



# ZAIN BAHRAIN B.S.C.(c) - IPO

## Summary of Prospectus

Initial Public Offering ("IPO" or "Offering") of 48,000,000 ordinary shares ("Ordinary Shares") in Zain Bahrain B.S.C.(c) (the "Issuer", "Company" or "Zain Bahrain"), equivalent to 15% of the Company's issued share capital immediately prior to the Offering, at an Offer Price of BHD 0.190 per share

**Offer Period Opening Date: Tuesday, 2 September 2014**

**Offer Period Closing Date: Tuesday, 16 September 2014**

THE CENTRAL BANK OF BHRAIN AND THE BAHRAIN BOURSE ASSUME NO RESPONSIBILITY FOR THE ACCURACY AND COMPLETENESS OF THE STATEMENTS AND INFORMATION CONTAINED IN THIS SUMMARY PROSPECTUS AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS, HOWSOEVER ARISING FROM RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS SUMMARY PROSPECTUS

The following information has been extracted from the Prospectus issued in relation to the Offering of the Ordinary Shares of the Company, and does not purport to be a complete summary of the information contained therein. Persons interested in applying for the Ordinary Shares should read in full the Prospectus and the Subscription Application Form, which are available from the Approved Branches of the Receiving Bank, the Lead Manager, and the head office of the Company. Words and phrases defined in the Prospectus and the Subscription Application Form will have the same meaning where used herein unless the context otherwise requires.

### Issuer and Advisors

**Issuer:** Zain Bahrain B.S.C. (c)

**Lead Manager:** Gulf International Bank B.S.C. ("GIB")

**Co-Manager:** Watani Investment Company K.S.C.C. ("NBK Capital")

**Joint Financial Advisors and Joint Book Runners:** GIB and NBK Capital

**Underwriters:** GIB

**Auditors to the Company:** Deloitte & Touche Middle East

**Legal Advisors to the Company:** Trowers & Hamlin and Zu'bi & Partners "Attorneys & Legal Consultants"

**Receiving Bank:** BBK B.S.C. ("BBK")

**Market Maker:** Securities & Investment Company B.S.C. (c) (SICO)

**Central Depository and Central Registry:** Bahrain Bourse

### Expected Timetable of Offer

<b>Offer Period</b>	Tuesday, 2 September 2014 to Tuesday, 16 September 2014
<b>Subscription Opening Date</b>	Tuesday, 2 September 2014
<b>Subscription Closing Date</b>	Tuesday, 16 September 2014
<b>Announcement of Results of Subscription and Basis of Allotment</b>	Thursday, 18 September 2014
<b>Allotment Date</b>	Tuesday, 23 September 2014
<b>Distribution of Refunds Date</b>	Tuesday, 30 September 2014
<b>Extraordinary General Assembly</b>	No later than 14 October 2014
<b>Commencement of Trading Date</b>	To be announced by Bahrain Bourse

Dates are indicative and subject to change.

### Summary of the Offer

**The Company:** The Company was founded as a closed joint stock company in the Kingdom of Bahrain with commercial registration number 50603 on 19 April 2003. The current issued share capital of the Company is BHD 32,000,000 divided into 32,000,000 Shares of BHD 1 each. Under the laws of the Kingdom of Bahrain, ordinary shares in a closed joint stock company may not be sold in a public offering, and therefore the Company has applied to the Ministry of Industry & Commerce to convert to a public joint stock company ("Conversion").

**Authorised, Issued, and Fully Paid Share Capital of the Company after Conversion:** BHD 36,800,000 divided into 368,000,000 ordinary shares of 100 fils each.

**The Offering:** The IPO consists of an offer of 48,000,000 new Shares ("Offer Shares"), equivalent to 15% of the Company's issued share capital immediately prior to the Offering. The Offer is directed at institutional and retail investors in the Kingdom of Bahrain and institutional investors in the wider GCC, under the terms and subject to the conditions contained in the Prospectus. The Offering is open to Applicants from all nationalities that satisfy the subscription terms and conditions, provided that the legislation of the country of the Applicant's citizenship, residence or domicile permits the Applicant to do so. Only Eligible Applicants with the ability to evaluate and bear the risk of investing in the Company should subscribe. It is the responsibility of each Applicant to establish its suitability to purchase Shares through this Offering. The Founders, including their subsidiaries, associates, affiliates, parent companies and Zain Bahrain's related parties are not allowed to subscribe in this issue. Such restriction shall not apply to Zain Bahrain's employees, who are qualified to subscribe for the Offer Shares in accordance with the terms and conditions

of the Offering and subject to the requirements and restrictions imposed by the Bahrain Bourse.

An Applicant (each an "Applicant" and collectively the "Applicants") is deemed to be an Institutional Applicant if it subscribes for a minimum of one hundred thousand and one (100,001) Ordinary Shares. An Applicant is deemed to be a Retail Applicant if it subscribes for less than or equal to one hundred thousand (100,000) Ordinary Shares. Applicants under the age of 21 should make their applications through their legal guardian.

**IPO Price:** Each Share shall have a nominal value of 100 fils and is offered at a price of BHD 0.190 per Share. The Offer Price represents a premium of 90 fils per Share (a premium of 90% over the nominal value).

**Basis of Allotment:** If the total number of Ordinary Shares applied for by Eligible Applicants is less than or equal to the number of Offer Shares offered, all Eligible Applicants will be allotted the number of Ordinary Shares they have applied for.

If the total number of Ordinary Shares applied for by Eligible Applicants exceeds the number of Offer Shares offered, the Company shall, in consultation with the Issue Managers, establish an Allotment basis in which the Offer Shares will be allocated as set out below:

- If the number of Ordinary Shares applied for by Institutional Applicants is less than twenty four million (24,000,000), Offer Shares will be allotted to all Eligible Applicants (Retail and Institutional) pro-rata to the number of Ordinary Shares each Applicant applied for
- If the number of Ordinary Shares applied for by Retail Applicants is less than twenty four million (24,000,000), all Retail Applicants will be allotted the number of Ordinary Shares they have applied for. The remaining Offer Shares, after allocation to Retail Applicants, will be allotted pro-rata to the Institutional Applicants based on the number of Ordinary Shares each Institutional Applicant applied for
- If the number of Ordinary Shares applied for under each category, Retail and Institutional, exceeds twenty four million (24,000,000), Applicants under each category will be allotted from twenty four million (24,000,000) Offer Shares pro-rata to the number of Ordinary Shares each Applicant applied for under its respective category

**Announcement of Results of the Ordinary Share Offering:** The results of the subscription and confirmation of the basis of Allotment will be published in two (2) local newspapers in the Kingdom of Bahrain within two (2) business days of the Subscription Closing Date. The decision of the Company and the Issue Managers on the basis of Allotment and on each individual Allotment shall be final. Allotment of the Shares is expected to be completed on the Allotment Date.

**Lock-in Period:** Under the laws of the Kingdom of Bahrain, all Shareholders of the Company prior to this Offering ("Founders") shall be restricted from transferring their Ordinary Shares for a period of one (1) year beginning on the Commencement of Trading Date.

**Listing of the Ordinary Shares on Bahrain Bourse:** The Company has applied to the CBB and the Bahrain Bourse to admit all of the Ordinary Shares for trading on the Bahrain Bourse under the symbol "ZAINBH". Trading of the Shares on the Bahrain Bourse will commence as soon as practicable following the Subscription Closing Date. An announcement will be made by the Bahrain Bourse confirming the date on which the trading of the Shares will commence, after the signing of the required Listing and Trading Agreement between the Company and Bahrain Bourse.

All Applicants are required to have an Investor Number and a Securities Account with the Bahrain Bourse. Applicants who do not have an Investor Number or a Securities Account with the Bahrain Bourse will be required to pay the Investor Number Fee and/or the Securities Account Fee at the time of submitting the Subscription Application Form. Initially, all Ordinary Shares purchased in the Offering will be held in the Applicants' Bahrain Bourse Depository Accounts.

**Dividend:** Each Ordinary Share shall entitle the holder to participate in the dividends declared by the Company. Each Ordinary Share will also participate in any dividend due to be paid to Shareholders in respect of the financial year ending 31 December 2014 on a pari passu basis with the currently issued Shares.

**Use of Proceeds:** The net proceeds from the Offering will be used by the Company for the following purposes:

- Capital expenditure (95% to 98% of the net proceeds), in order to:
  - Upgrade its network infrastructure to improve indoor coverage, expand the capacity to meet high bandwidth demands and introduce smart features for smartphones;
  - Expand the current 4G LTE service nationwide to achieve speeds of up to 100Mbps and subsequently to 150 Mbps;
  - Deploy a fibre-optic network nationwide;
- General corporate expenses (2% to 5% of the net proceeds).

**Risk Factors:** There are certain risks relating to an investment in the Company. Some of these risks are described in Section 13, "Risk Factors and Investment Considerations" of the Prospectus and should be considered carefully by all Applicants prior to making a decision to invest in the Shares.

### General Information about the Company

Zain Bahrain B.S.C. (Closed) was incorporated as a closed joint stock company in the Kingdom of Bahrain on 19 April 2003 under its former name, MTC-Vodafone (Bahrain) B.S.C. (Closed). It was constituted to install, operate and manage a telecommunications operation under licences awarded to it by the Telecommunications Regulatory Authority ("TRA"), in accordance with articles 25, 29 and 39(b)(1) of the Telecommunications Law, promulgated by Legislative Decree No. 48 of 2002, which is the law regulating telecommunications markets in the Kingdom of Bahrain.

Zain Bahrain is a leading telecommunications operator in Bahrain, offering state-of-the-art mobile and fixed telecommunications services for consumer and corporate customers. Zain Bahrain was awarded a mobile telecommunications license by the TRA on 22 April 2003, and other telecommunications licenses later in the same year and in the following years. The Company launched commercial operations on 28 December 2003. To date, Zain Bahrain has re-shaped the Bahraini telecommunications landscape with an innovative technological and marketing approach. In over a decade of operations, Zain Bahrain has accumulated extensive experience in transforming leading-edge technology into effectively segmented products and services and has demonstrated a track record of excellence in commercial operations.

The Company owns and operates an advanced network infrastructure providing high resilience and service availability, with 2G, 3G, and 4G LTE services, providing data speeds of up to 100 Mbps, HD Voice, and excellent network coverage, among other features. The telecommunications licences the Company holds include mobile, internet (ISP), international, value added, and National Fixed Wireless services, and accompanying frequency licences. The Company has strategic partnerships with global brands of devices and services providers, and with Vodafone. The Company has a strong distribution network comprising 22 branded stores and more than 2800 authorised points of sale. Zain Bahrain is part of the Zain Group, which brings it the benefits of technical and marketing expertise, financial relationships, economies of scale, as well as the strong brand positioning of the Group.

### Head Office of the Company

Building No. 662, Road No. 2811, Block 428, Al-Seef District, P.O. Box 266, Kingdom of Bahrain.

### Board of Directors

The following are the current members of the Company's Board of Directors: Shaikh Ahmed Bin Ali Al Khalifa (Chairman), Asaad Ahmed Al-Banwan (Deputy Chairman), Shaikh Rashid Abdulrahman Al Khalifa (Director), Waleed A. M. A. Al-Roudan (Director), Jamal Shaker Al-Kazemi (Director), and Shaikha Khalid Al-Bahar (Director).

### How to submit your Subscription Application Form and Subscription Funds

Every Eligible Applicant will be required to submit a completed Subscription Application Form at an Approved Branch of the Receiving Bank, and at the same time make a payment in Bahraini Dinars using one of the methods set out below:

- By way of internal transfer from an account held with the Receiving Bank
- By way of a manager's cheque/demand draft (to be drawn in Bahraini Dinars for the Receiving Bank)
- By way of telegraphic transfer (payment instructions to clearly mention the related Subscription Application Form number and the amount of funds that is payable, net of any bank charges). Telegraphic transfers can only be made in Bahraini Dinars and can only be made for amounts greater than BHD five hundred (500)

Applicants will be entitled to purchase Ordinary Shares in Bahraini Dinars only. Cash deposits or personal cheques will not be accepted. All Subscription Funds will be held in the Subscription Monies Bank Account maintained by the Receiving Bank. On the Allotment Date, Applicants' deposits in the Subscription Monies Bank Account will be transferred to the Company's Share Capital Account.

Applicants may submit their Subscription Application Forms together with their Subscription Funds at any of the following Approved Branches of the Receiving Bank, BBK: Muharrag Financial Mall, Adliya Financial Mall, Riffa Financial Mall, Budaiya Financial Mall, Main Branch (Manama), City Center Branch, Hamad Town Branch, and Diplomatic Area Branch. For information on the locations and working hours of the Approved Branches and other information on the IPO, interested persons can call the information line on 17506010.

Following the Allotment of the Offer Shares and by no later than the Distribution of Refunds Date, Allotment Notices informing all Applicants of their respective Allotments of Offer Shares pursuant to the IPO shall be made available for collection from the Bahrain Bourse or the Applicants' designated brokerages. As the Ordinary Shares will be in a dematerialised form, there will be no physical certificates representing the Ordinary Shares. Issuance of the Allotment Notices shall not constitute proof of ownership of the Ordinary Shares.

If the total number of Ordinary Shares applied for in the Offering exceeds the number of Ordinary Shares in the Offer, the excess funds received from Applicants who are not allocated all of the Ordinary Shares that they initially applied to purchase will be refunded to them by one of the following ways: a manager's cheque if Subscription Funds were remitted by means of manager's cheque or demand draft; a telegraphic transfer to the Applicant's bank account if Subscription Funds were remitted by means of telegraphic transfer; or a direct credit to the Applicant's account with the Receiving Bank if Subscription Funds were remitted by means of debiting such account. If the refund amount is effected by manager's cheque, the Applicants must collect their respective refund cheques (if any), from the particular Approved Branch of the Receiving Bank at which they submitted their Subscription Application Forms, within 30 calendar days starting on the Distribution of Refunds Date. All bank charges for refunds effected by telegraphic transfers shall be borne by the Applicant.

### For and On Behalf of the Board of Directors of Zain Bahrain B.S.C. (c):

Shaikh Ahmed Bin Ali Al Khalifa, Chairman  
Date: Sunday, 3 August 2014

Issue Managers  
Lead Manager  
Co-Manager



Joint Financial Advisors and  
Joint Book Runners



Underwriter



Central Registry and  
Depository



Legal Advisors



Receiving Bank

