

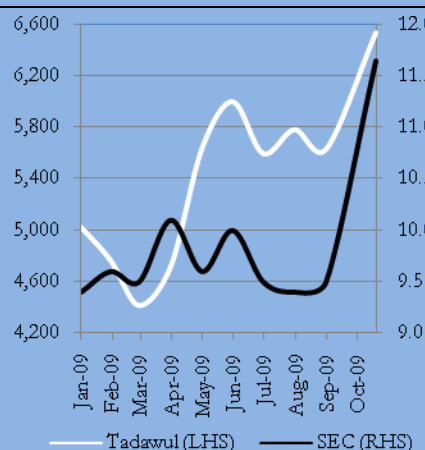
Market Data

Bloomberg Code:	SECO AB
Reuters:	5110.SE
CMP (20 Oct 2009):	SR11.7
O/S (mn):	4,166.6
Market Cap (SRmn):	48,540.9
Market Cap (US\$mn):	12,944.2
Price/EPS 2009e (x):	38.8
Price/BVPS 2009e (x):	1.0

Price Performance 1-Yr

High (SR):	11.7
Low (SR):	8.9
Average Volume:	2,397,082

Share Price Performance



Source: Zanyza

Faisal Hasan, CFA

Head of Research
fhasan@global.com.kw
Phone No: +965-2295-1270

Mohammad Ali Shah

Financial Analyst
mashah@globalinv.com.sa
Phone No: +966-1-2199966 ext. 951

Saudi Electricity Company– 9M/2009 Review

- Saudi Electricity Company (SEC)** recorded encouraging quarterly performance posting net profit increase of 15.3% (from SR1,500mn in 3Q08 to SR1,731mn in 3Q09), which also resulted in nine-monthly profitability rise of 11.0% (from SR1,510mn in 9M08 to SR1,674mn in 9M09). Overall, the company's improved results can largely be attributed to better control over its expenses and higher seasonal demand during the period.
- As we await the detailed financial results for more elaborate analysis, we have not yet revised our estimates and expect the company to post net income growth of 9.0% in FY09.

(all figs. in SR mn, unless stated)	3Q08	3Q09	YoY	9M08	9M09	YoY
Sales	7,209	7,882	9.3%	17,168	18,360	6.9%
Gross profit	1,644	1,833	11.4%	1,719	1,858	8.0%
Operating income	1,545	1,716	11.1%	1,352	1,441	6.6%
Net profit	1,500	1,731	15.3%	1,510	1,674	11.0%
EPS (SR)	0.36	0.42	15.3%	0.36	0.40	11.0%
Fixed assets (SR bn)	111	132	18.5%	111	132	18.5%
Total assets (SR bn)	141	161	13.8%	141	161	13.8%

Source: Tadawul & Company reports

- SEC's quarterly revenues showed an increase of 9.3% (from SR7,209mn in 3Q08 to SR7,882mn in 3Q09) that led to nine-monthly sales growth of 6.9% (from SR17,168mn in 9M08 to SR18,360 in 9M09). The top-line progress coupled with better control over the expenses led to higher gross profit results on both quarterly and nine-monthly basis (from SR1,719mn in 9M08 to SR1,858mn in 9M09).
- The improved results were well translated into operating income increase of 11.1% (during 3Q09) and nine-monthly rise of 6.6% (from SR1,352mn in 9M08 to SR1,441mn in 9M09), which then also resulted in bottom-line profitability growth of 11.0% to SR1,674mn in 9M09.
- As the company undertook various projects initiatives to fulfill the electricity demand in the Kingdom, the company's fixed assets showed (YoY) increase of 18.5% (from SR111bn in 9M08 to SR132bn in 9M09) and YTD growth of 11.5%.
- Overall the total assets recorded an annual increase of 13.8% (from SR141bn in 9M08 to SR161bn in 9M09) and YTD growth of 10.8% (from SR145bn in FY08 to SR161bn in 9M09).

Global Investment House

Global Tower
Sharq, Al-Shuhada Str.
P.O. Box: 28807 Safat, 13149 Kuwait

Website: www.globalinv.net

Tel. + (965) 2 295 1000

Fax. + (965) 2 295 1005

Brokerage

Khaled Abd Elrahman Khaled
(965) 2295-1700
kkhalid@global.com.kw

Research

Faisal Hasan, CFA
(965) 2295-1270
fhasan@global.com.kw

Index

Rasha Al-Huneidi
(965) 2295-1285
huneidi@global.com.kw

Wealth Management - Kuwait

Rasha Al-Qenaei
(965) 2295-1380
alqenaei@global.com.kw

Wealth Management - International

Fahad Al-Ibrahim
(965) 2295-1400
fahad@global.com.kw

Global Kuwait

Tel: (965) 2 295 1000
Fax: (965) 2 295 1005
P.O.Box 28807 Safat, 13149 Kuwait

Global Abu Dhabi

Tel: (971) 2 6744446
Fax: (971) 2 6725263/4
P.O.Box 127373 Abu Dhabi, UAE

Global Egypt

Tel: 20 (2) 37609526
Fax: 20 (2) 37609506
P.O.Box 7 Abdel Hadi Saleh St.,
El-Nasr Tower, Giza

Global Bahrain

Tel: (973) 17 210011
Fax: (973) 17 210222
P.O.Box 855 Manama, Bahrain

Global Saudi Arabia

Tel: (966) 1 2199966
Fax: (966) 1 2178481
P.O. Box 66930 Riyadh 11586,
Kingdom of Saudi Arabia

Global Jordan

Tel: (962) 6 5005060
Fax: (962) 6 5005066
P.O.Box 3268 Amman 11180,
Jordan

Global Dubai

Tel: (971) 4 257977
Fax: (971) 4 257960/1/2
P.O.Box 121227 Dubai, UAE

Global Qatar

Tel: (974) 4967305
Fax: (974) 4967307
P.O.Box 18126 Doha, Qatar

Global Wealth Manager

E-mail : contactus@global.com.kw

Tel. : +965 1 (804242)

Disclaimer

This document and its contents are prepared for your personal use for information purposes only and is not an offer, or the solicitation of an offer, to buy or sell a security or enter into any other agreement. Projections of potential risk or return are illustrative, and should not be taken as limitations of the maximum possible loss or gain. The information and any views expressed are given as at the date of writing and subject to change. While the information has been obtained from sources believed to be reliable we do not represent that it is accurate or complete and it should not be relied on as such. Global Investment House, its affiliates and subsidiaries can accept no liability for any direct or consequential loss arising from use of this document or its contents. At any time, Global Investment House or its employees may have a position, subject to change, in any securities or instruments referred to, or provide services to the issuer of those securities or instruments
