



Qatar Telecom (QTEL.QA)

OVERWEIGHT

CMP	QAR 147.20
Target	QAR 175.00
Upside	18.9%

QE Index 8,396.53

Key Stock Data

Sector	Telecommunication
Reuters Code	QTEL.QA
Bloomberg Code	QTEL QD Equity
Net Out. Shares (bn)	0.176
Market Cap (QAR bn)	25.907
Market Cap (USD bn)	7.115
Avg. 12m Vol. ('000)	46.202
Volatility (30 day)	10.558
Volatility (180 day)	23.003

Stock Performance (%)

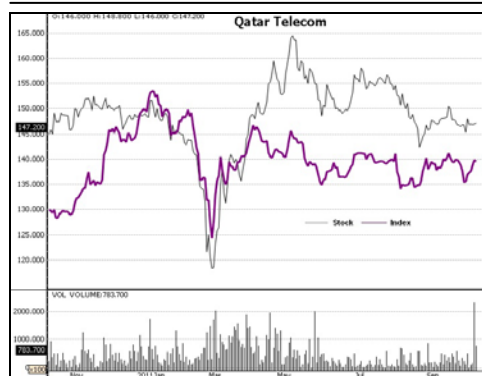
52 week high / low (QAR) 164.50 / 118.33

	1M	3M	12M
Absolute (%)	-0.4	-5.3	1.5
Relative (%)	-1.3	-4.4	-5.4

Shareholding Pattern (%)

Government of Qatar	55.00
Public	45.00

QTEL and QE Index



Quarterly Result Update

- Qatar Telecom (Qtel) reported revenues of QAR 15,446 million for 1H11, up 16.6% YoY from QAR 13,244 million.
- Net profit declined 19.5% YoY to QAR 1,436 million from QAR 1,784 million during 1H10. However, net profit rose 16.7% YoY when adjusted for a one-off favourable decision on the royalty regime in Qatar of QAR 554 million in 1Q10.
- We have maintained our 2011E revenue estimate at QAR 30,554 million, while our 2011E net profit estimate stands revised 1% lower on expected lower share of result of associates.
- We reiterate our OVERWEIGHT recommendation on Qtel with a DCF target price of QAR 175.00, implying an upside of 18.9%.

Overview

QAR Million	2009A	2010A	2011E	2012E	2013E
Revenue	24,025	27,179	30,554	32,357	33,704
EBITDA	10,762	12,274	13,834	14,751	15,769
EBITDA Margin	44.8%	45.2%	45.3%	45.6%	46.8%
Net Profit	2,825	2,888	2,854	3,246	3,371
Net Profit Margin	11.8%	10.6%	9.3%	10.0%	10.0%
Adj. EPS	16.05	16.41	16.22	18.45	19.15
RoAE (%)	20.0%	16.7%	14.0%	14.2%	13.5%

Revenue

During 1H11, total revenue improved 16.6% YoY to QAR 15,446 million from QAR 13,244 million in 1H10, attributable to subsidiary Wataniya's 40.7% YoY increase in revenue to QAR 4,647 million from QAR 3,303 million in 1H10. Wataniya contributed around 30.1% towards Qtel's 1H11 revenues. In addition, Indosat's revenues advanced 9.3% YoY to QAR 4,188 million from QAR 3,830 million. Qatari operations, which contributed 18.5% towards Qtel's 1H11 top-line, saw revenues increasing 0.8% YoY to QAR 2,862 million due to changes in accounting treatment. Revenue from ACL Iraq (30% stake) grew 17.8% YoY to QAR 2,831 million, while that from Nawras (55% stake) were up 5.8% to QAR 954 million.

Expenses

Selling, general and administrative expenses grew 16.9% to QAR 3,442 million from QAR 2,943 million recorded in 1H10. Depreciation and amortisation charges rose 16.2% to QAR 3,632 million. Other operating expenses increased 18.9% to QAR 4,768 million from QAR 4,009 million during the year-ago period. Other income plunged 41.1% to QAR 361 million from QAR 613 million. Loss of share from associates was QAR 32.6 million as opposed to a loss of QAR 18.5 million in the same period of the prior year. Finance costs rose 10.4% YoY to QAR 936 million. Expenses related to royalties increased 9.9% to QAR 188.5 million from QAR 171.5 million.

Profitability

Net profit fell 19.5% YoY to QAR 1,436 million from QAR 1,784 million in 1H10. However, excluding the adjustment of one-off favourable decision on the royalty regime in Qatar of QAR 554 million during 1Q10, net profit rose 16.7% YoY in 1H11, indicating robust bottom-line growth. Adjusted annualised EPS stood at QAR 16.31 from QAR 20.27.

Peer Comparison

For peer comparison, we have considered Saudi Telecom (STC) and Etihad Etisalat (Mobily).

Financial Performance of Telecom Companies						
	STC		Mobily		QTel	
	2010	1H11	2010	1H11	2010	1H11
(USD Million)						
Sales	13,810	7,188	4,270	2,563	7,465	4,242
YoY change	2.0%	7.3%	22.6%	27.2%	13.1%	16.6%
EBITDA	5,233	2,640	1,644	890	3,371	1,936
YoY change	-4.8%	10.4%	27.5%	29.9%	14.0%	15.1%
Net Profit	2,517	1,021	1,123	577	793	394
YoY change	-13.1%	-0.1%	39.7%	33.9%	2.2%	-19.5%
Total Assets	29,522	30,410	8,915	8,566	27,849	29,382
YoY change	1.0%	6.3%	8.5%	-2.2%	19.4%	25.0%
Shareholders' Equity	12,000	12,350	4,155	4,358	5,227	5,713
YoY change	7.1%	9.6%	27.3%	25.9%	21.8%	27.1%
Ratios:						
Total Assets Turnover Ratio (x)	0.47	0.48*	0.50	0.59*	0.29	0.30*
EBITDA Margin	37.9%	36.7%	38.5%	34.7%	45.2%	45.6%
Net Profit Margin	18.2%	14.2%	26.3%	22.5%	10.6%	9.3%
RoAE	21.7%	16.8%*	30.3%	27.1%*	16.7%	14.4%*
RoAA	8.6%	6.8%*	13.1%	13.2%*	3.1%	2.8%*
Market Indicators:						
Adj. EPS (USD)	1.26	1.02*	1.60	1.65*	4.51	4.48*
P/E (x)	7.56	9.32	8.96	8.70	8.97	9.02
Adj. BVPS (USD)	6.00	6.18	5.94	6.23	29.70	32.46
P/BV (x)	1.59	1.54	2.41	2.30	1.36	1.25
Current Market Capitalisation (USD Million)	19,040	19,040	10,033	10,033	7,115	7,115

* Annualised

Source: STC, Mobily and Qtel financials

New Projects and Updates

During October 2011, Asiacell, an affiliate of Qatar Telecom (Qtel) has appointed HSBC and Morgan Stanley to manage its initial public offer (IPO), the unit's chief executive said. He further said that the company will offer 25% of its shares but did not give a timeframe for the IPO. During the same month, Qatar Telecom (Qtel) has launched a free mobile money transfer service, enabling customers in Qatar to transfer money to overseas destinations and also buy Hala Top-Ups using their Mobile Money mWallet. The service will also allow customers to pay Qtel bills, make merchant payments and buy a wide range of services when the next phase goes live.

During September 2011, Qatar Telecom (Qtel) and Bahrain Telecommunications Co. (Batelco) have agreed an Internet interconnection partnership to allow business customers to create a virtual private network (VPN) between the two countries.

Risks and Concerns to Valuation:

- ❖ Qatar Telecom's focus on gaining traction across multiple geographies raises the concern of geopolitical risks and currency fluctuations that could affect operational performance. If Qtel does not achieve the desired synergies with acquired companies, it may call for an update of our ratings and estimates.

Valuation Methodology:

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

Assumptions:

- (i) Risk free Rate (Rf) of 3.03%, equivalent to 12-months average yield on a 10-year US T-bill;
- (ii) Levered Beta of 1;
- (iii) Terminal growth rate of 2.00%.

Based on the above and using the Capital Asset Pricing Model (CAPM), we have arrived at a Cost of Equity of 8.78% and a WACC of 6.44%.

DCF Calculation

DCF Valuation (FCFF Model)					
(QAR Million)	2011E*	2012E	2013E	2014E	2015E
Operating Profit (EBIT)	2,989	6,860	6,830	7,023	7,393
Tax on EBIT	359	823	820	843	887
Effective Tax Rate	12.00%	12.00%	12.00%	12.00%	12.00%
NOPAT	2,631	6,037	6,011	6,180	6,506
Add: Depreciation and Amortization	3,797	7,891	8,939	9,503	9,805
Less: Capex	4,327	10,678	10,718	11,586	12,389
Less: Change in Net Working Capital	1,136	1,108	1,925	1,525	1,061
Operating Free Cash Flows to Firm (OFCFF)	964	2,141	2,306	2,573	2,861
Non-Operating Income	289	654	682	700	717
Tax on Non-Operating Income	35	79	82	84	86
Add: Non-Operating Cash Flows (After Tax Non-Operating Income)	255	576	600	616	631
Free Cash Flow to Firm (FCFF)	1,219	2,717	2,906	3,190	3,493
WACC (Ko)	6.44%	6.44%	6.44%	6.44%	6.44%
Present Value / Discount Factor	0.9693	0.9107	0.8556	0.8039	0.7553
Long-Term Growth Rate (g)					2.00%
Terminal Multiple					23.00
Nominal Terminal Value					80,325
Present Value of Free Cash Flows	1,182	2,474	2,487	2,564	2,638
Present Value of Nominal Terminal Value	27,173	56,899	57,184	58,970	60,668

* 2011E excludes 1H11A

Calculation of Equity Value and Fair Value Per Share	
NPV of Free Cash Flows (during Explicit Forecast Period)	11,345
Terminal Value:	
Residual Cash Flow (FCFF of 2015E)	3,493
WACC	6.44%
Long-Term/Terminal Growth Rate (g)	2.00%
Divided by Capitalisation Rate (WACC - g)	4.44%
Equals Nominal Terminal Value	80,325
<i>Implied Multiple of 2015E EBITDA</i>	<i>4.67</i>
Times PV/Discount Factor	0.76
Present Value of Terminal/Residual Value	60,668
Enterprise Value	72,013
<i>Implied Multiple of 2015E EBITDA</i>	<i>4.19</i>
Less: Market Value of Long-term Debts	45,627
Less: Minority Interest	19,078
Add: Surplus Cash and Investments	23,492
Equity Value	30,801
Net shares outstanding (Million)	176
Fair Value Per Share (QAR)	175.00

* figures in QAR 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 (QAR Million)					
Discount Factor	Long-Term Growth Rate				
	1.00%	1.50%	2.00%	2.50%	3.00%
4.44%	102,690	120,777	146,291	184,988	250,646
5.44%	79,537	90,086	103,707	121,967	147,725
6.44%	64,904	71,833	80,325	90,974	104,723
7.44%	54,818	59,730	65,546	72,541	81,112
8.44%	47,446	51,118	55,361	60,319	66,189

Sensitivity Analysis of Discounted Terminal Value (QAR Million)					
Discount Factor	Long-Term Growth Rate				
	1.00%	1.50%	2.00%	2.50%	3.00%
4.44%	84,472	99,351	120,338	152,171	206,181
5.44%	62,680	70,994	81,728	96,118	116,417
6.44%	49,021	54,255	60,668	68,712	79,097
7.44%	39,697	43,255	47,466	52,532	58,739
8.44%	32,955	35,506	38,453	41,897	45,975

Sensitivity Analysis of Enterprise Value (QAR Million)					
Discount Factor	Long-Term Growth Rate				
	1.00%	1.50%	2.00%	2.50%	3.00%
4.44%	96,431	111,310	132,297	164,130	218,140
5.44%	74,326	82,639	93,373	107,763	128,063
6.44%	60,366	65,599	72,013	80,056	90,441
7.44%	50,753	54,311	58,522	63,587	69,794
8.44%	43,734	46,285	49,232	52,676	56,753

Investment Opinion

Qatar Telecom (Qtel), a major telecom operator in the MENA region, registered 16.6% YoY increase in total revenue during 1H11. The Group's customer base expanded 16.4% to 77.5 million from 66.7 million in 1H10, advancing Qtel's total customer base to 44.5 million from 37.2 million in the same period of the prior year. Benefiting from the change in accounting treatment to align with the rest of the Group, domestic revenues rose 0.8% YoY, whereas revenue from international operations increased 20.9% YoY. Indonesian operation continued to witness strong performance, backed by 23.7% jump in the subscriber base, appreciation of the Indonesian Rupiah and a decrease in interest costs. Indosat-Indonesia, which contributed 33.3% towards Qtel's international revenue and 27.1% to total revenue, reported a 9.3% YoY increase in revenue during 1H11. However, EBITDA margin from Indonesian operations decreased to 47% during 1H11 from 50% in the corresponding period of the prior year, impacted by one-off charges associated with Voluntary Separation Scheme (VSS). Asiacell-Iraq contributed 22.5% towards international revenue and reported a 17.8% YoY increase in revenue, while EBITDA margin reached 54% from 57% during 1H10. Similarly, revenue from Wataniya improved 40.7% YoY, following 100% consolidation of its Tunisiana operations, effective 1Q11. EBITDA from Kuwait operation increased from 44% in 1H10 to 48% in 1H11, backed by increased revenues and better operating efficiency. Overall, the company's strategy of gaining traction in diverse geographies has boosted top-line. However, net profit plunged 19.5% YoY to QAR 1,436 million from QAR 1,784 million, primarily due to a one-off favourable decision on the royalty regime in Qatar amounting to QAR 554 million in 1Q10. Excluding this adjustment, net profit rose 16.7% YoY in 1H11, indicating robust bottom-line growth.

We believe that Qtel's presence in the Indonesian and Algerian telecom markets, where mobile penetration is relatively low, offers strong growth opportunities. In Indonesia, with a population of around 240 million and mobile penetration rate of around 94%, Qtel has the potential to increase its market share further. Similarly, Algeria with a population of over 37 million and mobile penetration of around 74% provides favourable growth potential as well. To remain competitive in the domestic market, Qtel has launched its next stage of campaign to provide high-speed internet to homes and businesses across Qatar. Qtel said that, its field teams have laid out over 1,200 km of fibre cable throughout Doha, capable of connecting more than 60,000 homes. The operator has also announced permanent reduction in the price of 'Pay As You Surf Mobile Internet' to QAR 55 per 1MB. With the incredible new pricing, Qtel is optimistic that more subscribers will feel empowered to enjoy the full range of opportunities provided by Mobile Internet. Additionally, Qatar Nation Broadband Network Company (Q.NBN) and Qatar Telecom (Qtel) have signed a Heads of Agreement (HoA) to provide very high speed broadband services to 95% of households and 100% of government and businesses in Qatar by 2015. The new fiber network, to be built by Q.NBN Company, will accelerate fibre penetration to homes and businesses in Qatar, thus enabling telecom operators to more quickly bring the next generation of broadband services to consumers in Qatar. Qtel also plans to invest USD 55 million to deploy new Long Term Evolution (LTE) network, which will deliver the fastest and largest 4G network in Qatar. The project will involve the rollout of around 900 base stations across the country with potential download speed of up to 150mbps on mobile device. We have maintained our 2011E sales estimate at QAR 30.6 billion, which is in line with the company's expectation of QAR 29.4 billion to QAR 30.7 billion for 2011. However, our net profit estimate for 2011E is down 1% on expected lower share of results of associates. Overall, we remain bullish on Qtel, given the company's presence across diverse geographies and strong top-line outlook. Therefore, we are maintaining our overweight rating on Qtel with a target price of QAR 175.00, implying an upside potential of 18.9%.

We had updated Qtel on June 22, 2011 with an OVERWEIGHT recommendation (target price of QAR 175.00 and an upside of 17.4%). The stock is trading at a P/E multiple of 9.08x and 7.98x on 2011E and 2012E earnings, and at a P/BV multiple of 1.19x and 1.08x on 2011E and 2012E BVPS, respectively. Meanwhile, the stock has shed 1.3% since our last update report versus a 2.2% gains registered by the QE Index. We have maintained our price target at QAR 175.00, represents an upside of 18.9% over the closing price of QAR 147.20 (as on October 13, 2011). **We are reiterating our earlier OVERWEIGHT rating on Qtel.**

Financial Statements

Consolidated Income Statement							
(QAR Million)	2009A	2010A	1H10A	1H11A	2011E	2012E	2013E
Revenue	24,025	27,179	13,244	15,446	30,554	32,357	33,704
Other Income	1,144	658	613	361	611	647	674
General & Administrative Expenses	-5,476	-6,048	-2,943	-3,442	-6,731	-7,096	-7,223
Other Operating Expenses	-7,328	-8,537	-4,009	-4,768	-9,597	-10,095	-10,280
(Loss) Gain on Foreign currency exchange (net)	0	0	0	0	0	0	0
(Loss) profit on disposal of available-for-sale investments	0	0	0	0	0	0	0
Impairment loss on intangibles and available-for-sale investments	-387	-46	-23	-15	-15	0	0
Finance Cost	-1,498	-1,804	-848	-936	-1,899	-1,838	-1,619
Share of result of associates	9	-130	-18	-33	6	7	8
Royalties	-459	-321	-172	-189	-392	-415	-432
Depreciation and Amortization	-5,484	-6,317	-3,125	-3,632	-7,428	-7,891	-8,939
Gain on previously held interest in an acquired subsidiary	0	0	0	1,443	1,443	0	0
Profit Before Tax	4,546	4,633	2,719	4,236	6,552	5,675	5,894
Income Tax	-618	-546	-300	-508	-786	-681	-707
Profit for the year	3,928	4,088	2,419	3,728	5,765	4,994	5,186
Attributable to:							
Equity holders of the parent	2,825	2,888	1,784	1,436	2,854	3,246	3,371
Minority interests	1,103	1,200	635	2,293	2,912	1,748	1,815

Consolidated Balance Sheet							
(QAR Million)	2009A	2010A	1H10A	1H11A	2011E	2012E	2013E
ASSETS							
Current Assets							
Inventories	255	317	300	285	336	421	472
Accounts Receivable and prepayments	4,200	4,740	4,095	5,638	6,111	6,633	7,752
Bank balances and cash	11,512	25,576	12,350	23,492	22,888	16,121	13,933
Total Current Assets	15,966	30,632	16,745	29,415	29,335	23,175	22,157
Non-Current Assets							
Property Plant and Equipment	29,767	32,173	30,340	33,678	35,084	39,966	43,840
Intangible Assets	34,104	33,279	33,244	38,362	38,669	36,574	34,479
Investment in Associates	1,945	2,126	2,012	2,185	2,233	2,311	2,380
Available for Sale investments	1,699	1,862	1,613	1,901	1,955	2,014	2,084
Other Non-Current Assets	1,128	968	1,326	1,119	1,222	1,294	1,348
Deferred Tax Assets	353	358	330	320	311	329	343
Total Non-Current Assets	68,995	70,766	68,866	77,566	79,474	82,488	84,475
Total Assets	84,961	101,399	85,611	106,981	108,809	105,663	106,632
LIABILITIES AND EQUITY							
Liabilities							
Current Liabilities							
Account payable and Accruals	9,674	10,476	9,644	11,305	10,694	10,193	9,437
Current account with state of Qatar	2,803	2,891	2,896	3,291	3,376	3,433	4,030
Deferred Income	1,012	1,351	964	1,419	1,528	1,618	1,685
Interest bearing loans and liabilities	1,884	2,519	2,932	2,271	10,921	4,551	3,276
Income Tax payable	391	461	497	449	649	692	728
Total Current Liabilities	15,766	17,698	16,934	18,736	27,168	20,486	19,157
Non-Current Liabilities							
Interest bearing loans and liabilities	33,798	43,743	32,710	43,356	35,381	34,580	32,804
Employee benefits	605	691	679	652	721	880	914
Deferred tax liability	1,531	1,632	1,571	1,783	1,827	1,923	1,958
Other Non-Current Liabilities	3,806	3,408	3,217	2,575	2,694	2,837	2,888
Total Non-Current Liabilities	39,741	49,473	38,177	48,366	40,622	40,220	38,563
Total Liabilities	55,507	67,172	55,111	67,102	67,791	60,706	57,720
Shareholders' Equity							
Share Capital	1,467	1,467	1,467	1,760	1,760	1,760	1,760
Legal Reserve	6,494	6,494	6,494	6,494	6,494	6,494	6,494
Fair Value Reserve	-186	50	-303	188	188	188	188
Translation Reserve	955	1,780	1,085	2,702	2,702	2,702	2,702
Retained Earnings	6,889	9,239	7,627	9,657	10,593	12,783	14,922
Shareholders' Equity Attributable to Parent Company's Shareholders	15,620	19,030	16,370	20,801	21,737	23,927	26,066
Minority Interest	13,835	15,197	14,130	19,078	19,282	21,030	22,845
Total Equity	29,454	34,227	30,500	39,879	41,019	44,957	48,911
Total Liabilities and Equity	84,961	101,399	85,611	106,981	108,809	105,663	106,632

Consolidated Cash Flow Statement

(KWD Million)	2009A	2010A	1H10A	1H11A	2011E	2012E	2013E
Cash Flows from Operating Activities:							
OPERATING ACTIVITIES							
Operating profit before working capital changes	11,897	12,922	6,748	7,358	13,907	14,819	15,840
Inventories	21	-62	-45	36	-20	-85	-51
Receivable	-334	-540	105	-681	-1,371	-522	-1,119
Payables	709	757	-600	333	703	-444	-158
Cash from Operations	12,294	13,077	6,207	7,047	13,219	13,768	14,512
Finance cost paid	-1,490	-2,418	-1,368	-1,054	-1,899	-1,838	-1,619
Employees service benefit paid	-53	-13	-9	-25	30	159	34
Income tax paid	-783	-450	-192	-374	-599	-638	-671
Net cash from operating activities	9,968	10,195	4,638	5,594	10,751	11,450	12,256
INVESTING ACTIVITIES							
(Purchase)/Proceed from Property plant and Equipment	-8,393	-6,942	-2,539	-2,499	-7,028	-10,678	-10,718
Additions to intangible assets	-1,124	-194	-16	-4	-4	0	0
Acquisition of subsidiary, net of cash acquired	-21	0	0	-2,290	-7,283	0	0
Acquisition of minority interest	0	0	-7	-1	0	0	0
Proceeds from changes in ownership interest	0	625	0	0	0	0	0
(Investment)/Proceed from associate	0	-156	-86	0	1,343	-71	-61
(Purchase)/Proceed of available-for-sale investments	176	118	97	-66	951	-59	-70
Proceeds from disposal of plant and equipment	12	565	0	0	56	0	0
Net movements in other non-currents assets	-354	72	-52	-152	-31	0	0
Net movements in restricted deposits	174	4	4	-162	-160	0	0
Dividend and interest income	475	588	282	364	546	579	603
Net cash used in investing activities	-9,055	-5,320	-2,316	-4,809	-11,608	-10,229	-10,247
FINANCING ACTIVITIES							
Net movements in interest bearing loans and borrowings	7,916	10,600	-82	-1,068	40	-7,171	-3,051
Additions to deferred financing cost	-399	-336	-79	-5	0	0	0
Acquisition of non-controlling interest	-3,010	241	0	0	0	0	0
Dividend paid to equity holders of parent	-660	-462	-462	-330	-733	-1,056	-1,232
Dividend paid to minority interest	-266	-255	-254	-322	-322	0	0
Net movements in minority interests	-18	-7	-10	17	17	0	0
Net movement in non-current other liabilities	74	-398	-304	-847	-518	239	86
Net cash used in financing activities	3,638	9,383	-1,191	-2,555	-1,517	-7,988	-4,196
Increase in cash and cash equivalents	4,551	14,259	1,131	-1,770	-2,374	-6,767	-2,188
Net foreign exchange difference	-716	-187	-283	-473	-473	0	0
Cash and cash equivalents at beginning of the period	7,651	11,486	11,486	25,558	25,558	22,710	15,943
Cash and cash equivalents at end of the period	11,486	25,558	12,335	23,314	22,710	15,943	13,755

Financial Ratios

	2009A	2010A	1H10A	1H11A	2011E	2012E	2013E
Liquidity Ratios:							
Current Ratio (x)	1.01	1.73	0.99	1.57	1.08	1.13	1.16
Quick Ratio (x)	1.00	1.71	0.97	1.55	1.07	1.11	1.13
Inventory Conversion Period (Days)	4.00	3.83	3.82	3.55	3.90	4.27	4.83
Average Collection Period (Days)	61	60	57	61	65	72	78
Length of Operating Cycle (Days)	65	64	61	65	69	76	83
Average Payment Period (Days)	147	135	133	129	126	118	106
Length of Cash Cycle (Days)	-82	-71	-72	-64	-58	-42	-24
Activity Ratios:							
Inventory Turnover Ratio (x)	91.21	95.18	95.57*	102.78*	93.63	85.52	75.53
Debtors Turnover Ratio (x)	5.96	6.08	6.39*	5.95*	5.63	5.08	4.69
Creditors' Turnover Ratio (x)	2.48	2.70	2.74*	2.84*	2.89	3.10	3.43
Total Assets Turnover Ratio (x)	0.30	0.29	0.31*	0.30*	0.29	0.30	0.32
Net Fixed Assets Turnover Ratio (x)	0.90	0.88	0.88*	0.94*	0.91	0.86	0.80
Capital/Equity Turnover Ratio (x)	1.70	1.57	1.66*	1.55*	1.50	1.42	1.35
Profitability Ratios:							
EBITDA Margin	44.8%	45.2%	46.2%	45.6%	45.3%	45.6%	46.8%
Operating Profit Margin	22.0%	21.9%	22.6%	22.1%	21.0%	21.2%	20.3%
Net Profit Margin	11.8%	10.6%	13.5%	9.3%	9.3%	10.0%	10.0%
Return on Average Equity	20.0%	16.7%	22.3%*	14.4%*	14.0%	14.2%	13.5%
Return on Average Assets	3.6%	3.1%	4.2%*	2.8%*	2.7%	3.0%	3.2%
Leverage Ratios:							
Debt to Equity (D/E) Ratio (x)	2.28	2.43	2.18	2.19	2.13	1.64	1.38
Shareholders' Equity to Total Assets Ratio (x)	0.18	0.19	0.19	0.19	0.20	0.23	0.24
Total Liabilities to Total Assets Ratio (x)	0.65	0.66	0.64	0.63	0.62	0.57	0.54
Current Liabilities to Equity Ratio (x)	1.01	0.93	1.03	0.90	1.25	0.86	0.73
Growth Rates:							
YoY Growth in Revenue	18.2%	13.1%	14.7%	16.6%	12.4%	5.9%	4.2%
YoY Growth in Operating Profit	9.9%	12.8%	13.1%	14.0%	7.5%	7.1%	-0.4%
YoY Growth in Net Income	22.5%	2.2%	8.9%	-19.5%	-1.2%	13.8%	3.8%
YoY Growth in Total Assets	16.1%	19.3%	3.7%	25.0%	7.3%	-2.9%	0.9%
YoY Growth in Shareholders' Equity	23.0%	21.8%	19.0%	27.1%	14.2%	10.1%	8.94%
Ratios used for Valuation:							
EPS (QAR)	16.05	16.41	20.27*	16.31*	16.22	18.45	19.15
BVPS (QAR)	88.75	108.13	93.01	118.19	123.50	135.95	148.10
P/E Ratio (x)	9.17	8.97	7.26	9.02	9.08	7.98	7.69
P/BV Ratio (x)	1.66	1.36	1.58	1.25	1.19	1.08	0.99
Current Market Price (QAR)**	147.20	147.20	147.20	147.20	147.20	147.20	147.20

* Annualised

**CMP as on October 13, 2011

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