

The Business

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Batelco profit hits BD8.2m

Conference to discuss ideas for change...

BAHRAIN Polytechnic will host the 'Be The X' conference tomorrow at the Bahrain Hall in the Isa Town campus.

It will bring together prominent speakers from Bahrain and the GCC to discuss ideas that could empower society or change the world.

Held under the patronage of Shaikh Hisham bin Abdulaziz Al Khalifa, chairman of the board of trustees of the polytechnic, the conference is organised by the Bahrain Polytechnic Student Council and the Bahrain Polytechnic Volunteer Club.

Speakers will include radio broadcaster and author from Kuwait Ali Najim, former minister and entrepreneur from Bahrain Dr Fatima Al Balooshi, paramedic Fahad Yaqoot, trainer Yaqoob Alnajem, fashion entrepreneur Fatima Alatawi, trainer Mahmood Albaloooshi and chef Roaya Saleh.

The event will be hosted by social media influencer Khawla Al Muraghi.

MANAMA: Batelco Group, a top regional telecom group, has reported gross revenues of BD89.7 million (\$237.9m) for the first quarter of the year, marking a marginal one per cent decrease year-on-year and 5pc drop over fourth quarter of 2016.

Revenues continue to be impacted by competitive pressure in a number of markets across the group, it said in a statement.

EBITDA for the period was BD32.3m (\$85.7m), representing a margin of 36pc. Despite an 8pc decline over first quarter of 2016, EBITDA increased by 7pc from the previous quarter. The group continues to sustain its robust EBITDA margin as a result of its cost containment programmes.

For the period, the group net profit was BD8.2m (\$21.8m); a 14pc decline compared with the first quarter of 2016 but up by 58pc over the previous quarter. Net profit during first quarter this year was impacted by a BD1.5m (\$4m) share of loss from the company's associate in Yemen, the statement said.

The group's balance sheet continues to be strong with net assets of BD525.8m (\$1,394.7m) and substantial cash and bank balances of BD180.1m (\$477.7m). Earnings per share for the first quarter of 2017 are 4.9 fils.

The company's subscriber base reached 9.2m, an increase of 2pc year-on-year.

Batelco Group chairman Shaikh Mohammed bin Khalifa Al Khalifa said: "We continue

to be responsive to changes in the various markets we operate in and strive to deliver relevant services and solutions that most suit our customers in each location. Strengthening our digital capabilities remains high on the agenda in a number of the group's operations; accordingly we are investing in fibre networks and the development of our digital solutions portfolio."

"Batelco Bahrain aims to provide high-speed Internet for the majority of Bahrain's homes, businesses and government bodies in line with the government's fourth national telecom plan. We are focused on playing our part in ensuring that Bahrain is among the best connected countries in the wider region," Shaikh Mohammed added.

Batelco Group chief executive Ihab Hinnawi said that customers' needs continue to evolve in line with global trends towards a digital world marked by smart home and smart city living.

"This is reflected by growing subscriber numbers for mobility and broadband in a number of our operations, leading to a 2pc overall increase in the group's customer base compared with 2016," he said.

"It is pleasing to note that Batelco Bahrain posted year over year (YoY) increases in fixed

and broadband customers of 4pc and 33pc respectively."

"We are also delighted to note that Dhiraagu, our operation in the Maldives continues to report growing customer numbers with 5pc and 8pc YoY increases in mobile and broadband subscribers. Similarly, Sure in the Channel Islands and Isle of Man reported increased YoY fixed line and broadband subscribers of 4pc and 8pc respectively.

"We have a number of group-wide initiatives in place as well as programmes specific to each geographic location. We endeavour to enable the best-in-class products, services and solutions for consumers and businesses and anticipate that these efforts will boost performance across the group going forward," Mr Hinnawi added.

For the period, 59pc of revenues and 54pc of EBITDA was attributable to operations outside of Bahrain, the statement said.

Mr Hinnawi continued by stating that in Bahrain the availability of superfast fibre services is having a positive impact on customer numbers with broadband subscriber numbers up by 9pc over fourth quarter of 2016 and 33pc YoY.

"Our fibre rollout continues to be very

successful as we push to reach all areas of the kingdom including new residential and business locations and replacing out of date infrastructure with the latest technologies," he explained.

"Partnerships continue to be of high value to us and during the first quarter we announced a mobile network enhancement deal for 2017-2018 in collaboration with Ericsson. The agreement will have a huge impact on the user experience through improved Mobile Internet coverage and service quality and furthermore, it will enable Batelco to start the journey to 5G and IoT by providing network virtualisation services and improved 3G and LTE indoor capacity for customers.

"Bahrain is a very cosmopolitan location with residents travelling far and wide; to support their communication need whilst on the move, Batelco now offers data roaming bolt-on services in more than 50 locations, delivering unlimited data at reasonable fixed rates. This service is proving to be very popular and we continue to add new countries regularly," noted Mr Hinnawi.

"Batelco Bahrain's digitisation goals will continue to take high priority throughout 2017 as we develop our portfolio for all customers, with a strong emphasis on the evolving needs of the business sector in line with our role as the kingdom's foremost enterprise solutions provider," added Mr Hinnawi.

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■ Shaikh Mohammed



■ Mr Hinnawi



Condensed Interim Financial Statements for the three-month period ended 31 March 2017

Condensed Interim Statement of Financial Position

At 31 March 2017 (Unaudited) (In Bahraini Dinar)

	31 March 2017	31 December 2016
Assets		
Non-current asset		
Property, plant and equipment	41,715,265	42,267,135
Current assets		
Inventories	76,428	153,608
Trade and other receivables	306,147	330,315
Cash and cash equivalents	595,199	497,662
	977,774	981,585
Total assets	42,693,039	43,248,720
Equity and Liabilities		
Equity		
Share capital	22,950,150	22,950,150
Capital adjustment account	(2,434,650)	(2,434,650)
Statutory reserve	65,681	65,681
General reserve	52,582	38,460
Accumulated losses	(7,326,053)	(6,269,577)
	13,307,710	14,350,064
Liabilities		
Non-current liabilities		
Term loan	20,922,127	20,029,755
Amount due to related party	4,430,555	3,698,473
Employees' terminal benefits	66,536	65,309
	25,419,218	23,793,537
Current liabilities		
Trade and other payables	574,405	688,714
Current portion of term loan	1,795,255	1,636,132
Retention payables	1,596,451	2,780,273
	3,966,111	5,105,119
Total liabilities	29,385,329	28,898,656
Total equity and liabilities	42,693,039	43,248,720

Condensed Interim Statement of Comprehensive Income

For the three-month period ended 31 March 2017 (Unaudited) (In Bahraini Dinar)

	Period from 1 January 2017 to 31 March 2017	Period from 1 January 2016 to 31 March 2016
Operating revenue	706,097	116,866
Cost of operations	(438,426)	(168,522)
Gross profit/ (loss)	267,671	(51,656)
Expenses		
Staff costs	(227,738)	(115,218)
General and administrative expenses	(185,385)	(31,535)
Corporate expenses	(66,379)	(36,507)
Pre-opening expenses	-	(702,196)
Depreciation	(551,870)	(120,907)
Finance costs	(278,653)	(70,057)
	(1,310,025)	(1,076,420)
Loss for the period transferred to accumulated losses	(1,042,354)	(1,128,076)
Basic and diluted loss per share	(0.005)	(0.008)

Condensed Interim Statement of Changes in Equity

For the three-month period ended 31 March 2017 (Unaudited) (In Bahraini Dinar)

	Share capital	Preference Shares	Capital adjustment account	Statutory reserve	General reserve	Accumulated losses	Total
At 1 January 2016	15,000,000	5,515,500	-	65,681	-	(1,153,766)	19,427,415
Loss for the period	-	-	-	-	-	(1,128,076)	(1,128,076)
Transfer to general reserve	-	-	-	-	2,337	(2,337)	-
At 31 March 2016	15,000,000	5,515,500	-	65,681	2,337	(2,284,179)	18,299,339
At 1 January 2017	22,950,150	-	(2,434,650)	65,681	38,460	(6,269,577)	14,350,064
Loss for the period	-	-	-	-	-	(1,042,354)	(1,042,354)
Transfer to general reserve	-	-	-	-	14,122	(14,122)	-
At 31 March 2017	22,950,150	-	(2,434,650)	65,681	52,582	(7,326,053)	13,307,710

Condensed Interim Statement of Cash Flows

For the three-month period ended 31 March 2017 (Unaudited) (In Bahraini Dinar)

	Period from 1 January 2017 to 31 March 2017	Period from 1 January 2016 to 31 March 2016
Operating activities		
Loss for the period		(1,128,076)
Adjustments for:		
Depreciation		551,870
Provision for employees' terminal benefits		10,597
Finance costs		278,653
Operating loss before working capital changes		(201,234)
Changes in operating assets and liabilities:		
Change in inventories		77,180
Change in trade and other receivables		24,168
Change in trade and other payables		(114,309)
Change in retention payables		(1,183,822)
Payment of employees' terminal benefits		(9,370)
Net cash used in operating activities	(1,407,387)	(1,320,216)
Investing activities		
Additions to capital work in progress		(630,272)
Net cash used in investing activities		(630,272)
Financing activities		
Proceeds from term loan		1,051,495
Proceeds from amount due to related party		732,082
Finance costs paid		(278,653)
Net cash generated from financing activities	1,504,924	3,138,817
Net change in cash and cash equivalents	97,537	1,188,329
Cash and cash equivalents, beginning of the period	497,662	98,326
Cash and cash equivalents, end of the period	595,199	1,286,655
Comprises:		
Cash in hand	5,350	7,605
Bank balances	589,849	1,279,050
	595,199	1,286,655

These condensed interim financial statements were approved by the Board of Directors on 4 May 2017

Abdulla Hasan Buhindi
Chairman

Grant Thornton - Abdulaal

Jehad Yusuf Amin
Vice Chairman