

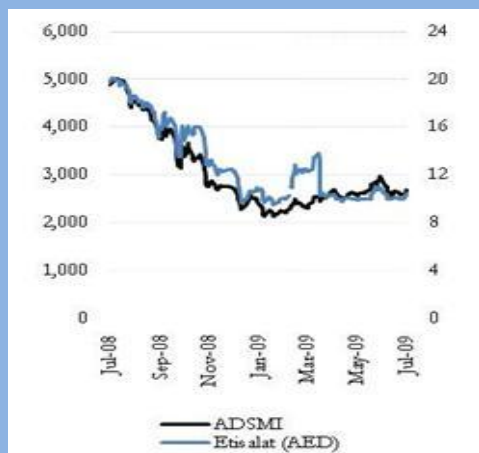
Market Data

Bloomberg:	ETISALAT UH
Reuters:	ETELAD
CMP (16 July 2009):	AED 10.45
O/S (mn):	7,187.4
Market Cap (AED mn):	75,108
Market Cap (US\$ mn):	20,488
Price/EPS 2009e (x):	8.8
Price/BV 2009e (x):	1.9

Price Performance 1-Yr

High (AED):	20.10
Low (AED):	9.53
Average Volume (000):	1,282.2

Share Price Performance



Source: Zanya & Global Research

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Etisalat – 1H/2009 Review

- Etisalat Telecommunications Corporation (Etisalat)** announced its first half of 2009 results. The telecom operator recorded a net income of AED4.6bn (US\$1.25bn), a decrease of 9.0% over the same period of 2008. The decline in profits was due to the gain made by the partial sale of Mobily in the previous period. Excluding the extraordinary gain of Mobily (AED892mn) in 1H2008, the profits earned in the first half of this year has actually risen 11.0%.
- Earnings per share (EPS) for the first half of 2009 was AED 0.64 in 1H2009, as compared to AED0.70 (AED0.58 excluding Mobily gain) over the same period in 2008.
- Net revenues increased by 10.0% from AED13.4bn in 1H2008 to record AED14.7bn in 1H2009.
- Company's assets grew by 6.9% to register AED67.3bn in 1H2009, as compared to AED62.9bn in 1H2008.
- According to Etisalat officials, mobile penetration in UAE reached more than 200%. In UAE, Etisalat' mobile subscribers reached 7.26mn, losing 81K subscribers in the 2Q2009. In addition, the company fixed-lines subscribers figure was reduced by 19K to reach 1.33mn in the same period. However, internet subscribers totaled 1.23, up by 28K in 2Q2009. The group total subscribers reached 85mn subscribers in the same period.

Etisalat Interim Results

(AED mn)	1H-2008	1H-2009	% Change
Sales Revenue	13,408	14,744	10.0%
Net Profit	5,045	4,593	-9.0%
Assets	62,918	67,245	6.9%
EPS (AED)	0.70	0.64	-8.6%
Net Profit Margin (%)	38%	31%	

Source: Company's Press Release

- Deeper insight will be provided, when further information is disclosed. At the closing price of AED10.45 per share (as on July 16 2009), the company is trading at 2009 P/E of 8.8, and 2009 P/BV of 1.9.



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