

# Earnings Release

Kuwait Telecommunications Company K.S.C.P.

# 2015

Financial Year ended 31 December

VIVA



## VIVA's financial results

Full year ended 31 December, 2015

Kuwait's fastest-growing telecom operator, announced on January 24, 2016, its operational profit of KD 49 Mn during 2015, an 8% increase compared to KD 45 Mn recorded during 2014, and net profit of KD 43 Mn, a 6% increase compared to KD 40 Mn recorded during 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	FY-2014	FY-2015	Growth
Subscribers (Mn)	2.4	<b>2.5</b>	+2%
Revenue (KD Mn)	239	<b>277</b>	+16%
Operating Profit (KD Mn)	45	<b>49</b>	+8%
Operating Profit Margin (%)	19%	<b>18%</b>	-1pt.
Net Profit (KD Mn)	40	<b>43</b>	+6%
Net Profit Margin (%)	17%	<b>16%</b>	-1pt.
EPS (Fils)	81	<b>86</b>	+6%
Equity (KD Mn)	50	<b>93</b>	+86%
BVPS (Fils)	100	<b>186</b>	+86%

## Key Financial

### Highlights

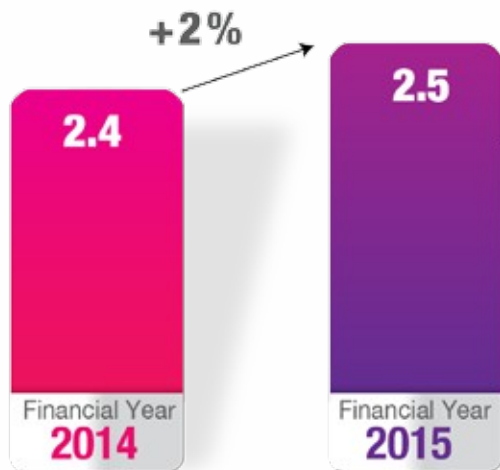
- VIVA continued to report a remarkable growth with mobile revenue for 2015 growing by 16% to reach KD 277 Mn compared to KD 239 Mn last year.
- Operating profit grew by 8% in 2015, compared to 2014, with a margin of 18% in 2015.
- VIVA's bottom line grew by 6% to reach KD 43 Mn for 2015 compared to KD 40 Mn reported last year.
- Shareholders equity base increased by 86% to reach KD 93 Mn at the end of 2015 compared to KD 50 Mn in 2014.
- Client base witnessing an increase of 2% to reach 2.5 Mn subscribers at the end of 2015, compared to 2.4 Mn in 2014.

## Key Developments

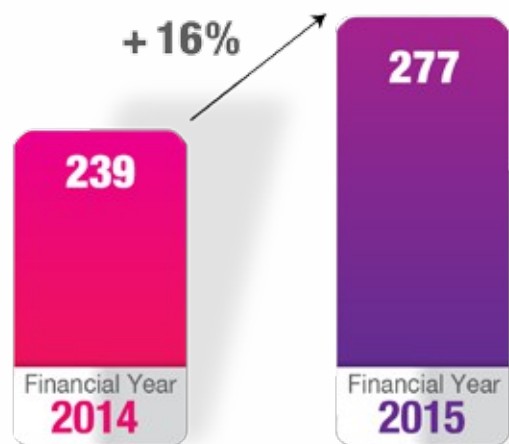
### & Operational Highlights

- Eng. Salman Bin Abdulaziz Al-Badran made the list of the Best 100 Chief Executive Officers (CEO) in the Gulf Cooperation Council (GCC) region for 2015.
- VIVA announced that it is the first in Kuwait to introduce the all-new Voice over Long Term Evolution (LTE) (VoLTE) technology.
- VIVA, announced its participation in the 35th GITEX Technology to present its latest wide range of products and services.
- Tatweej Academy Recognizes VIVA for its best eStore in the Arab Region, as the award was received during an event held recently in Dubai under the patronage of the minister of economy in UAE.
- Eng. Salman Bin Abdulaziz Al-Badran, received award from Mr. Al-Douweisan, and Mr. Ibrahim Waleed Al-Sabra, Head of Administrative Authority of NUKS UK & Ireland, in recognition of VIVA's continued support to the Kuwaiti youth.

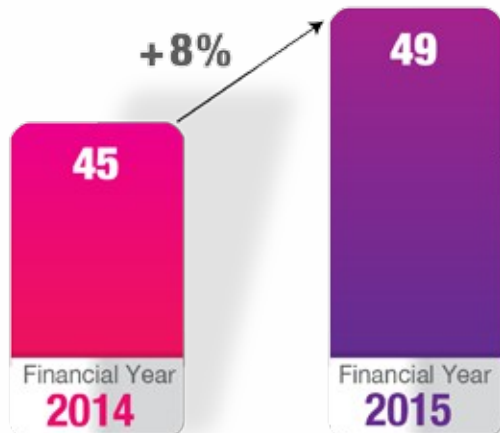
### Subscribers (Mn)



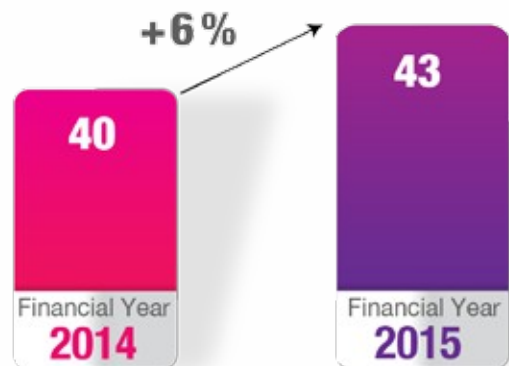
### Revenues (KD Mn)



### Net Operating Profit (KD Mn)



### Net Profit (KD Mn)



## Chairman Statement

Dr. Mahmoud Ahmad Abdul Rahman, VIVA's Chairman, commenting on the financial results said: "VIVA reached in 2015 the best financial and operational results and achieved a level of growth and success that foster its position as a leading Telecom Company in Kuwait and the region, due to plans, strategies, services and creative offers that meet deeply the market's needs and the customers' expectations."

"VIVA was able to generate KD 43 million in net profit (earnings per share of 86 fils) in 2015 compared to KD 40 million (earning per share 81 fils) in 2014. 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 93 million, also the Company's board of directors recommended not to distribute any dividends for the fiscal year ended 31 December, 2015; this recommendation is subject to the approval of the shareholders at the annual general assembly and the specialized regulating authority," Dr. Abdul Rahman added.



## CEO Statement

Eng. Salman Bin Abdul Aziz Al-Badran, VIVA's Chief Executive Officer stated: "VIVA was able to accomplish this growth in an extremely competitive telecom market in Kuwait. VIVA was able to maintain its position as the second largest telecom operator in the Kuwaiti market in terms of subscribers and revenues, which positively affected the company's financial performance, expanded our market share while increasing our customer base by 2% to reach 2.5 million subscribers in 2015. Total revenues reached KD 277 million, representing a strong growth of 16% compared to the same period last year," added Al-Badran.

"VIVA continues 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 70 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.

"We are optimistic in the role played by the Communication and Information Technology Regulatory Authority in Kuwait that will have a positive impact on the development of the telecom sector and create a fair regulatory environment for all local telecom companies", concluded Al-Badran.



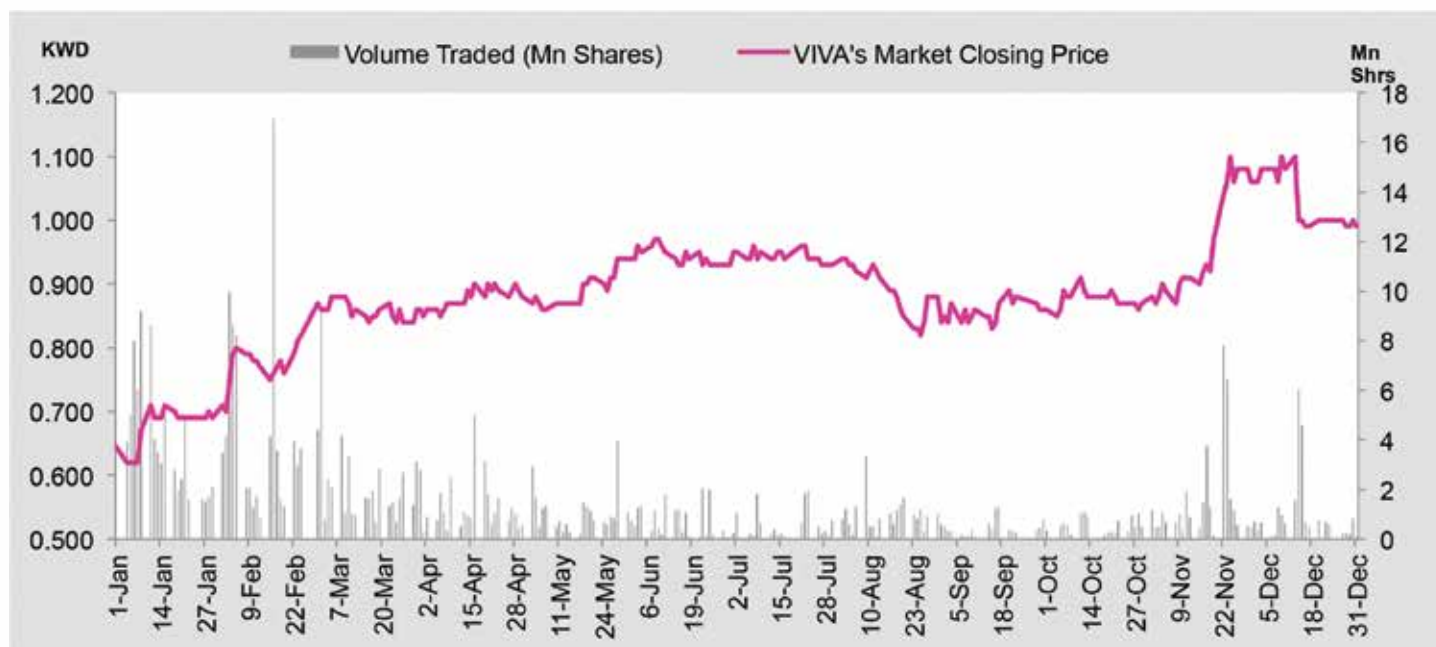
## CFO Statement

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 affected free cash flow, which has reached KD 32 million in 2015, reflecting a growth of 67%, compared to 2014."



**FY-2015 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 (%)	FY Return (%)
0.990	1.120	0.590	387.26	323.22	67,737	77.5%	+52.3%

Source: Kuwait Stock Exchange,

Note: Data provided in the above table as of 31 December 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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