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**Batelco (BTEL.BH)****October 26, 2008**

- Batelco's total revenue rose to BHD 84.83 million in 3Q2008 from BHD 76.81 million in 3Q2007. As for the 9M2008, it reported a total revenue of BHD 245.35 million, a 15% increase over the same period last year. This was in line with our forecast of BHD 242.92 million (1% difference).
- As per Batelco's management, the growth was driven mainly from its overseas operations which represent now 36% of Batelco's revenues. Umniah (the Jordanian operation) reported a year-on-year revenue growth of 37% and Sabafone (the Yemini operation) delivered an 18% year-on-year revenue growth.
- Total active mobile subscribers were around 4 million with Sabafone, Umniah and Batelco representing 48%, 34% and 18% respectively of the total subscribers.
- During 9M2008, EBITDA increased by 5%, compared to the same period last year, to BHD 104.76 million. This falls 2% short of our forecast of BHD 106.88 million mainly due to the increase in network operating expenses of 29% in 9M2008 compared to 9M2007. Network operating expenses represented 28% of total revenues in 9M2007; it went up to 32% in 9M2008. Thus EBITDA margin decreased in 9M2008 to 43% from 47% in 9M2007 in line with our forecast of 44%.
- Net profit increased by 6% to BHD 27.51 million in 3Q2008 compared to the same period last year. As for 9M2008, it increased by 0.2% to BHD 78.33 million compared to the same period last year.
- We will issue an update on Batelco once we receive the detailed 9M2008 results.

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- Batelco Update - 10 April 2008
- Batelco Update - 19Aug. 2007