

## Executive Summary

- ▶ **The Lao Securities Exchange:** The Lao market shredded the investors' confidence into piles of dissatisfaction as both listed companies dulled their previous gains. BCEL poured cold water over the gains of the last two trading days, cooling back to the 11,300 Kip per share, equivalent to a loss of 500 Kip. EDL-Gen got caught in a gush of adverse wind and blown back to the Friday's 6,750 Kip per share, equivalent to a 2.17% downswing. The trading turnovers of BCEL and EDL-Gen dampened by 28% to only 464 million and 503 million Kip respectively.
- ▶ **ETL's income falls short of target but operations grow:** A major national telecom provider, Enterprise of Telecommunications Lao (ETL), has reported that income for 2010 fell by about 8 percent compared to the previous year. ETL received about 422 billion kip (almost US\$53 million), about 90 percent of the company's target.
- ▶ **EDL vows to keep electricity expansion on track:** At present, about 70 percent of Lao families have access to electricity. Electricite du Laos expects to connect 80% of Lao households to the electricity grid by 2015, amid power grid expansion and hydropower plant construction.

### Exchange Rates: 01/03/2011

	Bid	Change	Ask	Change
USD	8,030.00	-2.00	8,069.00	-2.00
CAD	8,084.00	0.00	8,248.00	0.00
THB	263.20	0.02	264.50	0.02
EUR	11,019.00	0.00	11,075.00	0.00
GBP	12,724.00	0.00	12,983.00	0.00
CNY	1,169.00	0.00	1,192.00	0.00
JPY	96.84	0.00	98.78	0.00
VND	0.33	0.00	0.34	0.00

*Exchange rates, quoted for the Lao Kip, by the Lao Development Bank*

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Issue Name	Current Price	Change (Kip)	Change (%)	52-week	
				High	Low
BCEL	11,300	↓ 500	4.24	15,500	8,000
EDL-Gen	6,750	↓ 150	2.17	8,850	4,550

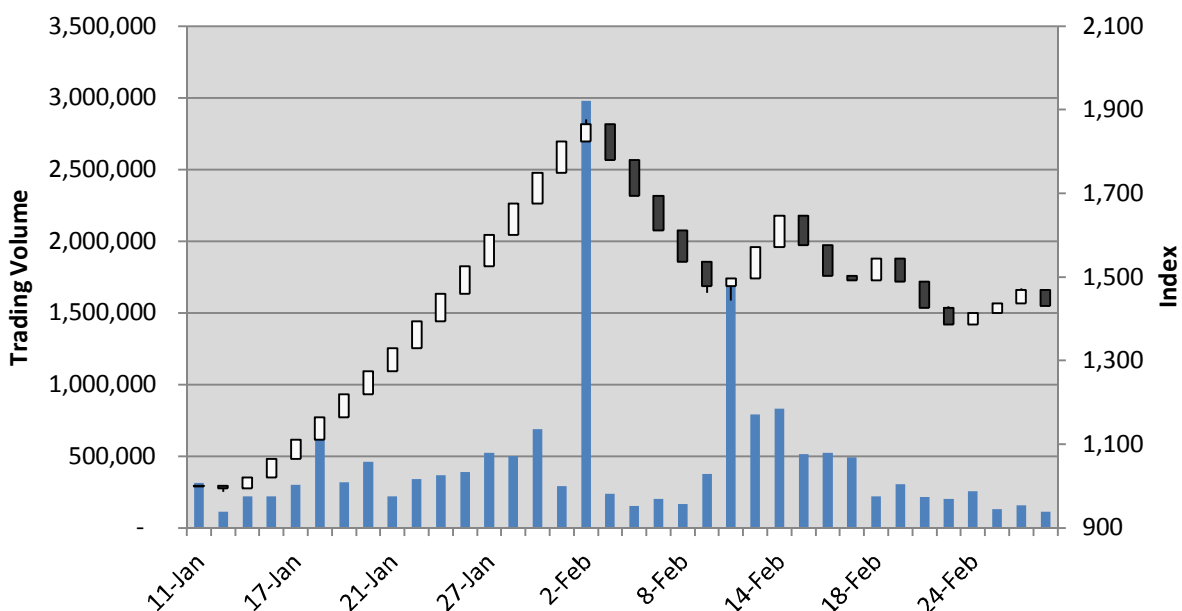
## The Lao Securities Exchange

### The Lao stock market

Sell-offs pressure was too vigorous at 7,000 Kip for EDL-Gen to cut through; as soon as it reached this price level in the first session, strong selling waves immediately overwhelmed the buy side. BCEL also encountered a similar resistance at the 12,000 Kip per share. The liquidity of both stocks turned dry, by more than 25%, as the hesitant demands shelved down for some positive market reactions. Demands were rallying gradually, yet apparently they are not strong enough to push the prices over the psychological ceilings. The market shows no signs of worsening, but it needs more than just thin bandages to stop the price bleeding, perhaps fresh injections of new capitals.

### The LSX Index 1,431.17 ↓ 38.37 [2.61%]

As traders pinched the stock prices, the Lao composite benchmark compressed by 2.61%, contracting down to 1,431 index points. Total trades withered down to only 115 thousand shares, resulting in shrinkage of market turnover by 28 per cent, down to 967 million Kip.



## Lao Economy

### Business news

#### **ETL's income falls short of target but operations grow**

A major national telecom provider, Enterprise of Telecommunications Lao (ETL), has reported that income for 2010 fell by about 8 percent compared to the previous year. “ETL received about 422 billion kip (almost US\$53 million), about 90 percent of the company's target,” company Director General, Mr Khammouane Xomsihapanya, reported on Friday. The income was mainly from mobile phone services, accounting for 77.5 percent of the total. The drop in earnings was attributed to growing competition in the telecom sector, in which large telecom providers are jostling for a greater market share. The main areas of competition were in service fees and product costs. “Also, expenditure was up about 6 percent, compared to payments in 2009,” Mr Khammouane pointed out at the company's annual meeting in Vientiane. Expenditure was about 399 billion kip (almost US\$50 million) or about 95 percent of the company's target.

Operations were unable to meet those planned in 2010 but services and network expansion keep on growing and remain profitable, to the tune of 23 billion kip according to a press release. “We also contributed about 72 billion kip to national revenue,” Mr Khammouane said. “This was about 3.2 percent down from 2009.” The company has succeeded in many areas, including the establishment of four additional branches and service units in the provinces last year. Currently, it has 10 branches and six service units, more than 730 staff, 914 mobile phone base stations, and network services in cities, rural villages and overseas. It now holds about 37 percent of the market share in the telecommunications sector, the press release noted. Mr Khammouane said the company now has mobile phone services covering 5,683 villages in 143 districts, or about 65 percent of villages nationwide. He said it currently has over 985,000 mobile phone customers, 3.6 percent up from 2009. It also has over 18,000 fixed line phone customers, an increase of about 3 percent, and about 3,500 Internet customers, an increase of 156 percent from 2009.

Laos currently has four tele-communication companies: Lao Telecommunications Company (LTC), ETL, Star Telecom and the Millicom Lao Company. Until the mid-1990s, Laos had only two telephone companies. Then, in 1995, LTC signed an agreement with the government to become the only supplier of telephone services for the next five years. When the contract expired in 2000, ETL was established. Millicom Lao, which provides only mobile phone services, came into operation in 2003 and Star Telecom launched in 2008. Star Telecom is a joint venture between Lao Asia Telecom State Enterprise, which opened in 2002, and Viettel Global of Vietnam – *The Vientiane Times*

#### **EDL vows to keep electricity expansion on track**

Electricite du Laos expects to connect 80% of Lao households to the electricity grid by 2015, amid power grid expansion and hydropower plant construction. At present, about 70 percent of Lao families have access to electricity, leaving a large proportion of Lao people, in particular in rural areas, in darkness at night. According to EDL's annual report, there are 17 power grid expansion and power

## Lao Economy

### Business news

substation construction projects in progress. The total investment cost is around US\$625 million, with most of the funding coming from development partners in the form of loans and grants. One of these projects is the construction of a power grid in Xieng Khuang province, which will enable people in the districts of Mok and Khoun to have electricity. The US\$3 million investment project, which is now 89 percent complete, will also enable the districts of Chomphet, Nambak and Phonexay in Luang Prabang province, and Baeng, Houn, Xay and Namor districts in Oudomxay province to be hooked up to the grid.

Another project aims to bring electricity to remote parts of the southern provinces. The US\$47 million project will give 31,000 families in 499 villages access to electricity. Of the 17 electricity infrastructure projects, there are international and national power grid development projects including a 230KV power grid from Hinheup district to Vientiane. The US\$129 million project will provide sufficient power to Luang Prabang, which is seeing rapidly increasing electricity consumption. One of the international power grid development projects is in the southern province of Saravan. The US\$15 million project will help Laos's efforts to sell electricity to the neighbouring countries of Vietnam and Cambodia. The main importer of Lao electricity is Thailand.

Although EDL has handed over seven hydropower plants to the EDL Generation Public Company, in which it holds a 75 percent investment share, since the end of last year, it still holds shares in a number of hydropower plants, including Huayhor, Nam Lik 1-2 and Theun Hinboun. According to the company's annual report, it will continue to cooperate with international investors to complete construction of five hydropower plants and conduct feasibility studies on nine hydropower development projects –  
The Vientiane Times

### Stock Boards

▶ Second session: 10:00 – 11:30, Closing

#### BCEL

Current	<b>11,300</b>
Volume	41,089
Previous Day Closing Price	11,800
Change	↓ <b>500</b>
Turnover	464,905,700

Sell Remaining Qty	11:30:00	Buy Remaining Qty
57,400	12,000	
8,694	11,900	
2,000	11,800	
12,978	11,500	
Exp exe Price		
Exp exe Qty		
<b>81,072</b>	Total	

Opening Price	11,800
High Price	11,800
Low Price	<b>11,300</b>
Price Limit	12,300 <b>11,300</b>

#### EDL-GEN

Current	<b>6,750</b>
Volume	73,570
Previous Day Closing Price	6,900
Change	▼ <b>150</b>
Turnover	503,051,550

Sell Remaining Qty	11:30:00	Buy Remaining Qty
118,300	7,000	
21,552	6,950	
41,047	6,900	
2,000	6,850	
13,665	6,800	
Exp exe Price	<b>6,750</b>	2,726
Exp exe Qty	6,650	134,212
<b>270,765</b>	Total	<b>136,938</b>

Opening Price	6,900
High Price	6,900
Low Price	<b>6,750</b>
Price Limit	7,200 <b>6,600</b>

### Appendix

#### ▶ Market Data

#### LSX Index

Date	Current Index	Change (Points)	Change (%)	Trading Vol. (Share)	Trading Value (Kip)	High	Low
2011/03/01	1,431.17	↓ 38.37	2.61	114,659	967,957,250	1,469.55	1,431.17
2011/02/28	1,469.55	↑ 33.10	2.30	155,324	1,342,646,100	1,472.18	1,469.55
2011/02/25	1,436.45	↑ 22.06	1.56	131,721	1,064,016,500	1,436.45	1,436.45
2011/02/24	1,414.39	↑ 27.34	1.97	256,989	1,742,366,550	1,414.39	1,389.69
2011/02/23	1,387.05	↓ 38.37	2.69	203,221	1,570,854,300	1,429.01	1,387.05

#### EDL-Gen

Date	Closing Price	Change (Kip)	Trading Vol. (Share)	Trading Value (Kip)	Market Cap. (mil. Kip)	High	Low
2011/03/01	6,750	↓ 150	73,570	503,051,550	5,863,030	6,900	6,750
2011/02/28	6,900	↑ 150	100,601	694,146,900	5,993,320	6,900	6,900
2011/02/25	6,750	↑ 100	94,900	640,575,000	5,863,030	6,750	6,750
2011/02/24	6,650	↑ 100	246,057	1,619,524,950	5,776,170	6,650	6,550
2011/02/23	6,550	↓ 150	150,146	992,336,800	5,689,311	6,800	6,550

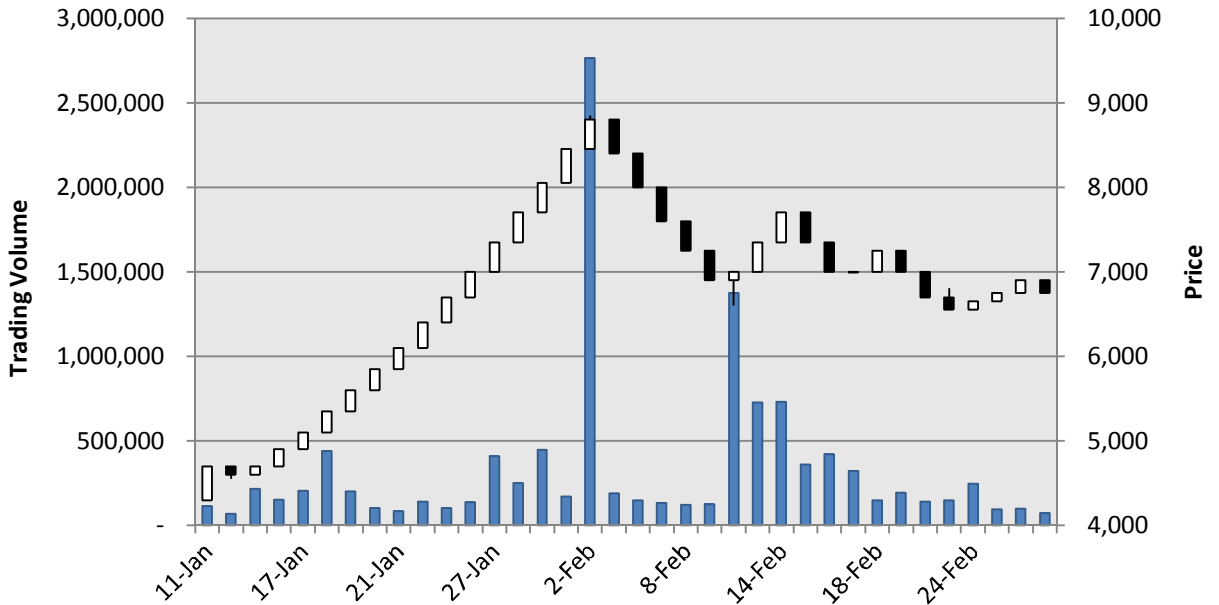
#### BCEL

Date	Closing Price	Change (Kip)	Trading Vol. (Share)	Trading Value (Kip)	Market Cap. (mil. Kip)	High	Low
2011/03/01	11,300	↓ 500	41,089	464,905,700	1,543,327	11,800	11,300
2011/02/28	11,800	↑ 300	54,723	648,499,200	1,611,616	11,900	11,800
2011/02/25	11,500	↑ 200	36,821	423,441,500	1,570,642	11,500	11,500
2011/02/24	11,300	↑ 400	10,932	122,841,600	1,543,327	11,300	11,000
2011/02/23	10,900	↓ 500	53,075	578,517,500	1,488,696	10,900	10,900

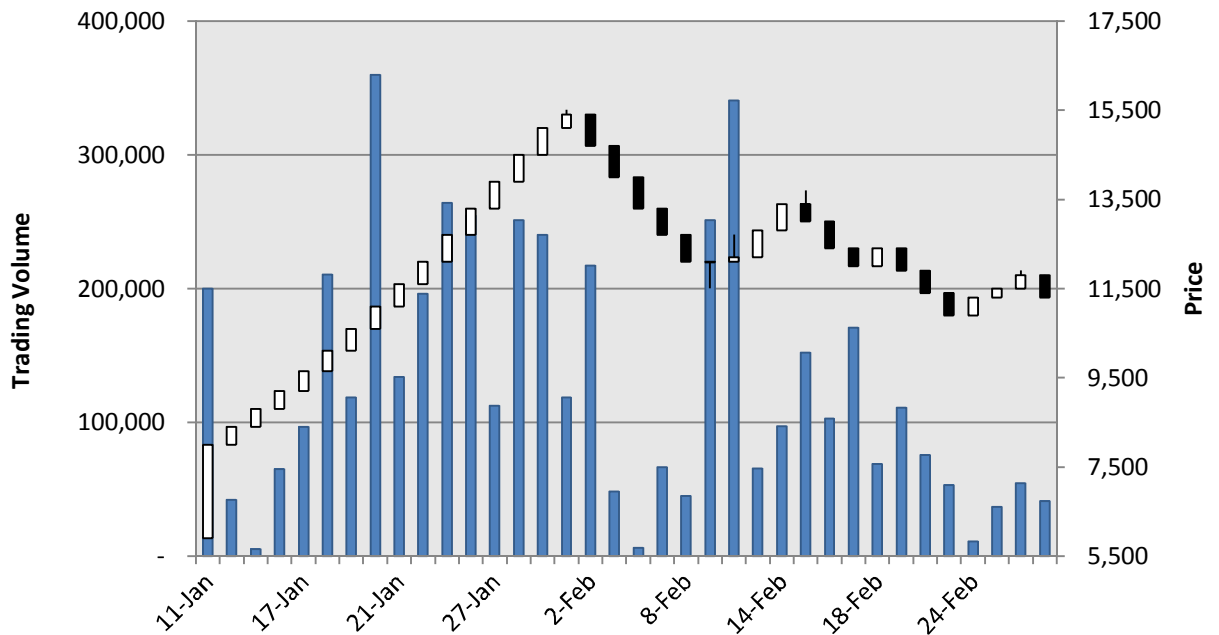
### Appendix

▶ Market Data (cont.)

#### EDL-Gen



#### BCEL



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