

**BAHRAIN TELECOMMUNICATIONS COMPANY BSC
FINANCIAL HIGHLIGHTS
FOR THE SIX MONTHS ENDED 30 JUNE 2011**

		2011	2010	% Increase/ (Decrease)
Gross revenue	BD million	163.2	170.7	(4%)
Net revenue	BD million	127.2	131.7	(3%)
Expenses	BD million	117.3	116.8	-
Profit attributable to Batelco shareholders	BD million	38.8	46.7	(17%)
Return on net worth (Annualised)	%	14.9	17.4	(14%)
Weighted average number of shares outstanding for the period	Million	1,440	1,440	-
Basic Earnings per share	Fils	26.9	32.4	(17%)

BAHRAIN TELECOMMUNICATIONS COMPANY BSC
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	BD'000	
	30 June 2011	31 December 2010
	(reviewed)	(audited)
ASSETS		
Non-current assets		
Property and equipment	182,433	191,474
Goodwill	125,035	125,129
Intangible assets	26,409	28,404
Investment in associate	79,369	130,124
Investment in associate classified as held for sale	46,473	-
Deferred tax assets	1,975	1,271
Available for sale investments	16,714	28,403
Total non-current assets	478,408	504,805
Current assets		
Inventories	2,278	2,015
Trade and other receivables	72,586	64,834
Cash and bank balances	87,079	86,817
Total current assets	161,943	153,666
Total assets	640,351	658,471
EQUITY AND LIABILITIES		
Equity		
Share capital	144,000	144,000
Statutory reserve	76,717	76,428
General reserve	30,000	15,000
Foreign currency translation reserve	1,398	1,376
Investments fair value reserve	(3,397)	8,210
Retained earnings	245,272	259,977
Total equity attributable to equity holders of the parent company	493,990	504,991
Non-controlling interest	13,772	11,824
Total equity	507,762	516,815
Liabilities		
Non-current liabilities		
Trade payable	2,802	3,063
Deferred tax liability	4,471	4,732
Total non-current liabilities	7,273	7,795
Current liabilities		
Trade and other payables	125,316	133,861
Total current liabilities	125,316	133,861
Total liabilities	132,589	141,656
Total equity and liabilities	640,351	658,471

BAHRAIN TELECOMMUNICATIONS COMPANY BSC
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2011

	BD' 000		BD' 000	
	Six months ended 30 June 2011 (reviewed)	Six months ended 30 June 2010 (reviewed)	Three months ended 30 June 2011 (reviewed)	Three months ended 30 June 2010 (reviewed)
Revenue	163,180	170,733	82,366	84,799
Finance and other income	520	717	288	324
Total income	163,700	171,450	82,654	85,123
Network operating expenses	(54,860)	(54,075)	(27,911)	(27,700)
Staff costs	(25,733)	(23,962)	(13,213)	(11,849)
Depreciation and amortisation	(18,714)	(20,138)	(9,364)	(9,895)
Other operating expenses	(17,900)	(18,436)	(9,170)	(9,059)
Finance expenses	(132)	(201)	(66)	(80)
Total expenses	(117,339)	(116,812)	(59,724)	(58,583)
Results from operating activities	46,361	54,638	22,930	26,540
Share of (loss)/profit of associates (net)	(4,265)	(4,644)	4	(2,543)
Profit before income tax	42,096	49,994	22,934	23,997
Income tax expense	(1,621)	(1,746)	(626)	(812)
Profit for the period	40,475	48,248	22,308	23,185
Other comprehensive income				
Foreign currency translation differences for foreign operations	248	(504)	178	(1,471)
Investments fair value changes	(11,607)	(2,264)	1,433	(3,882)
Other comprehensive income for the period	(11,359)	(2,768)	1,611	(5,353)
Total comprehensive income for the period	29,116	45,480	23,919	17,832
Profit for the period attributable to :				
Equity holders of the parent company	38,753	46,687	21,297	22,347
Non-controlling interest	1,722	1,561	1,011	838
	40,475	48,248	22,308	23,185
Total comprehensive income attributable to:				
Equity holders of the parent company	27,168	44,067	22,797	17,105
Non-controlling interest	1,948	1,413	1,122	727
	29,116	45,480	23,919	17,832
Basic earnings per share for the period (Fils)	26.9	32.4	14.8	15.5

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BAHRAIN TELECOMMUNICATIONS COMPANY BSC
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2011

	BD' 000	
	Six months ended 30 June 2011	Six months ended 30 June 2010
	(reviewed)	(reviewed)
Operating activities		
Cash receipts from customers	151,377	155,632
Net cash paid to suppliers	(66,116)	(68,410)
Cash paid to and on behalf of employees	(31,655)	(26,886)
Cash flows from operating activities	53,606	60,336
Investing activities		
Acquisition of property and equipment	(15,053)	(16,838)
Dividend received from associate	-	2,031
Net proceeds from sale and maturity of investments	4,378	3,279
Interest and investment income received	614	886
Cash flows from investing activities	(10,061)	(10,642)
Financing activities		
Dividend paid	(37,939)	(43,351)
Interest paid	-	(50)
Borrowing repaid	-	(36,569)
Payments to charities	(1,108)	(1,005)
Cash flows from financing activities	(39,047)	(80,975)
Increase/(decrease) in cash and cash equivalents	4,498	(31,281)
Cash and cash equivalents at 1 January	80,436	70,230
Cash and cash equivalents at 30 June	84,934	38,949

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BAHRAIN TELECOMMUNICATIONS COMPANY BSC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2011

BD' 000

2011	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 2011	144,000	76,428	15,000	1,376	8,210	259,977	504,991	11,824	516,815
Profit for the period	-	-	-	-	-	38,753	38,753	1,722	40,475
Other comprehensive income	-	-	-	-	-	-	-	-	-
Foreign currency translation differences	-	-	-	22	-	-	22	226	248
Net changes in fair value of investments	-	-	-	-	(11,607)	-	(11,607)	-	(11,607)
Total other comprehensive income	-	-	-	22	(11,607)	-	(11,585)	226	(11,359)
Total comprehensive income for the period	-	-	-	22	(11,607)	38,753	27,168	1,948	29,316
Final dividends declared for 2010	-	-	-	-	-	(36,000)	(36,000)	-	(36,000)
Donations declared for 2010	-	-	-	-	-	(2,169)	(2,169)	-	(2,169)
Transfer to statutory reserve	-	289	-	-	-	(289)	-	-	-
Transfer to general reserve	-	-	15,000	-	-	(15,000)	-	-	-
	-	289	15,000	-	-	(53,458)	(38,169)	-	(38,169)
At 30 June 2011	144,000	76,717	30,000	1,398	(3,397)	245,272	493,990	13,772	507,762

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 period	-	-	-	-	-	46,687	46,687	1,561	48,248
Other comprehensive income	-	-	-	-	-	-	-	-	-
Foreign currency translation differences	-	-	-	(356)	-	-	(356)	(148)	(504)
Net changes in fair value of investments	-	-	-	-	(2,264)	-	(2,264)	-	(2,264)
Total other comprehensive income	-	-	-	(356)	(2,264)	-	(2,620)	(148)	(2,768)
Total comprehensive income for the period	-	-	-	(356)	(2,264)	46,687	44,067	1,413	45,480
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	-	261	-	-	-	(261)	-	-	-
	-	261	-	-	-	(46,527)	(46,266)	-	(46,266)
At 30 June 2010	144,000	75,625	15,000	(188)	7,193	249,494	491,124	12,144	503,268