

Zain Bahrain net profit surges 61% for first six months of 2018

- *Net profit for Q2 2018 up 29% year-on-year*
- *Operator implementing an innovation-driven business strategy to future-proof its operations*

Manama – 4 Aug 2018: H.E. Shaikh Ahmed bin Ali Al Khalifa, Chairman of Zain Bahrain, a leading telecommunications provider in the Kingdom, today announced the firm's financial results for the six-month period ending June 30, 2018 (H1), which saw the company record a net profit of BD2.33 million (US\$6.16 million), up 61% from BD1.45 million (US\$3.84 million) in H1 2017.

Net profit in the second quarter of 2018 (Q2) reached BD1.22 million (US\$3.24 million), up 29% year-on-year, which also reflected a 10% quarterly increase in net profit over Q1 2018's figure of BD 1.11 million (US\$2.93 million).

Operating profit for H1 2018 amounted to BD2.32 million (US\$6.15 million), a 47% year-on-year improvement from BD1.58 million (US\$4.19 million) a year earlier. Operating profit for Q2 2018 amounted to BD1.2 million (US\$3.2 million), up 20% from BD1.00 million (US\$2.65 million) in Q2 2017. Earnings per share increased to 6 fils (previously 4 fils) for the six month period ending 30 June 2018, while it remained at 3 fils during Q2 compared to the same period last year.

Revenues for H1 2018 reached BD 32.7 million (US\$86.5 million), down 12% year-on-year, with Q2 2018 revenues declining 14% to BD16.13 million (US\$42.7 million).

Zain Bahrain's total equity stood at BD67.4 million (US\$178.2 million) at the end of Q2 2018, up from BD64.3 million (US\$170 million) a year earlier. The company's assets amounted to BD96.3 million (US\$255 million) at the end of Q2 2018, down from BD102.5 million (US\$271 million) at the end of Q2 2017.

The company's strong performance during the first half and second quarter of 2018 reflects the efficient business strategy adopted by Zain Bahrain, enabling it to continue to deliver excellent financial results. This performance allows Zain Bahrain to offer significant value to its customers while the company invests in innovation to maintain its leading role in one of the world's fastest evolving industries. Net profits were also boosted by Zain Bahrain's attractive offerings, its ongoing cost containment programs, and the continuous enhancements in its mobile and broadband services.

Zain Bahrain Chairman, H.E. Shaikh Ahmed bin Ali Al Khalifa said, *"Zain Bahrain has been able to achieve solid results due to an integrated management approach carried out by a highly professional team, reinforcing the company's role as a leading telecommunications company in the Kingdom, which provides quality communications solutions to satisfy the needs of its customers."*

Shaikh Ahmed continued, *"Results for the second quarter of 2018 are in line with Zain Bahrain's goals as the company merges its digital leadership in the telecom market. It is noteworthy that Zain Bahrain's fixed*

wireless broadband services were recently recognized in a Telecommunications Regulatory Authority (TRA) report as having the fastest performance in HTTP download speed, FTP download speed, on-net ping time, and web browsing time, among other categories.”

He added: “In fact, Zain Bahrain received more number one rankings than any other telecom operator in Bahrain. Our company has fundamentally changed how telecom service providers compete in ultra-fast broadband access, and we have cemented our reputation as an innovator in broadband technologies by providing exceptional fixed and mobile internet services to customers.”

Shaikh Ahmed concluded, *“We will continue implementing our digitalization strategy and state-of-the-art services to achieve exceptional customer service and further growth and success in the Kingdom, while remaining focused on delivering products and services incorporating the latest technologies to meet our customers’ needs.”*

Key achievements by Zain Bahrain during Q2 2018

Zain Bahrain provided state-of-the-art 4G+ services to the Bahrain International Circuit during the Bahrain Formula 1 Gulf Air Grand Prix, which took place April 6-8, 2018.

Zain Bahrain’s 4G network was recognized as the fastest home fixed broadband provider in the TRA’s latest Q4 broadband quality of service report, which ranked Zain Bahrain’s services as the fastest across 11 key performance indicators (KPIs)—more than any other operator in Bahrain.

Zain Bahrain became the first operator in the Kingdom to sell STEAM robotics at its retail stores and to offer a robotics-based educational program to children aged five and above. The robotics program is part of Zain Bahrain’s ongoing community outreach to equip the next generation with the necessary skills to compete in the economy of the future by enhancing their technological, environmental, educational and creative capabilities.

Part of Zain Bahrain’s enterprise strategy is to cater to the needs of the wider community in the Kingdom of Bahrain through reaching out to businesses, corporates, and individuals with a suite of powerful voice, data and connectivity services. Zain Bahrain has recently announced two new partnerships. The first is with Swiss-Bel Residences Juffair, to provide a full connectivity solution to Swiss-Bel Residences’ operations, including equipping the hotel apartments and facilities with high-speed internet. The second enterprise partnership will see Zain Bahrain provide Chisholm Enterprises WLL, an internationally recognized provider of tailored aviation and business solutions in the Middle East, with full modern connectivity solutions.

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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 46.9 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