Etisalat Group Capital Markets Day 2018

February 22nd, 2018

Fairmont Bab Al-Bahar, Abu Dhabi
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<th>Chief Executive Officer - Etisalat Group</th>
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<td>Chief Executive Officer – Etisalat International</td>
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<td>Saleh Al-Abdooli</td>
<td>Group Chief Executive Officer</td>
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Etisalat Group
Capital Markets Day 2018

Etisalat Group
Business Overview

Saleh Al-Abdooli
Group Chief Executive Officer
Etisalat Group continues to be amongst the region’s top telecom groups supported by its wide reach, solid profitability, & strong cash flow generation

Key Highlights

- **16 countries, over 142 million subscribers**
- **Revenue: AED 51.7 billion**
- **EBITDA: AED 26.0 billion (at 50% margin)**
- **OFCF: AED 18.0 billion (at 35% margin)**
- **Net Profit: AED 8.4 billion (at 16% margin)**
- **Dividends per Share: 80 fils (at 82% payout ratio)**
- **A robust credit rating with AA-/Aa3 by S&P Global and Moody’s.**

### Etisalat Group Operating Companies

- **UAE**
- **KSA**
- **Morocco**
- **Pakistan**
- **Mauritania**
- **Mali**
- **Burkina Faso**
- **Gabon**
- **Afghanistan**
- **Egypt**
- **Benin**
- **Togo**
- **Cote d’Ivoire**
- **Niger**
- **Central Africa**
- **Sri Lanka**

Legend:

- **Green**: Mobile & Fixed Services
- **Yellow**: Mobile Services
Etisalat stands out as the Middle East’s Most Valuable Brand, surpassing STC & Emirates with a brand value of 7.7Bn USD

Brand Ranking

<table>
<thead>
<tr>
<th>Brand Rank</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>Etisalat</strong></td>
<td><strong>Etisalat</strong></td>
<td><strong>STC</strong></td>
<td><strong>Etisalat</strong></td>
</tr>
<tr>
<td>2</td>
<td><strong>STC</strong></td>
<td><strong>STC</strong></td>
<td><strong>Emirates</strong></td>
<td><strong>STC</strong></td>
</tr>
<tr>
<td>3</td>
<td><strong>Etisalat</strong></td>
<td><strong>Etisalat</strong></td>
<td><strong>Emirates</strong></td>
<td><strong>Etisalat</strong></td>
</tr>
</tbody>
</table>

Etisalat 2018 Brand Value stands at USD 7.7 Bn

40% YoY growth

Brand Value (M USD)

Source: Brand Finance, February 2018 (World’s ONLY ISO Compliant Global Authority on Brand Valuation)
We sustained our global leadership when it comes to fixed fiber network penetration as a result of our determined modernization strategy

Global Rankings

<table>
<thead>
<tr>
<th>Country</th>
<th>Household Penetration</th>
</tr>
</thead>
<tbody>
<tr>
<td>UAE</td>
<td>94.3%</td>
</tr>
<tr>
<td>Qatar</td>
<td>90.4%</td>
</tr>
<tr>
<td>Singapore</td>
<td>90.3%</td>
</tr>
<tr>
<td>South Korea</td>
<td>81.6%</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>75.6%</td>
</tr>
<tr>
<td>Japan</td>
<td>69.1%</td>
</tr>
<tr>
<td>China</td>
<td>61.6%</td>
</tr>
<tr>
<td>Mauritius</td>
<td>55.1%</td>
</tr>
<tr>
<td>Uruguay</td>
<td>51.9%</td>
</tr>
<tr>
<td>Latvia</td>
<td>50.6%</td>
</tr>
<tr>
<td>Taiwan</td>
<td>46.5%</td>
</tr>
<tr>
<td>Sweden</td>
<td>43.4%</td>
</tr>
<tr>
<td>Lithuania</td>
<td>42.6%</td>
</tr>
<tr>
<td>Russia</td>
<td>37.9%</td>
</tr>
<tr>
<td>New Zealand</td>
<td>37.5%</td>
</tr>
<tr>
<td>Belarus</td>
<td>37.1%</td>
</tr>
<tr>
<td>Iceland</td>
<td>35.0%</td>
</tr>
<tr>
<td>Romania</td>
<td>34.9%</td>
</tr>
<tr>
<td>Spain</td>
<td>33.9%</td>
</tr>
<tr>
<td>Norway</td>
<td>33.7%</td>
</tr>
</tbody>
</table>

Source: IDATE for FTTH Council Europe, September 2017 Update (Announced on February 2018) 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 2017, we reviewed our Group vision & strategy to reflect our digital ambition and key growth priorities...

Key Achievements

**T**o Drive the Digital Future to Empower Societies

**A**ccelerate value generation through innovation and digitization

**R**aise capabilities and develop talent across the Group

**G**row B2B/Digital across and beyond the footprint

**E**xpand (and rationalize) portfolio in MENA and Knowledge Economies

**T**ransform Operating Companies into Strongholds

Source: Etisalat
.. while delivering against various group wide & OpCos’ specific initiatives

**Key Achievements**

- **Portfolio Rationalization**
  - 4G coverage in **MT exceeding 93%** of population (73% in 2016)
  - **Universal license** & spectrum acquisition, in addition to concluding Level 1 restructuring at Mobily
  - Ongoing **fixed network** transformation in **PTCL**
  - Deployment of 4G network in **Egypt**
  - **Sri Lanka** operations **under review**.

- **Strategic Imperatives**
  - Disseminating digital capabilities across the group.
  - Expanding etisalat Digital outside markets by winning global service deals across our footprint.
  - Fostering open innovation through collaboration with DFA for startups, launched 2 challenges pertaining to health and digital security risks.
  - Launched the Etisalat Digital Open Innovation Center.
  - Introduced a sub brand “SWYP” for digital millennials

- **Technological Leadership**
  - Continued strategic network investments to support company future, e.g. 5G pre-commercial launch, and Group cloud factory.
  - Commercial launch of 4K TV service.
  - Lunch of VoLTE HD voice, with around 900K Subscribers to date.
  - Adoption of AI and RPAs.

- **Synergy & Value Creation**
  - Achieved synergy at group level in wholesale business, through group to group roaming and capacity deals, in addition to boosting internalization of services.
  - Enhanced value at group level through group procurement savings

Source: Etisalat

DFA: Dubai Future Accelerators, AI: Artificial Intelligence, RPAs: Robotics Process Automation
Etisalat enjoys the highest EBITDA % and one of the highest Net Profit % among peers, despite unfavorable exchange rate movements impacting revenue growth.

**Peer Groups Comparison**

**Key performance indicators from a Shareholder Perspective**

(Comparison on 3m basis, with some operators reporting EBITDA and Net Profit on a half-year basis)

<table>
<thead>
<tr>
<th></th>
<th>Revenue Growth (in % YoY USD) (Q3 2017)</th>
<th>EBITDA Margin (in %) (Q3 2017)</th>
<th>Net Profit Margin (to shareholders) (in %) (Q3 2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td>STC</td>
<td></td>
<td></td>
<td>20%</td>
</tr>
<tr>
<td>Telenor</td>
<td></td>
<td></td>
<td>19%</td>
</tr>
<tr>
<td>Etisalat</td>
<td>-3%</td>
<td>Etisalat 51%</td>
<td>19%</td>
</tr>
<tr>
<td>Vodafone</td>
<td>-3%</td>
<td></td>
<td>16%</td>
</tr>
<tr>
<td>Orange</td>
<td></td>
<td></td>
<td>15%</td>
</tr>
<tr>
<td>VEON</td>
<td></td>
<td></td>
<td>8%</td>
</tr>
<tr>
<td>Millicom</td>
<td>-3%</td>
<td></td>
<td>1%</td>
</tr>
<tr>
<td>MTN</td>
<td>-5%</td>
<td></td>
<td>8%</td>
</tr>
<tr>
<td>Vodafone</td>
<td>-3%</td>
<td></td>
<td>1%</td>
</tr>
<tr>
<td>Ooredoo</td>
<td>-3%</td>
<td></td>
<td>6%</td>
</tr>
<tr>
<td>Millicom</td>
<td>-3%</td>
<td></td>
<td>5%</td>
</tr>
<tr>
<td>Zain</td>
<td>-6%</td>
<td></td>
<td>3%</td>
</tr>
<tr>
<td>Airtel</td>
<td>-8%</td>
<td></td>
<td>2%</td>
</tr>
<tr>
<td>STC</td>
<td>-9%</td>
<td></td>
<td>1%</td>
</tr>
<tr>
<td>Vodafone</td>
<td></td>
<td></td>
<td>32%</td>
</tr>
</tbody>
</table>

Note 1: Vodafone, Vodacom Revenue growth, EBITDA and Net Profit margin are based on the reported half-year results covering the period of Q2/ Q3 2017

Note 2: Orange Net profit is reported on half year basis and is based on H1 2017

Note 3: MTN Revenue growth, EBITDR and Net Profit margin are based on the reported half-year results covering the period of H1 2017

Note 4: Vodafone reported Net Profit is Vodafone Adjusted Net Profit, i.e. before exceptional items (for example impairments)

Source: Company reports, Bloomberg

Egyptian Pound faced considerable -50% YoY Currency depreciation vs. USD (% Avg. of period: Q3 2017 / Q3 2016)
We continue to operate in a dynamic industry with a range of challenges but also opportunities for growth...

Industry Outlook

**Macro-Economic Outlook**

- Country level reforms ongoing across the footprint, particularly in KSA as part of the National Transformation Plan
- Oil price currently high but still subject to risk albeit countries are in the process of diversifying their economies
- FOREX volatility and devaluations driving uncertainty
- Slight slow-down in population growth across certain OpCo countries
- Regional instability driving uncertainty

**ICT Market Outlook**

- ICT remains a pivotal element of our OpCo countries’ plans to boost economies
- Rapidly changing consumer behavior, as they fully embrace digital lifestyles
- Increasingly widespread usage of OTT apps to access services and content
- OTT-based substitution of voice and SMS is putting increased pressure on core telco revenue, which remains sizeable
- Strong demand for Data, TV and Digital services driving market growth

Source: Emirates NBD Research and Interview, Etisalat
...fueled by new technologies and business models that are accelerating the transition into a digital future

Industry Outlook

Selected Key Topics affecting the Telco Industry

- Internet of [Every]Thing
- Artificial Intelligence and Machine Learning
- Big Data Analytics
- Cyber Security
- Next Generation Connectivity
- Omni-channel Customer Experience
- Robotics / Automation
- Smart Cities / Verticals
- Cloud
- Blockchain
- Entertainment Content, and AR/VR
- e/m-Commerce

Source: GSMA, Ovum, Analysys Mason, BMI, Huawei, EIU, Pyramid Research, IMF, IDC, Gartner, Etisalat
As an industry leader, Etisalat has successfully launched pre-commercial 5G, achieving global speed records.

Industry Outlook

Selected Key Topics affecting the Telco Industry

- Internet of [Every]Thing
- Next Generation Connectivity
- Cloud
- Blockchain
- Big Data Analytics
- Cyber Security
- Artificial Intelligence and Machine Learning
- Cyber Security
- Blockchain
- Entertainment Content and AR/VR
- Cloud
- Customer Experience
- Robotics / Automation
- Smart Cities / Verticals
- IoT
- Internet of Everything
- 71Gbps During Gitex October 2017
- 5G pre-commercial site

Drone 360° Live VR, site operating on C-Band

Source: GSMA, Ovum, Analysys Mason, BMI, Huawei, EIU, Pyramid Research, IMF, IDC, Gartner, Etisalat
Our focus on video and content started long time ago stemming from our understanding of its strategic importance

Industry Outlook

Non-Exhaustive

Source: GSMA, Ovum, Analysys Mason, BMI, Huawei, EIU, Pyramid Research, IMF, IDC, Gartner, Etisalat

FCC stands for Fast Channel Change
Early entrance, comprehensive offering, and the partnership approach enabled EG to become a leading player in the Pay TV/Content space.

Industry Outlook

Non-Exhaustive

Source: Etisalat
Piloting and trialing futuristic technologies, as in AI and RPAs, for business benefit remains one of Etisalat’s strategic imperatives.

Industry Outlook

Selected Key Topics affecting the Telco Industry

- Artificial Intelligence and Machine Learning
- Robotics / Automation
- Next Generation Connectivity
- Omni-channel Customer Experience
- Smart Cities / Verticals
- Internet of [Every]Thing
- Big Data
- Analytics
- Entertainment Content, and AR/VR
- e/m-Commerce
- Internet of Everything
- Artificial Intelligence and Machine Learning
- Cyber Security
- Cloud
- Blockchain
- Entertainment
- e/m-Commerce

Etisalat has launched a dedicated AI program to test possible use cases of AI for business benefit, e.g. Chabots for enhancing customer interactions.

Etisalat has implemented over 70 network and general automated services and robotics that enhanced compliance, efficiency, and reduced human error.

Source: Etisalat
Moving forward, we will continue to follow a growth path while focusing on multiple business critical missions

Closing Remarks

- Focusing on the **implementation of our digital strategy** by working closely with all OpCo’s to realize “TARGET”.

- Focusing on **nurturing and institutionalizing innovation** within the organization’s fabric, while elevating the innovation level in surrounding ecosystem by adopting **open innovation**.

- Sustaining our **technological leadership** by adopting, trialing, and rolling out next generation technologies that bring business value and enhance customer interactions.

- **Enhancing the bottom line** through initiatives that drive group wide synergy and value creation, operational excellence, and cost efficiency, which will support in mitigating the currency exposures in certain markets.

- Continue to invest in our **brand, talent and Group Family Culture** as key enablers for company growth.

- **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.
Etisalat Group
Capital Markets Day 2018
Group Financial Results

Serkan Okandan
Group Chief Financial Officer
### Etisalat Group Financial Highlights

#### Q4 2017 Growth YoY% QoQ%

<table>
<thead>
<tr>
<th>AED Million</th>
<th>Q4 2017</th>
<th></th>
<th>FY2017</th>
<th>Growth YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>13,481</td>
<td>+4%</td>
<td>51,666</td>
<td>-1%</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>6,438</td>
<td>+3%</td>
<td>25,977</td>
<td>-1%</td>
</tr>
<tr>
<td><strong>EBITDA Margin</strong></td>
<td>48%</td>
<td>-1pp</td>
<td>50%</td>
<td>0pp</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>1,969</td>
<td>-12%</td>
<td>8,444</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Net profit Margin</strong></td>
<td>15%</td>
<td>-3pp</td>
<td>16%</td>
<td>0pp</td>
</tr>
<tr>
<td><strong>Capex</strong></td>
<td>2,645</td>
<td>-50%</td>
<td>8,040</td>
<td>-24%</td>
</tr>
<tr>
<td><strong>Capex/Revenue</strong></td>
<td>20%</td>
<td>-21pp</td>
<td>16%</td>
<td>-4pp</td>
</tr>
</tbody>
</table>

#### 4Q2017 Highlights

- Revenue growth is attributed to both domestic and int’l operations
- Lower EBITDA margin due to change in revenue mix
- Net profit impacted by higher royalty, taxation and minority interest
- Lower capital expenditure attributed to domestic and international operations

#### FY2017 Highlights

- Revenue and EBITDA impacted by unfavourable exchange rate movement in Egyptian Pound
- Maintained strong EBITDA margin at 50% level
- Net profit slightly higher impacted by higher share of losses from associate and royalty charges
- Lower capital expenditure attributed to 4G license acquisition in Egypt prior year
Etisalat Group Financial Highlights

Revenue Breakdown FY 2017 (AED m)

- UAE: 51.7 bn (60%)
- MT Group: 26.0 bn (64%)
- Pakistan: 5.8 bn (8%)
- Egypt: 1.4 bn (5%)
- Others: 1.1 bn (2%)

YoY Growth

- UAE: +3%
- MT Group: 0%
- Egypt: -38%
- Pakistan: -1%

EBITDA Breakdown FY 2017 (AED m)

- UAE: 51.7 bn (60%)
- MT Group: 26.0 bn (64%)
- Pakistan: 5.8 bn (8%)
- Egypt: 1.4 bn (5%)
- Others: 1.1 bn (2%)

YoY Growth

- UAE: +2%
- MT Group: +3%
- Egypt: -38%
- Pakistan: -1%

(1) Financial figures are restated to exclude the impact of discontinued operations.
Int’l Operations Financial Highlights FY 2017

Maroc Telecom Group
- Revenue: 12,638 (YoY Growth: 0%)
- EBITDA: 6,506 (YoY Growth: +3)
- EBITDA Margin: 51% (YoY Growth: +2pp)

Etisalat Misr
- Revenue: 4,084 (YoY Growth: -1%)
- EBITDA: 1,373 (YoY Growth: -1%)
- EBITDA Margin: 34% (YoY Growth: 0pp)

Pakistan
- Revenue: 2,486 (YoY Growth: -38%)
- EBITDA: 979 (YoY Growth: -38%)
- EBITDA Margin: 39% (YoY Growth: 0pp)

Revenue & EBITDA (AED m) / EBITDA Margin (%) / YoY Growth %

Growth in AED:
- FY 2017: 12,638 (YoY Growth: 0%)
- Growth in MAD: 0% (YoY Growth: -1%)

Growth in PKR:
- FY 2017: 2,486 (YoY Growth: -38%)
- Growth in EGP: 0% (YoY Growth: -1%)

Growth in PKR:
- FY 2017: 4,084 (YoY Growth: -1%)
- Growth in EGP: 0% (YoY Growth: -1%)

FY 2017 YoY Growth in AED Growth in MAD
Revenue: 12,638 0% -1%
EBITDA: 6,506 +3 +1%
EBITDA Margin: 51% +2pp +2pp

FY 2017 YoY Growth in AED YoY Growth in PKR
Revenue: 2,486 -38% 0%
EBITDA: 979 -38% -1%
EBITDA Margin: 39% 0pp 0pp

FY 2017 YoY Growth in AED YoY Growth in EGP
Revenue: 4,084 -1% 0%
EBITDA: 1,373 -1% -1%
EBITDA Margin: 34% 0pp 0pp
In FY’17 consolidated revenue decreased Y/Y by 1% attributed to Int’l operations that was impacted by currency depreciation in Egypt.

Growth in the UAE mainly due to higher broadband, digital services, handsets and wholesale revenues.

Revenues from international consolidated operations declined by 7%, resulting in 39% contribution to Group revenues, 2pp lower than prior year mainly attributed to currency devaluation in Egypt.

- Revenue growth in MT Group mainly from international operations and domestic fixed segment.
- Revenue growth in Egypt impacted by currency devaluation.
- Revenue growth in Pakistan impacted by lower subscriber base, usage and mobile broadband competition faced by EVO product.
FY’17 consolidated EBITDA decreased Y/Y by 1% mainly due to currency devaluation in Egypt

- EBITDA in the UAE positively impacted by higher revenue and lower operating costs

- EBITDA of consolidated international operations decreased Y/Y by 4% mainly due to currency devaluation, resulting in 35% contribution to Group EBITDA
  - Positive contribution from Maroc Telecom Group attributed to international operations
  - Egypt impacted by currency devaluation and inflationary pressure
  - Pakistan impacted by higher interconnection and termination costs
Group Capex

- In FY’17 consolidated capex decreased Y/Y by 23% resulting in Capex / Revenue ratio of 16%
- Lower capital spend in the UAE focused on network maintenance and modernization
- Capital expenditure in international operations decreased by 28% and contributed 62% of consolidated Group Capex
  - Higher capex in MT Group attributed to 4G+ deployment in Morocco and network expansion in Int’l markets
  - Lower capex in Egypt attributed to acquisition of 4G license in prior year
  - Lower capex spend in Pakistan with focus on fixed network modernization
## Group Balance Sheet & Cash Flows

### Balance Sheet (AED m)

<table>
<thead>
<tr>
<th></th>
<th>Dec-16</th>
<th>Dec-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; bank Balances</td>
<td>23,676</td>
<td>27,125</td>
</tr>
<tr>
<td>Total Assets</td>
<td>122,521</td>
<td>128,284</td>
</tr>
<tr>
<td>Total Debt</td>
<td>22,279</td>
<td>24,705</td>
</tr>
<tr>
<td>Net Cash / (Debt)</td>
<td>1,398</td>
<td>2,420</td>
</tr>
<tr>
<td>Total Equity</td>
<td>55,915</td>
<td>57,704</td>
</tr>
</tbody>
</table>

### Net Cash position (AED m)

<table>
<thead>
<tr>
<th></th>
<th>FY-16</th>
<th>FY-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating</td>
<td>18,926</td>
<td>20,306</td>
</tr>
<tr>
<td>Investing</td>
<td>(9,361)</td>
<td>(7,567)</td>
</tr>
<tr>
<td>Financing</td>
<td>(7,726)</td>
<td>(9,027)</td>
</tr>
<tr>
<td>Net change in cash</td>
<td>1,839</td>
<td>3,712</td>
</tr>
</tbody>
</table>

### Investment Grade Credit Ratings

- **S&P Global**: AA-/Stable
- **Moody’s**: Aa3/Stable

### Highlights

- Strong liquidity position with record cash balance
- Continued net cash position
- Higher operating cash flow due to improvements in working capital
- Lower investing cash flow due to lower capex
- Higher financing cash flow due to lower net proceeds from borrowings
Debt Profile: Diversified debt portfolio

Borrowings by Operation Q4 2017 (AED m)
- Group: 16,077
- MT Group: 4,392
- Egypt: 2,723
- Pakistan: 1,514

Debt by Source Q4 2017 (AED m)
- Bonds: 15,529
- Bank Borrowings: 8,143
- Vendor Financing: 481
- Others: 552

Borrowings by Currency Q4 2017
- USD 28%
- Euro 42%
- MAD 12%
- Others 18%

Repayment Schedule Q4 2017 (AED m)
- 1 Yr: 4,670
- 2 Yrs: 4,844
- 3-5 Yrs: 7,677
- Beyond 5 Yrs: 7,514
Group Dividends: Proposed dividend for 2017 of 80 fils per share

Cash Dividends (AED m)

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>6,954</td>
<td>6,954</td>
<td>6,954</td>
</tr>
<tr>
<td>Dividend</td>
<td>3,477</td>
<td>3,477</td>
<td>3,477</td>
</tr>
</tbody>
</table>

Dividends Per Share (AED)

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.8</td>
<td>0.8</td>
<td>0.8</td>
</tr>
</tbody>
</table>

Dividend Yield (1) (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>5.1%</td>
<td>4.3%</td>
<td>4.5%</td>
</tr>
</tbody>
</table>

Dividend Payout Ratio (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>84.2%</td>
<td>82.6%</td>
<td>82.4%</td>
</tr>
</tbody>
</table>

Proposed final dividend of 40 fils per share, bringing the full year dividend to 80 fils per share is subject to the shareholders approval on the AGM scheduled on March 21th, 2018

(1) Dividend yield is based on share price as of 24 August 2017 and 19 February 2018
Country by Country Financial Review
UAE: Maintained revenue growth with improved profitability

Revenue (AED m) / YoY Growth (%)

- Q4'16: 14%
- Q3'17: 3%
- Q4'17: 3%
- FY'16: 5%
- FY'17: 3%

Revenue (AED m)
- Q4'16: 7,874
- Q3'17: 7,650
- Q4'17: 8,109
- FY'16: 30,344
- FY'17: 31,205

EBITDA (AED m) / EBITDA %

- Q4'16: 51%
- Q3'17: 54%
- Q4'17: 51%
- FY'16: 54%
- FY'17: 53%

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

- Q4'16: 24%
- Q3'17: 26%
- Q4'17: 24%
- FY'16: 26%
- FY'17: 26%

Net Profit (AED m)
- Q4'16: 1,905
- Q3'17: 2,018
- Q4'17: 1,924
- FY'16: 7,790
- FY'17: 8,154

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

- Q4'16: 20%
- Q3'17: 4%
- Q4'17: 12%
- FY'16: 12%
- FY'17: 10%

CAPEX (AED m)
- Q4'16: 1,580
- Q3'17: 317
- Q4'17: 995
- FY'16: 3,553
- FY'17: 2,994

Capex/Revenue
- Q4'16: 26%
- Q3'17: 4%
- Q4'17: 12%
- FY'16: 12%
- FY'17: 10%
**UAE: Revenue Breakdown and Key KPIs**

**Mobile Revenues (1) (AED m)**

- Q4'16: 3,603 (6%) to 3,520 (-3%) to 3,612 (0%)
- Q3'17: 14,274
- FY'16: 14,207

**Fixed Revenues (2) (AED m)**

- Q4'16: 2,776 (6%) to 2,698 (0%) to 2,744 (-1%)
- Q3'17: 10,796
- FY'16: 10,935

**Other Revenues (3) (AED m)**

- Q4'16: 70%
- Q3'17: 24%
- FY'16: 15%

**Mobile Subs (4) (m) & ARPU (5) (AED)**

- Q4'16: 108
- Q3'17: 104
- Q4'17: 104

**Fixed Broadband (6) Subs (m) & ARPU (7) (AED)**

- Q4'16: 507
- Q3'17: 501
- Q4'17: 500

---

1. Mobile revenues include mobile voice, data, rental, outbound roaming, visitor roaming, VAS, and Digital services.
2. Fixed revenues include fixed voice, data, rental, VAS, internet and TV services.
3. Other Revenues includes ICT, Managed Services, Wholesale (local and int'l interconnection, transit and others), Handsets and Miscellaneous.
4. Mobile subscribers represent active subscriber who has made or received a voice or video call in the preceding 90 days, or has sent an SMS or MMS during that period.
5. Mobile ARPU ("Average Revenue Per User") calculated as total mobile revenue divided by the average mobile subscribers.
6. Fixed broadband subscriber numbers calculated as total of residential DSL (Al-Shamil), corporate DSL (Business One) and E-Life subscribers.
7. ARPL ("Average Revenue Per Line") calculated as fixed line revenues divided by the average fixed subscribers.
Maroc Telecom: Improvement in operating margins and profitability
Morocco, Benin, Burkina Faso, CAR, CDI, Gabon, Mali, Mauritania, Niger and Togo

**Subscribers (m)**

<table>
<thead>
<tr>
<th></th>
<th>Q4'16</th>
<th>Q3'17</th>
<th>Q4'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morocco</td>
<td>54.0</td>
<td>56.4</td>
<td>57.0</td>
</tr>
<tr>
<td>Int'l</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Revenue (AED m) / EBITDA Margin**

<table>
<thead>
<tr>
<th></th>
<th>Q4'16</th>
<th>Q3'17</th>
<th>Q4'17</th>
<th>FY'16</th>
<th>FY'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morocco</td>
<td>3,015</td>
<td>3,309</td>
<td>3,311</td>
<td>12,602</td>
<td>12,638</td>
</tr>
<tr>
<td>Int'l</td>
<td>3,015</td>
<td>3,309</td>
<td>3,311</td>
<td>12,602</td>
<td>12,638</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Q4'16</th>
<th>Q3'17</th>
<th>Q4'17</th>
<th>FY'16</th>
<th>FY'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morocco</td>
<td>1,023</td>
<td>938</td>
<td>1,100</td>
<td>2,966</td>
<td>3,166</td>
</tr>
<tr>
<td>Int'l</td>
<td>1,023</td>
<td>938</td>
<td>1,100</td>
<td>2,966</td>
<td>3,166</td>
</tr>
</tbody>
</table>

**Revenue Breakdown FY'17**

- **Domestic vs. Int'l**
  - Morocco: 55% Int'l: 45%
  - Historical subsidiaries: 60%
  - New subsidiaries: 40%

**Capex Breakdown FY'17**

- **Domestic vs. Int'l**
  - Morocco: 56% Int'l: 44%
  - Historical subsidiaries: 55%
  - New subsidiaries: 45%
Egypt: Launch of 4G services and entrance of 4th mobile operator while Etisalat reinforcing its 2nd position in the market

### Total Subscribers (1) (m)

<table>
<thead>
<tr>
<th></th>
<th>Q4'16</th>
<th>Q3'17</th>
<th>Q4'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>33.9</td>
<td>33.4</td>
<td>34.2</td>
<td></td>
</tr>
</tbody>
</table>

### Revenue (AED m) / EBITDA Margin

<table>
<thead>
<tr>
<th></th>
<th>Q4'16</th>
<th>Q3'17</th>
<th>Q4'17</th>
<th>FY'16</th>
<th>FY'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>35%</td>
<td>38%</td>
<td>45%</td>
<td>39%</td>
<td>39%</td>
<td></td>
</tr>
<tr>
<td>722</td>
<td>617</td>
<td>752</td>
<td>4,033</td>
<td>2,486</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Q4'16</th>
<th>Q3'17</th>
<th>Q4'17</th>
<th>FY'16</th>
<th>FY'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,214</td>
<td>307%</td>
<td>203</td>
<td>107</td>
<td>2,783</td>
<td>682</td>
</tr>
</tbody>
</table>

### Highlights

- 4G services launched in September 2018
- Incumbent fixed operator launched mobile services
- Y/Y revenue growth impacted by steep currency devaluation
  - Strong revenue growth Y/Y in local currency
  - Revenue growth across all segments
- Maintained EBITDA margin despite inflationary pressure on opex
- Excluding 4G license cost from prior year, higher capital spending focusing on 4G deployment

(1) Subscribers figures are based on Etisalat Group definition
Pakistan: Stabilizing revenues with sustained profitability margins

### Subscribers (m)

<table>
<thead>
<tr>
<th></th>
<th>Q4'16</th>
<th>Q3'17</th>
<th>Q4'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>21.9</td>
<td>21.6</td>
<td>21.9</td>
</tr>
</tbody>
</table>

### Revenue (AED m) / EBITDA Margin

<table>
<thead>
<tr>
<th></th>
<th>Q4'16</th>
<th>Q3'17</th>
<th>Q4'17</th>
<th>FY'16</th>
<th>FY'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>998</td>
<td>1,025</td>
<td>1,010</td>
<td>4,112</td>
<td>4,084</td>
</tr>
<tr>
<td>EBITDA%</td>
<td>32%</td>
<td>34%</td>
<td>32%</td>
<td>34%</td>
<td>34%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Q4'16</th>
<th>Q3'17</th>
<th>Q4'17</th>
<th>FY'16</th>
<th>FY'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAPEX</td>
<td>406</td>
<td>100</td>
<td>417</td>
<td>1,089</td>
<td>1,036</td>
</tr>
<tr>
<td>CAPEX/Revenue</td>
<td>41%</td>
<td>41%</td>
<td>26%</td>
<td>25%</td>
<td></td>
</tr>
</tbody>
</table>

### Revenue Breakdown FY'17

- PTCL 58%
- Ufone 42%

### Highlights

- Second consecutive quarter with positive mobile subscriber growth
- Slightly lower revenue Y/Y impacted by lower usage and increased mobile broadband competition facing EVO segment
- Stable EBITDA margin with focus on optimizing network costs
- Lower capex spend focused on fixed network modernization
### 2017 Actual Against Guidance: Met 2017 guidance while over-achieving the revenue guidance for the year

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Growth %</td>
<td>Slightly Lower</td>
<td>1% - 2%</td>
<td>-2.5% to -3.0%</td>
<td>+1.5% to +2.0%</td>
<td>-1.3%</td>
<td>+2.4%</td>
</tr>
<tr>
<td>EBITDA Margin%</td>
<td>around 50%</td>
<td></td>
<td>50.0% to 51.0%</td>
<td></td>
<td>50.3%</td>
<td></td>
</tr>
<tr>
<td>CAPEX / Revenue %</td>
<td>18% - 19%</td>
<td></td>
<td>15.5% - 16.5%</td>
<td></td>
<td>15.5%</td>
<td></td>
</tr>
</tbody>
</table>

(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.
2018 Guidance: Continue to invest in technology while protecting operating margins and free cashflow

<table>
<thead>
<tr>
<th>Financial KPI</th>
<th>Actual FY 2017 in AED</th>
<th>Constant Currencies (1)</th>
<th>Guidance 2018 in AED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Growth %</td>
<td>-1.3%</td>
<td>+2.4%</td>
<td>Slightly lower</td>
</tr>
<tr>
<td>EBITDA Margin%</td>
<td>50.3%</td>
<td></td>
<td>49% - 50%</td>
</tr>
<tr>
<td>CAPEX / Revenue %</td>
<td>15.5%</td>
<td></td>
<td>18% - 19%</td>
</tr>
</tbody>
</table>

(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.
Q&A

THANK YOU
Etisalat Group
Capital Markets Day 2018

Etisalat International
Business Overview

Hatem Dowidar
Chief Executive Officer – Etisalat International
Agile portfolio of Int’l investments after further optimization

Etisalat Group International Footprint - Key Developments

Etisalat Group

- International Portfolio with presence in 15 countries (outside UAE); 13 markets consolidated
- Focus on in-market scale i.e. #1 or strong #2 in the majority of markets and in all key Operations

- Exiting Nigeria

- Successful turnaround of Moov OpCos

- New TSSA with Mobily

- Reviewing Sri Lanka position/in-market consolidation

- Capital increase in Egypt

---

(1) Egypt is #2/4 in mobile market and #3/4 considering fixed and wholesale; Pakistan is #2/4 considering total market
(2) TSSA stands for Technical Services and Support Agreement
(3) Moov OpCos (ex Atlantique Telecom OpCos) are: Cote d’Ivoire, Niger, Togo, Benin, Gabon and CAR
International investments are a solid platform for profitable and cash generating growth...

<table>
<thead>
<tr>
<th>Revenues (2) (AED bn)</th>
<th>EBITDA (2) (AED bn, %)</th>
<th>OFCF Proxy (2),(3) (AED bn, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Etisalat International Consolidated</strong></td>
<td><strong>Etisalat International aggregated perspective</strong></td>
<td></td>
</tr>
<tr>
<td>2015: 21.9</td>
<td>2015: 9.5</td>
<td>2015: 4.2</td>
</tr>
<tr>
<td>+3%</td>
<td>+4%</td>
<td>+4%</td>
</tr>
<tr>
<td>2016: 22.6</td>
<td>2016: 9.8</td>
<td>2016: 4.3</td>
</tr>
<tr>
<td>+3%</td>
<td>+5%</td>
<td>+5%</td>
</tr>
</tbody>
</table>

(1) Including Mobily (KSA), which is an associate but excluding Etisalat Nigeria, Zantel, Canar and Sri Lanka from 2015 onwards
(2) The evolution of financial KPIs is made with constant FX, using 2015 rates
(3) OFCF proxy defined as EBITDA - CapEx; CapEx excluding the cost of license acquisition
… laid on Etisalat operations in 4 sizable markets

2017 ACHIEVEMENTS

Leadership position
- Revenues: 35.0 bn MAD (-0.8% YoY)
- EBITDA: 17.2 bn MAD (+1.5% YoY), 49.1% margin
- Net Profit: 5.7 bn MAD (+4.4% YoY), 16.8% margin

Strong challenger, turnaround in progress
- Revenues: 11.4 bn SAR (-9.7% YoY)
- EBITDA: 3.6 bn SAR (-10.4% YoY), 32.1% margin
- Net Losses: -0.7 bn SAR, -6.2% margin

Profitable challenger
- Revenues: 12.1 bn EGP (+16.7% YoY)
- EBITDA: 4.7 bn EGP (+19.8% YoY), 39.2% margin
- Net Profit: 1.0 bn EGP (Net losses in 2016), 8.0% margin

Incumbent, profitable integrated player
- Revenues: 117.0 bn PKR (-0.1% YoY)
- EBITDA: 39.4 bn PRK (-0.7% YoY), 33.7% margin
- Net Profit: 4.3 bn PKR (+167% YoY), 3.7% margin

Egypt
- #2/4¹ (value)

Pakistan
- #2/4¹ (value)

Saudi Arabia
- #2/3 (value)

MT
- #1-2 in 7 out 10 markets

(1) Egypt is #2/4 in mobile market and #3/4 considering fixed and wholesale; Pakistan is #2/4 considering total market
MT is successfully protecting its leadership position in domestic market and continued growth of AT OpCos

Morocco: undisputed leader

- Above 60% value share in mobile market
- Intact leadership of Fixed market
- Leading position in a challenging market:
  - Market slowdown, driven by OTT, and impacting MT incoming Int’l ICX
  - Intense competition
- Despite relevant challenges, leading position is preserved

MT OpCos: overall solid growth

- Mali
- Mauritania
- Burkina Faso
- Gabon
- CDI
- Benin
- Togo
- Niger
- CAR

Defend leadership in historic subsidiaries, operating mostly in mature markets

Gain value shares in new subsidiaries, closing the gap with competitors in term of coverage and QoS

International operations now contribute 45% of MT revenues (43% in 2016)
Etisalat Misr took over the #2 position in Egypt mobile market

Delivered best network quality with fast LTE roll-out

Continue growth after Telecom Egypt entry in mobile arena

Back to strong levels of profitability after EGP decline in 2016

Etisalat Misr outgrow the market in a very dynamic, eventful year

Mobile Service revenues (LCY)

- Etisalat
- Previous #2

3rd entrant, achieving #2 mobile position

Q3 17 | Q4 17 | Q1 17 | Q2 17 | Q3 17
In Pakistan, positive developments both in fixed and mobile arms

- **Opticom**: Fixed Line business recovering
- **Ufone**: Mobile business has turned around

Transforming PTCL infrastructure to serve Pakistan appetite for fixed connectivity with high quality of service

Re-starting growth engine, reaching critical scale in subscriber base to stay relevant in mobile market

Consolidated Net profit margin of PTCL Group more than doubled from 2016 levels
Mobily is showing signs of improvement despite a challenging market in Saudi Arabia

In a challenging market ...

- Difficult macro environment
- Regulatory evolution: reduction of MTR and opening access to most of VoIP

... Mobily has taken decisive steps toward operational RISE

- New and stronger management team
- New Strategy implementation underway
- Successful acquisition of additional spectrum

Mobily QoQ revenues evolution (%)

Q1 16 Q2 16 Q3 16 Q4 16 Q1 17 Q2 17 Q3 17 Q4 17
Overall, Etisalat views the foundation of its International presence and value creation in 4 strongholds

Key players in 4 sizable markets...

- Egypt
- Saudi Arabia
- Pakistan
- Morocco

- #1 or strong #2 position to secure scale
- Towards solid margins of profitability and relevant cash generation
- Convergent Ready or Moving towards Convergence

... Which represent the engine for Etisalat International growth
Guidelines and priorities for portfolio development focused on reinforcing our existing footprint positioning

**Optimize existing footprint**

- Explore **strategic options** for current portfolio, including, where required:
  - Selective divestments
  - In-market consolidation
  - Acquisition of licenses and spectrum
  - Bolt-on acquisitions

**Seek opportunistic investments in new geographies**

- Acquisitions within target geographies
- Very selective on greenfields (must be sizeable opportunity adjacent to core operation)

**Enter New Business with solid potential**

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

- International operations are a relevant contributor to Etisalat Group
  - Including Mobily, Int’l Operations generate revenues of ~ 10bn USD a year with ~41% EBITDA margin
  - On consolidated level they represent 39% of Etisalat Group revenues with 45% EBITDA margin
  - Int’l portfolio is growing at constant rate, especially cash flow generation

- Strengthened the position in Int’l operations despite several challenges from macro and regulatory environment
  - Morocco successfully protecting its leadership position while improving Int’l operations
  - Etisalat Misr became #2 operator with improved profitability
  - In Pakistan, improved fixed segment positioning with network transformation program and ignited growth in the mobile operation
  - In KSA, turnaround in progress to strengthen #2 position; early signs of improvement despite a challenging market

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

THANK YOU
Etisalat Group Capital Markets Day 2018

Introducing the New Vision and Strategy for Etisalat Group

Khalifa Alshamsi
Chief Strategy & Governance Officer - Etisalat Group
<table>
<thead>
<tr>
<th>Agenda</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Key External Drivers and Implications</strong></td>
</tr>
<tr>
<td>• OpCo Country Vision snapshot</td>
</tr>
<tr>
<td>• Industry drivers</td>
</tr>
<tr>
<td>• International best practices overview</td>
</tr>
<tr>
<td><strong>Summary of New Vision</strong></td>
</tr>
<tr>
<td>• Context for a new Group Vision</td>
</tr>
<tr>
<td>• Definition of the new Group Vision</td>
</tr>
<tr>
<td>• Relationship with OpCo Vision statements</td>
</tr>
<tr>
<td><strong>Summary of New Strategy</strong></td>
</tr>
<tr>
<td>• Overview of five strategic pillars</td>
</tr>
<tr>
<td>• Closing messages</td>
</tr>
</tbody>
</table>
Our OpCo countries are introducing transformative plans that leverage ICT to boost economies

Egypt

- **Vision 2030** plans to transform Egypt into a competitive, diversified and knowledge-based economy
- The Vision heavily leverages ICT as an enabler, especially within Health, Education and Innovation

UAE

- ICT fueled **Vision 2021** driving country ambition
- Internationally, UAE is ranked 1st in the world in the importance of ICT to Government’s Vision

Morocco

- **Sectorial strategies** have been developed by the government to boost the economy
- Such strategies include Vision 2020 focusing on Tourism and Vision 2030 focusing on education - that leverage ICT as a strong foundation

KSA

- Technology is a cornerstone of Saudi Vision 2030 and the National Transformation Plan (NTP)
- Digitization will play a pivotal role in the NTP, especially in manufacturing, healthcare, entertainment and tourism

Pakistan

- **Vision 2025** is an ICT fueled Vision
- It targets Pakistan to become a competitive knowledge-based economy by focusing on ICT reforms across multiple sectors

Source: Press releases and Government websites
Within the telco sector, the industry continues to be shaped by four major inter-related forces...

- **Data driving core growth** but challenged by stringent **regulation** and increased **competition**
- Disruption leading to new **business models** and **OTT-based competition**
- Internal digitization transforming Telcos' organizations, powered by **emerging technologies**
- Digital adjacencies set for significant growth
...and accordingly, Global Telcos are adapting their strategic focus areas

**Global Telcos’ Strategic Focus Areas**

- **Compensate Declining Core via Digital Adjacency Growth**
  - €1 billion digital revenue
  - Double the % of digital revenue (as compared to 2016)

- **2020 Digital Ambition**
  - Orange
  - Telefónica

- **Innovation Now a “Must Have” Strategic Imperative**
  - Orange Lab Orange
  - AT&T FOUNDRY
  - Telefonica
  - Verizon Ventures
  - innov8

- **Repositioning of the Core Value Proposition**

- **Focus on Sustainable Efficiency**
  - Targets being the most efficient operator
  - Targeting EUR2Bn savings via network modernization
  - Simplification of: channel structure, IT, Legacy Networks

- **Step Change in Capability Building Across Hard & Soft assets**

- **Agile organization & processes**
  - Digital talent and culture
  - Virtualized Network and IT
  - Evolve technology, e.g. 4G, 5G, FTTx

- **Rebalancing of tariffs and a shift to converged lifestyle bundles**
  - Shifting from discrete connectivity to end-to-end managed services
  - Revamping customer experiences with an omni-channel focus

**NON EXHAUSTIVE**

Source: Etisalat, Operator Annual Reports, Press Releases
All Etisalat Group OpCo markets are evolving, albeit at different trajectories, towards a digital future.

Digital Evolution Index (2017) vs Rate of change in Digital Evolution Index (2008-2015)

Source: Digital Evolution Index 2017, The Fletcher School at Tufts University and Mastercard, Etisalat
Consequently, we have adopted a bold new vision for Etisalat Group, which is highly aspirational and has a digital focus.

Old Vision

“To be the leading and most admired emerging markets telecom group”

New Vision

Etisalat Group Corporate Strategy

Drive the Digital Future to Empower Societies
This new vision addresses the future of the industry, our winning role and our value add...

- **Envisioned Future**
  - Our vision for the future is for everyone and everything to be seamlessly connected, benefiting from tailored digital solutions delivered via a world-class digital experience
  - i.e. a “Digital Future”
  - In this Digital Future, the core remains relevant but challenged, it will open up new possibilities and also create new business models

- **Winning Role**
  - Etisalat has to be proactive to retain a leading role over the evolving ecosystem along with enriching customer relationships
  - Therefore, Etisalat has to “Drive” the evolution of the ecosystem through transforming and expanding its core business, diversifying its portfolio, enriching capabilities and driving innovation balanced with world-class efficiency

- **Value Add**
  - Consequently, Etisalat will “Empower Societies” thus enabling everyone to fully maximize their true potential in the digital future
...and will inspire and accelerate our OpCos that have telco-focused visions to a *telco+digital* positioning.

To be the best **cellular** option for Ufone

To be the leading and most admired Telecom and ICT provider in and for Pakistan

Become the brand of choice in the Egyptian telecom market

Drive the **Digital Future** to Empower Societies

To be one of the most admired Saudi companies, creating superior value for our stakeholders

To be the major telecom player in Africa

To be the leading and most admired Telecom and ICT provider in and for Pakistan
To realize the new vision, Etisalat Group has introduced a new Strategy structured around five pillars:

- Transform Operating Companies into Strongholds
- Expand portfolio in MENA and Knowledge Economies
- Grow B2B/Digital across the footprint
- Raise capabilities and develop talent across the Group
- Accelerate value generation through innovation and digitization

Source: Etisalat
Transform OpCos into Strongholds: Etisalat provides both Transformational and Group support

Etisalat intervention in Must-win battles through:

**Transformational Support**
- Network & IT excellence
- Strategy execution management
- Commercial/Marketing revamp
- Digital capabilities uplift
- Regulatory agenda management
- etc.

**Group Support**
- Access to Etisalat centers of excellence (e.g. Cloud factory, Active sharing, Digital capabilities, HR, Procurement and C&W...)
- Focused Commercial/Marketing excellence
- Network excellence
- etc.

**SELECTED EXAMPLES**

Source: Etisalat
Transform OpCos into Strongholds: A key focus area of Group support being centered on Customer Experience uplift

**Customer Experience Uplift Areas of Focus**

<table>
<thead>
<tr>
<th>Optimize Traditional Channels</th>
<th>Increase Digital Channel Penetration</th>
<th>Enhance Service Design Approach</th>
<th>Develop Talent</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Improving efficiency and experience of contact centers by integrating AI</td>
<td>• Launched <strong>Self-Service Kiosks</strong></td>
<td>• Transition to End-to-End Journey led design approach</td>
<td>• Staff <strong>recruited</strong> with the required <strong>new skills</strong></td>
</tr>
<tr>
<td>• Contact center and back office workflow automation and simplification</td>
<td>• Increased use of <strong>Social media</strong> as a support channel</td>
<td>• A range of projects launched with new <strong>digital design methodology</strong></td>
<td>• Enhanced training to <strong>develop staff</strong> in both traditional and digital skills domains</td>
</tr>
<tr>
<td>• Enhanced visibility of billing by providing <strong>real-time usage data</strong></td>
<td>• Website redesign</td>
<td>• <strong>Consistent and regular measurement</strong> of end-to-end Customer Experience</td>
<td>• Agents with <strong>retention skills</strong> recognized, compensated and promoted</td>
</tr>
<tr>
<td>• Optimization of <strong>customer centers</strong> across footprint</td>
<td>• Expansion of <strong>EPMs</strong>(^1) network and continuous push for the use of <strong>digital channels</strong> for bill payments/recharges</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. EPM=Electronic payment machines
Target inorganic growth opportunities through majority control of well-positioned operators within target geographies, and continue to explore opportunities to optimize portfolio in order to balance growth and shareholder returns.

**Target Geographies**
- Middle East
- Africa
- Asia
- Europe
B2B/Digital across the footprint: Across our footprint, the Digital sector offers huge growth opportunities

Digital Market Opportunity Size Across OpCo Countries

Bubble size represents size of digital market addressable by Telco in 2017 (USD Millions)

Addressable market in 2017 across the footprint = ~USD 8 billion
Double digit growth rate for the period 2017-2021

Source: Etisalat analysis based on IDC and Digital Evolution Index
Grow B2B/Digital across the footprint: We have clearly defined areas of Group support to maximize the Digital opportunity

**Scope of B2B/Digital Uplift Areas**

- **Enrich B2B/Digital Services Portfolio**
- **Uplift B2B/Digital-related Capabilities**
- **Support Go-to-Market & Delivery for Megaprojects**
- **Support OpCos in Driving National Digital Agendas**

- **Share Best Practices and Knowledge**
- **Provide Consultancy and Professional Services Support**
- **Extend Etisalat Group Digital Platforms and Services**
- **Provide PMO Support**
Grow B2B/Digital across the footprint: Specifically, Etisalat Group is extending customized support across our footprint

Etisalat Misr
- Digital Security
- Megaproject support
- Data Centres
- Smart Cities

PTCL
- Digital Security
- Managed services
- Knowledge sharing – IOT, Cloud, Security, Data Centers, Verticals, Digital Payments and A2P

Maroc Telecom
- Video Surveillance
- Digital Security
- IoT Strategy
- Smart Cities

Mobily
- Support on Healthcare sector
- Managed services
- IOT
Raise capabilities and develop talent across the Group: HR Strategy focuses on three key pillars

1. Culture & Collaboration
   - Global Engagement Survey
   - HR Collaboration
   - Etisalat Core Values

2. Strategic Frameworks for Building Talent
   - Leadership Competency Framework Aligned with Strategy
   - Succession Management Framework for Critical Positions
   - Skills Inventory Model to Leverage Talent Data

3. Rich Talent Acquisition
   - Talent Acquisition for Critical Positions
   - Assessments Framework for Talent Acquisition & Development
Accelerate value generation through innovation and digitization: Focus is on readiness and innovation toolkit expansion

1. The Imperative?
   • Accelerate Etisalat Group’s Innovation Journey...
   • …with strategic objectives of:
     1. Revenue uplift
     2. Customer experience enhancement
     3. Efficiency optimization

2. Where to Play?
   • Priority areas to be agreed in line with four principles:
     i. Ensure Relevance
     ii. Prioritize plays
     iii. Value accretive
     iv. Balanced Risk profile

3. How to win?
   Be Ready: Prepare to innovate
   Learn & Act: Adopt open innovation
   Share: Collaborate with OpCos to uplift innovation
Accelerate value generation through innovation and digitization: Internal digitization leveraged to transform organizations

<table>
<thead>
<tr>
<th>Drivers for Digitization</th>
<th>Scope of Digitization</th>
<th>Toolkit for Digitization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve agility and time to market</td>
<td>Business Processes</td>
<td>Artificial Intelligence Use Cases</td>
</tr>
<tr>
<td>Improve customer experience</td>
<td>Network and IT Systems</td>
<td>Big Data and Analytics</td>
</tr>
<tr>
<td>Improve efficiency</td>
<td>Customer Journeys/Interactions</td>
<td>Virtualization</td>
</tr>
<tr>
<td>Uplift revenue</td>
<td>Culture and Talent</td>
<td>Revamped Full IT stack</td>
</tr>
<tr>
<td>Informed Decision-Making</td>
<td></td>
<td>Automation and Robotics</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Training and learning</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Agile Working Methods e.g. DevOps</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Digital Workspaces</td>
</tr>
</tbody>
</table>
Accelerate value generation through innovation and digitization: with specific internal digitization initiatives underway

NON EXHAUSTIVE

**Network Modernization**: Continued roll-out of our NFV and SDN plans

**Future Networks**: Preparation for 5G (three main use cases: eMBB, mMTC and URLLC), focused roll-out of NB-IOT, video delivery optimization etc.

**Big Data**: Multiple use cases centered on e.g. real-time applications (location based, event based campaigns) and analytics (e.g. fraud detection, cost optimization, segmentation)

**AI**: Multiple use cases centered on e.g. Consumer Cognitive Automation (Chatbot) and Business Cognitive Automation

**Robotics Process Automation**: Focus on processes across multiple domains, including: contact center, network, B2B and sales

**Digital Talent**: Focus on both development and acquisition of digital talent in key areas e.g. Big Data, AI, service design, virtualization etc.

Source: Etisalat; eMBB = enhanced Mobile Broadband, mMTC = massive Machine Type Communications, URLLC Ultra-Reliable and Low Latency Communications)
“TARGET” unites both our vision and strategic pillars whilst conveying a clear sense of direction and focus

- **T**: To Drive the Digital Future to Empower Societies
- **A**: Accelerate value generation through innovation and digitization
- **R**: Raise capabilities and develop talent across the Group
- **G**: Grow B2B/Digital across the footprint
- **E**: Expand portfolio in MENA and Knowledge Economies
- **T**: Transform Operating Companies into Strongholds
Closing messages

1. Etisalat Group continues to deliver industry leading financial results.

2. Data and digital adjacencies are driving growth, however, hyper competition and digital disruption need to be managed.

3. In line with market evolution, Etisalat has set a bold, new vision: “Drive the Digital Future to Empower Societies”.

4. To realize the new vision, Etisalat Group has introduced a new Strategy structured around five pillars.

5. “TARGET” unites both our vision and strategic pillars whilst conveying a clear sense of direction and focus.
Etisalat Group Capital Markets Day 2018

Etisalat UAE Consumer Overview

Khaled Elkhouly
Chief Consumer Officer - Etisalat UAE
Key Highlights FY2017

Financial

• Strong +2.8% YoY revenue growth
  – Fifth consecutive year of topline growth with 2013-17 CAGR of 6.0%

• Reinforcement of Etisalat’s value share, which has consistently increased YoY, reaching 70.6% in 2017

• EBITDA margin at 53.4%, one of the highest in the industry

• Healthy +4.7% YoY growth in Net Profit with increase of the profit margin to 26.1%

• Strong delivery of cash-flow (+7.0% YoY) confirms healthy ROI on FTTH, LTE and ICT investments

Strategic

• Etisalat recognized as the most valuable brand in the region by Brand Finance

• Strong subscriber growth in both Mobile (+3% YoY) and eLife (+5% YoY)

• Continued monetization of our network investments in both LTE (via the launch of prepaid combos, data promotions, etc.) and FTTH (i.e. push towards higher speed and better content packages)

• Launch of swyp to cater to the needs of the Youth segment and Smiles platform to increase customer engagement

• Completion of rollout of another 16 Smart stores in 2017, reaching in total 119 across UAE

• Digital and Customer Experience transformation efforts are paying results, with measurable improvements in customer satisfaction and reduced cost to serve
Business Review - Financial Overview

Revenue (AED m)

- 2016: 30,344
- 2017: 31,205

EBITDA & EBITDA Margin (AED m, % of Revenues)

- 2016: 16,326 (53.8%)
- 2017: 16,656 (53.4%)

Profit & Profit Margin (AED m, % of Revenues)

- 2016: 7,790 (25.7%)
- 2017: 8,154 (26.1%)

FCF & FCF Margin (AED m, % of Revenues)

- 2016: 12,773 (42.1%)
- 2017: 13,662 (43.8%)

Note: Free cash flow represents EBITDA less Capex
Despite the challenging macroeconomic context, our topline grew by 2.8% and we continued to strengthen our value share.

**Etisalat UAE Revenues**

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (AED billion)</th>
<th>Growth</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>28.8</td>
<td>+1.6</td>
<td>(+5.5%)</td>
</tr>
<tr>
<td>2016</td>
<td>30.3</td>
<td>+0.9</td>
<td>(+2.8%)</td>
</tr>
<tr>
<td>2017</td>
<td>31.2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**UAE Market Revenues**

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (AED billion)</th>
<th>Growth</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>41.1</td>
<td>+2.0</td>
<td>(+4.8%)</td>
</tr>
<tr>
<td>2016</td>
<td>43.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>44.2</td>
<td>+1.1</td>
<td>(+2.6%)</td>
</tr>
</tbody>
</table>

Source: Operators’ Quarter Results
Solid subscriber growth in Mobile (+3% YoY growth) with Etisalat reinforcing its leadership in the market

Etisalat UAE Mobile Subscribers (millions)

- **2016**: 10.4
- **2017**: 10.8

+0.4 (+3%)

**Performance Highlights**

- **Solid mobile subscriber growth (+3% YoY)**, despite the weaker macroeconomic scenario, increased competition from new brands, and regulatory obligations (i.e. mobile re-registration)

- **Strong leadership in MNP**, with Etisalat capturing more subscribers than competition

**Strategic Priorities**

- **Drive data monetization** with innovative data offers and **neutralize the impact from OTT** by pushing bundles/combos and monetizing the access

- **Continue to leverage on segmented approaches**, to capture incremental growth while minimizing price erosion, and ensure optimal value vs. volume balance

- **Continue to drive the Customer Experience and Digital** as key competitive advantages
Likewise, strong growth in Home segment, with +5% YoY growth of eLife base and reinforced market leadership.

**Etisalat UAE eLife Subscribers (thousands)**

- **2016**: 957
- **2017**: 1,001
- **Increase**: 44 (+5%)

**Performance Highlights**

- **eLife base** has reached and surpassed for the first time the 1.0 million subscribers, placing Etisalat as the global leader in FTTH.
- **Push of top-tier bundles** (more speed and content) is driving **positive ARPU development** and increased product stickiness.

**Strategic Priorities**

- **Continue to monetize connectivity and network**, by pushing high-speed and content-rich bundles, via several marketing campaigns throughout the year.
- **Expand the competitive advantage around content**, user interface and overall experience, in order to minimize market share and price risk.
- **Continue to drive** the Customer Experience and Digital as key competitive advantages.
Our leadership and strong market presence led to Etisalat being recognized as the most valuable brand in the region.

Source: Brand Finance 2018 Report
In line with our segmented market approach and Digital strategy, we’ve launched swyp, a digital-first proposition.

**Highlights**

- **swyp** is our new brand to target exclusively 15-29 year olds.
- **swyp** is a *digital-first proposition*, co-designed with the target segment.
- As a result, we have a *data rich proposition* (mobile data bundles and free Wi-Fi), that also includes *non-telecom benefits and perks* for a greater differentiation vs. competition.
- Being restricted to 15-29 year olds, the *experience and communication is mostly digital*, fitting the target audience.

---

**Mobile Data**

5 GB of social apps at full speed + optional packages
SEE MORE

**Free nationwide WiFi**

Login once to swyp WiFi and you will always be connected to any hotspot
SEE MORE
swyp follows our brand segmentation strategy, and should support share gains in the youth sub-segment.
Monetizing data traffic growth (+45% YoY) continues to be a priority in order to ensure adequate ROI of our LTE investments.
Similar efforts on FTTH monetization, with strong focus on monetizing higher speeds and TV content

% of High-End 3P Bundles (% of Gross Adds)

- 2016
- 2017

+7 p.p.

% of customers with ≥10 Mbps (% of customers)

- 2016
- 2017

+9 p.p.

Commercial Highlights

50% off eLife Entertainment plus free installation
Feast on big entertainment for half price

Fly for free with eLife
Subscribe or upgrade to receive FREE return flights
Discover
On TV, our positioning was significantly enhanced thanks to exclusive deals and partnerships with FOX, MBC and Starz Play.

Commercial Highlights

Get your first month of STARZ PLAY FREE!

Customers who connect or upgrade to eLife can enjoy a free month of STARZ PLAY on eLife TV.

eLife TV is the Home of MBC HD channels

Watch all the best MBC shows at home or on the go across the MBC HD channels.

Be Spoilt for Choice.

With an ever-changing line-up of programs on three channels, eLife gives you an added edge and choice in entertainment.
As the operator of choice for smart devices in UAE, we expanded our portfolio to increase our revenue resilience.

**Commercial Highlights**

**iPhone X**
Say hello to the future.

- **Mi Devices**
  Get your hands on the latest Mi devices. Offered exclusively from Etisalat.

- **SAMSUNG Galaxy Note8**
  Be the first to own Galaxy Note8. Pre-order now.

- **Nokia devices are back**
  The Nokia 3 starting the AED 22.

- **Open up to bigger worlds at an affordable price**
  Explore new and exciting landscapes. Enjoy Samsung's latest Galaxy S8 and more with a special offer, starting at AED 134 per month.

- **Get up to 38% discount on your Samsung gadget**
  Smart technology with Smart Pay and Samsung Pay features.
We launched a new digitally centric engagement platform, Smiles, which is showing strong uptake and satisfaction.

- **500,000+** active users
- **460,000+** purchases
- **50,000+** daily users
- **4.1-4.5** app rating
- **200+** partners
- **1,500+** outlets

Note: Smiles launched in May’17; figures are updated till Dec’17
In the CEX front, we revamped the UI for the major touch-points to better meet consumer needs and achieve efficiencies.

**Mobile App**

- Local Minutes - 150 Min. Renews in 7 days
- Buy additional 20 local minutes For AED 10 per month
- Current Balance AED 256
- YOU HAVE 2 UNPAID BILLS

**Website**

- Discover the best mobile devices, plans and services
- Get the latest mobile devices and accessories, choose from the best mobile plans, and enjoy a wide variety of services that suit all your needs.

**EPMs**

- Welcome to Etisalat
- Pay Bills
- ETISALAT BILLS
- TENDER PAYMENT
- SEWA
- DEWA
We continued to revamp our retail experience by rolling out 16 new smart stores to better meet customer expectations.

Ajman City Center

Riverland, Dubai Parks & Resorts
Our Customer Experience transformation is delivering strong improvements, and driving efficiencies in the cost to serve.

**Store Waiting Time**
- 2016
- 2017

-25%

**Customer Care Calls**
- (millions)
- 2016
- 2017

-15%
... as well as relevant improvements in Customer satisfaction and loyalty, as measured by TRIM

TRIM Score
(index)

+19%

+8%

2015 2016 2017
In summary...

- **Positive +2.8% YoY top-line growth of Net Revenues**, resulting in the 5th consecutive year of growth in our turnaround story.

- Etisalat was recently recognized as the **most valuable brand in the region**, continuing to expand its customer based (+3% YoY on mobile, +5% YoY on eLife) and reinforcing its market share.

- **Data monetization** efforts continue to deliver good results in both mobile and fixed, ensuring an adequate ROI for the investments on LTE and FTTH.

- Following the strategy to **better segment our market** and **rise customer engagement**, we have launched **swyp (a “digital first” brand)** to cater for the needs and wants of the youth segment and **Smiles, a new digitally centric engagement platform**, which is showing strong uptake and satisfaction.

- Digital and **Customer Experience transformation continues to deliver measurable impact**, with improvements on the cost to serve, and most importantly on the Customer satisfaction and loyalty ratings.
THANK YOU

Q&A
Etisalat Group
Capital Markets Day 2018

Etisalat UAE
Business Overview

Salvador Anglada
Chief Business Officer - Etisalat UAE
Different elements continue influencing the UAE economy although we expect steady recovery in 2018

**UAE Economy Key Influencers**

**Favorable Influencers**

**Oil Prices Recovery**

**UAE Government Budget Expansion**

<table>
<thead>
<tr>
<th>Government</th>
<th>2017</th>
<th>2018</th>
<th>YoY Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td>49</td>
<td>51.4</td>
<td>4.9%</td>
</tr>
<tr>
<td>Abu Dhabi *</td>
<td>100</td>
<td>100</td>
<td>0%</td>
</tr>
<tr>
<td>Dubai</td>
<td>47</td>
<td>56.8</td>
<td>20.4%</td>
</tr>
</tbody>
</table>

Source: HSBC

**Dampening Influencers**

**Regional Instability**

**Introduction of VAT**

**Annual GDP Growth**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017 Estimated</th>
<th>2018 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worldwide GDP Growth (IMF)</td>
<td>3.2%</td>
<td>3.7%</td>
<td>3.9%</td>
</tr>
<tr>
<td>UAE GDP Growth (Emirates NBD)</td>
<td>3.0%</td>
<td>2.0%</td>
<td>3.4%</td>
</tr>
</tbody>
</table>
We have continued reinforcing our capabilities to become a digital telco.
Our vision and strategy evolve to be the ‘digital solutions platform’ for our customers

Our Vision…
“To be the digital solutions platform for government and businesses in a hyper-connected world”

Our Strategy…

Platforms
Building Platforms

Power
Power to the User

Process
Smarter & More Intelligent

People
Scalable Learning Environment

Our Goals…

Growth*
CAGR

Digital Contribution
% of total Business Revenue

Digital Transformation
Digital Transformation Index**

Customer Satisfaction
TRIM

2018  2020
5%

2018  2020

2018  2020
+80p.p.

2018  2020

*excluding DPR

** internally defined & audited
In mobile we are differentiating through propositions that provide great experience and control

**MobileHub**
- Our flagship proposition providing full control to our customers

**Enhanced Mobile Roadshows**
- The best mobile employee program for our business customers

**Mobile First**
- Launched in Jan’18
- New data rich non-stop mobile tariffs

**Business Mobile Customer Base Performance**

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Customer Base*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
</tr>
</tbody>
</table>

*company owned company paid lines, excluding data SIMs

**Business Yearly MNP**

<table>
<thead>
<tr>
<th>Year</th>
<th>Accumulative Net MNP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
</tr>
</tbody>
</table>
SMB segment is transforming to become the platform for communications and digital services

The Best Telco Infrastructure in the Region

3X Speed Broadband Upgrade

Speed Upgrade Customer Base Coverage > 60%
Starting speed @ 50 Mbps*
*for bundles

Enhanced SMB Digital & Telco Bundling

Digital Contribution in SMB Revenue by 2020 10%

Build New Capabilities for Sustainable Digital Growth

SMB End-to-End Model

Sales Proposition Support
SMB Transformation Program to be completed by 2019
SMB Hello Business Hub is the first true one-stop-shop to set up new businesses in the UAE
We are extending and virtualizing Etisalat managed connectivity proposition as an engine of additional growth.

**From Connectivity to Managed Connectivity**
- Managed Connectivity Proposition
  - Connectivity
  - Backup
  - 24x7 Management & Monitoring
  - SLA
  - Managed Services Portal

**End-to-End Managed Propositions**
- Managed Services End-to-End Proposition
  - Routers
  - Switches
  - Firewalls
  - IP Telephony
  - Wifi
  - Connectivity-Voice, Data, Internet
  - 360 Visibility (Portal)
  - Comprehensive SLA
  - One stop shop
  - Lower TCO
  - Increase our share of wallet
  - Increase customer stickiness
  - New revenue stream

**Moving to SDN/NPV**
- PrivateConnect
- SDWAN National & Global
- Virtualized Network Functions (VNF)
  - Customer empowerment
  - Agility
  - Efficiency

**60% Managed Connectivity Base Penetration in 2017**

**Launched in 2014**

**Launched in 2017**

**Full Program Launch in 2018**
Etisalat continues investing to become the ‘Global Services’ regional leader

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)

2015 2016 2017

Number of Links

+8% +9%

Global Services Customers Across Various Sectors

2018 Key Highlights

- New POPs- 11 new nodes
- London Office- first sales office outside the UAE
- SDN/NFV Global- to be launched in Q2’18

New Customers added in 2017
Etisalat Digital has been rolled out and is the engine of Etisalat business unit growth

### Etisalat Digital Performance

<table>
<thead>
<tr>
<th>Year</th>
<th>Etisalat Digital Revenue (Million AED)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>![Chart Image]</td>
</tr>
<tr>
<td>2017</td>
<td>![Chart Image]</td>
</tr>
</tbody>
</table>

- **62%** increase

### Etisalat Digital Capabilities

#### People
- **300+ Staff**

#### New Platforms
- Khalifa Datacenter Phase 2
- GDH Datacenter
- IoT Platform
- Command & Control Center
- appspace
- Digital Signage Platform
- Genetec
- VSaaS Platform
- Smart Buildings Platform

### Key Customers
- [Sharat DG](#)
- [aramex](#)
- [TRAC](#)
- [ETA GROUP](#)
- [TESSLA](#)
- [Dusai Parks](#)
- [ORACLE](#)
- [TElematics](#)
- [Abouna](#)
- [DABNA](#)
- [HUAWEI](#)
- [IBM](#)
- [Rak Bank](#)
Concluded a strategic partnership with Microsoft to create the first hyper-scale public cloud in the Middle East and Africa

**Partnership with Microsoft**

<table>
<thead>
<tr>
<th>Etisalat Contribution</th>
<th>Microsoft Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Center &amp; Infrastructure</td>
<td>Sizeable investment in Platform (HW/SW/Ops)</td>
</tr>
<tr>
<td>Network</td>
<td>Catalogue of Services, R&amp;D</td>
</tr>
<tr>
<td>End to end Customer Service</td>
<td>Vertical Solutions</td>
</tr>
<tr>
<td>Go To Market</td>
<td>Strong presence in SMB</td>
</tr>
</tbody>
</table>

**Partnership Advantages**
- First mover advantage
- Leading edge technology
- Joint Go-To-Market
- Joint infrastructure (private & public)
- Market makers

**Unique Customer Selling Points**
- Local data residency
- Ultra-low latency
- Cost competitiveness
- Hybrid integration

Launch in Oct’18
We continue creating important references in different verticals that will be replicated in the future

**Smart Monitoring System for Homes in the UAE**

*300,000 Villas*

**Project Scope**
- Supply and installation of fire alarm solution across the UAE
- Real-time remote monitoring using IoT Wireless technology
- Dedicated Command Control Center

**Customer:** Ministry of Interior: Civil Defense

---

**Smart Surveillance & Security Solution for Petrol Stations**

*101 Petrol Stations*

**Project Scope**
- End-to-end smart surveillance & security solution
- Managed Connectivity
- 24/7 support & real-time monitoring

---

**Managed POS**

**Project Scope**
- End-to-end managed POS (point of sale) solution
- Connectivity - M2M & fixed connectivity
- 24 x 7 Monitoring and Support

**Customer:** RAK Bank

---

**Digital Solutions for Dubai Safari Zoo**

**Project Scope**
- Access controls
- Ticketing system & kiosks
- Visitors mobile application & portal
Work is underway to deliver Expo2020 Dubai the fastest, smartest and best connected places in the world.

To be ready one year ahead of the opening.

“As a premier partner of Dubai Expo 2020 for telecom and digital solutions, we will provide visitors and participants with cutting edge immersive smart living experience that brings the Expo themes to life”
Etisalat is embracing open innovation to accelerate digital transformation and growth

**Etisalat Digital Open Innovation Center**

50+ Customer Visits*

*since opening in Dec 2017

---

**Partnership with Dubai Future Accelerators**

4 Challenges Launched

1. Digital Health
2. Digital Security
3. Transformation of Visitor Experience
4. Digital Self Care Channels
Conclusions

- We will continue in our transformation towards a digital telco
- Our core business will further expand through innovative mobile propositions and end-to-end managed services
- SMB segment has the potential to grow through bundling of telecom services and digital solutions
- Etisalat Digital will remain to be the source of growth with potential to expand outside the UAE
- Open innovation will allow us to accelerate the launch of new services and solutions
Q&A

THANK YOU
Etisalat Group
Capital Markets Day 2018

PTCL Group Operations

Dr. Daniel Ritz
Chief Executive Officer - PTCL Group
Key Highlights FY2017

**Financial (PKR)**
- Consolidated net profit +168%
- Stable consolidated revenue 117 B & EBITDA 40 B
- PTCL Corporate revenue +11%
- PTCL DSL revenue +4%
- PTCL: Dividend of 5 B (Yield 7.7%)

**Strategic**
- PTCL:
  - Major network transformation for high speed data and growth in DSL, 31 exchanges completed out of 100.
  - Launch of LTE services in AJK, Baluchistan, KPK and central Punjab.
  - Launch of cloud based services in June 2017 and added 39 new customers and new ICT partnerships – Microsoft, Oracle, Etisalat, Dell EMC
- Ufone:
  - Stabilizing market share.
  - Price rationalization to support revenue growth.
  - Cost leadership.
- PTCL Group:
  - Group synergies worth PKR 2.5 B achieved
  - Integration of Finance and Procurement functions
  - 137% growth in Ubank revenue

2016 profits included VSS (net of tax) PKR 3.2 B
Presentation Overview

1. Overview of the Operating Environment
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4. Strategic priorities/Way forward
Country highlights

• 6th most populous country 207 Mn with annual Growth rate of 2.4%
• Urban population is 75 Mn which is 36% of total population.
• ~51% population is <24 years of age which is positive for uptake of data.

• GDP of 304 B with growth ~ 5.3% which is highest during last 10 years
• Inflation CPI at 4.1%
• CPEC mega project of US$46 billion – will provide major support for development of infrastructure in coming years
• Aggressive infrastructure development by the government
• Pak rupee devalued against USD in Dec 17 ~ 4.7%

• Penetration: Cellular 71%, 3G/4G 24%, Fixed Broadband 8.8%
• 3rd LTE license auction of 1800 MHz won by Jazz @ USD 295 M (+ tax 29.5 M USD)
• GST @ 19.5% was imposed on Data services in Punjab.

Source: Economic Survey of Pakistan 2016-17 & PTA website
Telco market overview

Total market value 469 PKR b

2017: Overall Market Value ~ PKR 469 bn

Voice
- Fixed: 60
- Mobile: 355
- Wholesale: 53
- Total: 468

Non-Voice
- Fixed: 53
- Mobile: 364
- Wholesale: 48
- Total: 465

Market map 2017 by competitor (PKR b)

- PTCL
  - Wholesale: 121
- Jazz / Warid
  - Wholesale: 155
- Telenor
  - Wholesale: 103
- Zong
  - Wholesale: 71
- Other
  - Wholesale: 19

Source: PTA, Financial statements, Management Estimates

*Includes dongles revenue
PTCL Group - a strong full service provider

**Market Positioning**
- Strong #2 by revenue
- #1 in Fixed
- #4 in Mobile
- Only player with Fixed and Mobile

**Fixed**
- Largest fiber footprint in Pakistan > 38,000 KM of Fiber
- Market leader with 89% value share in fixed broadband
- Broadband customers: 1,9 Mn
- Market leader in Corporate & C&WS

**Mobile**
- 18,5 Mn cellular subscribers
- More than 8,000 mobile towers
- 2nd in TRI*M results.

**Microfinance Bank**
- Enables the mobile financial services business of the group
- Profitable and well positioned to tap into the nascent E-Commerce market
- 33% increase in number of branches during the year (Total branches are 100)
- 91% increase in advances to customers.
Presentation Overview

1. Overview of the Operating Environment
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3. Management focus during 2017 / Key developments
4. Strategic priorities/Way forward
PTCL Group - Key financial highlights 2017

Revenue / Revenue Growth (%)
(Pkr b)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>117</td>
<td>117</td>
</tr>
<tr>
<td>Growth (%)</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

EBITDA / EBITDA Margin (%)
(Pkr b)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>40</td>
<td>39</td>
</tr>
<tr>
<td>Margin (%)</td>
<td>34%</td>
<td>34%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Profit</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Margin (%)</td>
<td>1%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Free Cash flow & FCF/Revenue (%)
(Pkr b)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>FCF</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>FCF/Revenue (%)</td>
<td>7%</td>
<td>8%</td>
</tr>
</tbody>
</table>
PTCL - Key financial highlights 2017

Revenue / Revenue Growth (%)
(Pkr b)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>Revenue Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>71</td>
<td>-2%</td>
</tr>
<tr>
<td>2017</td>
<td>70</td>
<td></td>
</tr>
</tbody>
</table>

EBITDA / EBITDA Margin (%)
(Pkr b)

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA</th>
<th>EBITDA Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>24</td>
<td>33%</td>
</tr>
<tr>
<td>2017</td>
<td>23</td>
<td>33%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Profit</th>
<th>Profit Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>7</td>
<td>10%</td>
</tr>
<tr>
<td>2017</td>
<td>8</td>
<td>12%</td>
</tr>
</tbody>
</table>

Free Cash flow & FCF/Revenue (%)
(Pkr b)

<table>
<thead>
<tr>
<th>Year</th>
<th>Free Cash Flow</th>
<th>FCF/Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>9</td>
<td>13%</td>
</tr>
<tr>
<td>2017</td>
<td>4</td>
<td>-52%</td>
</tr>
</tbody>
</table>

Source: Consolidated accounts
PTCL: 70% of revenue base showing growth.

Revenue Growth 2017 vs 2016 (%)

- Charji: 26.3%
- Corp: 11.0%
- IBR: 8.1%
- C&WS Others: 5.3%
- DSL: 4.1%
- IPTV: 0.4%
- Voice: -10.1%
- C&WS EVO M2F: -20.1%
- C&WS: -44.7%

% of Capex:
- Charji: 6.5%
- Corp: 7.8%
- IBR: 4.2%
- C&WS Others: 8.6%
- DSL: 59.2%
- IPTV: 4%
- Voice: 8.2%
- C&WS EVO M2F: 0.6%

70% of Revenue
PTCL - Key operational highlights 2017

**Subs – DSL (K)**

- 2016: 1,358
- 2017: 1,404
- Growth: +3%

**Subs – Charji (K)**

- 2016: 95
- 2017: 142
- Growth: +49%

**ARPU – DSL (PKR)**

- 2016: 1,388
- 2017: 1,486
- Growth: +7%

**ARPU – Charji (PKR)**

- 2016: 1,018
- 2017: 1,027
- Growth: +1%
## Ufone - Key financial highlights 2017

<table>
<thead>
<tr>
<th></th>
<th>Revenue / Revenue Growth (%)</th>
<th>EBITDA / EBITDA Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Pkr b)</td>
<td>(Pkr b)</td>
</tr>
<tr>
<td><strong>2016</strong></td>
<td>51</td>
<td>31%</td>
</tr>
<tr>
<td><strong>2017</strong></td>
<td>51</td>
<td>32%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Net Profit /Profit Margin (%)</th>
<th>Free Cash flow &amp; FCF/Revenue (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Pkr b)</td>
<td>(Pkr b)</td>
</tr>
<tr>
<td><strong>2016</strong></td>
<td>-10%</td>
<td>-5</td>
</tr>
<tr>
<td><strong>2017</strong></td>
<td>-8%</td>
<td>-1</td>
</tr>
</tbody>
</table>

Source: Consolidated accounts
Ufone - Key operational highlights 2017

Subs – Ufone (M)

- 2016: 19
- 2017: 19

+2%

ARPU – Ufone (PKR)

- 2016: 231
- 2017: 235

+2%
Ufone: Improved quarter-on-quarter revenue

Quarterly Revenue (Billion PKR)
-2.7%  -1.5%  3.4%

Quarterly Net Additions (Thousand Customers)
-113%  93%  111%  224%

Quarterly Revenue

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>12.5</td>
<td>12.8</td>
</tr>
<tr>
<td>Q2</td>
<td>12.6</td>
<td>12.8</td>
</tr>
<tr>
<td>Q3</td>
<td>12.9</td>
<td>13.1</td>
</tr>
<tr>
<td>Q4</td>
<td>13.0</td>
<td>13.0</td>
</tr>
</tbody>
</table>

Quarterly Net Additions

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>-111</td>
<td>-111</td>
</tr>
<tr>
<td>Q2</td>
<td>-72</td>
<td>-72</td>
</tr>
<tr>
<td>Q3</td>
<td>92</td>
<td>888</td>
</tr>
<tr>
<td>Q4</td>
<td>484</td>
<td>484</td>
</tr>
</tbody>
</table>
Presentation Overview

1. Overview of the Operating Environment
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PTCL - Network Transformation Project

Objective: Increase the revenue and improve customer experience for Broadband services

Strategy:
- Top 100 Exchanges: Protect & Grow
- Rest of Pakistan: Grow and maintain

Scope:
- Top 100 Exchanges targeting 51% of DSL base and 54% of DSL revenue.
- Targeted QoS improvement in Rest of Pakistan

Specifications:
- Enable minimum 8 ~ 20Mbps reliable high speed Internet.
- Selected customers can have up to 50Mbps
- Deploy FTTH in selected areas of the exchanges
- FTTH will give speed up to 100 Mbps

KPIs:
- Increase Revenue
- Improve ARPU
- Increase Gross Adds
- Reduce Churn
- Reduce Complaints
NTP 100 Exchanges - all over Pakistan

Peshawar
NTR - 1 – North Zone
06 NTP Exchanges

Islamabad
ITR – North Zone
13 NTP Exchanges

Quetta
QTR – South Zone
03 NTP Exchanges

Karachi
KTR – South Zone
24 NTP Exchanges

Hyderabad
HYTR – South Zone
03 NTP Exchanges

Sialkot
GTR – Central Zone
03 NTP Exchanges

Gujranwala
GTR – Central Zone
09 NTP Exchanges

Faisalabad
FTR – Central Zone
27 NTP Exchanges

Multan
MTR – Central Zone
04 NTP Exchanges

Bahawalpur
MTR – Central Zone
01 NTP Exchange

Lahore
LTR – Central Zone
27 NTP Exchanges

www.ptcl.com.pk
Reducing Loop Lengths, increasing Speeds

Before Transformation:
- CO/EXCH
- Cabinet
- DP
- Modem
- Average Loop Length: 3-4 Km
- Average Speed Capability: ~2 to 4 Mbps
- Primary Copper Cable
- Secondary Copper
- Drop Cable

After Transformation:
- CO/EXCH
- MSAG
- DP
- Modem
- Average Loop Length: 1 – 1.5 Km
- Average Speed Capability: 8-20 Mbps
- Primary Fiber Cable
- Secondary Copper
- Drop Cable
- Selected FTTH Customers
NTP driving strong revenue growth

Monthly Revenues growing compared to all benchmarks

<table>
<thead>
<tr>
<th>Pre vs. Post</th>
<th>Transformed vs. Cohort</th>
<th>Gulgasht Exchange</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1.png" alt="Graph" /> Pre Transformation</td>
<td><img src="image2.png" alt="Graph" /> Post Transformation</td>
<td><img src="image3.png" alt="Graph" /> Pre Transformation</td>
</tr>
<tr>
<td>419 Mar-17</td>
<td>458 Dec-17</td>
<td>11 Mar-17</td>
</tr>
<tr>
<td>399 Mar-17</td>
<td>418 Dec-17</td>
<td>14 Dec-17</td>
</tr>
<tr>
<td>419 Mar-17</td>
<td>458 Dec-17</td>
<td>MTR – Central Zone</td>
</tr>
</tbody>
</table>

31 Exchanges progress of March compared with December.

Cohort is of 43 exchanges other than NTP to match the base and monthly revenue

- Base: 7,184
- Transformed Month: May - 2017
## Key Highlights of Ufone Turnaround 2017

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>Distribution</th>
<th>Commercial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthening of network via U900 in major metros; increasing 3G footprint by ~29%</td>
<td>BVS footprint increased by 28%</td>
<td>Smart price ups helped improve the ARPU slightly: Super Card, PAYG packages</td>
</tr>
<tr>
<td>422 new coverage sites (164 for HVC, 90 for 3G coverage in high revenue areas, 168 in USF area)</td>
<td>Relationship strengthening with ‘high footfall’ retailers</td>
<td>Simplification of product portfolio: closure of 32 products</td>
</tr>
<tr>
<td>Largest recipient of USF funds, for under served areas; winning 64% bids worth ~USD 72 ‘Mn</td>
<td>~66% higher sales in Q4’17 vs Q4’16</td>
<td>Building on brand communication of ‘Convenience’</td>
</tr>
<tr>
<td>~28% increase in High Value Sales in Q4’17 vs Q4’16</td>
<td>Opex saving of ~USD 13.5 achieved during the year</td>
<td></td>
</tr>
</tbody>
</table>
Ufone’s ‘Win SIM Share’ strategy has laid the foundation of growth in FY 2018

**Avg. Monthly Gross Adds (‘K)**
- Q4’16: 312
- Q4’17: 563
- 80% increase

**Avg. Monthly Net Adds (‘K)**
- Q4’16: (130)
- Q4’17: 161
- 2% increase

**Blended ARPU (Pkr/Month)**
- 2016: 231
- 2017: 235
TRI*M scores were also maintained, despite limited coverage and spectrum.

TRI*M Ranking

<table>
<thead>
<tr>
<th></th>
<th>Oct 17</th>
<th>Nov 17</th>
<th>Dec 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ufone</td>
<td>58</td>
<td>58</td>
<td>58</td>
</tr>
<tr>
<td>Competitor A</td>
<td>56</td>
<td>58</td>
<td>58</td>
</tr>
<tr>
<td>Competitor B</td>
<td>62</td>
<td>63</td>
<td>65</td>
</tr>
<tr>
<td>Competitor C</td>
<td>55</td>
<td>55</td>
<td>56</td>
</tr>
</tbody>
</table>

Source: TRI*M Index by KANTAR MRB
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### Strategic priorities / Way forward

<table>
<thead>
<tr>
<th>Theme</th>
<th>Description</th>
</tr>
</thead>
</table>
| **PTCL** | - Grow Consumer Broadband business aggressively (Fixed and Fixed wireless)  
- Deliver network transformation and LTE migration, drive FTTH deployment  
- Grow ICT business aggressively, leverage partnerships  
- Capitalize on tower fiberisation opportunity, maintain IP Bandwidth market leadership |
| **Ufone** | - Increase subscriber market share to improve top line  
- Secure additional spectrum, while re-farming existing spectrum resources  
- Maintain cost leadership. |
| **Ubak** | - Capturing the untapped opportunities in the attractive Microfinance Market  
- Regaining ground on the branchless banking business  
- Increased contribution to Group profitability |
| **Group** | - Drive cross selling and bundling opportunities  
- Extract operational synergies between group companies |
Q&A

THANK YOU
Etisalat Group Capital Markets Day 2018

Mobily Operations

Ahmed A. Aboudoma
Chief Executive Officer - Etihad Etisalat (Mobily)
Challenging macroeconomics environment

- Saudi Arabia partially removed the subsidies from certain utilities weighing on consumer purchase power.

- Fees on expat and dependents have been applied since July 2017, starting with 100 SAR per month per dependent creating pressure on expat population.

- To reduce the impact of the removed of the subsidies, Saudi Gov. deposited 2 BSAR into the accounts of subscribed eligible citizens, the Gov. have allocated in its 2018 budget 32 BSAR to be spent for the Citizen’s Account.

- VAT is imposed on a wide range of goods and services in Saudi Arabia starting January 1, 2018.
Large telecom market

• KSA is the largest telecom market in the Middle-East (~US$18 Ms)

• 3 players market and 3 MVNOs

• Young population with high percentage level of smart segment

• Large expats population (~30%)

• High level of penetration ~136% but recently affected with a loss of 34 pts of penetration due to the fingerprint registration process implementation.
2017 in Mobily

• Focus in 2017 was to **rebuild Mobily foundations:**
  • Analyzing legacy issues
  • The approach was to fix root causes rather than scratching the surface
  • Starting to devise a new strategy fitting the company abilities
  • Rolling out the implementation of the new strategy

• Keeping an **eye on the operational performance while fixing the basics**...
  • Commercial performance improvement
  • Financial stabilization and early signs of growth

• ...and even **over performing the market**
  • Top line growth
  • Revenues share

• **Within a very challenging regulatory environment**
2017 at glance: fixing the root cause rather than scratching the surface...

**Strategy**
- New vision & brand positioning
- Launched CEX & digital transformation program
- Built new capabilities (analytic & research)

**HR**
- Defined new organization and governance (incl. leadership assessment)
- Refining the HR framework (retain and attract talent)
- Enhance quality of execution and culture mindset
- Revamp product portfolio
- Refocusing on BU
- Developed a new sales operating model
- Improved the customer care support

**Commercial**
- IT transformation
- Network modernization under-way and successful spectrum acquisition

**Technology**
- Refinancing
- Cost optimization

**Finance**
... Meanwhile not loosing focus on operational performance...
High Level FY 2017 Results 1/2

**Revenues**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>FY-2015</th>
<th>FY-2016</th>
<th>FY-2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>In SAR mn</td>
<td>14,424</td>
<td>12,569</td>
<td>11,351</td>
</tr>
</tbody>
</table>

**EBITDA & EBITDA margin**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>FY-2015</th>
<th>FY-2016</th>
<th>FY-2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>2,914</td>
<td>4,069</td>
<td>3,646</td>
</tr>
<tr>
<td>Margin (%)</td>
<td>20%</td>
<td>32%</td>
<td>32%</td>
</tr>
</tbody>
</table>

**Capex & Capex to Sales**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>FY-2015</th>
<th>FY-2016</th>
<th>FY-2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capex</td>
<td>3,485</td>
<td>3,212</td>
<td>2,268</td>
</tr>
<tr>
<td>Capex to Sales (%)</td>
<td>24%</td>
<td>26%</td>
<td>20%</td>
</tr>
</tbody>
</table>

**Source:** Mobily financials

Investor Relations – Capital Market Day
High Level FY 2017 Results 2/2

In SAR mn

Operational Cash Flow

- FY-2015: (543)
- FY-2016: 857
- FY-2017: 1,378

Net Debt & Net Debt/EBITDA

- FY-2015: 14,275 (3.4x)
- FY-2016: 13,993 (3.4x)
- FY-2017: 12,687 (3.5x)

- Net Debt/EBITDA: SAR 521mn
- Net Debt/EBITDA: SAR (1.3)bn

Net Income

- FY-2015: (1,093)
- FY-2016: (214)
- FY-2017: (709)

Source: Mobily financials
# Financial stabilization in 2017

*Strong H-o-H improvement*

### Financials in SAR mn

<table>
<thead>
<tr>
<th></th>
<th>H1 2016</th>
<th>H2 2016</th>
<th>H1 2017</th>
<th>H2 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>6,729</td>
<td>5,840</td>
<td>5,719</td>
<td>5,633</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>2,246</td>
<td>1,764</td>
<td>1,832</td>
<td>1,814</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>35</td>
<td>-238</td>
<td>-353</td>
<td>-356</td>
</tr>
</tbody>
</table>

Source: Mobily financials
For the first time since 2015, growth of Top Line and continuation of EBITDA growth in Q4

<table>
<thead>
<tr>
<th>Source: Mobily financials</th>
</tr>
</thead>
</table>

**Revenues**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Amount (SAR mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4-2016</td>
<td>2,908</td>
</tr>
<tr>
<td>Q1-2017</td>
<td>2,865</td>
</tr>
<tr>
<td>Q2-2017</td>
<td>2,854</td>
</tr>
<tr>
<td>Q3-2017</td>
<td>2,806</td>
</tr>
<tr>
<td>Q4-2017</td>
<td>2,827</td>
</tr>
</tbody>
</table>

Growth rates:

- Q4-2017 vs Q4-2016: +0.7%
- Q3-2017 vs Q3-2016: +0.3%
- Q2-2017 vs Q2-2016: +8.4%
- Q1-2017 vs Q1-2016: +16.5%
- Q4-2016 vs Q4-2015: -1.5%

**EBITDA**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Amount (SAR mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4-2016</td>
<td>954</td>
</tr>
<tr>
<td>Q1-2017</td>
<td>932</td>
</tr>
<tr>
<td>Q2-2017</td>
<td>900</td>
</tr>
<tr>
<td>Q3-2017</td>
<td>903</td>
</tr>
<tr>
<td>Q4-2017</td>
<td>911</td>
</tr>
</tbody>
</table>

Growth rates:

- Q4-2017 vs Q4-2016: +0.8%
- Q3-2017 vs Q3-2016: +0.3%
- Q2-2017 vs Q2-2016: +8.4%
- Q1-2017 vs Q1-2016: +2.3%
- Q4-2016 vs Q4-2015: -129%

**Net Income**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Amount (SAR mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4-2016</td>
<td>(71)</td>
</tr>
<tr>
<td>Q1-2017</td>
<td>(163)</td>
</tr>
<tr>
<td>Q2-2017</td>
<td>(190)</td>
</tr>
<tr>
<td>Q3-2017</td>
<td>(174)</td>
</tr>
<tr>
<td>Q4-2017</td>
<td>(182)</td>
</tr>
</tbody>
</table>

Growth rates:

- Q4-2017 vs Q4-2016: -4.5%
- Q3-2017 vs Q3-2016: -0.4%
- Q2-2017 vs Q2-2016: -16.5%
- Q1-2017 vs Q1-2016: -129%
2017 vs. 2016 Q-o-Q Revenues Performance

*Y-o-Y performance is steadily improving*

### Revenues Q-o-Q 2017 vs. 2016 performance

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2016 Performance</th>
<th>2017 Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 17 vs. 16</td>
<td>-16.7%</td>
<td>-13.2%</td>
</tr>
<tr>
<td>Q2 17 vs. 16</td>
<td>-4.3%</td>
<td>-2.8%</td>
</tr>
<tr>
<td>Q3 17 vs. 16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4 17 vs. 16</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Mobily financials

Investor Relations – Capital Market Day
Mobily is the only player to grow Q-o-Q and witnessed the minimum decline Y-o-Y.

**Total Estimated Market**

<table>
<thead>
<tr>
<th>Q1-2016</th>
<th>Q2-2016</th>
<th>Q3-2016</th>
<th>Q4-2016</th>
<th>Q1-2017</th>
<th>Q2-2017</th>
<th>Q3-2017</th>
<th>Q4-2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>7,540</td>
<td>7,560</td>
<td>7,940</td>
<td>7,370</td>
<td>7,330</td>
<td>7,500</td>
<td>7,150</td>
<td>6,560</td>
</tr>
</tbody>
</table>

YoY Growth/Decline:
- +2.3%
- -4.7%
- -8.3%

QoQ Growth/Decline:
- +0.7%
- -11.1%
- -8.3%

**Q4-17 vs. Q4-16**
- -4.7%
- -5.0%
- -1.6%

**Q4-17 vs. Q3-17**
- +2.3%
- -4.7%
- -8.3%

Source: Companies financials  Note: STC domestic revenues estimation
Mobily’s EBITDA has grown over the past two quarters while Zain’s has declined every quarter in 2017

In SAR mn

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Mobily EBITDA</th>
<th>Zain EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1-2016</td>
<td>1,129</td>
<td>445</td>
</tr>
<tr>
<td>Q2-2016</td>
<td>1,146</td>
<td>372</td>
</tr>
<tr>
<td>Q3-2016</td>
<td>817</td>
<td>488</td>
</tr>
<tr>
<td>Q4-2016</td>
<td>977</td>
<td>490</td>
</tr>
<tr>
<td>Q1-2017</td>
<td>932</td>
<td>665</td>
</tr>
<tr>
<td>Q2-2017</td>
<td>900</td>
<td>632</td>
</tr>
<tr>
<td>Q3-2017</td>
<td>903</td>
<td>631</td>
</tr>
<tr>
<td>Q4-2017</td>
<td>911</td>
<td>590</td>
</tr>
</tbody>
</table>

YoY Growth/Decline

-3.4% +0.3% +0.8%

QoQ Growth/Decline

+0.9% -6.4%

Source: Companies financials

Investor Relations – Capital Market Day
Mobily is outperforming the market

Mobily is the only telco to grow its revenues share in 2017

KSA Wireless Telecom - Revenues Share (in %)

FY 2017

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1-2016</th>
<th>Q2-2016</th>
<th>Q3-2016</th>
<th>Q4-2016</th>
<th>Q1-2017</th>
<th>Q2-2017</th>
<th>Q3-2017</th>
<th>Q4-2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>STC</td>
<td>25.2%</td>
<td>23.9%</td>
<td>21.5%</td>
<td>22.1%</td>
<td>21.6%</td>
<td>21.1%</td>
<td>21.6%</td>
<td>23.6%</td>
</tr>
<tr>
<td>Zain</td>
<td>14.2%</td>
<td>14.2%</td>
<td>13.4%</td>
<td>15.3%</td>
<td>16.3%</td>
<td>15.7%</td>
<td>15.8%</td>
<td>15.8%</td>
</tr>
</tbody>
</table>

Source: Mobily financials  Note: STC domestic revenues estimation

Investor Relations – Capital Market Day
Within a challenging regulatory environment

Multiple regulatory measures implemented in 2017 and continued in Q1 2018

- Dependency Fees implementation
- Award of FTTH subsidy under National Broadband Fund to selected market players
- Obligation to pay for Internet filtering system
- Enforcing one bill cycle
- Mandatory Passive sharing
- IDD - TRIO cancellation
- MTR reduction
- Mandatory national Roaming in USF Areas
- Spectrum auction 2

Q1 2017
- Campaign against illegal expatriates (i.e. resulting in shrinkage of customer base)
- CITC proposed a new CPF. Methodology resulting in increase of CITC fees.

Q2 2017
- FUP release
- Unblocking of VoIP
- Spectrum auction 1

Q3 2017
- Enforcing CPR implementation

Q4 2017
- New stricter tariff approval procedure by CITC
- Mandatory national Roaming in USF Areas

Q1 2018
- New MVNO & IOT VNO licensing framework in discussion
Prices are low in KSA

Data prices decreased by 5 times compared to Q1 2016

Price per GB

North Africa countries
GCC countries

Lowest achieved price per GB, SIM-only postpaid plans, selected countries H2 2016
Source: Analysis Mason
Way forward

• Strictly driving the implementation of the new strategy with customer experience & digital transformation at its heart
• Continuation of regulatory pressure
• Anticipation of some price rationalization in the market
• Continuation of strong data growth
• Strong execution push on IT transformation and network modernization
• Cost optimization program strictly followed
• Participate and take a fair share of government increased telecom spending
• Focus on postpaid segment and SME large market opportunities
• Explore the mobile financial services market potential
THANK YOU

Q&A
Etisalat Group
Capital Markets Day 2018

Etisalat Misr Operations

Hazem Metwally
Chief Executive Officer - Etisalat Misr
**Macroeconomic Positive Outlook despite Short-term Bottleneck**

Despite challenging Market conditions …

<table>
<thead>
<tr>
<th>WE</th>
<th>TE mobile operator (WE) entering the market hammering <strong>on local brand image</strong> and <strong>competitive data offers</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td><strong>EGP/USD</strong> reaching <strong>17.78</strong> in Dec’17 compared with <strong>18.24</strong> in Dec’16; with a stable outlook</td>
</tr>
<tr>
<td></td>
<td>Inflation reaching <strong>22%</strong> in Dec’17 (dropping from <strong>31%</strong> in Mar’17) affecting consumer telecom spending</td>
</tr>
<tr>
<td></td>
<td>Following the high <strong>inflation</strong> rates, multiple interest rate hikes reaching <strong>19.75%</strong> in Q4’17 from (12.75% in Q4’16), more rational rates expected with recovering economy</td>
</tr>
</tbody>
</table>

… positive macroeconomic outlook lies ahead

- **Egypt ranks #1 in Population** among Arab countries (~50% < 24 years old), with IMF expectation for **real GDP growth** of **4.8% in 2018** (revised from 4.5% initial fcst) and **4.2% in 2017** (revised from 3.5% initial fcst)

- **Net foreign direct investments** reached a 14% growth recording ~$8bn in 2017 against ~ $7bn in 2016, while Int’l Monetary Reserve reached first-time record of $37bn since 2011

- **Zohr natural gas field** has started production with initial expectation of saving $60mn per month and $2bn annually after finalizing project as announced by the Oil minister

- **IMF** completed two reviews under the three years $12bn **Extended Fund Facility** bringing total disbursements of $6bn

- **S&P and Fitch revised** Egypt’s credit rating of B- and B respectively from stable outlook to positive outlook*

---

*Sources: IMF report Oct’17 | Central bank of Egypt | Ministry of Finance | Trading Economics | Oil minister announcement
* S&P Rating: Nov-17, Fitch Rating: Jan-18
MACRO ECONOMIC INDICATORS

Macroeconomic indicators reinforcing the signals for positive future outlook

Egypt’s Economic Indicators

Real GDP Growth Rate
% , IMF estimate

Starting 2015, Real GDP has been following a positive trend reflecting political and economic reforms

Population and Unemployment
Millions, %, IMF estimate

Population has been growing by more than 2% Y/Y, while Unemployment has been following a declining trend Y/Y starting 2015, signaling economic growth aspirations

Inflation Rate (period average)
% , IMF estimate

Despite 2017 high inflation, IMF forecasts more optimistic inflation rates in the future

Sources: IMF report Oct’17 | Central bank of Egypt

153
### Interconnect Legal Disputes

**EM & TE sign an agreement to settle historical disputes**

TE finally settled on **EGP1.45 BN** as EM’s dues against **incoming international calls** covering the period from 2007 till June 2017.

### International Voice Agreement

**Pending since launch**

Signed **int’l voice agreement** with TE, **5yrs duration**, reviewed after 3, setting the interconnect price **till 2022**.

### National Roaming Agreement

**The only operator to sign**

Etisalat Misr **solely** signs a 5-yr commercial agreement (reviewable after 3-yrs) to provide **national roaming services nationwide**.
Promising telecom sector in Egypt, despite new competition entry

Market Attractiveness
Etisalat and Orange shareholder taken decision to increase Capital reaffirms investors’ confidence in the Egyptian market.

Market Growth
Mobile market sustains strong growth (~15% in 2017) outpacing overall GDP and many other industries.

Youth
With ~50% of the population less than 24 years of age, Youth remain to be Etisalat’s heartland.

4G/LTE
LTE expected huge traffic growth, (EM LTE traffic contribution reached~28% since launch) supported by growing number of smartphone users and internet penetration reaching 41.2%.

Digitalization
Offering a compelling, integrated digital services and enhancing customer experience.

Enterprise
Enterprise and high value market with a double digit growth (EM EBU growth nearing the 21% mark in 2017) supported by the country’s mega projects and micro financing initiatives.

Adjacencies
Opportunity to export ICT services, business process outsourcing, and mobile money services i.e. Financial Inclusion Global Initiative accelerated by the World Bank paving the way for uptake of payment solutions (EM e-wallet transactions’ volume and value grew in 2017 by ~330%, and ~175%, respectively).
EM remarkably became 2nd market player across all KPIs

**Focus on Data, Youth, and Enterprise segments supported by resources optimization and Capital increase**

- **18% Revenue Growth**
  - Revenue Growth: 32%
  - Market Share: 32%
  - EBITDA Margin: 30%

**Capitalizing on Capital increase, and rebranding to retrieve its market position**

- **6% Revenue Growth**
  - Revenue Growth: 31%
  - Market Share: 31%
  - EBITDA Margin: 30%

**Focus on high value and data segments, adopting more-for-more proposition approach**

- **19% Revenue Growth**
  - Revenue Growth: 37%
  - Market Share: 37%
  - EBITDA Margin: 45%

**Hammers on 1st national brand, 1st integrated operator, and lowest mobile internet prices**

- Revenue Growth: 2%
- EBITDA Margin: NA
- Market Share: 0.2%

Sources: EM 2017 Financials | Vodafone release | TE investors presentation | Estimate for (We & Orange)
**Strong-in market performance driven by well-positioned consumer tariffs and enterprise transformation**

<table>
<thead>
<tr>
<th>Enablers</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consumer</strong></td>
<td><strong>Mass</strong></td>
</tr>
<tr>
<td>Increasing <strong>uptake</strong> of well positioned segmented market platforms contributing to robust growth</td>
<td>7.1% ARPU Uplift</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Enterprise</strong></th>
<th><strong>Enterprise Revenue growth rate %, year-on-year</strong></th>
<th><strong>EBU segment showing an accelerated growth of 21% driven by SMB &amp; connectivity</strong></th>
<th><strong>Sales focused on the fundamentals; acquiring new SMEs, large accounts, and farming in existing accounts</strong></th>
<th><strong>29% EBU ARPU growth</strong></th>
<th><strong>32% Connectivity Revenue growth rate</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise sales transformation efforts along with distinct propositions accelerated growth year-on-year</td>
<td>2016 13%</td>
<td>2017 21%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Digital</strong></th>
<th><strong>Digital Customer Adoption Users, Millions</strong></th>
<th><strong>EM leading customer experience indices (TRI*M/NPS),</strong></th>
<th><strong>EM has the Mobile App best TRI*M scores and leader for 3 consecutive months</strong></th>
<th><strong>Mobile App TRI*M Score 2017,</strong></th>
<th><strong>ET VF OR</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Focused on building digital capabilities, increasing uptake through an aggressive acquisition plan &amp; extending digital across all platforms</td>
<td>+489% 0.4 Q4'16 1.0 Q2'17 2.1 Q4'17</td>
<td></td>
<td></td>
<td>Major App release</td>
<td>43 58 50 57 48 48</td>
</tr>
</tbody>
</table>
### Etisalat Misr operating model proved successful to drive remarkable performance

#### 2017 challenges
- Currency floatation
- Subsidy removal
- New taxes & VAT
- Inflation & interest rates
- Legal disputes
- Managing external environment

#### Achievements

<table>
<thead>
<tr>
<th>Economics</th>
<th>Competition</th>
<th>Regulatory</th>
</tr>
</thead>
<tbody>
<tr>
<td>18% Global revenue growth</td>
<td>WE (TE mobile operator)</td>
<td>Legal disputes</td>
</tr>
<tr>
<td>28% Data growth</td>
<td>Two world’s class competitors</td>
<td>Managing external environment</td>
</tr>
<tr>
<td>21% Enterprise revenue growth</td>
<td>Less frequency Vs. competition</td>
<td></td>
</tr>
<tr>
<td>9% ARPU growth</td>
<td>Competition intensive CapEx investment</td>
<td></td>
</tr>
<tr>
<td><strong>EGP 1 bn</strong> Monthly revenue &gt;EGP 1 bn mark</td>
<td></td>
<td></td>
</tr>
<tr>
<td>39% EBITDA margin</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18% EBITDA growth</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remarkable Net profit Regaining profitability</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Drivers
- Well positioned consumer tariffs and enterprise transformation
- Efficient operational performance
- Cost optimization initiatives
- Effective risk management and corporate finance
- Delivering personalized, innovative & cost effective services.
- Focusing on customer growth through differentation & segmentation
- Strong 4G roll out reaching 2,632 sites with smart frequency utilization

#### Libor hedging
- Agreement concluded

#### Financing restructure
- Capital increase

#### Remarkable Net profit Regaining profitability

#### Market share
- 31% TE dispute settlement Settlement out of court after 10 years

#### Value share
- 28.4% Legal disputes +ve signals More control over disputes with positive signals

#### EBITDA share
- 28% Signed agreements Signed 5 years National Roaming and incoming int’l voice (reviewable after 3-yrs) with TE

#### Monthly revenue >EGP 1 bn mark

#### EBITDA margin

#### EBITDA growth
Pursuit for Mobile Broadband Leadership

Vigorously expanded our 4G footprint to assert our customer centricity objectives

**Sites rollout**

**Total Rolled out sites; 7267 sites**
- 6,567 3G Sites, represents ~90% of total sites which supported our TRIM superiority

**Network trim index**

2017

- Feb: 47
- Mar: 44
- Apr: 40
- May: 35
- Jun: 35
- Jul: 37

**LTE readiness**

** Rolled out LTE sites; 2632 sites**
- Throughput reached ~22 MBPS (~90% growth over last year) and 104 TB LTE traffic

**EM 4G contribution % of total traffic %, 2017**

- Jan: 8%
- Feb: 16%
- Mar: 20%
- Apr: 25%
- May: 27%
- Jun: 28%

- EM plans to invest ~EGP6bn in its network in the coming 3 years to cater for data growth and superior customer experience

**EM 4G expanded footprint driven by our speedy technology advancement and SIM cards readiness ahead of competition**

**EM 4G expanded footprint driven by our speedy technology advancement and SIM cards readiness ahead of competition**
### MOVING FORWARD

### 2018 and beyond

<table>
<thead>
<tr>
<th>Value</th>
<th>1. Emphasis on fundamental <strong>execution</strong> and deliver <strong>value</strong> to <strong>shareholders</strong> through a <strong>double digit growth</strong> &amp; <strong>healthy</strong> cash flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>4G</td>
<td>2. Continue building a <strong>superior</strong> network offering best <strong>4G performance</strong>, optimizing <strong>CapEx</strong> for revenue yield</td>
</tr>
<tr>
<td>Environment</td>
<td>3. Managing competitive landscape to <strong>avoid price war</strong> &amp; <strong>shredding</strong> market <strong>value</strong> via a robust mitigation plan from technology &amp; commercial perspective</td>
</tr>
<tr>
<td>Customer</td>
<td>4. Focus on <strong>customer revenue growth</strong> through <strong>differentiated</strong> &amp; segmented offerings</td>
</tr>
<tr>
<td>Digitalization</td>
<td>5. Continue enhancing customer <strong>experience</strong> inline with our <strong>digital journey</strong> &amp; direct sales expansion</td>
</tr>
<tr>
<td>Conversion</td>
<td>6. Offer fully <strong>integrated fixed &amp; mobile</strong> services</td>
</tr>
<tr>
<td>Adjacencies</td>
<td>7. Enhancing adjacent revenue streams through outsourcing business &amp; <strong>mobile money</strong> services</td>
</tr>
</tbody>
</table>
Q&A

THANK YOU
Etisalat Group Capital Markets Day 2018

Closing Remarks

Saleh Al-Abdooli
Group Chief Executive Officer