

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.

Jordan Telecom (JTEL.AM)

August 04, 2009

- Jordan Telecom reported total revenue of JOD 196.3 million for 1H2008, a 0.3% increase over the same period last year. This was in line with our forecast of JOD 198.3 million (1% difference).
- During 1H2008, EBITDA increased by 7.5%, compared to the same period last year, to JOD 90.7 million. This outpaced our forecast by 8% mainly due to better cost control. Administrative and S&G expenses decreased by 13% compared to the same period last year. Thus EBTIDA margin increased in 1H2008 to 46% from 43% in 1H2007 versus our forecast of 43%.
- Net profit increased by 13% to JOD 52.6 million in 1H2008 compared to the same period last year. The boost in net profit is due to higher finance income.
- Since our last sell recommendation on 18 May 2008, Jordan Telecom's share price has fallen to JOD 6.29 as of yesterday's closing price. For now we reiterate our view on Jordan Telecom and maintain our long term fair value per share at JOD 5.20; 17% below Jordan Telecom's closing price on the 3rd of August 2008.

Analyst:

Diala Hoteit

Direct: +971-4-3652855

diala.hoteit@nbkcapital.com

Related Research

- Jordan Telecom Update – 18 May 2008
- Jordan Telecom Initiation – 15 Nov. 2007