MINING | 19 July 2010 EVENT FLASH

Maaden

2Q10 preliminary results

Underweight

Target Price (SR)	**15.2**
Current price (SR)	**17.9**

Stock details

52-week range H/L (SR)	21.8/13.9
Market cap ($mn)	4427.6
Shares outstanding (mn)	925
Listed on exchanges	TADAWUL

Price perf. (%)	**1M**	**3M**	**12M**
Absolute	0.84	(6.99)	1.99
Rel. to market	3.55	3.28	(1.09)

Avg daily turn.(mn)	**SR**	**US$**
3M	125.5	33.5
12M	106.9	28.8

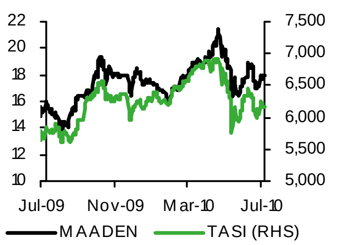
Reuters code	1211.SE
Bloomberg code	MAADEN AB
Website	www.maaden.com.sa

Valuation multiples

	09	**10E**	**11E**
P/E (x)	117.4	38.4	74.2
P/B (x)	1.0	1.0	0.9
EV/EBITDA (x)	74.4	33.1	10.5
Div yield (%)	0.0	0.0	0.0

Source: NCBC Research estimates

Share price performance



Source: Reuters

Ahmed Al Qahtani
ah.alqahtani@ncbc.com
Tel. +966 2 6907784

Please refer to the last page for important disclaimer

Maaden announced its 2Q10 preliminary results on 18 July 2010. Net income came in at SR31.2mn vs. our estimate of SR59.5mn, however gross profit came in at SR109.7mn, broadly in line with our estimate of SR104.8mn.

- **Net income:** Net income for 2Q10 came in at SR31.2mn versus our estimate of SR59.5mn (47.6% below our estimate).
- **Gross profit:** Gross income for 2Q10 came in at SR109.7mn versus our estimate of SR104.8mn implying a 17.5% YoY growth.
- **EPS:** EPS came in at SR0.04 vs. our estimate of SR0.06
- **Management Comments:** Zakat expense decreased this quarter as the company utilized cash balances to finance its on going projects. On the other hand, investment income, which contributed significantly to net income the previous year decreased due to the decline in the market yield.
- **Valuation:** We are **Underweight** on the stock, and await the full financials to update our forecasts.

Results summary

	2Q10A	**2Q10E**	**2Q09A**	**YoY chg(%)**	**Var(%)***
Gross profit	109.7	104.8	93.4	17.5	4.7
Net income	31.2	59.5	(6.6)	NA	(47.6)
EPS (SR)	0.04	0.06	(0.01)	NA	(47.6)

Company, NCBC Research estimates
*Variance from our estimates

Kindly send all mailing list requests to research@ncbc.com

Head of Research	Eiji Aono	e.aono@ncbc.com	+966 2 690 7786
Brokerage website	www.alahlitadawul.com / www.alahlibrokerage.com		
Corporate website	www.ncbc.com		

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

IMPORTANT INFORMATION