

Earnings Release

Kuwait Telecommunications Company K.S.C.P

2017

9M ended 30 September

VIVA



Earnings Release 9M-2017

VIVA's financial results for the 9 months ended 30 Sep, 2017

VIVA, Kuwait's fastest-growing and most developed telecom operator, announced the financial results for the nine-month period ended 30 September 2017. Despite the high competition, VIVA's revenue in Q3 grew to reach KD 71.2 million recording a growth of 0.7%; whereas the revenues during the first nine-month period in 2017 reached KD 204.2 million. These results reflect VIVA's marketing, media and advertising vision, in line with the global technology and digital revolution through plans and programs that include modern products and services that meet "more" the needs of customers and reach them anywhere.

VIVA continued to 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	9M- 2016	9M - 2017	Change
Subscribers (Mn)	2.4	2.2	-9%
Revenue (KD Mn)	210.6	204.2	-3%
Operating Profit (KD Mn)	31.4	30.1	-4%
Operating Profit Margin (%)	15%	15%	0pt.
Net Profit (KD Mn)	29.0	28.3	-3%
Net Profit Margin (%)	14%	14%	0pt.
EPS (Fils)	58	57	-3%
Equity (KD Mn)	122.0	156.0	+28%
BVPS (Fils)	244	312	+28%

Key Financial Highlights

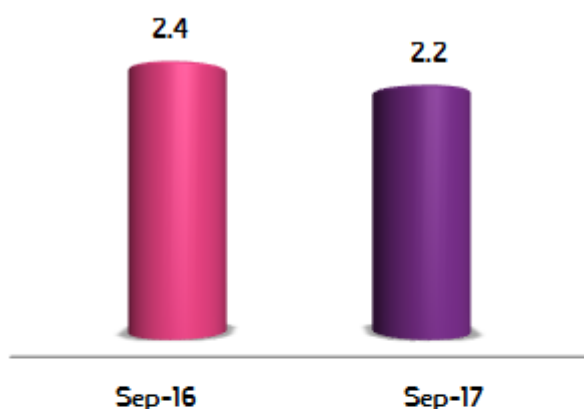
- VIVA's revenue declined by 3% during the 9M-2017 to reach KD 204.2 million as compared to KD 210.6 million recorded during the same period last year.
- VIVA's customers' reached 2.2 million by end of September 2017, maintaining the same level at the end of June 2017.
- Operating profit reached KD 30.1 million KD during the nine months ended 30 Sep 2017 with an operating Profit Margin of 15% as compare to KD 31.4 million and margin of 15% during the same period last year.
- The net profit reached KD 28.3 million (earning per share 57 fils) during 9M-2017 as compared to KD 29.0 million (earning per share 58 fils) recorded during last year.
- Shareholders' equity base to stand at KWD 156.0 million at the end of September 2017 with a growth rate of 28% compared to KWD 122.0 million at the end of September 2016.



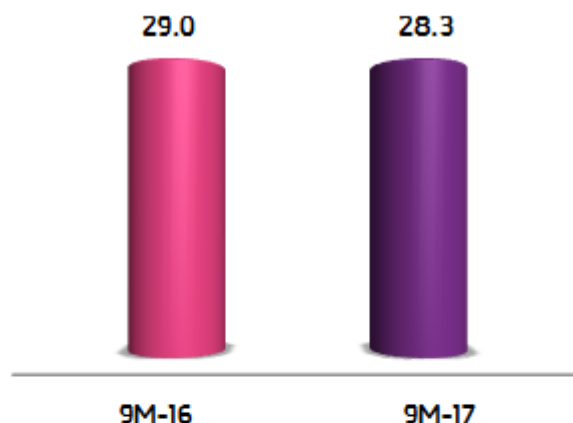
Key News, Developments & Operational Highlights

- **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 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 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 hosted by Kuwait's Public Relations Association under the patronage of His Highness the Amir Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah.

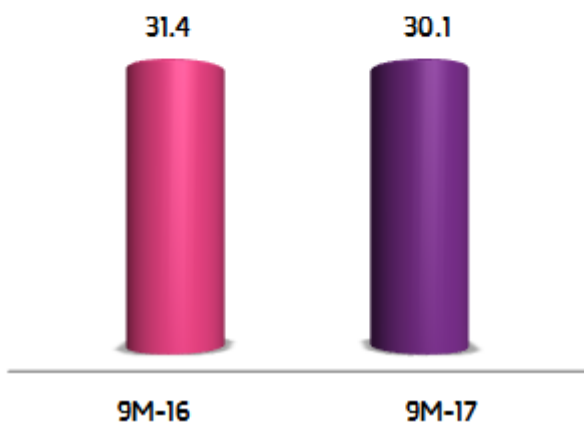
Subscribers (Mn)



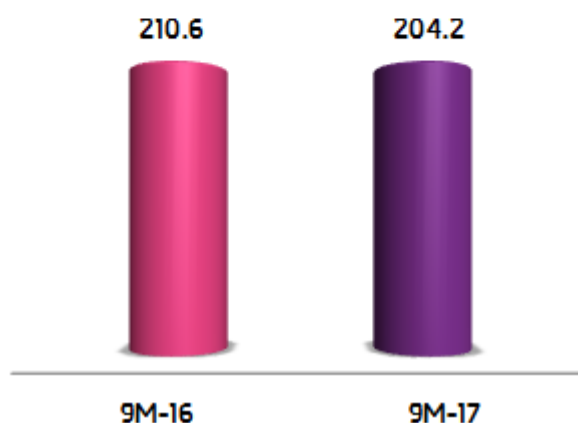
Net Profit (KD Mn)



Operating Profit (KWD Mn)



Revenue (KD Mn)



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Chairman Statement

Commenting on the nine-month's financial results ended in 30 September 2017, Dr. Mahmoud Ahmed Abdulrahman, VIVA's Chairman said: "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: "VIVA was able to achieve net profit of KD 28.3 million (earnings per share of 57 fils) during the nine month period ended 30 September 2017 compared to net profit of KD 29.0 million (earnings per share of 58 fils) during the same period in 2016. These results achieved by VIVA during the nine-month period in 2017 reflect the efficient business strategy adopted by the company to achieve outstanding results despite of the increasing competition. In addition, 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 the nine-month period ended 30 September 2017 came in line with VIVA's 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 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 MENA 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."

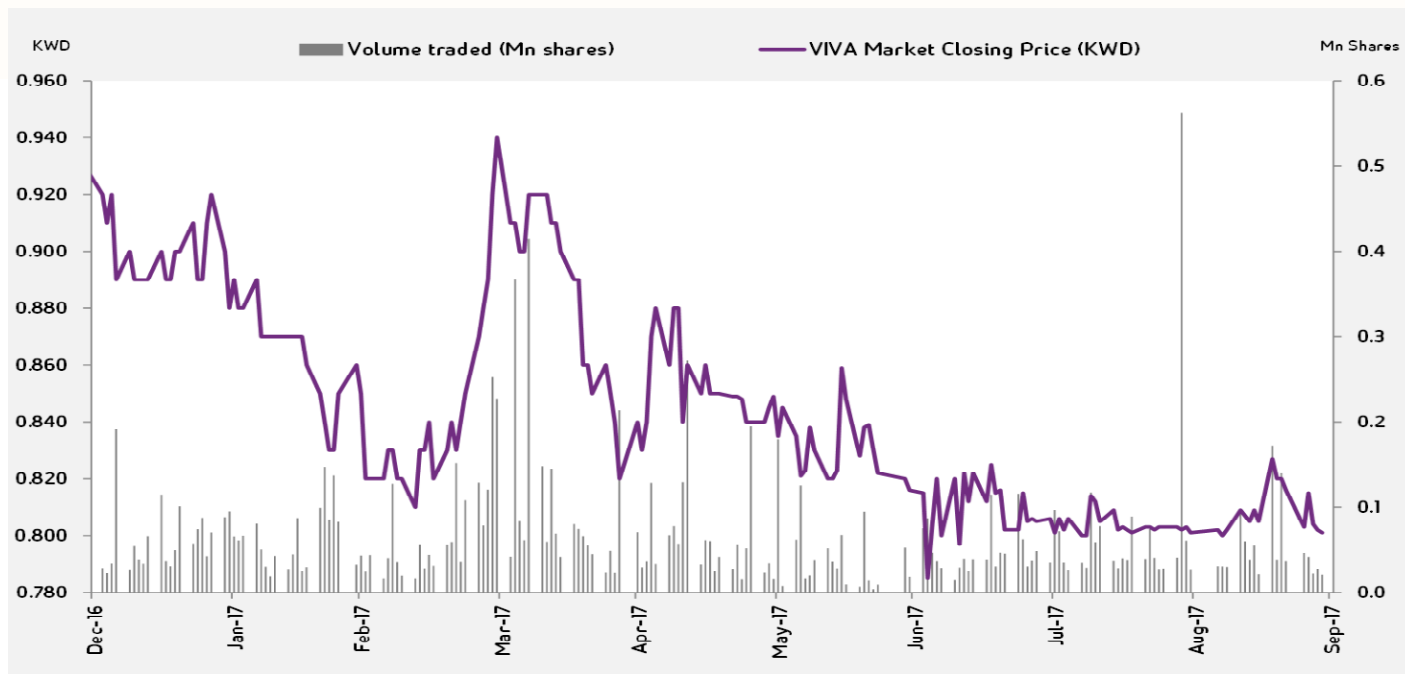
Al-Badran added: "VIVA has achieved good levels of profitability which improved the company's financial and operational efficiency. As a result, VIVA recorded revenues of KD 204.2 million during the first nine-month period in 2017 and achieved net profit of KD 28.3 million (earnings per share of 57 fils), whereas the operating profit has reached KD 30.1 million during the same period. In addition, VIVA's customer base has reached 2.2 million at the end of September, 2017.

CFO Statement

Mr. Mohammed Bin AbdulMohsen Al-Assaf, Chief Financial Officer at VIVA said: "VIVA's financial results for the period ended 30 September 2017 reflect its ability to compete, sustain revenues and maintain its position as the second largest telecom operator in the Kuwaiti market in term of revenues in the telecom sector. In addition, it fostered the VIVA's shareholders equity base, which reached about KD 156 million, which reflected the strength and growth of VIVA's financial position. The company managed to decrease the debt level from KD 56.9 million as at 30 September 2016 to KD 29.4 million as at 30 September 2017, due to its prudent financial policy and its leverage ratio reached 0.19x at the end of September 2017 as compared to 0.47x recorded at end of September 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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YTD-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 (%)	YTD-2017 Return (%)
0.801	0.940	0.785	12.37	10.31	7,593	2.5%	-13.9%

Source: Boursa Kuwait,

Note: Data provided in the above table as of 30 Sep, 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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