



Investor Presentation

September 30, 2009

A wonderful world



Zain

Disclaimer

Certain expectations and projections regarding future performance of the company referenced in this presentation may be “forward-looking” statements within the meaning of applicable securities laws and regulations. These are statements which the management believes are true at the time of their preparation based on available data and information and are subject to certain future events and uncertainties, that could cause actual results to differ materially from those anticipated in these forward-looking statements.



Becoming a Global Telecoms Player

Who we are now

- Zain is an emerging telecoms player operating in **24 countries** in the Middle East and Africa, serving over **71.8 million** active customers
- The company is the leading mobile telecom operator in **16** of its markets, while 4 are in second position
- **Revenues: US\$ 6,169 million; EBITDA: US\$ 2,624 million; Net Income: US\$ 677 million** for the 9 months of 2009

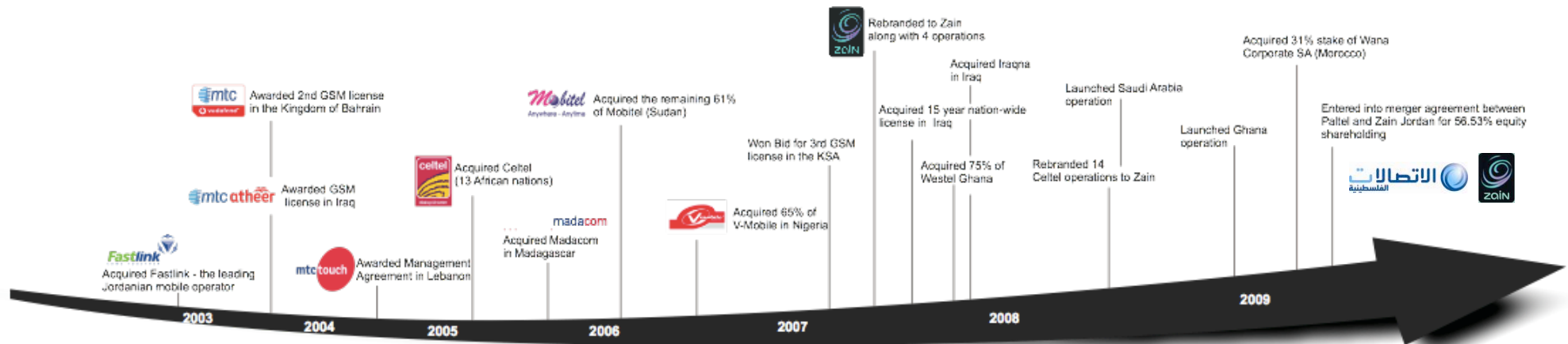
Strategic Objectives by 2011

- Become one of the **top 10** mobile telecommunications companies in the world
- **US\$ 6 billion** in EBITDA
- Reach a customer base of **150 million**
- Become a truly multinational organization and management team



Zain's Historical Growth

From a National Player to an Emerging Markets Leader



* MTC Atheer & Iraqna jointly operate under the Zain brand



Zain's Historical Growth

From a National Player to an Emerging Markets Leader

1983-2002

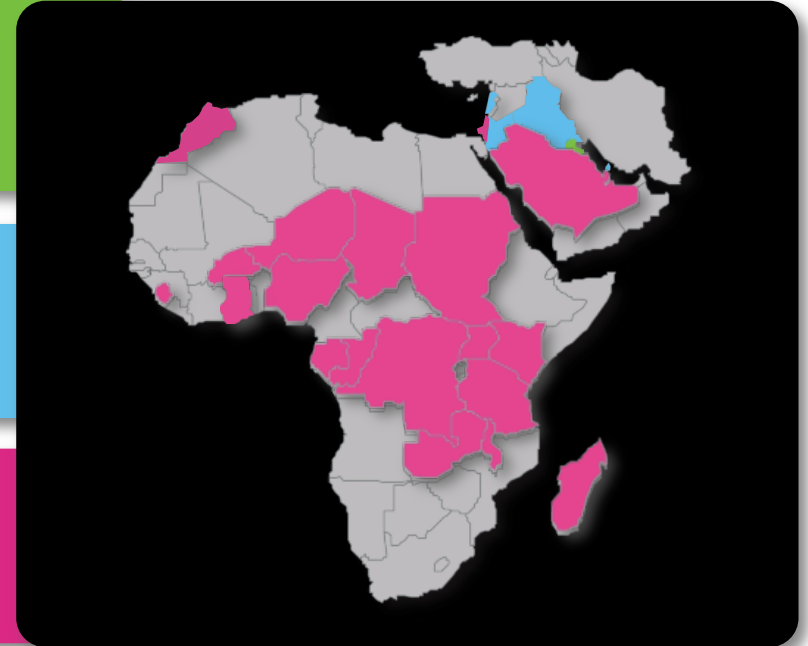
Population under license: 3.2 million
Number of Operations: 1

2002-2005

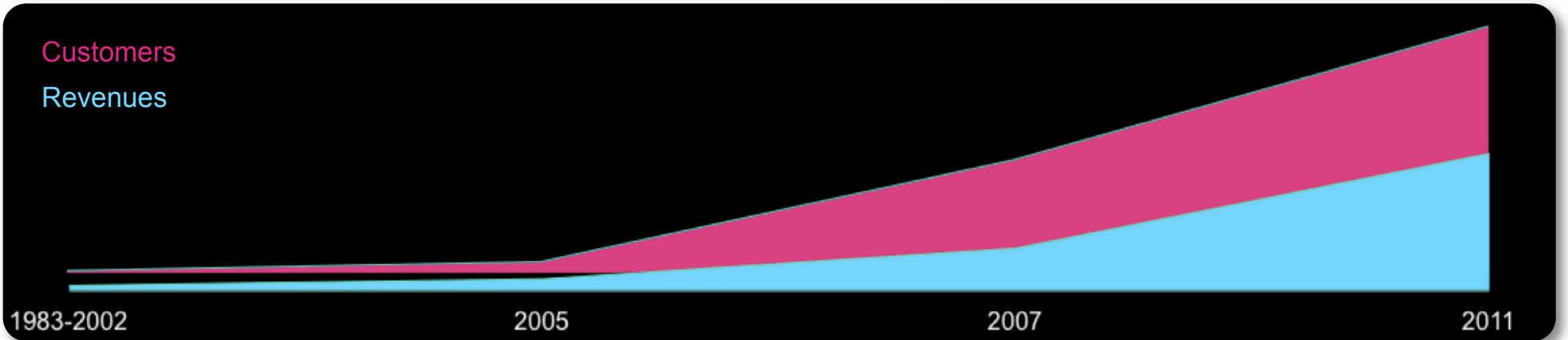
Population under license: 42.8 million
Number of Operations: 5

2005-2009

Population under license: 600 million
Number of Operations: 24



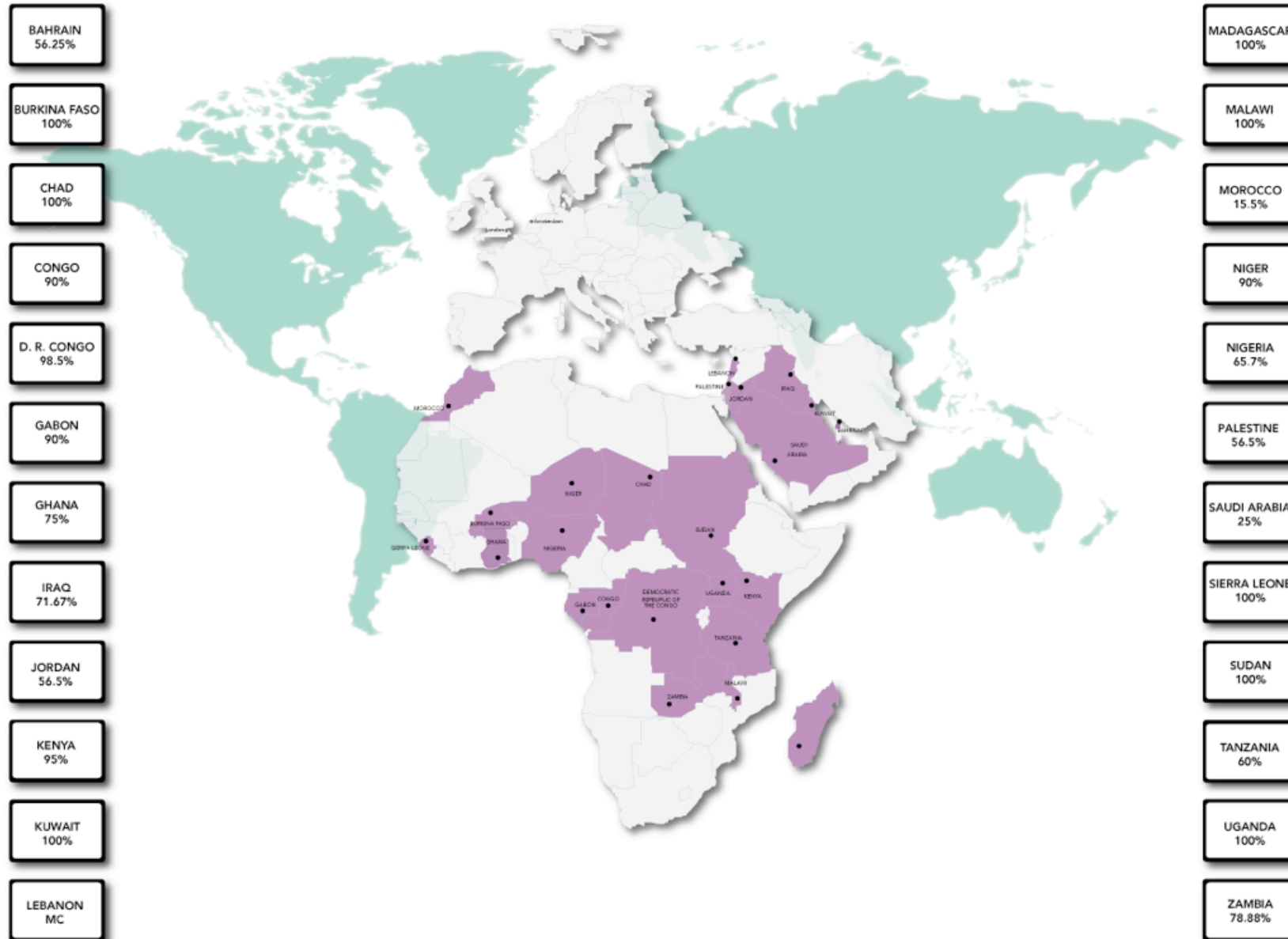
Customers
Revenues





Zain's Historical Growth

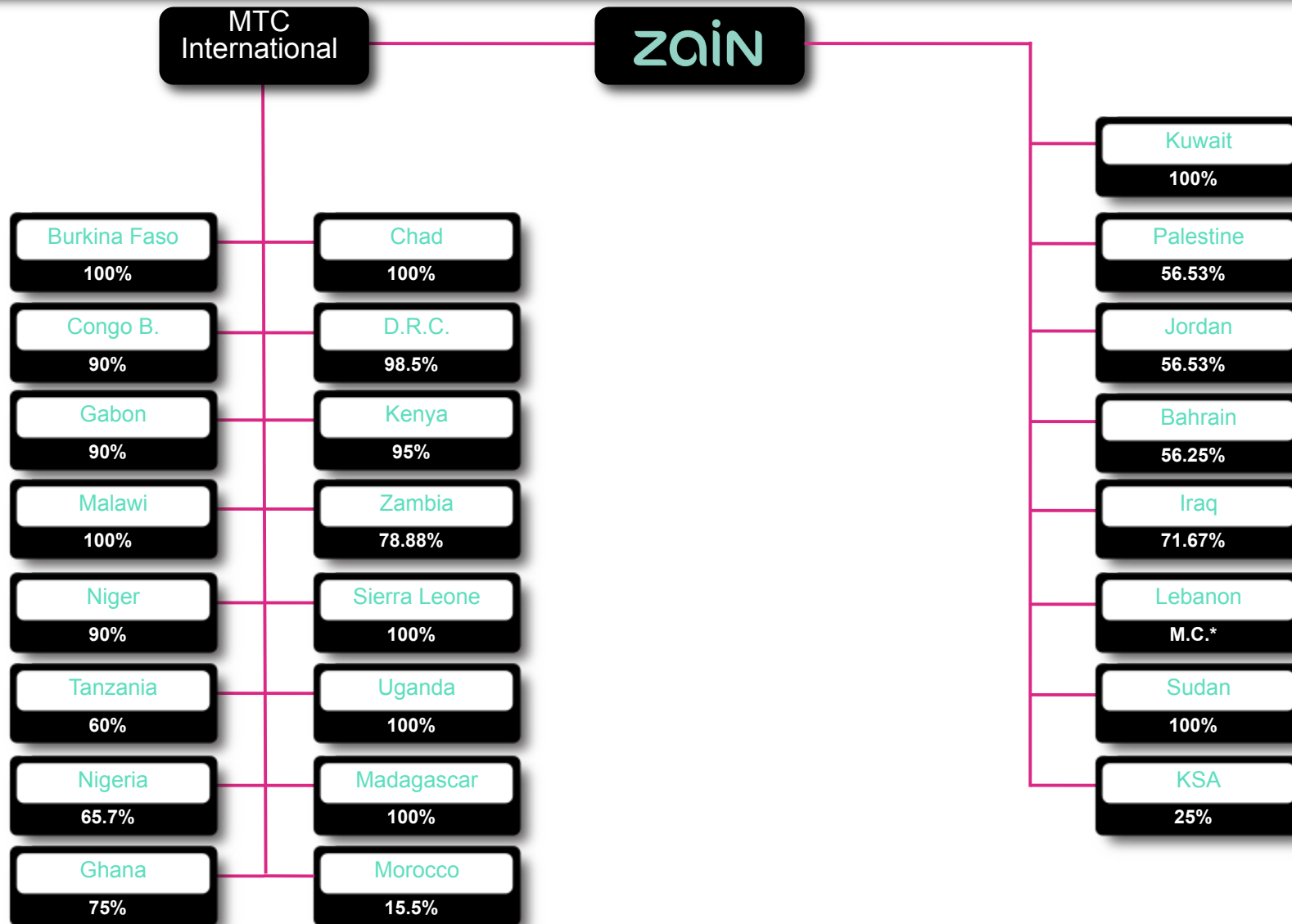
From a National Player to an Emerging Market Leader



% reflects ownership

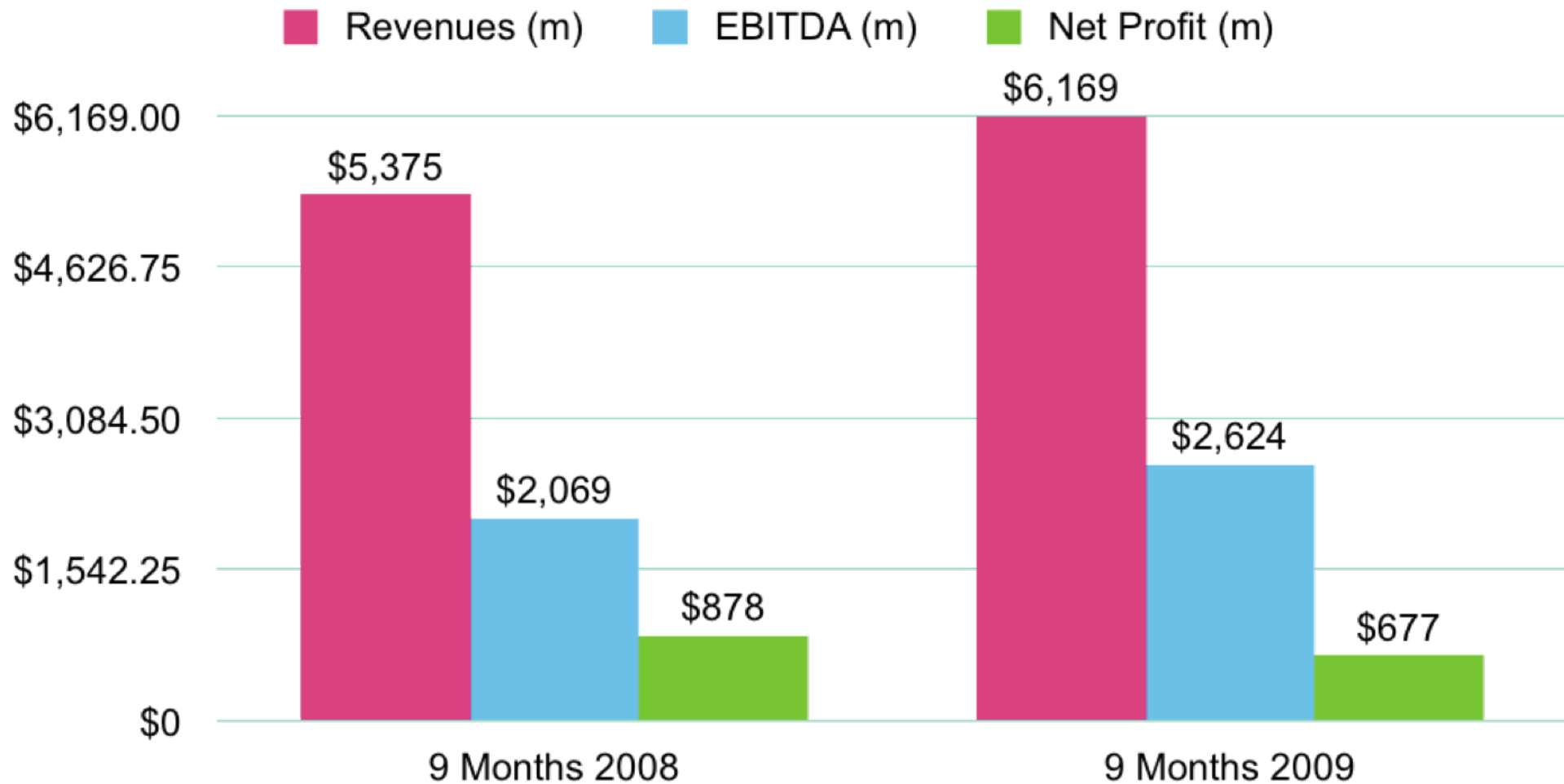


Group Structure





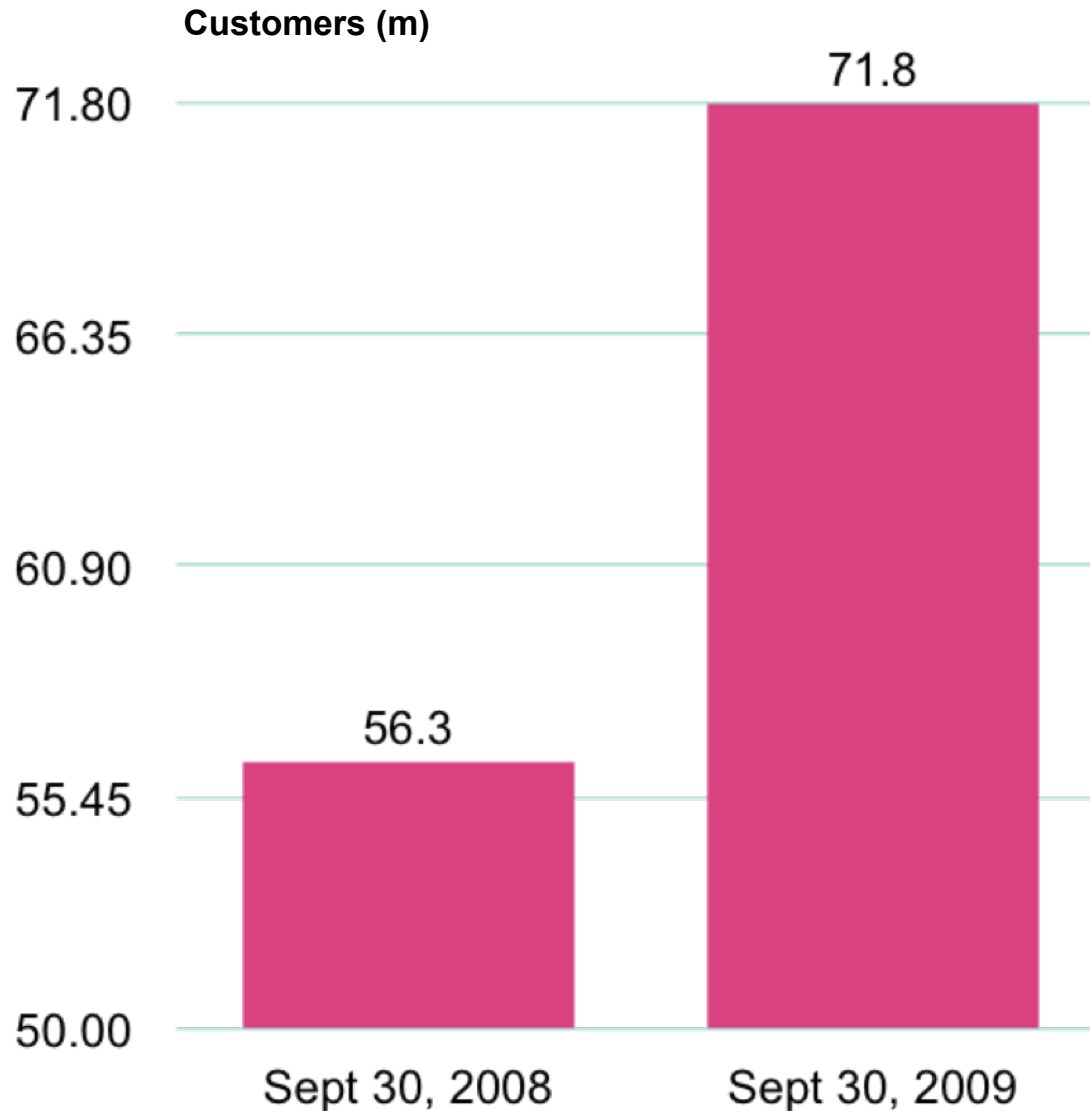
Zain's Key Performance Indicators





Zain's Customers

Driven by Organic Growth and M&A



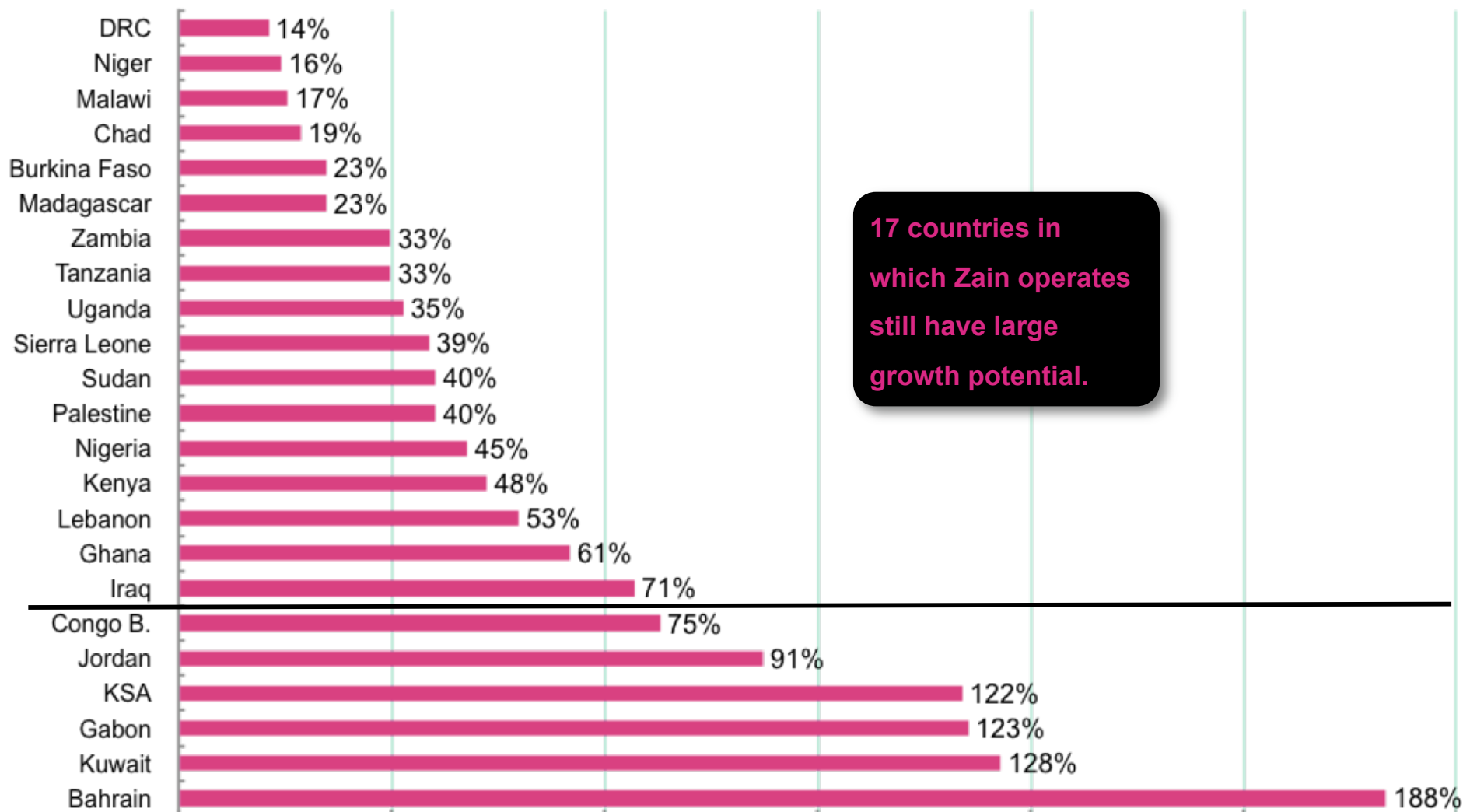
Customer Growth

Zain's customers increase was boosted by the merger of Zain Jordan and Paltel and the addition of the launch of Zain KSA.



Penetration Rates

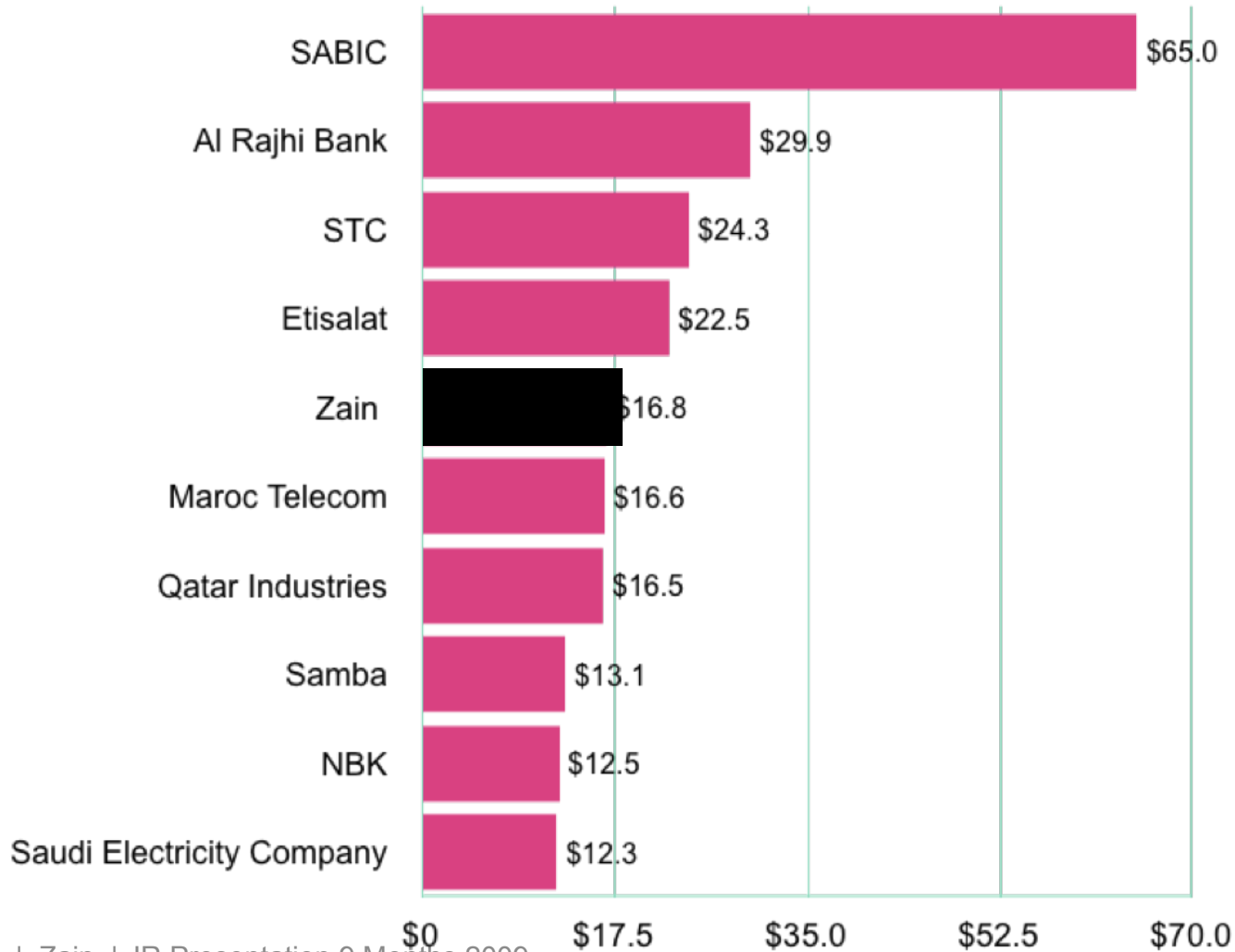
Substantial Potential for Future Growth





Top 10 Companies in Middle East & Africa

Market Cap (Billion)



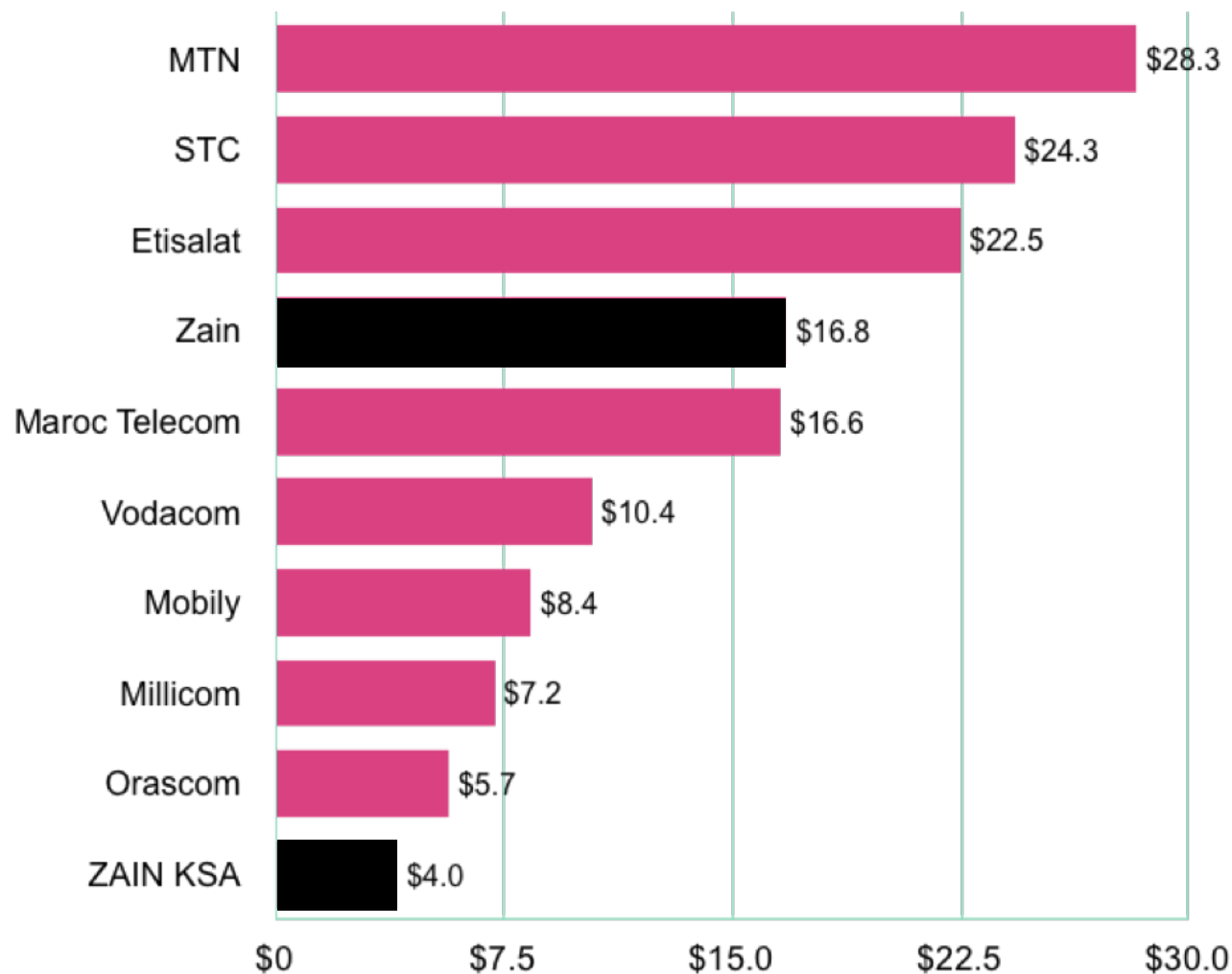
As of November 8, 2009

Source: Reuters



Top 10 Telecom Companies in Middle East & Africa

Market Cap (Billion)



As of November 8, 2009

Source: Reuters



Moving Forward

Expansion

- Zain KSA launched its commercial services in August 2008
- Zain Ghana launched its commercial activities in December 2008
- Zain established a joint venture in 'Zain Al-Ajjal' for 31% stake in Wana, Morocco
- Successful bidding for extended license in Lebanon
- Paltel and all its subsidiaries joined Zain Group in May 2009

Equity Listing

- Zain's K.S.C stock is listed on the Kuwait Stock Exchange under the stock ticker ZAIN
- The Zain consortium in KSA took the company public in early Q1-2008, thus reducing the company's stake to 25%
- 10% of Zain Zambia's share were listed on the Lusaka Stock Exchange in June 2008
- Paltel is listed on the Abu Dhabi Stock Exchange and the Palestine Stock Exchange

ACE

- Zain will become one of the **Top-10 mobile operators in the world by 2011**
- Drive11 was launched in May 2009 to attain 2011 targets





One Network

Innovative Services Guaranteeing Further Competitive Advantages

What is One Network?

- The **world's first** border-less mobile network connecting 17 countries - started in Sept. 2006, further expanded in June, November 2007, April 2008, August and December 2008 to cover KSA and Ghana at launch.
- Includes Burkina Faso, Chad, Congo B., DRC, Gabon, Kenya, Madagascar, Sierra Leone, Malawi, Niger, Nigeria, Tanzania, Uganda and Ghana in Africa. Includes Bahrain, Iraq, Jordan, Kuwait, Palestine, Sudan and KSA in the Middle East.
- Allows post-paid and pre-paid subscribers in all twenty-one countries to:
 - Make calls at local rates,
 - Receive incoming calls free of charge
 - Use voice mail and other local services anywhere
 - Top-up their pre-paid phones with airtime cards bought in their home country or any of the 21 countries they are located in.



Zain's Mobile Operations

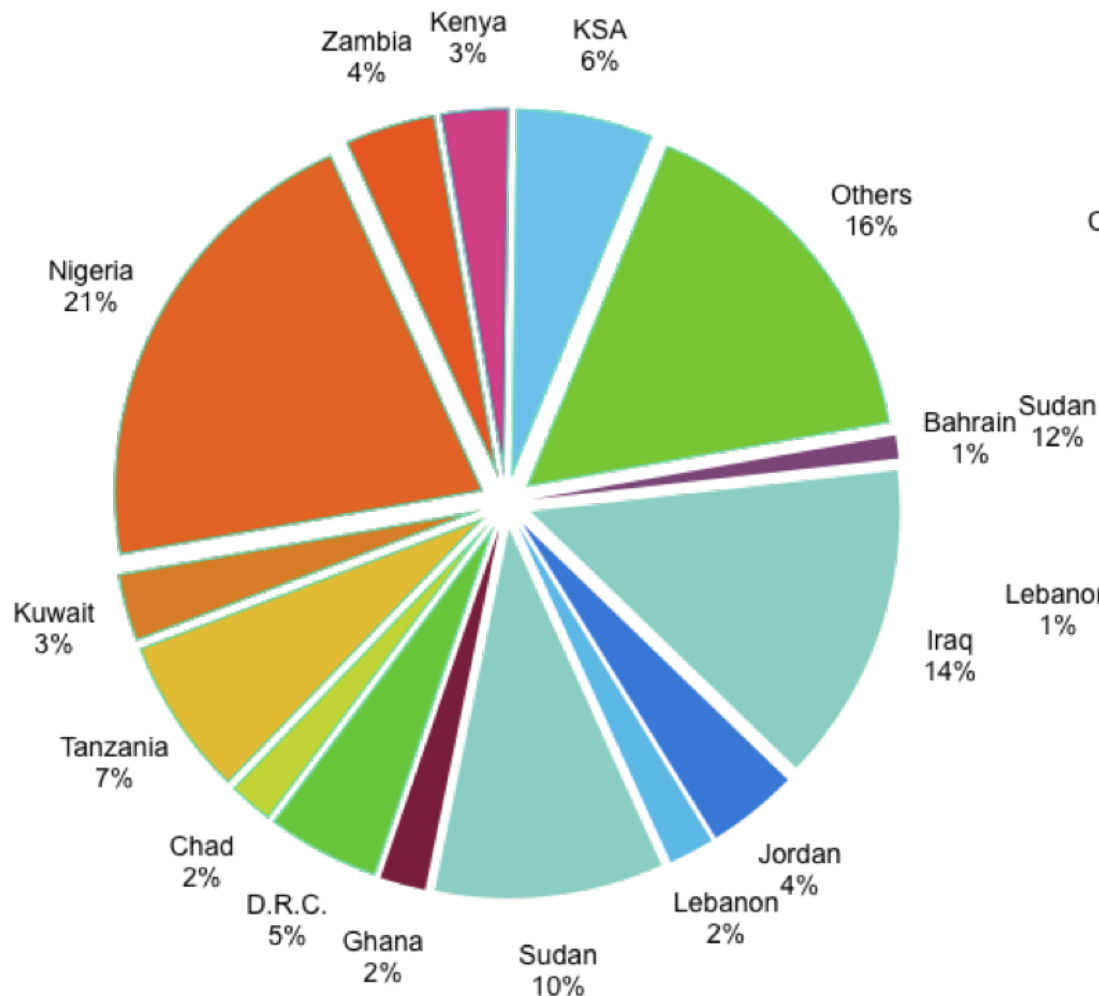




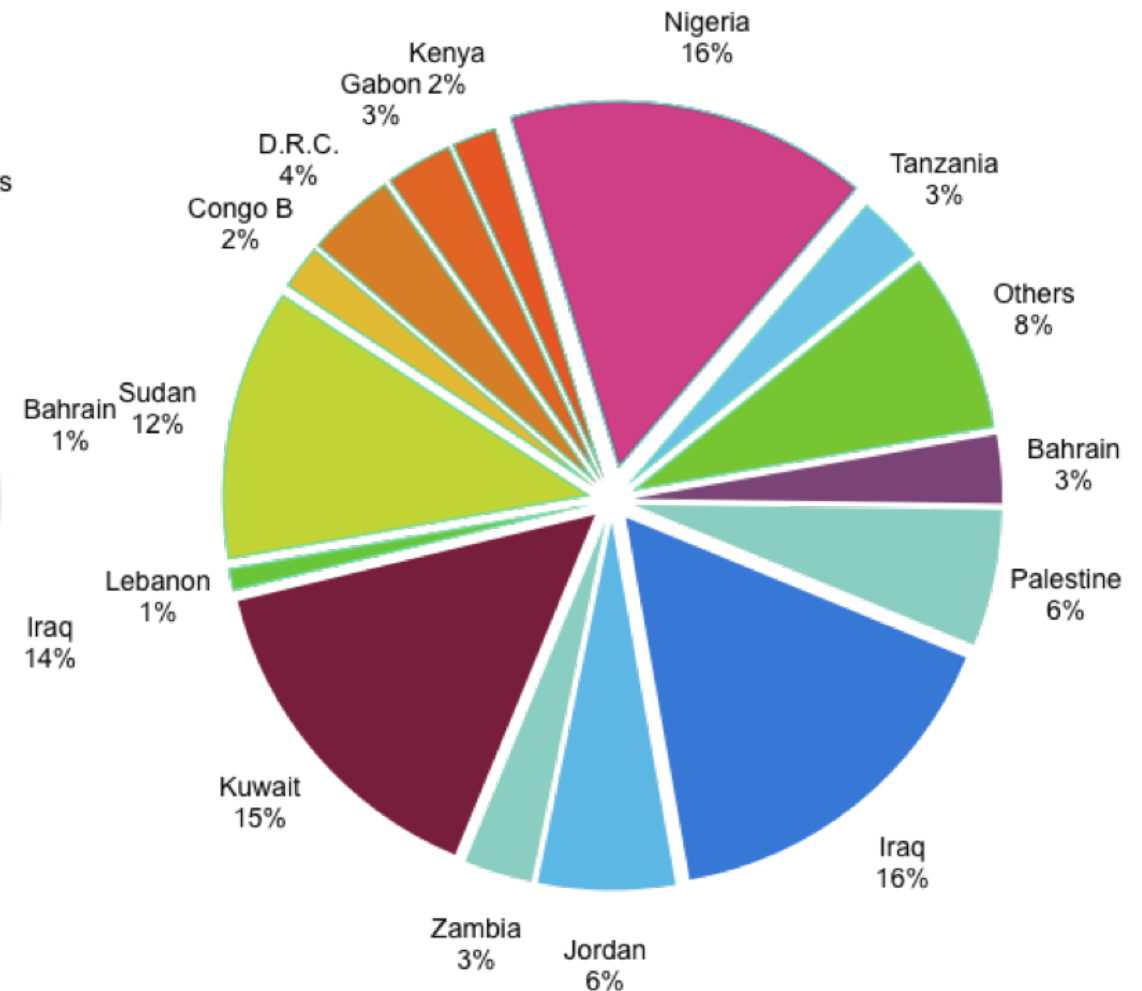
Zain Group Country Breakdown

September 30, 2009

Zain Group Customers



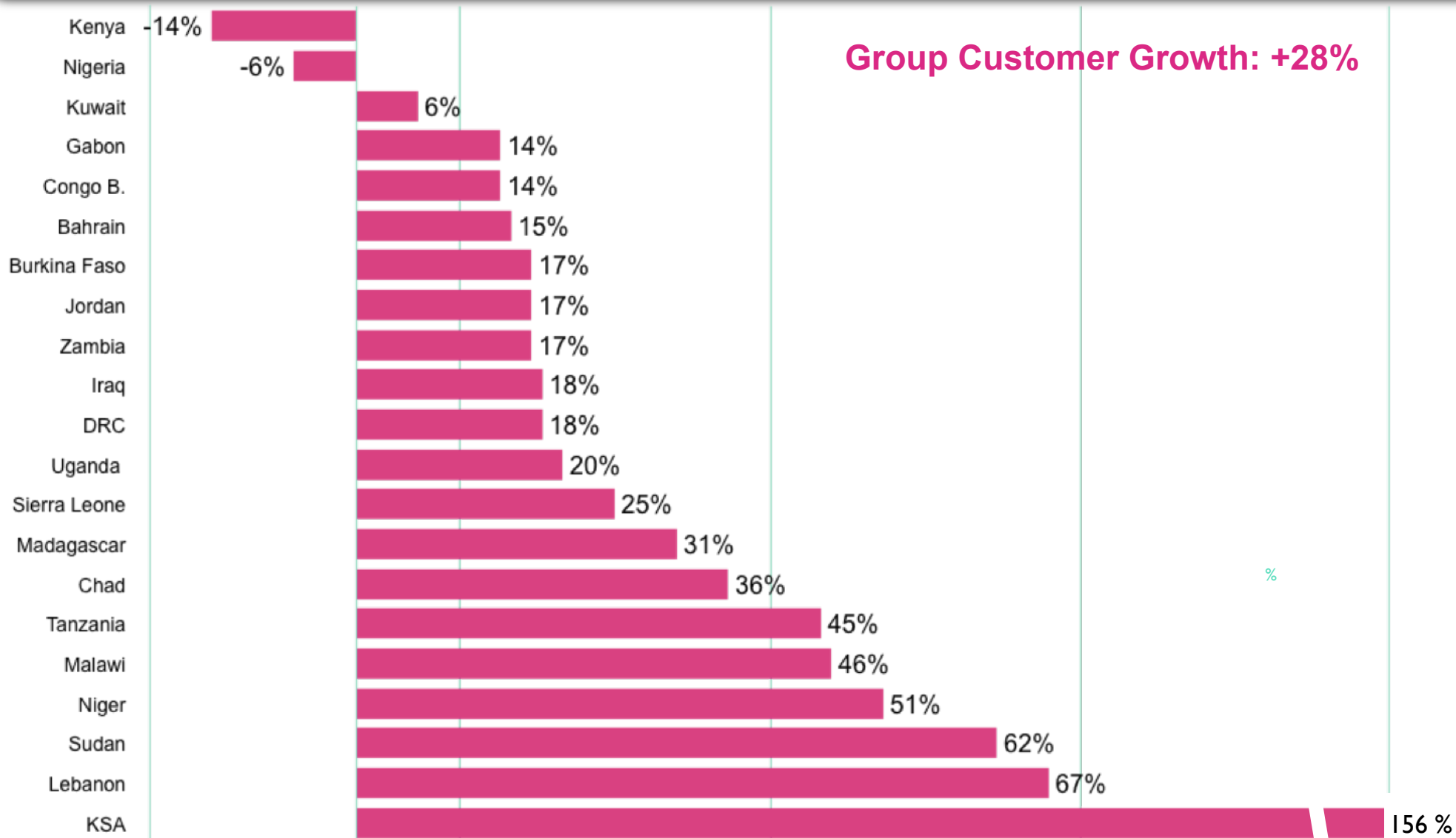
Zain Group Revenues





Zain Group Customer Growth September '09 vs. September '08

Group Customer Growth: +28%

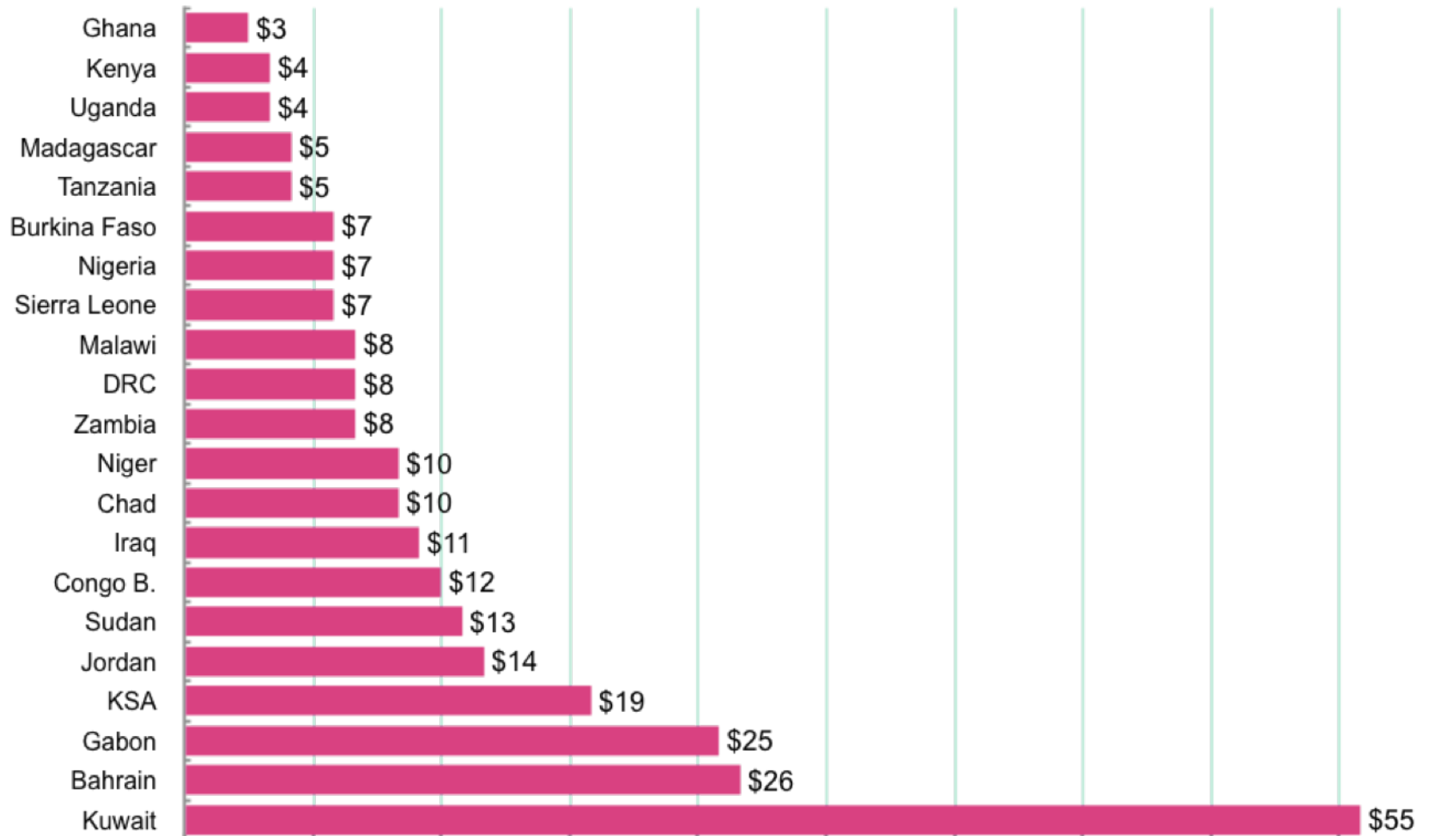




Blended ARPUs

September 30, 2009

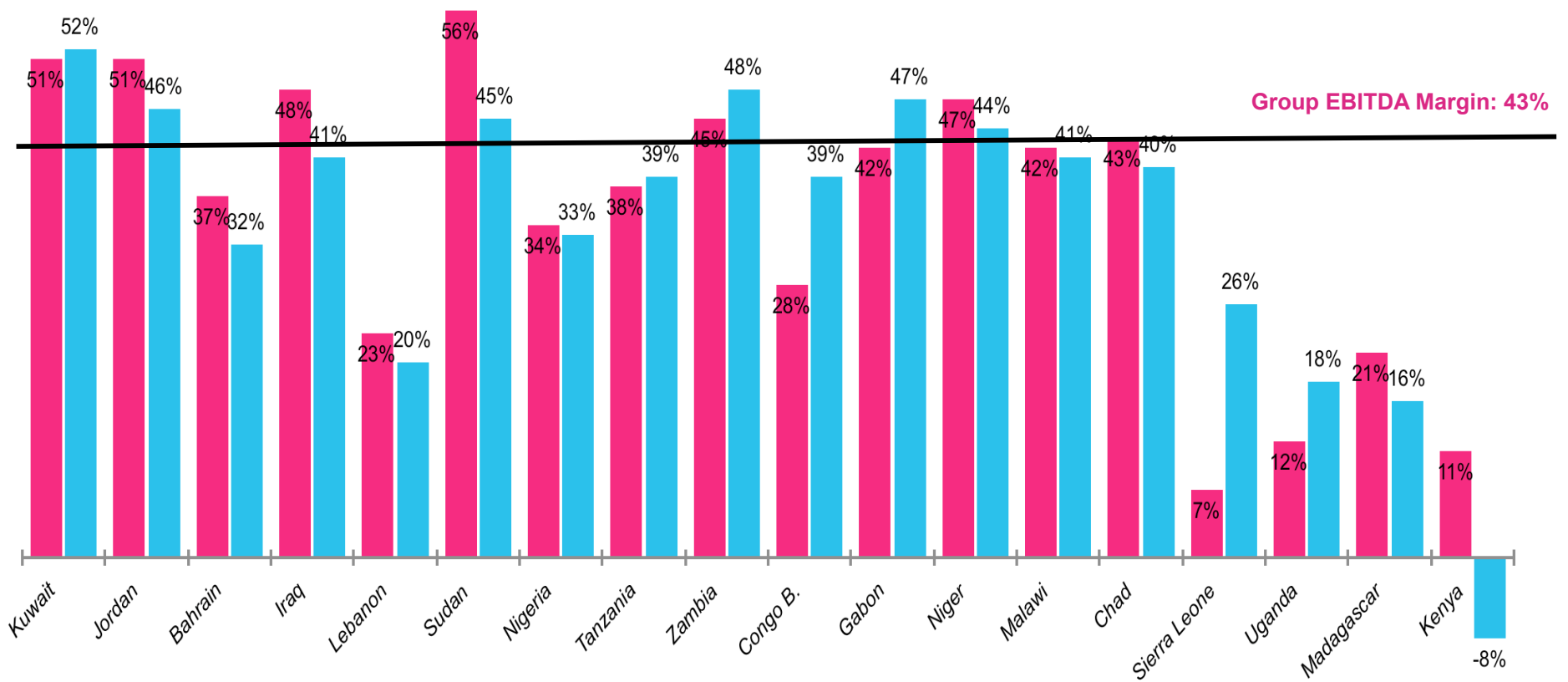
US\$





EBITDA Margins 9 Months 2009

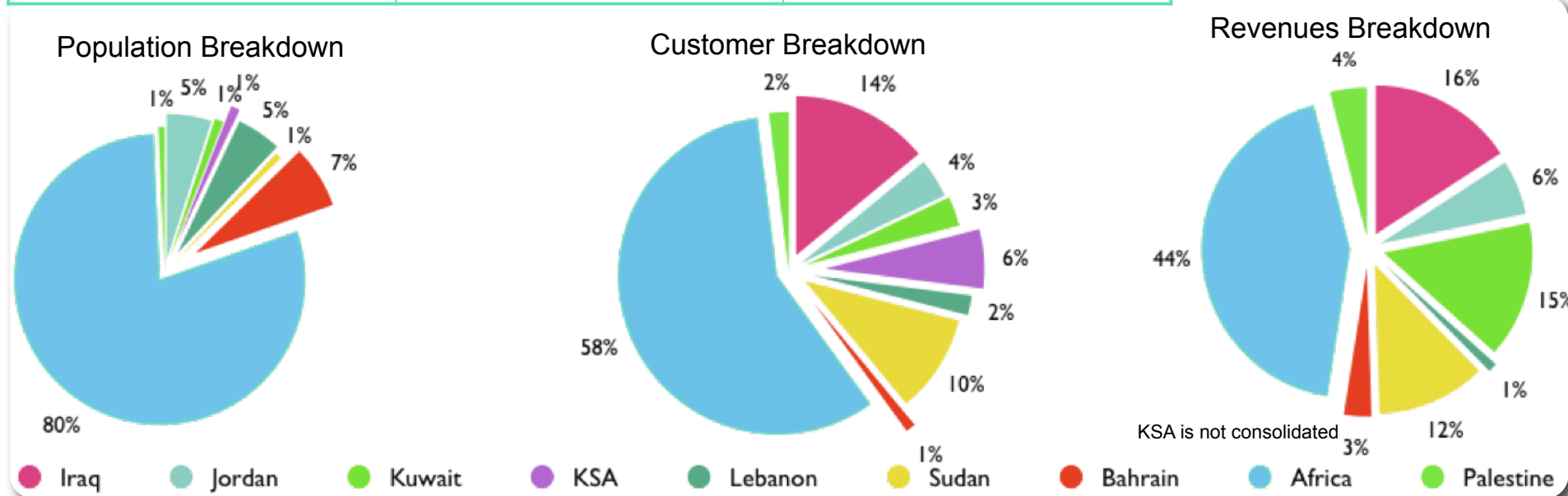
- 9 Months 2009
- 9 Months 2008





Middle East Overview

	Population (000s)	Customers (000s)
Kuwait	3,480	1,808
Jordan	6,317	2,625
Bahrain	1,130	693
Iraq	30,285	10,063
Lebanon	4,195	1,273
Kingdom of Saudi Arabia	28,831	4,401
Sudan	40,581	7,335
Palestine	4,312	1,731
Total	119,131	29,929



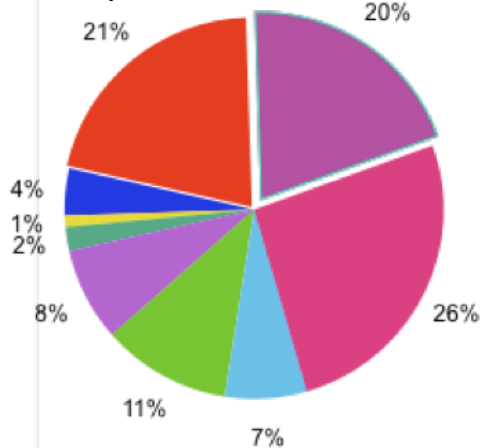


Africa Overview

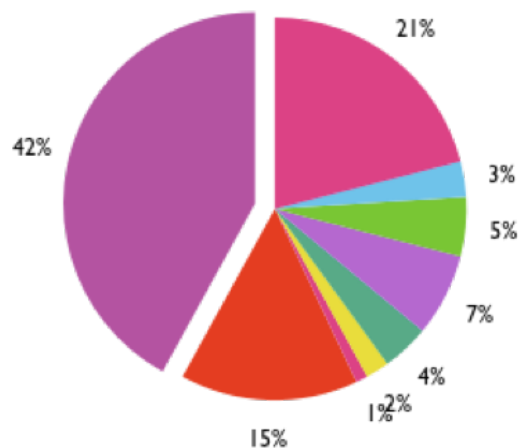
	Population (000s)	Customers (000s)
Nigeria	155,770	14,936
Kenya	39,888	2,191
DRC	67,470	3,569
Tanzania	45,782	4,764
Zambia	12,453	2,940
Congo Brazzaville	3,951	1,415
Gabon	1,375	870
Ghana	24,537	1,208
Others	117,702	10,004
Total	468,928	41,897



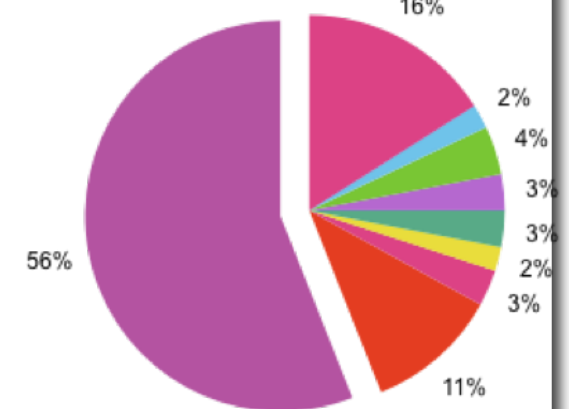
Population Breakdown



Customer Breakdown



Revenues Breakdown



● Nigeria
 ● Kenya
 ● DRC
 ● Tanzania
 ● Zambia
 ● Congo B.
 ● Gabon
 ● Ghana
 ● Others
 ● Middle East



Kuwait

Contribution to Group total - Population: **1%** Customers: **3%** Revenues: **15%** - Customer YoY Growth: **6%**

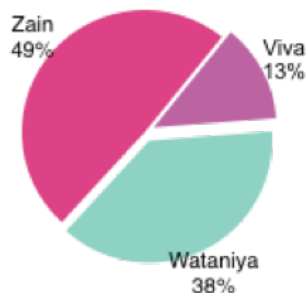
- Despite Viva's entry in the market, Zain Kuwait still commands 49% of the market, as a result of increased network coverage to 1,640 sites and introduction of key services and promotions.
- Zain is listed on the Kuwait Stock Exchange (KSE) with 24.6% held by the Kuwait Investment Authority.
- Zain Kuwait remains a key-performer in the Group, with an ARPU of \$55 – the highest in the Group.



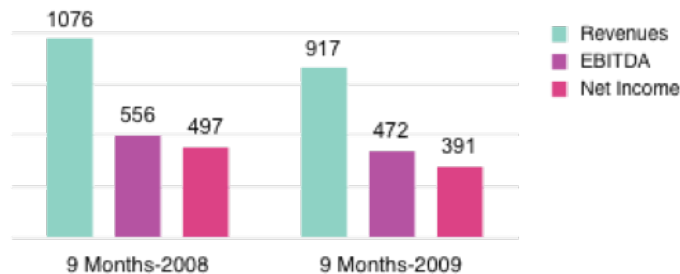
Key Statistics for 9 Months-2009

Population (000s)	3,480
GDP/Capita (PPP)	\$40,943
Year of launch	1983
Ownership	100%
Mobile Penetration	128%
Number of Operators	3
Market Positioning	1
Market Share	49%
ARPU	\$55

Market Share



Financial Performance (\$ m)





Sudan

Contribution to Group total - Population: **7%** Customers: **10%** Revenues: **12%** - Customer YoY Growth: **62%**

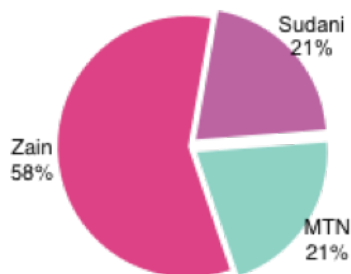
- In February 2006, Zain Group acquired the remaining 61% of Mobitel for US\$ 1.332 billion.
- Zain Sudan's excellent performance was driven primarily by a solid customer growth (62%), resulting in a higher Net Income and EBITDA levels of 54% and 39% respectively.
- The operation had the highest EBITDA margin in the Group at 56%.
- Q3-2009 was marked by the launch of prepaid and roaming services with Mobinil and Vodafone Egypt.



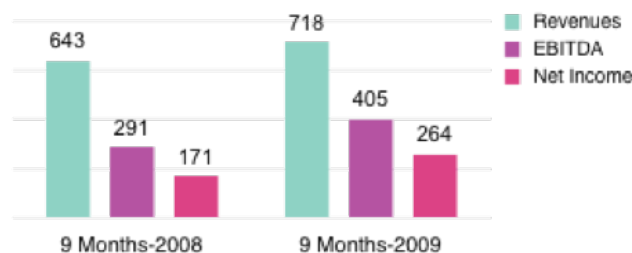
Key Statistics for 9 Months-2009

Population (000s)	40,581
GDP/Capita (PPP)	\$2,335
Year of full acquisition	2006
Ownership	100%
Mobile Penetration	40%
Number of Operators	3
Market Positioning	1
Market Share	58%
ARPU	\$13

Market Share



Financial Performance (\$ m)





Iraq

Contribution to Group total - Population: **5%** Customers: **14%** Revenues: **16%** - Customer YoY Growth: **18%**

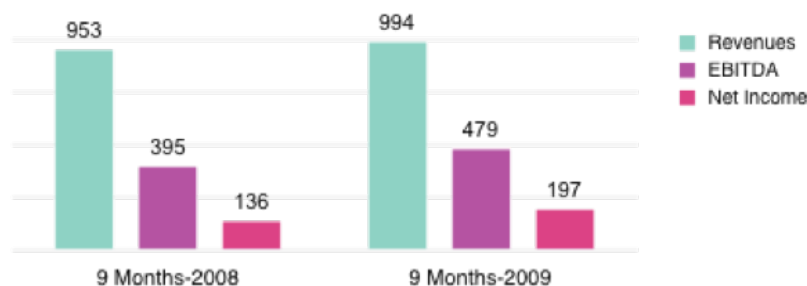
- After securing a 15-year license in August 2007 for US\$ 1.25 billion, and following the full integration between MTC-Atheer and Iraqna, Zain managed to increase its ownership stake to 71.67% to become a fully-fledged subsidiary.
- Despite achieving the 10 million customer milestone in H1-2009, Zain Iraq witnessed a slight decrease in its customer base in Q3-2009 due to intense competition and the aggressive acquisition strategy adopted by Asiacell.
- The operation is the highest contributor to the Group from the Middle East in both revenues and customers, at 16% and 14% respectively.



Key Statistics for 9 Months-2009

Population (000s)	30,285
GDP/Capita (PPP)	\$12,063
Year of acquisition	2003
Ownership	71.67%
Mobile Penetration	71%
Number of Operators	3
Market Positioning	1
ARPU	\$11

Financial Performance (\$ m)





Jordan

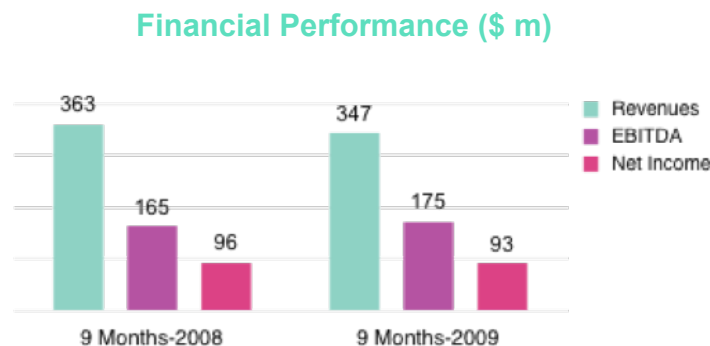
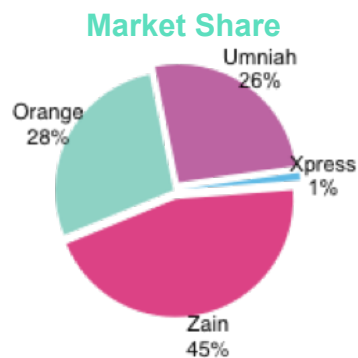
Contribution to Group Total - Population: 1% Customers: 4% Revenues: 6% - Customer YoY Growth: 17%

- Despite the highly competitive market, Zain Jordan managed to maintain its position as the market leader with a 45% market share.
- The aftershocks of the worldwide financial turmoil has caused strain on disposable income in the Jordanian economy, which has led to lower spending and lower ARPUs.
- Zain Jordan's revenue share reached 53% in Q3 due to the interconnect revenue provision.



Key Statistics for 9 Months-2009

Population (000s)	6,317
GDP/Capita (PPP)	\$5,172
Year of acquisition	2003
Ownership	56.53%
Mobile Penetration	91%
Number of Operators	4
Market Positioning	1
Market Share	45%
ARPU	\$14





Bahrain

Contribution to Group Total - Population: 0% Customers: 1% Revenues: 3% - Customer YoY Growth: 15%

- A Greenfield operation, Zain Bahrain entered the market as the second mobile operator in December 2003.
- Bahrain has the highest mobile penetration in the region with 188% and has surpassed Batelco with 51% market share to be the market leader.
- STC is expected to commence operations by the end of 2009.



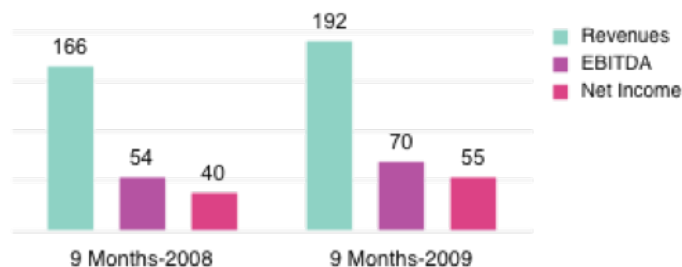
Key Statistics for 9 Months-2009

Population (000s)	1,130
GDP/Capita (PPP)	\$33,988
Year of launch	2003
Ownership	56.25%
Mobile Penetration	188%
Number of Operators	2
Market Positioning	1
Market Share	51%
ARPU	\$26

Market Share



Financial Performance (\$ m)





Zambia

Contribution to Group Total - Population: 2% Customers: 4% Revenues: 3% - Customer YoY Growth: 17%

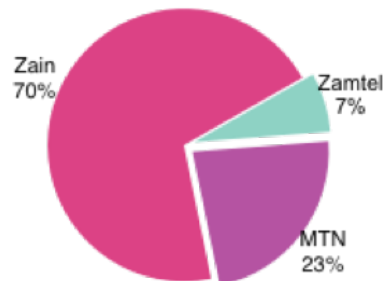
- One of the key performers of the Group, Zain Zambia was launched in 1998 and continues to be the preferred mobile network with 70% market share.
- Zain Zambia continues to face a delay in the 3G launch due to license injunction and restraints on the International gateway liberalization.
- In Q3-2009 several initiatives were introduced, including Location Based Execution, Customer Value Development and Prepaid Roaming.



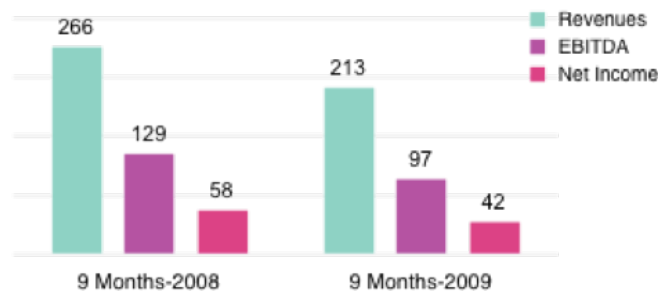
Key Statistics for 9 Months-2009

Population (000s)	12,453
GDP/Capita (PPP)	\$1,397
Year of launch	1998
Ownership	78.88%
Mobile Penetration	33%
Number of Operators	3
Market Positioning	1
Market Share	70%
ARPU	\$8

Market Share



Financial Performance (\$ m)





Niger

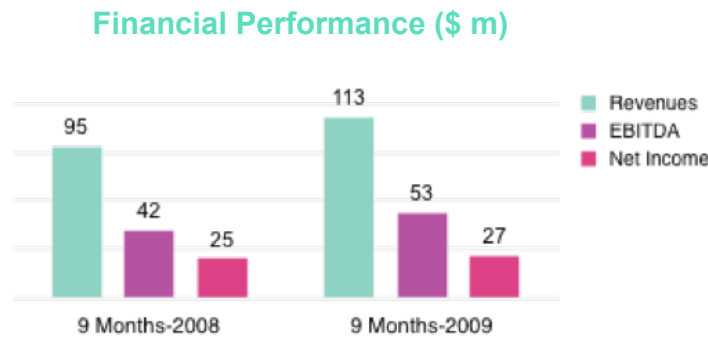
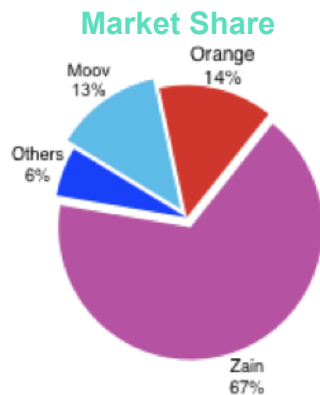
Contribution to Group total - Population: 3% Customers: 2% Revenues: 2% - Customer YoY Growth: 51%

- Zain Niger started its commercial activities in October 2001 and since then has evolved to control 67% of the market.
- To date, Niger hosts four other mobile operators, notably Orange and Moov with 14% and 13% market share respectively.
- This period was marked by the launch of new services including BlackBerry, Bundle Data and ULCH and Merveilles de Zain.
- In attempt to improve traffic capacity and reduce congestion, 4 new sites were rolled-out to have a total of 289 sites on air to date.



Key Statistics for 9 Months-2009

Population (000s)	15,412
GDP/Capita (PPP)	\$691
Year of launch	2001
Ownership	90%
Mobile Penetration	16%
Number of Operators	5
Market Positioning	1
Market Share	67%
ARPU	\$10





Malawi

Contribution to Group Total - Population: 3% Customers: 2% Revenues: 2% - Customer YoY Growth: 46%

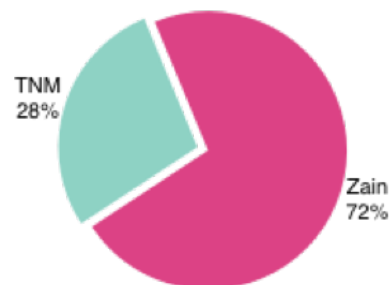
- Zain Malawi started its operation in October 1999, and currently holds 72% of the market.
- Zain Malawi managed to sustain its profitability level and look forward to capitalize on the healthier economic outlook with the stabilization of market conditions.
- A new entrant has been granted the 3rd mobile license and is expected to commence operations by the end of 2009.
- Seven new sites were rolled out this quarter, with a total of 311 sites on air.



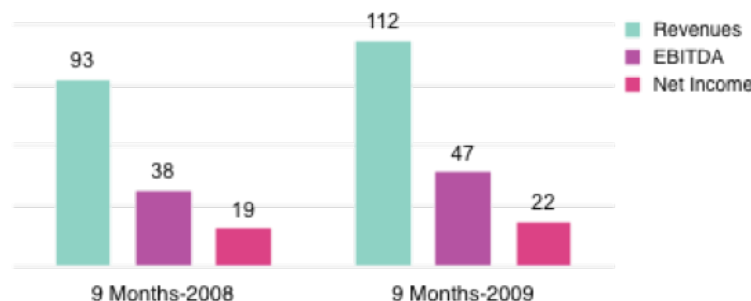
Key Statistics for 9 Months-2009

Population (000s)	14,766
GDP/Capita (PPP)	\$850
Year of acquisition	1999
Ownership	100%
Mobile Penetration	17%
Number of Operators	2
Market Positioning	1
Market Share	72%
ARPU	\$8

Market Share



Financial Performance (\$ m)





Burkina Faso

Contribution to Group total - Population: **3%** Customers: **2%** Revenues: **1%** - Customer YoY Growth: **17%**

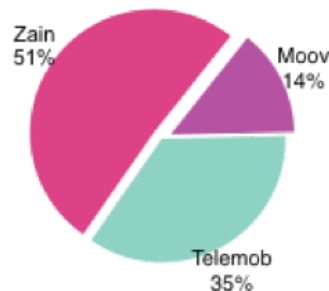
- Zain Burkina Faso commenced operations in January 2001, and despite being the third operator to enter the market, it quickly positioned itself from a challenger to a leader with 51% market share.
- Customer base slight growth was affected primarily by the Mandatory Customer Identification and the increase in deactivations coupled with a slowdown in acquisitions.
- Population coverage and geographical coverage stand at 92% and 82% respectively.



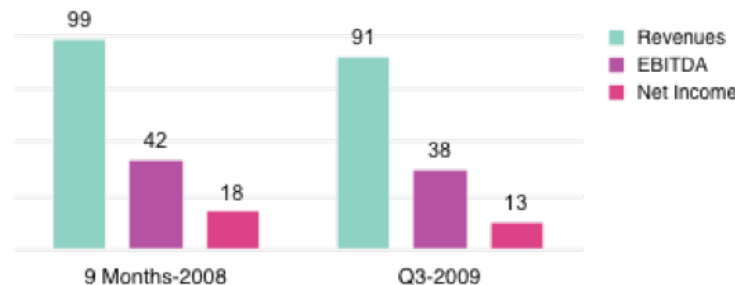
Key Statistics for 9 Months-2009

Population (000s)	15,772
GDP/Capita (PPP)	\$1,259
Year of acquisition	2001
Ownership	100%
Mobile Penetration	23%
Number of Operators	3
Market Positioning	1
Market Share	51%
ARPU	\$7

Market Share



Financial Performance (\$ m)





Tanzania

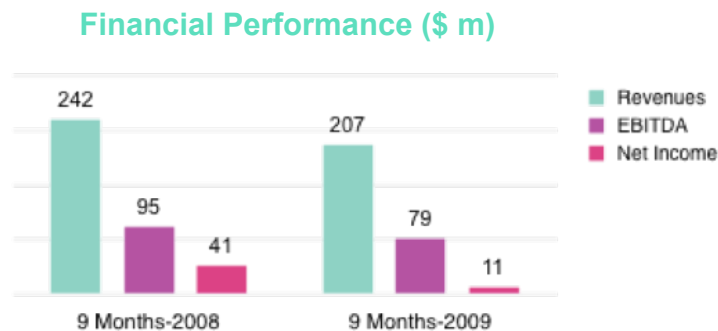
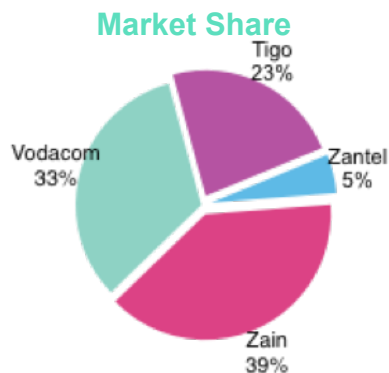
Contribution to Group Total - Population: **8%** Customers: **7%** Revenues: **3%** - Customer YoY Growth: **45%**

- Zain Tanzania launched its services in November 2001 and currently owns 60% while the government holds the remaining stake.
- Despite the aggressive competition with 3 other peers, Zain leads the market with 39% market share.
- Zain has seen steady improvement in the quality and speed of its data services, as it was the first mobile operator to connect to Seacom.
- Zain's revenues for the period were affected primarily by multi-simmming usage and Net Income was hit to some extent by the devaluation of the local currency vs. the dollar.



Key Statistics for 9 Months-2009

Population (000s)	45,782
GDP/Capita (PPP)	\$1,352
Year of launch	2001
Ownership	60%
Mobile Penetration	33%
Number of Operators	4
Market Positioning	1
Market Share	39%
ARPU	\$5





Chad

Contribution to Group Total - Population: 2% Customers: 2% Revenues: 2% - Customer YoY Growth: 36%

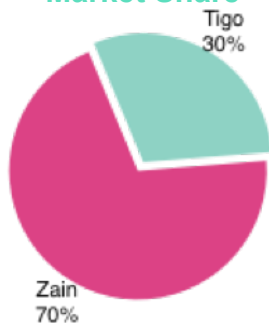
- Zain Chad launched services in October 2000 and is currently the no.1 operator with 70% market share.
- Zain's performance was underpinned by strategic activities rolled out to accelerate coverage in Lake Chad, to improve customer loyalty and reinforce brand communication.
- Competition will be further liberalized with the launch of a 3rd entrant by year-end 2009.



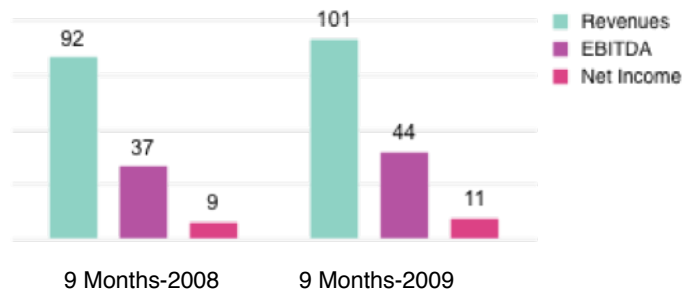
Key Statistics for 9 Months-2009

Population (000s)	11,480
GDP/Capita (PPP)	\$1,670
Year of acquisition	2000
Ownership	100%
Mobile Penetration	19%
Number of Operators	2
Market Positioning	1
Market Share	70%
ARPU	\$10

Market Share



Financial Performance (\$ m)





Congo Brazzaville

Contribution to Group Total - Population: **1%** Customers: **2%** Revenues: **2%** - Customer YoY Growth: **14%**

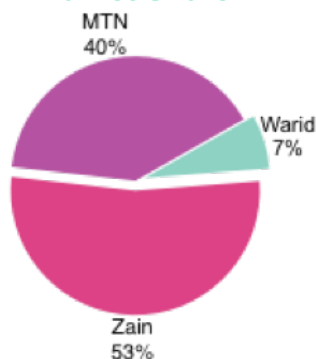
- Zain Congo B. launched its commercial activities in December 1999.
- Despite increased competition, Zain Congo B. was able to maintain its leadership position with 53%.
- On the commercial front, new campaigns were put in place to increase share of wallet through ARPU stimulation.



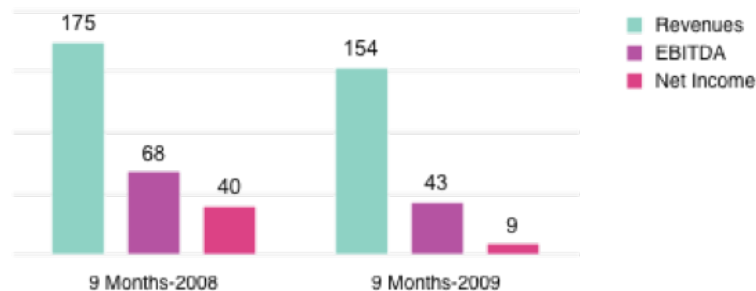
Key Statistics for 9 Months-2009

Population (000s)	3,951
GDP/Capita (PPP)	4,044
Year of launch	1999
Ownership	90%
Mobile Penetration	75%
Number of Operators	3
Market Positioning	1
Market Share	53%
ARPU	\$12

Market Share



Financial Performance (\$ m)





Gabon

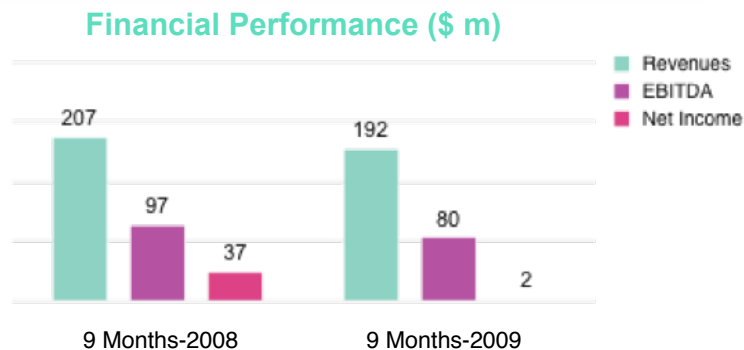
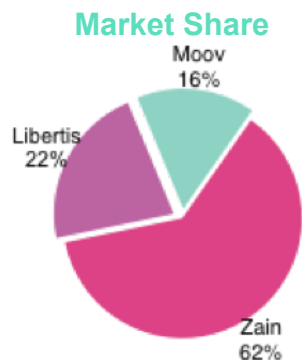
Contribution to Group total - Population: 0% Customers: 1% Revenues: 3% - Customer YoY Growth: 14%

- Zain Gabon launched in June 2000 and was able to maintain its lead position in the market since 2003.
- Despite heavy bonus promotions and pricing activities from its competitors, Zain Gabon was able to maintain its market share leadership with 62%.
- Zain Gabon's revenues were affected by the instability of the political situation and post-presidential election, multi-simming usage, and devaluation of the local currency.



Key Statistics for 9 Months-2009

Population (000s)	1,375
GDP/Capita (PPP)	\$14,747
Year of launch	2000
Ownership	90%
Mobile Penetration	123%
Number of Operators	3
Market Positioning	1
Market Share	62%
ARPU	\$25





Uganda

Contribution to Group Total - Population: 6% Customers: 3% Revenues: 1% - Customer YoY Growth: 20%

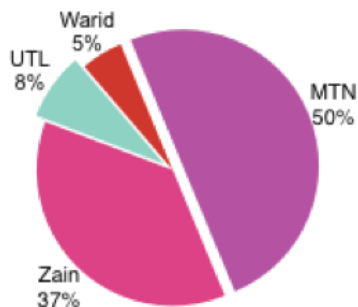
- Zain Uganda launched services in 1995 and was Zain's first operation in Africa, as well as the first GSM network in sub-Saharan Africa.
- Despite the ongoing political and economic turmoil, Zain Uganda managed to maintain a steady market share with 37%.
- The Uganda Shilling gained tremendous strength against the US dollar in Q3 as a result of foreign exchange inflows from offshore investors, thus easing the pressure on the Net Income.



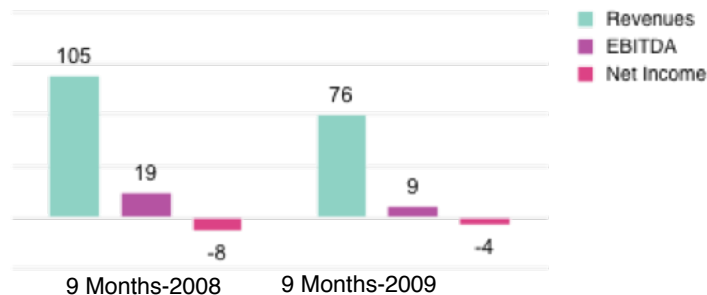
Key Statistics for 9 Months-2009

Population (000s)	33,276
GDP/Capita (PPP)	\$1,148
Year of acquisition	1995
Ownership	100%
Mobile Penetration	35%
Number of Operators	4
Market Positioning	2
Market Share	37%
ARPU	\$4

Market Share



Financial Performance (\$ m)





Sierra Leone

Contribution to Group Total - Population: 1% Customers: 1% Revenues: 1% - Customer YoY Growth: 25%

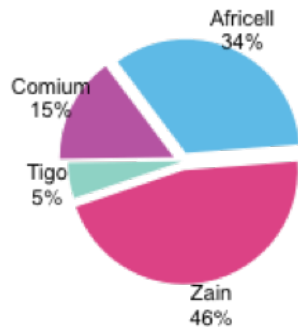
- Zain Sierra Leone launched services in September 2000 as the first mobile operator in the country.
- The operation has been able to maintain a lead with 46% market share despite the aggressiveness of price-based competitors.
- Zain's performance was severely affected by the aftershocks of the economic downturn and the devaluation of the local currency (26%) which had put strain on the Net Income.



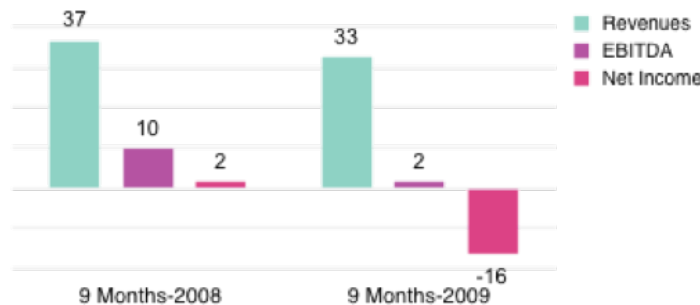
Key Statistics for 9 Months-2009

Population (000s)	6,095
GDP/Capita (PPP)	\$728
Year of acquisition	2000
Ownership	100%
Mobile Penetration	39%
Number of Operators	4
Market Positioning	1
Market Share	46%
ARPU	\$7

Market Share



Financial Performance (\$ m)





Madagascar

Contribution to Group Total - Population: 4% Customers: 2% Revenues: 1% - Customer YoY Growth: 31%

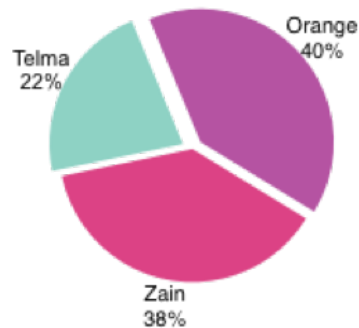
- Zain Madagascar joined the Group's African portfolio in 2005.
- Zain's market share remained relatively stable at 38% despite adverse economic conditions and political instability.
- Several strategic initiatives were put-in place in Q3 aiming to increase usage in low traffic sites such as Modular Tariffs "Zain'ena" and Location Based Charging (LBC).



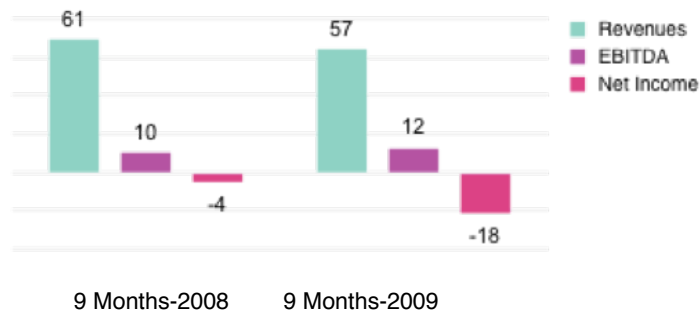
Key Statistics for 9 Months-2009

Population (000s)	20,901
GDP/Capita (PPP)	\$995
Year of acquisition	2005
Ownership	100%
Mobile Penetration	23%
Number of Operators	3
Market Positioning	2
Market Share	38%
ARPU	\$5

Market Share



Financial Performance (\$ m)





Democratic Republic of Congo

Contribution to Group Total - Population: **11%** Customers: **5%** Revenues: **4%** - Customer YoY Growth: **18%**

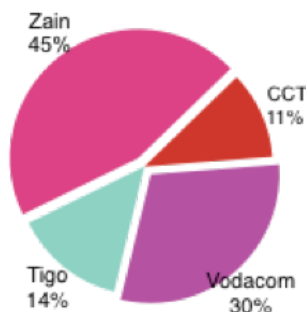
- Zain DRC started its commercial services in December 2000 and rapidly distinguished itself in this liberalized market as the first mobile operator with 45% market share.
- DRC has the lowest penetration rate (14%) in the Group.
- Zain's performance was affected to a great extent by high inflation (45% annualized), causing strain on airtime usage.
- The increase of tax on usage "Taxe d'accise" from 4% to 7% played also a major role in reducing revenues.



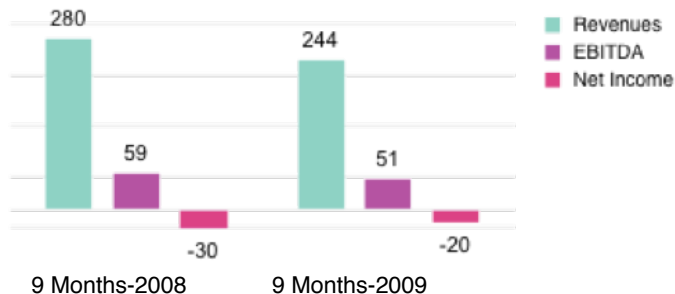
Key Statistics for 9 Months-2009

Population (000s)	67,470
GDP/Capita (PPP)	\$340
Year of acquisition	2000
Ownership	98.5%
Mobile Penetration	14%
Number of Operators	5
Market Positioning	1
Market Share	45%
ARPU	\$8

Market Share



Financial Performance (\$ m)





Kenya

Contribution to Group Total - Population: 7% Customers: 3% Revenues: 2% - Customer YoY Growth: -14%

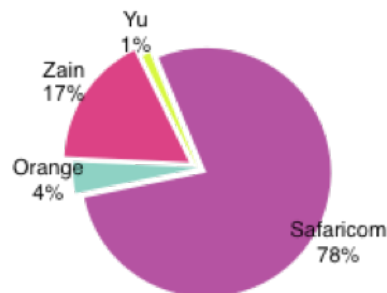
- Acquired in 2004, Zain Kenya faces a highly competitive market with a relatively low ARPU of \$4.
- Customer base was reduced by 9% as compared to June 2009 due a recurring clean-up exercise which affected the operation for the last 9 months.
- Q3-2009 saw the launch of several key initiatives including Loyalty Rewardz, Zap, International Calls Promotion and ULCH.



Key Statistics for 9 Months-2009

Population (000s)	39,888
GDP/Capita (PPP)	\$1,735
Year of acquisition	2004
Ownership	95%
Mobile Penetration	48%
Number of Operators	4
Market Positioning	2
Market Share	17%
ARPU	\$4

Market Share



Financial Performance (\$ m)





Ghana

Contribution to Group Total - Population: 4% Customers: 2% Revenues: 1%

- Zain Ghana was the first telecom operator to introduce the 3.5G network when officially launched on December 15, 2008.
- With the overall stabilization of the economic landscape, the telecom market size in Ghana increased to 13.1 million customers, while Zain's growth rate was the highest among its' competitors.
- Zain Ghana has the lowest ARPU in the Group at \$3.
- To date, Zain has 311 sites on air covering 53% of geographical area.



Key Statistics for 9 Months-2009

Population (000s)	24,537
GDP/Capita (PPP)	\$1,513
Year of launch	2008
Ownership	75%
Mobile Penetration	61%
Number of Operators	5
Market Positioning	4
Market Share	9%
ARPU	\$3



Nigeria

Contribution to Group Total - Population: **26%** Customers: **21%** Revenues: **16%** - Customer YoY Growth: **-6%**

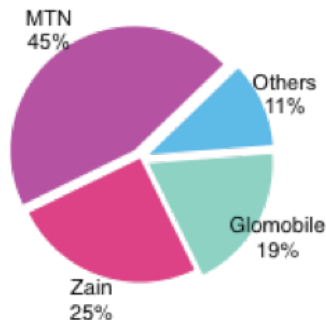
- In 2001, Zain made history by becoming the first telecom operator to launch commercial services in Nigeria, and was rebranded to Zain in August 2008.
- Zain Nigeria is the largest contributor to the Group in terms of customers and revenues, at 21% and 16% respectively.
- Being the first operator in the Group to adopt Drive 11, Zain Nigeria has been focusing on revamping the Distribution Model, Customer Care, Network optimization and cost optimization initiatives, which have all had an impact on Opex reduction, improved customer service and network quality.
- Several services offered include Zain StepUp, Data & SME Offer and Mass Offer (Zain Joli).



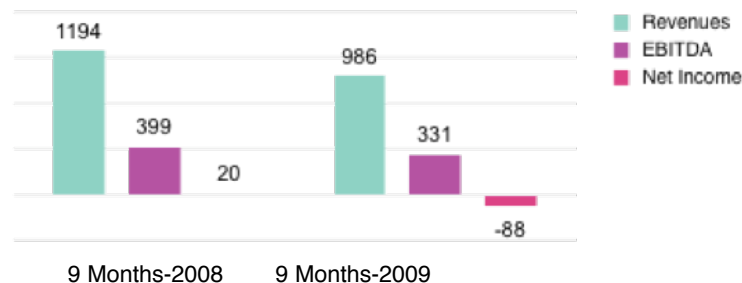
Key Statistics for 9 Months-2009

Population (000s)	155,770
GDP/Capita (PPP)	\$2,142
Year of acquisition	2006
Ownership	65.7%
Mobile Penetration	45%
Number of Operators	4
Market Positioning	2
Market Share	25%
ARPU	\$7

Market Share



Financial Performance (\$ m)





Lebanon

Contribution to Group Total - Population: 1% Customers: 2% Revenues: 1% - Customer YoY Growth: 67%

- Zain operates in Lebanon under a management contract since June 2004, when it was rebranded to mtc-touch, and on January 2009, Zain signed an annual renewal agreement.
- From the Group, Zain Lebanon had the highest customer growth - '67%' as compared to the previous year.
- Due to the unpredictable political situation, the process of selling two existing networks is still on hold.

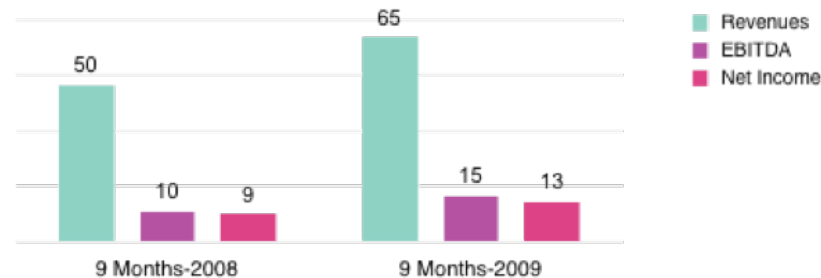


Key Statistics for 9 Months-2009

Population (000s)	4,195
GDP/Capita (PPP)	\$12,063
Year of MC award	2004
Ownership	MC
Mobile Penetration	53%
Number of Operators	2
Market Positioning	-
Market Share	56%
ARPU	-

MC= Management Contract

Financial Performance (\$ m)





Kingdom of Saudi Arabia

Contribution to Group Total - Population: 5% Customers: 6%

- Zain KSA launched commercial services in late August 2008.
- Despite operating in a highly competitive environment, Zain secured over 4 million customers in less than a year.
- The operation successfully sealed a \$2.5 billion Murabaha financing facility during the third quarter.
- Revenues and gross profit have showed a significant improvement from the past quarter as Zain's market share increased to 15%.



Key Statistics for 9 Months-2009

Population (000s)	28,831
GDP/Capita (PPP)	\$24,120
Year of launch	2008
Ownership	25%
Mobile Penetration	122%
Number of Operators	3
Market Positioning	3
Market Share	15%
ARPU	\$19



Palestine

Contribution to Group Total - Population: 1% Customers: 2%

- Zain Jordan and Paltel entered into a merger agreement in May 2009, and the finalization of rebranding to Zain is currently pending due to legal requirements.
- The second mobile operator, Wataniya, is expected to launch in November 2009.
- Paltel is listed on both the Palestine Stock Exchange and Abu Dhabi Securities Exchange.



Key Statistics for 9 Months-2009

Population (000s)	4,312
GDP/Capita (PPP)	\$1,046
Year of launch	2008
Ownership	56.53%
Mobile Penetration	40%
Number of Operators	1
Market Positioning	-
ARPU	-



Financial Statements



Balance Sheet

	30-Sep-09	30-Sep-08
	KD (000s)	KD (000s)
Assets		
Current Assets		
Cash on hands and banks	271,040	170,799
Short-term deposits	58,820	870,661
Trade and other receivables	517,990	296,856
Loan to an associate	57,280	76,860
Inventories	33,662	25,052
Short-term investments	15,368	21,570
	954,160	1,461,797
Non-Current Assets		
Long-term investments	110,667	149,528
Investment in associates	251,412	242,742
Loan to associate	82,665	166,688
Deferred tax assets	112,405	80,680
Fixed assets	2,213,112	1,695,658
Intangible assets	2,609,691	1,562,753
Other financial assets	2,589	61
	5,382,542	3,898,111
Total Assets	6,336,702	5,359,908

	30-Sep-09	30-Sep-08
	KD (000s)	KD (000s)
Liabilities & Equity		
Current Liabilities		
Trade and other payables	1,164,292	484,341
Short-term loans	453,318	560,708
Obligation under finance lease	426	407
	1,618,035	1,045,456
Non-Current Liabilities		
Obligation under finance lease	264	1,013
Long-term loans	1,667,344	1,631,801
Deferred tax liability	33,455	36,282
Other non-current liability	97,642	31,015
	1,798,705	1,700,111
Shareholders' Equity		
Share capital	428,059	426,824
Treasury shares	-567,834	-362,208
Treasury share reserves	1,967	1,967
Cost of share of an associate	-1,812	-1,643
Share premium	1,690,772	1,690,772
Legal reserve	127,788	94,699
Voluntary reserve	63,091	63,091
Foreign currency translation reserve	-53,282	-67,906
Hedge reserve	-53,645	-3,718
Cumulative changes in fair value	5,949	33,251
Share based compensation reserve	23,949	17,305
Retained earnings	762,128	544,726
	2,427,129	2,437,160
Minority interest	492,832	177,181
Total Equity	2,919,961	2,614,341
Total Liabilities & Equity	6,336,702	5,359,908



Income Statement

	30-Sep-09	30-Sep-08
	KD (000s)	KD (000s)
Revenues	1,779,606	1,439,348
Cost of Sales	(478,486)	(409,469)
Gross Margin	1,301,120	1,029,879
Distribution, Marketing and operating expenses	(375,918)	(342,376)
General and administrative expenses	(158,921)	(130,564)
Provision for doubtful debts	(8,957)	(2,873)
EBITDA	757,324	554,066
EBITDA %	43%	38%
Depreciation & Amortization	(302,421)	(212,304)
Operating Income (EBIT)	454,903	341,762
Interest income	8,586	19,623
Investment income	(3,140)	7,222
Income / (Loss) from Associate	(50,133)	(5,187)
Other Income / (Expenses)	9,546	21,872
Profit from sales of subsidiaries	-	26,543
Finance Cost	(118,596)	(93,798)
Currency Variance	(37,333)	(16,573)
Net Income before Minority Interest & Tax	263,832	301,464
Income Tax	(33,282)	(45,974)
Minority Interest	(27,612)	(12,442)
Provision for BOD remuneration	(24)	(21)
Provision for KFAS	(2,029)	(2,430)
Provision for National Labour Tax	(3,695)	(3,863)
Provision for Zakat	(1,498)	(1,570)
Net Income	195,691	235,164
Earnings Per Share (Fils)	51	65



Cash Flow Statement

	30-Sep-09	30-Sep-08
	KD (000s)	KD (000s)
Cash flows - operating activities:		
Net profit / (Loss) for the period before Income Tax &		
Minority Interest	256,585	293,580
Depreciation & amortization	302,420	212,304
Gain From Disposal of Property & Equipment	(31)	8
Investment income	3,140	(7,222)
Income / Loss from Associates	50,133	5,187
Interest income	(8,586)	(19,623)
Profit from Sales of Subsidiaries	-	(26,543)
Financing cost	119,828	93,797
Currency variance	37,333	16,573
Operating profit before working capital changes	760,823	568,061
(Increase) / decrease in trade and other receivables	(40,581)	(66,512)
(Increase) / decrease in inventories	(5,204)	(4,199)
Increase / (decrease) in Payable	(127,828)	(31,283)
Cash Generated from Operations	587,575	466,067
Board of Directors' remuneration paid	-	(28)
KFAS Paid	(2,841)	(3,004)
NLST & Zakat Paid	(6,247)	(5,414)
Income Tax Paid	(11,975)	(38,175)
Net Cash from Operating activities	566,511	419,446

	30-Sep-09	30-Sep-08
	KD (000s)	KD (000s)
Cash flows - investing activities:		
Acquisition of investment	(1,398)	(1,779)
Acquisition of Subsidiary	(18,583)	
Acquisition of investment in associate	(28,084)	
Cash held by an acquired Subsidiary (Paltel)	24,868	
Acquisition of minority interest		(4,338)
Proceeds from investments	7,726	13,644
Proceeds from sale of subsidiaries	-	49,904
Acquisition of property and equipment	(360,183)	(439,238)
Acquisition of intangible Assets	(1,021)	(4,237)
Interest received	8,586	23,184
Net Cash from/(used in) Investing activities	(368,088)	(362,860)
Free Cash Flow	198,423	56,586
Cash flows - financing activities:		
Borrowings (Repayments)	105,822	208,669
Repayment	-	
Loan to an associate	-	(76,980)
Share Capital Contribution	425	1,194,536
Minority shareholder Capital Contribution	-	
Proceeds from issue of share capital	-	
Purchase of treasury share		(334,951)
Sales of treasury share		4,539
Dividends paid to shareholders	(190,878)	(168,304)
Dividends paid to minority shareholders	(26,414)	(983)
Finance Cost Paid	(125,466)	(97,830)
Net Cash by Financing activities	(236,512)	728,696
Net (decrease)/increase in cash and cash equivalents	(38,088)	785,282
Effect of foreign currency translation	77	(5,085)
Cash and cash equivalent at beginning of period	367,871	261,263
Cash and cash equivalent at end of period	329,859	1,041,460



Thank you

For more information please contact Investor Relation Team at:

investor.relations@zain.com

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