Earnings Release

H1-2011

Key Performance Indicators

By H1-2011, Zain's customer base reached 39.6 million managed active customers across all operations, representing a 16% increase compared to June 30, 2010.

As of June 30, 2011, Zain generated Consolidated Revenues of KD 659.4 million (USD 2.38 billion).

During the same period, Zain recorded an EBITDA of KD 293.1 million (USD 1.06 billion).

EBITDA Margin reached 44.5% as of June 30, 2011.

Zain posted a Net Income of KD 140.2 million (USD 506.5 million) for the same period, a 17% increase compared to H1-2010.

For June 30, 2011, the Group's EPS reached KD 0.036 (USD 0.13) for the same period.

Financial & Operational Highlights

Zain Group receives the remaining USD 700 million from sale of Africa assets to Bharti Airtel.

Zain Saudi Arabia successfully refinances USD 600 million dual currency facility with syndicate of regional banks to refinance existing facilities.

Notable growth in Zain Sudan which now serves 11.4 million customers (up 24%) and attaining a 14% revenue increase in local SDG currency.

Zain Iraq now serves 12.3 million customers (up 5%) with a healthy 10% increase in revenues.

Zain Group's E-mal mobile financial services platform launched in Jordan wins prestigious Global Telecoms Business Innovation Award.

Zain Group signs landmark deal with Apple and launches iPhone 4 in Kuwait, Jordan and Bahrain.

Zain Kuwait exceeds the 2 million subscribers milestone as of H1-2011.

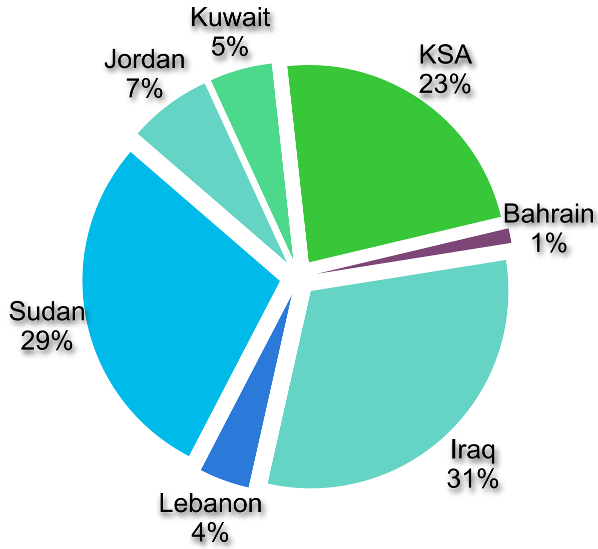
Zain Group Customers

Table 1: Zain Group Customer Breakdown & Market Positioning

As of June 30, 2011	*Ownership (%)*	*Active Customers (000s) June 30, 2011*	*Active Customers (000s) June 30, 2010*	*Growth (%)*	*Prepaid (%) June 30, 2011*	*Market Positioning*
Bahrain	56.25%	467	604	-23%	71%	2
Iraq	71.67%	12,294	11,685	5%	99%	1
Jordan	96.52%	2,695	2,554	6%	85%	1
Kuwait	100%	2,020	1,887	7%	68%	1
Lebanon	MC	1,635	1,397	17%	85%	-
KSA	25%	9,125	6,906	32%	83%	3
Sudan	100%	11,387	9,198	24%	99%	1
Total	-	**39,623**	**34,231**	**16%**	**92%**	

1- MC = Management Contract

Customer Contribution



Zain's operations added over five million new customers in the past year, a 16% increase over the past 12 month, maintaining its' position as market leader in each of its markets with the exception of Bahrain and Saudi Arabia (KSA). As shown in the contribution chart above, the Group customer base is dominated by the markets with the largest populations and highest potential for acquisition growth - namely Iraq, Sudan and KSA, in order of contribution. Despite intense competition, Zain's operations in Kuwait, Iraq and Jordan continued to maintain a lead within their saturated markets.

Revenues Contribution

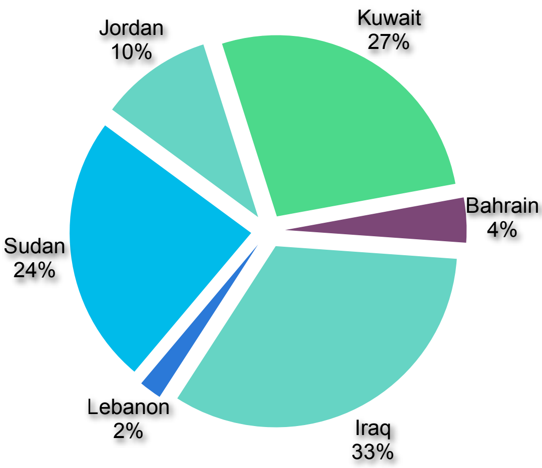


Table 3: Financial Highlights

Consolidated Results	*H1-2011*		*H1-2010*		*YoY Growth*
Currency	USD	KD	USD	KD	
Revenues (millions)	2,381.1	659.4	2,330.4	672.6	2%
EBITDA (millions)	1,058.4	293.1	995.0	287.2	6%
EBITDA Margin	*44.5%*		*42.7%*		-
Net Profit (millions)	506.5	140.2	432.6*	124.9*	17%
EPS	0.13	0.036	0.11	0.032	-

**Excluding capital gain of KD 770.4 Million (USD 2,652.7 Million) from the sale of Zain Africa*

Financial Results

After undergoing a major restructuring of the company in 2010, Zain embarked on the new year focusing on operational efficiency, exhibited in its' positive results for the first half of 2011. Despite intense competition on various levels across all markets and adverse currency fluctuations, the company managed to record relatively stable consolidated revenues of USD 2.38 billion, a 2% increase from H1-2010. The period also witnessed a 6% increase in both EBITDA (USD 1.06 billion) and EBIT (USD 758.3 million). Net profit exhibited the highest growth, an exceptional 17% increase from the previous year, reaching USD 506.5 million (excluding capital gain of KD 770.4 million (USD 2,652.7 million) from the sale of Zain Africa), and an EPS of USD 0.13 versus USD 0.11 from H1-2010.

Table 4: Income Statement - Summary

Consolidated Results	*H1-2011*		*H1-2010*		*YoY Growth*
	USD (m)	KD (m)	USD (m)	KD (m)	
Revenues	2,381.1	659.4	2,330.4	672.6	2%
Cost of Sales	(639.5)	(177.1)	(617.9)	(178.4)	4%
Gross Profit	1,741.6	482.3	1,712.5	494.2	2%
Operating, General and Administrative Expenses	(683.2)	(189.2)	(717.5)	(207.0)	5%
EBITDA	1,058.4	293.1	995.0	287.2	6%
EBITDA Margin	45%		43%		-
Depreciation & Amortization	(300.1)	(83.1)	(278.7)	(80.4)	(8%)
EBIT	758.3	210.0	716.3	206.8	6%
Profit/Loss from Discontinued Operation	58.9	16.3	(65.5)	(18.9)	-
Others	(310.7)	(86.1)	(218.2)	(63.0)	(42%)
Net Profit	506.5	140.2	432.6	124.9	17%

Table 5: Balance Sheet - Summary

Consolidated Results	*H1-2011*		*H1-2010*	
	USD (m)	KD (m)	USD (m)	KD (m)
Current Assets	2,863	784	4,070	1,179
Non-Current Assets	9,042	2,478	9,062	2,624
Total Assets	11,905	3,262	13,132	3,803
Current Liabilities	2,695	738	3,145	911
Non-Current Liabilities	1,850	507	740	214
Shareholders' Equity	6,975	1,911	8,955	2,593
Minority Interest	385	106	292	85
Total Liabilities and Equity	11,905	3,262	13,132	3,803

Table 6: Cash Flows - Summary

Consolidated Results	*H1-2011*		*H1-2010*	
	USD (m)	KD (m)	USD (m)	KD (m)
Net Cash from Operating Activities	652	181	859	247
Net Cash from Investing Activities	1,151	321	6,255	1,817
Net Cash from Financing Activities	(1,527)	(423)	(6,521)	(1,888)
Net Increase / (Decrease) in Cash and Cash Equivalents	276	79	593	176
Cash and Cash Equivalents at end of Year	1,917	525	1,514	438

Stock Performance

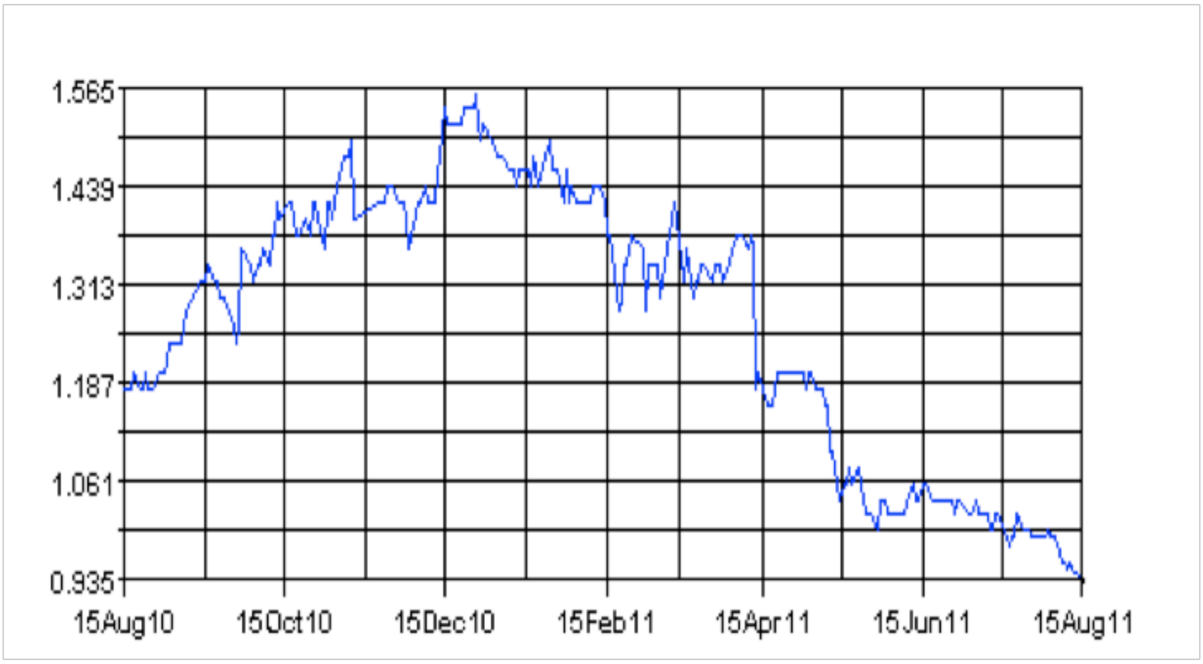


Table 7: Stock Summary

Stock Summary	*KD*	*USD*
Closing Price (11/08/2011)	0.950	3.485
Paid-Up Capital (millions)	429.7	1,576
Share Par Value	0.100	0.367
EPS	0.036	0.13
Market Capitalization (Billions)	4.099	15.038
P/E multiples	13.19x	

The fluctuations in the share price over the past 12 months reflect three major factors:

1. Etisalat's unsuccessful acquisition of 46% of the outstanding shares of Zain for a price of KD 1.700.
2. The approval and subsequent distribution of a cash dividend of 200% or its equivalent 200 fils per share to shareholders registered in the records of the company's closing day of the General Assembly meeting, namely 12 April 2011.
3. The global economic condition has affected the share price and the overall market, specifically in the 2nd quarter of 2011.

Country Insight

Kuwait

Market Overview	*H1-2011*	*H1-2010*
Population (000s)	3,084	3,016
GDP/Capita ($; PPP)	51,799	49,192
Mobile Penetration	146%	139%
Number of Peers	2	2
Market Positioning	1	1
Ownership	100%	100%
Customers (000s)	2,020	1,887
Postpaid	649	673
Prepaid	1,371	1,214
Market Share	43%	46%
ARPU ($)	50	52

Financial Performance	*H1-2011*	*H1-2010*	*Annual Growth*
Revenues ($ m)	630.5	598.4	5%
EBITDA ($ m)	306.5	287.8	6%
EBITDA Margin	49%	48%	-
CAPEX ($ m)	40.4	25.1	61%
Net Income ($ m)	240.0	226.7	6%

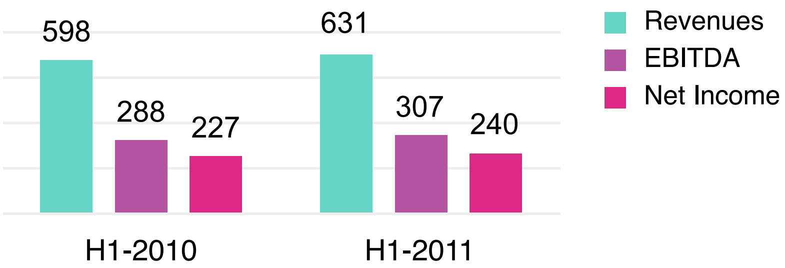
The Group's flagship operation was established in 1983 and made history in 1994 by becoming the first telecom operator to launch a commercial GSM service in the region. Zain is listed on the Kuwait Stock Exchange with a market capitalization of over US$ 15 billion as of August 11, 2011.

Zain Kuwait remains to hold the position of market leader at 43% market share, as the operation successfully increased its customer base by 7% from the previous quarter. Also, Zain Kuwait reported impressive financial results with an increase of 6% in both revenues and EBITDA in comparison to Q1-2011.

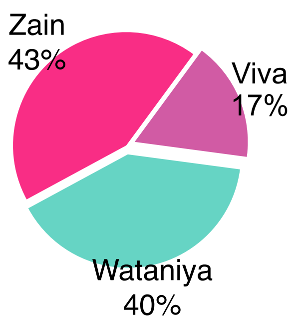
Various new offers were introduced in H1-2011 which boosted customer growth, specifically the new iPhone packages. Further contribution was due to the consolidation of the eezee Unlimited product family for prepaid customers and Wiyana connect for mobile broadband services.

As of H1-2011, the operation's population coverage reached 100% and a total of 1,796 network sites. Capex increase of 61% is due to expansions of the operations' network and related infrastructure.

Financials ($ m)



Market Share



Sudan

Market Overview	*H1-2011*	*H1-2010*
Population (000s)	43,646	40,797
GDP/Capita ($; PPP)	2,300	2,126
Mobile Penetration	45%	45%
Number of Peers	2	2
Market Positioning	1	1
Ownership	100%	100%
Customers (000s)	11,387	9,198
Postpaid	94	97
Prepaid	11,293	9,102
Market Share	57%	58%
ARPU ($)	8	10

Financial Performance	*H1-2011*	*H1-2010*	*Annual Growth*
Revenues ($ m)	557.3	574.5	(3%)
EBITDA ($ m)	283.0	282.8	-
EBITDA Margin	51%	49%	-
CAPEX ($ m)	106.3	210.8	(50%)
Net Income ($ m)	141.3	232.1	(39%)

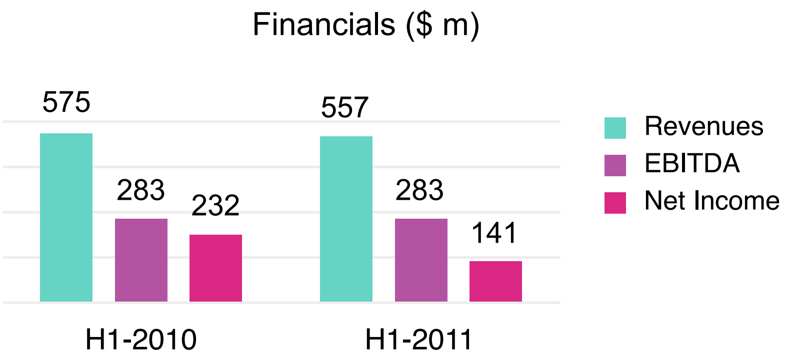
In February 2006, Zain acquired the remaining 61% stake of Mobitel, Sudan's first mobile operator, in a deal valued at US$ 1.332 billion, resulting in 100% ownership. The company was rebranded to Zain in September 2007 and subsequently renewed its license in Sudan for a period of 20 years.

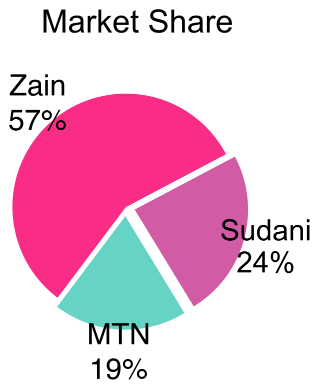
Despite strict registration processes implemented by the National Telecommunications Corporation (NTC) in the first half of 2011, Zain Sudan still managed to increase its customer base by 24% from the previous year and remain market leader with 57%.

Regardless of political instability, in local currency, Zain Sudan reported an increase of 14% and 18% in revenues and EBITDA respectively. Other factors include a tax increase of 12% on the operation as of February 2011, reaching 15% versus 3% from the previous year.

The operation currently has a total number of 2,033 sites, and a population coverage of 86%.

Zain Sudan's "The I Am CEO" strategy sets certain targets for key performance indicators that need to be met by the end of 2011 through focusing on the following 3 aspects: customer experience, employee engagement, and optimization.





Iraq

Market Overview	*H1-2011*	*H1-2010*
Population (000s)	31,908	30,419
GDP/Capita ($; PPP)	3,600	3,858
Mobile Penetration	75%	72%
Number of Peers	2	2
Market Positioning	1	1
Ownership	71.67%	71.67%
Customers (000s)	12,294	11,685
Postpaid	87	73
Prepaid	12,207	11,612
Market Share	53%	54%
ARPU ($)	11	11

Financial Performance	*H1-2011*	*H1-2010*	*Annual Growth*
Revenues ($ m)	792.9	723.9	10%
EBITDA ($ m)	356.3	331.9	7%
EBITDA Margin	45%	46%	-
CAPEX ($ m)	77.7	48.3	61%
Net Income ($ m)	151.1	130.3	16%

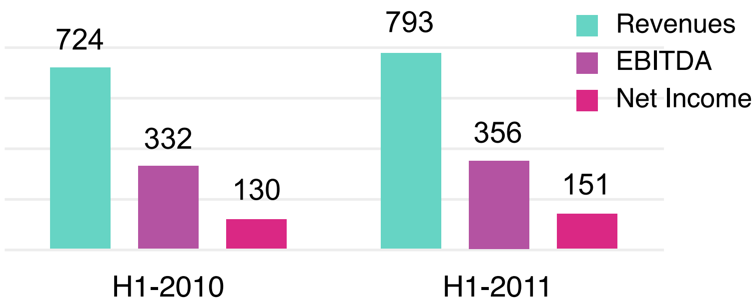
Zain has been providing mobile services in Iraq since December 2003. After securing a 15-year license in August 2007, Zain acquired Iraqna's network, becoming the largest mobile operator in Iraq. The Zain Group subsequently increased its ownership from 30% to 71.67% to assume majority control in 2008.

Earlier in 2010, the Iraqi government announced the award of a 4th national license in a move to encourage further market liberalization. Competition is set to get fierce, yet the operation managed to report impressive growth in the first half of 2011.

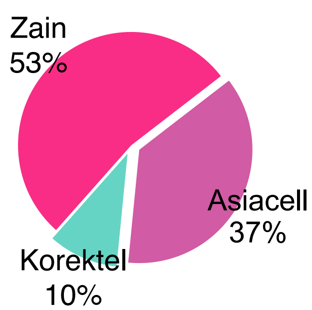
In the first quarter of 2011, Zain Iraq launched its first phase of extending services to the Kurdistan region. As of H1-2011, the operation managed to surpass 40,000 customers within the region, as ARPU of activations improved in all regions. The operation is focused on improving the quality of service and increase its footprint in the North and Kurdistan region, reflected in the 61% increase in Capex over the previous year.

In light of growth potential, Zain's strategy moving forward will focus on customer loyalty and retention where it is dominant.

Financials ($ m)



Market Share



Jordan

Market Overview	*H1-2011*	*H1-2010*
Population (000s)	6,521	6,362
GDP/Capita ($; PPP)	5,300	4,870
Mobile Penetration	106%	104%
Number of Peers	3	3
Market Positioning	1	1
Ownership	96.52%	96.52%
Customers (000s)	2,695	2,554
Postpaid	398	302
Prepaid	2,297	2,252
Market Share	36%	42%
ARPU ($)	14	15

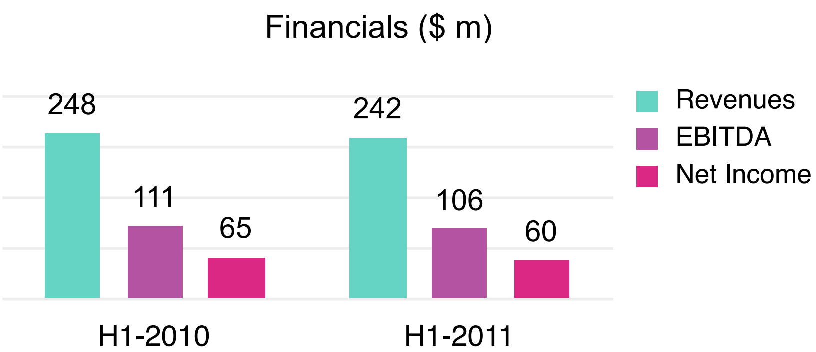
Financial Performance	*H1-2011*	*H1-2010*	*Annual Growth*
Revenues ($ m)	241.6	248.4	(3%)
EBITDA ($ m)	106.4	111.4	(5%)
EBITDA Margin	44%	45%	-
CAPEX ($ m)	14.9	10.7	40%
Net Income ($ m)	60.3	65.3	(8%)

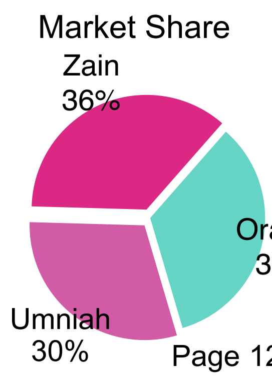
In 1994, Zain in Jordan, formerly Fastlink, revolutionized the telecom sector in the Kingdom by being the first to introduce mobile services in the country. In 2003, it was the first to join what is now the Zain Group's Middle East portfolio and despite the tough competition in this liberalized market, it quickly became the foremost telecom operator in the country.

Due to increased competition within the kingdom, market share dropped by 6% from the previous year. However, Zain Jordan managed to increase its' customer base by over 115,000 subscriptions from the previous quarter, mainly due to the launch of hi-speed 3G HSPA+ technology in early March 2011 that has witnessed over 100,000 sub-scribers in less than 4 months.

Zain Jordan also launched several new promotions and services including Mish Tabee3i, which currently has the lowest churn rate in comparison to other prepaid products; Zain EzNet, a prepaid broadband package, and Al Zarqa line, targeting certain geographical areas with expanding market potential. Zain Jordan's mobile commerce service, Zain E-mal, was distinctly awarded the Best Mobile Money award at the annual Global Telecoms Business awards in June.

The operation has achieved 99.98% 2G coverage for the population area with a total number of 1532 2G sites and 917 3G sites as of H1-2011.





Bahrain

Market Overview	*H1-2011*	*H1-2010*
Population (000s)	815	799
GDP/Capita ($; PPP)	40,400	38,800
Mobile Penetration	181%	200%
Number of Peers	2	2
Market Positioning	2	2
Ownership	56.25%	56.25%
Customers (000s)	467	604
Postpaid	135	141
Prepaid	332	463
ARPU ($)	29	27

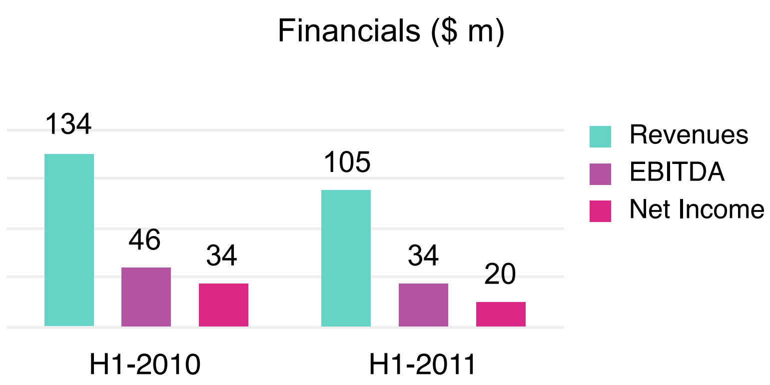
Financial Performance	*H1-2011*	*H1-2010*	*Annual Growth*
Revenues ($ m)	105.1	133.8	(21%)
EBITDA ($ m)	33.6	45.8	(27%)
EBITDA Margin	32%	34%	-
CAPEX ($ m)	13.1	21.8	(40%)
Net Income ($ m)	19.6	33.6	(42%)

Zain started operations in the Kingdom in December 2003 as MTC-Vodafone. Since its historic introduction of 3.5G, WIMAX and 'One Network', Zain has tapped into a rich seam of telecommunication records, placing itself and Bahrain firmly on the global telecoms map.

The operation has experienced intense competition over the course of the past year, as a result of the launch of the 3rd operator in March 2010. This is reflected in Zain Bahrain's performance in the first half of 2011, and the decrease in customer base from the previous year. ARPU levels, however, have increased to US$ 29 from $27 in H1-2010.

The operation's network currently covers 100% of the population, with a total of 275 sites.

Going forward, Zain Bahrain aims to become a market value leader by increasing value share through smart acquisition and extracting value from customers. Also, the operations' strategy is to engage in other revenue streams to become a full-fledged telecom provider.



Kingdom of Saudi Arabia

Market Overview	*H1-2011*	*H1-2010*
Population (000s)	26,515	25,983
GDP/Capita ($; PPP)	24,200	23,977
Mobile Penetration	171%	150%
Number of Peers	2	2
Market Positioning	3	3
Ownership	25%	25%
Customers (000s)	9,125	6,906
Postpaid	1,591	666
Prepaid	7,534	6,240
Market Share	18%	-
ARPU ($)	17	18

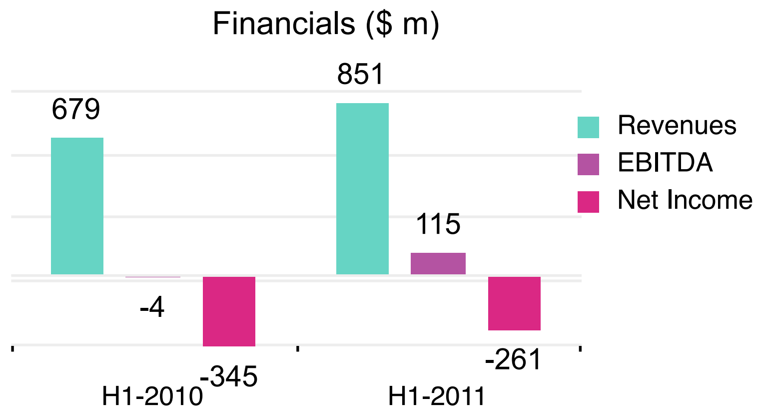
Financial Performance	*H1-2011*	*H1-2010*	*Annual Growth*
Revenues ($ m)	850.5	678.6	25%
EBITDA ($ m)	114.5	(3.5)	-
EBITDA Margin	14%	(0.5%)	-
CAPEX ($ m)	(15.0)	101.5	(115%)
Net Income / (Loss) ($ m)	(261.3)	(345.1)	20%

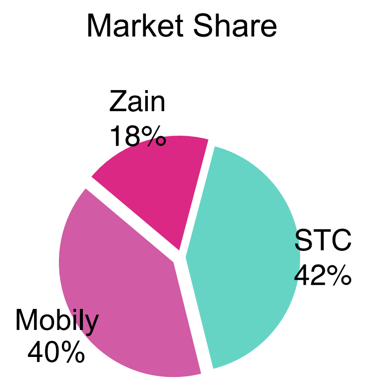
Zain launched its commercial operations in the Kingdom of Saudi Arabia on August 26, 2008, a year after it was awarded its mobile license. The Group holds management control of the operation through its 25% ownership stake while the remaining stake is distributed among a Saudi Consortium owning 25%, Public Pension Authority with 5% and 45% are free float.

In H1-2011 the operation's customer base increased by 34%, representing the highest customer growth in the Group. Zain KSA also achieved a 20% decrease in its net losses from the previous year, mainly due to the company's success in building a customer base of over 9 million within just 3 years of its launch of operations.

The operation recorded notable financial performance, which was achieved through continued network roll-out, providing customers with compelling broadband propositions, and innovative pricing and value programs jointly with the best in class customer experience.

The operation currently has a total number of 3,650 network sites, and a population coverage of 89%.





Lebanon

Market Overview	*H1-2011*	*H1-2010*
Population (000s)	4,272	4,205
GDP/Capita ($; PPP)	14,200	12,165
Mobile Penetration	67%	63%
Number of Peers	1	1
Ownership	MC	MC
Customers (000s)	1,634	1,397
Postpaid	250	230
Prepaid	1,384	1,167

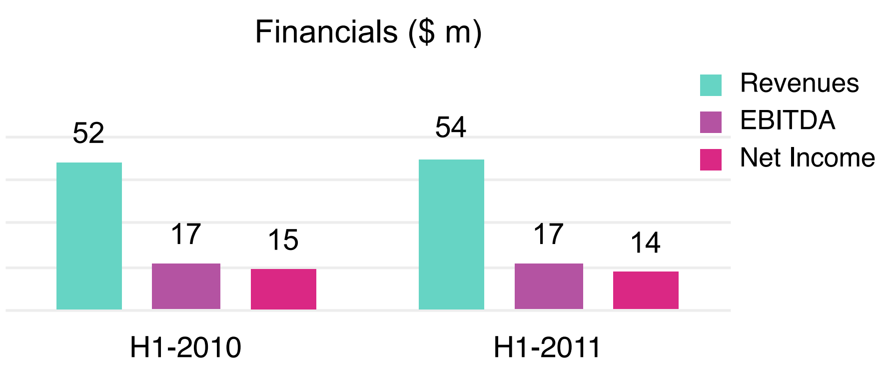
Financial Performance	*H1-2011*	*H1-2010*	*Annual Growth*
Revenues ($ m)	53.7	51.5	4%
EBITDA ($ m)	17.0	17.3	(2%)
EBITDA Margin	32%	34%	-
Net Income ($ m)	14.4	15.3	(6%)

In June 2004, MTC won a 4-year management contract to operate one of Lebanon's two GSM networks. Rebranded to mtc touch, Zain has committed to developing the Lebanese operation to its maximum potential by establishing a world class service. The Network Management Agreement (NMA), which had expired January 2011, was further renewed on February 1, 2011 for 12 months.

In May, the operation held a live demonstration of the forthcoming hi-speed internet 3.9G HSPA+ mobile services that are planned to be launched in Q4-2011.

The operation's strategy going forward includes the following aspects: enhancing customer experience, launching new customer-centric services, and increasing market penetration.

The disclosed revenues are those from the management contract and not the total revenues of the operation which are collected by the Government of Lebanon.



About Zain

For more information about Zain, visit www.zain.com.

Or Contact our Investor Relations Team:

Investor.relations@zain.com

Note: All population figures, GDP per Capita and Mobile Penetration figures are sourced from CIA Fact book and WCIS.