

# **Omantel Group Performance**

## **Jan- Sep 2009**

**(Presentation to Investor Community)**

**Conference Call on 12<sup>th</sup> November 2009 at 1 PM (Oman Time)**

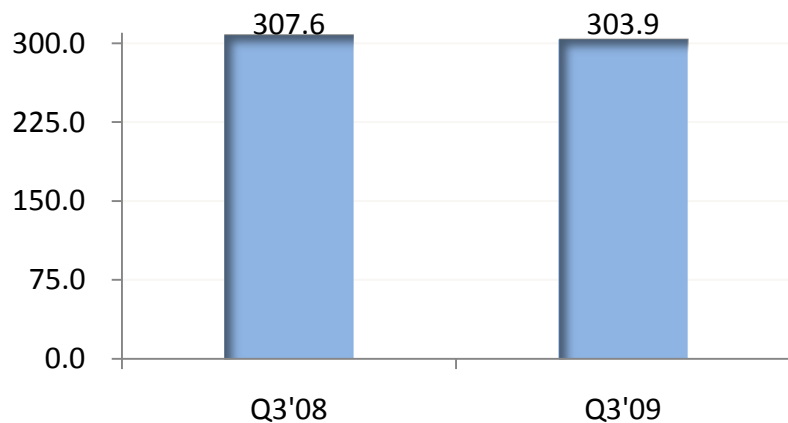
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# Omantel Group - Performance Highlights

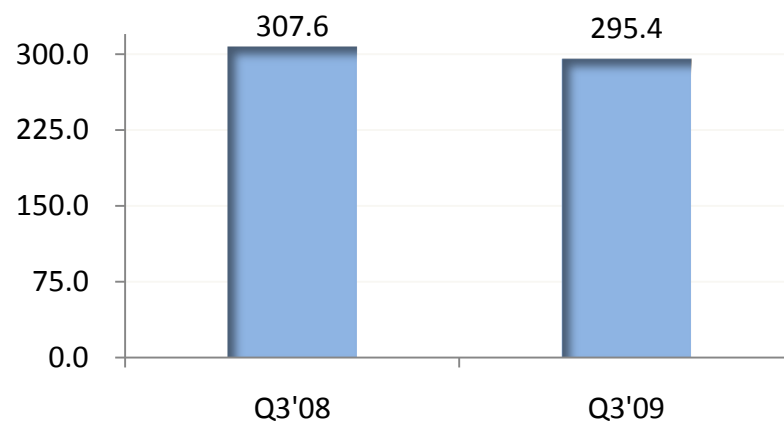
- Revenues are showing very stable trend during the year. Quarterly analysis shows the revenue is in the range of RO 97-98 Mn per quarter (domestic revenues), despite the economic downturn and increased competition.
- Omantel group results include subsidiary Worldcall (WTL) results for the period July-Sep'09. Revenue as of Sep'09 has reached RO 304 Mn (*Excluding Worldcall, the domestic revenue is RO 295.4 Mn*).
- Healthy EBITDA (53%) and net profit margin (35%).
- Strong and growing subscriber based - 2.995 Mn customer base comprises individual, enterprise and service providers covering all telecommunication services, of which WTL customer base is 792 K.
- Group total assets of over RO 669 Mn with a net worth of RO 420 Mn.
- Low Gearing, long term debt around 11% of capital employed.
- Net cash flow from operating activities RO 139Mn (46% of gross revenue).
- Impressive Market fundamentals - Market Capitalization RO 1.050 Bn (Sep'09), Price Earning Ratio (P/E – 7.5, EV / EBITDA – 6.49, Price to Book Value –2.61).
- Strong brand image – Oman Mobile voted as No. 1 Brand in Oman.

Total Group revenue is RO 303.9 Mn, which is marginally lower by 1.2% over last year. Domestic revenue is lower by 4% over the last year.

Group Revenue (Jan-Sep'09)  
in RO Mn



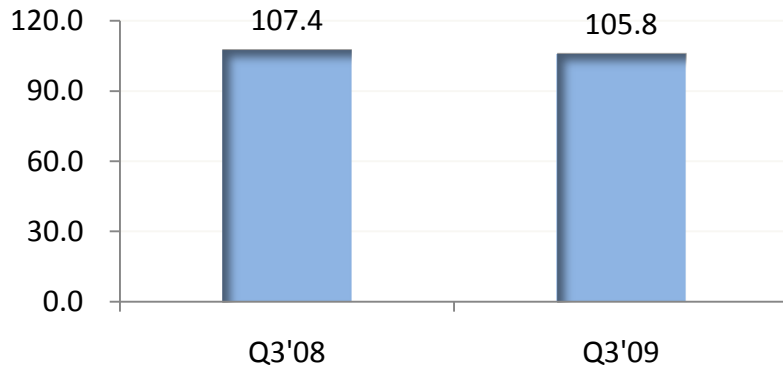
Group revenue (Jan-Sep'09) in RO Mn  
(Domestic)



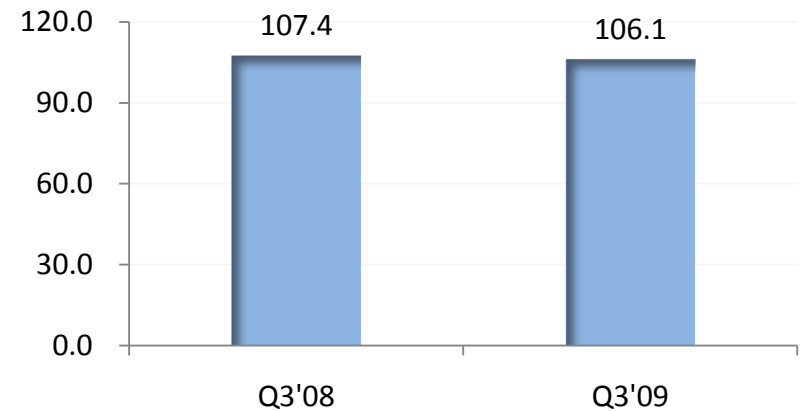
Note: Consolidated results include Worldcall performance for the period July-Sep'09.

Total Group net profit is RO 105.8 Mn, which is lower by 1.5% over last year.

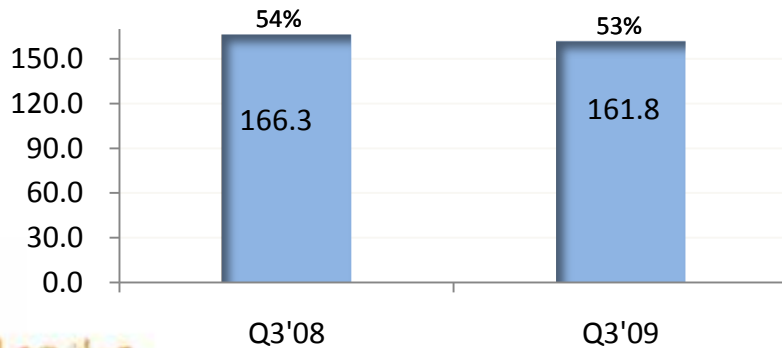
Group Net Profit (Jan-Sep'09)  
in RO Mn



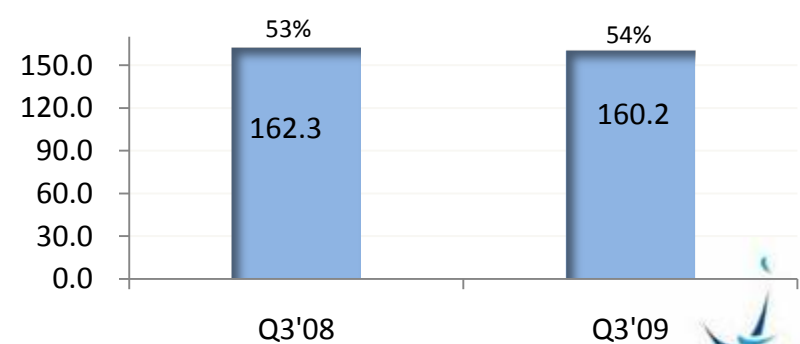
Group Net Profit (Jan-Sep'09) in RO Mn  
(Domestic)



EBITDA RO Mn & %

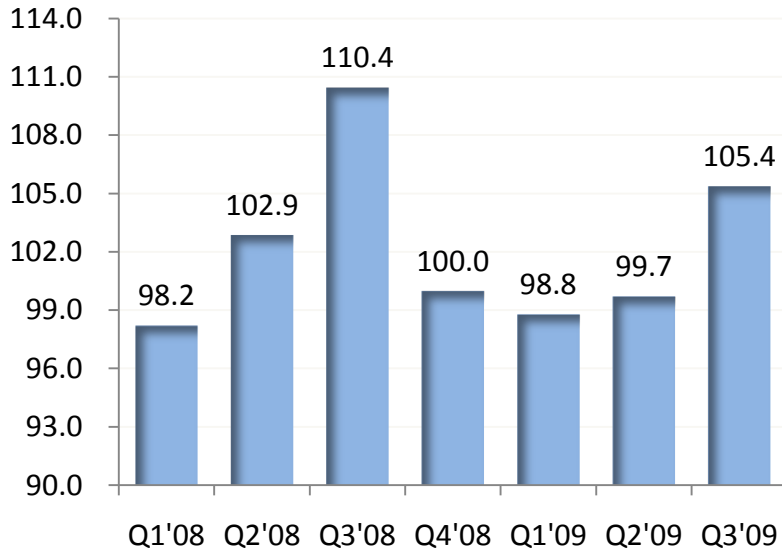


EBITDA RO Mn & %

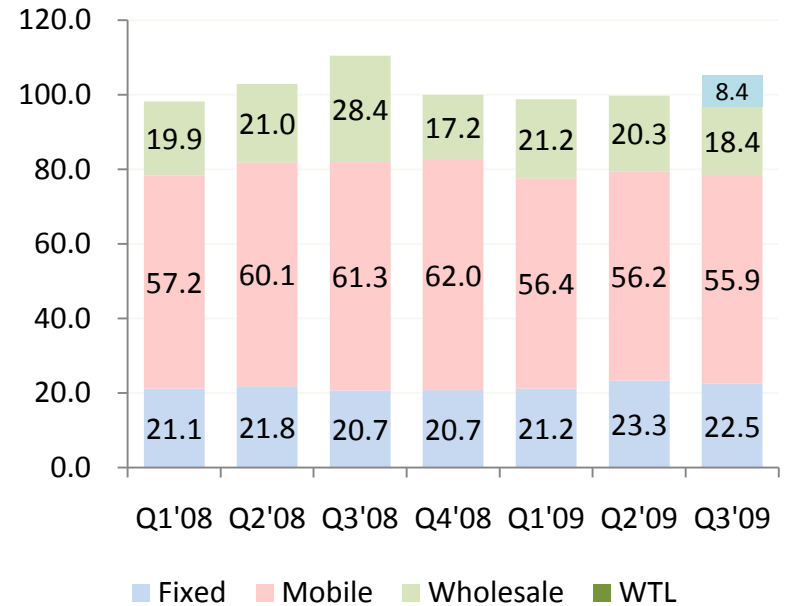


# Qtr to Qtr analysis shows stable revenues in the last 3 quarters inspite of competition and economic meltdown

Group Revenue in RO Mn



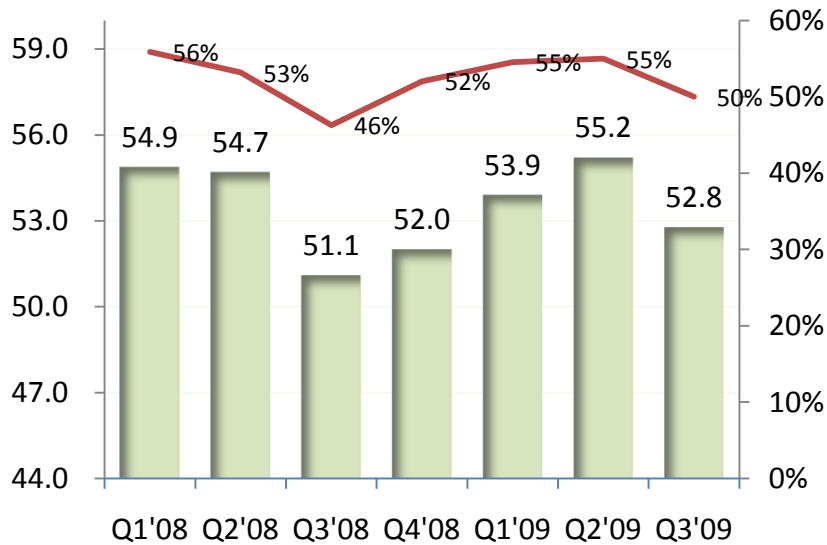
Revenue by Segment RO Mn



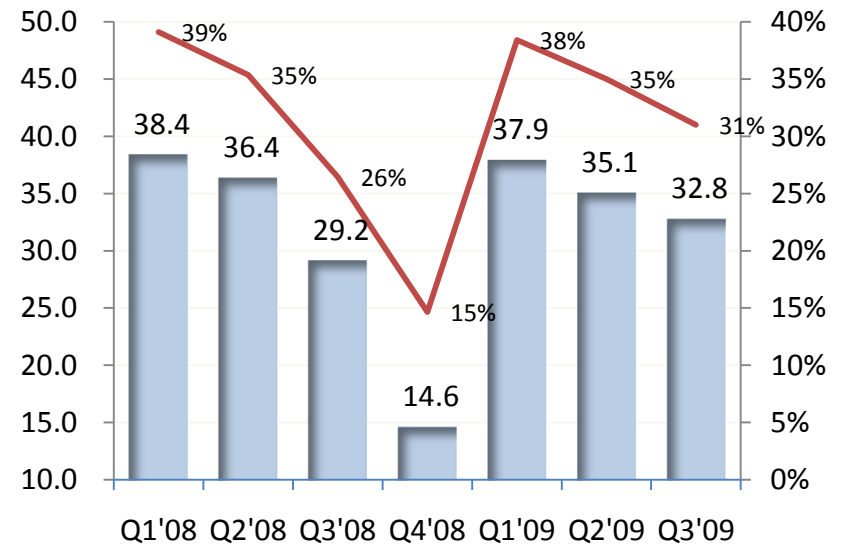
Note: Consolidated results include Worldcall performance for the period July-Sep'09. WTL July revenue RO 8.4 Mn (excluding intra group revenues)

Qtr to Qtr analysis - Strong margin despite decline in revenue demonstrates the effectiveness of cost optimization strategies currently in place.

EBITDA (RO Mn & %)



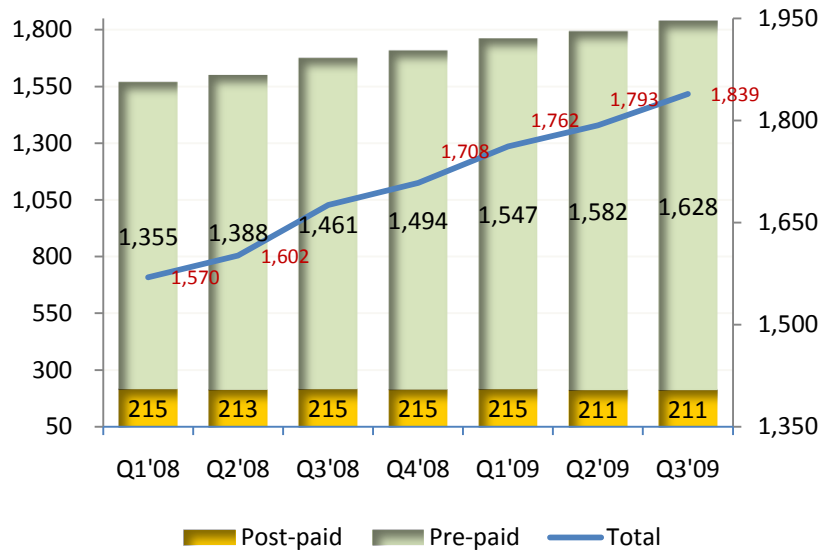
Net Profit (after Tax) (RO Mn & %)



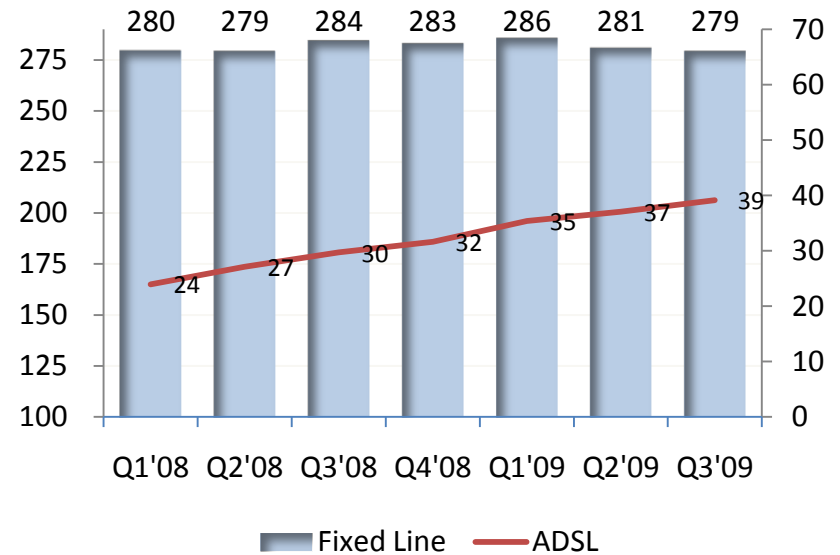
Q4'08 Net profit decline is due to the impact of the impairment on goodwill of Worldcall acquisition

Mobile growth is slowing down mostly in line with economic impact, while broadband growth is gradually picking up with easing network capacity. Fixed line growth is quite stagnant.

Subscriber growth - Mobile – In '000s



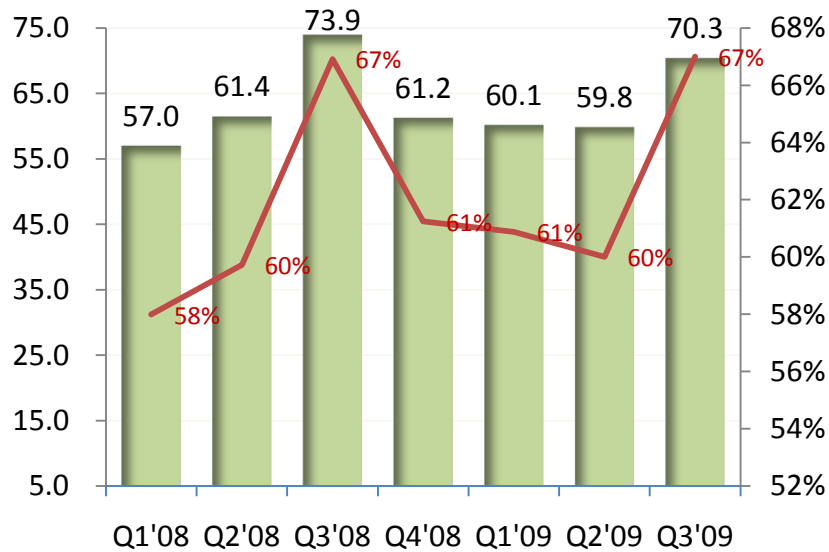
Subscriber growth – Fixed Lines & Broadband – In '000s



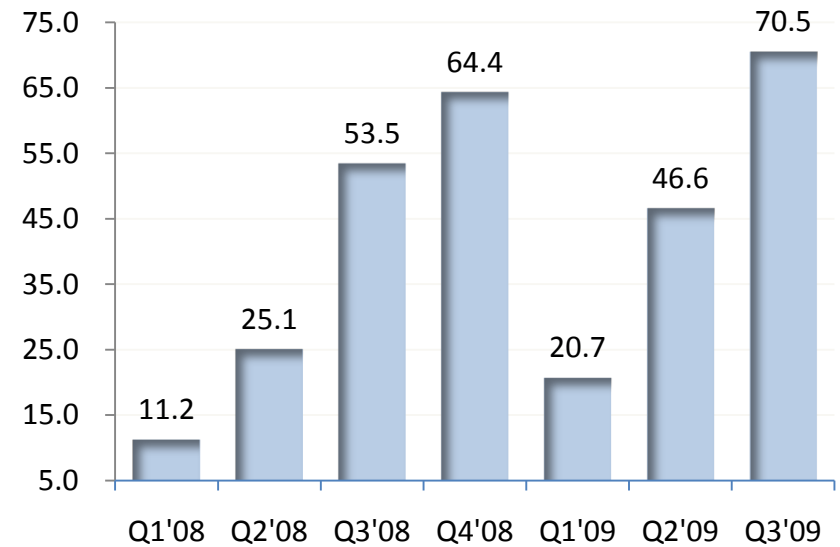
Fixed line include pre-paid and payphone

Consolidated Opex to Sales ratio increased to 67%, while domestic operation ratio is around 61% due to effective cost optimization strategy . Selective spending on Capex including roll-out of 3 G network and broadband service, focusing on growth areas.

Total Opex (incl depreciation) by Qtr RO Mn



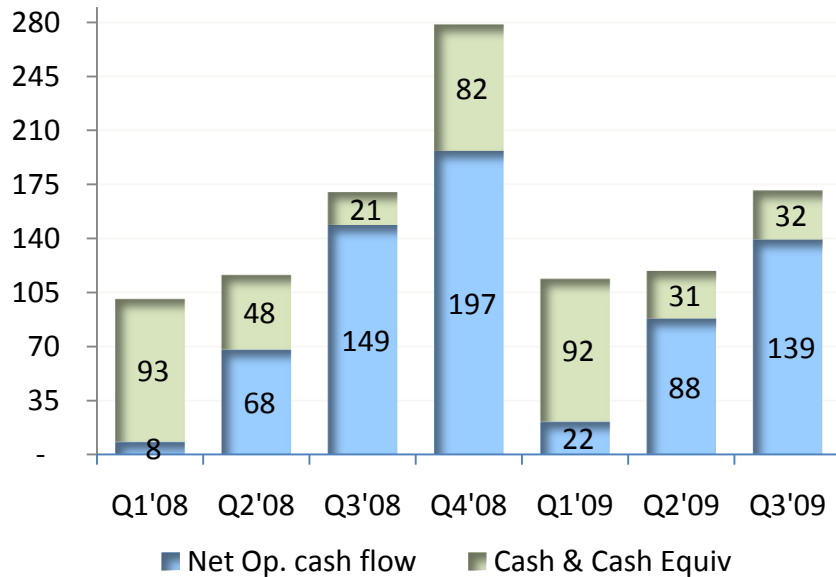
Capex Additions (cumulative) RO Mn



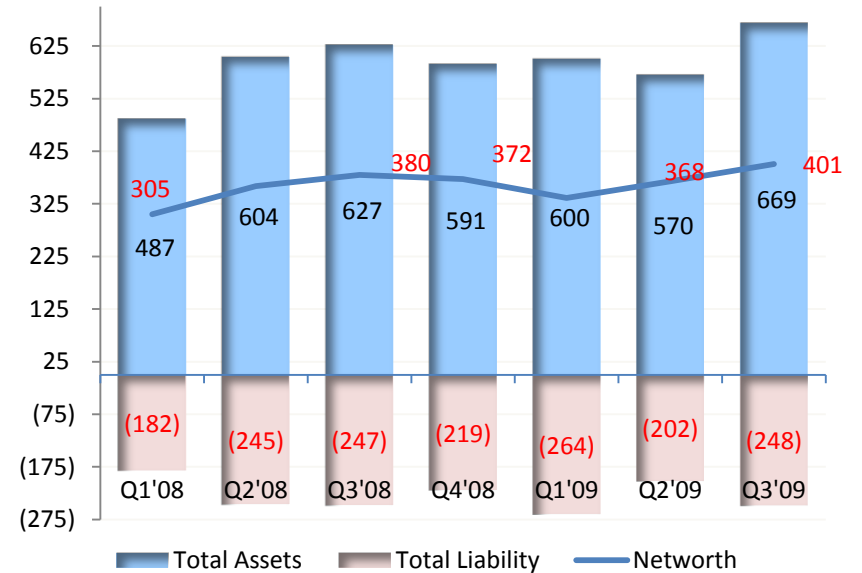
Increase in opex ratio mainly resulting from consolidation of WTL results.

Strong cash flow and balance sheet with low gearing. Net operating cash flow is around 46% of the gross sales.

Cash flow (cumulative) RO Mn



Assets, Liability & Net worth RO Mn



Cash & Cash Equivalent exclude long term deposit. As of Sep'09, the long term deposit amounts to RO 70 Mn

## Challenges Ahead

- 1) Increased fixed line competition including opening up the International gateway.
- 2) Introduction of Carrier Selection and Carrier Pre selection and potentially more service providers in the International call services.
- 3) Uncertainty interms of market liberalization – Local loop unbundling, Licensing WiMax frequencies, etc.,
- 4) New USO regime and potential new Class I operator competing in other than USO areas as per recent TRA announcement.
- 5) Impact of Voluntary End of Services.

# Thank you



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