



**Mobile Telecommunications Company K.S.C**

**2005 Earnings Release**

**MTC REPORTS NET INCOME OF KD 185.92 MILLION  
OR 222 FILS PER SHARE FOR YEAR ENDED DECEMBER 31, 2005**

**KUWAIT CITY, February 21, 2005**

The Mobile Telecommunications Company K.S.C (MTC – KSE Ticker: TELE, RIC: TELE.KW, Bloomberg Code: TELE.KK) announces its 2005 results reflecting the following:






**2005 Financial Highlights**

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<b>Customers</b>	14.04 million (as at Dec 31, 2005)
<b>Consolidated Revenues</b>	KD 579.50 million (USD 1,982 million)
<b>EBITDA</b>	KD 333.83 million (USD 1,142 million)
<b>Net Income</b>	KD 185.92 million (USD 636 million)
<b>EPS</b>	222 Fils (USD 0.76)

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**Key Events**

-  In March 2005, MTC entered into a binding agreement with the shareholders of Celtel International B.V. to acquire 100% of the issued capital of Celtel, the leading cellular operator in Sub-Saharan Africa in a deal worth USD 3.36 billion. MTC acquired 85% of the issued capital of Celtel in April 2005 with the remaining 15% to be acquired within two years as per the agreement. The acquisition was financed using MTC's existing funds in addition to a USD 2.4 billion bridge facility.
-  In August 2005, MTC's Board approved a 100% capital increase through a rights issue. The proceeds from the capital increase were intended to repay the USD 2.4 billion bridge facility and fund further expansions. The rights issue was fully subscribed and concluded in December 2005.
-  In December 2005, MTC utilized fully in one drawdown a USD 750 million Murabaha Facility to partially prepay the existing USD 2.4 billion bridge facility arranged earlier in 2005. The remaining portion of the bridge facility was also prepaid on the same day using proceeds from the rights issue.
-  In December 2005, Celtel International reached an agreement to acquire a majority stake in Madagascar's mobile telecom operator, Madacom, one of Madagascar's mobile telecom operators which services more than 200,000 customers.
-  In February 2006, MTC successfully concluded the acquisition of the remaining 61% of Mobitel from Sudatel in a deal valued at US\$ 1.332 billion. With this transaction, MTC now owns 100% of Mobitel.

"MTC has successfully built upon the ongoing success of the past three years and is well on its way to becoming a leading global mobile telecommunications provider. The year 2005 will be looked back upon as a defining year for the Group in terms of growth and profitability, catapulting MTC onto the international arena," said Asaad Al-Banwan, Chairman of MTC. "Our high-profile acquisition of Celtel International, a pan-African mobile telecommunications leader, is only the beginning of our ambitious expansion strategy. Thanks to our loyal shareholders and their vote of confidence, the Group raised KD 667 million through a capital increase in the rights issue concluded in December 2005 and subsequently paid off its USD 2.4 million dollar bridge facility originally taken to finance the Celtel acquisition. MTC can thus comfortably pursue future expansion opportunities in the Middle East and Africa, in addition to other promising markets that fit our strategic goals. Ultimately our focus is on all stakeholder interests with an emphasis on shareholder benefits," added Mr. Al-Banwan.

## Customers

The MTC Group is serving a growing customer base of over 14.04 million active customers in the Middle East and Africa, reflecting an increase of 340% over last year owing to the acquisition of Celtel International. The company's subsidiaries are consistently the leading operator in the overwhelming majority of the 19 countries where MTC operates.

Managed Customers (000s)	Dec 2005	Dec 2004	Growth
<b>Middle East</b>			
Bahrain	202	105	93%
Iraq	1,073	244	339%
Jordan	2,016	1,139	77%
Kuwait	1,434	1,262	14%
Lebanon	509	441	15%
<b>Total</b>	<b>5,235</b>	<b>3,192</b>	<b>64%</b>
<b>Africa - Celtel</b>			
Burkina Faso	299		
Chad	222		
Congo B	378		
DRC	1,178		
Gabon	365		
Kenya	1,840		
Madagascar*	-		
Malawi	199		
Niger	223		
Sierra Leone	178		
Sudan	1,962		
Tanzania	971		
Uganda	291		
Zambia	700		
<b>Total</b>	<b>8,807</b>		
<b>MTC Group Total</b>	<b>14,042</b>	<b>3,192</b>	<b>340%</b>

\*Acquired in Dec 05

## Financial Results

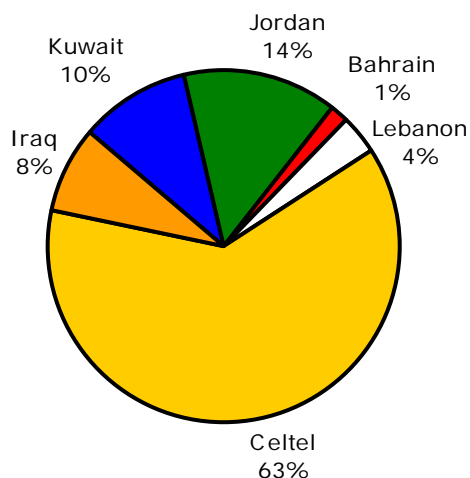
MTC recorded consolidated revenues of KD 579.50 million (USD 1,982 million) for the 12 months ended December 31, 2005, an increase of 80% over the same period in 2004. During the twelve months, the consolidated EBITDA increased by 90% to reach KD 333.83 million (USD 1,142 million), a margin of 58%. MTC has announced consolidated net income of KD 185.92 million (USD 636 million), an increase of 55% compared to the same period last year, representing earnings of 222 Fils (USD 0.76) per share, 74 Fils higher than the EPS for 2004.

Consolidated Results	KD m		USD m		Growth
	2005	2004	2005	2004	
Revenues	579.50	322.33	1,982	1,092	80%
EBITDA	333.83	175.72	1,142	595	90%
EBITDA %	58%	55%	58%	55%	
Net Income	185.92	120.24	636	407	55%
EPS	222 Fils	148 Fils	76 Cents	50 Cents	51%

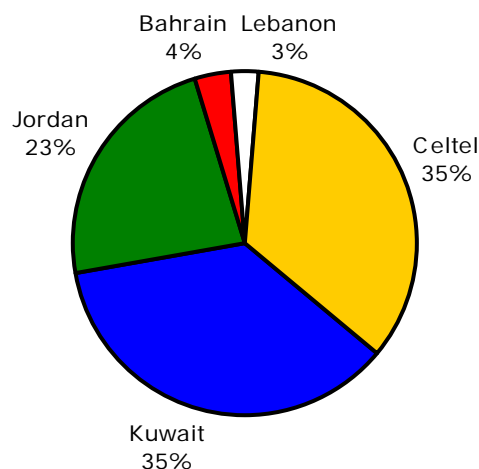
"We have come a very long way in a very short time from our modest but visionary beginnings. Today, MTC is a dominant company in the Arab world, and we have become a power to be reckoned with in Africa, the fastest growing mobile communications market in the world," said Dr. Saad Al-Barrak, Managing Director-Deputy Chairman of MTC. "Profitable growth is one of our primary goals and objectives. We are improving our operations by focusing on financial and operational efficiencies. Through its size and expanded operational footprint, MTC is now able to lever synergies, resources, and competencies within the Group and capitalize on them to realize the dream of becoming a leading global player. 3x3x3 is truly a strategy in motion," added Mr. Al-Barrak.

## Operational and financial highlights

### Managed Customers



### Consolidated Revenues



*MTC Atheer not consolidated*

With the acquisition of Celtel International, MTC's operations spanned across 19 countries across the Middle East and Africa. Within only eight months of operation, the African operators contributed 35% of the Group's total Revenues of USD 1,982 million for the year, while Kuwait and Jordan contributed 35% and 23%, respectively. As of December 31 2005, MTC's Middle Eastern operations managed 37% of the overall customer base of 14.04 million, with Jordan accounting 14% of the Group's customer base. Celtel's share of 63% is set to increase in the future as the African continent one of the fastest growing mobile markets in the world.

### Kuwait



	2005	2004	Growth
Customers (000s)	1,434	1,262	14%
Postpaid	25%	26%	
Prepaid	75%	74%	
Revenues (USD m)	715	611	16%
EBITDA %	60%	64%	(4%)

MTC-Vodafone Kuwait's customers totaled 1.43 million at the end of 2005, an increase of 14% year-on-year. The operation's customers accounted for 27% of MTC customers in the Middle East and 10% of MTC's overall customer base in the Middle East and Africa. Revenues totaled USD 715 million, up 16% from the previous year.

## Jordan



	2005	2004	Growth
Customers (000s)	2,016	1,139	77%
<i>Postpaid</i>	10%	17%	
<i>Prepaid</i>	90%	83%	
Revenues (USD m)	456	417	8%
EBITDA %	53%	45%	+8%

Fastlink exceeded the two-million customer mark in Jordan at the end of 2005, surpassing its target for the year, and maintaining a commanding market share in a very competitive market. The operation's customers grew by about 77% year-year to reach 2.016 million and accounted for 39% of MTC customers in the Middle East and 14% of MTC's overall customer base in the Middle East and Africa. Revenues totaled USD 456 million, up 8% from the previous year. EBITDA increased by 27% to USD 242 million in 2005, a margin of 53%.

## Bahrain



	2005	2004	Growth
Customers (000s)	202	105	93%
<i>Postpaid</i>	13%	20%	
<i>Prepaid</i>	87%	80%	
Revenues (USD m)	70	35	99%
EBITDA %	23%	(64%)	+87%

MTC Vodafone Bahrain exceeded the 200 thousand customer mark at the end of 2005, surpassing its target for the year and increasing its market share. The operation's customers grew by 93% year-on-year and accounted for 4% of MTC customers in the Middle East. Revenues totaled USD 70 million, up by 99% from the previous year. EBITDA increase by 171% to USD 16 million in 2005 compared to a negative EBITDA of USD 22 million in 2004.

## Iraq



	2005	2004	Growth
Customers (000s)	1,073	244	339%
<i>Postpaid</i>	4%	1%	
<i>Prepaid</i>	96%	99%	
Revenues (USD m)	123	31	290%
EBITDA %	53%	20%	+33%

MTC Atheer had 1.07 million customers at the end of 2005, up by 339% from 244 thousand customers at the end of 2004. They accounted for 21% of MTC customers in the Middle East and 8% of MTC's overall customer base in the Middle East and Africa. MTC Atheer expects the mobile sector in Iraq to become one of the largest mobile markets in the Middle East in

2006. Revenues increased from USD 31 in 2004 to USD 123 million. EBITDA reached USD 65 million in 2005, a margin of 53% for the year.

## Lebanon

**mtc**touch

	2005	2004	Growth
Customers (000s)	509	441	15%
<i>Postpaid</i>	25%	28%	
<i>Prepaid</i>	75%	72%	
Revenues (USD m)	54	30	205%
EBITDA %	14%	8%	+6%

MTC Touch's customers totaled 509 thousand at the end of 2005, an increase of 15% year-on-year. The operation's customers accounted for 10% of MTC customers in the Middle East and 4% of Group's overall customer base. EBITDA reached USD 7 million, a margin of 14% for the year.



## Africa

Operations	Ownership %	Customers (000s)	Revenues (USD m) PF*	YoY Revenue Growth
Burkina Faso	96%	299	42	40%
Chad	100%	222	50	94%
Congo B	98%	378	92	29%
DRC	100%	1,178	191	26%
Gabon	84%	365	114	41%
Kenya	60%	1,840	156	19%
Madagascar**	100%	-	-	
Malawi	100%	199	30	33%
Niger	70%	223	43	70%
Sierra Leone	100%	178	44	12%
Sudan***	100%	1,962	492	86%
Tanzania	60%	971	133	68%
Uganda	100%	291	29	60%
Zambia	88%	700	90	87%
<b>Total</b>		<b>8,807</b>	<b>1,506</b>	<b>52%</b>

\*Pro Forma for the 12 months ending Dec 31, 2005

\*\*Acquired in December 2005

\*\*\*Acquired remaining 61% stake in February 2006.

MTC acquired Celtel International in April 2005. Celtel builds and operates world-class communications networks that deliver reliable and competitive services in Africa, with operations in fourteen African countries, under licenses that cover more than a third of the population of Africa.

Celtel has invested more than \$750 million in Africa, with the goal to build and operate world-class networks that will keep pace technologically with the rest of the world. As of December 31, 2005, Celtel managed 8.81 million customers in the following countries: Burkina Faso, Chad, Rep, Congo, Democratic Republic of Congo, Gabon, Kenya, Malawi, Niger, Sierra Leone, Sudan, Tanzania, Uganda, and Zambia, with Madagascar being acquired in December 2005.

#### **About MTC Group**

Mobile Telecommunications Company (MTC) is the pioneer of mobile services in the Middle East and now a major player in Africa. We began life in 1983 in Kuwait as the region's first mobile operator, and since the initiation of our "3x3x3" expansion strategy in 2002, we have expanded rapidly.

As a leading mobile and data services operator in five Middle Eastern and 14 sub-Saharan African countries with 6500 employees, we provide a comprehensive range of mobile voice and data services to over 14 million individual and business customers.

We operate in Kuwait and Bahrain as mtc-vodafone, in Jordan as Fastlink, in Iraq as mtc atheer, in Lebanon as mtc touch, and in 14 sub-Saharan countries in Africa as Celtel: Burkina Faso, Chad, Democratic Republic of the Congo, Republic of the Congo, Gabon, Kenya, Malawi, Niger, Sierra Leone, Sudan, Tanzania, Uganda and Zambia and most recently Madagascar.

The Parent Company and its subsidiaries (the Group) provide mobile telecommunication services under licenses from Governments of the countries in which they operate; purchase, deliver, install, manage and maintain mobile telephone and paging systems; and invest surplus funds in investment securities.

The Mobile Telecommunications Company KSC (the Parent Company) is a Kuwaiti shareholding company and its shares are traded on the Kuwait Stock Exchange. The Company's share price as at December 31, 2005 was 3,520 Fils, giving a Kuwait Stock Exchange market valuation for MTC of KD 3.86 billion (USD 13.2 billion). Consolidated earnings per share for the first 12 months of 2005 were 222 Fils.

The authorized, issued, and fully paid up share capital of the Parent Company as of December 31, 2005 consists of 1,097,234,427 shares of 100 Fils each.

1 USD = KD 0.2924

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