

**FINANCIAL HIGHLIGHTS (presented for information purposes only)  
for the six months ended 30 June 2019**

Six months ended 30 June		2019	2018	Variation %
Gross revenue	BD million	201.7	200.0	1%
Expenses	BD million	160.7	159.6	(0.7%)
Profit attributable to Batelco shareholders	BD million	34.0	28.8	18.1%
Return on net worth (Annualised)	%	14.1	*10.8	30.3%
Weighted average number of shares outstanding during the period	Million	1,658	1,663	(0.3%)
Basic and diluted earnings per share for the period	Fils	20.5	17.4	18.1%

\*Based on actual profit for the year ended 31 December 2018.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
as at 30 June 2019**

	30 June 2019 (reviewed)	31 December 2018 (audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property and equipment	264,466	257,310
Right-of-use assets	40,670	-
Goodwill	135,235	135,367
Other intangible assets	121,617	118,594
Investment in associate	5,076	27,860
Deferred tax assets	10,610	9,639
Post-employment benefit assets	4,731	4,749
Other investments	18,940	45,257
<b>Total non-current assets</b>	<b>601,345</b>	<b>598,776</b>
<b>Current assets</b>		
Inventories	7,375	6,659
Trade and other receivables	150,905	124,525
Other investments	32,162	12,839
Cash and bank balances	167,431	142,763
Asset held-for-sale	-	26,814
<b>Total current assets</b>	<b>357,873</b>	<b>313,600</b>
<b>Total assets</b>	<b>959,218</b>	<b>912,376</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Trade and other payables	4,315	4,171
Lease liabilities	33,355	-
Loans and borrowings	41,848	211,902
Deferred tax liabilities	10,032	10,302
<b>Total non-current liabilities</b>	<b>89,550</b>	<b>226,375</b>
<b>Current liabilities</b>		
Trade and other payables	160,123	136,612
Lease liabilities	5,389	-
Loans and borrowings	198,328	24,878
Liabilities directly associated with asset held-for-sale	-	19,631
<b>Total current liabilities</b>	<b>363,840</b>	<b>181,121</b>
<b>Total liabilities</b>	<b>453,390</b>	<b>407,496</b>
<b>Net assets</b>	<b>505,828</b>	<b>504,880</b>
<b>EQUITY</b>		
Share capital	166,320	166,320
Reserves	75,293	74,740
Treasury shares	(2,504)	-
Retained earnings	228,180	224,188
<b>Total equity attributable to equity holders of the Company</b>	<b>467,289</b>	<b>465,248</b>
Non-controlling interest	38,539	38,914
Non-controlling interest associated with asset held-for-sale	-	718
<b>Total non-controlling interest</b>	<b>38,539</b>	<b>39,632</b>
<b>Total equity</b>	<b>505,828</b>	<b>504,880</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
for the six months ended 30 June 2019**

2019	Equity attributable to equity holders of the Company									Non-controlling interest	Total equity
	Share capital	Statutory reserve	General reserve	Foreign currency translation reserve	Investment fair value reserve	Post-employment benefit actuarial reserve	Treasury shares reserve	Retained earnings	Total		
At 1 January 2019	166,320	83,160	44,000	(18,254)	(29,838)	(4,328)	-	224,188	465,248	39,632	504,880
<b>Profit for the period</b>	-	-	-	-	-	-	-	<b>33,998</b>	<b>33,998</b>	<b>4,981</b>	<b>38,979</b>
<b>Other comprehensive income</b>											
Foreign currency translation differences	-	-	-	(344)	-	-	-	-	(344)	3	(341)
Investment fair value changes	-	-	-	-	757	-	-	-	757	-	757
<b>Total other comprehensive income</b>	-	-	-	<b>(344)</b>	<b>757</b>	-	-	-	<b>413</b>	<b>3</b>	<b>416</b>
<b>Total comprehensive income for the period</b>	-	-	-	<b>(344)</b>	<b>757</b>	-	-	<b>33,998</b>	<b>34,411</b>	<b>4,984</b>	<b>39,395</b>
<b>Contributions and distributions</b>											
Final dividends declared for 2018	-	-	-	-	-	-	-	(28,983)	(28,983)	-	(28,983)
Donations approved for 2018	-	-	-	-	-	-	-	(1,253)	(1,253)	-	(1,253)
Treasury shares acquired	-	-	-	-	-	-	(2,504)	-	(2,504)	-	(2,504)
Transfer to statutory reserve	-	336	-	-	-	-	-	(336)	-	-	-
Derecognition of a subsidiary on loss of control	-	(566)	-	370	-	-	-	566	370	(360)	10
Dividends to non-controlling interest	-	-	-	-	-	-	-	-	-	(5,717)	(5,717)
<b>Total contributions and distributions</b>	-	<b>(230)</b>	-	<b>370</b>	-	-	<b>(2,504)</b>	<b>(30,006)</b>	<b>(32,370)</b>	<b>(6,077)</b>	<b>(38,447)</b>
<b>At 30 June 2019</b>	<b>166,320</b>	<b>82,930</b>	<b>44,000</b>	<b>(18,228)</b>	<b>(29,081)</b>	<b>(4,328)</b>	<b>(2,504)</b>	<b>228,180</b>	<b>467,289</b>	<b>38,539</b>	<b>505,828</b>

The condensed consolidated interim financial statements were approved by the Board of Directors on 25 July 2019 and signed on its behalf by

Abdulla bin Khalifa Al Khalifa  
Chairman

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
for the six months ended 30 June 2019**

	Six months ended		Three months ended	
	30 June 2019 (reviewed)	2018 (reviewed)	30 June 2019 (reviewed)	2018 (reviewed)
<b>REVENUE</b>	<b>201,668</b>	200,043	<b>100,446</b>	100,533
<b>EXPENSES</b>				
Network operating expenses	(75,319)	(78,751)	(37,413)	(38,882)
Staff costs	(29,102)	(27,490)	(14,557)	(14,085)
Voluntary employee retirement program cost	(1,763)	-	(1,763)	-
Depreciation and amortisation	(33,419)	(32,503)	(16,724)	(16,198)
Impairment loss on trade receivables	(2,406)	(2,163)	(1,419)	(1,256)
Other operating expenses	(18,722)	(18,656)	(9,516)	(9,882)
<b>Total expenses</b>	<b>(160,731)</b>	(159,563)	<b>(81,392)</b>	(80,303)
<b>Results from operating activities</b>	<b>40,937</b>	40,480	<b>19,054</b>	20,230
Finance income	3,802	2,790	1,937	1,383
Finance expenses	(7,666)	(6,578)	(3,836)	(3,399)
Other income (net)	205	234	182	503
Gain on sale of investment in subsidiary	27,237	-	27,237	-
Impairment of investment in associate	(20,305)	-	(20,305)	-
Share of loss from associate (net)	(2,479)	(1,500)	(1,246)	-
<b>Profit before taxation</b>	<b>41,731</b>	35,426	<b>23,023</b>	18,717
Income tax expense	(2,752)	(1,483)	(1,337)	(720)
<b>Profit for the period</b>	<b>38,979</b>	33,943	<b>21,686</b>	17,997
<b>Total other comprehensive income :</b>				
<i>Items that are or may be reclassified to profit or loss:</i>				
Foreign currency translation differences – foreign operations	(341)	(2,083)	(2,625)	(6,352)
Investment fair value changes (debt securities)	757	(1,128)	358	(865)
	<b>416</b>	<b>(3,211)</b>	<b>(2,267)</b>	<b>(7,217)</b>
<i>Items that will never be reclassified to profit or loss:</i>				
Investment fair value changes (equity securities)	-	(3,151)	-	(556)
	-	(3,151)	-	(556)
<b>Other comprehensive income, net of tax</b>	<b>416</b>	<b>(6,362)</b>	<b>(2,267)</b>	<b>(7,773)</b>
<b>Total comprehensive income for the period</b>	<b>39,395</b>	27,581	<b>19,419</b>	10,224
<b>Profit for the period attributable to:</b>				
Equity holders of the Company	33,998	28,776	19,389	15,661
Non-controlling interest	4,981	5,167	2,297	2,336
	<b>38,979</b>	<b>33,943</b>	<b>21,686</b>	<b>17,997</b>
<b>Total comprehensive income for the period attributable to:</b>				
Equity holders of the Company	34,411	22,415	17,119	7,899
Non-controlling interest	4,984	5,166	2,300	2,325
	<b>39,395</b>	<b>27,581</b>	<b>19,419</b>	<b>10,224</b>
<b>Basic and diluted earnings per share (Fils)</b>	<b>20.5</b>	<b>17.4</b>	<b>11.7</b>	<b>9.4</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
for the six months ended 30 June 2019**

	Six months ended	
	30 June 2019 (reviewed)	2018 (reviewed)
<b>OPERATING ACTIVITIES</b>		
Profit for the period	38,979	33,943
<b>Adjustment for:</b>		
Non-operating items, including tax	1,958	6,537
Depreciation and amortisation	33,419	32,503
Impairment loss on trade receivables and contract assets	2,406	2,163
	76,762	75,146
<b>Working capital changes:</b>		
Increase in trade and other receivables	(13,418)	(14,912)
(Increase) / decrease in inventories	(805)	2,052
Increase / (decrease) in trade and other payables	9,824	(5,484)
<b>Cash generated from operating activities</b>	<b>72,363</b>	<b>56,802</b>
Taxes paid	(4,723)	(2,223)
Payment to charities	(305)	(2,137)
<b>Net cash from operating activities</b>	<b>67,335</b>	<b>52,442</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property, equipment and intangibles	(39,581)	(27,186)
Proceed from disposal of investment in subsidiary	17,687	-
Net cash for purchase of other investments	(40,667)	(14,081)
Interest and investment income received	3,841	3,009
<b>Net cash used in investing activities</b>	<b>(58,720)</b>	<b>(38,258)</b>
<b>FINANCING ACTIVITIES</b>		
Dividend paid	(34,704)	(30,408)
Payment of lease liabilities	(5,135)	-
Interest paid	(5,795)	(5,947)
Borrowings (net)	3,244	1,725
Treasury shares acquired	(2,504)	-
<b>Net cash used in financing activities</b>	<b>(44,894)</b>	<b>(34,630)</b>
<b>Decrease in cash and cash equivalents during the period</b>	<b>(36,279)</b>	<b>(20,446)</b>
Cash and cash equivalents at 1 January	96,357	96,323
<b>Cash and cash equivalents at 30 June</b>	<b>60,078</b>	<b>75,877</b>

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The condensed consolidated interim financial statements were approved by the Board of Directors on 25 July 2019 and signed on its behalf by

R. Adm Yousif Ahmed Malalla ALSabt  
Deputy Chairman

Mikkel Vinter  
Chief Executive Officer