

Omantel Group Performance Year 2010 (Jan-Dec'10)

(Presentation to Investor Community)

Conference Call

on

21st February 2011 at 2 PM (Oman Time)



This presentation is prepared solely for the purpose of Conference call with Investor community. This presentation or its contents should not be distributed without the permission of Omantel's concerned authorities.

Omantel Group - Performance Highlights Year 2010

Growth on Track: Group Revenue increased by 1.0% to RO 416.6 Mn. 2% growth on Domestic Retail Revenues.

Impressive Margin: Net Profit of RO 112 Mn. Maintained **Healthy EBITDA** of 48% and net profit margin of 27%. Domestic EBITDA is at 50%.

Strong and growing subscriber base - Increase of 10%. Total customer base including Worldcall **3.329** Mn compared to 3.033 Mn of last year. (Worldcall subscriber base is **870** K).

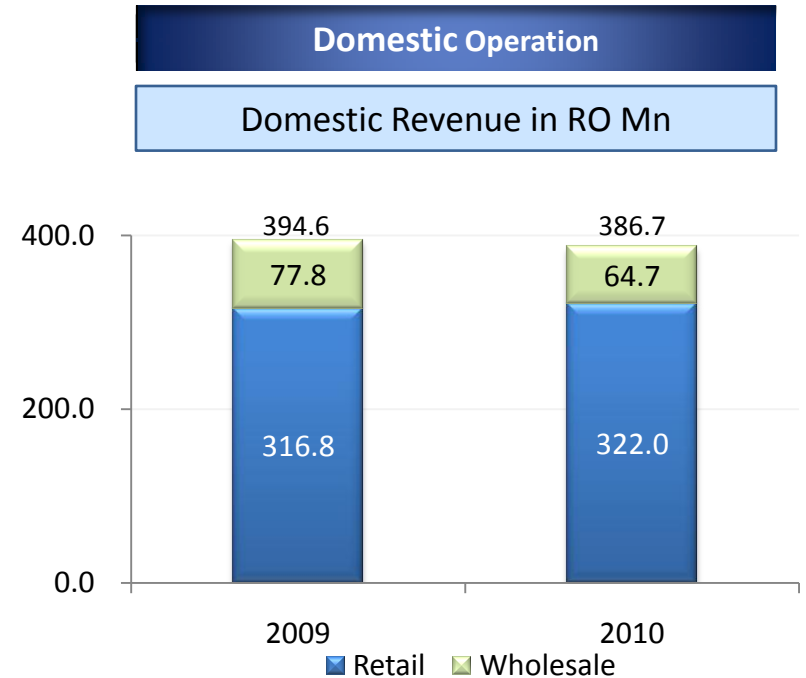
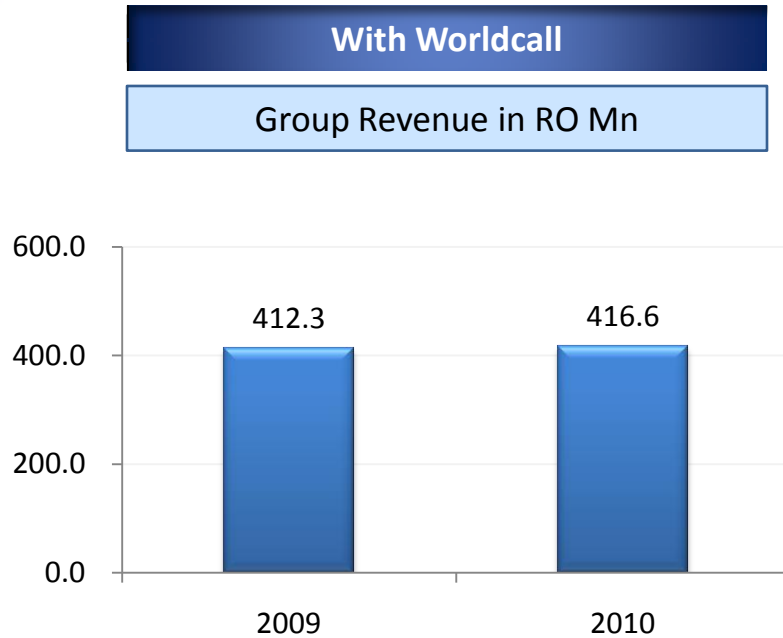
Leading Mobile operator – Oman Mobile network subscriber base grown to **2.492** Mn (55% Market share). Achieved 18% growth in domestic mobile market and 64% of the total net additions of the year (incl Mobile resellers).

Strong Balance sheet. Debt Ratio is 31%. Group total assets of over RO 686 Mn with a net worth of RO 510 Mn. Net Asset per share is RO 0.612

Impressive Market fundamentals – Dividend Yield 7.8%, Market Capitalization RO 0.959 Bn (Dec'10), Price Earning Ratio {P/E – 8.56 (annualized), EV / EBITDA – 4.84 (annualized), Price to Book Value –2.09}

Strong Corporate / brand image –“Best Telecom Brand in Oman” by International Market Research Consultancy, No.1 performing company in the “Top 20 Listed companies for the Year 2009” by Oman Economic Review magazine (5th Consecutive time), “Best company for Investor Relations” in Oman by the Middle East Investor Relations Society.

Group revenue increased by 1%. Domestic Retail Revenue recorded a growth of 2%. Domestic Wholesale revenue declined by 17%.

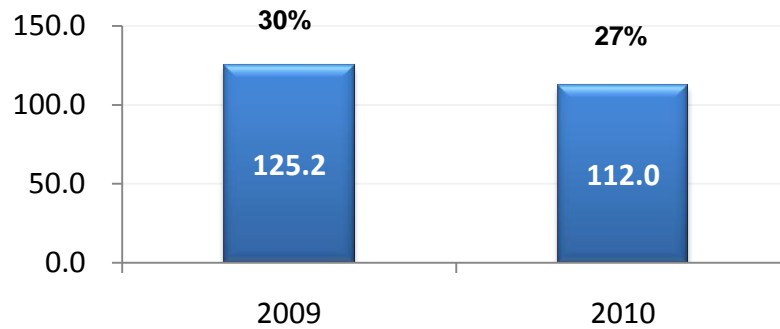


Note: The group financials for the period ended December 31, 2010 are not comparable to previous period since it includes full 12 months operations of Worldcall Telecommunications Ltd, Pakistan (WTL) whereas Year 2009 includes only for 6 months operational results.

Group margins impacted by higher depreciation and Operation & Maintenance expenses.

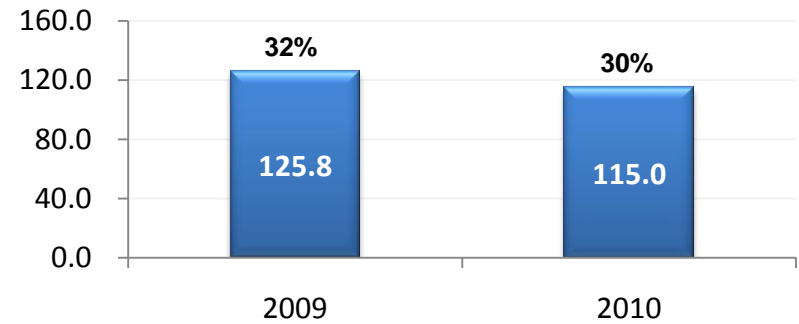
With Worldcall

Group Net Profit RO Mn

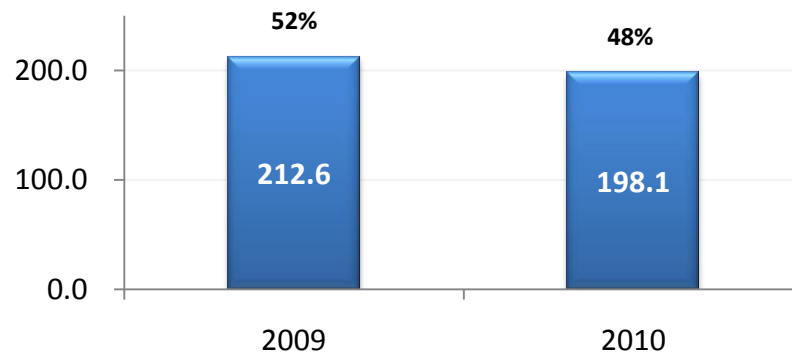


Domestic Operation

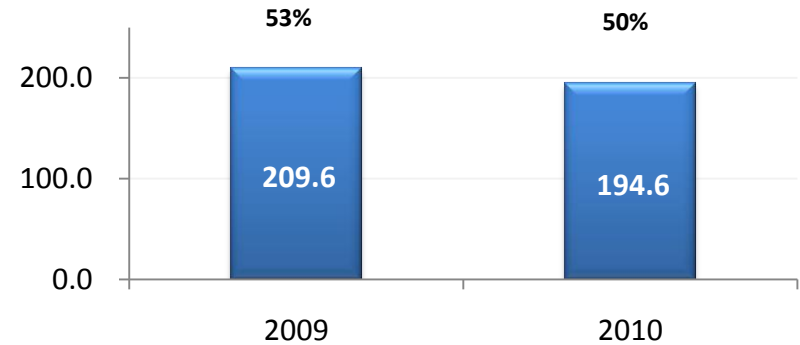
Domestic operation Net Profit in RO Mn



EBITDA RO Mn & %

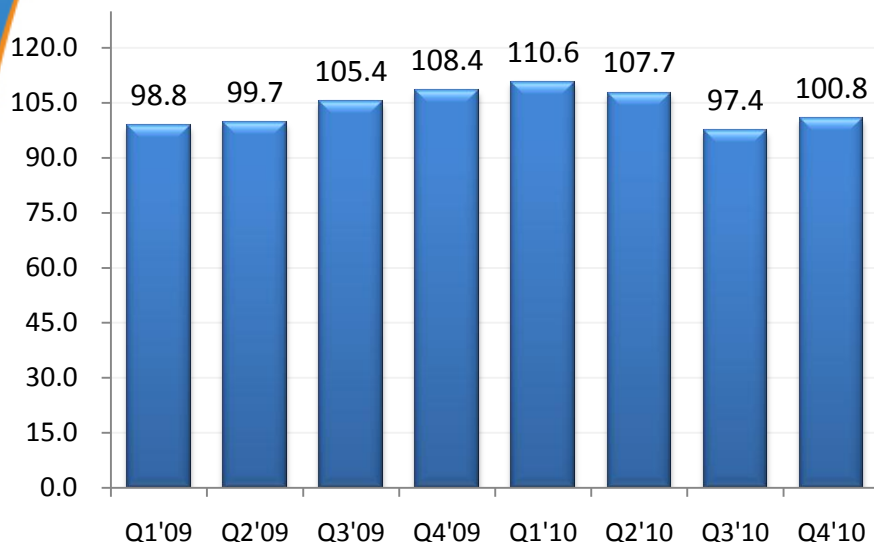


EBITDA RO Mn & %

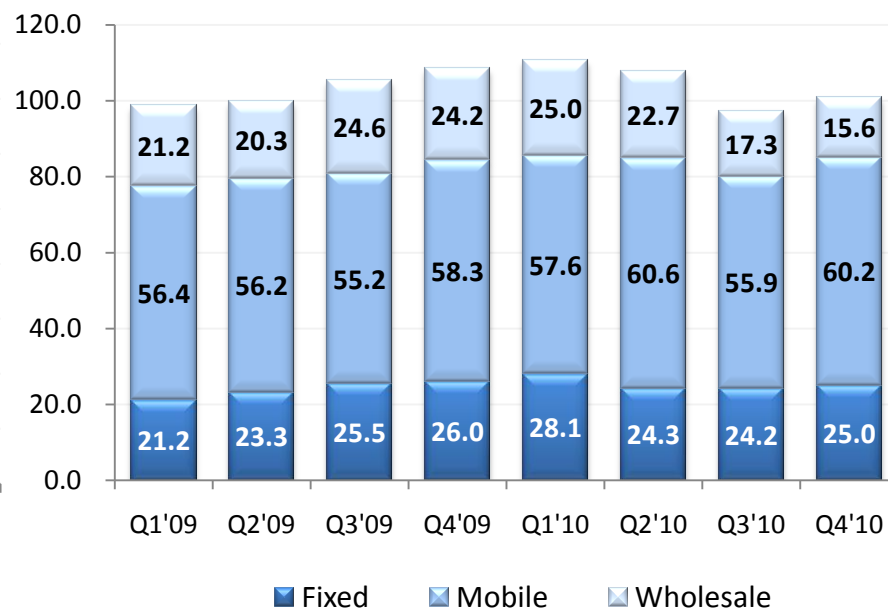


Q4'10 revenue has grown by 3.4% compared to Q3'10 mainly driven by domestic mobile revenues.

Group Revenue in RO Mn



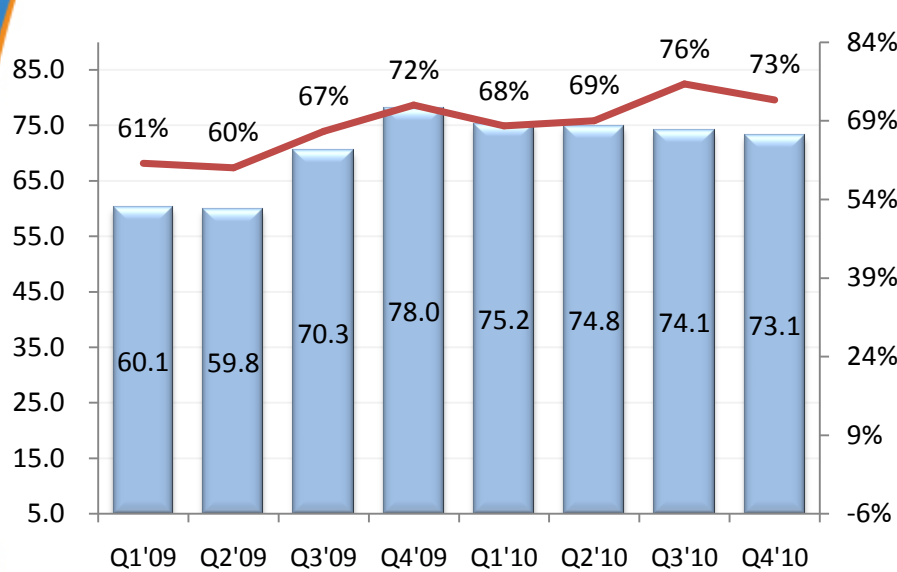
Revenue by Segment RO Mn



With competition in fixed business and commissioning of international gateway operation by the 2nd operator beginning May'10, the international origination traffic has been switched to their own network *impacting wholesale revenues*.

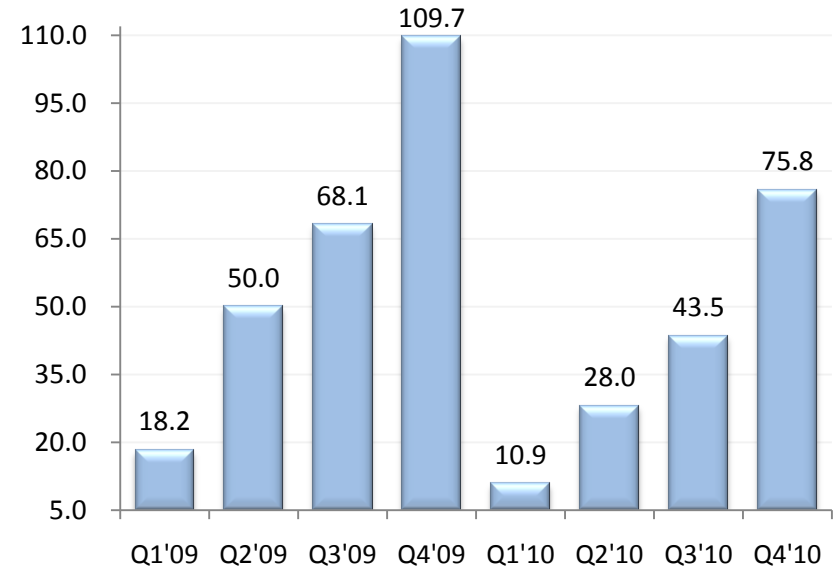
Consolidated Opex to Sales ratio has decreased to 73% in Q4 mainly due to decline in Opex in Q4.

Total Opex (incl Depreciation) by Qtr – RO Mn & Opex Ratio- % to Revenue



Decrease in Opex ratio mainly resulting from OT results.

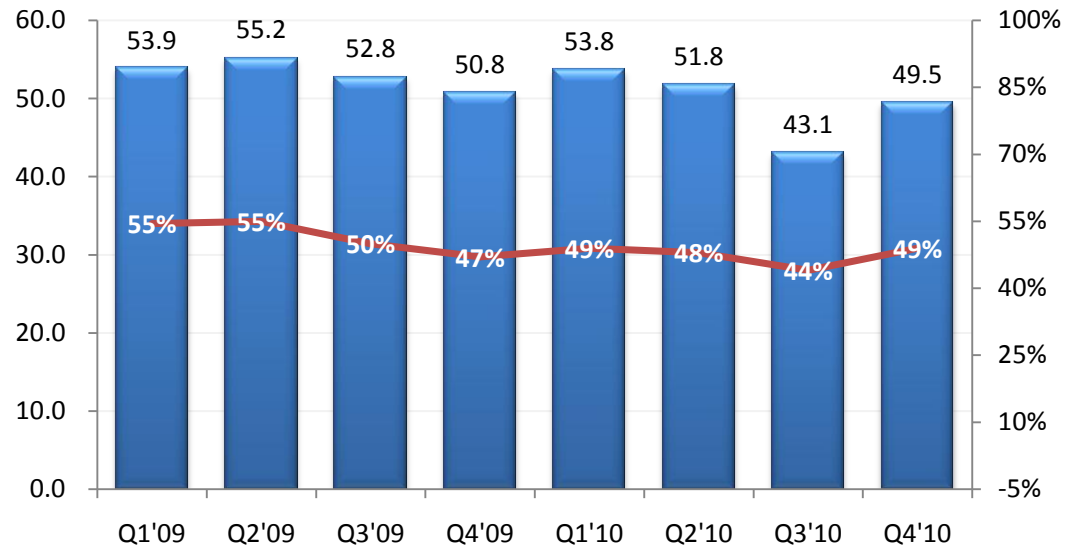
Capex Additions (Cumulative) RO Mn



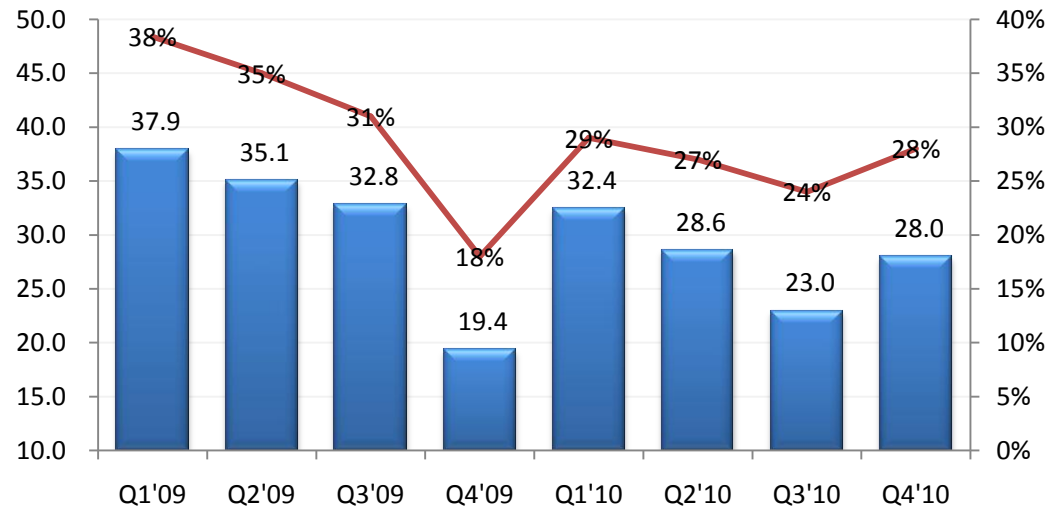
Capex to Revenue ratio decreased to 18% from 27% in 2009.

Qtr to Qtr analysis – Q4'10 net profit margin recorded 22% increase over Q3'10.

EBITDA RO Mn & %



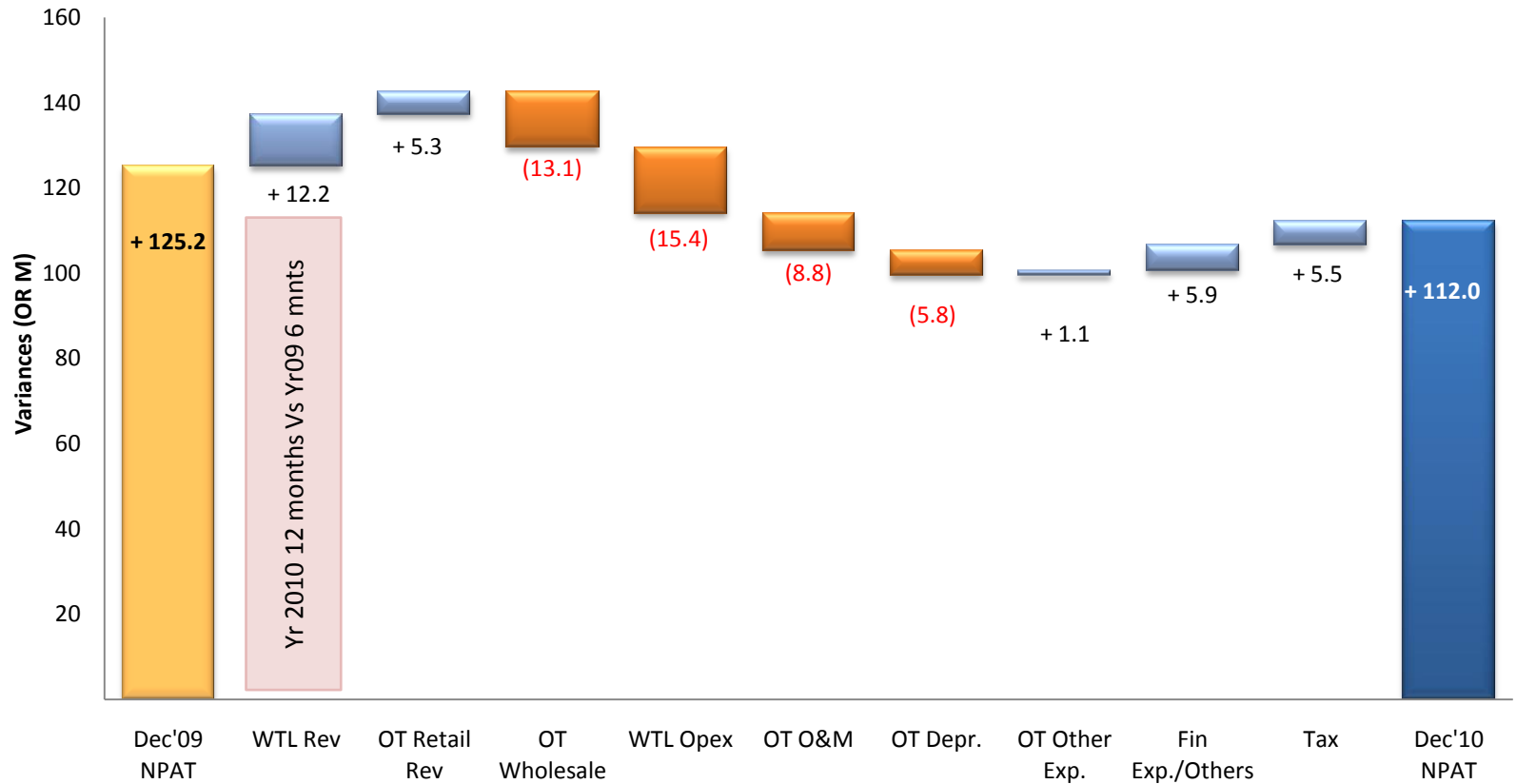
Net Profit (after Tax) – RO Mn & %



Q4'09 Net profit decline is due to the impact of Voluntary End of Service

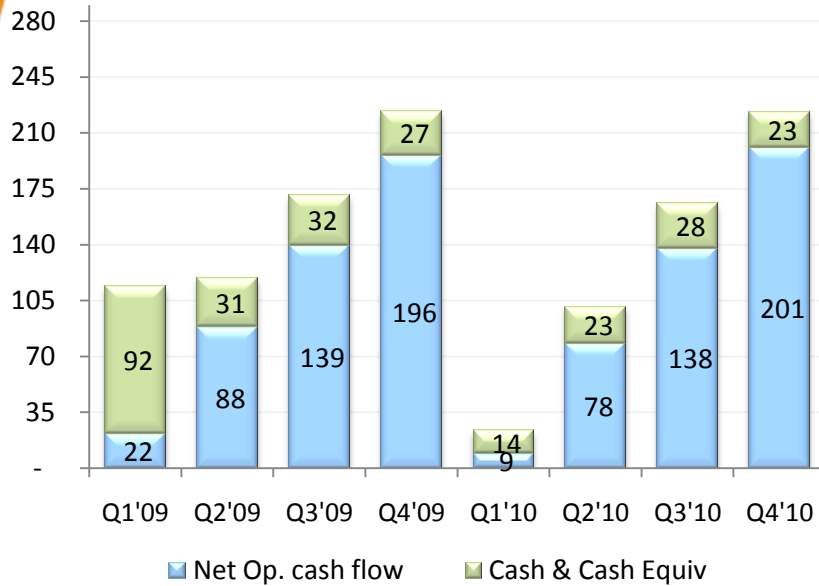
Net Profit After Tax Variance analysis (Dec'10 Vs Dec'09) before Minority Interest

NPAT Actual Variance Including WorldCall (Dec'10 Vs Dec'09) OR (13.1) Mn

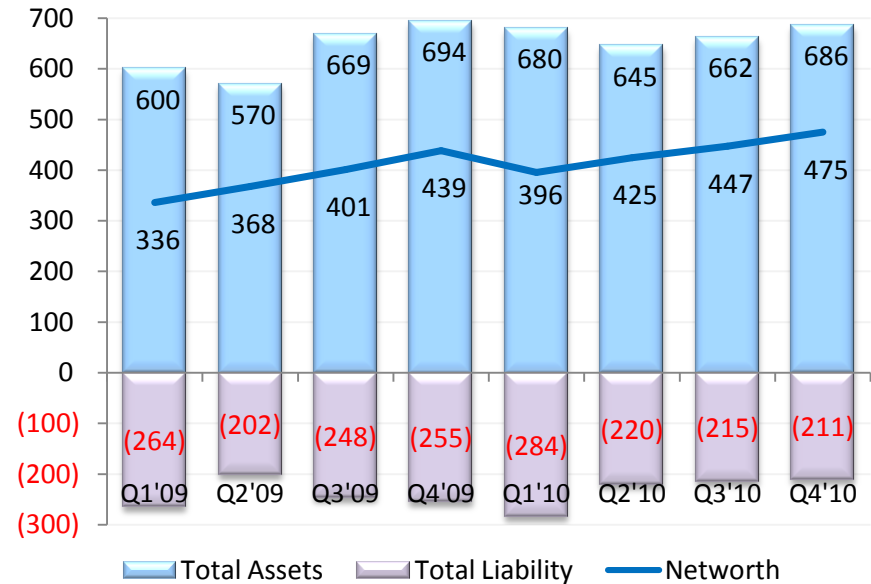


Net operating cash flow is around 48% of the gross sales. Debt ratio of 31%

Cash flow (cumulative) RO Mn

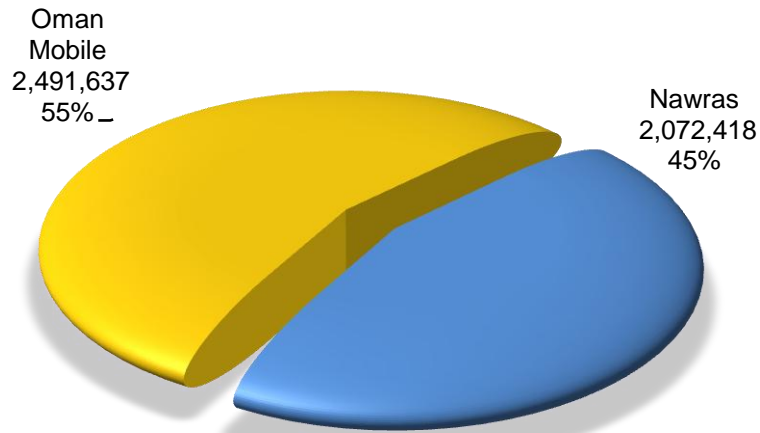


Assets, Liability & Net worth RO Mn

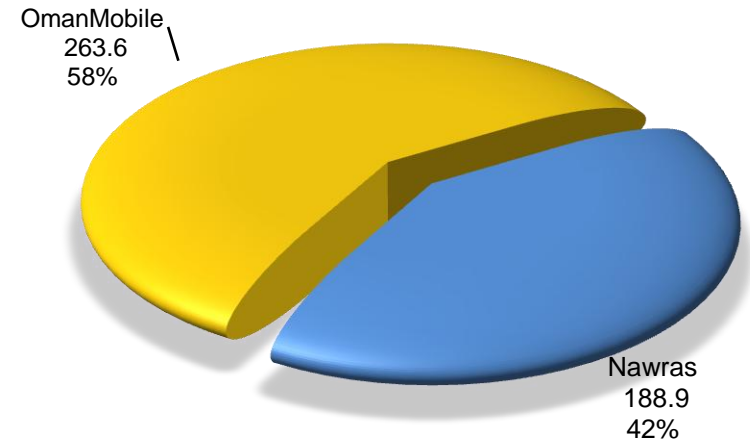


Oman Mobile continue to be leading subscriber market share (55%) as well as revenue market share (58%)

Mobile Market Share - Dec'10



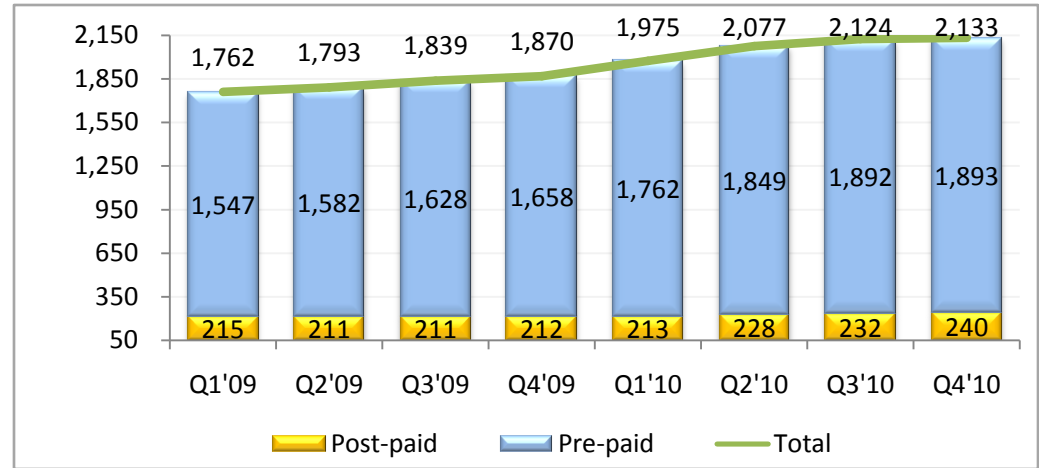
Mobile Revenue Share - Dec'10 (RO Mn)



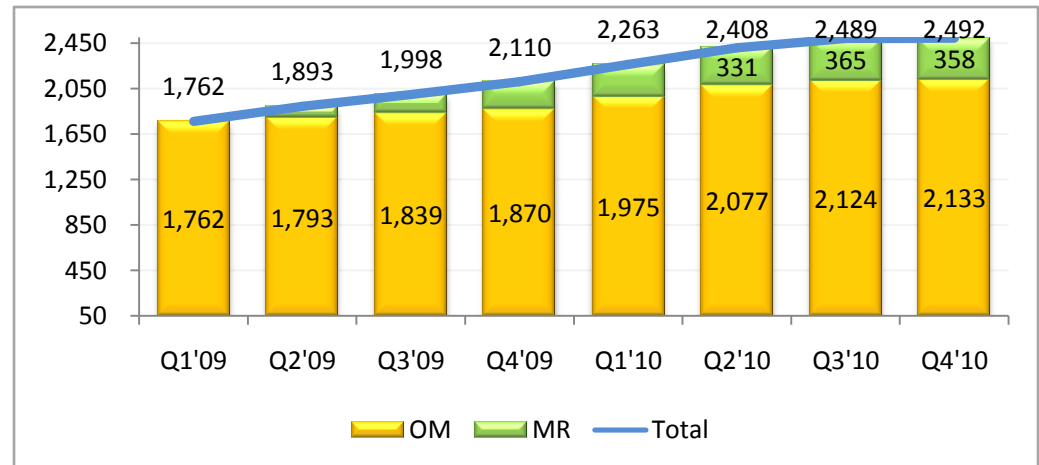
Total Mobile market grown by 15% compared to Q4'09. Oman Mobile (incl Mobile Resellers net addition is around 64% of the total market net additions.

Quarter to Quarter Oman Mobile subscriber base has achieved a growth of 18%. Post paid back into growth trend added 27 K subscribers compared to Q1'10 due to new product launches.

Oman Mobile Subscribers – In '000s



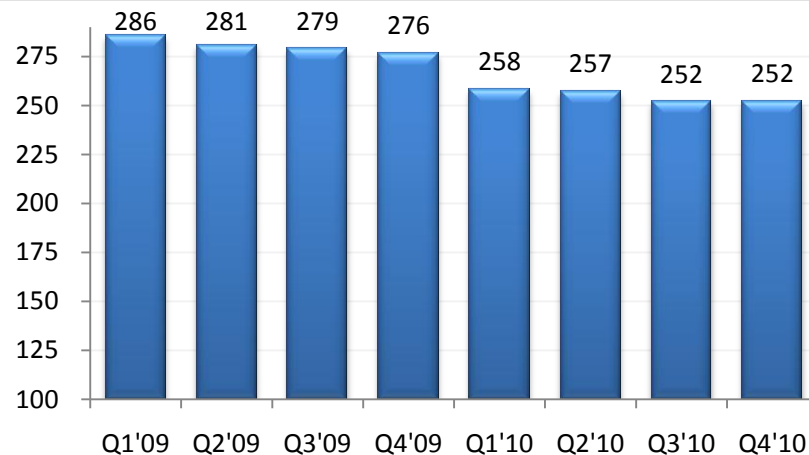
With Mobile Resellers – In '000s



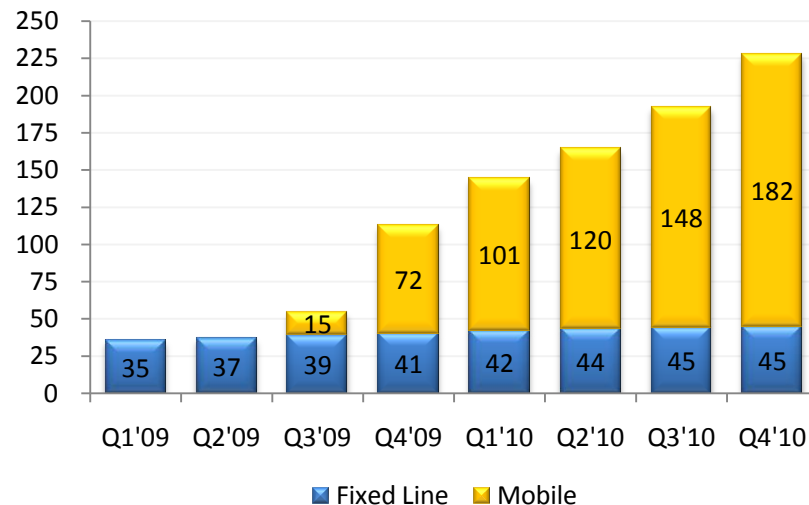
Fixed line subscribers continue to decline, while ADSL growth has been slowed down due to significant off-take of mobile broadband services

Fixed Line Subscribers – In '000s

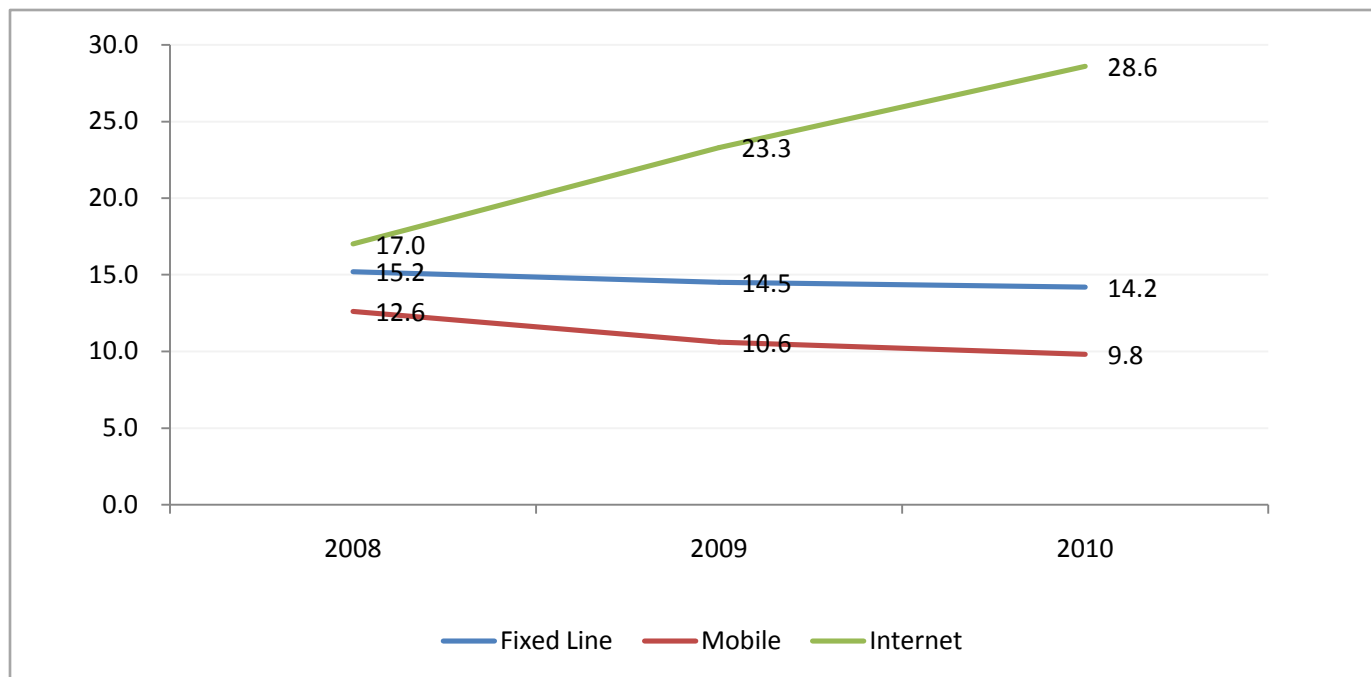
Fixed line include pre-paid and payphone



Fixed & Mobile Broadband – In '000s



Blended ARPU (average revenue per user per month) of main products



Note:

- 1) Fixed line include post & pre-paid including payphone.
- 2) Mobile include post & pre-paid exclude interconnection revenues
- 3) Internet include Broadband and all internet services (dialup post & prepaid, dedicated)

Thank you



Omantel
Finance Division (Investor Relations)
P.O Box 789, Ruwi, P. Code 112
Sultanate of Oman

Website: WWW.Omantel.net.om

Email: Investor@omantel.om

Presented by:
Dr. Amer Al Rawas, CEO
Mr. Talal Said Al Mamari, VP Finance
Mr. P.G. Menon, GM Strategic Finance