

# OMAN TELECOMMUNICATIONS COMPANY SAOG

## CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2007

	Parent Company		Consolidated	
	Unaudited 31 March 2007 RO'000	Unaudited 31 March 2006 RO'000	Unaudited 31 March 2007 RO'000	Unaudited 31 March 2006 RO'000
<b>Operating activities</b>				
Profit before taxation	49,123	40,405	27,806	24,402
Adjustments for:				
Depreciation	7,131	6,786	14,982	13,256
Provision for impairment of receivables	1,647	394	2,458	1,879
Amortisation of licences	75	75	699	698
Fair value gains on investments	(422)	(193)	(422)	(120)
Interest income – net	(252)	925	(47)	844
Dividend income	(32,771)	(29,676)	-	-
Share of profit from associated companies – net	-	-	(36)	(21)
End of service benefits	11	(15)	65	(7)
(Profit) / loss on sale of property, plant and equipment	(4)	-	(4)	-
<b>Operating profit before changes in working capital</b>	<b>24,538</b>	<b>18,701</b>	<b>45,501</b>	<b>40,931</b>
<b>Working capital changes:</b>				
Inventories	(300)	(313)	(601)	(243)
Trade and other receivables	(5,493)	402	(12,904)	2,056
Royalty payable	(10,986)	(9,503)	(26,834)	(21,022)
Trade and other payables	833	3,804	888	5,276
Amounts receivable from subsidiary	(1,562)	(7,580)	-	-
<b>Cash generated from operations</b>	<b>7,030</b>	<b>5,511</b>	<b>6,050</b>	<b>26,998</b>
Interest received	163	200	295	278
Tax paid	(3,499)	(3,224)	(7,763)	(9,054)
<b>Net cash from / (used in) operating activities</b>	<b>3,694</b>	<b>2,487</b>	<b>(1,418)</b>	<b>18,222</b>
<b>Investing activities</b>				
Net purchase of property, plant and equipment	(2,522)	(3,826)	(7,200)	(15,902)
Acquisition of investments	(514)	-	(514)	-
Installment received on loan to subsidiary	-	12,298	-	-
Interest free loan to subsidiary	-	(26,893)	-	-
<b>Net cash used in investing activities</b>	<b>(3,036)</b>	<b>(18,421)</b>	<b>(7,714)</b>	<b>(15,902)</b>
<b>Financing activities</b>				
Dividends paid	-	-	-	(122)
Amounts paid to contractors on behalf of Ministry of Finance	(400)	-	(400)	-
Repayment of loan to Government	-	(4,560)	-	(4,560)
Interest paid	(855)	(2,386)	(855)	(2,386)
<b>Net cash used in financing activities</b>	<b>(1,255)</b>	<b>(6,946)</b>	<b>(1,255)</b>	<b>(7,068)</b>
<b>Net change in cash and cash equivalents</b>	<b>(597)</b>	<b>(22,880)</b>	<b>(10,387)</b>	<b>(4,748)</b>
Cash and cash equivalents at the beginning of the period	25,557	34,376	54,805	47,564
<b>Cash and cash equivalents at the end of the period</b>	<b>24,960</b>	<b>11,496</b>	<b>44,418</b>	<b>42,816</b>

The accompanying notes form an integral part of these financial statements