

# Earnings Release

Kuwait Telecommunications Company K.S.C.P

# 2017

## First Quarter

VIVA



## Earnings Release Q1-2017

## VIVA's financial results

### for the 3 months ended 31 March, 2017

VIVA, Kuwait's fastest-growing telecom operator, announced the financial results for the period ended 31st March 2017. VIVA's achieved a revenue of KWD 66.9 million in Q1 2017 which resulted a net profit of KWD 10 million (earnings per share of 20 fils) an increase of 2% as compared to net profit of KWD 9.8 million (earnings per share of 20 fils) during Q1 2016, whereas the operational profit has reached KWD 10.7 million during Q1 2017. On the other hand, VIVA's shareholders equity base increased by 34% to reach KD 138 million at the end of March 2017 compared to KD 103 million at the end of March 2016.

VIVA achieved these results due to the superior customer experience, high quality of services, innovative promotions and packages offered to its customers to meet their needs and expectations, inspired by our customers' confidence which motivates us to provide the best services with the highest possible quality.

Key Figures & Ratios	Q1 - 2016	Q1 - 2017	Change
Subscribers (Mn)	2.4	2.3	-6%
Revenue (KD Mn)	70.5	66.9	-5%
Operating Profit (KD Mn)	10.5	10.7	+2%
Operating Profit Margin (%)	15%	16%	+1pt.
Net Profit (KD Mn)	9.8	10.0	+2%
Net Profit Margin (%)	14%	15%	+1pt.
EPS (Fils)	20	20	+2%
Equity (KD Mn)	102.7	137.7	+34%
BVPS (Fils)	206	276	+34%

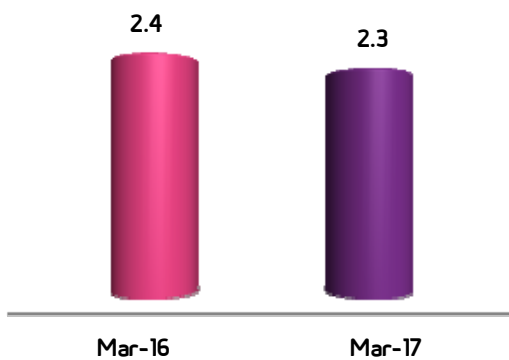
## Key Financial Highlights

- VIVA's revenue declined by 5% during the Q1 2017 to reach KD 66.9 million as compared to KD 70.5 million recorded during the same period last year.
- VIVA's customers' reached 2.3 million by end of March 2017.
- VIVA's financial results reflected its ability to compete, sustained revenues and maintain its position as the second largest telecom operator in the Kuwaiti market in term of revenues in the telecom sector.
- VIVA's Operating net profit increased during Q1 2017 by 2% to reach KD 10.7 million and compared to KD 10.5 million recorded during Q1 2016.
- The net profit reached KD 10 million (earning per share 20 fils) during Q1 2017 as compared to KD 9.8 million (earning per share 20 fils) recorded during last year.
- Shareholders' equity base to stand at KWD 138 million at the end of March 2017 with a growth rate of 34% compared to the end of March 2016.

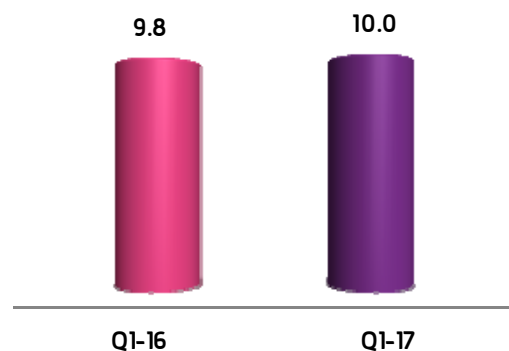
## Key News, Developments & Operational Highlights

- **VIVA Wins "Best Telecommunications Company of the year, Kuwait 2016 Award":** International Finance", the preeminent international magazine, awarded VIVA in recognition of the telecom firm's exceptional performance and leadership role through innovative solutions and technology, which serve all the segments in the Kuwaiti market.
- **VIVA Receives Prestigious ISO 27001:2013 Global Certification:** VIVA has received the ISO/IEC 27001:2013 certification for Information Security Management System, attaining global status by meeting applicable mandatory requirements from two leading entities International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC).
- **VIVA and Zain in Kuwait collaborate to launch first VoLTE interconnection in MENA region:** Zain and VIVA, Kuwait's leading telecom operators, jointly announced the successful establishment of the first Voice Over LTE (VoLTE) interconnection.
- **VIVA Inked an Agreement for Cash Dividends Transfer with Kuwait Clearing Company (KCC):** VIVA has recently inked an agreement for Cash Dividends Transfer with Kuwait Clearing Company (KCC) in cooperation with the National Bank of Kuwait (NBK).
- **VIVA Holds its Annual General Meeting for the Year Ending on 31st December 2016:** VIVA held its Annual General Meeting (AGM) at the Regency Hotel on 29 March 2017, and the attendance represented 76.91 % from the total shareholders.
- **VIVA Wins the Excellence Award for "VIP Customer Service" in Telecommunications Sector:** VIVA won the excellence award for "VIP Customer Service" in Kuwaiti telecommunications sector, as part of the second edition of the Kuwait Public Relations and Customer Service Award hosted by Kuwait's Public Relations Association under the patronage of His Highness the Amir Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah.

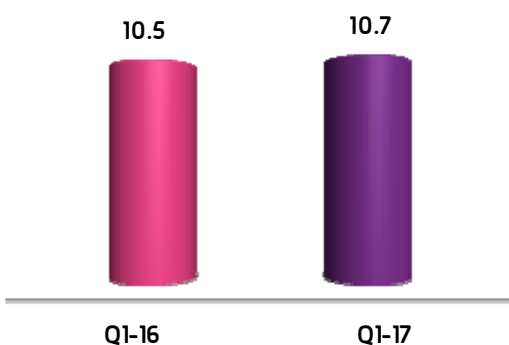
Subscribers (Mn)



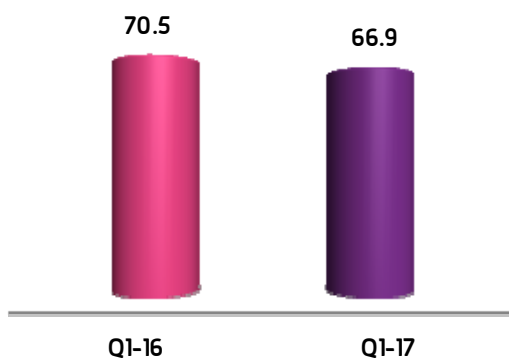
Net Profit (KD Mn)



Operating Profit (KWD Mn)



Revenue (KD Mn)



## Earnings Release Q1-2017

### Chairman Statement

Commenting on the Q1-2017 financial results, Dr. Mahmoud Ahmed Abdulrahman, the chairman of viva said : “Despite the high competition witnessed in the Kuwaiti Telecom Market, VIVA was able to achieve a growth in the profitability and good levels of revenues, in addition to sustain the operational efficiency that led to generating positive return to our shareholders. The witnessed growth in VIVA’s profits was a result of the approved business strategy to be one of the most developed telecom companies in Kuwait and the region. Also, our positive and key role, as a pioneer telecom company, always contributes in providing smart telecommunications solutions to satisfy our customers’ aspirations and needs.”



He added: “VIVA was able to achieve net profit of KD 10 million (EPS of 20 fils) during the Q1- 2017 compared to net profit of KD 9.8 million (EPS of 20 fils) during Q1-2016. These results achieved by VIVA during the first quarter of 2017 reflect the efficient business strategy adopted by the company to achieve outstanding results despite of the increasing competition. Also, VIVA managed to achieve positive earnings for its shareholders as a result of the commitment to elevate the quality of customer service and improving the operational efficiency”.

### CEO Statement

On his part, Eng./ Salman bin Abdulaziz Al Badran , VIVA’s CEO said: “Results of Q1-2017 came in line with VIVA goals and boundless ambitions to achieve an increase in its operational revenues and strengthen its leadership in the telecom market. It is noteworthy to mention that, VIVA has won many awards including “Best Telecommunications Company of the year, Kuwait 2016” by International Finance Magazine in recognition of the telecom firm’s exceptional performance and leadership role through innovative solutions and technology, which serve all the segments in the Kuwaiti market, the “Best Contact Centre Experience”, “Excellence Governance Award”, “VIP Customer Service Award”, ISO/IEC 27001:2013 certification for Information Security Management System, attaining global status by meeting applicable mandatory requirements from two leading entities Inter’l Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC). In addition VIVA successfully established the first Voice Over LTE (VoLTE) interconnection in the Middle East and North Africa region in partnership with a local network, and was the 1st telecom company in Kuwait that has successfully tested the fifth-generation “5G” in its lab enabling customers to exchange information & communicate at high speed.”

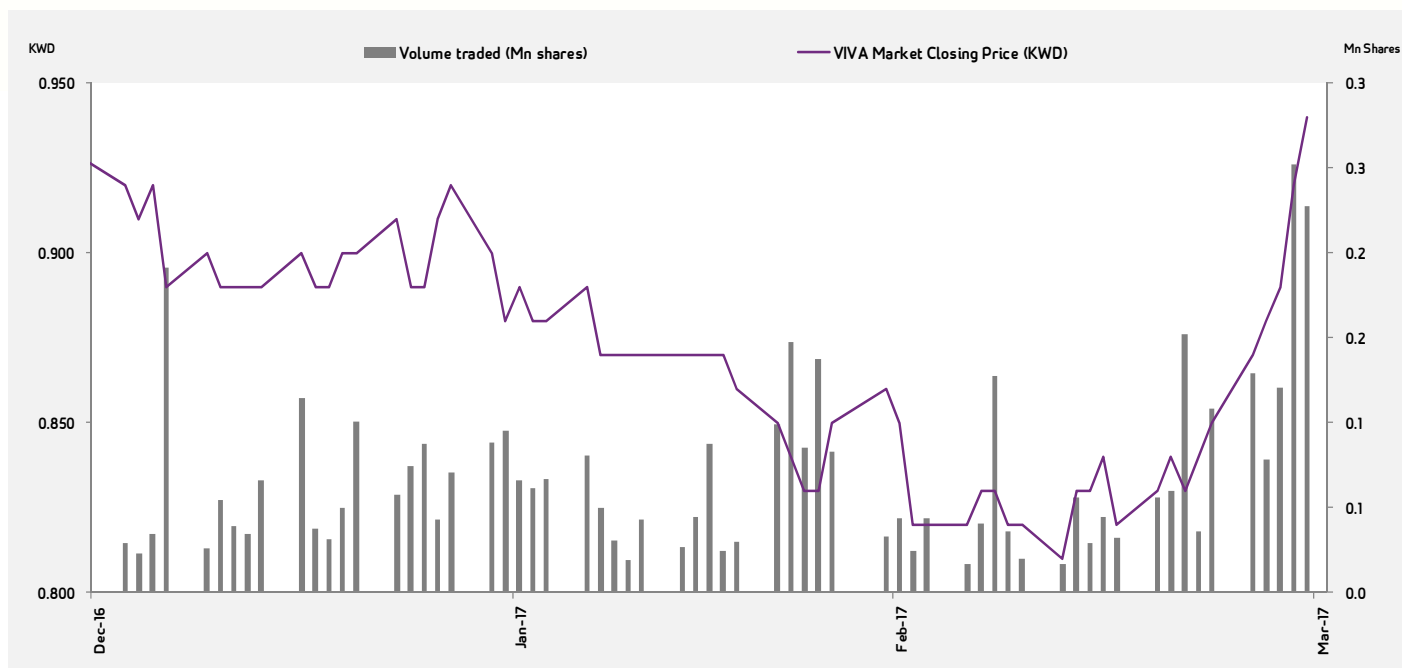


Al-Badran added: “VIVA has achieved good levels of profitability which improved the company’s financial and operational efficiency. As a result, VIVA recorded revenues of KD 66.9 million during Q1-2017 and achieved net profit of KD 10 million (earnings per share of 20 fils), whereas the operating profit has reached KD 10.7 million during the same period. On the other hand, VIVA customer base has reached 2.3 million at the end March, 2017. VIVA’s financial results reflected its ability to compete, sustained revenues and maintain its position as the second largest telecom operator in the Kuwaiti market in term of revenues in the telecom sector.

The company managed to decrease its leverage ratio due to its conservative financial policy to reach 0.3x at the end of March 2017 as compared to 0.7x recorded at end of March 2016. He added: “We will continue our hard work in implementing our strategy to maintain our competitive edge and achieve further growth and success in the Kuwaiti telecom market through offering innovative products and services in line with the latest technology to meet our customers’ needs.”

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## Q1-2017 Stock Performance and Indicators



Closing Price (KD)	High Price (KD)	Low Price (KD)	Volume Traded (Mn Shares)	Value Traded (KD Mn)	Number of Deals	Share Turnover (%)	Q1-2017 Return (%)
0.940	0.940	0.800	4.31	3.67	2,618	0.86%	+1.1%

Source: Boursa Kuwait,

Note: Data provided in the above table as of 31 March, 2017

### About VIVA

VIVA is the fastest-growing telecom operator in Kuwait. Launched in December, 2008, and was listed on Kuwait Stock Exchange during December, 2014. VIVA makes things possible for its customers by transforming communication, information and entertainment experiences. The company has rapidly established an unrivalled position in the market through its customer-centric approach. VIVA's quest is to be the mobile brand of choice in Kuwait by being transparent, engaging, energetic and fulfilling. VIVA continues to take a considerable share of the market by offering an innovative range of best value products, services and content propositions; a state-of-the-art, nationwide network and world-class service. VIVA offers internet speeds of more than 100 Mbps, due to the implementation of the most advanced fourth generation (4G LTE) network in Kuwait resulting in superior coverage, performance and reliability.

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