

Earnings Release

Kuwait Telecommunications Company K.S.C.P



2017

Full Year ended 31 December

VIVA



Earnings Release FY-2017

VIVA's financial results for the full year ended 31 Dec, 2017

VIVA, Kuwait's fastest-growing and most developed telecom operator, announced the financial results for the full year ended on 31 December 2017; whereby VIVA's revenues reached KWD 278 million compared to KD 279 million recorded during 2016; whereas the net profit in 2017 reached KWD 40.1 million compared to KD 39.8 million in 2016.

On quarterly basis VIVA recorded a remarkable performance with revenues rising by 7.2% to reach KD 73.4 million during Q4-2017 compared to KD 68.5 million recorded during the same quarter in 2016. On the other hand, VIVA achieved a 10% growth in net profit of KD 11.8 million during Q4-2017 compared to a net profit of KD 10.8 million reported during Q4-2016. These results reflect VIVA's focus on achieving 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	FY- 2016	FY - 2017	Change
Subscribers (Mn)	2.4	2.3	-4.1%
Revenue (KD Mn)	279.1	277.6	-0.5%
Operating Profit (KD Mn)	43.6	42.6	-2.3%
Operating Profit Margin (%)	15.6%	15.4%	0.3pt.
Net Profit (KD Mn)	39.8	40.1	+0.7%
Net Profit Margin (%)	14.3%	14.4%	0.2pt.
EPS (Fils)	79.7	80.3	+0.7%
Equity (KD Mn)	132.7	167.8	+26%
BVPS (Fils)	266	336	+26%

Key Financial Highlights

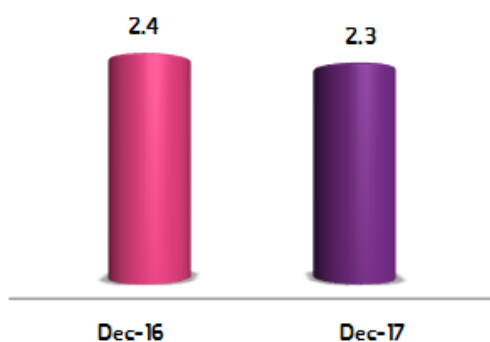
- VIVA's revenue marginally declined by 0.5% in 2017 to reach KD 278 million . On quarterly basis VIVA recorded a remarkable performance with revenues rising by 7.2% to reach KD 73.4 million during Q4-2017 compared to Q4-2016.
- VIVA's customers' reached 2.3 million by end of December 2017, increased by 3.6% as compared to the subscriber base at the end of Sep 2017.
- Operating profit reached KD 42.6 million during the year end 31 Dec 2017 with an operating Profit Margin of 15% as compare to KD 43.6 million and margin of 16% during last year.
- The net profit reached KD 40.1 million (earning per share 80 fils) in 2017, increased by 0.7% as compared to KD 39.8 million (earning per share 80 fils) recorded during last year. On the other hand, VIVA achieved a 10% growth in net profit of KD 11.8 million during Q4-2017 compared to a net profit of KD 10.8 million reported during Q4-2016.
- Shareholders' equity base to stand at KWD 167.8 million at the end of December 2017 with a growth rate of 26% compared to KWD 132.7 million at the end of December 2016.
- The Board of Directors has recommended distributing cash dividends of 30 fils among the shareholders representing 30% of the nominal share value for the year ended 2017 subject to the approval of the Ordinary General Assembly of the company.

Earnings Release FY-2017

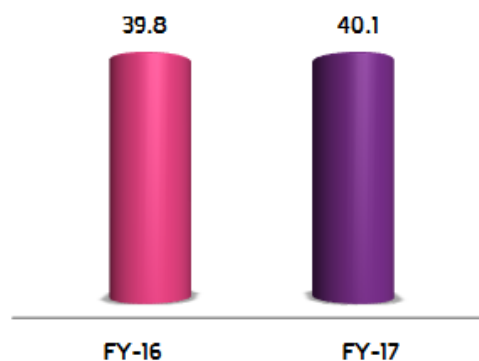
Key News, Developments & Operational Highlights

- **VIVA Wins "Best Operator Network" and "5G Innovator of the Year" Awards** : VIVA, has been recognized as "Best Operator Network" and "5G Innovator of the Year" by Telecom World Middle East.
- **VIVA Wins "2017 Speedtest Award"** : VIVA, has been recognized as "Speedtest Award Winner 2017 - Kuwait's Fastest Mobile Network", based on Ookla's analysis of Speedtest Intelligence data in 2017, in Kuwait.
- **VIVA The First in Kuwait to Try The Fifth-Generation "5G"**: VIVA, has successfully tested the fifth-generation "5G" in its lab and was able to achieve almost 35Gbps. Being the first telecom company in Kuwait to try the unrivalled 5G, reflects its continuous commitment to its customers to deliver up-to-date technologies that meet their aspirations.
- **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 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.
- **VIVA and Zain in Kuwait collaborate to launch first VoLTE interconnection in MENA region**: VIVA and Zain, Kuwait's leading telecom operators, jointly announced the successful establishment of the first Voice Over LTE (VoLTE) interconnection in the Middle East and North Africa region in partnership with Huawei, a leading global ICT solutions provider. The announcement was made during the GSMA Mobile World Congress 2017 held in Barcelona, Spain in the presence of executive management representatives from Zain, VIVA, Huawei, and the GSMA.

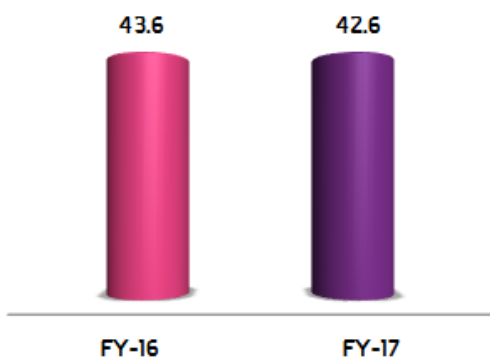
Subscribers (Mn)



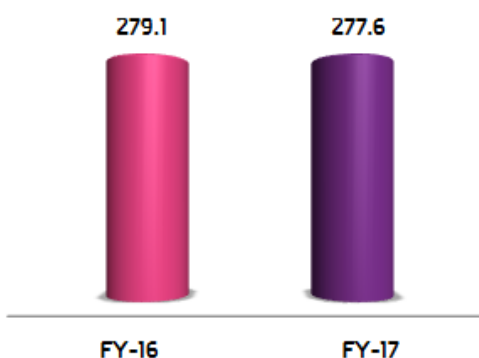
Net Profit (KD Mn)



Operating Profit (KWD Mn)



Revenue (KD Mn)



Earnings Release FY-2017

Chairman Statement

Commenting on announcing the annual financial results, Dr. Mahmoud Ahmed Abdulrahman, VIVA's Chairman, has stated that "Despite the high competition witnessed in the Kuwaiti Telecom Market, VIVA was able to achieve a growth in the profitability and sustain the operational efficiency to ensure generating positive return to our shareholders. VIVA achieved these results due to an integrated management approach by a highly professional team that reinforces VIVA's substantial and positive role as a leading telecommunications company that always provides intelligent communications solutions to satisfy the needs of its customers and meet their needs."

He added that "VIVA has demonstrated its ability to achieve a growth in the net profit amidst the current hard economic conditions and strong competition witnessed in the year 2017 which resulted from the decline in telecom tariffs thus pressurizing the profit margin of all telecom companies in Kuwait. VIVA managed to achieve net profit of KWD 40.1 million (earnings per share of 80 fils) during the FY 2017 growing at 1% compared to net profit of KWD 39.8 million (earnings per share of 80 fils) during FY 2016.

On the other hand, VIVA has enhanced shareholders' equity base to stand at KWD 168 million at the end of 2017 with a growth rate of 26% compared to 2016. These results achieved by VIVA during 2017 reflect the efficient business strategy adopted by the company to achieve outstanding results in spite of the increasing competitiveness. 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". The Board of Directors has recommended distributing cash dividends of 30 fils among the shareholders representing 30% of the nominal share value for the year ended 2017 subject to the approval of the Ordinary General Assembly of the company.

CEO Statement

On his part, Eng./ Salman bin Abdulaziz Al Badran , VIVA's CEO said that "Results of 2017 came in line with VIVA goals and ongoing ambitions to achieve an increase in its operational businesses and strengthen its leadership in the telecom market. It is noteworthy to mention that VIVA won this year "Speedtest Award Winner 2017 - Kuwait's Fastest Mobile Network" by Ookla, and it is pioneer in the middle east in providing the latest products and services to its customers among telecom operators in the middle east region, and achieved successfully the establishment of the first Voice Over LTE (VoLTE) interconnection in the Middle East and North Africa region in partnership with local networks, and was the first telecom company in Kuwait that has successfully tested the fifth-generation "5G" in its lab, which fosters its leadership in providing the latest technology that will enable customers to exchange information and communicate at higher speeds.

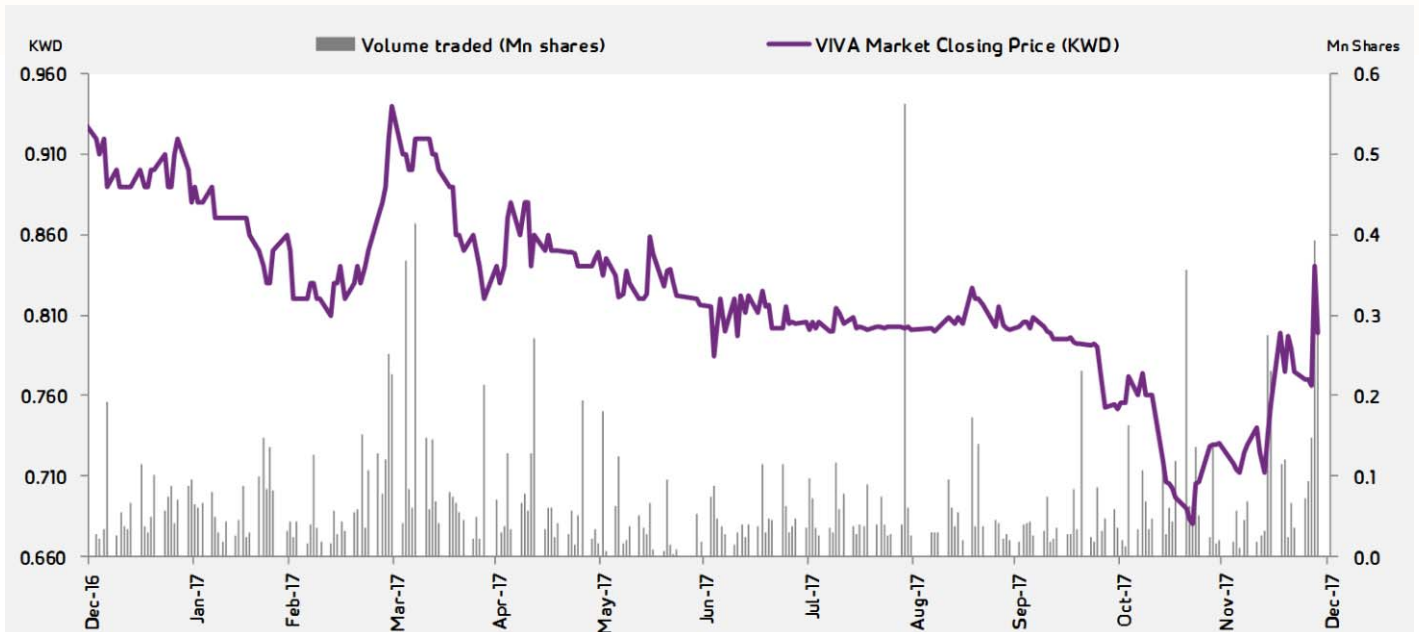
Al Badran added that "We have exerted great efforts in 2017 through our integrated team work to establish a solid and strong base that insures the company's continuing successes in light of the strong competition in the Kuwaiti telecom market. VIVA achieved good levels of revenues and record a growth in the profitability in addition to improving the company's financial and operational efficiency. As a result, VIVA recorded revenues of KWD 278 million during FY 2017 and achieved net profit of KWD 40.1 million (earnings per share of 80 fils) in 2017, whereas the operating profit has reached KWD 42.6 million during the same year. On the other hand, VIVA customer base has reached 2.3 million at the end of December 2017.

CFO Statement

On his part, Mr. Mohammed Bin AbdulMohsen Al-Assaf, VIVA's CFO, said that "During 2017, VIVA's financial results reflected its ability to compete and achieve growth in revenues during Q4-2017, 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 0.05x at the end of 2017 as compared to 0.36x recorded at end of 2016. On the other hand, VIVA managed to sustain healthy profitability ratios in light of intense competition where Return On Assets (ROA) has reached 14% while return on shareholders' equity (ROE) has reached 24% in 2017. "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" he added.

Earnings Release FY-2017

FY-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 (%)	FY-2017 Return (%)
0.799	0.940	0.671	17.29	14.03	9,980	3.5%	-14.1%

Source: Boursa Kuwait,

Note: Data provided in the above table as of 31 Dec, 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.

Investor Relations:

Investor.relations@viva.com.kw

Tel: +965 5000 1911

www.viva.com.kw