

# Earnings Release

Kuwait Telecommunications Company K.S.C.P.

# 2016

9 months ended 30 September

**VIVA**



## VIVA's financial results

For the 9 months ended 30 Sep 2016

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

VIVA's revenues grew by 3% to reach KD 211 million compared to the same period in 2015. VIVA achieved these results thanks 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 customers' base reached 2.4 million by end of September 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 29 million (earnings per share of 58 Fils) at the end of September 2016 compared to a net profit of KD 32.8 million (earnings per share of 66 Fils) in the same period last year, while the operating profit reached KD 31 million for the nine month period of 2016. On the other hand, VIVA's shareholders equity base increased by 47% to reach KD 122 million at the end of September 2016 compared to KD 83 million at the end of September 2015.

Key Figures & Ratios	9M - 2015	9M - 2016	Change
Subscribers (Mn)	2.4	2.4	0%
Revenue (KD Mn)	204.3	210.6	+3%
Operating Profit (KD Mn)	37.6	31.4	-17%
Operating Profit Margin (%)	18%	15%	-4pt.
Net Profit (KD Mn)	32.9	29.0	-12%
Net Profit Margin (%)	16%	14%	-2pt.
EPS (Fils)	66	58	-12%
Equity (KD Mn)	82.8	122.0	+47%
BVPS (Fils)	166	244	+47%

## Key Financial

### Highlights

- VIVA's revenue grew by 3% during the first nine-month 2016 to reach KD 211 million as compared to KD 204 million recorded during the same period in 2015.
- VIVA's customers' base maintained its level of 2.4 million by end of September 2016.
- The net profit reached KD 29.0 million (earning per share 58 fils) during the first nine-month 2016 as compared to KD 32.9 million (earning per share 66 fils) recorded during the same period last year.
- On the other hand, VIVA's shareholders equity base increased by 47% to reach KD 122 million at the end of September 2016 as compared to KD 82.2 million at the end of September 2015.

## Key News, Developments

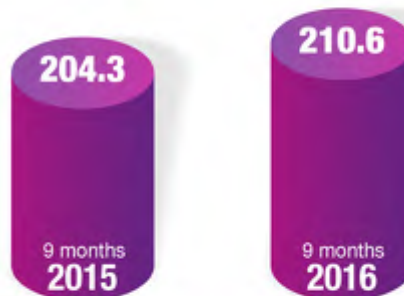
### & Operational Highlights

- VIVA Recognized as Leading Corporate for Investor Relations in Kuwait by MEIRA:** VIVA announced that it has been recognized as “Leading Corporate for Investor Relations in Kuwait”. In addition, VIVA’s Investor Relations Director Mr. Wassim El Hayek has recognized as “Best Investor Relations Professional in Kuwait” during the Annual Awards Gala held in United Arab Emirates – Dubai to reward the best investor relations specialists from Companies and Individuals in the Middle East Region.
- VIVA Recognized as “Best Call Center” & “Best Recruitment Program” by Insights Middle East:** VIVA received the accolades at the eleventh annual “Middle East Call Centre Awards” event held recently in Dubai, and organized by Insights Middle East, the leading organization with over 20 years of experience in the call center and professional services industry.
- VIVA Platinum Sponsor of NUKS UK and Ireland Annual Conference:** VIVA announced its platinum sponsorship of the annual conference of the National Union of Kuwaiti Students (NUKS) - United Kingdom and Ireland branch. The event will take place at the Westminster Park Plaza Hotel London (UK), from 28 until 30 October 2016.

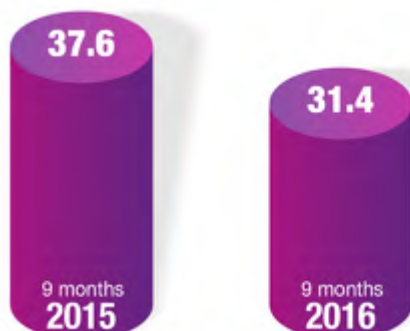
**Subscribers**  
(Mn)



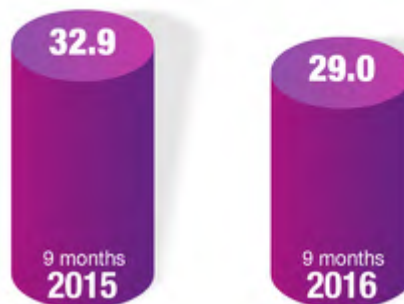
**Revenue**  
(KD Mn)



**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 highly competitive Kuwaiti Telecom Market, VIVA was able to achieve growth in revenues and good profitability levels. In addition, VIVA maintained the operational efficiency that led to generating positive returns to our shareholders during the nine month period of 2016. VIVA witnessed growth in its revenues a result of the company's strategic plans and efforts to be one of the most developed telecommunications companies in the state of Kuwait and the region, as we always look forward to play a central and significant role in providing smart telecom solutions in order to provide our customers with the best and most advanced telecom services," Following VIVA's disclosure regarding the board of directors' discussion for the recent developments of the Internet Service Provider Company (ISP) acquisition, the chairman said: "in line with the strategic plan drawn up by VIVA BoDs' for expansion in integrated telecommunications and technology solutions, BoD has approved to acquire one of the internet service providing companies which is not listed on Kuwait Stock Exchange". Also, we would like to highlight that VIVA will take the necessary actions to implement acquisition and obtain the permits and approvals of the concerned regulatory and authority bodies to ensure successful acquisition in all aspects.



## CEO Statement

Eng. Salman Bin Abdul Aziz Al-Badran, VIVA Chief Executive Officer stated: "VIVA continued to achieve growth in operating revenues and strengthen its leadership in the telecom market. It is noteworthy to mention that VIVA has been awarded as "Best Contact Centre Experience" and "Best Network Experience" awarded by INSIGHTS Middle East, and was recently named the "Leading Corporate for Investor Relations in Kuwait" due to the hard work and the dedication of the management and employees and excellent recruitment process to hire experts and professionals, in addition to the highest professional standards in the process of communicating with our shareholders and the investment community. 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 the company's financial & operating capacity and efficiency. VIVA recorded a revenue of KD 211 million for the nine month period of 2016 representing an increase of 3% compared to the same period last year and resulted in achieving a net profit of KD 29 million (earnings per share of 58 Fils) at the end of September 2016 compared to a net profit of KD 32.9 million (earnings per share of 66 Fils) in the same period last year, while the operating profit reached KD 31 million for the nine month period of 2016. On the other hand, VIVA's shareholders equity base increased by 47% to reach KD 122 million at the end of September 2016 compared to KD 83 million at the end of September 2015. He added: "VIVA endeavours to offer innovative products, services and solutions in the telecom market on a global scale to meet its customers' expectations and aspirations in Kuwait and provide them with the latest in technology".



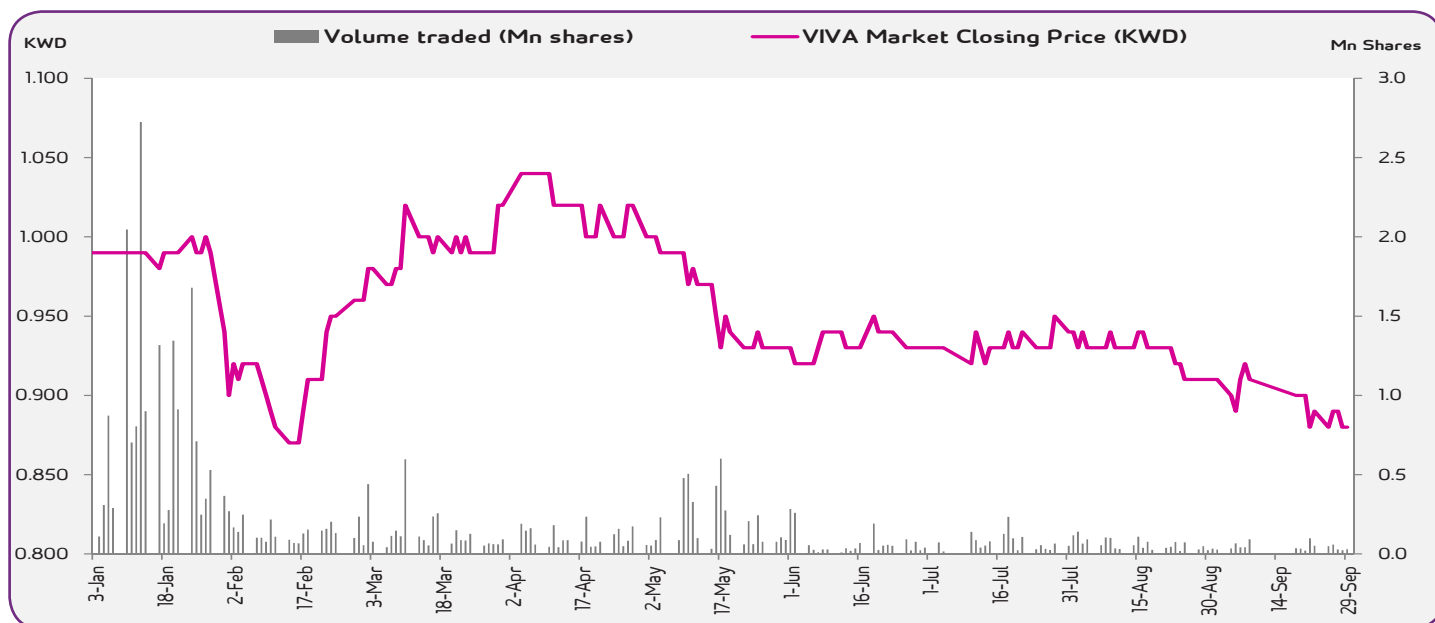
## CFO Statement

Abdulaziz Abdullah Al Qatie, VIVA Chief Financial Officer said: "During the nine month period 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 term of revenues in the telecom sector. The company managed to decrease its leverage ratio due to its conservative financial policy to reach 0.47x at end of September 2016 as compared to 0.95x recorded at end of September 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 (%)
0.880	1.060	0.860	34.15	33.20	12,415	6.84%	-11%

Source: Kuwait Stock Exchange.

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