

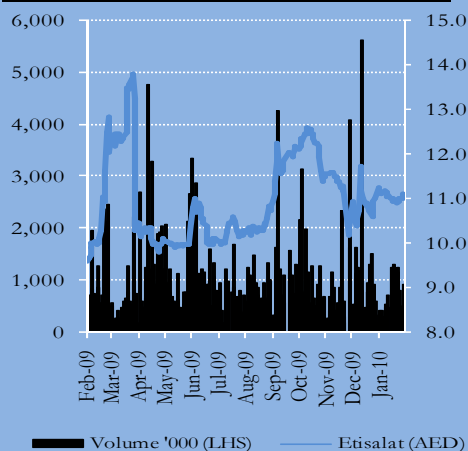
Market Data

Bloomberg:	ETISALAT UH
Reuters:	ETELAD
CMP (01 Feb. 2010):	AED 11.1
O/S (mn):	7,187.4
Market Cap (AED mn):	79,780.1
Market Cap (US\$ mn):	21,720.1
Price/EPS 2010e (x):	8.8
Price/BV 2010e (x):	1.8

Price Performance 1-Yr

High (AED):	13.80
Low (AED):	9.53
Average Volume (000):	945.6

Share Price Performance



Source: Zanya & Global Research

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Emirates Telecommunications Corporation – 2009 Review

- Emirates Telecommunications Corporation (Etisalat)** announced its full-year 2009 results. The company's revenues increased by 5.0% from AED29.4bn in 2008 to AED30.8bn in 2009. It reported a net profit of AED8.8bn, an increase of 3.8% over 2008. The group profit for the year 2008 included the gain made by the partial sale of Mobily (AED892mn) in the previous period. Excluding the extraordinary gain of Mobily in 2008, the profits earned in 2009 has actually risen 16.0%.
- EPS for 2009 increased to AED1.23 from AED1.18 in 2008. Excluding the exceptional item discussed above, EPS for the year 2008 works out to be AED1.06.

Financial Highlights

(AED mn)	Q3-2009	Q4-2009	QoQ	2008	2009	YoY
Sales Revenue	7,363.6	8,723.5	18.5%	29,360.0	30,831.0	5.0%
Net Profit	2,253.9	1,989.4	-11.7%	8,511.0	8,836.0	3.8%
EPS (AED)	0.31	0.28	-11.7%	1.18	1.23	4.2%

Source: Company Results and Global Research

- The company's total assets grew by 13.5% from AED35.6bn at the end of 2008 to AED40.4bn at the end of 2009.
- The company's mobile subscribers in the UAE has exceeded 7.74mn in 2009, with an increase of 6% over 2008. Fixed line subscribers reached 1.31mn and Etisalat's Internet subscriber base grew 16% over the year reaching 1.33mn in December 2009.
- Etisalat has continued to develop its mobile networks in 2009. The 2G network covers 100% of the UAE, while 3G network covers 99.5% of the populated areas.
- In 2009, Etisalat acquired Tigo Sri Lanka for US\$207mn from Luxembourg-based Millicom International Cellular S.A. (MICC) as it continues its expansion into new markets. In a recent development, Etisalat has acquired an additional share equal to 18% in "Atlantic Telecom" for a value of US\$75mn thus increasing the shareholding to 100%. Atlantic Telecom holds variant majority shares in seven telecommunications organizations at Ivory Coast, Benin, Burkina Faso, Gabon, Niger, Togo, and Central Africa Republic.
- At the current market price of AED11.1 per share (as on Feb. 01, 2010), the company trades at FY2010E P/E of 8.8x and P/BV of 1.8x.

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