

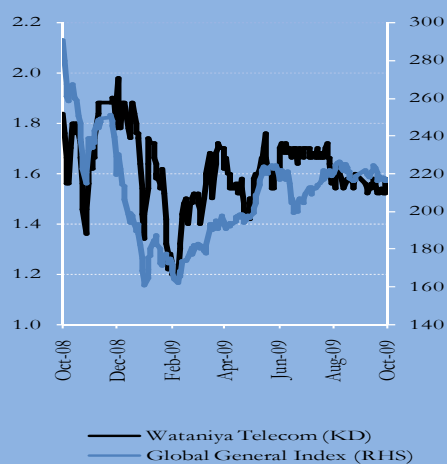
Market Data

Bloomberg:	NMTC.KK
Reuters:	NMTC.KW
CMP (22 Oct. 2009):	KD1.54
O/S (mn):	504.0
Market Cap (KD mn):	776.2
Market Cap (US\$ mn):	2,714.0
Price/EPS 2009e (x):	6.7
Price/BV 2009e (x):	1.9

Price Performance 1-Yr

High (KD):	1.98
Low (KD):	1.20
Average Volume:	209,540

Share Price Performance



Source: Zanya & Global Research

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Wataniya Telecom – 9M/2009 Review

- **Wataniya Telecom** announced its results for the first nine months of 2009. The company's revenues declined by 1.0% from KD355.3mn in 9M-2008 to KD351.7mn in 9M-2009. The company's consolidated EBITDA registered a decline of 5.1% in 9M-2009 to KD141.9mn, resulting into EBITDA margin of 40.3%.

Wataniya Telecom 9-Months Results

(KD mn)	9M-2008	9M-2009	% Change
Sales Revenue	355.3	351.7	-1.0%
EBITDA	149.5	141.9	-5.1%
EBITDA Margin (%)	42.1%	40.3%	
Consolidated Net Profit	68.2	97.3	42.7%

Source: Company Interim Results and Global Research

- It reported a net profit of KD97.3mn in 9M-2009, an increase of 42.7% over the same period of 2008. This significant growth in profit for 9M-2009 is mainly attributable to one-off gain from the reversal of provisions of KD49.9mn (net of expenses) as Wataniya won a case against the Ministry of Communications, Kuwait regarding network license fees. The same has been accounted in Q2-2009. Earnings per share (EPS) for the 9M-2009 was 194fils compared to 136fils reported in the same period of 2008.
- In Q3-2009, the company's revenue declined by 5.1% to KD118.9mn over Q3-2008, while its net profit declined by 27.7% to KD18.5mn.

(KD mn)	Q3-2008	Q3-2009	Q2-2009	Y-o-Y %	Q-o-Q %
Sales Revenue	125.3	118.9	121.3	-5.1%	-2.0%
EBITDA	52.5	49.3	48.8	-6.1%	1.0%
EBITDA Margin (%)	41.9%	41.5%	40.2%		
Consolidated Net Profit	25.6	18.5	63.5	-27.7%	-70.9%

Source: Company Interim Results and Global Research

- The Y-o-Y growth in total customer base was 16.9% to 12.5mn total active customers as of Sept. 30, 2009. On Q-o-Q basis, the growth in customer base was 5.0% at the end of Q3-2009.
- For the company's Kuwait operations, the elimination of the fees for incoming calls from the fixed line and International network in late 2008 continued to have a negative impact on results.
- The company has announced just broad numbers in press release, we will have more insight once full results will be out.

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