

# Omantel Group Performance

(IR Presentation to Investor Community)

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**By**

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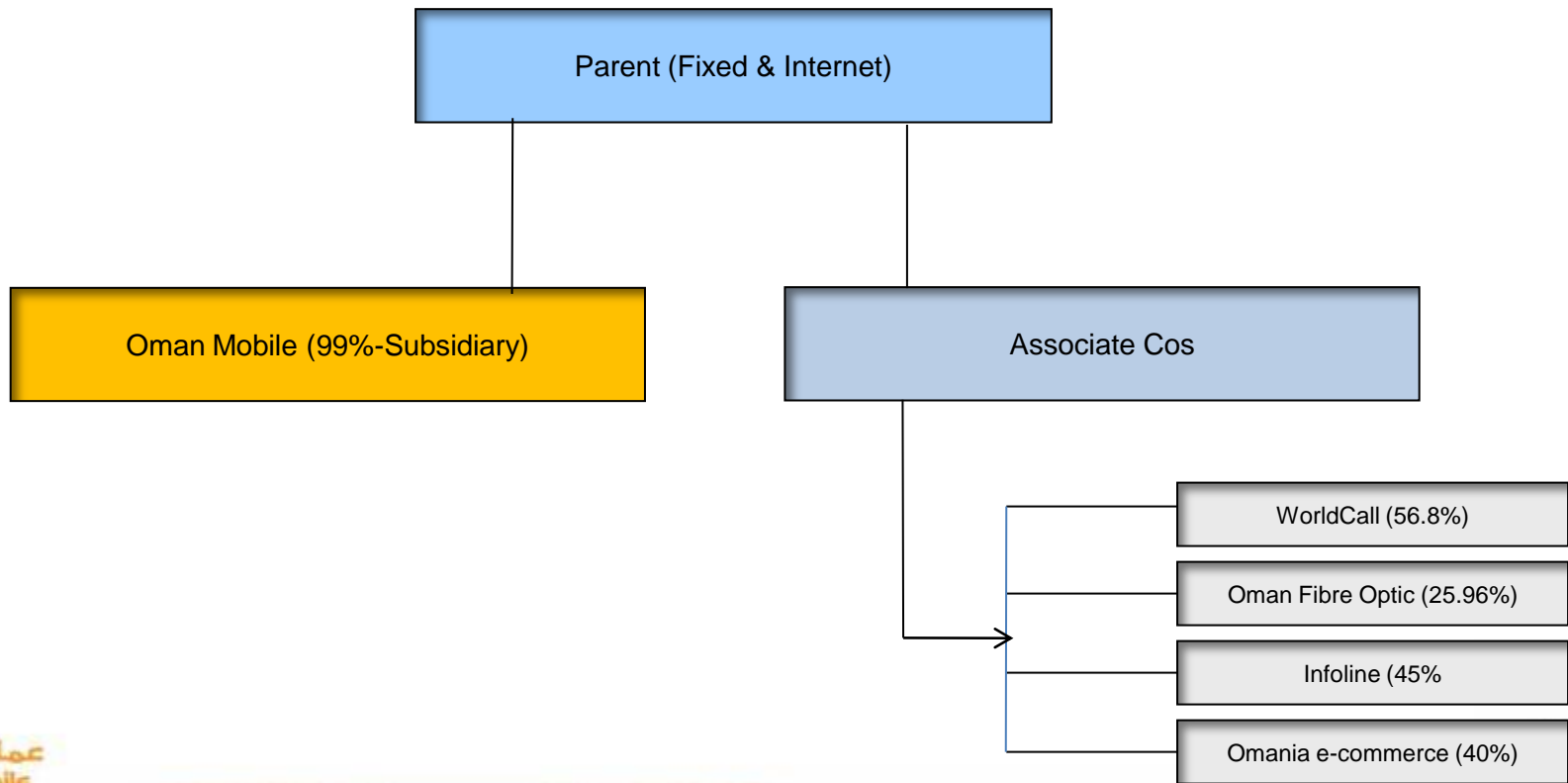
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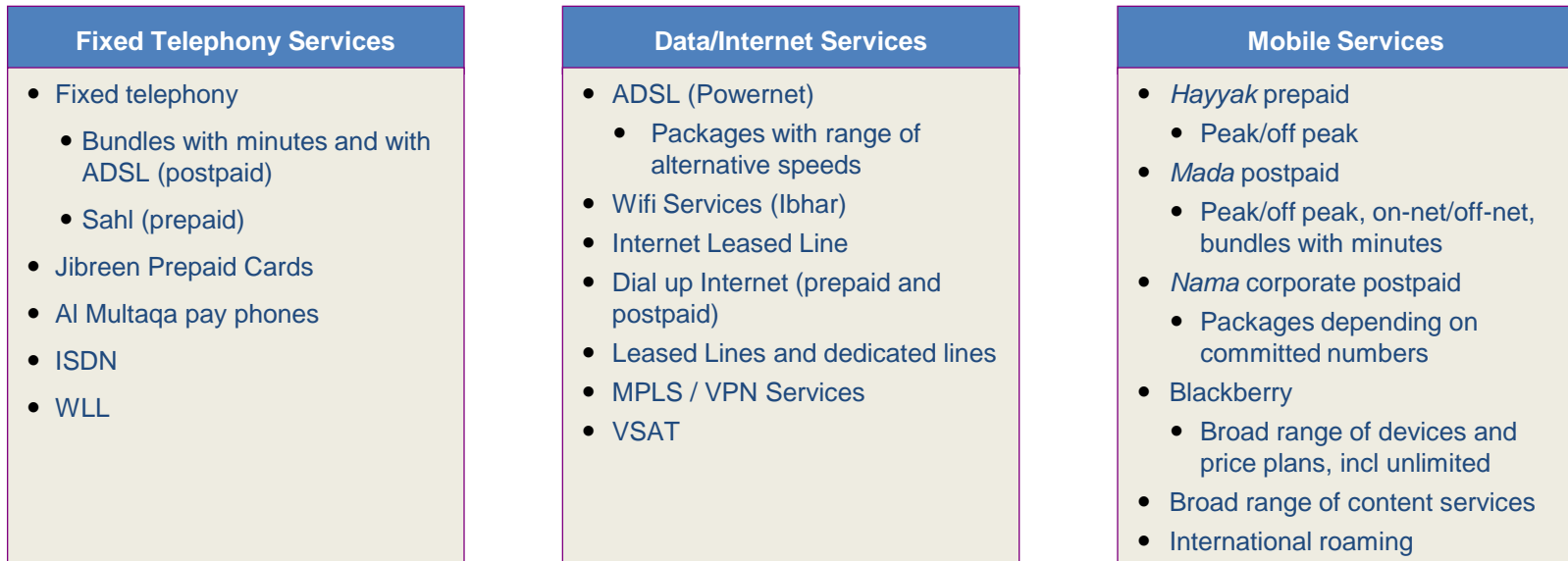


# Omantel Group structure - Overview

## Omantel Group structure

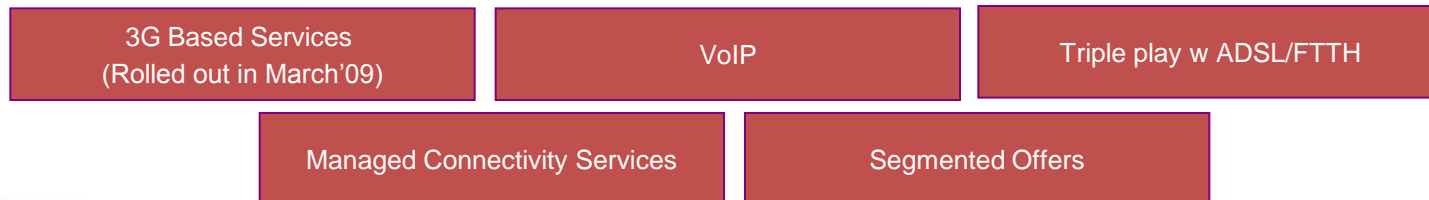


# Comprehensive Range of Products and Services and planned new services /segmental offerings will enhance group competitiveness in the coming period



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Future Services

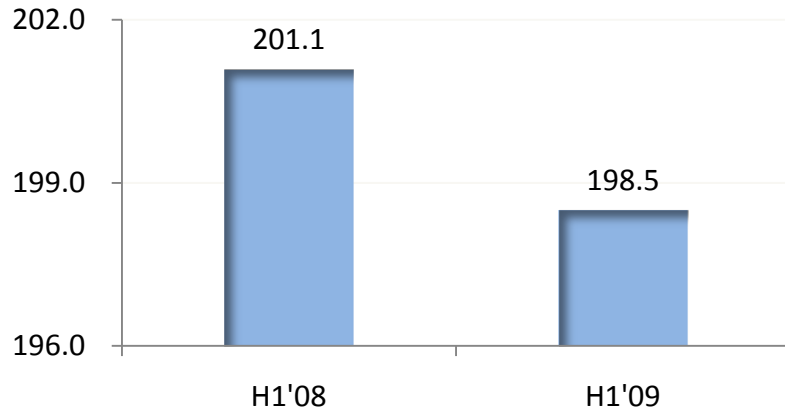


# Omantel Group - Performance Highlights

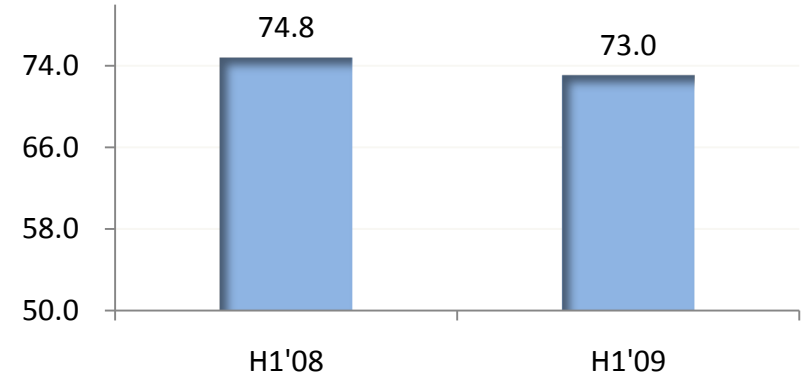
- Stable revenue in last 2 quarters despite the economic downturn and increased competition. Half year revenue reached RO 198 Mn.
- Healthy EBITDA (55%) and net profit margin (37%).
- Strong and growing subscriber based - 2.2 Mn customer base comprises individual, enterprise and service providers covering all telecommunication services.
- Group total assets of over RO 570 Mn with a net worth of RO 368 Mn.
- Low Gearing, long term debt less than 10% of capital employed.
- Net cash flow from operating activities RO 88 Mn (44% of gross revenue).
- Impressive Market fundamentals - Market Capitalization RO 0.94 Bn (June'09), Price Earning Ratio (P/E – 6.4, EV / EBITDA – 8.88, Price to Book Value –2.55).
- Strong brand image – Oman Mobile voted as No. 1 Brand in Oman.

Group revenues and net profit for the 1<sup>st</sup> half of Yr 2009 is RO 198.5 Mn and RO 73 Mn, which are marginally lower by 1.3% and 2.4% respectively over the corresponding period

Group Revenue in RO Mn



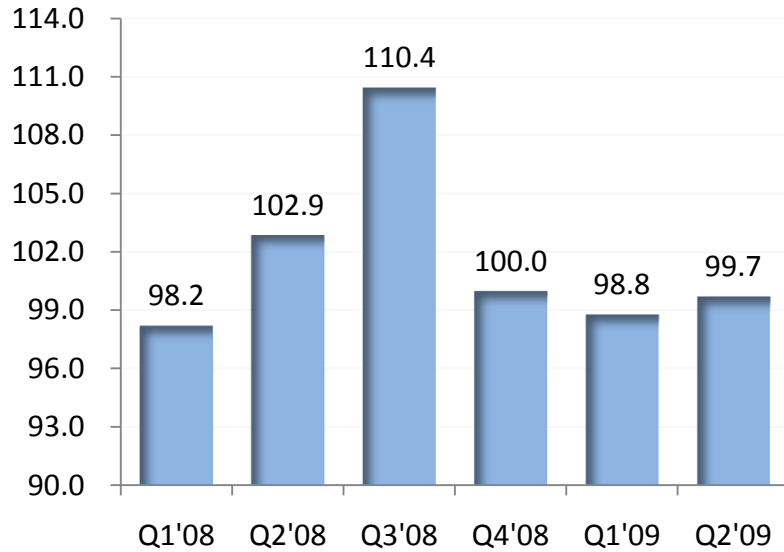
Group Net Profit n RO Mn



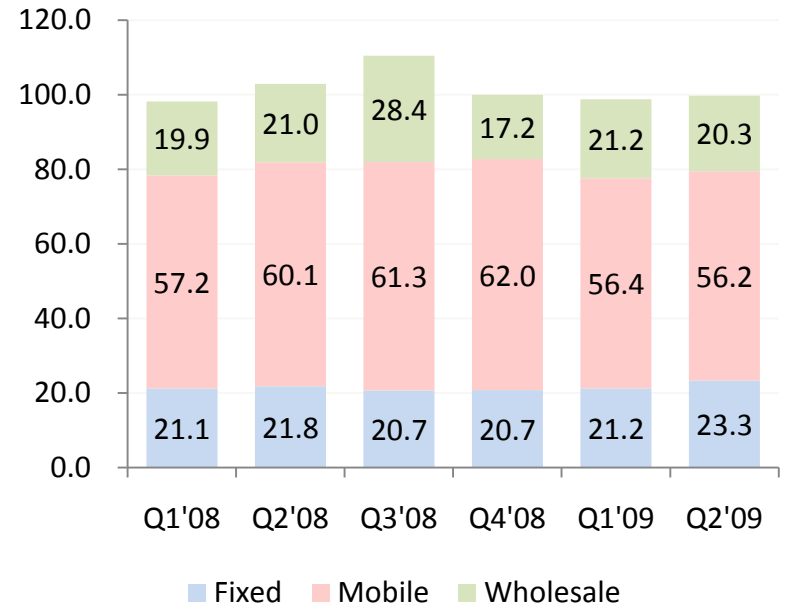
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# Qtr to Qtr analysis shows stable revenues in the last 2 quarters inspite of competition and economic meltdown

Group Revenue in RO Mn

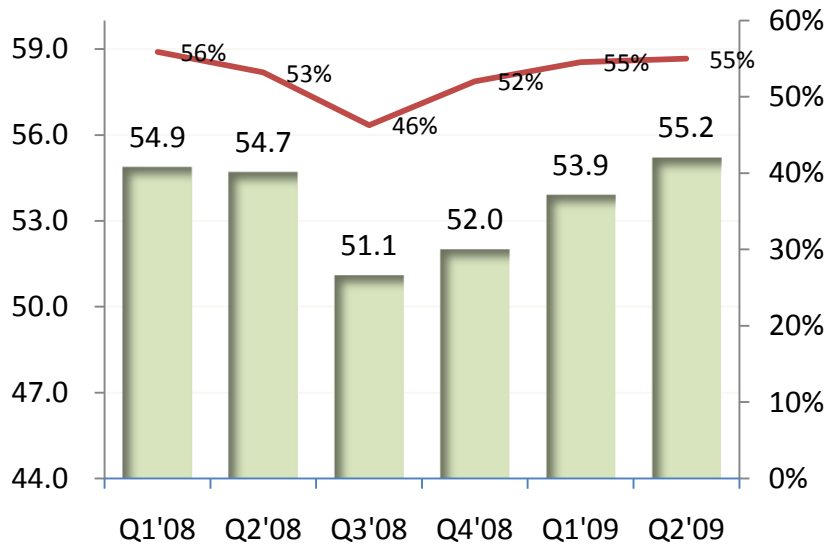


Revenue by Segment RO Mn

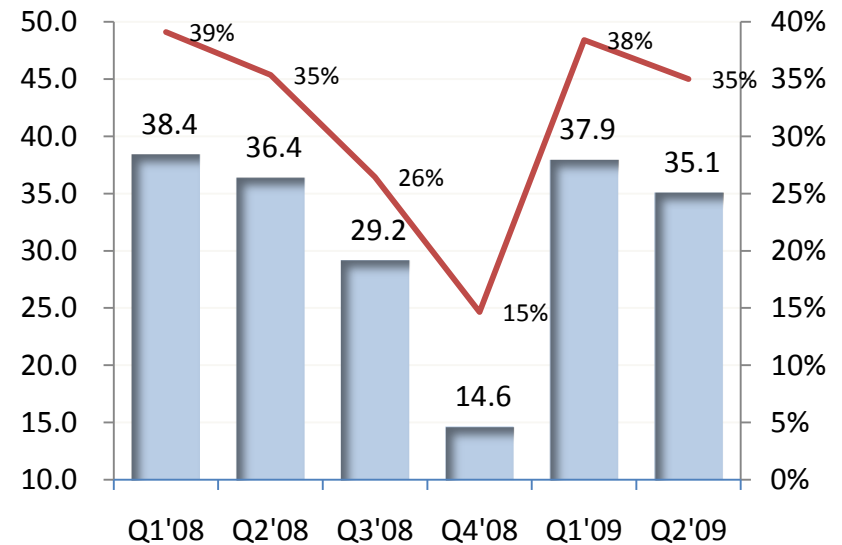


Qtr to Qtr analysis - Strong margin despite decline in revenue demonstrates the effectiveness of cost optimization strategies currently in place.

EBITDA (RO Mn & %)



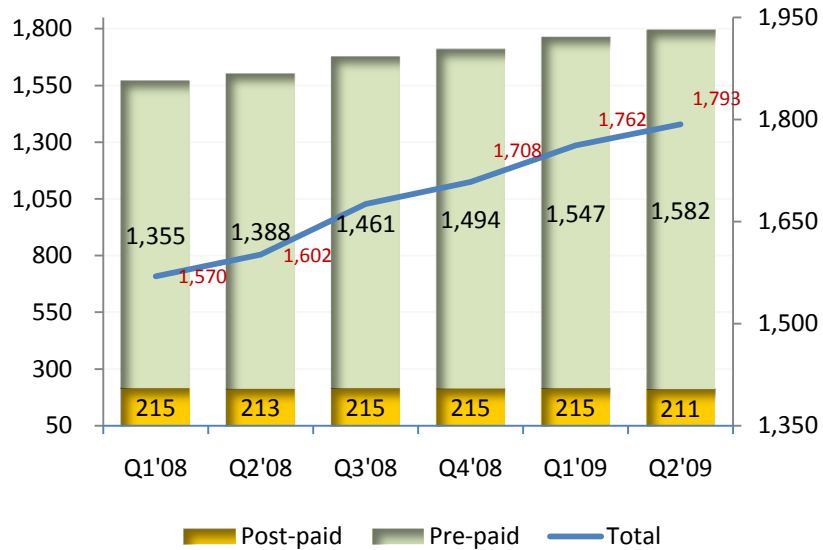
Net Profit (after Tax) (RO Mn & %)



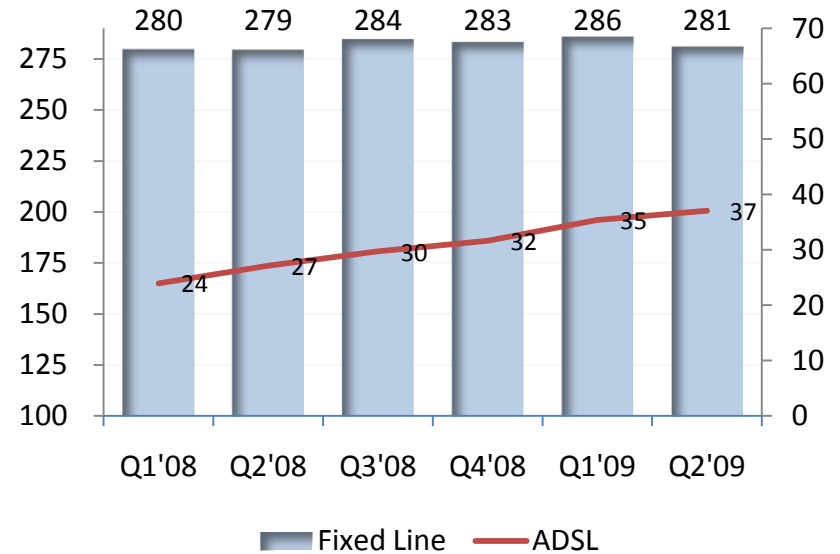
Q4'08 Net profit decline is due to the impact of the impairment on goodwill of Worldcall acquisition

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



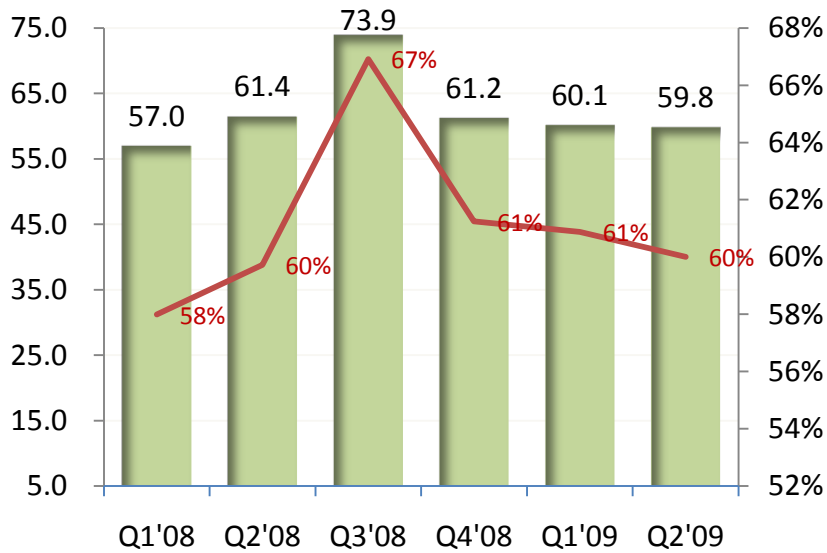
Subscriber growth – Fixed Lines & Broadband – In '000s



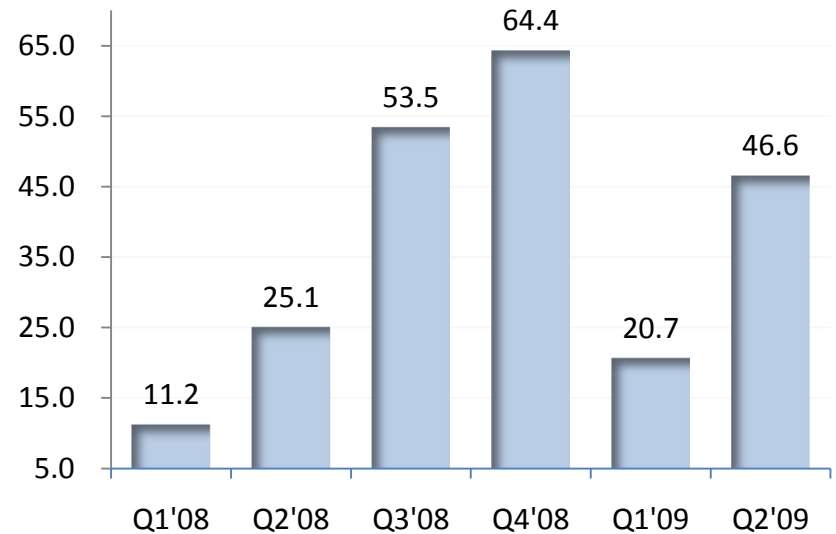
Fixed line include pre-paid and payphone

Effective cost optimization strategy resulted in pegging the opex /sales around 60%. 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



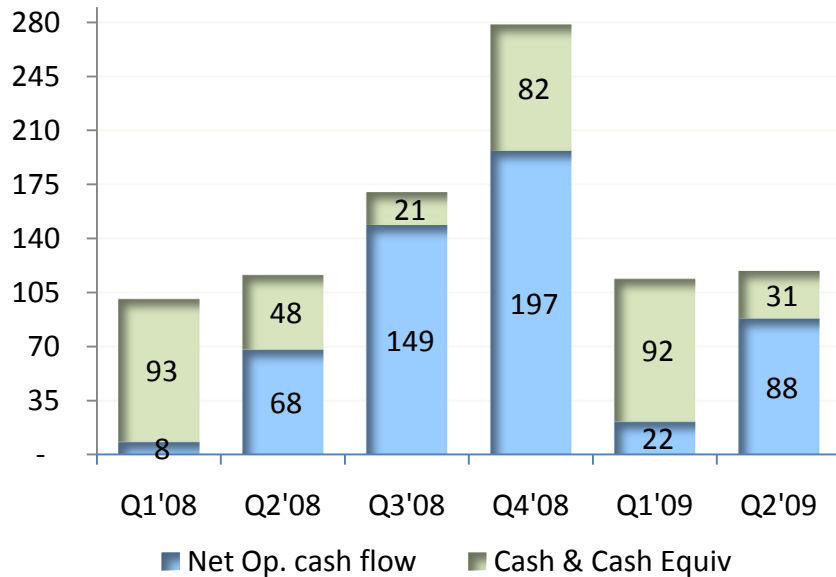
Capex Additions (cumulative) RO Mn



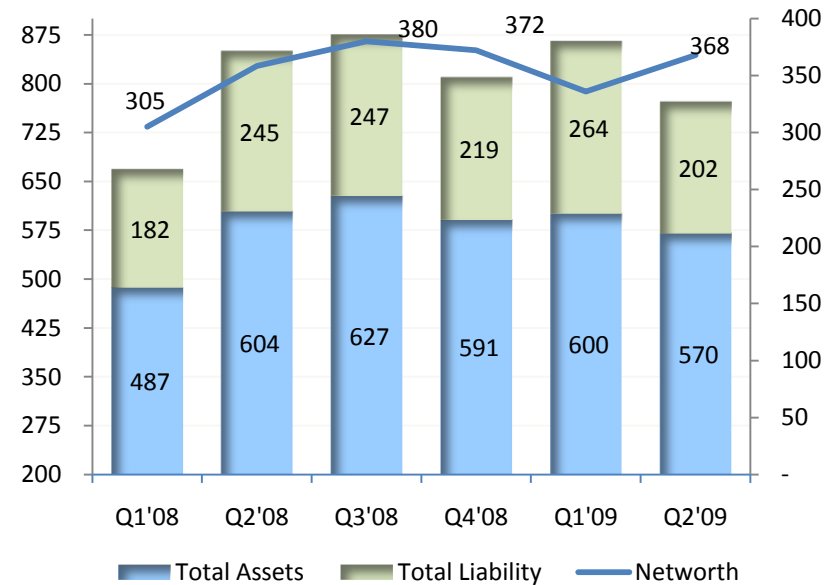
Inspite of increased network size (2G & 3G+), the opex increase is relatively marginal due to cost optimization strategy in place

Strong cash flow and balance sheet with low gearing. Net operating cash flow is around 44% of the gross sales.

Cash flow (cumulative) RO Mn

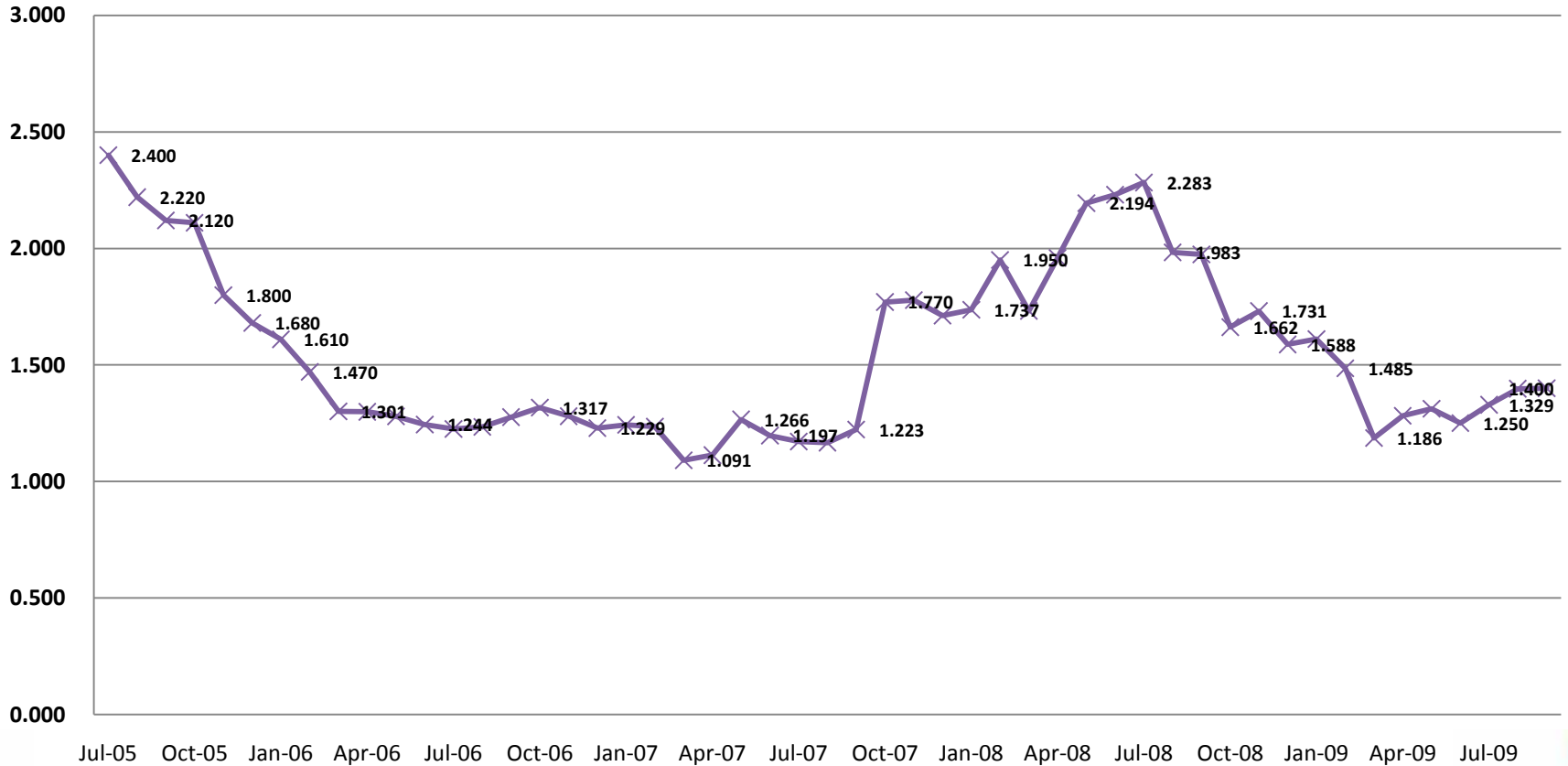


Assets, Liability & Net worth RO Mn

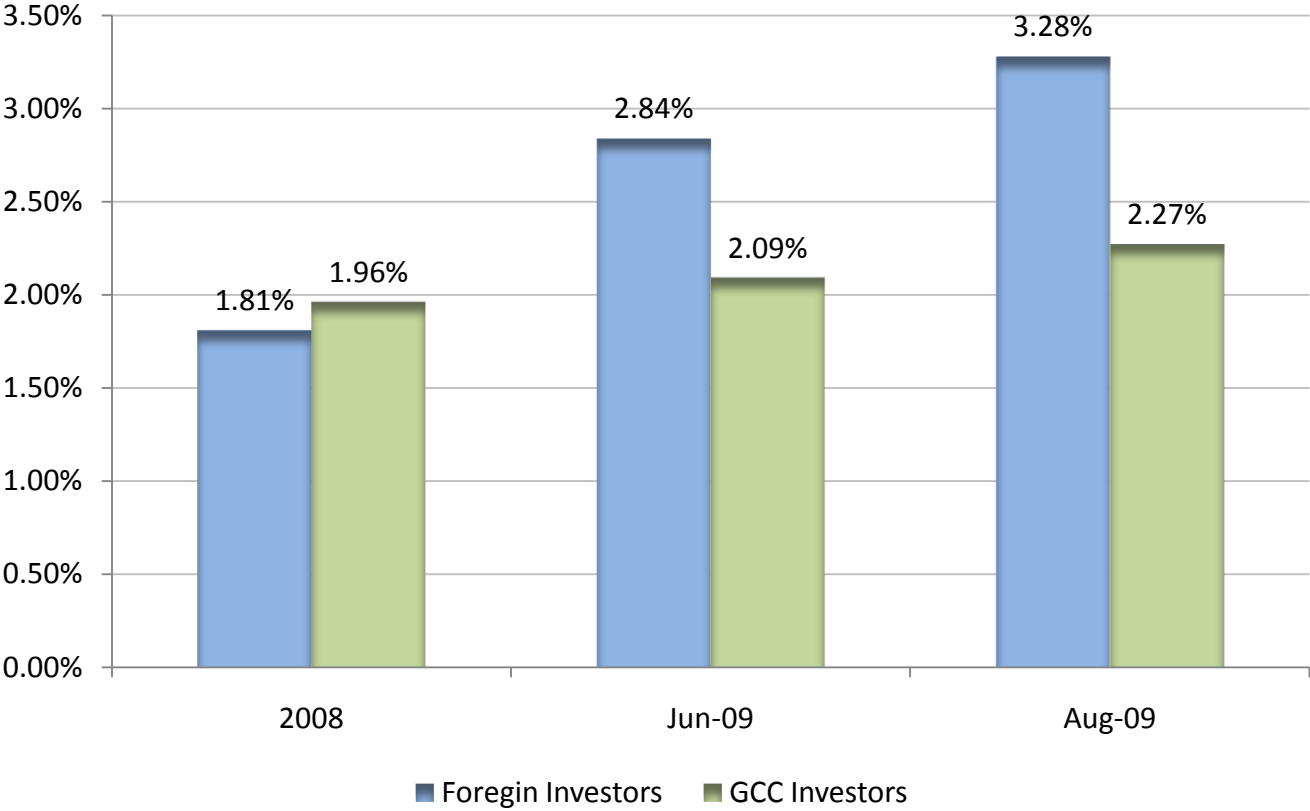


Cash & Cash Equivalent exclude long term deposit. As of June'09, the long term deposit amounts to RO 80 Mn

## Omantel share price trend since July'05



# Recent trend shows, the shareholding by Foreign and GCC investors are increasing



# Planned network Development including migration to NGN would revolutionize its service offerings

## NGN Network Deployment

- Major deployment to commence in Q4 2009
- Installation of Soft Switches, Media gateways completed
- MSAN / DSLAM deployment ongoing
- PSTN to NGN migration will start 2009
- New high capacity IP over OTN Core
- VOIP introduction
- Deployment of FTTH (GPON) and FTTB

## 3G Network Rollout and new VAS services

### Existing

#### GERAN (2.75 G)

- Limited Data Bandwidth Offering
- Limited Data Services
- Low Data Rates
- No Support for Multimedia Services
- End to End QoS not guaranteed



### Effective March'09

#### UTRAN (3.5 G)

- High Data Bandwidth Offering
- Unlimited Data Services
- High Data Rates
- Support for Rich Multimedia Services
- End To End guaranteed QoS

## 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) Possible new Internet Service Providers.

# Thank you



Omantel

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