



G20 nations urged to boost growth

## 1MDB: MALAYSIA'S STUNNING FINANCIAL SCANDAL

# VIVA ANNOUNCES REVENUE OF KD 140 MILLION

**KUWAIT:** VIVA, Kuwait's fastest-growing and most developed telecom operator, announced the financial results for the six-month period ended 30th June 2016, whereby VIVA's revenue grew by 4% to reach KD 140 million compared to the same period in 2015. VIVA achieved these results due to the high quality of services, promotions and packages offered to its customers to meet their needs and expectations, inspired by our customers' confidence. Moreover, VIVA customers' base reached 2.4 million by end of June 2016.

Despite the high competition witnessed in the Kuwaiti telecom market, VIVA managed through its operational and financial strategy to achieve a net profit of KD 19.4 million (earning per share 39fils) during the first half of 2016 compared to KD 21.6 million (earning per share 43fils) recorded during the same period last year. On the other hand, VIVA's shareholders equity base increased by 57% to reach KD 112.3 million at the end of June 2016 compared to KD 71.5 million at the end of June 2015.

Commenting on the financial results, Dr Mahmoud Ahmad Abdulrahman, VIVA's Chairman, said: "Despite the high competition witnessed in the Kuwaiti Telecom Market, VIVA was able to achieve growth in revenues, good profitability levels, in additions to maintain the operational efficiency that led to generating positive return to our shareholders during the first half of 2016."

The witnessed growth in VIVA's revenues was a result of the company's strategy plans and efforts to be among the most developed telecommunications companies in the state of Kuwait and the region, as we always look forward to play a central role in providing smart telecom solutions in order to provide our customers with the best and most advanced telecom services. Dr Mahmoud added "These results reflect the hard work and the dedication of the management and employees reaffirming our commitment to achieve excellent outcomes."

Eng Salman Bin Abdulaziz Al-Badran, VIVA's Chief Executive Officer said: "VIVA continued during 2016 to achieve growth in operating



Dr Mahmoud Ahmad Abdulrahman, VIVA's Chairman

revenues despite the high competition we are witnessing in the Kuwaiti telecom market. It is noteworthy to mention that VIVA has been awarded by the Arabian Business organization as "Best Telecom Company", in recognition of its exceptional performance in 2015 and as a result of VIVA's commitment to enhance customer service quality and improve the operational efficiency.

In addition VIVA has been recognized as "Best Contact Centre Experience" and "Best Network Experience" by the "International Quality & Productivity Centre". He added: "With the high competition in the Kuwaiti telecom market, VIVA's strong revenue performance contributed to maintain a good profitability level as a result of company's financial & operating capacity and efficiency. VIVA recorded a revenue of KD 140 million during the first half of 2016 representing an increase of 4% when compared to same period last year and this has resulted in achieving a net profit of KD 19.4 million (earnings per share of 39fils), while the operating profit reached KD 20.4 million during the first half of 2016."

Al-Badran concluded: "As a continuing strategy, VIVA always seeks to provide a high quality products and services to its customers."



Eng Salman Bin Abdulaziz Al-Badran

In addition, VIVA contributes to the development of the telecommunications sector in the state of Kuwait by maintaining its presence through providing the latest advanced technology and services as well as the best offers to its individual and corporate customers."

Abdulaziz Abdullah Al Qatie, Chief Financial Officer at VIVA said: "During the first half of 2016, VIVA's financial results reflected its ability to compete and achieve growth in revenues, and maintain its position as the second largest telecom operator in the Kuwaiti market in term of revenues in the telecom sector. The company managed to decrease its leverage ratio due to its conservative financial policy to reach 1.4x at end of June 2016 as compared to 2.5x recorded at end of June 2015."

The strong operating performance has positively affected free cash flow to achieve growth of 7% during the first half of 2016 as compared to the same period in 2015." He added: "We will continue our hard work in implementing our strategy to maintain our competitive edge and achieve further growth and success in the Kuwaiti telecom market through offering innovative products and services in line with the latest technology to meet our customers' needs."

## G20 MINISTERS URGE TIGHTER TAX RULES FOR MULTINATIONALS

**CHENGDU:** The world's major economies need to deepen cooperation on tax collection and information sharing as companies seek to minimize the amount they pay to governments, finance ministers said yesterday. The issue has become controversial in many countries, with multinational firms from Google to Starbucks facing accusations of not contributing appropriately to the economies where they make their money, and multi-billion-dollar merger proposals being partly driven by tax considerations.

"When the current cross-border tax rules were developed they were tied to concepts that reflected geography and national boundaries," US Treasury Secretary Jacob Lew told G20 finance ministers meeting in the Chinese city of Chengdu. "When we look at technology a lot of that has become harder to define." "There needs to be a common standard across countries on important issues of transfer pricing," he said at a high-level symposium on tax policy, adding that countries had to deal "collectively" with issues that lead to non-taxation.

Closing loopholes, he added, would change the choices businesses make. The G20 has previously supported proposals requiring authorities to share the identities of shell companies' real owners, and backed creating a blacklist of international tax havens that do not cooperate with information-sharing programs. But the discussion as the G20 finance ministers and central bank chiefs meeting opened in Chengdu, in

southwestern China, was wider, addressing base erosion and profit shifting, known as BEPS. The term refers to companies using accounting techniques to shift their profits to low- or no-tax jurisdictions, reducing the amounts they are liable to pay.

Some countries, such as Ireland or Luxembourg, have drawn major firms to establish headquarters or subsidiaries by virtue of their tax rules—a key contributor to Dublin declaring earlier this month that its economy grew by a spectacular 26.3 percent last year. "In the 21st century, talent, capital, and even physical infrastructures are increasingly mobile," said Angel Gurría, secretary-general of the Organization for Economic Co-operation and Development (OECD). "So, a global conversation on these issues, on tax policy, is obvious, critical, important," he said, later naming Google, Apple and Starbucks as example companies.

But he acknowledged that it could be a sensitive subject: "Tax policy has been and remains a sovereign issue." The seminar jointly pushed for by Germany, China and the OECD also addressed issues of using tax policy to promote growth. Earlier French Finance Minister Michel Sapin said that some countries, "not only China" were "reluctant" on questions of cooperation on tax evasion. But Chinese Finance Minister Lou Jiwei said: "We need to deepen the international tax cooperation, building on existing mechanisms." — AFP

# 140

KD million

## Total Revenues

First Half

# 2016

The board of directors of Kuwait Telecommunications Company (VIVA) is pleased to announce to all the shareholders that the company has achieved a net profit of KD 19.4 million for the first half of the Financial Year 2016.

Operating Profit

# 20.4

KD million

Net Profit

# 19.4

KD million

EPS

# 39

Kuwaiti fils

Subscribers

# 2.4

Million subscriber

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# VIVA

