

Zain Bahrain reports 32% rise in net profit for the nine months of 2018

- ***Net profit in Q3 reaches BD 1.353 million***
- ***Operating profit for the year to date up 22%***
- ***Total equity up 4.8% for the same period***

Manama – 06 Nov 2018: Zain Bahrain, a leading telecommunications provider in the Kingdom, today announced the firm's financial results for the nine-month period ending September 30, 2018. The company recorded a net profit of BD3.685 million (US\$9.749 million), up 32% from BD2.799 million (US\$7.405 million) when compared to the same nine-month period in 2017 as result of the company's improved operational performance.

Net profit in the third quarter of 2018 (Q3) reached BD1.353 million (US\$3.579 million), up 0.4% year-on-year from BD1.348 million (US\$3.556 million), despite an 8.6% decrease in revenue year on year (Y-o-Y) from BD17.496 million (US\$46.286 million) to BD15.994 million (US\$42.312 million) when compared to Q3 2017. Earnings per share increased to 10 fils (previously 8 fils) for the nine months ending 30 September 2018, while the earnings per share were 4 fils for the three months ending 30 September 2017. Matches the earning per share achieved in the same period for the three months ending 30 September 2017.

Overall revenue year to date was down 10.7% Y-o-Y to BD48.693 million (US\$128.817 million) in 2018, from BD 54.527 million (US\$144.251 million) in 2017. Operating profit for Q3 2018 amounted to BD1.331 million (US\$3.521 million), a decrease of 5.7% from BD1.411 million (US\$3.733 million) when compared to Q3 2017. Nevertheless, operating profit for the year to date was up 22%, to reach BD3.655 million (US\$9.669 million) from BD2.994 million (US\$7.921 million) when compared to the same period last year.

Zain Bahrain's total equity stood at BD68.724 million (US\$181.81 million) at the end of Q3 2018, up 4.8% Y-o-Y compared to BD65.603 million (US\$173.553 million) in Q3 2017. The company's assets amounted to BD96.619 million (US\$255.606 million) at the end of Q3 2018, down 3.9% Y-o-Y from BD100.490 million (US\$265.847 million) in Q3 2017.

Commenting on the achieved results, Zain Bahrain Chairman, Shaikh Ahmed bin Ali Al Khalifa said, "Throughout 2018, we remained focused on improving operational performance and implementing cost efficient initiatives, in order to drive our innovation-driven business strategy, geared to future-proofing the organization. These combined efforts have contributed to the positive financial results released today, an achievement which is reflective of Zain Bahrain's continued efforts to maximize its prominent market position.

Shaikh Ahmed continued, "Zain Bahrain's efforts to create modern solutions and provide connectivity for our customers across the Kingdom has been given a boost this year with our comprehensive network expansion, providing an improved experience for our customers in kingdom. As ever, our commitment remains to deliver state-of-the-art connectivity solutions that enable our customers to stay connected to what they care most about."



Key achievements for Zain Bahrain in 2018

In 2018, the Zain Bahrain network was expanded by 20% across the Kingdom, improving both indoor and outdoor connectivity experience for users. This achievement is a reflection on its ability to keep abreast of the technological and services developments witnessed by the telecommunications sector around the world.

Zain Bahrain has been recognized as the fastest network for the highest download speed in fixed wireless broadband in the Kingdom for two consecutive quarters by the Telecommunication Regulatory Authority (TRA). According to the latest TRA Quarterly Fixed Broadband Quality of Service Report, Zain Bahrain achieved the highest results for HTTP download speeds for fixed wireless broadband residential packages, while also outperforming its previous results in a number of key performance indicators (KPIs).

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, while also conforming to the existing ISO 27001:2013 standard in March 2018.

Zain was also awarded the 'Best Brand for Telecom' accolade for 2018 at the prestigious Telecoms World Middle East Awards gala event held in Dubai in September 2018. This marked a record fifth consecutive year that Zain has won the award, recognizing the company's outstanding performance in key telecom-related areas throughout the Middle East. The event shines a spotlight on leading telco players that have contributed to making the sector one of the most dynamic globally.

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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 47.4 million active customers commencing 31 March 2018. 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