



Quarterly Compliance Report based on AAOIFI Shariah Mandate (Q1-2011)

Emirates Telecommunications Corporation

Description

Emirates Telecommunications Corporation is a United Arab Emirates-based company engaged, together with its subsidiaries, in providing telecommunication services, media and equipment as well as related contracting and consultancy services to international companies and consortia. The Company's business divisions include Etisalat University College, UAEnic, e-vision, Ebtikar, The Contact Center, Emirates Data Clearing House (EDCH), e-Academy, UAELAB and Emirates Internet Exchange - EMIX. Its offering is structured in three main business groups, namely Home & Personal, Business and Travelers. Its subsidiaries include Emirates Telecommunications and Marine Services FZE, Emirates Cable TV and Multimedia LLC.

Company Status

IdealRatings analysts have issued a new report regarding the company:

Name:	Emirates Telecommunications Corporation
Ticker:	ETISALAT AE
Country:	United Arab Emirates
Core Business Activity:	Fixed Line Telecommunication
Exchange:	Abu Dhabi Stock Exchange
Compliance Status:	Shariah-compliant

Overview

IdealRatings reviewed the most recent financial statements (Q1-2011) for Emirates Telecommunications Corporation. The report has been prepared to determine the Shariah-compliance status of the company based on the AAOIFI Shariah mandate.

Business Screening

Based on the business of the company the core business is in the telecommunication business. However, the company is also engaged in value added services and media which is partially to be considered non-compliant from a business perspective.

Based on these facts and the values determined through the IdealRatings research methodology as well as

the non-operating interest income the total non-permissible income does not exceed 5% of the total income as defined by AAOIFI.

	Note	31 March 2011 AED'000
Revenue		8,039,893
Operating expenses	3	(4,737,227)
Share of results of associates and joint ventures		225,832
Operating profit before federal royalty		3,528,498
Federal royalty	3	(1,817,427)
Operating profit		1,711,071
Finance income		181,378

Therefore the status of the company from a business activity is as follows:

	Threshold	Company	Compliance
Non-permissible Income	5%	Less than 5%	PASS

Financial Screening


According to the most recent available financial statement with adequate information (2011-Q1) the financial ratios with respect to the AAOIFI Shariah mandate for the company are as follows:

	Threshold	Company	Compliance
Interest-bearing Investments	30%	16.72%	PASS
Interest-bearing Debts	30%	7.93%	PASS
Liquidity	67%	27.1%	PASS
Share Type (Preference or Common)	Common	Common	PASS

Compliance Status

Based on the available information and the above figures according to the AAOIFI Shariah mandate **Emirates Telecommunications Corporation** is to be considered **Shariah-compliant**.





Disclosures

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