

**BAHRAIN TELECOMMUNICATION COMPANY
FINANCIAL HIGHLIGHTS**

		2006	2005	% Increase/ (Decrease)
Gross revenue	BD million	235.0	211.6	11%
Net revenue	BD million	191.3	171.3	12%
Expenses	BD million	150.0	134.3	12%
Profit attributable to Batelco shareholders	BD million	89.3	85.6	4%
Return on capital employed	%	26	28	(7%)
Number of issued shares	Million	1,200	1,200	-
Earnings per share for the year	Fils	74	71	4%

BAHRAIN TELECOMMUNICATION COMPANY
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2006

	2006	2005
	BD'000	BD'000
Gross Revenue	234,990	211,616
Other income	5,877	9,571
	<u>240,867</u>	<u>221,187</u>
Operating expenses		
General and administrative	106,384	93,994
Other operating expenses	43,648	40,277
	<u>150,032</u>	<u>134,271</u>
	<u>90,835</u>	<u>86,916</u>
PROFIT FOR THE PERIOD	90,835	86,916
Attributable to :		
Share holders of parent company	89,335	85,601
Minority Interest	1,500	1,315
	<u>90,835</u>	<u>86,916</u>
Basic earnings per share	74 Fils	71 Fils

BAHRAIN TELECOMMUNICATION COMPANY
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2006

	2006	2005
	BD'000	BD'000
Property, plant and equipment	203,038	151,224
Intangible assets	32,181	-
Goodwill	124,380	-
Other Investments	27,828	35,039
TOTAL NON-CURRENT ASSETS	387,427	186,263
Inventories	1,213	873
Accounts receivable and prepayments	43,056	34,176
Amounts due from telecommunications operators	3,732	3,025
Cash and cash equivalents	45,756	162,747
TOTAL CURRENT ASSETS	93,757	200,821
Accounts payable and accruals	78,172	51,400
Amounts due to telecommunications operators	4,073	4,847
Current portion of borrowings	3,659	-
TOTAL CURRENT LIABILITIES	85,904	56,247
NET CURRENT ASSETS	7,853	144,574
Accounts payable	10,741	-
Borrowings	6,342	-
Deferred income tax liability	7,033	-
TOTAL NON-CURRENT LIABILITIES	24,116	-
NET ASSETS	371,164	330,837
EQUITY		
Share capital	120,000	100,000
Statutory Reserve	60,000	51,746
General Reserves	15,000	15,000
Foreign currency translation	113	66
Retained earnings	167,563	157,514
Total Equity attributable to Shareholders of the parent company	362,676	324,326
Minority interest	8,488	6,511
TOTAL EQUITY	371,164	330,837

BAHRAIN TELECOMMUNICATION COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2006

	2006	2005
	BD'000	BD'000
OPERATING ACTIVITIES		
Cash receipts from customers	226,833	194,530
Cash paid to telecommunications operators	(11,537)	(15,898)
Cash paid to suppliers	(54,429)	(38,079)
Cash paid to and on behalf of employees	(33,984)	(31,052)
Cash flow from operating activities	126,883	109,501
INVESTING ACTIVITIES		
Acquisition of plant and equipment	(39,526)	(26,351)
Consideration paid for acquisition of Umniah	(156,849)	-
Acquisition of investments	(7,027)	(16,146)
Sale and maturity of investments	13,372	6,534
Interest and investment income received	8,341	5,067
Cash flow from investing activities	(181,689)	(30,896)
FINANCING ACTIVITIES		
Dividends paid	(60,779)	(51,075)
Cash paid to charities	(1,406)	(1,152)
Cash flow from financing activities	(62,185)	(52,227)
(Decrease) / increase in cash and cash equivalents	(116,991)	26,378
Cash and cash equivalents at beginning of the period	162,747	136,369
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	45,756	162,747