

Our Vision

Together, we build a totally
connected community through
innovation

Omantel Group Performance Year 2009

(Presentation to Investor Community)

Conference Call

on

15th February 2010 at 2 PM (Oman Time)



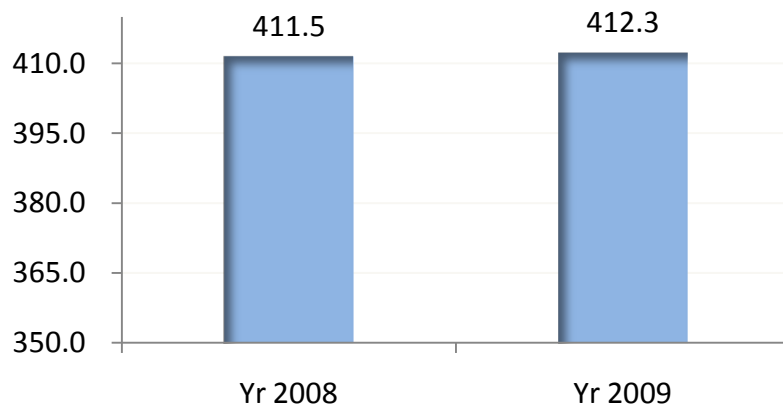
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Omantel Group - Performance Highlights Year 2009

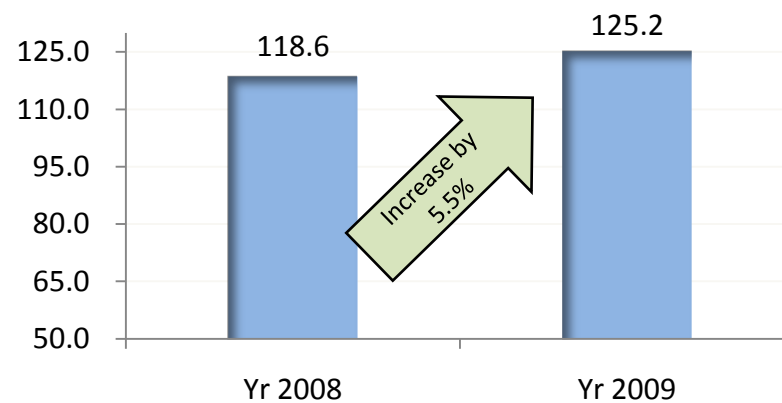
- **Stable revenue** despite economic downturn and increased competition. Total revenue increased by 0.2% to RO 412 Mn, while Domestic revenue declined marginally by 4% to RO 395 Mn.
- Achieved **highest** net profit of RO 125.2 Mn. Maintained **Healthy EBITDA** of 52% (same as last year) and net profit margin (30%) up by 1% over last year.
- **Strong and growing** subscriber base – 3.03 Mn customer base, of which Worldcall subscribers are 799 K. Achieved 24% growth in domestic mobile market with Mobile resellers.
- **Strong Balance sheet.** Debt Ratio is the lowest at 37%. Group total assets of over RO 694 Mn with a net worth of RO 439 Mn.
- **Low Gearing**, long term debt less than 10% of capital employed.
- Net cash flow from operating activities RO 196 Mn (**48% of gross revenue**).
- **Impressive Market fundamentals** - Market Capitalization RO 0.974 Bn (Dec'09), Price Earning Ratio (P/E – 7.8), EV / EBITDA – 4.8, Price to Book Value –2.3).
- **Strong brand image** – Oman Mobile recognized as the leading telecom brand in Oman by a survey conducted by the Oman Daily Observer.

Group revenue and net profit, both recorded an increase of 0.2% and 5.5% over last year respectively. Omantel Group has achieved the highest net profit of RO 125.2 Mn.

Group Revenue in RO Mn



Group Net Profit n RO Mn

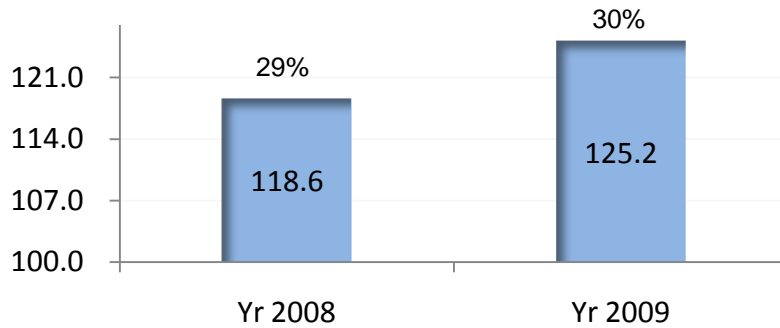


1 Omani Rial – US\$ 2.6,
Group Rev and net profit include WTL, Pakistan for the period July-Dec'09

EBITDA continues to be impressive at 52% shows the positive impact of the cost optimization strategy.

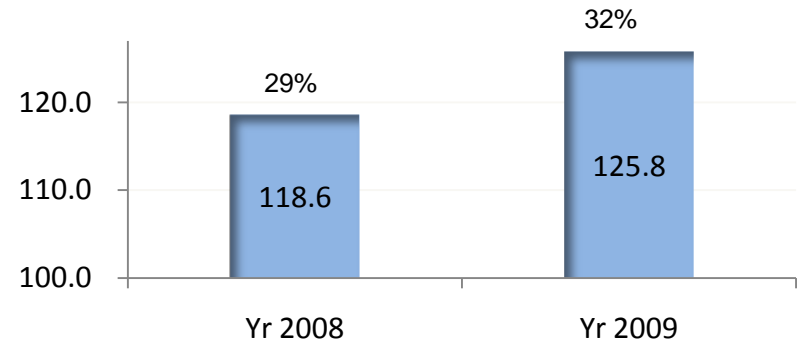
With Worldcall

Group Net Profit RO Mn

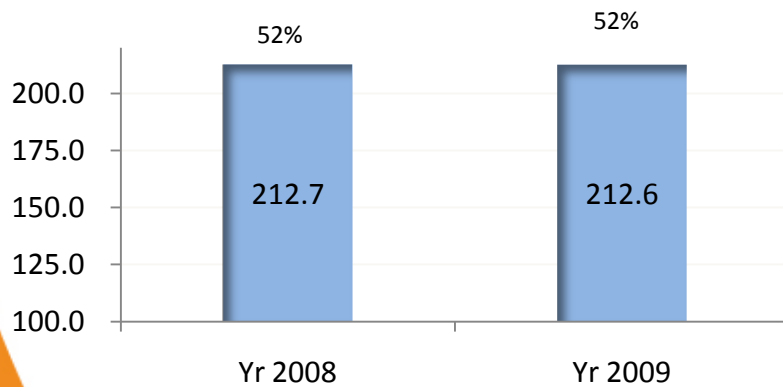


Domestic Operation

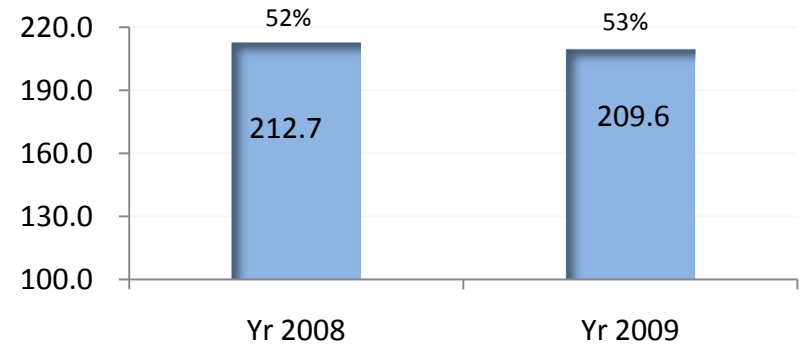
Group Net Profit in RO Mn



EBITDA RO Mn & %

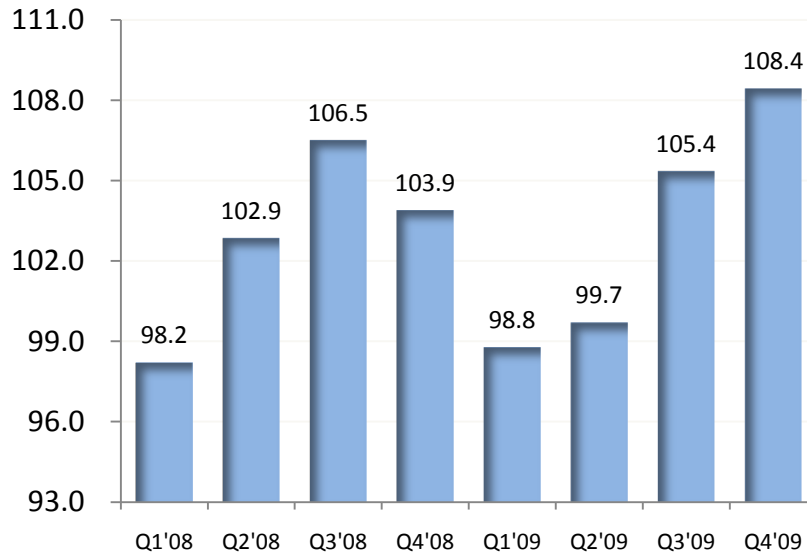


EBITDA RO Mn & %

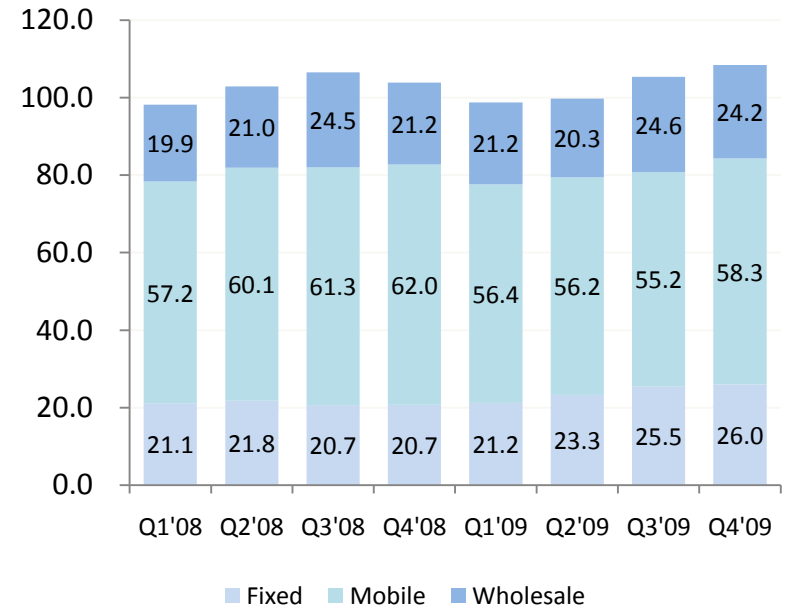


Qtr to Qtr analysis shows overall revenue trend is stable and marginally higher in last qtr in spite of increased competition and price reduction especially for international calls.

Group Revenue in RO Mn



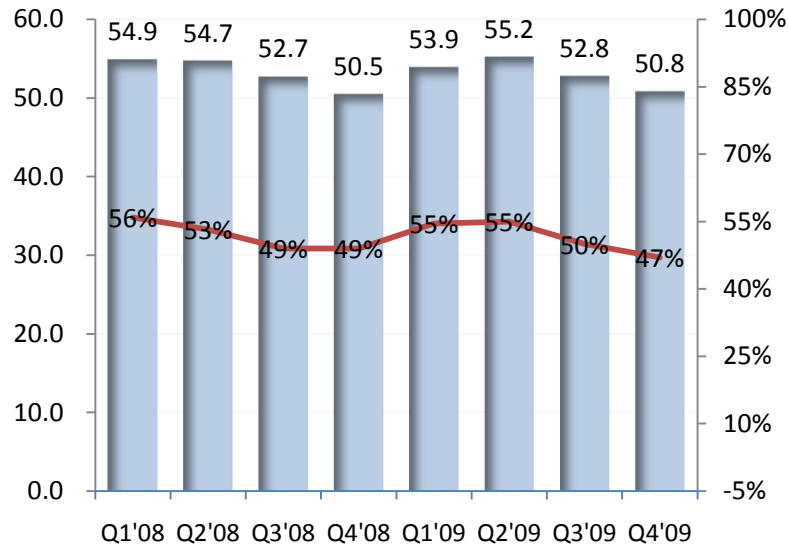
Revenue by Segment RO Mn



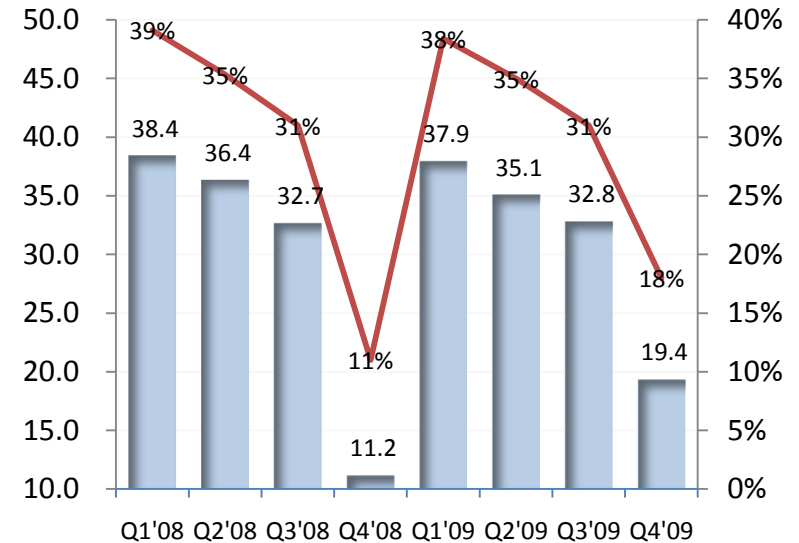
Note: Consolidated results include Worldcall performance for the period July-Dec'09.

Qtr to Qtr analysis - Strong margin despite revenue under pressure. Q4'09 Net Profit impacted due to Voluntary End of Services (VEOS) amounting to RO 9.5 Mn covering 134 employees

EBITDA (RO Mn & %)



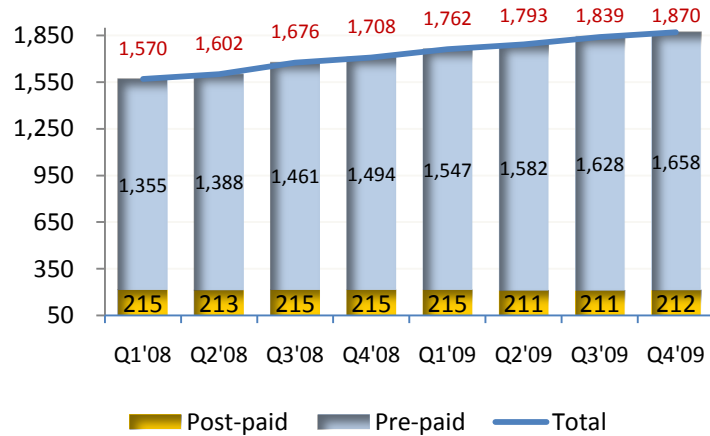
Net Profit (after Tax) (RO Mn & %)



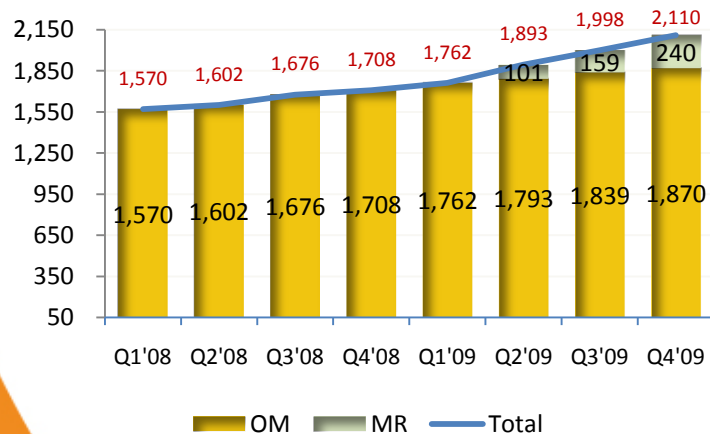
Q4'08 Net profit decline is due to the impact of the impairment on goodwill of Worldcall acquisition. Q4'09 Net profit decline is due to the impact of Voluntary End of Service

Oman Mobile with its Mobile Resellers were able to add 402 K subscribers, of which 60% contributed by Mobile resellers. Fixed line growth recorded a decline, while broadband growth is gradually picking up.

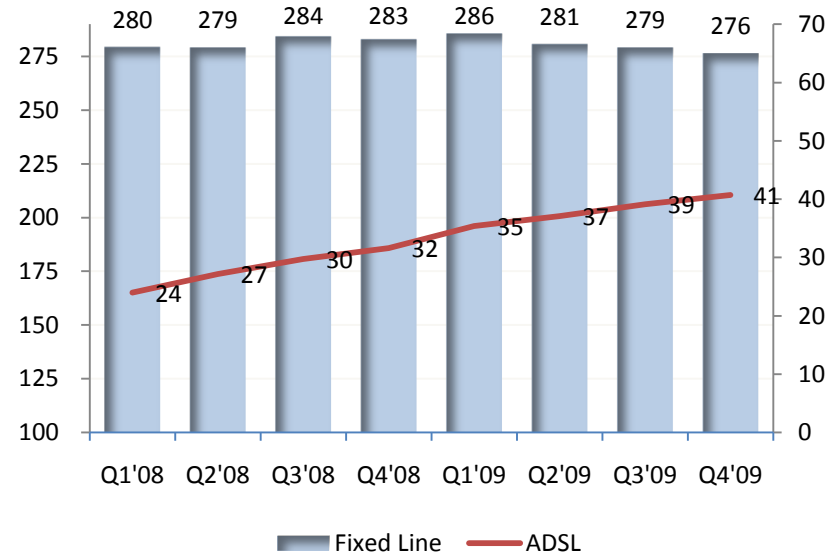
Mobile Subscribers– In '000s



With Mobil Resellers – In '000s



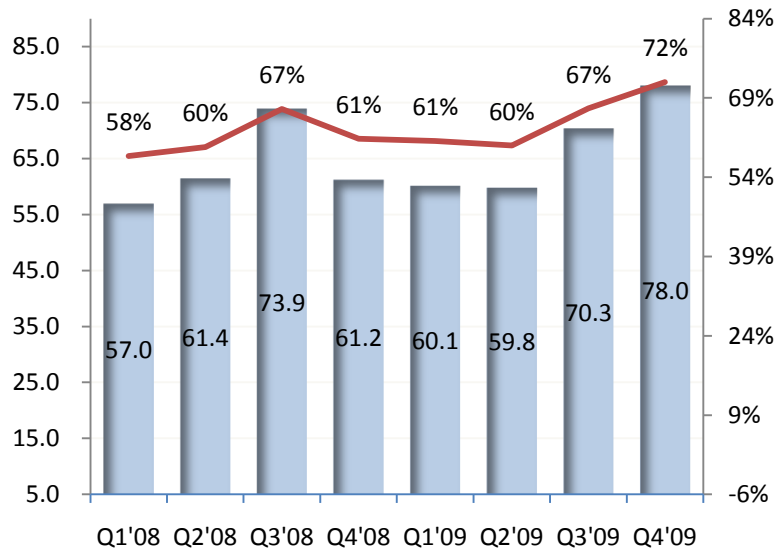
Fixed Lines & Broadband – In '000s



Fixed line include pre-paid and payphone

Consolidated Opex to Sales ratio increased to 72% in Q4. Increased Capex due to roll-out of 3 G network and NGN /ADSL Broadband service, focusing on growth areas.

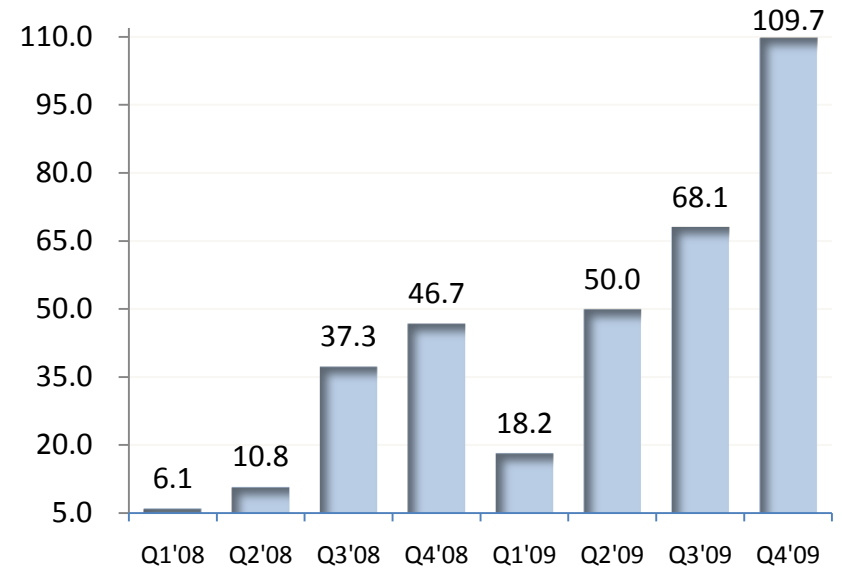
Total Opex (incl depreciation) by Qtr RO Mn



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

Excluding WTL, the total opex for the domestic operation is RO 250.4 Mn (Yr 2009), which is lower by 1.2% compared to l/year mainly due to cost optimization strategy.

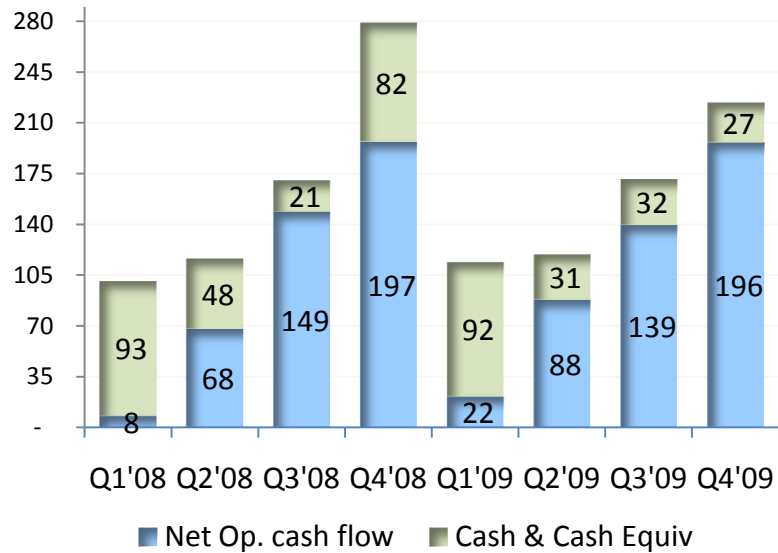
Capex Additions (cumulative) RO Mn



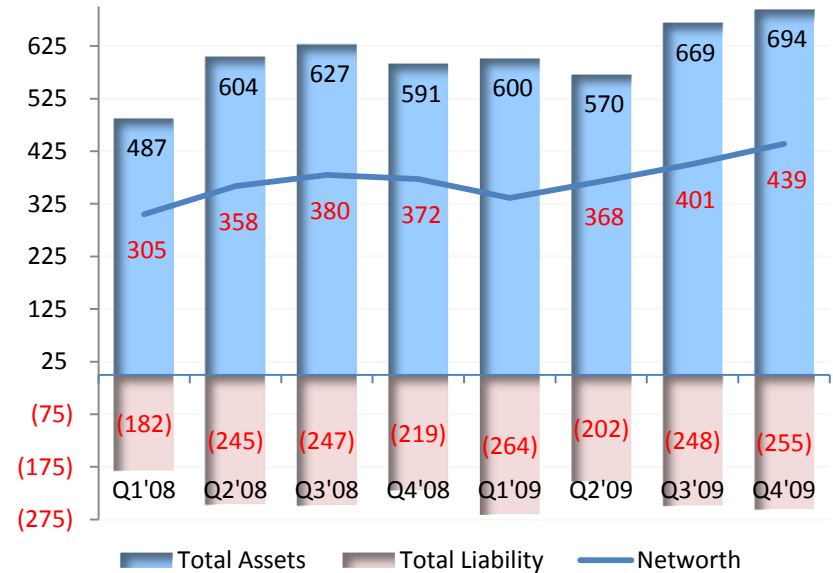
Capex to Revenue ratio increased to 25% from 11% last year

Strong cash flow and balance sheet with low gearing. Net operating cash flow is around 46% of the gross sales. Lowest debt ratio of 37%

Cash flow (cumulative) RO Mn



Assets, Liability & Net worth RO Mn



Cash & Cash Equivalent exclude long term deposit. As of Dec'09, the long term / short terms deposit amounts to RO 116 Mn

Challenges

- A major risk stems from the possible uncertainties in the sector liberalization policies and initiatives.
- Commercial launch of the second fixed telecommunication services will spread the competition across the board which was till now limited to wireless segment.
- Expected entry of new mobile resellers will further put price pressure on operators besides stimulating innovative offerings.
- Possible Implementation of carrier pre-selection, carrier call by call selection, and simple international resale will have severe pressure on International call segment.

Opportunities

- The Sultanate has fared relatively better as compared to other regional economies in the wake of global economic slowdown. Though some impact has been felt in recent months, there remains potential for economic and sector growth in the near and medium term.
- Broadband / Data services provide one key growing segment of the market given the current low penetration levels. In line with the nation's economic development trajectory, we remain bullish on the growth prospects.
- We also recognize opportunities in the green-field arena comprising new developments and economic zones. As the premier telecom service provider, we are well-placed to exploit and leverage these opportunities.

Going forward, the key aspects of our competitive strategy are as follows:

- Maintain our leadership position through innovation and par-excellence customer service—major initiatives include new brand and identity, revamping of shops and retail outlets, promoting new channels for customer convenience;
- Leveraging our position to target under-penetrated segments and new developments / economic zones;
- Grow customer base in the promising market segments such as broadband data;
- Introduce steps to realize operational and financial efficiencies.

Our New theme "Together"



Life has meaning
when we are together.



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و نحن معاً.

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can we be truly happy.



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Thank you



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