

Batelco group posts BD19m profit in H1

- ▶ **Gross Revenues at BD181.1M (US\$480.4M);**
- ▶ **EBITDA of BD64.0M (US\$169.8M), representing a 35pc margin;**
- ▶ **Consolidated net profit at BD19.0M (US\$50.4M);**
- ▶ **59pc of revenues and 52pc of EBITDA sourced from markets outside Bahrain;**
- ▶ **Cash and bank balances of BD157.4M (US\$417.5M);**
- ▶ **Earnings per share of 11.4 fils with an approved interim cash dividend of 10 fils per share;**
- ▶ **Subscriber base of over 9.5 million, an increase of 4pc YoY.**

DT News Network
Manama

Batelco Group has posted a net profit of BD19m for the six months ended June 30, 2017. The Group continued with its promising start to the year with net profit showing improvement over Q1 2017.

The Group's Gross Revenues of BD181.1M (US\$480.4M) have remained steady year-on year with a slight 1 per cent decline compared to the same period in 2016. The gross revenues for the second quarter of 2017 show a 1pc decrease compared to Q2 2016 but an increase of 2pc compared to Q1 2017.

EBITDA for the period was BD64.0M (US\$169.8M), a 10pc decline year over year, and quarter on quarter decline of 12pc compared to Q2 2016. EBITDA for Q2 2017 was in line with that of the previous quarter with only a 2pc marginal decline. The YoY drop in EBITDA is a partly due to increased operating expenses compared to 2016, mainly higher network and IT costs as a result of network enhancements and additional sites across the Group. Despite the reduction in EBITDA, the Group continues to sustain its robust EBITDA margin of 35pc.

For the first six months of the year, the Group



Shaikh Mohammed bin Khalifa Al Khalifa

reported Net Profit of BD19.0M (US\$50.4M), a 16pc decline compared to the corresponding period in 2016 and a quarter on quarter decline of 17pc over Q2 2016. However, Net Profit is up by 32pc compared to Q1 2017 as Q1 results were impacted by the share of loss from the Group's investment in Sabafon, Yemen, due to the continued instability in the region caused by political unrest.

The Group's balance sheet remained strong; as of 30 June 2017 net assets were BD532.9M (US\$1,413.5M) with substantial cash and bank balances of BD157.4M (US\$417.5M). Earnings per share were 11.4 fils and the Board of Directors approved



Batelco Bahrain CEO Muna Al Hashemi

an interim cash dividend for shareholder of 10 fils per share for the six month period.

Commenting on the results for the first six months of 2017 Batelco Chairman Shaikh Mohamed bin Khalifa Al Khalifa said that Batelco Group continues to be immersed in a lengthy period of harsh competitive pressure and the impact of this is reflected in the Group's financial results.

"This operating environment is due to circumstances in the telecom industry, not just in Bahrain but across the geographies in which we operate. However, our strategy is evolving so that we are prepared to meet the ongoing changes in the



Ihab Hinnawi

industry. We are investing in restructuring and training to ensure we have the right mix of skills and expertise across our management an general staff teams."

"Another key area where we are continuously evolving is on strengthening the relationship we have with our customers by focusing on the overall customer experience rather than just customer services. We are client and customer focused across all sectors from the general public to government, medical, banking and beyond."

"Additionally, our combined Group-wide efforts to pool resources is making good progress an helping to support our efforts to reduce costs," Shaikh Mohamed added.

EasyJet wins AOC in Austria, upgrades outlook

London

EasyJet has secured an air operator's certificate in Austria that will enable it to keep flying across the EU after Brexit, the low-cost carrier said Thursday, and lifted earnings guidance.

The news, which comes one week after the British low-cost airline revealed it had applied

to Austrian authorities to establish a new Vienna-based EasyJet Europe division, was contained in a trading update.

"Our European AOC (air operator's certificate) has now been awarded and the first flight by an EasyJet Europe aircraft takes place today," said the company's outgoing chief executive Carolyn McCall.

Air France unveils Joon - the 'millennials' airline

Paris

Air France on Thursday unveiled a new lower-cost subsidiary called Joon that will specifically target well-travelled millennials.

A new medium-haul service will begin operating from Charles de Gaulle airport in Paris later this year, with long-haul flights to follow in summer 2018.

The French carrier unveiled

details of its new service after resolving a lengthy dispute between the management and pilots over the establishment of the subsidiary.

Joon is "especially aimed at a young working clientele, the millennials (18 to 35 year-olds), whose lifestyles revolve around digital technology", Air France said in a statement, without elaborating on what new technology would be deployed.

China orders tech firms to ramp up censorship

Beijing

China has ordered the country's biggest technology firms to immediately "rectify" violations and shut accounts that publish "bad information", in the latest move by authorities to tighten policing of the web.

The Cyberspace Administration of China said it held a meeting this week with representatives from domestic

tech giants Baidu, Sohu, Tencent, Netease and Phoenix to inform them of multiple violations in content published on their platforms.

The offences listed Wednesday by the authorities included misinterpreting policy directives, disseminating false information, distorting Chinese Communist Party history, plagiarising photos, and challenging public order.

Philippines eyes opening telecoms to foreign control

Manila

Limits on foreign ownership of the Philippine telecom industry should be lifted to attract investment and improve its service, a senior minister said Thursday.

Currently foreign firms can own a maximum 40 per cent of Philippine utilities, including telecom companies, which

should be raised, according to Economic Planning Secretary Ernesto Pernia.

"If we want to attract foreign direct investment, they have to have a larger stake in the investment," he told reporters.

"Forty percent seems rather low. By raising that to 70 percent, it seems more attractive," he added.

Musk says successful maiden flight for Falcon Heavy unlikely

Washington

SpaceX CEO and founder Elon Musk has downplayed the chances of a successful inaugural flight for his Falcon Heavy space launch vehicle, admitting there is a "good chance it would not make it to orbit in its first launch."

Development of the booster rocket, which is powered by 27 engines, has proven to be "way harder than the team initially thought," he told the International Space Station Research and

Development conference on Wednesday.

Falcon Heavy will be the most powerful rocket booster in the world, capable of delivering a 54 ton payload into orbit.

Musk said that combining three Falcon 9 rockets together had multiplied vibrations throughout the vehicle making it difficult to test without a launch.

The maiden test flight is due to take place toward the end of the year.

The billionaire added that the best way to re-invigorate public interest in space was to build a lunar colony.

"If you want to get the public fired up, you've got to put a base on the moon," he said, in order to continue the dream of the Apollo missions.

SpaceX announced in February it had finalized a deal with two private citizens to be sent around the Moon in what would mark the farthest humans have ever

traveled to deep space.

Fellow billionaire Jeff Bezos, the CEO of Amazon, also announced in March his intention to build lunar vehicles and habitat modules in order to establish colonies, and has submitted a collaboration proposal to NASA.

Musk, who has said he wants to send an unmanned lander to Mars by 2020, added Wednesday that any colonization efforts should rely as much as possible on resources available on the planet.

Elon Musk, CEO of SpaceX and Tesla

