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WEEKLY STATISTICS

Graph 1: 3-month LSX Relative to key MSCI Indices

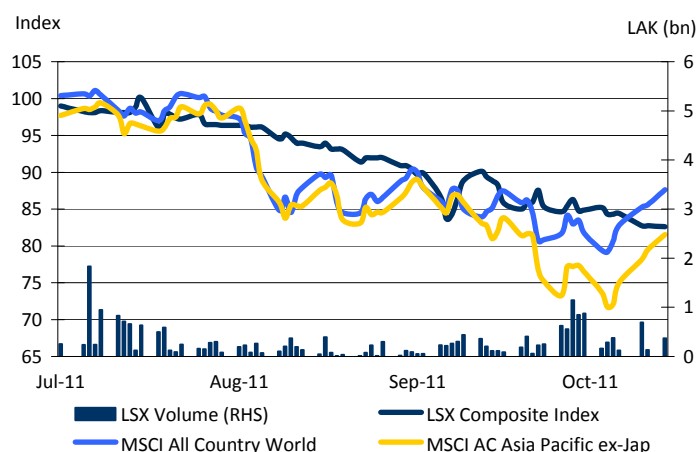


Table 1: Foreign Shareholdings Limit

Issue Name	Total (%)	Current (%)	Available (%)	Available (shares)
EDL LS	99.99	11.7415	88.2485	766,523,756
BCEL LS	5.00	1.1929	3.8071	5,199,647

* No voting rights on EDL shares exceeding 10%, and BCEL beyond 5%

Source: LSX, Bloomberg, KT ZMICO

Table 2: Key figures on LSX

Week of	3-6 Oct	10-14 Oct	Chg
LSX Index (wk ended)	932.49	912.68	(2.12%)
Wk Trading Value - LAK m	946.46	1,196.99	26.47%
- USD m	0.12	0.15	
Price (LAK USD)			
- EDL LS	4,350 0.54	4,250 0.53	(2.30%)
- BCEL LS	7,550 0.94	7,450 0.93	(1.32%)

Source: BCEL, KT ZMICO

Table 3: LSX Cumulative Turnover by Type (LAK m)

Week of	3-6 Oct	10-14 Oct	YTD
General Corp	0	0	(17,618)
Individual	148	(252)	3,938
Foreigners	(192)	252	16,895
Others	44	0	(3,215)

Source: BCEL, KT ZMICO

Table 4: Key figures on Forex, and Money Markets

Week of	3-6 Oct	10-14 Oct	Chg
LAK/USD	8,040.00	8,030.00	(10.00)
LAK/THB	261.00	262.50	1.50
12-mth Deposit Rate - LAK	9.00%	9.00%	0.00
- THB	3.00%	3.00%	0.00
- USD	3.25%	3.25%	0.00

Source: BCEL, KT ZMICO

CONTENTS & COMMENTS

Laos, Russia Declare Strategic Partnership

Laos and Russia agreed to raise their relations to the level of a strategic partnership and signed several agreements during an official visit by the President of the Lao PDR to the Russian Federation from October 12-16. The official meeting between Russian President Dmitry Medvedev and Lao President Choummaly Sayasone took place at the Kremlin on Thursday and focused on bilateral trade, education, tourism, healthcare, hydroelectricity, mining, and national defence. President Choummaly also met with other important Russian leaders including Prime Minister Vladimir Putin. Russian news agency Itar-Tass quoted Mr. Putin as saying that Russian companies were interested in working in the most lucrative areas of cooperation, including hydropower engineering, telecommunications, communications, and the production and processing of natural resources.

[Vientiane Times, Oct 17, 2011]

Comment:

Laos PDR celebrated the 50th anniversary of diplomatic ties between the country and Russia in October last year. As a result of the agreements reached at the meeting, the two sides will take joint action to optimize the trade structure, increase the proportion of electromechanical and high-tech products in bilateral trade volume and realize the goal of lifting bilateral trade to USD100 billion by 2015 and USD200 billion by 2020. Lao PDR's trade with Russia was sluggish last year, down 40% to USD4.6 million during 7M10. The country attracts developed countries due to its abundant resources and strong growth potential. Last week, Europe opened a Chamber of Commerce and Industry to boost trade with Laos.

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Lao Telecom Services Not Impacted by Marketing Regulation

Lao Telecommunications Company (LTC) services will not be affected by the government's recent crackdown on telecom marketing. In August, the Ministry of Posts and Telecommunications ordered telecom companies to stop offering special promotions to attract more customers such as free call credits, sim cards and messaging services. "The regulation is good for all operators because it has increased their profits," LTC said. Over the past two years, increased competition and special promotions have resulted in reduced call service charges and offers of free call credits and cash prizes, causing revenues to fall. The Posts and Telecommunications Deputy Minister said tax contributions to the national coffers by the sector were only about LAK1.6 trillion (USD199.2m) last year, down from LAK1.93 trillion (USD240.3m) in 2009. The ministry expects taxes paid by telecom companies to exceed LAK1.8 trillion this year.

[Vientiane Times, Oct 13, 2011]

Comment:

We anticipate Lao telecom companies turning around from 4Q11 onwards from easing price competition and continuing subscriber growth. Teledensity (mobile and fixed phone) of the country has been increasing rapidly and currently represents more than 65% of the total population, up three-fold in 4-5 years from 22% in 2006. Lao PDR's strategic plan on telecommunications is to expand the network to reach 100% in teledensity by 2015. Other regional developing countries have teledensity of over 100%, such as 118% for Thailand and 129% for Malaysia. We believe the prospects of the Lao telecom sector are promising given the strong growth in gross national income as well as its young population.

NTT Com Enters Laotian Market with Branch Office

NTT Communications Corporation (NTT Com) announced that its subsidiary NTT Communications (Thailand) Co., Ltd. has begun operating a branch office in Laos, named the NTT Communications Vientiane Representative Office. NTT Com is the wholly-owned subsidiary of Nippon Telegraph and Telephone Corporation, one of the world's largest telecom companies. The office will offer its own high-quality solutions in collaboration with local carriers and the Laotian government after receiving the necessary licensing. Global manufacturers are increasingly looking to Laos as a new production base due to its low electricity and labor costs. Ongoing expansion of the Asian regional market is stimulating corporate demand for unified, high-quality ICT services for offices in multiple countries.

[Vientiane Times, Oct 11, 2011]

Comment:

The entrance of NTT Com affirms that Laos has good growth potential in communication technology from business, individuals, and government. Lao PDR offers cheap labor costs and abundant natural resources, which attracts investors not only from neighboring countries such as Vietnam, Thailand, and China, but also from developed markets such as Europe, Japan, and Russia. We believe local carriers will benefit from NTT in terms of market developments as well as knowledge transfer.

Lao GDP Growth Faces Developmental Issues

The Greater Mekong Subregion (GMS) is one of the fastest growing regions in the world, with Laos among the frontrunners, according to ADB Principle Economist Dr. Jayant Menon at a seminar on post-Asean Economic Community (AEC) prospects for Cambodia, Laos, Myanmar and Vietnam in Vientiane recently. "You can see from Laos's real GDP growth rate of 8.4% that in 2010 Laos was one of the fastest growing countries." "In fact, the financial crisis did not have a very big impact on Laos, but Cambodia felt a greater impact because it was heavily reliant on the US for its exports," Dr. Menon said. While Laos has among the fastest GDP growth rates in the region, the country must still work hard on various developmental issues to prepare for economic integration in order to meet AEC goals by 2015. Bangkok Research Centre President Mr. Yasuhiro Yamada said Laos faces various challenges in the form of trade facilitation, investment, small and medium sized enterprise (SME) promotion and industrial development if it is to ensure international competitiveness when the AEC comes into play in 2015.

[Vientiane Times, Oct 10, 2011]

Comment:

We believe that the Asean Economic Community (AEC) will create ample opportunities for Lao PDR. Firstly, the country will attract more ASEAN investors due to its abundant natural resources and cheap labor, as well as from the "special privileges" of being a less developed country as awarded by the U.S., Europe, and Japan. As a result, we foresee significant production relocation from ASEAN into Laos. Secondly, Lao PDR is in a strategic location in the center of the GMS as it shares borders with China, Thailand, Vietnam, Cambodia, and Myanmar. According to the AEC's master plan, connectivity among ASEAN, including highways, railroads, and marine transport, will be improved dramatically. We believe these land projects will boost Lao PDR's economic growth tremendously and attract foreign direct investment going forward. Nonetheless, it remains a big challenge for the country to improve its regulatory framework to accommodate foreign investors as well as protect their local business operators.

BCEL-KT Securities is the underwriter of EdL-Gen and ETL. BCEL-KT Securities is a joint venture between BCEL Bank and KT ZMICO Securities (Thailand).

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