

JORDAN TELECOM (JTEL.AM)

- Jordan Telecom Group (JTG) reported total revenue of JOD 104 million for 3Q2009, a 0.3% decrease over 3Q2008 results. This was slightly below our forecast of JOD 106.9 million (2% difference). As for 9M2009, total revenue reached JOD 300.8 million; no growth compared the same period last year.
- During 3Q2009, total JTG subscribers grew by 3% since June 2009, and settled at around 2.58 million. However, the company did not disclose yet the breakdown of its subscribers between fixed and mobile.
- The performance of the fixed-line segment during the third quarter was poor compared to 3Q2008 with fixed-line's revenue decreasing by 13% YoY and contributing to 45% of total revenue compared to 51% in 3Q2008. As for the mobile segment, it grew during this quarter by 8% YoY and accounted to 47% of total revenue. The data segment (which accounted to 8% of total revenue) witnessed the highest growth of 57% YoY.
- On the operating level, during 3Q2009, EBITDA increased by 2% YoY to JOD 46.3 million. This result was 3% below our forecast of JOD 47.8 million. EBTIDA margin edged up from 43% in 3Q2008 to 44.3% in 3Q2009 versus our forecast of 44.7%.
- Net profit reached JOD 27 million at the end of 3Q2009, a 6% increase compared to the same period last year.
- Since our latest update on JTG (27th May, 2009), the stock price has risen by 5% from JOD 4.86 to JOD 5.10 (as of 28th October, 2009); this is 10% above our fair value of JOD 4.57. Our current recommendation on the stock is "Hold."

Diala Hoteit

T. +971 4 365 2855

E. diala.hoteit@nbkcapital.com

Lisa Fernandes

T. +971 4 365 2856

E. lisa.fernandes@nbkcapital.com

RELATED RESEARCH

- Update - 27 May 2009
- Update - 20 Nov. 2008

NBK CAPITAL

Kuwait

Head Office

17th Floor, Dar Al-Awadi Building
Ahmed Al-Jaber Street, Sharq
P.O.Box 4950, Safat 13050
Kuwait
T. +965 2224 6900
F. +965 2224 6905

MENA Research

19th Floor, Dar Al-Awadi Building
Ahmed Al-Jaber Street, Sharq,
P.O.Box 4950, Safat 13050, Kuwait
T. +965 2224 6663
F. +965 2224 6905
E. menaresearch@nbkcapital.com.kw

Brokerage

8th Floor, Dar Al-Awadi Building
Ahmed Al-Jaber Street, Sharq
P.O. Box 4950, Safat 13050, Kuwait
T. +965 2224 6964
F. +965 2224 6978
E. brokerage@nbkcapital.com

United Arab Emirates

NBK Capital Limited

Precinct Building 3, Office 404
Dubai International Financial Center
P.O.Box 506506, Dubai,
UAE
T. +971 4 365 2800
F. +971 4 365 2805

Turkey

NBK Capital

Arastima ve Musavirlik AS,
Sun Plaza, 30th Floor,
Dereboyu Sk. No.24
Maslak 34398, Istanbul, Turkey
T. +90 212 276 5400
F. +90 212 276 5401

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.

© COPYRIGHT NOTICE

This is a publication of NBK Capital. No part of this publication may be reproduced or duplicated without the prior consent of NBK Capital.