



Batelco

Ref: GBS/180318-001

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Shaikh Khalifa bin Ebrahim AlKhalifa
Chief Executive Officer
Bahrain Bourse
Kingdom of Bahrain

Date: 18 March 2018

Subject: News published in Bahrain media in relation to alleged separation of Batelco

Dear Shaikh Khalifa,

In response to news published in the local media stating that Batelco would be divided into two separate companies, Legal and Structural, Batelco would like to clarify that this will only be a functional separation into Wholesale and Retail units. Batelco would like to categorically state that it remains fully committed to achieving the Government of Bahrain's objectives outlined in the Fourth National Telecoms Plan, published in May 2016. Batelco, to achieve the NTP4 objectives, is redesigning and refining its Wholesale Business Unit to form a Functionally Separated Entity that will act independently of Batelco's Retail operations. The New Functionally Separated Wholesale Entity will be responsible for deploying a single National Broadband Network and will provide Wholesale services to all licensed Operators in Bahrain, including Batelco retail. Batelco would like to confirm, that at this stage there will be no change in Structure or Ownership.

Should any major changes be planned in the structure of the operation, Batelco will always inform the Bahrain Bourse and concerned authorities in advance.

With kind regards,

Ahmed Hussain Al Janahi
Secretary of the Board and GM Corporate Affairs