NREC reports KD3.6m net profit in Q1 2019; EBITDA KD 6.1m

Operating revenue reaches KD 4.2 million

KUWAIT: National Real Estate Company (NREC), which is presently developing properties valued at over $2 billion in the Middle East and North Africa region, yesterday reported its financial and operational earnings for the first quarter of 2019, announcing KD 4.2 million in operating revenue, and KD 6.1 million in EBITDA.

The net profit reached KD 3.6 million for the quarter, while its EPS was 2.93 fils. The total assets stood at KD 468.8 million by quarter-end.

NREC Vice Chairman and Chief Executive Officer, Faisal Jamil Sultan Al-Essa, said: "NREC's earnings continue to be driven by our operating properties owned in Kuwait, Jordan, Libya and Iraq, in addition to sale of units in the developing mixed-use project in Egypt, and positive earnings announced from our associate. The Company has also progressed in the development of the landmark project, Reem Mall, in Abu Dhabi. Together with Grand Heights in Egypt, the Company is set to grow and diversify its sources of operating cash flow in the coming years.

"The Company's debt reduction strategy has also continued to move forward through the completion of asset sale. The strategy aims to strengthen our cash position and enable us to focus on our promising landmark projects which are under development and our existing income-generating portfolio."

Located in Reem Island in Abu Dhabi, Reem Mall is a major new retail, leisure, dining and entertainment destination that comprises 450 stores and has a confirmed tenant-mix of leading retailers in the region and world. Grand Heights in Egypt is a residential development covering a total of four million square meters and caters to the housing needs of a growing population in Cairo and its suburban areas. In Kuwait, NREC manages the waterfront destination, Souq Sharq, and the El Joan resort. In Jordan, the Company owns and operates the South Aqaba Investment Park, a 1.5 million square meters property dedicated for warehousing, factories, companies and logistics in an attractive investment climate that provides access to major international markets and Free Trade Agreements. In Libya, NREC's Palm Residences is a residential project offering high-end facilities and security on the Mediterranean coastline in Janzour, a suburb of Tripoli. In Iraq, the Company operates an existing property and is seeking new investment opportunities in close to largest and busiest ring road in Erbil.

Established in 1973 and listed on Boursa Kuwait, National Real Estate Company (NREC) is a real estate investment, development and property manager based in the Middle East and North Africa, developing assets exceeding $2 billion. The Company's portfolio comprises a mix of retail, commercial and residential properties in the region. In addition to its core real estate business, NREC is the largest shareholder with a 22.3 percent share in Agility Public Warehousing Company K.S.C.P. which is one of the top ten logistics companies in the world.

Faisal Jamil Sultan Al-Essa

Vodafone slashes dividend after vast annual loss

LONDON: British telecoms giant Vodafone announced yesterday that it recorded a vast annual net loss of 7.6 billion euros ($8.5 billion), hit partly by the sale of its Indian assets. The loss after tax in the 2018/2019 financial year to the end of March contrasted with profit of just under 2.8 billion euros last time around, Vodafone said in a results statement. Europe's biggest mobile phone company also slashed its shareholder dividend to lower debt, simplify activities and increase investment as part of its ongoing transformation strategy.

"The loss for the financial year of 7.6 billion euros was primarily due to a loss on disposal of Vodafone India (following the completion of the merger with Idea Cellular) and impairments," Vodafone said. Net losses including non-controlling interests hit just over eight billion euros. That compared with a profit of 2.4 billion euros a year earlier. The poor performance was sparked partly by a 3.4-billion-euro loss from the sale of Indian operations.

The London-listed firm also took a 3.5-billion-euro writedown on the shrinking value of its activities in India, Spain and Romania. Revenue meanwhile slid 6.2 percent to 43.7 billion euros, hit also by competitive pressures. "We are executing our strategy at pace and have achieved our guidance for the year, with good growth in most markets but also increased competition in Spain and Italy and headwinds in South Africa," said chief executive Nick Read. "These challenges weighed on our service revenue growth during the year, and together with high spectrum auction costs have reduced our financial headroom."

Vodafone cut its full-year dividend to nine cents per share, down from 15 cents per share the previous year. Back in November, Read launched a 1.2-billion-euro cost-cutting plan aimed at transforming the company's fortunes.

"The group is at a key point of transformation," he said yesterday, adding Vodafone was "radically simplifying our operations, generating better returns from our infrastructure assets and continuing to optimize our portfolio". "To support these goals and to rebuild headroom, the board has made the decision to rebase the dividend." Yesterday's results come after Vodafone sold its New Zealand subsidiary this week to an investment consortium in a deal worth NZ$3.4 billion ($2.2 billion). In August last year, Vodafone's Indian division merged with Idea Cellular to become the country's biggest mobile phone company with more than 400 million customers.

Vodafone and Idea flagged the tie-up in March 2017 and the deal is expected to further shake up India's giant telecom industry. The nation's telecoms sector was jolted in 2016 when Asia's richest man Mukesh Ambani launched Jio with market-defying tariffs for consumers, sparking fierce competition and sector consolidation. —AFP

Nissan profits hit 'rock bottom' as Ghosn weighs

TOKYO: Crisis-hit Japanese car company Nissan yesterday unveiled net profits at a near-decade low as it battles to recover after the shock arrest of its talismanic former boss Carlos Ghosn.

Net profits for the fiscal year to March 2019 came in at 319 billion yen ($2.9 billion), the lowest since 2009/10 when the company was struggling in the wake of the global financial crisis. It was a decline of 57 percent compared to the previous fiscal year and the profit outlook for the current fiscal year was forecast to be even worse-at 170 billion yen.

"The performance is a challenging one and we want to change this," Chief Executive Officer Hiroto Saikawa told reporters. Yesterday's figures represented a "rock bottom" for the company, he said, adding: "Please give us time to recover."

The firm has been crippled by the reputational damage caused by the legal woes of former chairman Ghosn, who faces four formal charges of financial misconduct that he denies.

"There are many negative legacies inherited from the previous management," said Saikawa.

"To tell you the truth, there was a period when we could not concentrate on business" during the Ghosn affair, said Saikawa. But analysts point to several problems for the Japanese firm beyond Ghosn, including apparently declining relations with its French partner Renault and a dearth of new products.

"They've got to let go of Carlos Ghosn, he's out of the company, he's no longer a director, they have to move beyond that, it's a distraction," said Christopher Richter, an analyst for the CLSA brokerage based in Tokyo. Saikawa "has been in the top job for more than two years-that's half of a model cycle-so I don't think you can lay all the blame with Mr. Ghosn," Richter said.

He said Nissan has an "old and unattractive portfolio" and "desperately need new products", the development of which has been delayed both by the difficulties surrounding Ghosn and the Renault-Nissan relationship. Saikawa said sales had held up in Japan and China but was "tough" in the United States and Europe.

He is coming under increasing pressure, with several shareholders demanding his departure at a meeting last month. His term is up for renewal at the end of June.

But he brushed off calls for his resignation saying he wanted to launch a fresh start for the firm and would discuss the timing of his stepping down "at the appropriate time."

'Differences of opinion'

Nissan, along with Renault and Mitsubishi Motors, make up an unusual three-way alliance that has grown to become the top-selling car group. Ghosn was the driving force between bringing the firms together and has since alleged that Nissan launched an investigation into him over fears he was hoping to merge the Japanese and French companies.

The appointment of new Renault boss Jean-Dominique Senard should open a "new chapter" in ties, said Saikawa earlier this year but the Japanese firm continues to resist anything approaching a merger, which is being pushed by the French firm.

Saikawa admitted "differences of opinion" with Senard on the future make-up of the Alliance, including the capital partnership between the two companies. "But what I (and Senard) agree on is that now is not the time for that discussion. Nissan should fully focus on the recovery and stabilisation of its business performance. "Mr Senard gives us full support on this point," said Saikawa.

YOKOHAMA: Nissan Motors president and CEO Hiroto Saikawa speaks during a press conference to announce the company's 2019 financial results at its headquarters in Yokohama yesterday. —AFP

A spokesman for Renault contacted by AFP said the figures were "regrettable".

"What is bad for Nissan is bad for Renault and vice-versa. And these results are not good news for the Alliance. These results reinforce the idea that we need changes," the spokesman said.

"Joining forces is necessary to fight our competition which is not waiting around for us."

Ghosn was released on bail of $4.5 million last month under strict conditions, including restrictions on seeing his wife-which the tycoon described as "cruel and unnecessary".

Local media have said that any trial of the former boss may not start until next year.

Ghosn denies all the charges against him and has vowed in several statements to "vigorously defend himself against these baseless accusations". —AFP

EU regulators helping Google, Facebook, says Snapchat chief

LONDON: The head of Snapchat warned European regulators yesterday that their efforts to protect user data were entrenching the positions of internet giants such as Google and Facebook.

Snapchat CEO Evan Spiegel's comments in London came three months after the UK parliament published a scathing report accusing Facebook of acting like "digital gangsters" who brazenly violate privacy rules.

The European Union took the lead last year by implementing a strict General Data Protection Regulation (GDPR) policy making platforms' access to customer data more transparent and easier for users to control. Spiegel called the European approach well-meaning but potentially self-defeating.

"I think that some of the regulation like GDPR, for example, may end up entrenching very large players," he told a business conference organized by The Wall Street Journal. "If you're a small publisher today and you want to run ads on your website, it's very very hard to do that because you are not at scale, you don't have a giant ads platform, so you might want to plug into Google, for example, or Facebook," he said. "And if you do that, you're basically going to have to tell your customers that you are selling your data to Google or Facebook." Snapchat is a picture and video sharing tool especially popular among teens.

Snapchat CEO Evan Spiegel

Spiegel said the mobile phone app is regularly used by 75 percent of all 13- to 34-year-olds in the United States. It now has 190 million daily users-about 60 million more than Twitter-but is still operating at a loss.

The Financial Times estimated that the company will have to raise new capital in three years if it continued burning through cash at current rates. Snap's inability to make a profit reflects other platforms' struggles to generate ad revenue. The industry is going through a thorough re-think that tries to balance growth with a rising backlash against how personal details are bought and sold for targeted ads. —AFP

UK unemployment rate hits 45-year low

LONDON: British unemployment has fallen to a 45-year low, official data showed yesterday, with the economy holding up despite prolonged Brexit uncertainty. The unemployment rate eased to 3.8 percent in the three months to March-the lowest level since the final quarter of 1974, the Office for National Statistics (ONS) said in a statement. That compared with a 44-year low of 3.9 percent in the quarter to February.

"The UK labour market has been remarkably resilient in the face of Brexit-related uncertainty," Hargreaves Lansdown senior economist Ben Brettell said in reaction to the latest data. "These are really strong numbers given the headwinds the economy is currently facing." The ONS added that the UK employment rate was estimated at 76.1 percent, which was the joint-highest figure on record. However the strong jobs figures were not necessarily translating into higher productivity, analysts noted. "There are valid concerns that UK firms are hoarding labor instead of much-needed capital expenditure," said Brettell. "Why would you invest large sums in new plant or machinery in such uncertain times, when you could hire an extra worker and get broadly the same result?" —AFP

EXCHANGE RATES

Al-Muzaini Exchange Co.

EUROPEAN & AMERICAN COUNTRIES	
US Dollar Transfer	305.000
Euro	345.110
Sterling Pound	398.480
Canadian dollar	229.240
Turkish lira	52.630
Swiss Franc	303.630
US Dollar Buying	303.800
ASIAN COUNTRIES	
Japanese Yen	2.729
Indian Rupees	4.379
Pakistani Rupees	2.187
Srilankan Rupees	1.743
Nepali Rupees	2.737
Singapore Dollar	225.760
Hongkong Dollar	38.875
Bangladesh Taka	3.603
Philippine Peso	5.893
Thai Baht	9.616
Malaysian ringgit	78.005
GCC COUNTRIES	
Saudi Riyal	81.388
Qatari Riyal	83.826
Omani Riyal	792.723
Bahraini Dinar	810.420
UAE Dirham	83.095
ARAB COUNTRIES	
Egyptian Pound - Cash	20.850
Egyptian Pound - Transfer	17.726
Yemen Riyal/for 1000	1.225
Tunisian Dinar	105.170
Jordanian Dinar	430.670
Lebanese Lira/for 1000	2.033
Syrian Lira	0.000
Morocco Dirham	32.344

Dollarco Exchange Co. Ltd

Rate for Transfer	Selling Rate
US Dollar	304.340
Canadian Dollar	227.315
Sterling Pound	400.840
Euro	342.770
Swiss Frank	310.905
Bahrain Dinar	809.355
UAE Dirhams	83.265
Qatari Riyals	84.500
Saudi Riyals	82.055
Jordanian Dinar	430.540
Egyptian Pound	17.753
Sri Lankan Rupees	1.721
Indian Rupees	4.390
Pakistani Rupees	2.154
Bangladesh Taka	3.605
Philippines Pesso	5.865
Cyprus pound	18.105
Japanese Yen	3.750
Syrian Pound	1.590
Nepalese Rupees	2.748
Malaysian Ringgit	74.240
Chinese Yuan Renminbi	45.330
Thai Bhat	10.526
Turkish Lira	50.004
Singapore dollars	223.485

BAHRAIN EXCHANGE COMPANY WLL

CURRENCY	BUY	SELL
Europe		
British Pound	0.387142	0.401042
Czech Korune	0.005252	0.014552
Danish Krone	0.041727	0.046727
Euro	0. 334492	0.348192
Georgian Lari	0.110269	0.110269
Hungarian 0.000964	0.001154	
Norwegian Krone	0.030767	0.035967
Romanian Leu	0.054867	0.071717
Russian ruble	0.004650	0.004650
Slovakia	0.009109	0.019109
Swedish Krona	0.027590	0.032590
Swiss Franc	0.295907	0.306907
Australasia		
Australian Dollar	0.203241	0.215241
New Zealand Dollar	0.193997	0.203497
America		
Canadian Dollar	0.220638	0.229638
US Dollars	0.300500	0.305800
US Dollars Mint	0.301000	0.305800
Asia		
Bangladesh Taka	0.003010	0.003811
Chinese Yuan	0.042800	0.046300
Hong Kong Dollar	0.036718	0.039468
Indian Rupee	0.003761	0.004533
Indonesian Rupiah	0.000017	0.000023
Japanese Yen	0.002693	0.002873
Korean Won	0.000246	0.000261
Malaysian Ringgit	0.069584	0.075584
Nepalese Rupee	0.002680	0.003020
Pakistan Rupee	0.001524	0.002294
Philippine Peso	0.005772	0.006072
Singapore Dollar	0.217068	0.227068
Sri Lankan Rupee	0.001376	0.001956
Taiwan	0.009654	0.009834
Thai Baht	0.009310	0.009860
Vietnamese Dong	0.00013	0.00013
Arab		
Bahraini Dinar	0.793387	0.809887
Egyptian Pound	0.017586	0.020186
Iranian Riyal	0.000084	0.000086
Iraqi Dinar	0.000210	0.000270
Jordanian Dinar	0.424715	0.433715
Kuwaiti Dinar	1.000000	1.000000
Lebanese Pound	0.000151	0.000251
Moroccan Dirhams	0.020503	0.044503
Omani Riyal	0.784851	0.790631
Qatar Riyal	0.079399	0.084339
Saudi Riyal	0.080140	0.081440
Syrian Pound	0.001291	0.001511
Tunisian Dinar	0.097496	0.105496
Turkish Lira	0.043990	0.055490
UAE Dirhams	0.081507	0.083207
Yemeni Riyal	0.000990	0.001070