

Zain Bahrain reports 120% surge in net profit to BD1.1 million in Q1 2018

Manama – 13 May 2018: Zain Bahrain, a leading telecommunications provider in the Kingdom, reported a net profit of BD1.108 million (US\$2.93 million) for the three months ending 31 March 2018, an increase of 120% compared to BD503,000 (US\$1.33 million) over the same period a year earlier. The company's operating profit for the three-month period ending 31 March 2018 was BD 1.127 million (US\$2.98 million) compared to BD 576,000 (US\$1.52 million) over the same period in 2017, an increase of 95.7%.

The positive results were achieved despite the decline in total revenues in Q1 2018 to BD16.571 million (US\$43.9 million), down 9.4% from BD18.310 million (US\$48.5 million) a year earlier. The fall in revenues were attributed to the effects of certain IFRS 9 and IFRS 15 reporting requirements under the International Accounting Standards Board, while the basic earnings per share increased from 1 fils in Q1 2017 to 3 fils for the three-month period ending 31 March 2018.

At the balance sheet level, Zain Bahrain's total equity stood at BD 66.147 million (US\$ 175 million) during the first quarter of 2018, compared to BD 63.3 million (US\$167.5 million) over the same period in 2017, an increase of 4.5%. The company's assets for the three-month period ending 31 March 2018 decreased by 6.5% to BD 99.044 million (US\$262 million) over the same period compared to BD 105.938 million (US\$280 million) for Q1 2017.

Zain Bahrain success in achieving a high growth rates during Q1 2018 is a reflection of the positive results achieved by its ability to keep abreast of the technological and services developments witnessed by the telecommunications sector around the world. Through its extensive efforts to introduce the latest technologies, with a focus on the delivery of data-centric products and digital offerings, as well as the implementation of a well-considered operational strategy and exercising financial prudence.

Zain Bahrain Chairman, Shaikh Ahmed bin Ali Al Khalifa said, *“During the first quarter of 2018, our focus to improve Zain Bahrain’s operational performance, enhance our investment activities and implement cost optimization initiatives, resulted in significant growth in our net profit for the period. The strong performance achieved in a challenging environment demonstrates Zain Bahrain’s competence in consolidating its prominent position in the market.”*

Shaikh Ahmed continued, *“Zain Bahrain is moving forward with its efforts to build modern networks across the Kingdom and offer a wide range of state-of-the-art broadband technology solutions as part of its commitment to providing the best range of services to its loyal customers. These investments will enable our customers to benefit from high-quality services across our network, and Zain Bahrain will continue to use its advanced network capabilities to bring additional innovative digital products and offerings providing great value.”*

“Our success in partnering with major regional and global service providers has added value to Zain’s portfolio of services and improved customer experience. This places the operator in a fantastic competitive position and will assist in the achievement of our strategic objectives to benefit all of our stakeholders,” concluded Shaikh Ahmed.

Key achievements for Zain Bahrain during Q1 2018

During Q1 2018, Zain Bahrain announced that Ericsson’s state-of-the-art Outdoor Enclosure 6150 HEX/AirCon has been utilized to install indoor mobile sites with shelters and air-conditioning. Ericsson’s Outdoor Enclosure is a multi-purpose site cabinet, which is designed to support a multitude of radio equipment, providing a highly stable power system and battery back-up; all in a streamlined design and minimized footprint to support the cost-efficient expansion of mobile broadband. The equipment also aligns with the national environmental plan that forms part of Bahrain’s Economic Vision 2030.

Zain Bahrain also became one of the first operators in the region to upgrade its Quality Management System (QMS) to meet the new ISO 9001:2015 standard, as well as to successfully conform to the existing ISO 27001:2013 standard in March 2018. It was awarded following an

audit by international certification firm DNV GL, this exercise confirms the operator's compliance to the certification's requirements including customer satisfaction, continuous improvement of processes & practices, and information security & confidentiality.

In line with the ongoing events taking place in the Kingdom, Zain Bahrain announced its silver and venue sponsorship of the Policy Impact and Big Data Conference. The event was held under the patronage of Information and eGovernment Authority Chief Executive Mohammed Ali Al Qaed and was hosted at Zain Bahrain's Head Office on February 26th, followed by a workshop on the February 27th, 2018.

-ENDS-

About Zain Bahrain

Zain Bahrain, a telecommunications industry innovator focused on enhancing customer experience, was awarded a mobile telecom license on 22 April 2003 and commenced commercial operations on 28 December 2003. The operation promptly placed Bahrain on the world telecom map through the introduction of many mobile technology innovations that continue to this day with nationwide high-speed 4G LTE services being offered through the Kingdom's most advanced mobile network. Zain Bahrain, listed on the Bahrain Bourse (Ticker: ZAINBH), is part of Zain Group, a leading telecommunications operator across the Middle East and Africa, which provides mobile voice and data services to over 46.6 million active customers commencing 31 December 2017. With a commercial presence in eight countries, Zain operates in Kuwait, Bahrain, Iraq, Jordan, Saudi Arabia, Sudan and South Sudan. In Lebanon, the Group manages 'touch' on behalf of the government. In Morocco, Zain has a 15.5% stake in 'INWI', through a joint venture. For more information, please email info@bh.zain.com or visit: www.bh.zain.com