

FITCH DOWNGRADES BATELCO AND MUMTALAKAT TO 'BB+'; OUTLOOKS STABLE

Fitch Ratings-London-04 July 2016: Fitch Ratings has downgraded the Long-Term Issuer Default Ratings (IDR) of Bahrain Telecommunications Company (Batelco) and Bahrain Mumtalakat Holding Company (Mumtalakat) to 'BB+' from 'BBB-'. The Outlooks are both Stable. A full list of rating actions is below.

KEY RATING DRIVERS

The rating actions follow the downgrade of Bahrain's Long-Term Foreign Currency IDR to 'BB+' from 'BBB-' and Long-term Local Currency IDR to 'BB+' from 'BBB-'. The Outlooks are Stable. The Country Ceiling has been affirmed at 'BBB+' and the Short-term Foreign Currency IDR downgraded to 'B' from 'F3' (see 'Fitch Downgrades Bahrain to 'BB+' Outlook Stable'; dated 28 June 2016 at www.fitchratings.com for Key Rating Drivers and Rating Sensitivities).

Both Batelco and Mumtalakat are government-linked entities and their ratings are constrained by and equalised with Bahrain's rating, respectively.

RATING SENSITIVITIES

See 'Fitch Revises Batelco's Outlook to Negative, Affirms at 'BBB-''; dated 9 December 2015 at www.fitchratings.com for Key Rating Drivers and Rating Sensitivities.

See 'Fitch Revises Mumtalakat's Outlook to Negative; Affirms at 'BBB-''; dated 9 December 2015 at www.fitchratings.com for Key Rating Drivers and Rating Sensitivities.

FULL LIST OF RATING ACTIONS

Batelco

Long-Term IDR: downgraded to 'BB+' from 'BBB-'; Outlook Stable

Batelco International Finance No. 1 Limited: senior unsecured downgraded to 'BB+' from 'BBB-'

Mumtalakat

Long-Term IDR: downgraded to 'BB+' from 'BBB-'; Outlook Stable

Short-term IDR: downgraded to 'B' from 'F3'

Senior unsecured MYR300m notes due 2017, EMTN programme and USD600m Sukuk certificates due 2021 issued under Mumtalakat Sukuk Holding Company: downgraded to 'BB+' from 'BBB-'

Contact:

Principal Analyst (Batelco and Mumtalakat)

Samer Haydar

Associate Director

+971 4 424 1240

Supervisory Analyst (Batelco)

Damien Chew, CFA

Senior Director

+44 20 3530 1424

Fitch Ratings Limited

30 North Colonnade

London E14 5GN

Supervisory Analyst (Mumtalakat)

Richard Barrow

Director

+44 20 3530 1256

Fitch Ratings Limited

30 North Colonnade

London E14 5GN

Committee Chairperson

Paul Lund

Senior Director

+44 20 3530 1244

Media Relations: Peter Fitzpatrick, London, Tel: +44 20 3530 1103, Email:
peter.fitzpatrick@fitchratings.com.

Additional information is available on www.fitchratings.com. For regulatory purposes in various jurisdictions, the supervisory analyst named above is deemed to be the primary analyst for this issuer; the principal analyst is deemed to be the secondary.

Applicable Criteria

Corporate Rating Methodology - Including Short-Term Ratings and Parent and Subsidiary Linkage
(pub. 17 Aug 2015)

https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=869362

Rating Sukuk (pub. 18 Aug 2015)

https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=869792

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