

Ooredoo reports revenue of KWD 341 million for the first half of 2018 Customer base up by 2% to reach 26 million

Kuwait City, Kuwait, 26th July 2018: National Mobile Telecommunications Company K.S.C.P “Ooredoo” (Ticker: OOREDOO) announced today its financial results for the first half ended 30 June 2018:

Financial Highlights:

	Quarterly Analysis			Half Year Analysis		
	Q2 2018	Q2 2017	% change	1H 2018	1H 2017	% change
Consolidated Revenue (KWD m)	166.8	174.7	-5%	341.4	343.8	-1%
EBITDA (KWD m)	52.3	64.0	-18%	107.6	128.9	-16%
EBITDA margin (%)	31%	37%	-	32%	37%	-
Net Profit attributable to NMTC (KWD m)	3.1	10.4	-70%	12.2	23.3	-48%
Consolidated Customers (m)	26.1	25.6	2%	26.1	25.6	2%

Financial highlights:

- Consolidated customer base increased by 2% to reach 26.1 million in 1H 2018, compared to 25.6 million in 1H 2017.
- Revenue decreased by 1% to KWD 341.4 million in 1H of 2018, compared to KWD 343.8 million for the same period in 2017.
- EBITDA was KWD 107.6 million in 1H 2018, compared to KWD 128.9 million for the same period in 2017.
- Net Profit Attributable to NMTC was KWD 12.2 million in 1H 2018, compared to KWD 23.3 million for the same period in 2017. The decrease was mainly caused by a lower Algerian contribution due to a weak economic environment, currency devaluation and price competition.
- The consolidated Earnings per share was 24 fils in 1H 2018, compared to 46 fils per share earned for the same period last year.

Sheikh Saud Bin Nasser Al Thani, Chairman of the Board of Directors commented:

“On Group level Ooredoo continues to see good demand for its products and services, which resulted in a 2% increase in our customer base to more than 26 million as at 30 June 2018, despite challenging market conditions. We remain committed to enriching the lives of our customers through innovative products and reliable connectivity.

All our operations displayed robust revenue growth with the exception of Algeria. Group EBITDA and Net Profit were also adversely affected by margin compression in Kuwait and the challenging conditions in the Algerian market.

In Algeria revenue decreased to KWD 116 million due to challenging market conditions. We sustained our mobile data leadership and continued to deploy the 4G network across the country.

Kuwait experienced a significant increase in the 1H 2018 revenues to KWD 128 million mainly driven by handset sales, up 21% compared with the same period last year. I am pleased to report that our focus on digitization is gaining momentum as we continue to grow our B2B service offering in a highly competitive marketplace.

In Tunisia we maintained our market leadership position, particularly in the mobile data space. During H1 2018 our customer base increased by 5%, driving up local currency revenue by 8%.

In Palestine, our West Bank customers continue to enjoy high quality data services via our 3G network. Wataniya Mobile customer numbers were up more than 50% also due to the service launch in Gaza in October 2017 while revenue was up by 19% year on year.

In the Maldives we continued to grow our customer base as well as revenues.”

Review of Operations

The Group's operational performance can be summarized as follows:

Ooredoo - Kuwait

Ooredoo's customer base in Kuwait reached to 2.4 million in 1H 2018, representing a 5% increase compared to the same period in 2017. Revenues for 1H 2018 were KWD 127.6 million, an increase of 21% compared to KWD 105.2 million for the same period in 2017. Higher handset sales led to an increase in revenue, while at the same time negatively impacting margins. EBITDA was KWD 24.3 million in 1H 2018, lower than KWD 27.0 million in 1H 2017.

Ooredoo - Tunisia

Ooredoo's customer base in Tunisia reached 8.4 million in 1H 2018, an increase of 5% compared to the same period in 2017. Revenues slightly increased to KWD 63.7 million in 1H 2018, compared to KWD 62.2 million for the same period in 2017. In local currency terms revenues were up by 8%. EBITDA was KWD 24.2 million compared to KWD 23.3 million for the same period in 2017.

Ooredoo – Algeria

Business in Algeria was negatively impacted by the devaluation of the Algerian dinar, intense price competition and a weak economic environment. Customer numbers of Ooredoo Algeria declined by 3% to 13.6 million in 1H 2018, compared with the same period in 2017. Revenues also decreased to KWD 115.7 million in 1H 2018, compared to KWD 145.5 million for the same period in 2017. EBITDA was KWD 46.0 million in 1H 2018, down from KWD 65.1 million in 1H 2017.

Wataniya - Palestine

Wataniya Mobile made good progress in the first six months of the year, with the launch of the 3G network in the West Bank in January 2018. Customer numbers increased by 58% to 1.2 million also benefiting from the Gaza launch in October 2017. Revenue increased to KWD 15 million, up by 19% compared to KWD 12.6 million for the same period in 2017. EBITDA stood at KWD 3.3 million in line with 1H 2017.

Ooredoo - Maldives

Ooredoo Maldives reported a 6% increase in revenue in 1H 2018 to KWD 19.2 million, compared to KWD 18.2 million for the same period in 2017. EBITDA was KWD 9.9 million in 1H 2018, compared to KWD 10.4 million for the same period in 2017. Ooredoo Maldives now serves a total of 430k customers, 6% increase compared to the same period in 2017.

For more information, please visit www.ooredoo.com.kw

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About Ooredoo Kuwait (NMTC)

Commercially launched in December 1999, the Company's share price as of 30 June 2018 was KWD 0.880, giving a market valuation for Ooredoo (NMTC) of KWD 0.4 Billion.