

BAHRAIN TELECOMMUNICATIONS COMPANY BSC  
 FINANCIAL HIGHLIGHTS  
 FOR THE YEAR ENDED 31 DECEMBER 2010

		2010	2009	% Increase/ (Decrease)
<b>Gross revenue</b>	<b>BD million</b>	340.3	346.9	(2%)
<b>Net revenue</b>	<b>BD million</b>	259.6	268.7	(3%)
<b>Expenses</b>	<b>BD million</b>	234.1	239.3	(2%)
<b>Profit attributable to Batelco shareholders</b>	<b>BD million</b>	86.8	105.0	(17%)
<b>Return on net worth</b>	<b>%</b>	17.4	22.2	(22%)
<b>Weighted average number of shares outstanding for the period</b>	<b>Million</b>	1,440	1,440	-
<b>Basic Earnings per share</b>	<b>Fils</b>	60.3	72.9	(17%)

BAHRAIN TELECOMMUNICATIONS COMPANY BSC  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2010




	BD'000	
	2010	2009
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property and equipment	191,474	196,019
Goodwill	125,129	125,129
Intangible assets	28,404	31,793
Investment in associates	130,124	148,388
Available for sale investments	28,403	29,608
<b>Total non-current assets</b>	<b>503,534</b>	<b>530,937</b>
<b>Current assets</b>		
Inventories	2,015	2,519
Available for sale investments	-	5,136
Trade and other receivables	68,785	58,084
Cash and cash equivalents	86,817	76,400
<b>Total current assets</b>	<b>157,617</b>	<b>142,139</b>
<b>Total assets</b>	<b>661,151</b>	<b>673,076</b>
 <b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	144,000	144,000
Statutory reserve	76,428	75,364
General reserve	15,000	15,000
Foreign currency translation reserve	1,376	168
Investments fair value reserve	8,210	9,457
Retained earnings	259,977	249,334
<b>Total equity attributable to equity holders of the parent company</b>	<b>504,991</b>	<b>493,323</b>
Non-controlling interest	11,824	10,731
<b>Total equity</b>	<b>516,815</b>	<b>504,054</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Trade and other payables	7,795	8,913
<b>Total non-current liabilities</b>	<b>7,795</b>	<b>8,913</b>
<b>Current liabilities</b>		
Trade and other payables	136,541	123,540
Current portion of bank borrowings	-	36,569
<b>Total current liabilities</b>	<b>136,541</b>	<b>160,109</b>
<b>Total liabilities</b>	<b>144,336</b>	<b>169,022</b>
<b>Total equity and liabilities</b>	<b>661,151</b>	<b>673,076</b>



**BAHRAIN TELECOMMUNICATIONS COMPANY BSC**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

BD' 000

	2010	2009
<b>Revenue</b>	340,252	346,940
Finance and other income	1,293	2,966
<b>Total income</b>	<u>341,545</u>	<u>349,906</u>
Network operating expenses	(108,116)	(104,658)
Staff cost	(46,453)	(46,145)
Employee redundancy costs	(3,332)	(1,325)
Depreciation and amortisation	(39,704)	(41,344)
Other operating expenses	(36,188)	(44,482)
Finance expenses	(346)	(1,383)
<b>Total expenses</b>	<u>(234,139)</u>	<u>(239,337)</u>
<b>Results from operating activities</b>	107,406	110,569
Share of (losses)/profit of associates(net)	(13,199)	1,185
<b>Profit before income tax</b>	<u>94,207</u>	<u>111,754</u>
Income tax expense	(3,574)	(2,936)
<b>Profit for the year</b>	<u>90,633</u>	<u>108,818</u>
<b>Other comprehensive income</b>		
Foreign currency translation differences for foreign operations	1,406	697
Investments fair value changes	(1,247)	9,169
<b>Other comprehensive income for the year</b>	<u>159</u>	<u>9,866</u>
<b>Total comprehensive income for the year</b>	<u>90,792</u>	<u>118,684</u>
<b>Profit for the year attributable to :</b>		
Equity holders of the parent company	86,773	105,041
Non-controlling interest	3,860	3,777
	<u>90,633</u>	<u>108,818</u>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the parent company	86,734	115,252
Non-controlling interest	4,058	3,432
	<u>90,792</u>	<u>118,684</u>
<b>Basic earnings per share (Fils)</b>	60.3	72.8

BAHRAIN TELECOMMUNICATIONS COMPANY BSC  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2010

	<b>BD' 000</b>	
	<b>2010</b>	<b>2009</b>
<b>Operating activities</b>		
Cash receipts from customers	316,423	313,710
Net cash paid to suppliers	(129,677)	(103,806)
Cash paid to and on behalf of employees	(48,855)	(45,197)
<b>Cash flows from operating activities</b>	<b>137,891</b>	<b>164,707</b>
<b>Investing activities</b>		
Purchase of plant and equipment	(28,846)	(37,003)
Investment in associate	-	(66,459)
Dividend received from associate	6,094	6,381
Refund of investment advance	-	1,990
Proceeds from sale and maturity of investments	5,096	6,884
Interest and investment income received	1,604	4,008
<b>Cash flows from investing activities</b>	<b>(16,052)</b>	<b>(84,199)</b>
<b>Financing activities</b>		
Dividend paid	(73,212)	(74,931)
Interest paid	(50)	(2,529)
Borrowing repaid	(36,569)	(76,908)
Payments to charities	(1,591)	(3,280)
<b>Cash flows from financing activities</b>	<b>(111,422)</b>	<b>(157,648)</b>
<b>Decrease in cash and cash equivalents</b>	<b>10,417</b>	<b>(77,140)</b>
Cash and cash equivalents at 1 January	76,400	153,540
<b>Cash and cash equivalents at 31 December</b>	<b>86,817</b>	<b>76,400</b>

BAHRAIN TELECOMMUNICATIONS COMPANY BSC  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2010

BD' 000

2010	Equity attributable to equity holders of the parent company							Non-controlling interest	Total equity
	Share capital	Statutory reserve	General reserve	Foreign currency translation reserve	Investment fair value reserve	Retained earnings	Total		
At 1 January 2010	144,000	75,364	15,000	168	9,457	249,334	493,323	10,731	504,054
Profit for the year	-	-	-	-	-	86,773	86,773	3,860	90,633
Other comprehensive income	-	-	-	-	-	-	-	-	-
Foreign currency translation differences	-	-	-	1,208	-	-	1,208	198	1,406
Net changes in fair value of investments	-	-	-	-	(1,247)	-	(1,247)	-	(1,247)
Total other comprehensive income	-	-	-	1,208	(1,247)	-	(39)	198	159
Total comprehensive income for the year	-	-	-	1,208	(1,247)	86,773	86,734	4,058	90,792
Final dividends declared for 2009	-	-	-	-	-	(43,200)	(43,200)	-	(43,200)
Donations declared for 2009	-	-	-	-	-	(2,626)	(2,626)	-	(2,626)
Directors' remuneration declared for 2009	-	-	-	-	-	(440)	(440)	-	(440)
Transfer to statutory reserve	-	1,064	-	-	-	(1,064)	-	-	-
Interim dividends declared for 2010	-	-	-	-	-	(28,800)	(28,800)	-	(28,800)
Dividends to non-controlling interest	-	-	-	-	-	-	-	(2,965)	(2,965)
At 31 December 2010	144,000	76,428	15,000	1,376	8,210	259,977	504,991	11,824	516,815

2009	Equity attributable to equity holders of the parent company							Non-controlling interest	Total equity
	Share capital	Statutory reserve	General reserve	Foreign currency translation reserve	Investment fair value reserve	Retained earnings	Total		
At 1 January 2009	144,000	74,208	15,000	(884)	288	219,653	452,265	10,648	462,913
Profit for the year	-	-	-	-	-	105,041	105,041	3,777	108,818
Other comprehensive income	-	-	-	-	-	-	-	-	-
Foreign currency translation differences	-	-	-	1,042	-	-	1,042	(345)	697
Net changes in fair value of investments	-	-	-	-	9,169	-	9,169	-	9,169
Total other comprehensive income	-	-	-	1,042	9,169	-	10,211	(345)	9,866
Total comprehensive income for the year	-	-	-	1,042	9,169	105,041	115,252	3,432	118,684
Final dividends declared for 2008	-	-	-	-	-	(43,200)	(43,200)	-	(43,200)
Donations declared for 2008	-	-	-	-	-	(2,605)	(2,605)	-	(2,605)
Directors' remuneration declared for 2008	-	-	-	-	-	(385)	(385)	-	(385)
Transfer to statutory reserve	-	1,146	-	-	-	(1,146)	-	-	-
Interim dividends declared for 2009	-	-	-	-	-	(28,800)	(28,800)	-	(28,800)
Regrouping of balances	-	10	-	10	-	776	796	(796)	-
Dividends to non-controlling interest	-	-	-	-	-	-	-	(2,553)	(2,553)
At 31 December 2009	144,000	75,364	15,000	168	9,457	249,334	493,323	10,731	504,054