

Abu Dhabi National Hotels (ADNH.AD)
OVERWEIGHT

CMP Target Upside	AED 3.90 AED 4.64 18.9%
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MSCI GCC Index	399.91
Abu Dhabi Securities Market	2,628.17

Key Stock Data

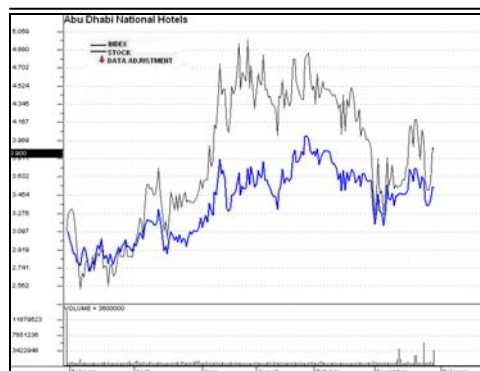
Sector	Hospitality
Reuters Code	ADNH.AD
Bloomberg Code	ADNH DH Equity
Net Out. Shares (bn)	1.000
Market Cap (AED bn)	3.900
Market Cap (USD bn)	1.062
Avg. 12m Vol. (mn)	0.176
Volatility (30 day)	N/A
Volatility (180 day)	N/A

Stock Performance (%)

52 week high / low (AED)	4.99 / 2.52		
	1M	3M	12M
Absolute (%)	8.3	-3.7	26.2
Relative (%)	12.4	13.5	8.5

Shareholding Pattern
(%)

Abu Dhabi Investment Council	17.50
Public	82.50

ADNH and Abu Dhabi Securities Market

Quarterly Result Update

- ADNH reported operating revenues of AED 1,319.71 million during 9M09, up 6.0% YoY.
- Net profit was up 27.8% YoY to AED 372.56 million during 9M09.
- We have raised our 2009 sales estimate upwards by 19.3% from our earlier estimate to account for the top-line performance during 9M09. Accordingly, we have also increased our net profit estimate for 2009 by 28.5%.
- We reiterate our earlier **OVERWEIGHT** recommendation on ADNH with a revised DCF target price of AED 4.64, implying an upside of 18.9%.

Overview

AED Million	2008A	2009E	2010E	2011E	2012E
Operating revenues	1,739.88	1,720.64	2,021.85	2,773.51	3,201.41
EBITDA	546.83	463.17	549.31	760.46	885.79
EBITDA Margin	31.4%	26.9%	27.2%	27.4%	27.7%
Net Profit	292.74	450.79	464.37	666.71	788.51
Net Profit Margin	16.8%	26.2%	23.0%	24.0%	24.6%
Adjusted EPS (AED)	0.29	0.45	0.46	0.67	0.79
Total Assets	8,759.32	9,098.80	9,423.91	10,034.69	10,526.39
RoAE	5.2%	5.4%	5.4%	7.6%	8.6%

Revenues

During 9M09, operating revenues for Abu Dhabi National Hotels (ADNH) increased 6.0% to AED 1,319.71 million from AED 1,244.45 million in 9M08, driven by a 15.3% increase in catering and contract services revenue to AED 558.75 million and a 21.5% jump in transport services revenue to AED 174.25 million. On the flip side, total sales of hotels declined 4.8% to AED 586.72 million from AED 616.61 million in 9M08.

Expenses

ADNH's CoS was AED 930.36 million, up 12.3% from AED 828.71 million in 9M08. General and administrative expenses increased 39.5% to AED 34.10 million from AED 24.44 million a year ago. Further, depreciation charges increased 14.1% YoY to AED 73.75 million from AED 64.66 million, primarily due to the increase in fleet size of Al Ghazal transport. Overall, total operating expenses increased 13.1% to AED 1038.21 million from AED 917.80 million in 9M08. Subsequently, the company's operating expenses, as a percentage of revenues, advanced 492 bps to 78.7% from 73.8% in the same period last year.

Profitability

During 9M09, ADNH's gross profit margin contracted 390 bps to 29.5% from 33.4% YoY due to the increase in CoS. Additionally, higher operating expenses resulted in a 13.8% decline in operating profit to AED 281.50 million. However, the company's net profit was up 27.8% YoY to AED 372.56 million from AED 291.54 million, following investment and other income of AED 91.25 million as against a loss of AED 34.79 million last year. Net profit margin increased 480 bps to 28.2% during 9M09 from 23.4% in 9M08. Adjusted annualised earning per share (EPS) increased to AED 0.50 from AED 0.39 in the comparable period of 2008.

Peer Comparison

We have considered National Corporation for Tourism and Hotels (NCTH) and National Hotels Co. for a peer comparison of companies the hospitality sector in the GCC.

Financial Performance of Comparable Companies						
	NCTH		National Hotels Co		ADNH	
	2008	9M09	2008	9M09	2008	9M09
(USD Million)						
Sales	137	109	36	26	474	359
% YoY change	82.9%	15.0%	18.6%	9.1%	31.6%	6.0%
EBITDA	54	31	17	13	149	97
% YoY change	267.3%	-11.7%	19.6%	9.1%	27.0%	-9.2%
Net Profit	25	28	16	12	80	101
% YoY change	9.8%	70.1%	-3.7%	0.1%	-37.9%	27.8%
Total Assets	327	367	167	165	2,385	2,455
% YoY change	-10.1%	7.7%	5.9%	-6.7%	157.7%	166.4%
Shareholders' Equity	140	184	157	155	2,219	2,294
% YoY change	-31.2%	12.2%	6.0%	-5.1%	169.2%	194.7%
Ratios:						
Total Assets Turnover Ratio (x)	0.40	0.42*	0.22	0.21*	0.29	0.20*
EBITDA Margin	39.2%	27.9%	48.3%	49.5%	31.4%	26.9%
Net Profit Margin	18.1%	25.7%	43.0%	47.3%	16.8%	28.2%
RoAE (%)	14.4%	23.1%*	10.2%	10.5%*	5.2%	6.0%*
RoAA (%)	7.2%	10.8%*	9.6%	9.9%*	4.8%	5.6%*
Market Indicators:						
Adj. EPS (USD)	0.23	0.34*	0.16	0.16*	0.08	0.14 *
P/E (x)	10.61	7.01	7.65	7.23	13.32	7.85
Adj. BVPS (USD)	1.28	1.67	1.57	1.55	2.22	2.29
P/BV (x)	1.87	1.43	0.76	0.76	0.48	0.46
Current Market Capitalisation (USD Million)	262.99	262.99	118.58	118.58	1,061.97	1,061.97

* Annualised

Source: Zawya, ADNH's financial statements

New Projects and Updates

In October 2009, ADNH announced the completion of its 438-room, five star, Sofitel Jumeirah Beach Residence Hotel, which is now in its pre-opening phase awaiting final approvals. The company is focused on expanding its portfolio with the construction of the Grand Canal Abu Dhabi, the Park Hyatt Saadiyat Island property, and the Capital Centre. The construction work at the Grand Canal Abu Dhabi is on track for its scheduled 2010 opening. Meanwhile, construction work at the Park Hyatt Saadiyat Island property is ahead of schedule and is expected to be ready by late 2010. The Capital Centre is expected to open sometime next year.

Risks and Concerns to Valuation:

- ❖ We have factored in a gradual recovery in the tourism sector starting mid 2010. However, our estimates and rating could be negatively impacted if the growth rate is dampened by any macroeconomic factors.
- ❖ The top-line and bottom-line forecast for ADNH is based on the timely completion of its projects. Our estimates and forecast could be negatively impacted in the event of any delays in these projects.

Valuation Methodology:

We have used the DCF valuation method to arrive at the fair value of ADNH, as explained below:

Assumptions:

- (i) Risk free Rate (Rf) of 3.33%, equivalent to 12-months average yield on a 10-year US T-bill;
- (ii) Levered Beta of 1.30;
- (iii) Terminal growth rate of 2.0%

Based on the above and using the Capital Asset Pricing Model (CAPM), we have arrived at a Cost of Equity of 11.78% and a WACC of 11.74%.

DCF Calculation

DCF Valuation (FCFF Model)					
(in AED Million)	2010E	2011E	2012E	2013E	2014E
Operating Profit (EBIT)	442.01	647.02	766.14	838.61	918.83
Zakat on EBIT	3.80	5.56	6.59	7.21	7.90
Effective Tax Rate	0.86%	0.86%	0.86%	0.86%	0.86%
NOPAT	438.21	641.46	759.56	831.40	910.94
Add: Depreciation and Amortisation	107.30	113.44	119.64	126.46	134.03
Less: Capex	495.79	506.06	511.54	561.82	624.21
Less: Change in Net Working Capital	-154.95	-160.43	-83.52	-93.12	-66.55
Operating Free Cash Flows to Firm (OFCFF)	204.67	409.27	451.18	489.17	487.30
Non-Operating Income	26.56	25.62	29.38	31.09	31.76
Tax on Non-Operating Income	0.23	0.22	0.25	0.27	0.27
Add: Non-Operating Cash Flows (After Tax Non-Operating Income)	26.34	25.40	29.12	30.82	31.49
Free Cash Flow to Firm (FCFF)	231.01	434.67	480.30	519.99	518.79
WACC (Ko)	11.74%	11.74%	11.74%	11.74%	11.74%
Present Value / Discount Factor	0.8949	0.8009	0.7168	0.6415	0.5741
Long-Term Growth Rate (g)					2.00%
Terminal Multiple $[(1 + g) / (WACC - g)]$					10.47
Nominal Terminal Value $[(FCFF * (1 + g)) / (WACC - g)]$					5,433.06
Present Value of Free Cash Flows	206.74	348.13	344.26	333.55	297.82

Calculation of Equity Value and Fair Value Per Share	
NPV of Free Cash Flows (during Explicit Forecast Period)	1,530.51
Terminal Value:	
Residual Cash Flow (FCFF of 2014E)	518.79
WACC	11.74%
Long-Term/Terminal Growth Rate (g)	2.00%
Divided by Capitalization Rate (WACC - g)	9.74%
Equals Nominal Terminal Value	5,433.06
<i>Implied Multiple of 2014E EBITDA</i>	5.16
Times PV/ Discount Factor	0.57
Present Value of Terminal/Residual Value	3,118.94
Enterprise Value	4,649.44
<i>Implied Multiple of 2014E EBITDA</i>	4.42
Less: Market Value of Long-term Debts	13.55
Less: Market Value of Preferred Shares	0
Add: Surplus Cash and Investments	0
Equity Value	4,635.90
Net shares outstanding (million)	1,000
Fair Value Per Share (AED)	4.64

* figures in AED million unless specified

Sensitivity Analysis

The following tables present a sensitivity analysis and indicate the probable nominal terminal value, discounted terminal value and enterprise value, given different growth rate and WACC assumptions. The shaded areas represent the most probable outcomes.

Sensitivity Analysis of Nominal Terminal Value (AED Million)					
Discount Factor	Long-Term Growth Rate				
	1.00%	1.50%	2.00%	2.50%	3.00%
9.74%	5,995.35	6,390.64	6,837.00	7,345.02	7,928.41
10.74%	5,379.80	5,699.00	6,054.71	6,453.60	6,904.03
11.74%	4,878.88	5,142.44	5,433.06	5,755.14	6,114.07
12.74%	4,463.29	4,684.92	4,927.18	5,193.10	5,486.33
13.74%	4,112.95	4,302.15	4,302.15	4,731.07	4,975.49

Sensitivity Analysis of Discounted Terminal Value (AED Million)					
Discount Factor	Long-Term Growth Rate				
	1.00%	1.50%	2.00%	2.50%	3.00%
9.74%	3,432.66	3,658.99	3,914.55	4,205.42	4,539.44
10.74%	2,917.06	3,090.13	3,283.01	3,499.30	3,743.53
11.74%	2,506.53	2,641.94	3,118.94	2,956.72	3,141.12
12.74%	2,173.67	2,281.60	2,399.59	2,529.09	2,671.90
13.74%	1,899.68	1,987.07	2,081.90	2,185.17	2,298.06

Sensitivity Analysis of Enterprise Value (AED Million)					
Discount Factor	Long-Term Growth Rate				
	1.00%	1.50%	2.00%	2.50%	3.00%
9.74%	4,908.32	5,134.64	5,390.21	5,681.07	6,015.10
10.74%	4,338.41	4,511.49	4,704.37	4,920.65	5,164.89
11.74%	3,876.24	4,011.65	4,649.44	4,326.43	4,510.83
12.74%	3,494.22	3,602.15	3,720.14	3,849.65	3,992.45
13.74%	3,173.43	3,260.82	3,355.65	3,458.93	3,571.82

Investment Opinion

The hospitality sector in the UAE has started seeing signs of a gradual recovery compared to the record lows in the later part of 2008 following the economic slowdown in the US and Europe, which account for maximum tourism activity. Tourists from the UK and other European countries accounted for about 40% of all arrivals in the UAE during 2007. According to the latest UN World Tourism Organisation (UNWTO) Tourism Barometer report, the decline in international tourism has started to ease off. International tourist arrivals declined by 7% globally between January and August 2009. However, the decline was slower than that in the previous few months. Overall, international tourist arrivals for the year 2009 are estimated to decline by 5%. According to Business Monitor Intelligence (BMI), tourist arrivals in the UAE is estimated to be 2% lower during 2009 compared to the healthy growth of 10% in the previous year as people from the US and Europe refrained from travelling owing to the economic problems prevalent. The UK and Ireland together generated 854,601 million visitors during 2008, an increase of 14% YoY. However, during 1H09, Dubai saw only 383,197 million visitors from the two countries. As a result, room rates that had skyrocketed registered a sharp correction around the middle of 2009. On a positive note, the rates are now at a more realistic level, making Dubai an affordable and attractive destination. According to STR Global, a hospitality consultancy, Dubai's occupancy rates remained flat at about 82.1% from November 2008 to November 2009. However, occupancy rates were down 1,180 bps to 69.2% during 9M09. Revenue per available room (RevPAR) witnessed a 32.3% decline to AED 600 during 9M09. Meanwhile, hotels in Abu Dhabi registered a 9.6% decline in RevPAR to AED 767 as occupancy rates were down 1,170 bps to 73%. The inauguration ceremony for the Burj Khalifa, the world's tallest tower, attracted over 12,000 people with occupancy rates touching an average of 90% for the night of Jan 04, 2010.

Despite poor performance in recent months, the long-term outlook for the sector remains positive, given the government's initiatives to maintain the growth momentum. In order to increase awareness about Dubai's attractions and facilities, the Dubai Department of Tourism and Commerce Marketing (DTCM) along with the hotel & travel industry doubled its sales promotion efforts in the UK and Europe. Furthermore, the modern shipping terminal facility is expected to provide momentum to the Dubai's tourism promotion drive and its efforts to lure more cruise tourists by facilitating the arrival of an increased number of bigger luxury cruise liners. DTCM expects to receive 120 ships with more than 325,000 passengers at the new state-of-the-art terminal during 2010 compared to 100 ships and 260,000 tourists during 2009. The number is projected to go up to 135 ships and 375,000 passengers next year and further to 195 ships and 575,000 in 2015. Moreover, hotels are also gearing up to service the increasing number of tourists. Rotana Hotels recently inaugurated the Rose Rayhaan, the world's tallest hotel with 1,344 rooms, located close to the Burj Khalifa. The other hotels include the iconic Burj Khalifa's Armani Hotel, Conrad in Dubai, the Emerald Palace Kempinski, The Palazzo Versace Resort, The Palazzo Versace Resort, Oceana Hotel & Spa, and The Royal Amwaj Resort & Spa and Ottoman Palace by Rixos in The Palm Jumeirah. The investments in the hotels industry will help the UAE emerge stronger as an attractive tourist destination. Furthermore, with entertainment and leisure sector poised for healthy growth, Abu Dhabi is investing USD 136 billion in developing more than 25,000 hotel rooms. Moreover, prominent theme parks currently under development in Abu Dhabi and Dubai, including Warner Bros and Ferrari theme parks and Dubailand, a multi-billion dollar enclave of 24 theme parks, will ensure increased tourist inflow and support a positive outlook in the long run.

ADNH is amongst the largest hotels in the UAE with ownership and representation in five hotel properties. The company has investments in various projects including the JW Marriott Resort & Spa, Park Hyatt, Capital Centre Hotel, Al Diar Barsha Hotel Apartments and Siji Hotel Apartment. The company recently inaugurated its Sofitel Jumeirah Beach Hotel, which is currently in the pre-operating phase. The revenue from this hotel with 438 rooms is expected to help ADNH's top-line growth in the future. Going forward, we expect the company to report a significant improvement in profitability as other projects come online between 2010 and 2012. Moreover, the company is fundamentally sound with an almost unlevered balance sheet and ample cash balances (AED 567.73 million at the end of 9M09). Low debt not only indicates lower finance costs, but also gives the company the option of seeking additional financing to support its future growth initiatives. Given the company's fundamental strength and the portfolio of projects under development, we hold an optimistic outlook on the stock.

We had initiated ADNH on January 26, 2009 with an OVERWEIGHT recommendation (target price of AED 4.77 and an upside of 53.2%). Currently, the company's stock is trading at a P/E multiple of 8.40x and 5.85x on 2010E and 2011E earnings, and at a P/BV multiple of 0.45x and 0.43x on 2010E and 2011E BVPS, respectively. Meanwhile, the stock has increased 3.7% since the beginning of this year as against a decline of 4.2% posted by the Abu Dhabi Securities Market. Considering the above factors, we have arrived at a price target of AED 4.64, which represents an upside of 18.9% over its closing price of AED 3.90 (as on January 29). **Accordingly, we reiterate our earlier OVERWEIGHT recommendation on ADNH.**

Financial Statements

Consolidated Income Statement							
(AED Million)	2008A	9M08A	9M09A	2009E	2010E	2011E	2012E
Operating revenues	1,740	1,244	1,320	1,721	2,022	2,774	3,201
Direct operating expenses	-1,142	-829	-930	-1,213	-1,420	-1,941	-2,233
Gross profit	598	416	389	508	602	832	969
General and administrative expenses	-51	-24	-34	-44	-52	-72	-83
Depreciation	-92	-65	-74	-101	-107	-113	-120
Operating profit	455	327	281	362	442	647	766
EBITDA	547	391	355	463	549	760	886
Investment and other income	-101	-35	91	93	27	26	29
Finance costs	-1	0	0	0	0	0	0
Income from investment in associate	0.39	0.00	0.00	0.00	0.00	0.00	0.00
Impairment of available-for-sale investments	-58	0	0	0	0	0	0
Profit before tax	295	292	373	455	468	672	795
Income tax	-3	0	0	-4	-4	-6	-7
Profit for the year	293	292	373	451	464	667	789
Adjusted EPS	0.29	0.39*	0.50*	0.45	0.46	0.67	0.79

* Annualised

Consolidated Balance Sheet							
(AED Million)	2008A	9M08A	9M09A	2009E	2010E	2011E	2012E
ASSETS							
Current Assets							
Inventories	50	52	50	60	66	85	93
Accounts receivable and prepayments	496	512	385	388	395	481	547
Investments carried at fair value through income statement	134	287	38	38	39	42	44
Bank balances and cash	490	436	568	603	502	569	559
Total Current Assets	1,169	1,288	1,041	1,089	1,003	1,178	1,243
Non-Current Assets							
Property, plant and equipment	6,967	1,141	7,331	7,358	7,747	8,139	8,531
Investment in associate	13	12	13	13	14	15	16
Available-for-sale-investments	605	933	627	632	655	697	732
Goodwill	5	5	5	5	5	5	5
Other assets	0	6	0	0	0	0	0
Total Non-Current Assets	7,590	2,097	7,976	8,009	8,421	8,857	9,284
Total Assets	8,759	3,385	9,016	9,099	9,424	10,035	10,526
LIABILITIES AND EQUITY							
Liabilities							
Current Liabilities							
Accounts payable and accruals	538	454	522	527	695	960	1,117
Employee end of service benefits	0	0	0	0	0	0	0
Term loans	4	3	4	4	3	0	0
Bank overdraft	12	8	7	7	9	10	10
Total Current Liabilities	554	466	533	538	707	970	1,127
Non-Current Liabilities							
Term loans	6	7	3	3	0	0	0
Employees' end of service benefits	51	53	56	61	69	72	80
Total Non-Current Liabilities	57	60	58	63	69	72	80
Total Liabilities	611	526	591	601	776	1,043	1,207
Equity							
Share capital	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Legal reserve	571	256	571	571	571	571	571
Statutory reserve	0	256	0	0	0	0	0
Foreign currency translation reserve	3	2	3	3	3	3	3
Retained earnings	430	693	803	567	708	914	1,158
Cumulative changes in fair values of available-for-sale-investments	382	652	486	486	486	486	486
Proposed dividends	200	0	0	308	317	455	539
Asset revaluation reserve	5,563	0	5,563	5,563	5,563	5,563	5,563
Total Equity	8,149	2,859	8,425	8,498	8,648	8,992	9,319
Total Liabilities and Equity	8,759	3,385	9,016	9,099	9,424	10,035	10,526

Consolidated Cash Flow Statement							
(AED Million)	2008A	9M08A	9M09A	2009E	2010E	2011E	2012E
Cash Flows from Operating Activities:							
Profit before tax	295	292	373	455	468	672	795
Adjustments for:							
Depreciation of property, plant and equipment	92	65	74	101	107	113	120
Provision of employees' end of service benefits	16	12	15	20	22	19	25
Interest expense	1	0	0	0	0	0	0
Interest income	-14	-12	-14	-16	-16	-14	-16
Loss (gain) on investments carried at fair value through income statement	147	70	-10	-10	0	0	0
Income from investment in associate and dividend income	-20	-19	-10	-10	-11	-12	-13
Profit on sale of fixed assets	-4	-3	-2	-2	0	0	0
Gain on sale of available-for-sale investments	0	0	-56	-56	0	0	0
Provision for impairment of other assets	58	0	0	0	0	0	0
Provision against legal claim	0	0	14	14	0	0	0
Operating profit before working capital changes	571	406	383	497	571	780	911
Working capital changes:							
Inventories	-15	-17	1	-10	-6	-19	-7
Accounts receivable and prepayments	-120	-192	116	107	-7	-86	-65
Accounts payable and accruals	143	159	-30	-11	168	266	156
Cash from operations	578	355	470	583	726	940	994
Director's remuneration paid	-5	0	0	-6	-6	-6	-6
Employees' end of service benefits paid and insurance funds paid	-14	-8	-10	-11	-13	-16	-17
Tax paid	-3	0	0	-4	-4	-6	-7
Interest paid	-1	0	0	0	0	0	0
Net cash from (used in) operating activities	556	346	460	562	703	913	964
Cash flows from investing activities							
Proceeds from sale of investments carried at fair value through income statement	24	0	105	188	-1	-3	-2
Proceeds from sale of available-for-sale investments	-2	0	138	231	-23	-43	-35
Proceeds from sale of property, plant and equipment	11	7	6	6	0	0	0
Purchase of fixed assets and available for sale investments	-495	-416	-441	-685	-496	-506	-512
Advance payments for purchase of land	-17	0	0	0	0	0	0
Interest received	13	12	14	16	16	14	16
Dividends received	19	19	10	10	11	12	13
Decrease in bank deposits maturing after more than three months	-6	0	0	0	0	0	0
Advance to contractors for assets under construction	-107	0	0	0	0	0	0
Net cash (used in) investing activities	-559	-377	-168	-235	-494	-526	-519
Cash flows from financing activities							
Dividends paid	-128	-144	-200	-200	-308	-317	-455
Loans repaid	-4	-3	-3	-3	-4	-3	0
Net cash used in financing activities	-132	-147	-203	-203	-312	-320	-455
Net increase/(decrease) in cash and cash equivalents							
Net increase/(decrease) in cash and cash equivalents	-135	-178	89	124	-103	66	-11
Cash and cash equivalent at the beginning of period	606	607	472	472	596	493	559
Net foreign exchange difference	0.00	-0.32	0.00	0.00	0.00	0.00	0.00
Cash and cash equivalent at the end of period	472	428	561	596	493	559	549

Financial Ratios

	2008A	9M08A	9M09A	2009E	2010E	2011E	2012E
Liquidity Ratios:							
Current Ratio (x)	2.11	2.77	1.95	2.02	1.42	1.21	1.10
Quick Ratio (x)	2.02	2.65	1.86	1.91	1.33	1.13	1.02
Inventory Conversion Period (Days)	14	14	15	17	16	14	15
Average Collection Period (Days)	86	92	91	94	71	58	59
Length of Operating Cycle (Days)	99	106	106	110	87	72	73
Average Payment Period (Days)	133	124	156	160	157	156	170
Length of Cash Cycle (Days)	-34	-18	-50	-50	-70	-84	-97
Activity Ratios:							
Inventory Turnover Ratio (x)	26.80	25.37*	24.82*	21.95	22.48	25.66	25.12
Debtors Turnover Ratio (x)	4.26	3.98*	4.00*	3.89	5.16	6.33	6.23
Creditors' Turnover Ratio (x)	2.74	2.95*	2.34*	2.28	2.32	2.35	2.15
Total Assets Turnover Ratio (x)	0.29	0.49*	0.20*	0.19	0.22	0.29	0.31
Net Fixed Assets Turnover Ratio (x)	0.45	1.71*	0.25*	0.24	0.27	0.35	0.38
Working Capital Turnover Ratio (x)	2.13	1.80*	3.13*	2.95	4.77	11.02	19.84
Equity Turnover Ratio (x)	0.31	0.56*	0.21*	0.21	0.24	0.31	0.35
Profitability Ratios:							
Gross Profit Margin (GPM) (%)	34.4%	33.4%	29.5%	29.5%	29.8%	30.0%	30.3%
EBITDA Margin (%)	31.4%	31.4%	26.9%	26.9%	27.2%	27.4%	27.7%
Operating Profit Margin (OPM) (%)	26.1%	26.2%	21.3%	21.0%	21.9%	23.3%	23.9%
Net Profit Margin (NPM) (%)	16.8%	23.4%	28.2%	26.2%	23.0%	24.0%	24.6%
Return on Average Equity (RoAE) (%)	5.2%	13.2%*	6.0%*	5.4%	5.4%	7.6%	8.6%
Return on Average Assets (RoAA) (%)	4.8%	11.5%*	5.6%*	5.0%	5.0%	6.9%	7.7%
Leverage Ratios:							
Shareholders' Equity to Total Assets Ratio (x)	0.93	0.84	0.93	0.93	0.92	0.90	0.89
Total Liabilities to Total Assets Ratio (x)	0.07	0.16	0.07	0.07	0.08	0.10	0.11
Current Liabilities to Equity Ratio (x)	0.07	0.16	0.06	0.06	0.08	0.11	0.12
Growth Rates:							
% YoY Growth in Revenue	31.6%	31.6%	6.0%	-1.1%	17.5%	37.2%	15.4%
% YoY Growth in Operating Profit	29.3%	125.8%	-13.8%	-20.4%	22.1%	46.4%	18.4%
% YoY Growth in Net Profit	-37.9%	-11.1%	27.8%	54.0%	3.0%	43.6%	18.3%
% YoY Growth in Total Assets	157.7%	-0.4%	166.4%	3.9%	3.6%	6.5%	4.9%
% YoY Growth in Shareholders' Equity	169.2%	-5.5%	194.7%	4.3%	1.8%	4.0%	3.6%
Ratios used for Valuation:							
Adj. EPS (AED)	0.29	0.39*	0.50*	0.45	0.46	0.67	0.79
Adj. BVPS (AED)	8.15	2.86	8.43	8.50	8.65	8.99	9.32
P/E Ratio (x)	13.32	10.03	7.85	8.65	8.40	5.85	4.95
P/BV Ratio (x)	0.48	1.36	0.46	0.46	0.45	0.43	0.42
Current Market Price (AED)**	3.90	3.90	3.90	3.90	3.90	3.90	3.90

* Annualised

** CMP as on January 28, 2010