mobily

موبايلي

Innovate your world

Annual Report 2013

Custodian of the Two Holy Mosques
King Abdullah Bin Abdulaziz Al-Saud

His Royal Highness Prince Salman
Bin Abdulaziz Al-Saud
Crown Prince First Deputy Prime Minister
Minister of Defence

Content

Pages

Background and Introduction

Etihad Etisalat Company (Mobily), is a Saudi joint stock company, incorporated pursuant to the Council of Ministers' resolution number 189 dated Jumada Al Thani 23, 1425 H (corresponding to August 10, 2004) and Royal Decree number M/40 dated Rajab 2, 1425 H (corresponding to August 18, 2004) and is registered in Riyadh under commercial registration number 1010203896 dated December 14, 2004.

The Company is the second authorised provider of mobile telecommunication services in Saudi Arabia. The company's share capital, amounting to SAR 7.7 billion, consists of 770 million shares of SR 10 each, paid in full as at December 31, 2013. In January, 2013, an Extraordinary General Meeting approved the recommendation of the Board of Directors to increase the company's share capital by issuing one bonus share for every 10 held, raising the share capital to SR 7.7 billion. The increase in capital was financed from retained earnings.

During 2007, the company invested in 99.99 percent of the share capital of a subsidiary company, Mobily InfoTech Limited, incorporated in Bangalore, India, which began commercial activities during 2008. In early 2009, the remaining 0.01 percent of the subsidiary's share capital was acquired by National Company for Business Solutions, a subsidiary company.

During 2008, the company acquired 99 percent of the partners' shares in Bayanat Al-Oula for Network Services Company, a Saudi limited liability company. The acquisition included the company's rights, assets, obligations, commercial name as well as its current and future trademarks for a total price of SR 1.5 billion, resulting in goodwill of SR 1.47 billion on the acquisition date. In 2008, the company also invested in 95 percent of the share capital of a subsidiary company, National Company for Business Solutions, a Saudi limited liability company, and acquired 96 percent of the partners' shares in Zajil International Network for Telecommunication Company, a Saudi limited liability company. The acquisition included the company's rights, assets, obligations, commercial name, and current and future trademarks for a total price of SR 80 million, resulting in goodwill of SR 63 million on the acquisition date.

During 2013, Mobily and Etihad Jawraa Telecommunications and Information Technology Company (Etihad Jawraa) entered into a mobile virtual network operator (MVNO) agreement, whereby Etihad Jawraa shall use Mobily's network infrastructure to provide mobile services to its retail customers as an MVNO, after obtaining the necessary licence from the governmental authorities.

Mobily also invested in 60 percent of Mobily Plug & Play LLC (under incorporation) during 2013. The company had not begun operations by the end of 2013 as the legal formalities for incorporation were not completed. The remaining 40 percent is owned by Plug & Play International, a company incorporated in the USA.

Favorable Outlook for Future Growth
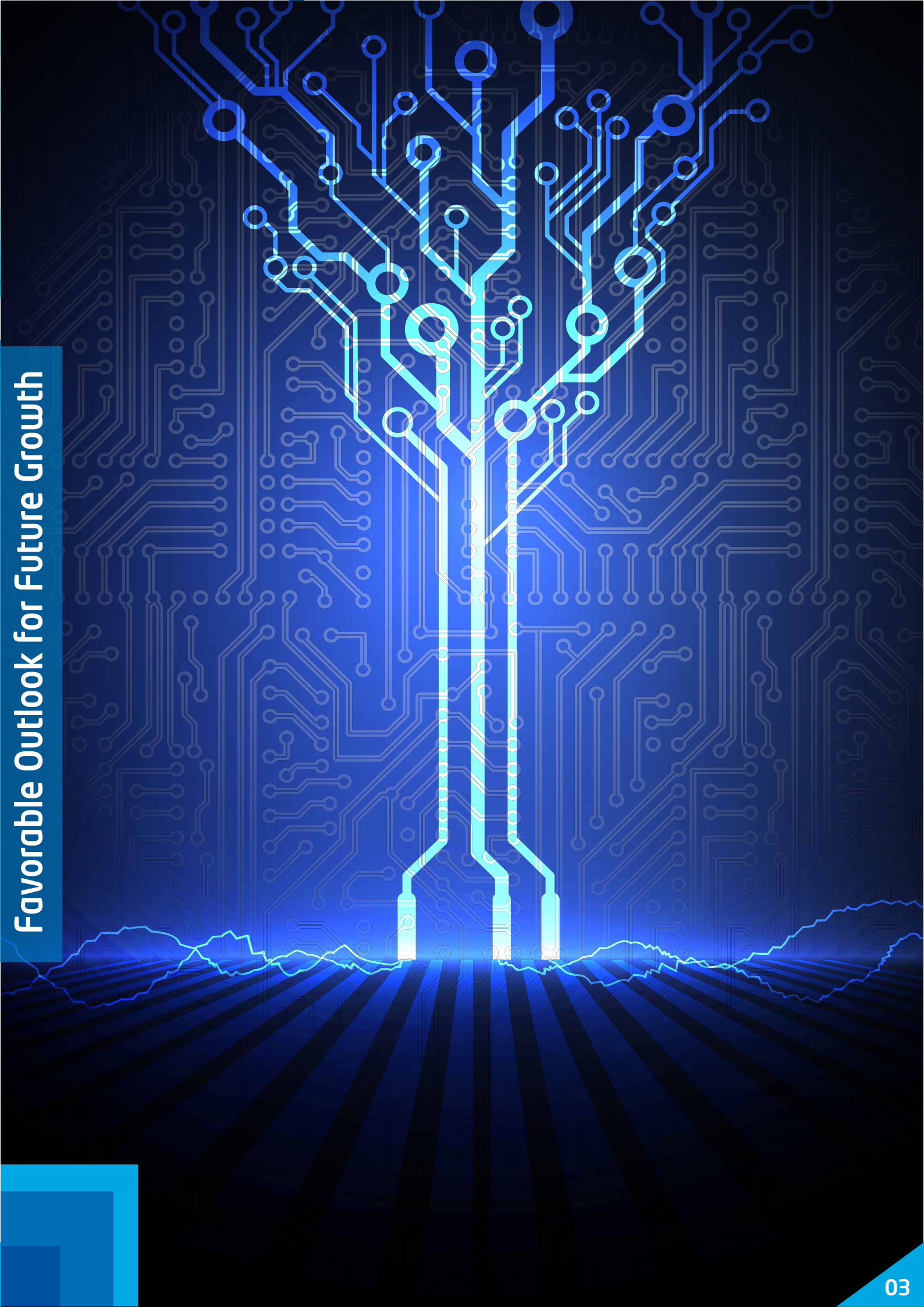
Favorable Outlook for Future Growth

For the first time since 2005, Saudi Arabia is projecting a balanced budget for 2014, based on revenues and expenditure of SR 855 billion. Education and healthcare remain the main focus, accounting for 38 percent of total spending.

The budget again highlights the government's intention to continue to stimulate the economy. Elevated budgeted investment spending of SR 248 billion will support healthy economic growth and provide encouragement and opportunities for the private sector at a time of global and regional uncertainty.

Revenue projection is less conservative than in previous years, but in the event of a shortfall in revenues, any deficit can be financed comfortably by drawing from the huge stock of foreign assets, which stood at $712 billion at the end of October.

A surplus of SR 206 billion was recorded in 2013 compared to the SR 8 billion budgeted. Recorded surplus was 44.8 percent lower than in 2012 due to lower total revenues and higher expenditure. Total revenues reached SR 1.131 trillion while total spending was at an all-time high of SR 925 billion. Spending grew at 5.9 percent year-on-year, moderate compared to the previous five years, as the government sought to rein in spending growth.

Preliminary economic data indicate real GDP growth of 3.8 percent, with non-oil private growth remaining strong at 5.5 percent year-on-year, with construction, retail, transport, communications, and non-oil manufacturing sectors all above 5.0 percent year-on-year. Elevated oil export revenues maintained a double digit current account balance at 17.4 percent of GDP or $129.8 billion.

Budgeted spending is at another all-time high in 2014, as the government continues with its program to upgrade the human and physical infrastructure, spurring economic growth and meet the demand of a rapidly growing population. For the first time since 2005, the Kingdom has budgeted for a balance budget compared with small surpluses in the last two years. The budget foresees a moderate annual growth in expenditure (4.1 percent) and revenues (3.1 percent).

Total expenditure is budgeted at SR 855 billion, 4.0 percent more than 2013 and the lowest growth in spending since 2002. Total revenue is budgeted at SR 855 billion, with oil accounting for about 90 percent. The government has consistently based its budget on a conservative oil price assumption. Over the last decade the actual oil price has averaged at least 70 percent higher than that used for the budget. Analysts forecast a budget surplus of SR 140.8 billion in 2014, equivalent to 4.8 percent of expected GDP, attributable to oil prices remaining higher than the budgeted figures.

Economic growth is forecast to ease to 3.6 percent in 2014, owing to lower oil production and large base-effect for the non-oil sector. High government spending will continue to be the engine of the non-oil economy, supported by greater bank lending and healthy domestic consumption demand.

Inflation is expected to slightly fall to an average of 3.4 percent with rent and food prices the main contributors. External pressure on domestic prices is likely to remain weak particularly as international food inflation remains subdued.

From a telecoms perspective, the economic environment in Saudi Arabia still holds excellent potential for continuous growth, a view reinforced by the national budgetary planning for 2014.

Sustained governmental spending on infrastructural projects will also stimulate growth for a diversity of businesses, accompanied by intensified demand for high-quality ICT services.

According to the latest statistics, total mobile subscriptions in the Kingdom have reached around 53 million, a penetration of 181 percent. Broadband subscriptions are calculated at around about 14 million, implying a penetration of 40 percent and underlining the growth potential.

Global telecoms capital expenditure (covering fixed, mobile and Internet infrastructure spending in 60 major markets) is expected to reach about $530 billion by 2017, up by about 40 percent on the 2012 figure, with fibre networks and mobile infrastructure to support ongoing commercial 3G and 4G deployments as the main focus of investments.

This is very much in line with Mobily's planned capital expenditure and area of focus. And as new-generation mobile services are on the leading edge of innovation that crosses virtually every industry and sector, market demand can only increase in the coming year and beyond, with attendant growth in Mobily's revenues and profits.

Our vision, mission and objectives

Our vision

Enriching your life by continuously leading and innovating in communications services.

Our mission

To exceed the expectations of our employees and customers by fully leveraging our capabilities and potential.

Our objectives

To be the best work environment in the region by caring for our employees first.

To be Number One at delighting our customers.

To maintain leadership in data applications and services

Our values

Pioneering
Respectful
Passionate
Empowering
Reliable

Board of Directors and
Executive Management

Board of Directors

Abdulaziz Saleh Al Saghyir
(Chairman)

BSc in civil engineering, University of Kansas, USA; Chairman, Abdulaziz Alsaghyir Commercial Investment Company.

Khalid Omar Al Kaf
(Chief Executive Officer and Managing Director)

Honours degree in computer engineering, George Washington University, USA; more than 20 years in progressively senior positions in the telecom industry, working in France, Japan, and the UAE.

Ahmed Abdulkarim Julfar

BSc in civil engineering, and computer science from Gonzaga University, Washington, USA; Chief Executive Officer, Etisalat Group; Chairman, Thuraya.

Ibrahim Mohammed Al Saif

Master's degree in economics, Southern California University, USA; General Manager – Investment Division, General Organization for Social Insurance (GOSI); Board Member, SAFCO.

Abdulaziz Hamad Aljomaih

BSc in architectural engineering, King Saud University, KSA; Master's degree in general administration, University of California, USA; Assistant Vice-President, Aljomaih Holding Company; Vice-Chairman, Arcapita Bank, Bahrain.

Saleh Nasser Al Jasser

MSc in civil engineering, King Saud University, Riyadh; BSc in industrial engineering, King Abdul Aziz, Jeddah; Board Member of Saudi Research and Marketing Group, and Bupa Arabia Cooperative Insurance.

Mohammed Ibrahim Al Mansour

MSc in computer science, West Michigan University USA; Chairman and CEO, Knowledge Net Computer Company.

Abdulrahman Abdullah Al Fehaid

Bachelor degree in telecom engineering, King Saud University, KSA; former Deputy Governor for Regulatory Policies and Licensing Affairs of Saudi Arabia's Communications and Information Technology Commission (CITC).

Mubarak Rashed Al Mansouri

Master' s degree in Finance, University of West Florida, USA; Chief Executive Officer, Emirates Investment Authority.

Isa Abdulrasool Al Haddad

Master's degree with a Higher Diploma in Telecom Engineering from the UK; Chief Commercial Officer of Etisalat Group, UAE; Board Member, Etisalat Nigeria.

Executive Management

Khalid Al Kaf
Chief Executive Officer and MD

Ahmed Al Hosani
Chief Corporate Governance Officer

Thamer Al Hosani
Chief Financial Officer

Amer Mowafi
Chief Wholesale and Carrier Services Officer

Dr Marwan Al Ahmadi
Chief Business Officer

Eyas Al Hajery
Chief Business Support Officer

Hamad Al Hashemi
Chief HR Officer

Ibrahim Al Omar
Chief Product and Business Development Officer

Mohammed Beseiso
Chief Corporate Transformation Officer

Karl Henneking
Chief Corporate Strategy Officer

Abdullah Al Rowais
Chief Audit Officer

Sami Nashwan
Chief Consumer Officer

Alexandros Paterakis
Chief Information Officer

Ziad Shaltuni
Chief Sales and Customer Care Officer

Nasser Al Nasser
Chief Operations Officer

Milestones in Mobily's History

2004

- Etihad Etisalat awarded Saudi Arabia's first 3G and second GSM licences
- Build-out of GSM network begins
- Initial public offering of 20 million shares oversubscribed 51 times

2005

- Launch of the commercial name, Mobily
- Signing of the interconnect agreement with Saudi Telecommunications
- Launch of commercial GSM services in 32 cities
- Coverage of 79.2 percent of the population achieved
- Number of subscribers reaches one million
- Positive EBITDA achieved

2006

- 3.5G service launched – first in Saudi Arabia
- Partnership signed with ITC and Bayanat Al-Oula to build 12,600 km advanced fibre-optic network
- Mobily turns cash-flow positive
- Subscribers total more than six million representing, more than 30 percent market share
- Population coverage exceeds 90 percent
- Mobily available at more than 3,600 points of sale

2007

- Net income, before Zakat, doubles to SAR 1,404 million
- Earnings per share grow 97.14 percent from SR 1.40 to SR 2.76
- Islamic financing of SR 10.78 billion
- Investment SR 1 billion to enhance 3.5G network
- Acquired 99.9 percent of Bayanat Al-Oula
- 4,843 base stations, 993 of them 3.5G capable
- More than 11 million subscribers achieved

2008

- Net profit increases 52 percent over 2007
- First shareholder dividend paid
- Mobily joins a consortium for international expansion of the national fiber-optic network
- Exclusive national roaming agreement signed with a new entrant into the Saudi telecom market, Zain KSA
- Mobily's mobile data network acknowledged as the busiest in the world
- 300,000 HSPA subscribers signed up in 18 months with 3.5G coverage reaching 70 percent of the population
- 3.8 million new subscribers added despite the entry of a third service provider
- Capital increased by SR 2 billion in a 200 million shares rights issue (2.3 times subscribed)
- More than 7,800 customer touch points, including dealers and preferred dealers

2009

- 40 percent growth in share price outperforms Tadawul Telecom and All Share (TASI) indices
- Mobile broadband subscribers top one million mark and usage grows from 19 to 50 terabyte per day
- HSPA revenue increases by 159 percent year-on-year and coverage reaches 80 percent of the population
- Mobily participates in the Tata Global Network (TGN) Gulf Cable System
- iPhone 3G and 3GS introduced
- Net profit up 44 percent, revenue up 21 percent
- Total number of subscribers reaches 18.2 million
- Mobily wins the Dale Carnegie Leadership Award
- SR 1.5 billion refinancing and SR 900 million infrastructure financing packages arranged
- Dividend of SR 1.25 per share declared, two-thirds more than the previous year

Milestones in Mobily's History

2010

- SR 3 billion increase in revenues, the highest in absolute terms since inception, representing year-on-year growth of 23 percent
- 60 percent increase in dividend to SR 2.00
- 92 percent broadband population coverage
- Post-paid revenues up 50 percent and business revenues more than double
- Mobile broadband subscribers exceed 2.3 million
- 46 percent increase in traffic during the Hajj, with a record 1.48 million users registered on the network at the Holy Site of Mina on the first day of Eid
- SR 1.2 billion Murabaha financing facility arranged at a competitive rate to expand and upgrade current data infrastructure capabilities
- Collaboration with six telecom operators to build the longest terrestrial communications infrastructure along a 7,750 km round trip route connecting Europe to the Middle East

2011

- SR 10 billion refinancing scheme drawn up with seven local banks to replace existing short, medium, and long term loans with one loan consisting of four tranches over five to seven years
- Renewal of management agreement for a further five years with founding company Etisalat (UAE)
- First implementation of Long Term Evolution 4G network
- New Ladies Contact Centre opened in Jeddah
- Launch of Best Customer Experience initiative (CEX) to provide the best possible telecom experience

2012

- 10 percent bonus share issue to enhance shareholder return
- Implementation of quarterly dividend distribution
- Growth partnerships created with leading international companies to spearhead transformation to ICT environment
- Business sector records 71 percent year-on-year increase, and data services accounts for 27 percent of revenues
- Data traffic on wireless broadband network services grow from 163 to 750 terabytes per day
- SR 10 billion refinancing completed to replace existing loans
- Euromoney Best Managed Company in the Middle East award

2013

- Record-breaking net profit up by 11 percent
- Sustained growth in revenues from data services and business sector
- Opening of first Tier IV certified data centre in Asia, Middle East, North Africa
- Launch of managed security services in collaboration with IBM
- Launch of cloud computing services in collaboration with Virtustream
- More than 2,040 new 4G sites added
- 530,000 households connected to fibre-optic network
- Award-winning $650 million Shariah-compliant vendor financing deal
- Several multi-million smart city infrastructure contracts signed
- Khalid Al Kaf named Best CEO Telcom Sector - ITP Awards
- AMEC Best of the Best in Social Media platinum award

Chairman's Report

Planning and strategy are the keys to growth

A well-defined long-term plan and a clear strategy to achieve growth have for long characterised Mobily's corporate philosophy. As the company continues its transition from a highly successful mobile telecoms provider to a global player in ICT, these factors become even more crucial. Chairman of the Board of Directors, Abdulaziz Saleh Al Saghyir, looks back on 2013 and how proven business principles will guide the way ahead.

At the end of another record-breaking year, Mobily has much cause for satisfaction. Our financial position is stronger than ever and we have embarked on the first phase of a transformation that is changing our company – and our entire industry.

However, I prefer not to consider our year's performance in isolation but to recap on the factors that have contributed so much to our success and which I believe will be equally vital to our future achievements: strategy and planning.

Ever since inception, Mobily has had a very clear vision of what we seek to achieve and how we will turn that vision into reality. The results over the intervening years speak for themselves, not least in 2013.

We increased net profit by 11 percent to SR 6,677 million and total revenues by 7.0 percent to SR 25,191 million. Earnings per share rose from SR 7.82 to SR 8.67, and shareholders' equity from SR 20,905 million to SR 23,963 million.

Mobily's consistent returns on behalf of investors is evident in its stock market performance, achieving a yield of 29.47 percent during 2013 (including dividends).

The Board has recommended a fourth quarter dividend of SR 1.25 per share, bringing total cash dividends for the year to SR 3,696.0 million, representing 55.36 percent of 2013 net profit.

These are impressive figures by any standard; all the more so considering the many negative influences that prevailed, such as reduced quotas of pilgrims, deportation of illegal workers, and intense competition leading to reduced pricing for mobile broadband packages.

Nevertheless, by focusing on our core plans and market strategies, Mobily was still able to achieve the best results in our history. The same principles will apply to sustaining future growth, where infrastructure development will remain central to our long-term planning, along with optimal deployment of our 4G-LTE network and expanding our fibre-optic cable system to meet the growing demand for high-speed internet and the shift to information and communications technology.

Business and data will continue to be primary areas of growth, as we diversify our revenues by securing long-term contracts with companies and government agencies. Our planning and execution in this area is already well-advanced, creating data centres and entering into partnerships and collaboration agreements with leading international companies, like IBM, Virtustream and others, to enable us to develop and provide integrated business solutions. The progress recorded in 2013 and the services brought to market already give a clear indication of the vast potential that is inherent in such diversification.

The accelerating trend to smart-phone usage and widespread availability of high-performance devices at low prices will also contribute significantly to enhanced growth, especially with the sustained demand for social media and mobile applications. In this respect, analysts forecast that the volume of data traffic from smart phones will increase by a multiple of 10 by 2019. Similarly, quality of coverage will be one the most significant factors in attracting and keeping customers. Here, Mobily's strategy of 'blanket broadband coverage' will prove its value, as it has already done in terms of customer satisfaction.

Chairman's Report

Planning and strategy are the keys to growth

More than SR 5 billion is allocated for infrastructure investment in major projects in 2014, as well as 'smart cities' such as King Abdullah Economic City and Yanbu Industrial City.

Although three new MVNOs (mobile virtual network operators) are entering the Saudi market, a challenge that requires serious consideration, Mobily's own MVNO agreement with Etihad Jawraa enables us to make the best use of the opportunities available. This agreement will link Mobily with Lebara, one of the world's largest and most successful MVNOs.

All things considered, we can take assurance from Mobily's long-term approach to strategy and planning. It has proved its worth and bodes well for our future success.

On behalf of the Board, I convey our gratitude to our shareholders for their continued trust, support, and contribution to the Company.

The Board of Directors also expresses sincere appreciation to the Custodian of the Two Holy Mosques, King Abdullah bin Abdulaziz Al-Saud; His Royal Highness Prince Salman bin Abdulaziz Al-Saud, the Crown Prince, Deputy Premier, and Minister of Defence; the Second Deputy Premier, Advisor, and Special Envoy of the Custodian of the Two Holy Mosques; and all Government ministers for their wise leadership and guidance of the national economy. We also thank the Ministry of Communications and Information Technology and the Communications and Information Technology Commission for their oversight and stewardship of the regulatory environment.

We acknowledge the loyalty and confidence of our customers, who are such an essential part of our success. We also pay tribute to the energy and commitment of our management team and all employees, who take our business to ever greater heights.

Abdulaziz Saleh Al Saghyir
Chairman of the Board

Managing Director's Review

Shaping the future

Transformation and Mobily have always been synonymous. In only eight years, the company has transformed telecommunications in Saudi Arabia – to such an extent that the company is now an acknowledged leader within the global telecoms industry. And as Mobily itself transforms from being a mobile operator to an integrated ICT company, managing director Khalid Omar Al Kaf foresees that the next few years will bring even more dramatic change.

Mobily's success is inextricably linked to our ability to look to the future. Since our earliest days, we have been at the forefront of new technology – not only transforming the telecommunications landscape in Saudi Arabia but often leading the world with our pioneering innovations.

The pace of change is relentless. What once seemed remarkable is now routine, yet I believe we are only at the early stages of a transformation that will eclipse everything we have seen so far.

From merely providing mobile telecom services, at one time the ultimate in new technology, the future of our industry now lies in cloud computing, information security, IT solutions, and a new wave of high-speed data networks. And as always, Mobily is leading the way.

The past year marked a major advance in our evolution to becoming an integrated information communications technology company, and although full realisation is still some time off and we face many stimulating challenges, I am confident that we will meet them and maintain our consistent record of industry leadership.

Our fourth-generation LTE network now covers 45 cities, and we have connected more than half a million households to our fibre-optic infrastructure, with a further 700,000 to be added in 2014. About 80 percent of Saudi Arabia's populated areas now have access to Mobily's 4G network, with almost 100 percent enjoying 2G or 3G coverage. Our income from the business sector increased by 23 percent in 2013, and the high-growth areas of data, business solutions, and advanced ICT services represent an increasing share of total revenues. Our financial strength and global partnerships will also support our growth objectives.

Yet even these achievements pale into virtual insignificance compared to what lies ahead. Capital expenditure for the five years 2013-17 is budgeted at more than SR 22 billion, taking us into a new era of transformation. The investment is accompanied by partnership agreements and strategic alliances that give us unprecedented capacity and resources for massive expansion and diversification as an integrated telecoms company.

Already in 2013, our partnership with IBM to establish a Security Operations Centre has seen the launch of innovative managed security services that enable businesses to protect against security breaches and avoid data or financial losses. We also collaborated with IBM in developing and launching a cost-effective private cloud service.

Our partnership with Virtustream now provides enterprise cloud services that are the first of their kind in our region and meet the needs of the full spectrum of users, from institutions to small businesses. And a new agreement with SAP enables us to introduce SAP cloud-based applications to our end-users. Our ability to provide customised ICT services to the private and public sectors is further consolidated through partnerships with industry experts such as Pacific Controls and BMC Software.

At the heart of these partnerships, and Mobily's strategic direction, is the management and analysis of large-scale data. The opening of our Melgha II data centre in Riyadh marked another milestone in this area. It is the first Tier IV certified facility in the Middle East, Asia, and North Africa and is one of 38 data centres operated by Mobily with 18 more planned over the next three to five years.

Managing Director's Review

Shaping the future

Among the many other highlights of the year were signing an agreement to build and maintain a new high-capacity submarine cable that will link the Far East to Europe through the Middle East and Africa, and successful trials with Ciena of 1Tb/s transmission for the first time in the Middle East. We also achieved a world record in the volume of data exchanged through our 4G network, reaching more than 400 terabytes a day, and a world-first in activating our 400 Gb/s network router.

The launch of advanced connectivity services now enables data to be transferred between business sites at ultra-high speeds with secure, cost-effective, and reliable connectivity. This much-needed service is proving a boon to business customers in the financial, government, healthcare, education, information technology, and manufacturing sectors who are generating huge volumes of data.

But our transformation is not confined to operational and technological achievement. We are equally conscious of the crucial roles of our employees and customers in executing what we call our GED strategy – growth, efficiency, and differentiation. We therefore launched two major new projects in these areas during 2013.

The Meta-Capabilities programme being undertaken by our HR department is designed to develop and build capabilities that will distinguish Mobily from other telecom companies, regionally and internationally. Customer experience must also be world-class and the new approach is closely linked to the HR programme, working together to create a uniquely Mobily differentiation. The benefits are already becoming evident in improved customer satisfaction scores, alongside customer surveys that rank Mobily as the undisputed leader in innovation.

Our achievements in 2013 were recognised once again in the form of many industry awards, a very satisfying independent endorsement that we are delivering what we set out to do.

After another year of record profit, it is my pleasure to thank all who contributed so much to the performance – our shareholders, our Board of Directors, staff, customers, partners, and suppliers.

I look forward to sharing with you the next stage of Mobily's journey, and the values that differentiate us from others – reliability, respect, passion, pioneering, and empowerment. Our growth will flow from continued adherence to these values – and creating the customer satisfaction that is fundamental to all our endeavours.
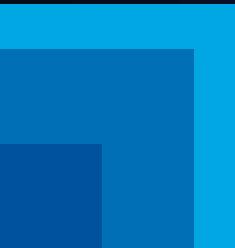
Khalid Omar Al Kaf
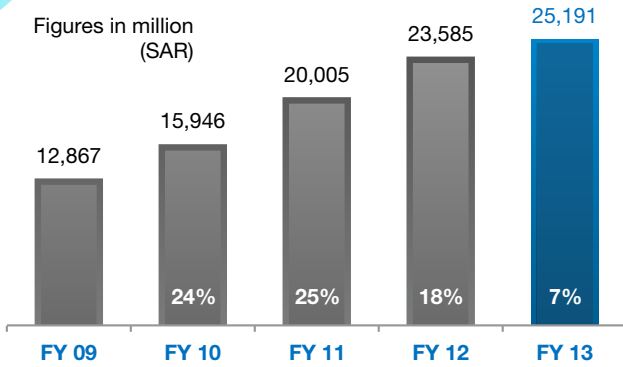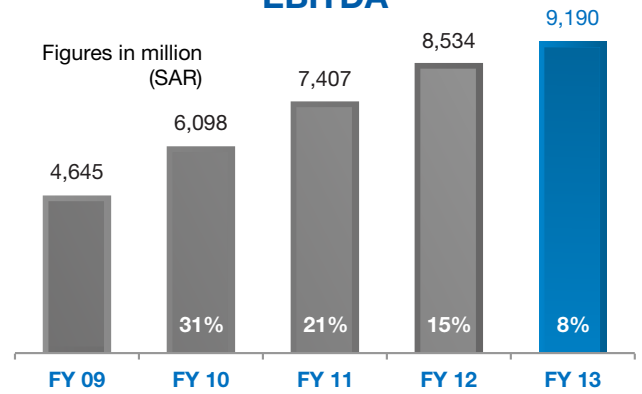**Managing Director**

Management Review

254   320   241   250   650   550   450   650   720   600   900   1200   850   800   960   1500   900   1200   1200   1400

Management Review
Financial

Consolidated Key Financial Indicators - YoY Evolution

Revenue

Figures in million (SAR)

	FY 09	FY 10	FY 11	FY 12	FY 13
Value	12,867	15,946	20,005	23,585	25,191
Growth		24%	25%	18%	7%

EBITDA

Figures in million (SAR)

	FY 09	FY 10	FY 11	FY 12	FY 13
Value	4,645	6,098	7,407	8,534	9,190
Growth		31%	21%	15%	8%

Net Income

Figures in million (SAR)

	FY 09	FY 10	FY 11	FY 12	FY 13
Value	3,014	4,211	5,083	6,018	6,677
Growth		40%	21%	18%	11%

DPS

Figures in (SAR)

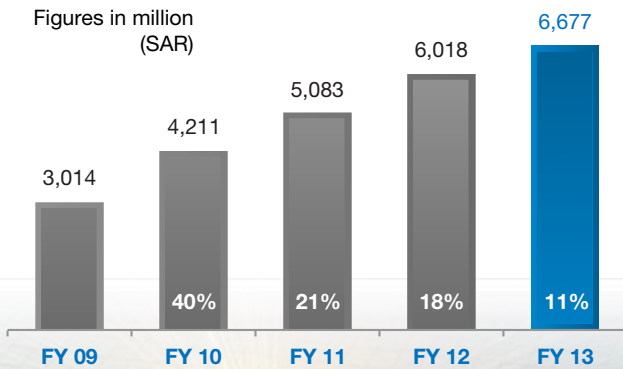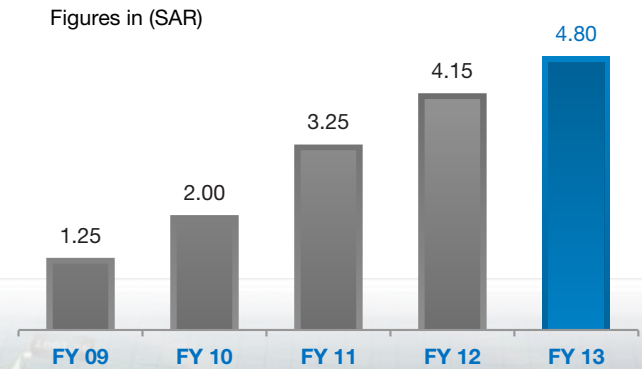|	FY 09	FY 10	FY 11	FY 12	FY 13
Value	1.25	2.00	3.25	4.15	4.80

Management Review
Financial

Net profit of SR 6,677 million for 2013 was up 11 percent on the previous year's SR 6,018 million, with a corresponding increase in earnings per share from SR 7.82 to SR 8.67. Total revenues rose by 7.0 percent, from SR 23,585 million to SR 25,191 million.

Total assets grew 21 percent from SR 38,296 million to SR 46,515 million, while shareholders' equity was up 14 percent from SR 20,905 million to SR 23,963 million.

In view of the year's performance, the Board has recommended a fourth quarter dividend of SR 1.25 per share, bringing total cash dividends for the year to SR 3,696.0 million, representing 55.36 percent of 2013 net profit.

Shareholders also benefited from the Board recommendation to issue one bonus share for every 10 held, with a pro rata increase in the dividend multiple. The bonus issue increased the company's share capital by 10 percent to SR 7.7 billion and was approved by an Extraordinary General Meeting of shareholders early in 2013.

Increased revenues from data traffic and the business sector were the main drivers of growth. Data alone accounted for 28 percent of total revenues, reflecting Mobily's investment in fibre-optic and mobile broadband networks. More than 530,000 homes are now connected by fibre-optic, with plans to link a further 700,000 by the end of 2014. Fixed broadband was about 45 percent of households at the end of 2013, indicative of the potential still to be exploited. Business sector revenues were 23 percent up in 2013, mainly due to the substantial growth in the various revenue streams, including hosted, managed, and execution services. By the end of 2014, data is expected to generate about 32 percent of Mobily's revenues.

The continuing expansion in smart-phone sales and usage creates further growth potential, with analysts projecting a 10-fold increase in smart-phone data exchange over the next six years. Mobile broadband subscriptions represented just over 50 percent of Saudi population penetration by the end of 2013, leaving significant growth potential, especially with ever-increasing uptake of 4G technologies.

The company's strong financial position and low ratio of net debt to EBITDA creates maximum flexibility in securing finance from domestic banks. And increased focus on vendor financing, characterised by low interest rates and longer repayment periods, will have a positive impact on free cash flow.

Typical of this approach is the $650 million long-term Islamic finance arranged with Nokia Siemens and Ericsson and their respective Finnish and Swedish export credit agencies that will fund infrastructure expansion. The Shariah-compliant deal is the first of its kind to be secured in the Middle East telecoms sector and will give Mobily effective return on assets due to deferral of repayments for 18 months, while the competitive Murhaba rate and 10-year tenor will benefit cash flow.

The transaction was declared Murabaha Deal of the Year in the 2013 ECA Awards.

Mobily's 24 percent share price increase put it in the top 10 market heavyweights in Saudi.

Returns on equity and asset were more than double the Tadawul Telecom Index.

ROE reached 30.6 percent, compared to a sector index of 15.2 percent, and ROA delivered 16.1 percent against the index's 7.4 percent.

Operations & Technology

Management Review
Operations & Technology

Investment, expansion, and record-breaking achievements

Mobily has averaged more than SR 5 billion investment in network development every year since inception and has committed to more than SR 22 billion in capex budget for the period 2013-17. This underwrites the company's transition to becoming an integrated full-service telecoms and ICT operator, no longer restricted to traditional voice and messaging services but embracing the new generation of high-speed networks, information security, data services, and machine-to-machine communications.

As part of the five-year 'GED' strategy – 'growth, efficiency, and differentiation' – Mobily is committed to leveraging the efficiency and the capabilities of its network and in 2013 completed several projects that bring the latest state-of-art technologies to the thousands of sites that make up its Kingdom-wide network infrastructure.

Most of the work applied to the 4G-LTE network where more than 2,040 new sites became operational. The G3 network was extended by 878 new sites and 657 were added to the 2G system, with a further 570 existing sites modernised with the latest technology.

To cope with the huge growth in mobile data traffic, packet core network capacity was doubled. And to expand the network and enhance efficiency, more wifi installations were added to serve all domestic airports, various universities, malls, and public areas.

New LTE infrastructure enabled Mobily to become the first operator in the Middle East to launch LTE roaming services, and by year-end 16 LTE roaming agreements were in place covering 13 countries. Another first was the location-based advertisement service introduced in Saudi Arabia.

In the business segment, Mobily became the first operator in Saudi to implement a machine-to-machine infrastructure, enabling business customers to work more efficiently and cost-effectively. Exploring future opportunities to meet customer needs and market demand involved trialling more than 15 innovative new services and technologies.

Mobily recorded world firsts in a number of areas, notably exceeding 400 terabytes a day in traffic on its LTE network. The achievement will be honoured by Huawei, a supplier of Mobily's core network equipment, at the next Mobile World Congress in Barcelona. Mobily and Huawei also scored a world-first with the launch of the 400 gigabit per second IP core network router that can be expanded to terabit-level capacity.

Another record came in partnership with network specialist Ciena, when the two companies successfully conducted an experiment to pass at one terabyte per second, illustrating the extreme capabilities of Mobily's advanced fibre optic network. This ability to pass high-speed data will enable Mobily to provide new advanced services and applications for business and individuals particularly applications that rely on cloud computing.

Mobily's data centres located across Saudi Arabia now number 38, covering 65,000 m² and with a total operating capacity of 162,500 kW. A further 18 will be added over the next three to five years. The Melgha II centre in Riyadh came online during 2013 and is the first in the Middle East, Asia, and North Africa to receive Tier IV certification from Uptime, the global authority in assessing international data centres.

The Melgha II data centre also hosts Mobily's Security Operations Centre, a joint-venture partnership with IBM that gives business customers the highest level of data security. The portfolio of managed security services is a cloud-based solution that contains five IBM products protecting against threats to security or business disruption and is available to international telecom operators and data service providers for their own use or for reselling in their own countries.

Underlining the quality of the service, Mobily became the first company in the MENA region to complete all the requirements for business continuity and risk management and qualify for ISO 22031 certification for business continuity and ISO 31000 certification for risk management.

As with IBM, the partnership with Virtustream formed in 2012 is now showing its value. Virtustream's expertise in cloud software and infrastructure has combined with Mobily's resources and understanding of local market needs to develop and launch enterprise-class public and hybrid cloud services that enable customers to achieve greatly improved IT efficiency and performance.

The partnership with NetComm Wireless has been expanded with the signing of a second machine-to-machine supply agreement for the region's first 3G advanced router serving the business sector. The new router is designed for durability and coping with the Middle East climate, capable of working efficiently at temperatures of 25-75°C.

Management Review
Operations & Technology

Investment, expansion, and record-breaking achievements

The launch of advanced connectivity services (ACS) delivers a fusion of transport technologies that minimise network downtime while providing a high degree of operational flexibility, allowing data to be transferred between business sites at ultra-high speeds with secure, cost effective, and reliable connectivity services.

ACS can carry different types of traffic for mission-critical applications to meet the needs of customers for highly flexible bandwidth scaling from 1Gbps to 1Tbps per connection, such as the financial, government, healthcare, education, information technology, and manufacturing sectors which generate who huge volumes of data.

All these new Mobily resources will be brought to bear in completing a series of new multi-million riyal smart property developments, headed by King Abdullah Economic City (KAEC) – a SR 600 million project to provide advanced infrastructure for integrated telecoms services, data transmission, and broadband internet through an advanced fibre-optic network.

KAEC is the largest economic project run by the private sector in the Middle East and is one of four planned economic cities in Saudi Arabia. Built on a site of 180 km² with a waterfront of 38 km and a port covering 14 km², on completion it will be among the top 20 container ports in the world. Projected population is 115,000 with more than 420 companies due to establish operations there.

Madinah Development Authority has appointed Mobily to develop the telecoms infrastructure of the central zone and provide the latest services and technology. Under the 10-year agreement, Mobily will upgrade the infrastructure to accommodate modern and sophisticated technical applications, including business systems, implementation mechanisms, and service delivery.

Under an agreement with the Royal Commission for Jubail and Yanbu, Mobily will develop telecoms and ICT services to make Yanbu Industrial City a smart city. Mobily will be responsible for the design, installation, and operation of the information and telecoms network for the city's residential and industrial zones.

Business Gate, the prominent Saudi business group, signed a cooperation agreement with Mobily to build and operate the most advanced integrated communication and ICT services.

Similar agreements were signed with Burj Rafal, the mega-project to develop the tallest residential building in Saudi Arabia, and the Al Nakhlah Residential City mega-project in Riyadh. And an agreement with Taibah University will see Mobily providing smart telecoms packages through the fibre-optic network already installed by the company.

The first submarine cable linking the Far East to Europe at more than 40 terabits will contribute significantly to business volume growth in the countries that it will serve. Mobily is one of 17 global operators who have signed an agreement to build and maintain the 25,000 kilometre cable that is due to be operational in 2016. It begins in Hong Kong and ends in France, linking Vietnam, Malaysia, Singapore, Thailand, India, Pakistan, Saudi Arabia, Oman, United Arab Emirates, Qatar, Yemen, Djibouti, Egypt, Greece, and Italy along the way.

Strategic
Innovation

Management Review
Strategic Innovation

Evolving strategy adapts to the new era of ICT

Updating Mobily's GED strategic framework – Growth, Efficiency, and Differentiation – has resulted in new thrusts across the three pillars. These are: excel in customer experience, push broadband, extend consumer segment reach, ignite business, expand wholesale, and seek efficiency.

All will be supported by a commitment to branding, innovation, and CSR; building differentiating meta-capabilities; and excellence in partnership.

In his introductory report, the Chairman has already touched on the value added by Mobily's long-term focus on strategy and planning. The application has been reviewed and revised along with the company's evolution from the early days of voice services to the current concentration on cloud and 'big data' solutions, but the basic principles of well-thought-out analysis and strategic planning remain are unchanged.

We are still only in the embryonic stage of this development from Telco 1.0 to Telco 2.0, but we are taking every step to ensure that we are strategically prepared to become an integrated ICT services provider. Between now and 2020, when the industry spend is expected to reach $5 trillion – about 50 percent bigger that it is today – there will be an explosion of new products and solutions along with rapidly expanding consumption, especially in emerging markets. This is a shift on a scale that takes place only every 20-25 years, and is defined as the 'third platform' in ICT development – built on mobile devices and apps, cloud services, mobile broadband networks, big data analytics, and social technologies.

In this context, Mobily's strategic growth focus is increasingly on the business sector, working to a full suite of B2B products and services. The B2B segment is expected to show annual growth of 7.0 percent by 2017, representing a market worth SR 38 billion. Mobily's B2B strategy aims to maximise value from current growth areas and new entry into selected market segments in Saudi Arabia. The key growth areas will be hosted, managed, and execution services along with fixed internet, although there is still significant opportunity to increase market share in the mobile segment. Key growth drivers will be strong technical sales teams and service delivery, a well-stocked sales pipeline built over three to five years, and advanced technical solutions.

In implementing this strategy for the business sector, Mobily is developing alliances and partnerships for execution services capability, exploiting the synergies between connectivity and execution services, and using alliances and partnerships to maximise reach to the customers and enrich the product portfolio.

Typical business sector solutions being offered are disaster recovery and business continuity and private cloud computing. Our partnerships with leading global experts in these areas give Mobily the advantage of driving growth in hosted, managed, and execution services while leveraging the strengths of its own brand and relationships.

Alliances and partnerships will also fuel key growth drivers such as bundled service capability, stronger and more proactive account relationships, and providing machine-to-machine solutions across technologies. Fixed internet and connective capability will be further developed as a core bundling element for end-to-end ICT services.

Management Review
Customers

Four-point plan for world-class customer experience

Delivering world-class customer experience (CEX) is a long-standing Mobily priority, now more so than ever with the adoption in 2013 of a new four-pronged approach that puts customers at the centre of the company's business strategy.

The four elements are:

- Empowerment – enabling front-line staff to be more effective when dealing with customers, and enabling customers to make better use of self-service facilities in an innovative way
- Communication – making customers more informed about the reality of the Mobily customer experience
- Personalisation – treating every customer as an individual, using better business intelligence and customer information
- Wow! – delivering something special and memorable to customers

The benefits are already being seen in increased customer satisfaction scores, surpassing the targets set at the beginning of the year. Mobily uses a complex weighted formula to analyse satisfaction, measured by the percentage of customers ranking their satisfaction with the company at 9/10 or 10/10.

To ensure that customer experience is maintained at every touch-point, More than 100 key performance indicators are tracked on a CEX dashboard. If they are moving in the right direction, customer perception will follow. If not, they give an early warning to take remedial action.

The dashboard generates key vital information that enables better management of customer satisfaction, from early identification of area where customer experience is negatively affected to immediate visibility of benefits stemming from enhancements put in related to improve customer experience and efficiency. Faster and better decisions can be made on the facts and figures available, promoting a business culture of prevention rather than correction.

Launch of the 'Mobily Speed Enquiry Portal' benefits customers as it empowers Customer Care and Sales staff to handle GPRS speed complaints more efficiently. It has also achieved 40 percent reduction in the volume of daily trouble-shooting by Network Operations & Support and more than halved complaints related to data speed.

Customers now receive immediate feedback on speed-related queries, and can use an improved mechanism to check if they have any missing parameters while guiding them to the relevant team should a repair be needed.

Business customers have responded enthusiastically to the launch of 'Secure Internet Service' that uses Gartner's Leaders Zscaler technology and patented, multi-tenant cloud architecture. The service delivers all the benefits of proactive, real-time security without the need to deploy and manage appliances, software or agents.

The service allows IT security teams to create and deploy highly detailed web-based policies by user, group, location or action to anyone, anywhere, and on any device. Customer benefits include cost-saving, simplicity and efficiency, compliance and real-time reporting, the world's largest global security cloud, and local, regional, and multi-continent redundancy.

Development of customer-friendly services is also an important strand in Mobily's business strategy. A highlight of the new 2013 offerings was the Mobily Guardian app that enables parents to monitor and control children's use of smartphones.

The app can remotely locate or lock a child's phone using text commands and set predetermined times to inform the parent about the location of the phone. Parents can also set time restrictions and limit usage of the device, control which applications or games can be used, block calls and texts, and monitor text messages.

In total, Mobily subscribers downloaded more than three million apps during 2013.

Introduction of HD voice services has increased customer satisfaction, while launch of the unified subscriber database to serve 2G/3G/4G customers from a single platform enabled subscribers to move seamlessly from one network to another across the existing and next generation technologies. The system that makes this possible also realises significant economic and operational benefits to Mobily.

The high level of customer appreciation for Mobily's products and services is evident in the results of a survey to measure perceptions of Mobily as an innovator. More than 87 percent agreed that Mobily is an innovative company and

Non-stop innovation

Innovation underpins Mobily's sales and marketing strategy, a proven winner in establishing the company as Saudi Arabia's first-choice telecommunications provider.

New products and services launched in 2013 reinforced Mobily's position as the market leader.

New subscribers and those transferring from prepaid packages and other operators were attracted by the offer of a million free minutes in the first three months of a Wajid post-paid package, with an additional 50 percent discount on the first month's fee for either Wajid Plus or Wajid Extra.

New 4G subscribers benefited from a one-year bundle offering seven months free access. The package included a free router bearing Cristiano Ronaldo's signature with operating speeds of up to 6 Mbs. The tie-in with the football star follows the signing of a partnership agreement which is the first of its kind in the Middle East. Mobily also renewed its international partnership with FC Barcelona for another four years.

Launch of the MView service for all internet users brought unprecedented access to many free and paid channels through computers and smartphones. Free for the first month, the service then allows users to customise packages to meet their interests, all at a very attractive subscription price. Mobily has collaborated with the region's leading TV channels and global film production companies to ensure access to HD films shortly they are released on the cinema circuit. Customers can enjoy the service over five different devices with only one subscription.

In collaboration with the Samba Financial Group, Mobily was able to offer customers the opportunity to buy products and services on a six-month easy instalment plan at no added cost.

More innovation came with the launch of Mobily App Store within BlackBerry App World, the first Middle East Company to be granted this access. Mobily App Store is already regarded as the best of it kind in the region, winning the 'Best App Store for Mobile' award at the Mobile Show in Dubai.

Mobily's annual Forum for Apps Developers is the only meeting point for the region's applications specialists. The company gives developers an incentive by offering three prizes of SR 100,000 for the best new products.

Visitors to the Dammam and North Khobar beaches were provided with free wifi internet over 40 access points set up by Mobily. The company has already installed high-speed wifi at Jeddah's beach.

Mobi Robot was the star of the show as Mobily toured 10 Saudi cities to present new products and services and listen to feedback from customers. The entertainment shows in shopping centres attracted huge crowds, with Mobi Robot centre stage. The Android-based robot is the first in the Middle East and delighted children and parents with its edutainment features.

During the Hajj season, Mobily installed more than 100 fixed and mobile towers to serve the holy sites, where free wifi internet was also provided for pilgrims. This contributed to a 273 percent increase in the volume of data handled by the company despite the 30 percent reduction in the number of pilgrims due to quota restrictions. Mobily handled millions of local and international calls and recorded a 56 percent increase in international inbound roaming business. The positive response from so many international customers is clear affirmation of Mobily's global reputation and acceptance.

Non-stop innovation

Mobily's highly popular Neqaty loyalty programme reached a new high in the number of points traded by subscribers, reaching more than 20 billion over the course of the year.

For business customers, Mobily launched a turnkey fleet management service in collaboration with Advanced Electronics Company. This service enables fleet operators to significantly reduce operating costs by managing their vehicle assets more efficiently, which can help lower fuel and maintenance costs.

Mobily FMS offers an extensive set of features for near real-time vehicle tracking, vehicle management, detailed reporting, remote diagnostics and configurations. Business customers interact with Mobily as a one-stop-shop for their FMS and support needs.

In partnership with Al Rajhi Bank, Mobily launched the 'Lock Box' device for cash deposits, a Middle East 'first' and one of the world's most advanced innovations for managing cash collection and deposits. The service features high-tech security based on the GRG smart system. High-speed and large-capacity machines are equipped with the latest technologies for banknote validation, sorting, and serial number tracking.

A new programme launched in 2013 aims to train Saudi females in smartphone programming and maintenance. The first phase will involve about 400 young females, with a target to turn out 1,000 qualified and capable specialists over the next three years. Mobily has also created jobs for 250 women, enabling them to work from home as call centre agents.

Mobily's popularity with social media followers was further enhanced by becoming the first company in the world to give subscribers unlimited access to Facebook while roaming in more than 70 countries. Wajid subscribers can also now transfer data and minutes credit to their friends through Facebook.

Mobily already has more than a million followers on its own Facebook page and is also ranked first with Twitter as the most influential company on social networking sites in Saudi Arabia. The number of Mobily fans on the Google+ network has topped 1.4 million, leading telecom and IT companies across the world.

Human
Resource

A year of transformational achievement

To support Mobily's growth, efficiency, and differentiation (GED) strategy, HR has adopted the complementary theme of 'Build differentiating meta-capabilities critical to GED'.

This involves partnership with Mobily's various business departments and divisions to jointly transform the organisation into an environment of innovation, collaboration for value, and customer centricity.

Through an accompanying set of strategic objectives, HR provides actionable advice, leads transformation, develops and retains talent, strengthens employee commitment, creates the necessary motivation, and delivers efficiently managed HR services.

Simultaneously, an HR scorecard for these initiatives measures the degree of contribution to targets, the quality and timeliness of HR advice and services, the impact of change initiatives, employee performance, availability of key staff, and employee satisfaction. The aim is to make Mobily home for true talent and an employer of choice.

Critical to the GED theme is the primary strategic objective – building capabilities critical to GED. In this respect, the 'Ignite' programme comprises two projects for progress and collaboration that are designed to yield a number of dynamic and tangible improvements that will 'ignite' the energy within every Mobily enthusiast.

The second objective in 2013 covered seven strategic objectives related to providing actionable advice. About three-quarters of the work was completed during the year and the resulting achievements have proved their effectiveness at a corporate level. Stronger corporate direction-setting has stemmed from establishing new corporate strategy and marketing function, as well as streamlined innovation and communications.

The new Alliances & Partnership division was established to support the GED theme 'Excellence in Partnership', accompanied by creating the right balance between key business functions and setting up a single new project management entity to increase knowledge-sharing and efficiency. Also established were the Corporate Governance function, the HR Business Partnership concept, a dedicated Employee Care function, HR strategy, HR Center of Excellence, and the Mobily Elites fast-track career development programme.

To reduce overall manpower and costs, functional outsourcing to IBM was optimised, helping to guide the organisation through operation and maintenance data solutions.

An established mechanism for continuous dialogue between business and HR promoted the discussion of all strategic issues and identified the challenges arising. Talent acquisition boasted 158 new full-time staff, 500 outsourced sales agents for a three-month project, more than 1,500 outsourced staff, and 160 job posts announced internally.

The next strategic objective highlighted the importance of leading transformation with measurable impact. Through a series of specially-designed programmes, corporate KPIs were cascaded to departments and individuals. A further set of supporting projects are in progress, including Change Ambassador Program, HR Pulse Control, Annual HR Report, and Senior Rewards.

The fourth objective focused on attracting, developing, and retaining Mobily's true asset – talents. Specific projects in this respect have led to a number of significant achievements. The New Young Talent programme alone has become one of the top five fresh graduate programmes in Saudi Arabia, Saudization targets have been achieved, the approved number of fresh-graduate staff have been recruited and retained, and participation in job fairs has increased the number of Elites programme applicants.

A year of transformational achievement

Internally, the salary information confidentiality assessment was completed, along with outsourcing operational activities of recruitment. This considerably facilitated the entire process, making it more efficient and effective. The Mobily Exchange programme provides members of staff below a certain grade with experience outside their organisational unit, while the job rotation programme creates work diversity for senior executives. Further achievements include the Mobily Academy and the launch of the interactive Customer Service Experience programme within the academy, available to all staff in English and Arabic.

With 5,421 trained staff, 25 training programmes, 24 training sessions, and 16,263 training days, Mobily has come a long way in people development and the progress continues.

Loyalty is a core contributor to organizational success and was therefore the focus of three programmes: Mobily Family, People Care, and HR Communication, The resulting accomplishments were remarkable. Survey results identified gaps, paving the way for permanent solutions. Around 120 business actions were identified and HR supported their implementation. Employee satisfaction was assessed and the results showed considerable enhancement in employee engagement as a result of policies that lead to an improved work-life balance through more flexible working hours, sensible leave permits, and additional medical coverage. Staff events such as Daddy@Work enabled employees to bring their children to the office. Children could see their fathers' work stations, connect with one another, and enjoy joint activities.

The sixth objective focused on motivating employees for improved performance. Performance assessments across all staff helped create better understanding of how all could contribute to achieving Mobily's strategic goals.

Assessments covered eight major universal management competencies, split into 18 skill sets and a total of 70 survey items. Salary and incentive structures were also revised, supported by a series of sophisticated motivational programmes that recognise and reward achievement.

The final objective dealt with ascertaining responsiveness in HR service delivery and involved five strategically developed projects to reinforce capabilities. As a result, HR developed a strategic relationship with the Ministry of Labor (MOL) and other governmental entities and received approval MOL approval for women to work until 11 pm in the Customer Care department.

Mobily's MOL range has shifted from 'green to 'excellent due to combining activities in the three main cities, and staff contracts and HR policies are now aligned with Saudi labour law.

Among other major HR achievements in 2013 was receiving recognition from Oracle as one of the most successful 'Oracle Self-Service Implementers' in the Middle East and Africa, reflecting the success in compiling and verifying documentation, introducing a new attendance system with staff logs, and conducting investigations through assigned committees to ensure the fairness of the process.

To create and maintain an eco-friendly and more efficient organization, the Automation & Paperless initiative continues to help improve efficiency, reduce overheads, and provide more responsive services to internal customers.

Corporate Social Responsibility

Creating a more caring world

As a leading Saudi business organisation, Mobily is acutely conscious of its responsibilities in key areas such as the wellbeing of its own employees, extending financial and practical assistance to the wider community, and adopting best practice in environmental matters.

The motivation is not simply to conduct business in a way that is good for society and mankind – it's also about making the business profitable so that it can continue to contribute to the wider society within which it operates. Business economic impact and benefit go far beyond the returns for owners and shareholders: it extends to total economic value created and distributed – from revenues and operating costs to wages and salaries, donations and other community investments, payments to providers of capital, and taxes or levies paid to local or national government.

In essence, it helps to create a more caring world, not just in an environmental sense, but at home, at work, and as a community.

Mobily's commitments to this goal cover many areas – from education to healthcare, cultural patronage to energy saving measures. Among the many activities undertaken in 2013 were:

- Diamond sponsorship for Taibah University's International Conference on Advances in Information Technology for the Holy Qur'an and its Sciences, which aims to gather worldwide researchers, academic scholars and industrial practitioners that represent a wide variety of IT specialisations for the service of the Holy Qur'an and its sciences. The event provides a platform for sharing and exploring recent research results and future trends in information technology for the service of the Holy Qur'an.

- A programe to teach Saudi females smartphone programming and maintenance was launched in cooperation with the National Institute for Women's Training. The aim is to train 1,000 women over the next three years, with 400 already taking part.

- Continued support for the Disabled Children Association in Riyadh included the first exhibition of inventions serving people with special needs. More than 20 ideas and models were shown, developed by King Abdulaziz University for Science and Technology. Mobily also sponsored the Loyalty Night run in Riyadh by the Disabled Children Association. HRH Prince Sultan bin Abdulaziz, chairman of the association, honored Mobily for its long-term support.

- The seventh Mobily Youth Experiences event highlighted the success of young Saudis in developing Arabic content for new media.

- Mobily was again a leading sponsor of Janadriyah 28 – the National Heritage and Folk Cultural Festival – providing substantial financial support.

- To support domestic tourism, Mobily was a key partner in the Abha Shopping Festival for the eighth successive year.

- Mobily supported the training costs of 17 female lawyers under the supervision of the Mawadda Association's legal incubator initiative, aimed at reducing divorce and its negative effects.

- The Ministry of Labour honored Mobily for its technical sponsorship of the One-Step Pre-Employment project that aims to empower female job-seekers with appropriate competencies.

- Financial support for the Zamzam society contributed the medical and healthcare costs of more than 820 people.

- Sponsorship of the Awareness Day for Premature Infants assisted the Saudi Neonatology Society in its work to promote life-saving measures.

- Mobily sponsored a Career Day in Britain for about 5,000 students and graduates who are part of King Abdullah's Foreign Scholarship programme.

- Activities of 'We Care' – Mobily's project for employee involvement in community upliftment – took place in Riyadh, Jeddah, and Dammam. The winners were rewarded with a trip to Barcelona to attend the football match between FC Barcelona and Real Madrid.

- Mobily celebrated daddy@work several times in the course of the year, when employees brought their children to the office.

A distinguished history of achievement

Mobily's record of achievements over the past nine years has been widely recognised by independent endorsement from industry bodies and specialist media.

The company is consistently among the winners at regional and international awards ceremonies, and 2013 was no exception. Honours bestowed during the year were:

- Best Company to Promote Telecom Systems – Computer News ME Awards

- Enterprise Private Cloud Award – BMC

- Khalid Al Kaf Best CEO Telcom Sector – ITP

- Forbes Top 100 Companies Middle East

- Excellence in HR – UAE HR Conference

- Broadband Operator of the Year + Growth Story of the Year – TMT Finance MENA Awards

- Best team + Most Effective Crisis Management + Best Manager – ME Business Continuity Conference

- Best in Middle East in implementing iSupplier – Oracle

- Best of the Best in Social Media (platinum award) + Best Use of Communication Management in Business-to-Consumer (gold award) + Best Use of Social Media Measurement (silver award) – Association for Measurement and Evaluation of Communication

- Best Converged Service Provider – Comms MEA

- Middle East Award for Internal Audit Excellence – Institute of Chartered Accountants in England and Wales

- Murabaha Deal of the Year – European Club Association Awards

- Best App Store for Mobile – Mobile Show, Dubai

- Best Communication Operator + Best Data Centre + Best App Store – Middle East Communications Conference

Corporate Information

The Company is incorporated in the Kingdom of Saudi Arabia under Registration number 1010203896

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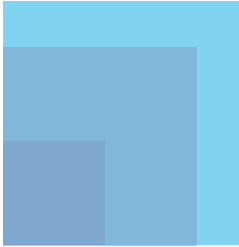**Fax:** +966 (0)56 031 6605

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Tadawul Code: 7020 (Etihad Etisalat)

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