

Business

Ooredoo reports revenue of KD 502m for nine months ended 30 Sept 2018

Customer base up by 2% to reach almost 27 million

KUWAIT: National Mobile Telecommunications Company K.S.C.P "Ooredoo" announced yesterday its financial results for the nine months ended 30 September 2018:

Financial highlights:

- Consolidated customer base increased by 2 percent to reach 26.6 million for the nine months ended 30 September 2018, compared to 26.1 million for the same period in 2017.
- Revenue decreased by 4 percent to KD 502.4 million for the nine months ended 30 September 2018, compared to KD 522.6 million for the same period in 2017.
- EBITDA was KD 162.1 million for the nine months ended 30 September 2018, compared to KWD 197.6 million for the same period in 2017.
- Net profit attributable to NMTC was KD 16.2 million for the nine months ended 30 September 2018, compared to KD 34.8 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 32 fils for the nine months ended 30 September 2018, compared to 69 fils per share earned for the same period last year.

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

"Despite challenging market conditions, we continue to see strong demand for our cutting edge products and services, with customer numbers up 2 percent to 27 million for the nine-month period ended 30 September



Sheikh Saud Bin Nasser Al-Thani

increased to KD 6 million for the same period. Maldives performed well, with a 6 percent increase in revenue and a stable customer base of 430,000."

Review of Operations

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

Ooredoo - Kuwait

Ooredoo's customer base in Kuwait increased 2 percent to 2.3 million for the nine months period ended 30 September 2018, compared to the same period in 2017. Revenues for the nine month period were KD 181.7 million, an increase of 13 percent compared to KD 160.7 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 KD 36.8 million for the nine months ended 30 September 2018, lower than KD 39.6 million for the same period in 2017.

Ooredoo - Tunisia

Ooredoo's customer base in Tunisia increased 5 percent to reach 8.8 million for the nine months ended 30 September 2018, compared to the same period in 2017. Revenues slightly decreased to KD 95.4 million for the nine months ended 30 September 2018, compared to KD 96.2 million for the same period in 2017. However, in local currency terms revenues were up by 6 percent. EBITDA was KD 39.5 million compared to KD 38.0 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 percent to 13.8 million for the nine months ended 30 September 2018, compared with the same period in 2017. Revenues also decreased to KD 173.6 million for the nine months ended 30 September 2018, compared to KD 219.4 million for the same period in 2017. EBITDA was KD 66.3 million for the nine months ended 30 September 2018, down from KD 99.9 million for the same period in 2017.



Financial Highlights:

	Quarterly Analysis			Nine Months Analysis		
	Q3 2018	Q3 2017	% change	9M 2018	9M 2017	% change
Consolidated Revenue (KWD m)	161.0	178.8	-10%	502.4	522.6	-4%
EBITDA (KWD m)	54.5	68.8	-21%	162.1	197.6	-18%
EBITDA margin (%)	34%	38%	-	32%	38%	-
Net Profit attributable to NMTC (KWD m)	4.0	11.5	-65%	16.2	34.8	-53%
Consolidated Customers (m)	26.6	26.1	2%	26.6	26.1	2%

Wataniya - Palestine

Wataniya Mobile made good progress in the first nine months of the year, with the launch of the 3G network in the West Bank in January 2018. Customer numbers increased by 57 percent to 1.3 million, benefiting from the Gaza launch in October 2017. Revenue increased to KD 23.0 million, up by 19 percent compared to KD 19.3 million for the same period in 2017. EBITDA increased to KD 5.8 million compared to KD 5.1 million for the same period in 2017.

Ooredoo - Maldives

Ooredoo Maldives reported a 6 percent increase in revenue for the nine months ended 30 September 2018 to KD 28.7 million, compared to KD 27.0 million for the same period in 2017. EBITDA was KD 14.4 million for the nine months ended 30 September 2018, compared to KD 15.1 million for the same period in 2017. Ooredoo Maldives now serves a total of 430k customers, representing a 1 percent decrease compared to the same period in 2017.



2018. We are progressing further with our digital transformation strategy to enrich people's digital lives.

Financially, our results at a Group level were negatively impacted by margin compression in Kuwait and challenging economic conditions in Algeria. All our other operations showed healthy EBITDA levels.

Kuwait recorded a significant increase in revenue for the first nine-months of 2018 to KD 182 million, up 13 percent compared to the same period last year. Revenue growth was driven by customer additions and an increase in handset sales.

In Algeria, market conditions remain depressed with the devaluation of the Algerian Dinar and intense price competition putting pressure on revenue and EBITDA. However, in line with our data first strategy, we maintained our mobile data leadership in Algeria.

We made good progress in Tunisia, where we increased our customer base by 5 percent, while our continued focus on cost optimization helped deliver EBITDA improvement for the nine-month period.

In Palestine we are benefiting from the launch of our network in Gaza. Since the beginning of 2018, we have increased our customer base by 57 percent to 1.3 million. Consequently, revenue was up 19 percent, while EBITDA

Brussels Airport hit as baggage handlers strike

BRUSSELS: A strike by baggage handlers at Brussels airport has caused many flight cancellations, affecting thousands of passengers during a major school holiday, an official said Friday. The travel chaos is set to continue, with Brussels Airport air traffic affected until at least today morning.

"As a result of a work stoppage at baggage handler Aviapartner, no flights are being handled by Aviapartner until Sunday 28 October 6 am (0400 GMT)," Brussels Airport said in an online message.

Some 300 travellers spent Thursday night at Brussels-Zaventem airport after handlers at Belgian firm Aviapartner went on strike, airport spokeswoman Nathalie Pierard told AFP, with more set to do so overnight Friday. Around 200 flights in or out of the airport were cancelled, according to public broadcaster RTBF, due to the strike over demands for higher staffing levels.

Pierard said most of those affected were Ryanair flights.

The Brussels Airport website said 30 carriers had been hit, also including British Airways, EasyJet and Air Maroc. "Friday is one of the busiest days of the autumn,



A total of 47,000 passengers are due to leave today," Pierard said.

Passengers were advised to contact their airline. Some flights were shifted to Charleroi, Brussels' other international airport, or to Lille in northern France, according to media reports.

The strike comes at the end of a school holiday in neighboring Netherlands and the start of one in Belgium that coincides with All Saints Day. A meeting between union delegates and at Aviapartner on Friday ended without any agreement, according to the Belga news agency, but was due to resume Saturday. Brussels airport is the largest in Belgium, with nearly 25 million passengers passing through it last year, compared to seven million at Charleroi airport in the south, the country's second biggest. —AFP

US trade conflicts weigh on robust growth in Q3

WASHINGTON: Robust US GDP growth continued in the third quarter but at a slower pace just ahead of key congressional elections, while the economy faces mounting headwinds from trade wars, the Commerce Department reported Friday.

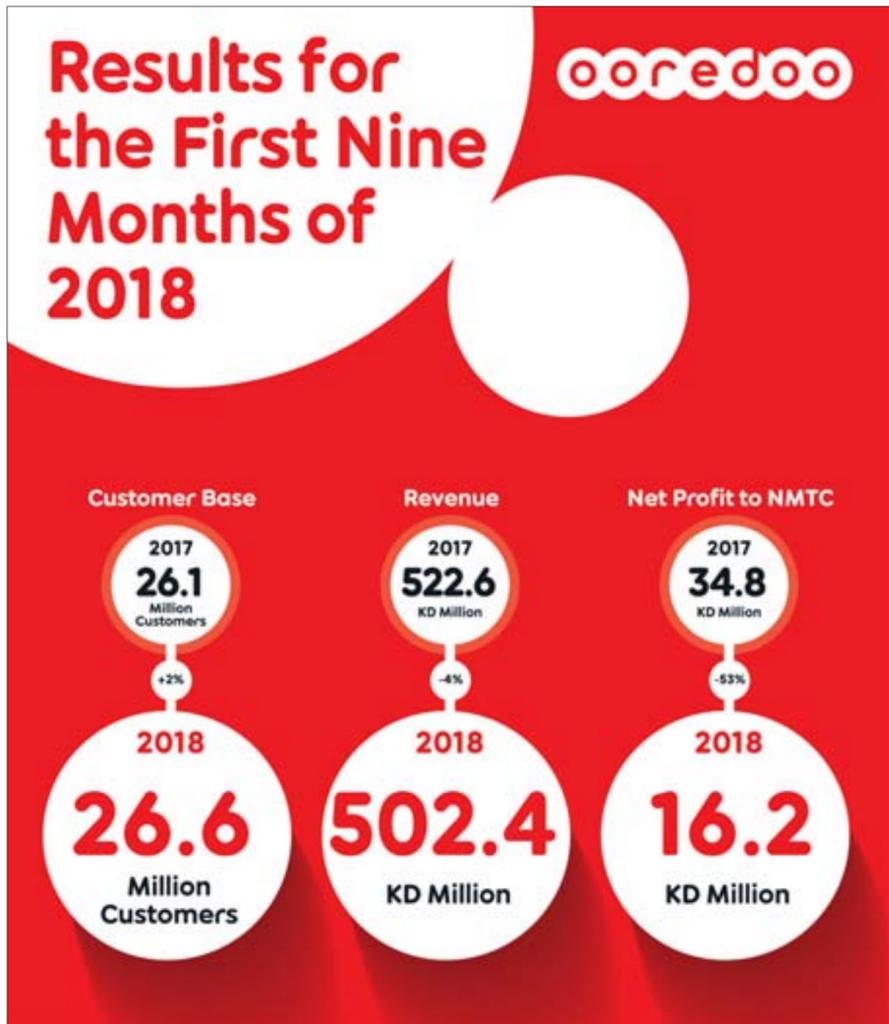
Coming just 11 days before a nail-biting midterm vote that could shift the balance of power in Washington, the new figures show the world's largest economy still has a big head of steam after tax cuts and fiscal stimulus enacted over the last year. However, economists say the underlying numbers offer grounds for concern. GDP grew at a brisk annual rate of 3.5 percent for the July-September period, according to the government's initial estimate, down sharply from 4.2

percent growth in the prior quarter but still overshooting analyst expectations.

The result made for the strongest six-month period since mid-2014 and puts growth above the prevailing trend for most of the recovery since the Great Recession, although it is based on preliminary data subject to revision.

President Donald Trump is banking on faster growth to pay for the December tax cuts and increased government spending, which nevertheless drove the US budget deficit to a six-year high in the most recent fiscal year. Commerce Secretary Wilbur Ross said the economic growth had defied "conventional wisdom" and credited the Trump administration's economic policies.

"The president's actions from deregulation to tax reform have supercharged the American economy, driving it to new heights," he said in a statement. But economists say growth should slow in the coming quarters as tax cuts and fiscal stimulus recede into the past while inflation mounts, interest rates rise, protectionist trade measures continue to bite and growth slows in the world's other major economies. —AFP



The Board of Directors of National Mobile Telecommunication Company K.S.C.P (Ooredoo) is pleased to announce to its shareholders that the company achieved a consolidated Net Profit attributable to shareholders of **KD 16.2 million**, translating to an earnings per share of **32.3 fils** for the nine months of 2018. The revenue for the nine months of 2018 reached to **KD 502.4 million**, compared with **KD 522.6 million** in the same period of 2017.

The Board of Directors takes this opportunity to express their gratitude and appreciation to NMTC (Ooredoo) shareholders, customers and to all our employees for their continuous efforts.