

# Earnings Release

Kuwait Telecommunications Company K.S.C.P.

**2015**  
First Half

**VIVA**



**VIVA's financial results**

for the 6 month ended 30 June 2015

Kuwait's fastest-growing telecom operator, announced on August 2, 2015, its operational profit of KD 25 Mn during H1-2015, a 24% increase compared to KD 20 Mn recorded during H1-2014, and net profit of KD 21.6 Mn, a 14% increase compared to KD 19 Mn recorded during H1-2014.

These results are the culmination of VIVA's commitment to providing high quality services to its clients and increasing operational efficiency to create more value and higher revenues to shareholders. In addition these results also reflect the company's contribution to the growth and development of the telecom industry in Kuwait.

Key Figures & Ratios	H1-2014	H1-2015	Growth
Subscribers (Mn)	2.33	<b>2.54</b>	+9%
Revenue (KD Mn)	113	<b>134</b>	+18%
Operating Profit (KD Mn)	20	<b>25</b>	+24%
Operating Profit Margin	18%	<b>19%</b>	+1pt.
Net Profit (KD Mn)	19	<b>21.6</b>	+14%
Net Profit Margin (%)	17%	<b>16%</b>	-1pt.
EPS (Fils)	38	<b>43</b>	+14%
Equity (KD Mn)	28.6	<b>71.5</b>	+151%
BVPS (Fils)	57	<b>143</b>	+151%

**Key Financial**

## Highlights

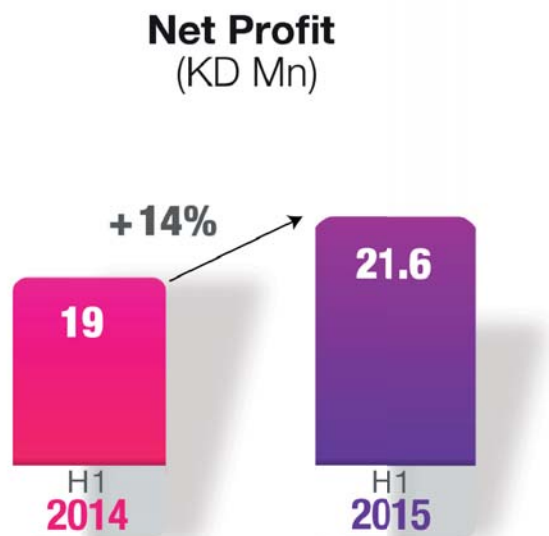
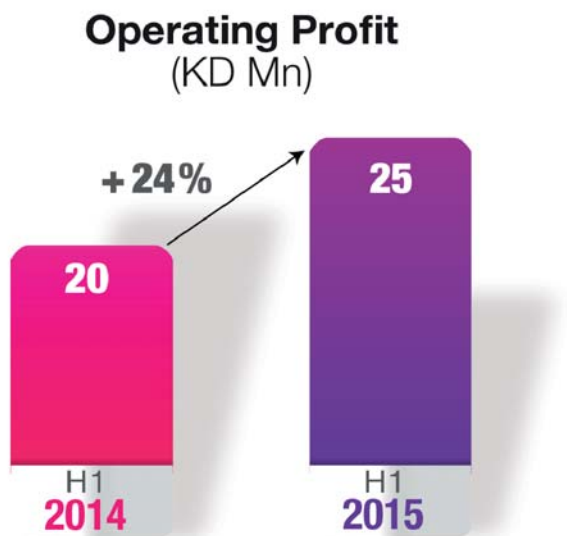
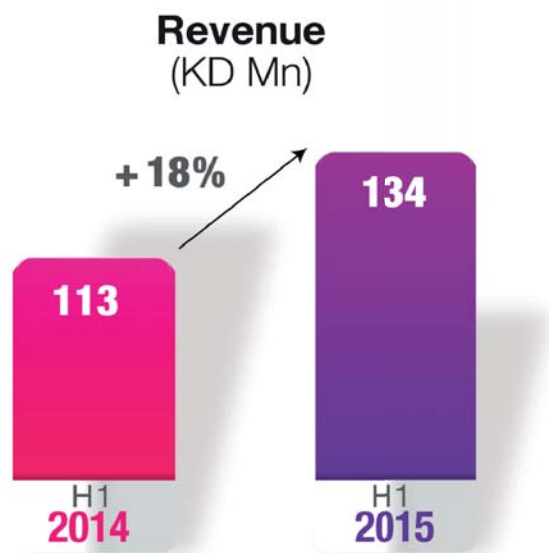
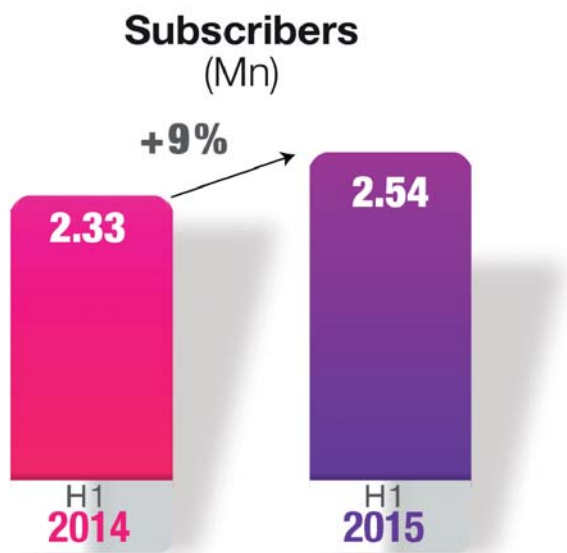
- Strong and growing client base witnessing an increase of 9% to reach 2.54 Mn subscribers as of 30 June 2015, compared to 2.33 Mn at the end of June 2014.
- VIVA continued to report a remarkable growth with mobile revenue in H1-2015 growing 18% to reach KD 134 Mn compared to KD 113 Mn in H1-2014.
- Operating profit grew 24% Y-o-Y, with a margin of 19% recording 1pt improvement compared to the same period last year.
- VIVA's bottom line grew by 14% to reach KD 21.6 Mn in the first half of 2015 compared to KD 19 Mn during the same period last year.
- Shareholders equity base increased by 151% to reach KD 71.5 Mn at the end of H1-2015 compared to KD 28.6 Mn at the end of H1-2014.

**Key Developments**

## &amp; Operational Highlights

- VIVA announced that it is the first in Kuwait to introduce the all-new Voice over Long Term Evolution (LTE) (VoLTE) technology.
- VIVA Wins 'Best Industry Call Center' and 'Best Medium Help Desk' Awards from INSIGHTS - Middle East Call Center Awards 2015.
- VIVA Inaugurates Six New Branches to its network amounting to a total of 69 branches across Kuwait.

# Earnings Release H1-2015



**Chairman Statement**

Dr. Mahmoud Ahmad Abdul Rahman, VIVA's Chairman, commenting on the financial results: "The excellent financial results posted by VIVA represent a major milestone in the company's development, and reflect the many other record breaking achievements VIVA consistently delivered over the course of the year." Dr. Abdul Rahman reaffirmed: "This accomplishment achieved by the hard work and dedication of VIVA's Board of Directors, senior management, and employees to maintain the highest professional standards in the workplace, while serving the best interests of the company and its valued customers. Our strong performance also reflected our efforts and devotion to achieving excellent results in Kuwait's competitive telecom market. VIVA was able to generate KD 21.6 million in net profit (earnings per share of 43 fils) in H1-2015 compared to KD 19 million (earning per share of 38 fils) in the same period last year. These results reveal the solid performance of the company's revenues and operations through the continued upward trend of financial and operational indicators. This reflected positively on shareholder equity which reached KD 71.5 million during the first half of the 2015" Dr. Abdul Rahman added. "The strong performance of revenues and profitability was yet another great achievement by VIVA. This enabled the company to maintain its leading edge while guaranteeing cash flow and generating positive returns for our shareholders. VIVA's commitment to continuous improvement of customer service quality and profitability will help improve growth opportunities in the long term. It will also enable the company to create more value for our customers and shareholders in the future", Dr. Abdul Rahman concluded.

**CEO Statement**

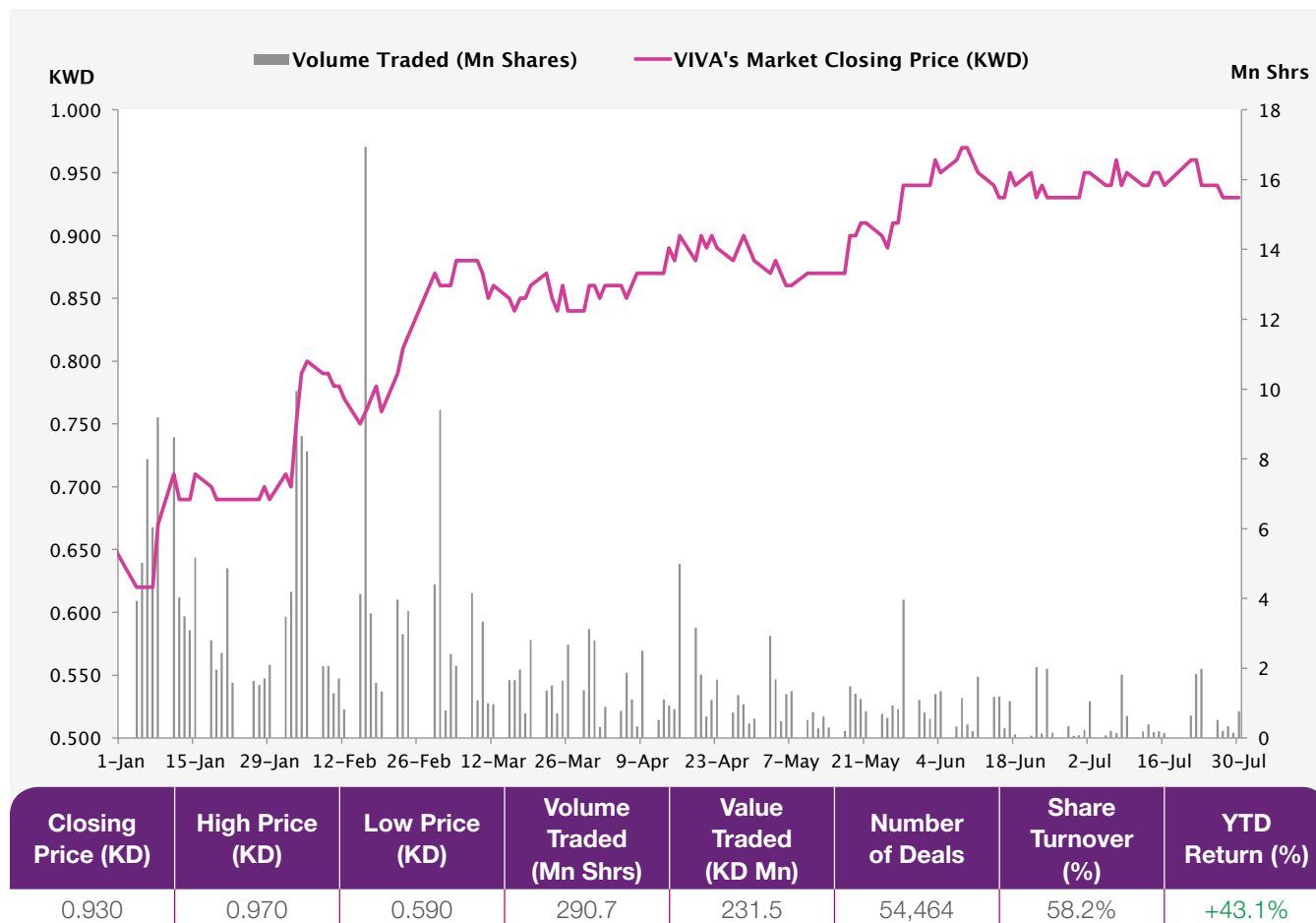
Eng. Salman Bin Abdul Aziz Al-Badran, VIVA's Chief Executive Officer stated: "The positive indicators reflected by the H1-2015 financial results exceeded desired goals, reaffirming the company's effective strategy skilfully implemented throughout its operations while safeguarding shareholder equity and ensuring the highest return for them. Total revenues reached KD 134 million, representing a strong growth of 18% compared to the same period last year. VIVA was able to accomplish this growth in an extremely competitive telecom market in Kuwait. While competition is an indicator of a healthy telecom industry, it is also an important catalyst for generating new ideas and a constant incentive to offer the highest quality services to our valued customers. VIVA was able to maintain its position as the second largest telecom operator in the Kuwaiti market which positively impacted the company's financial performance, expanded our market share while increasing our customer base to 2.54 million subscribers at the end of June 2015," added Al-Badran. "We continue to build on past successes and look forward to benefiting from the best new technologies to provide our clients with advanced innovative services while achieving further growth and accomplishments. We are proud to be the first leading telecom company to launch the Voice Over Long Term Evolution (VoLTE) in partnership with Huawei for the first time in Kuwait and the Middle East. This is in addition to VIVA's commercial presence across Kuwait, which was expanded to 69 branches, enabling us to be closer to our customers and to meet the growing demand for our products and services. Our achievements were also recognized in the second half of the current year as shown by our winning of several awards for excellence in the Kuwaiti telecom sector, including "Best Industry Call Center" and "Best Medium Help Desk" from Insights - Middle East Call Center Awards 2015, the only Call Centre dedicated, Professional Services Organization in the Middle East," continued Al-Badran. "VIVA's strong financial performance reflects our customers' increasing confidence in our services and the quality of our high-performance network. This growing confidence inspires us to continue our investments in developing and expanding our network capacity through leading edge telecom technology, as we strive to meet the needs and aspirations of our valued customers," concluded Al-Badran.

**CFO Statement**

Abdulaziz Abdullah Al Qatie, VIVA's Chief Financial Officer said: "VIVA's performance continued to be steady and strong which enhanced the company's main financial indicators, and increased its customer base. This has positively impacted free cash flow which has reached KD 10 million at the end of the first half of 2015, reflecting a growth of 247%, compared to the same period in 2014. 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 – 2015 Stock Performance and Indicators



Source: Kuwait Stock Exchange,

Note: Data provided in the above table as of 30 July 2015

- 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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