
<tr>
<td>4.0%</td>
<td>5.8%</td>
<td>5.4%</td>
</tr>
<tr>
<td>+9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+22%</td>
<td>+65%</td>
<td></td>
</tr>
<tr>
<td>+5%</td>
<td>+3%</td>
<td></td>
</tr>
<tr>
<td>+1%</td>
<td>+1%</td>
<td></td>
</tr>
</tbody>
</table>

- **GDP growth** shows a positive outlook starting 2014 as a reflection of witnessed **political** and **economic reforms**
- **Population** is growing at 2% per year, while, **unemployment percentage is declining** by 1% per year as a direct impact for potential **economic growth aspirations**
- **Despite of the fact that Dec 16 shows ~ 23% annual inflation, IMF expectations shows more optimistic inflation rates in future**

**Sources:** IMF report Oct’16 | Central bank of Egypt
REGULATORY ENVIRONMENT

4G license awarded for all market players including TE and virtual fixed license awarded for all current mobile operators

Regulator attracted huge investments mainly from 4G licenses during 2016

- LTE license and 4th entrant
  - Four LTE licenses have been acquired by the 3 mobile operators and fixed incumbent
  - Mobile operators acquired virtual fixed license
  - The total value of the licenses, including spectrum is: $547mn for EM, $495mn for Orange, $347mn for VFE, and $797mn* for TE (fixed incumbent)

- Spectrum delivery
  - NTRA will provide additional spectrum distributed as follows: EM 10MHz, Orange 10MHz, TE 15MHz, and Vodafone 5MHz
  - Spectrum acquisition became critical to accommodate the significant increase in demand for data, and to cater for LTE future growth, especially that EM has less competitive spectrum position

- Telecom Egypt agreements
  - TE remains monopoly in infrastructure
  - Finalizing all pending agreements with TE i.e. interconnection, national roaming, infrastructure is imperative
  - EM virtual fixed license is expected to operate on TE fixed network

* TE 4G License cost was announced by EGP amount of 7.1 bn in Aug 2016, The USD amount 797mn is based on Aug 2016 rate of 8.88.
INDUSTRY OVERVIEW

The Egyptian market still holds growth opportunities

Opportunity lies ahead … despite market challenges

Market Growth
Mobile market to sustain strong growth (~8% in 2016) outpacing overall GDP and many other industries

Youth
With ~50% of the population less than 23 years of age, Youth remain to be Etisalat’s heartland

4G
LTE acquisition with expected huge traffic growth, creates opportunity for more revenue growth

Digitalization
Offering a compelling, integrated digital customer experience will boost value

Enterprise
Enterprise and high value market with double digit growth, further opportunity lies ahead especially with country’s mega projects and SMEs

High inflation rates and price hikes put more pressure on operators margins

High license cost and its required return

Infrastructure is controlled by one operator (TE)
**COMPETITION LANDSCAPE**

**Competitive landscape – 2016**

---

**Etisalat**
- **8%** Revenue Growth
- **28%** Value Share
- **27%** EBITDA Share
- **31%** Market Share

**Orange**
- **4%** Revenue Growth
- **31%** Value Share
- **26%** EBITDA Share
- **32%** Market Share

**Vodafone**
- **10%** Revenue Growth
- **42%** Value Share
- **47%** EBITDA Share
- **37%** Market Share

---

**Data** and **youth** segments are the main **engines** for Etisalat **growth**.

Orange capitalizing on the **new branding with** increasing **focus on youth and mass** segments.

Showing **commitment to the Market**; carry on **massive** investment in **CapEx**, and **Marcom** activities.

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Sources: EM 2016 preliminary Financials | Vodafone UK release | Orange Group release
Etisalat Misr operating model proved successful to drive remarkable performance

**Mobile market position**

- EM operates in one of the most competitive market in the MENA region, EM succeeded in capturing ~32% market share

- EM revenue boost y-o-y through: ① **Data** as the main growth engine with increased revenue contribution to 26% level; ② with **Efficient pricing** strategy, EM captured ~ 28% value share of the EGP38 bn market revenue in 2016

- **ARPU** y-o-y improved to reach ~EGP24.5 in 2016 (up from ~EGP23.8 in 2015) compared to market ARPU of ~EGP27.2 (up from ~EGP25.8 in 2015)

**Operational KPIs**

- **Despite** the witnessed increase in network costs, higher inflation rates, and market competitiveness, EM succeeded to achieve **revenue growth** of 8% and **EBITDA** margin of 38% with 13% growth in 2016 through cost optimization initiatives

- **CapEx** efficiently spent during 2016 with ~18% intensity
Business driven network focused on customer centricity

Delivered better customer experience by capitalizing on network’s capabilities

Sites rollout

7000 sites with ~89% 3G sites which contributed to our TRIM enhancement

LTE readiness

1400 LTE sites till Feb ’2017 with ~11.5MBPS throughput and covered 40% of LTE connected terminals

Smart network investment

EGP15bn in last 10 years, with ~60% directed to data expansion which enabled EM to cater for the huge traffic growth (despite spectrum disadvantage) and significantly enhanced customer experience. EM plans to invest ~EGP5bn to 6bn in the coming 3 years
MOVING FORWARD

Achieve challenging targets in a tough external environment and internal need for transformation and capability building

1. Continue enhancing operational performance: increase revenue growth and control costs (EBITDA) to justify the large investments and compensate for the devaluation of the EGP.

2. Create more differentiation for our customers to widen the NPS and TRIM gaps with our competitors.

3. Be the best 4G network in Egypt on both performance and perception fronts.

4. Leading the digital transformation: further integrating our digital channels and our mobile and e-commerce capabilities.

5. Significantly enhance the company and brand image and perception.

6. Maintaining lobbying to address EM challenges with both competitors and the regulatory authority.
THANK YOU

Q&A