

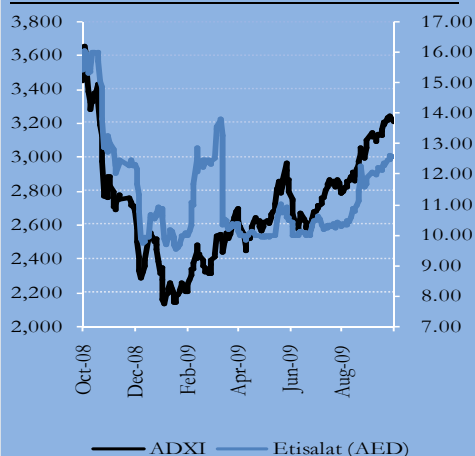
Market Data

Bloomberg:	ETISALAT UH
Reuters:	ETELAD
CMP (19 Oct. 2009):	AED 12.45
O/S (mn):	7,187.4
Market Cap (AED mn):	89,483.1
Market Cap (US\$ mn):	24,361.7
Price/EPS 2009e (x):	9.8
Price/BV 2009e (x):	2.2

Price Performance 1-Yr

High (AED):	16.05
Low (AED):	9.53
Average Volume (000):	1,041.5

Share Price Performance



Source: Zanya & Global Research

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Etisalat – 9M-2009 Review

- Emirates Telecommunications Corporation (Etisalat)** announced its results for the first nine months of 2009. The company's revenues increased by 6.3% from AED20.8bn in 9M-2008 to AED22.1bn in 9M-2009. It reported a net profit of AED6.8bn, a decrease of 4.8% 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 9M-2008, the profits earned in the nine months of this year has actually risen 8.8%.
- Earnings per share (EPS) for the 9M-2009 was AED0.95 as compared to AED1.00 (AED0.88 excluding Mobily gain) reported in the same period of 2008.
- In Q3-2009, the company's revenue declined by 0.5% to AED7.4bn over Q3-2008, while its net profit grew by 5.1% to AED2.3bn.
- The company's total assets grew by 10.4% from AED62.9mn at the end of 2008 to AED69.4bn at the end of September 2009.

Etisalat Interim Results

(AED mn)	9M-2008	9M-2009	% Change	Q3-2008	Q3-2009	% Change
Sales Revenue	20,805.6	22,107.5	6.3%	7,397.5	7,363.6	-0.5%
Net Profit	7,189.3	6,846.6	-4.8%	2,144.5	2,253.9	5.1%
EPS (AED)	1.00	0.95	-5.0%	0.30	0.31	3.3%

Source: Company Interim Results and Global Research

- The company's results come after it announced that it has acquired 100% of Tigo Sri Lanka, the Sri Lankan unit of Nasdaq-listed Millicom International Cellular SA, for US\$207mn (AED759.7mn). Tigo had around 2.25mn mobile subscribers and a market share of approximately 21% as of Sept. 30, 2009.
- The company is studying the growth opportunities in some markets across Africa, Asia, the Middle East and the wider Arab world. It also announced that Etisalat is unlikely to look at European countries due to the lack of growth opportunities and limited openings there.
- At the current market price of AED12.45 per share (as on Oct. 19, 2009), the company trades at FY2009E P/E of 9.8x and P/BV of 2.2x.

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