

# Egypt, India top etisalat's plans

Company looking to expand international operations beyond the current 18 markets

- By Ahmed A. Namatalla, Staff Reporter
- Published: 00:00 April 8, 2010



Abu Dhabi: The contribution of etisalat's non-UAE operations to the company's revenues has grown from 9 per cent in 2008 to 14 per cent in 2009, a company executive said Wednesday.

This figure seemingly puts the telecom operator on track to achieve its goal of having its international investments contribute 20 per cent of its income by 2013.

In one of two annual meetings with reporters, Etisalat Chief Financial Officer Salem Al Sharhan said his company allocated 62 per cent of its capital expenditures, or Dh4.3 billion, last year to its international operations.

Half of this amount went to Egypt and India. A significant portion of the Dh2.5 billion the company invested in its home market went to building the nation-wide fibre-optic network.

"The future is in data, information services and internet," said Al Sharhan. "Abroad, we will continue to look for opportunities everywhere. We will consider every market where we think we can be profitable."

With Dh11.3 billion of cash on hand and just Dh1.1 billion of debt due to be repaid this year, Al Sharhan said the company has put its prepared bond programme on hold until the need for borrowing arises.

Etisalat is looking to expand its international presence beyond the 18 markets where it now operates. Last summer the company placed a bid for Libya's third telecom licence, and has said it is in the final stages of negotiations to acquire a stake in Iraq's Korek Telecom.

Etisalat paid \$75 million (Dh276 million) in February to complete the acquisition of Atlantique Telecom, a company with majority ownership of operators in seven West African countries, and filed to raise its stake in its Indian subsidiary from 45 to 50 per cent.

"All their international operations are at very early stages, even Egypt," said Sulaiman Abu Hosni, telecom analyst at Prime Emirates in Dubai. "Egypt is probably the most

developed but it has a long way to go before it starts to make a significant contribution to their bottom line."

"In India, I'm not sure how fast it will be to break even in terms of [earnings before interest, taxes, depreciation and amortisation] but it might take 2-2.5 years before that happens," Aboulhosn added.

- 9% revenue from non-UAE operations in 2008
- 14% revenue from non-UAE operations in 2009

© Gulf News 2010