

Earnings Release

Kuwait Telecommunications Company K.S.C.P.

2016

First Half

VIVA



VIVA's financial results

For the 6 months ended 30th June, 2016

VIVA, Kuwait's fastest-growing telecom operator, announced the financial results for the six-month period ended 30th June, 2016.

VIVA's revenue grew by 4% to reach KD 140 million compared to the same period in 2015. VIVA achieved these results due to the high quality of services, promotions and packages offered to its customers to meet their needs and expectations, inspired by our customers' confidence. Moreover, VIVA's customer base reached 2.4 million by end of June 2016.

Despite the high competition witnessed in the Kuwaiti telecom market, VIVA managed through its operational and financial strategy to achieve a net profit of KD 19.4 million (earning per share 39 fils) during the first half of 2016 compared to KD 21.6 million (earning per share 43 fils) recorded during the same period last year. On the other hand, VIVA's shareholders equity base increased by 57% to reach KD 112.3 million at the end of June 2016 compared to KD 71.5 million at the end of June 2015.

Key Figures & Ratios	6M-2015	6M-2016	Change
Subscribers (Mn)	2.5	2.4	-5%
Revenue (KD Mn)	134.4	140.0	+4%
Operating Profit (KD Mn)	25.1	20.4	-19%
Operating Profit Margin (%)	19%	15%	-4pt.
Net Profit (KD Mn)	21.6	19.4	-10%
Net Profit Margin (%)	16%	14%	-2pt.
EPS (Fils)	43	39	-10%
Equity (KD Mn)	71.5	112.3	+57%
BVPS (Fils)	143	225	+57%

Key Financial

Highlights

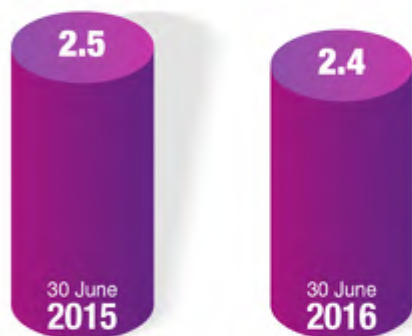
- VIVA's revenue grew by 4% during the first half of 2016 to reach KD 140 million as compared to KD 134.4 million recorded during the same period in 2015.
- VIVA's customer base reached 2.4 million by end of June 2016.
- The net profit reached KD 19.4 million (earning per share 39 fils) during the first half of 2016 as compared to KD 21.6 million (earning per share 43 fils) recorded during the same period last year.
- On the other hand, VIVA's shareholders equity base increased by 57% to reach KD 112.3 million at the end of June 2016 as compared to KD 71.5 million at the end of June 2015.

Key News, Developments

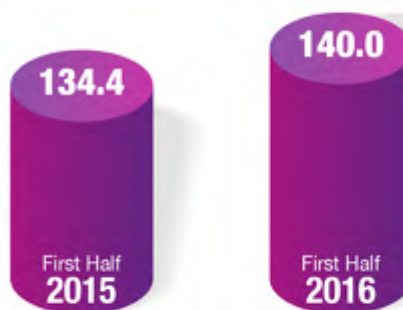
& Operational Highlights

- **VIVA Celebrated the Recognition of its CEO Mr. Salman Al-Badran Amid the Best 100 CEOs in the Region:** Out of the CEO's of the 800 publicly listed companies on the regional stock exchange, Al Badran was ranked 57th on the annual 100 best influential personality list. The announcement was made during the TOP CEO Awards ceremony held recently in Dubai city that was jointly organized by INSEAD Business School and Trends magazine.
- **VIVA Recognized as Best Telecom Company 2015 by Arabian Business:** VIVA has been awarded by Arabian Business Organization as the "Best Telecom Company", in recognition of its exceptional performance in 2015.
- **VIVA Becomes a Member of ITU:** VIVA announced its accession to membership of International Telecommunication Union "ITU", a specialized agency of the United Nations, consists of experts and leaders in the telecom sector from around the world.

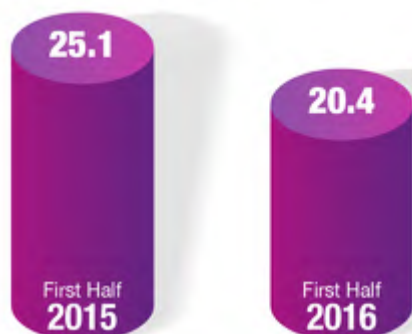
Subscribers
(Mn)



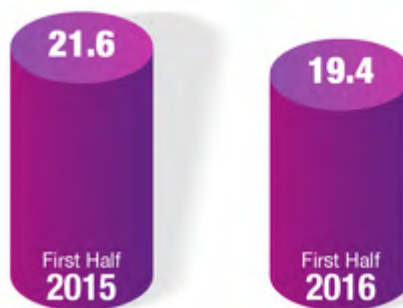
Revenue
(KD Mn)



Operating Profit
(KD Mn)



Net Profit
(KD Mn)



Chairman Statement

Commenting on the financial results, Dr. Mahmoud Ahmad Abdulrahman, VIVA's Chairman, said: "Despite the high competition witnessed in the Kuwaiti telecom market, VIVA was able to achieve growth in revenues, good profitability levels, in addition to maintaining the operational efficiency that led to generating positive returns to our shareholders during the first half of 2016. The growth witnessed in VIVA's revenues was a result of the company's strategic plans and efforts to be among the most developed telecommunications companies in the state of Kuwait and the region, as we always look forward to playing a central role in providing smart telecom solutions in order to provide our customers with the best and the most advanced telecom services. Dr. Mahmoud added "These results reflect the hard work and the dedication of the management and employees reaffirming our commitment to achieve excellent outcomes".



CEO Statement

Eng. Salman Bin Abdulaziz Al-Badran, VIVA's Chief Executive Officer said: "VIVA continued during 2016 to achieve growth in operating revenues despite the high competition we are witnessing in the Kuwaiti telecom market. It is noteworthy to mention that VIVA has been honored by the Arabian Business Organization as the "Best Telecom Company", in recognition of its exceptional performance in 2015 and as a result of VIVA's commitment to enhance customer service quality and improve the operational efficiency. In addition, VIVA has been recognized as the "Best Contact Centre Experience" and the "Best Network Experience" by the "International Quality & Productivity Centre". He added: "With the high competition in the Kuwaiti telecom market, VIVA's strong revenue performance contributed to maintain a good profitability level as a result of company's financial and operating capacity and efficiency. VIVA recorded a revenue of KD 140 million during the first half of 2016 representing an increase of 4% when compared to the same period last year and this has resulted in achieving a net profit of KD 19.4 million (earnings per share of 39 fils), while the operating profit reached KD 20.4 million during the first half of 2016. Al-Badran concluded: "As a continuing strategy, VIVA always seeks to provide a high quality products and services to its customers. In addition, VIVA contributes to the development of the telecommunications sector in the state of Kuwait by maintaining its presence through providing the latest advanced technology and services as well as the best offers to its individual and corporate customers".



CFO Statement

Abdulaziz Abdullah Al Qatie, Chief Financial Officer at VIVA said: "During the first half of 2016, VIVA's financial results reflected its ability to compete and achieve growth in revenues, and maintain its position as the second largest telecom operator in the Kuwaiti market in terms of revenues in the telecom sector. The company managed to decrease its leverage ratio due to its conservative financial policy to reach 1.4x by the end of June 2016 as compared to 2.5x recorded by the end of June 2015. The strong operating performance has positively affected free cash flow to achieve growth of 7% during the first half of 2016 as compared to the same period in 2015." 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".



YTD - 2016 Stock

Performance and Indicators



Closing Price (KD)	High Price (KD)	Low Price (KD)	Volume Traded (Mn Shrs)	Value Traded (KD Mn)	Number of Deals	Share Turnover (%)	YTD Return (%)
0.930	1.060	0.860	30.68	29.99	9,853	6.14%	-6.1%

Source: Kuwait Stock Exchange,

Note: Data provided in the above table as of 30 June 2016.

-End-

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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