

Summary of the Preliminary Results of PEX – Listed Companies

Main Information:	
Name of the company:	Wataniya Mobile
Sector:	Service
Trading symbol:	WATANIYA
ISIN Number:	PS5012112072
Date of Registration:	27-1-2007
Type of Market (First/ Second):	second
Authorized Capital:	U.S. \$258,000,000
Subscribed Capital:	U.S. \$258,000,000
Paid-in Capital:	U.S. \$258,000,000
Name of the Chairman of the Board:	Mr. Mohammed Abu Ramadan
Name of the Chief Executive Officer/ General Manager:	Dr. Durgham Maraee
Name of the Internal Auditor:	Mr. Mahmoud Othman
Name of the External Auditor:	Ernst & Young
Location (Head Office):	Tri Fitness building - El Bireh
Telephone Number:	+970 (0) 56 800 2000
E-mail:	IR@wataniya.ps

Information about the Annual Report & General Assembly Meeting:	
Approximate date for the publication of the Annual Report:	During March 2017
The site where the Annual Report shall be displayed for viewing by the public:	www.wataniya.ps
The proposed date for the annual Ordinary General Assembly Meeting:	During April 2017

Preliminary Results Comparison:		Currency: USD	
Item		31/12/2016 (Unaudited)	31/12/2015 (Audited)
1.	Total assets:	223,646,514	247,200,841
	a) Non-current assets:	185,464,601	203,525,540
	b) Current assets:	38,181,913	43,675,301
2.	Total Liabilities:	155,481,398	177,497,784
	a) Non-current liabilities:	104,167,323	104,167,323
	b) Current liabilities:	51,314,075	73,105,661
	c) Unrestricted investments accounts (Islamic Banks):	NA	NA
	d) Restricted investments accounts (Islamic Banks):	NA	NA
3.	Total Equity:	68,165,116	69,703,057
	a) Equity attributable to equity holders of the company	68,165,116	69,703,057
	b) Non-controlling interests	NA	NA
4.	Net Operating Income/ (Loss)	21,926,822	21,476,064
5.	Net Income/ (Loss) before Tax	(1,537,941)	(5,137,335)
6.	Provision for Income Tax	NA	NA
7.	Net Income/ (Loss) after Tax:	(1,537,941)	(5,137,335)
	a) Attributable to equity holders of the company	(1,537,941)	(5,137,335)
	b) Non-controlling interests	NA	NA
8.	Other Comprehensive Income	NA	NA
9.	Total Comprehensive Income (7+8)	(1,537,941)	(5,137,335)
	a) Equity Holders of the Company	(1,537,941)	(5,137,335)
	b) Non-controlling interests	NA	NA
10.	Summary of the Company's Financial Performance for 2016 :		
	- Revenue at 2016 year end stood at USD 84 million, compared to USD 83.2 million for the same period last year.		
	- EBITDA at 2016 year end stood at USD 22 million, compared to USD 21.5 million for the same period last year.		
	- Wataniya Mobile's 2016 net loss came better than 2015 by 70%; reaching only USD (1.5) million, compared to USD (5.1) million for the same period last year.		

Durgham Maraee
Chief Executive Officer

Date:

15/February/2017

Fadi Abdellatif
Chief Financial Officer

Wataniya Palestine Mobile Telecommunication
Public Shareholding Company
Financial Statements
December 31, 2016

Wataniya Palestine Mobile Telecommunication
Public Shareholding Company

STATEMENT OF FINANCIAL POSITION
As of December 31, 2016

	Notes	2016 U.S. \$	2015 U.S. \$
<u>Assets</u>			
Non-current assets			
Property and equipment	3	27,469,533	32,064,736
Intangible assets	4	139,111,200	141,411,559
Projects in progress	5	18,883,868	30,049,245
		<u>185,464,601</u>	<u>203,525,540</u>
Current assets			
Advances to contractors		5,417,874	6,887,119
Restricted cash	6	3,951,235	4,001,936
Prepayments and other current assets	7	1,808,979	1,603,932
Inventory	8	3,463,535	3,927,813
Accounts receivable	9	11,276,707	8,100,789
Cash in hand and at banks	10	12,263,583	19,153,712
		<u>38,181,913</u>	<u>43,675,301</u>
Total Assets		<u>223,646,514</u>	<u>247,200,841</u>
<u>Equity and liabilities</u>			
Equity			
Paid-in share capital	11	258,000,000	258,000,000
Share premium		11,610,000	11,610,000
Accumulated losses		(201,444,884)	(199,906,943)
Net equity		<u>68,165,116</u>	<u>69,703,057</u>
Non-current liabilities			
Provision for employees' indemnity	12	5,520,317	4,301,824
Interest-bearing loans and borrowings	13	44,300,352	45,743,645
Other non-current liability	4	54,346,654	54,346,654
		<u>104,167,323</u>	<u>104,392,123</u>
Current liabilities			
Current portion of interest-bearing loans and borrowings	13	19,500,000	27,000,000
Accounts payable		9,128,538	11,114,168
Due to related parties	14	177,759	156,771
Deferred revenues		3,647,075	4,580,026
Other current liabilities	15	17,052,821	17,905,265
Accrued project cost	16	1,807,882	12,349,431
		<u>51,314,075</u>	<u>73,105,661</u>
Total liabilities		<u>155,481,398</u>	<u>177,497,784</u>
Total Equity and Liabilities		<u>223,646,514</u>	<u>247,200,841</u>

The attached notes 1 to 28 form part of these financial statements

Wataniya Palestine Mobile Telecommunication
Public Shareholding Company

STATEMENT OF PROFIT OR LOSS
For the year ended December 31, 2016

	Notes	<u>2016</u> U.S. \$	<u>2015</u> U.S. \$
Revenue		84,118,637	83,197,778
Cost of services		<u>(36,876,009)</u>	<u>(38,594,684)</u>
		<u>47,242,628</u>	<u>44,603,094</u>
Finance income		340,927	386,948
Other income	18	-	4,314,515
Currency exchange gain (loss)		1,222	(860,212)
General and administrative expenses	19	(27,489,911)	(28,655,161)
Depreciation and amortization	3,4	(19,358,364)	(19,609,273)
Finance costs	20	(4,273,940)	(4,870,605)
Impairment losses		-	(446,641)
Recovery of impairment of accounts receivable	9	<u>1,999,497</u>	<u>-</u>
Loss for the year		<u>(1,537,941)</u>	<u>(5,137,335)</u>
Basic and diluted earnings per share	21	<u>(0.006)</u>	<u>(0.020)</u>

The attached notes 1 to 28 form part of these financial statements

Wataniya Palestine Mobile Telecommunication
Public Shareholding Company

STATEMENT OF OTHER COMPREHENSIVE INCOME
For the year ended December 31, 2016

	<u>2016</u>	<u>2015</u>
	<u>U.S. \$</u>	<u>U.S. \$</u>
Loss for the year	(1,537,941)	(5,137,335)
Other comprehensive income for the year	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>(1,537,941)</u>	<u>(5,137,335)</u>

The attached notes 1 to 28 form part of these financial statements

Wataniya Palestine Mobile Telecommunication
Public Shareholding Company

STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2016

	Paid-in share capital	Share premium	Accumulated losses	Net equity
	U.S. \$	U.S. \$	U.S. \$	U.S. \$
Balance at January 1, 2016	258,000,000	11,610,000	(199,906,943)	69,703,057
Total comprehensive income for the year	-	-	(1,537,941)	(1,537,941)
Balance at December 31, 2016	<u>258,000,000</u>	<u>11,610,000</u>	<u>(201,444,884)</u>	<u>68,165,116</u>
Balance at January 1, 2015	258,000,000	11,610,000	(194,769,608)	74,840,392
Total comprehensive income for the year	-	-	(5,137,335)	(5,137,335)
Balance at December 31, 2015	<u>258,000,000</u>	<u>11,610,000</u>	<u>(199,906,943)</u>	<u>69,703,057</u>

The attached notes 1 to 28 form part of these financial statements

Wataniya Palestine Mobile Telecommunication
Public Shareholding Company

STATEMENT OF CASH FLOWS
For the year ended December 31, 2016

	Note	2016 U.S. \$	2015 U.S. \$
Operating activities			
Loss for the year		(1,537,941)	(5,137,335)
Adjustments for:			
Depreciation		9,386,955	10,243,709
Provision for employees' indemnity		1,789,856	1,606,120
Recovery of impairment of accounts receivable		(1,999,497)	-
(Gain) loss on disposal of property and equipment and intangibles		(7,140)	43,999
Impairment losses		-	446,641
Finance income		(340,927)	(386,948)
Finance costs		4,273,940	4,870,605
Amortization		9,971,409	9,365,564
Other income		-	(4,314,515)
Non-cash items		114,278	(305,775)
		<u>21,650,933</u>	<u>16,432,065</u>
Working capital changes:			
Prepayments and other current assets		(183,279)	54,687
Inventory		464,278	(2,368,356)
Accounts receivable		(1,252,825)	983,881
Accounts payable		(1,749,194)	838,919
Due to related parties		20,988	(15,734)
Deferred revenue		(932,951)	(455,067)
Other current liabilities		(84,332)	3,377,249
Employees' indemnity paid		(483,258)	(1,447,685)
Transfer to provident fund		(362,415)	(2,586,737)
Net cash flows from operating activities		<u>17,087,945</u>	<u>14,813,222</u>
Investing activities			
Purchase of property and equipment		(2,631,734)	(628,297)
Purchase of intangible assets		(1,620,641)	(633,393)
Proceeds from disposal of property and equipment		32,932	31,517
Increase in projects in progress		(7,612,391)	(14,294,934)
Advances to contractors		1,469,245	5,549,495
Interest received		319,159	363,655
Net cash flows used in investing activities		<u>(10,043,430)</u>	<u>(9,611,957)</u>
Financing activities			
Repayment of syndicated loan		(9,375,000)	(9,375,000)
Syndicated loan transaction costs paid		(551,395)	(897,987)
Interest paid		(4,058,950)	(4,954,867)
Restricted cash		50,701	(882,781)
Net cash flows used in financing activities		<u>(13,934,644)</u>	<u>(16,110,635)</u>
Decrease in cash and cash equivalents		(6,890,129)	(10,909,370)
Cash and cash equivalents, Beginning of year		<u>19,153,712</u>	<u>30,063,082</u>
Cash and cash equivalents, End of year	10	<u>12,263,583</u>	<u>19,153,712</u>

The attached notes 1 to 28 form part of these financial statements

Wataniya Mobile Posts USD 22 Million EBITDA for 2016

Customer numbers increased by 10%

Ramallah, Palestine, 15 Feb 2017: Wataniya Palestine Mobile Telecommunications Public Shareholding Company ("Wataniya Mobile", Ticker: "WATANIYA" at the Palestine Exchange) announced its financial results today for the twelve months ended 31 December 2016.

Financial Highlights:

	Quarterly Analysis			12M Analysis		
	Q4 2016	Q4 2015	% change	12M 2016	12M 2015	% change
Revenue (USDm)	20.4	19.6	4%	84.1	83.2	1%
EBITDA (USDm)	3.4	10.3	-67%	21.9	21.5	2%
EBITDA margin (%)	17%	53%	-	26%	26%	-
Net Profit (USDm)	(2.7)	3.2	-	(1.5)	(5.1)	70%
Customers (000's)	773	701	10%	773	701	10%

Operational Highlights:

- Revenue reached to USD 84.1 million for the full year 2016, compared to USD 83.2 million for the same period in 2015, an improvement of 1%.
- EBITDA for FY 2016 stood at USD 21.9 million, compared to USD 21.5 million for the same period in 2015. An improvement of 2%, due to better revenues, cost optimization, and higher collection rates.
- The total net loss for FY 2016 stood at USD (1.5) million, compared to a net loss of USD (5.1) million for the same period in 2015, an improvement by 70%.
- The total customer base reached 773K as of 31 December 2016, compared to 701K at the end of the same period in 2015, an improvement by 10%.
- The decrease in EBITDA/ Net Income in Q4'16 vs Q4'15 is due to a one off adjustment for Royalty fees by the Government in Q4 2015.

Dr. Durgham Maraee, Chief Executive Officer of Wataniya Mobile commented:

"2016 was another strong year for Wataniya Mobile, we significantly improved our financial performance as a result of aggressive commercial strategies and cost efficiency programs. Net Loss was reduced by 70%

الوطنية موبایل

from USD (5.1) in 2015 million to USD (1.5) million last year. We strengthened our market position, our customer base increased by 10% to more than three quarters of a million at the end of 2016”.

For more information, please visit <http://www.wataniya.ps/>

-Ends-

About Wataniya Mobile

Launched in November 2009, Wataniya Mobile is the second mobile telecom company to have been licensed in Palestine, and whose network currently covers 96.5% of the Palestinian population in the West Bank. Wataniya Mobile aims to bring the latest mobile technologies and highest quality service to both individual and commercial customers in Palestine.