

Earnings Release

Kuwait Telecommunications Company K.S.C.P.

2016
First Quarter

VIVA



VIVA's financial results

for the 3 months ended 31 March, 2016

VIVA, Kuwait's fastest-growing telecom operator, announced the financial results for the three months ended 31 March, 2016.

VIVA's revenue grew by 6% during the first quarter of 2016 to reach KD 70.4 million as compared to the same period in 2015. 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 9.8 million (earning per share 20 fils) during the Q1-2016. These results have been achieved due to the high quality services and the diversity of promotions and packages offered by the company that meet the customers' needs and their expectations by covering all customer segments, as well as the confidence of our esteemed customers which always motivates us to provide them with the best services in line with the highest quality.

As a continuing strategy, VIVA always seeks to provide a high quality of products and services for its customers, also to improve the operational efficiency in order to generate better return to its shareholders. In addition to its contribution to the development of the Telecommunications sector in the state of Kuwait through the strengthening of its presence by providing an advanced technology & services and the best offers to its individual and corporate customers.

| Key Figures & Ratios | Q1-2015 | Q1-2016 | Change |
|-----------------------------|---------|---------|--------|
| Subscribers (Mn) | 2.5 | 2.4 | -4% |
| Revenue (KD Mn) | 66.4 | 70.4 | +6% |
| Operating Profit (KD Mn) | 12.2 | 10.4 | -14% |
| Operating Profit Margin (%) | 18% | 15% | -3pt. |
| Net Profit (KD Mn) | 10.3 | 9.8 | -5% |
| Net Profit Margin (%) | 16% | 14% | -2pt. |
| EPS (Fils) | 21 | 20 | -5% |
| Equity (KD Mn) | 60.3 | 102.7 | +70% |
| BVPS (Fils) | 121 | 206 | +70% |

Key Financial

Highlights

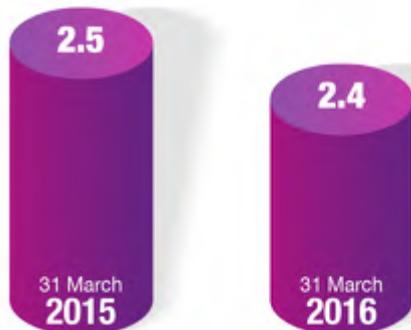
- VIVA's revenue grew by 6% during the first quarter of 2016 to reach KD 70.4 million as compared to the same period in 2015.
- VIVA's customer base reached 2.4 million by end of March, 2016.
- The net profit reached KD 9.8 million (earning per share 20 fils) during the Q1-2016 as compared to KD 10.3 (earning per share 21 fils) recorded during the same period last year.
- On the other hand, VIVA's shareholders' equity base increased by 70% to reach KD 102.7 million at the end of Q1-2016 as compared to KD 60.3 million at the end of Q1-2015.

Key News, Developments

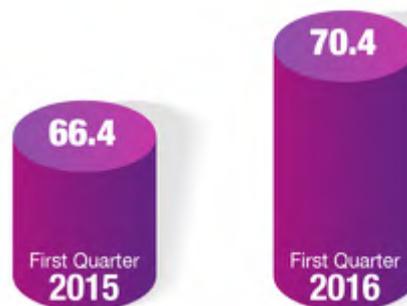
& Operational Highlights

- **VIVA Celebrated the Recognition of its CEO Mr Salman Al-Badran Among the Best 100 CEOs in the Region :** Out of the 800 publicly listed companies on the regional stock exchange, Al Badran was ranked 57th in the annual 100 best influential personalities 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 Holds its Annual General Meeting and Extraordinary General Meeting:** Kuwait Telecommunications Company (VIVA) held its Annual General Meeting (AGM) and Extraordinary General Meeting at the Regency Hotel on 31 March, 2016, and the attendance represented 76.65% of the number of ordinary shares of the company.

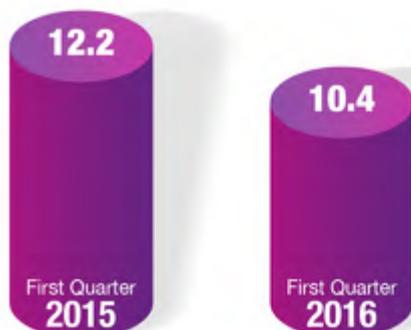
Subscribers
(Mn)



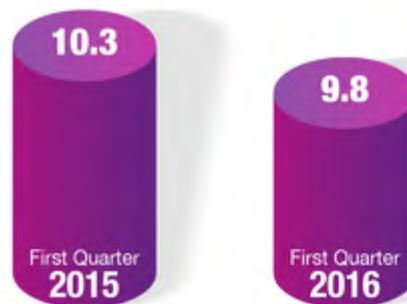
Revenue
(KD Mn)



Operating Profit
(KD Mn)



Net Profit
(KD Mn)



Chairman Statement

Commenting on the financial results, Dr. Mahmoud Ahmad Abdulrahman, VIVA's Chairman, said: "I am pleased to announce that VIVA continued to deliver solid and sustainable performance at the beginning of the year, as a result of the company's strategic plans; enabling us to provide innovative range of services, products and offers that are in line with technological development and customer needs. These results reflect the hard work and the dedication of the management and employees reaffirming our commitment to achieving excellent outcomes." He added: "The company was able to deliver outstanding results in revenues and profitability, and maintained our excellence in guaranteeing positive returns for our shareholders, driven by our commitment to improving the quality of customer service and our operational efficiency."



CEO Statement

Eng. Salman Bin Abdulaziz Al-Badran, VIVA's Chief Executive Officer said: "We are pleased to begin this year with these financial results despite the high competition we are witnessing in the Kuwaiti Telecom Market, in addition we are proud that VIVA is among the most advanced telecom companies in Kuwait and the region. We are looking forward to playing a central role in providing smart telecom solutions in order to provide our customers with the best and most advanced services. Adding: "with the high competition, VIVA's strong performance of revenues contributed to maintain the company's profitability as a result of company's financial & operating capacity and efficiency. VIVA recorded a revenue of KD 70.4 million in Q1 2016 representing an increase of 6% when compared to same period last year and this has resulted in a net profit of KD 9.8 million or earnings per share of 20 fils as, while the operating profit reached KD 10.4 million during Q1-2016."

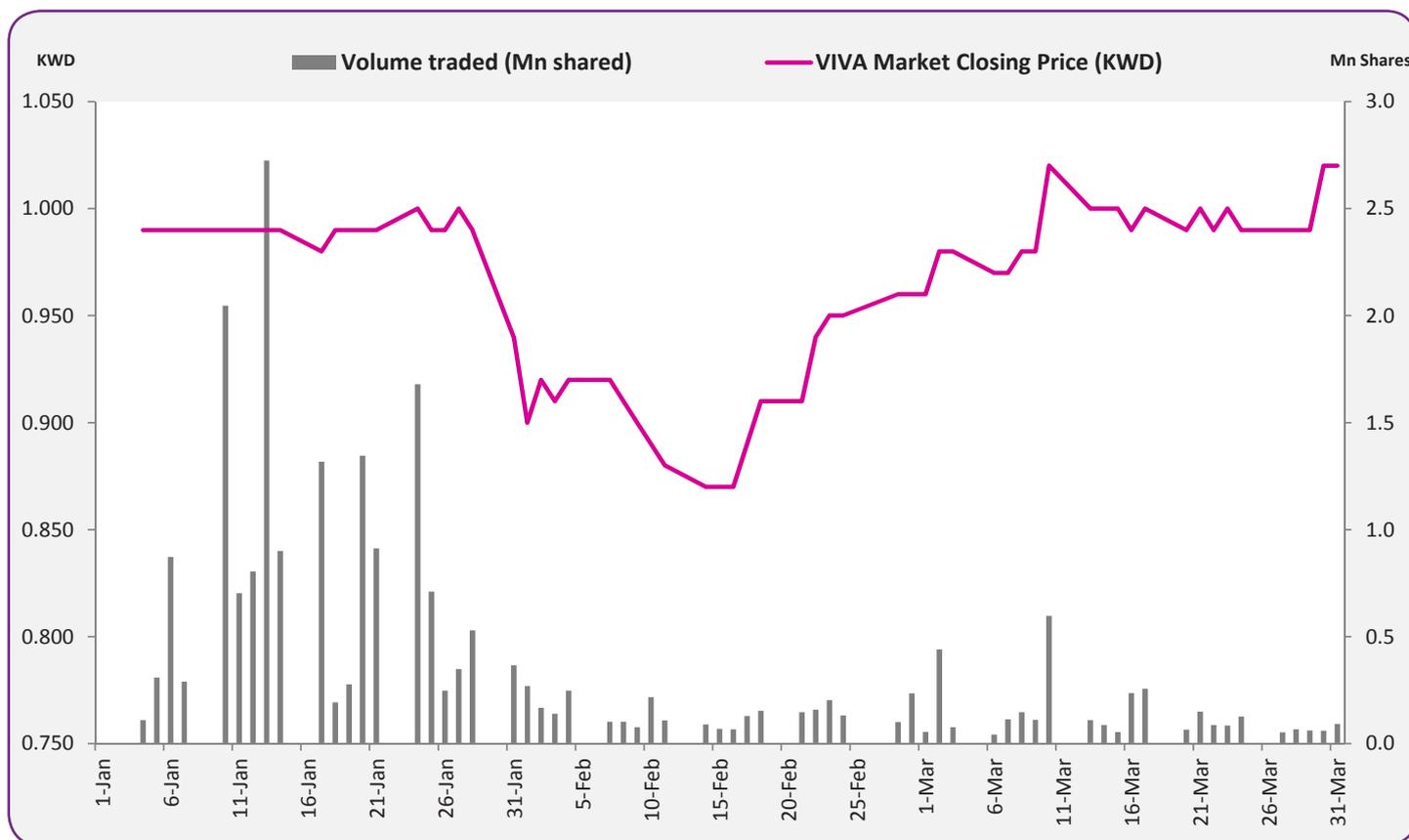


CFO Statement

Abdulaziz Abdullah Al Qatie, Chief Financial Officer at VIVA said: "VIVA continued the steady and strong operational performance which was reflected in the company's main financial indicators. The company managed to decrease leverage ratio from 1.4x at end of March, 2015 to reach a low of 0.7x at end of March, 2016. The strong operating performance has positively affected free cash flow to achieve growth of 18% in Q1 2016 compared to the same period in 2015." He added: "We will continue our hard work in implementing our strategy to increase our competitive edge and achieve further growth and success in the next period."



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 (%) |
|--------------------|-----------------|----------------|-------------------------|----------------------|-----------------|--------------------|----------------|
| 1.020 | 1.020 | 0.860 | 22.75 | 22.28 | 6,806 | 4.56% | +3.0% |

Source: Kuwait Stock Exchange,
 Note: Data provided in the above table as of 31 March 2016

-End-

About VIVA

VIVA is the fastest-growing telecom operator in Kuwait. It was 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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