MINING| 19 April 2010

EVENT FLASH

Ma'aden

Underweight

1Q10 preliminary results

Price (SR)		**19.2**
12M target price (SR)		**15.3**
Potential downside (%)	↓	20.3

Stock details

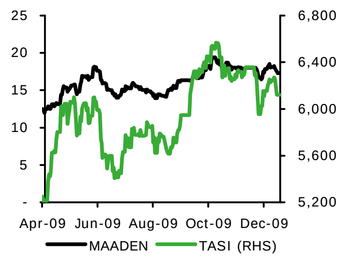
52-week range H/L (SR)			19.9/11.8
Market cap ($mn)			17713.8
Shares outstanding (mn)			925
Listed on exchanges			TADAWUL
Price perf. (%)	**1M**	**3M**	**12M**
Absolute	0.04	0.10	0.48
Rel. to market	0.02	0.03	0.23
Avg daily turn.(mn)		**SR**	**US$**
3M		93.7	25.0
12M		122.9	32.8
Reuters code			1211.SE
Bloomberg code			MAADEN AB
Website			www.maaden.com.sa

Valuation multiples

	09	10E	11E
P/E (x)	171.2	36.3	82.3
P/B (x)	1.0	1.0	1.0
EV/EBITDA (%)	103.1	31.3	11.4
Div yield (%)	N/A	N/A	N/A

Source: NCBC Research estimates

Share price performance



Source: Bloomberg

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Please refer to the last page for important disclaimer

Saudi Arabian Mining Company (Maaden) announced preliminary 1Q10 results on 18 April 2010. Net income increased by 12% YoY to SR20.6mn despite a 40% decline in operating income, and well short of our SR81.9mn estimate.

- Net income for 1Q10 came in at SR20.6mn versus NCBC estimate of SR81.9mn, but 12% higher on a YoY basis.
- Operating income for 1Q10 came in at SR16.5mn versus NCBC estimate of SR42.3mn and a decline from SR27.5mn in 1Q09 (40% down YoY).
- EPS for 1Q10 came in at SR0.02/ share (flat on YoY), but lower than NCBC estimate of SR0.09/share.
- The company attributes the increase in net income to a decline in Zakat expense in 1Q10 relative to 1Q09. However, the company did not provide any explanation regarding the steep decline in operating income.
- We await full details to have a better understanding of the results and update our estimates. We remain cautious on the stock, especially at current price level.

Results summary

		1Q10A	1Q10E	1Q09A	YoY chg (%)
Operating income	SR mn	16.5	42.3	27.5	(40.0)
Net income	SR mn	20.6	81.9	18.4	12.0
EPS	SR	0.02	0.09	0.02	-

Source: Company, NCBC Research estimates

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NCBC INVESTMENT RATINGS

Overweight:	Target price represents expected returns in excess of 15% in the next 12 months
Neutral:	Target price represents expected returns between -10% and +15% in the next 12 months
Underweight:	Target price represents a fall in share price exceeding 10% in the next 12 months
Price Target:	Analysts set share price targets for individual companies based on a 12 month horizon. These share price targets are subject to a range of company specific and market risks. Target prices are based on a methodology chosen by the analyst as the best predictor of the share price over the 12 month horizon

OTHER DEFINITIONS

NR:	Not Rated. The investment rating has been suspended temporarily. Such suspension is in compliance with applicable regulations and/or in circumstances when NCB Capital is acting in an advisory capacity in a merger or strategic transaction involving the company and in certain other situations
CS:	Coverage Suspended. NCBC has suspended coverage of this company
NC:	Not Covered. NCBC does not cover this company

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