



NBK Capital

Kuwait

Head Office

17th Floor, Dar Al-Awadi Building
Ahmed Al-Jaber Street, Sharq
P.O. Box 4950, Safat 13050,
Kuwait
Tel: +965 2224 6900
Fax: +965 2224 6904

International Network

United Arab Emirates

NBK Capital Limited

Precinct Building 3, Office 404
Dubai International Financial Center
P.O. Box 506506, Dubai
United Arab Emirates
Tel: +971 4 365 2800
Fax: +971 4 365 2805

Turkey

NBK Capital

Arastima ve Musavirlik AS
SUN Plaza, 30th Floor
Dereboyu Sk. No.24
Maslak 34398, Istanbul, Turkey
Tel: +90 212 276 5400
Fax: +90 212 276 5401

NBK Capital MENA Research

Tel: + 965 2224 6663

Fax: + 965 2224 6984

E-mail: menaresearch@nbkcapital.com

Disclaimer

This document and its contents are prepared for your personal information purposes only and do not constitute an offer, or the solicitation of an offer, to buy or sell a security or enter into any other agreement. Projections of potential risk or return are illustrative, and should not be taken as limitations of the maximum possible loss or gain. The information and any views expressed are given as of the date of writing and are subject to change. While the information has been obtained from sources believed to be reliable, we do not represent that it is accurate or complete and it should not be relied on as such. Watani Investment Company (NBK Capital), its affiliates and subsidiaries accept no liability for any direct, indirect or consequential loss arising from use of this document or its contents. At any time, the employees of NBK Capital and its affiliates and subsidiaries may, at their discretion, hold a position, subject to change, in any securities or instruments referred to, or provide services to the issuer of those securities or instruments.

Batelco (BTEL.BH)

January 22, 2009

- Batelco reported total revenue of BHD 319 million for FY2008, a 9% increase over 2007 results. This was slightly below our forecast of BHD 326 million for 2008 (2% difference). According to Batelco's management, Batelco's overseas operations contributed to 33% of gross revenues and 19% of EBITDA.
- Batelco's mobile subscribers reached 4.3 million with Bahrain contributing to 18% of the total mobile subscribers. As for the fixed-line subscribers in Bahrain, it reached 205,000 and 82,000 broadband customers.
- During 2008, the company invested around BHD 40.9 million for capital expenditure.
- Net profit grew by 3% to BHD 104 million in FY2008; 2% below our forecast.
- Batelco's board of directors recommended paying BHD 72 million as cash dividends for 2008.
- We will be waiting for the full financial statements to assess whether a change in fair value for Batelco is necessary.

Analyst:

Diala Hoteit

Direct: +971-4-3652855

diala.hoteit@nbkcapital.com

Related Research

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