

Omantel Group Performance Year 2011 (Jan-Mar'11)

(Presentation to Investor Community)

Conference Call

on

16th May 2011 at 2 PM (Oman Time)



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Omantel Group - Performance Highlights Year – Q1 2011

Growth on Track: Group Revenue increased by 0.8% to RO 111.5 Mn. Service Revenue grown by 11%. 1.6% growth on Domestic Retail Revenues .

Impressive Margin: Net Profit of RO 26 Mn. Maintained **Healthy EBITDA** of 45% and net profit margin of 23%. Domestic EBITDA is at 46%.

Strong and growing subscriber base - Increase of 4%. Total customer base including Worldcall **3.258** Mn compared to 3.133 Mn of last year. (Worldcall subscriber base is **875** K).

Leading Mobile operator – Oman Mobile network subscriber base grown to **2.449** Mn (55% Market share). Achieved 8% growth in domestic mobile market and 72% of the total net additions of the period (incl Mobile resellers).

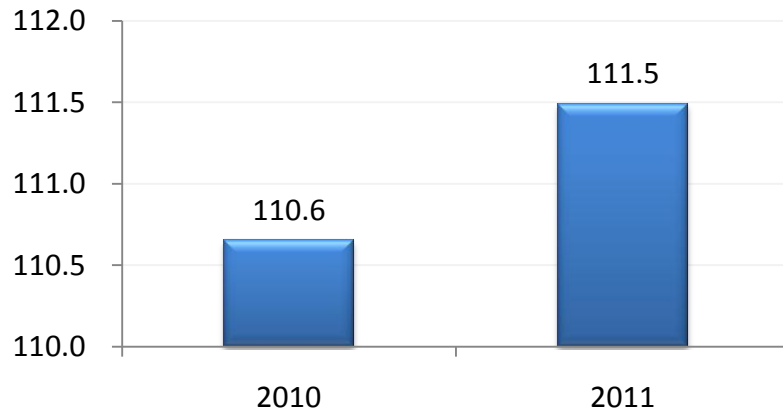
Strong Balance sheet. Debt Ratio is 37%. Group total assets of over RO 670 Mn with a net worth of RO 410 Mn. Net Asset per share is RO 0.547

Impressive Market fundamentals – Dividend Yield 9.1% (based on March'11 closing price), Market Capitalization RO 0.825 Bn (Mar'11), Price Earning Ratio {P/E – 7.93, EV / EBITDA – 4.15, Price to Book Value – 2.01}

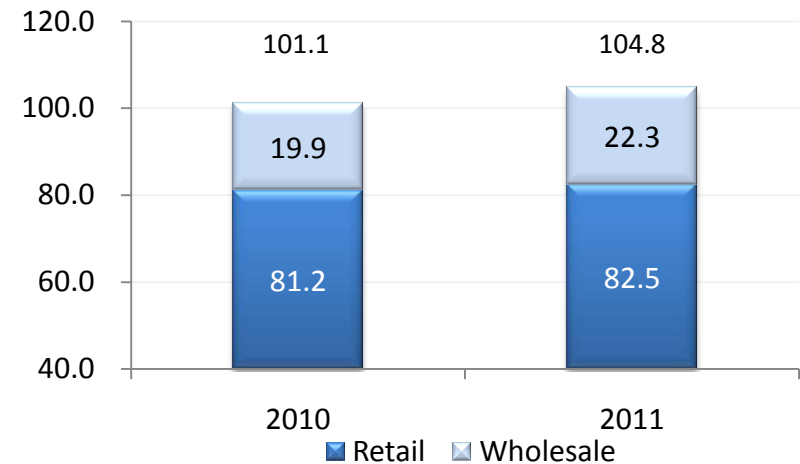
Recognition / Achievement – Achieved distinguished milestone of having its Multi-Protocol Label Switching (MPLS) Core services (*end to end managed services to Corporates*) certified under the internationally renowned ISO 27001 Standards.

Group revenue grown by 0.8%. Domestic total revenue recorded a growth of 3.7% (*Retail Revenue by 1.6% and wholesale revenue by 11.9%*).

With Worldcall
Group Revenue in RO Mn



Domestic Operation
Domestic Revenue in RO Mn



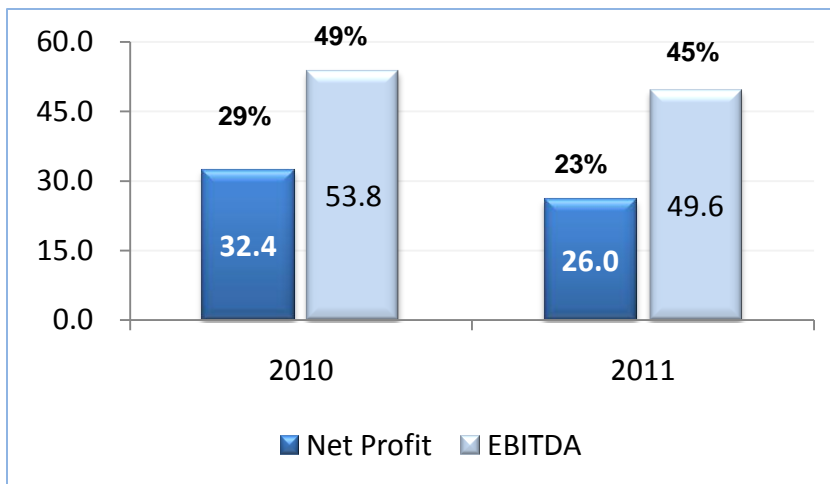
Note: Wholesale revenues include Capacity sales, Interconnection income, external admin revenues

1 Omani Rial = US\$ 2.6,

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

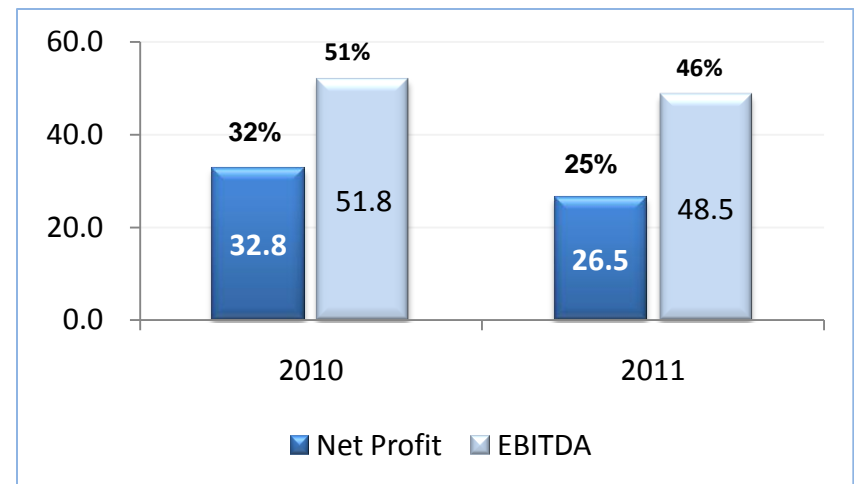
With Worldcall

Net Profit / EBITDA RO Mn



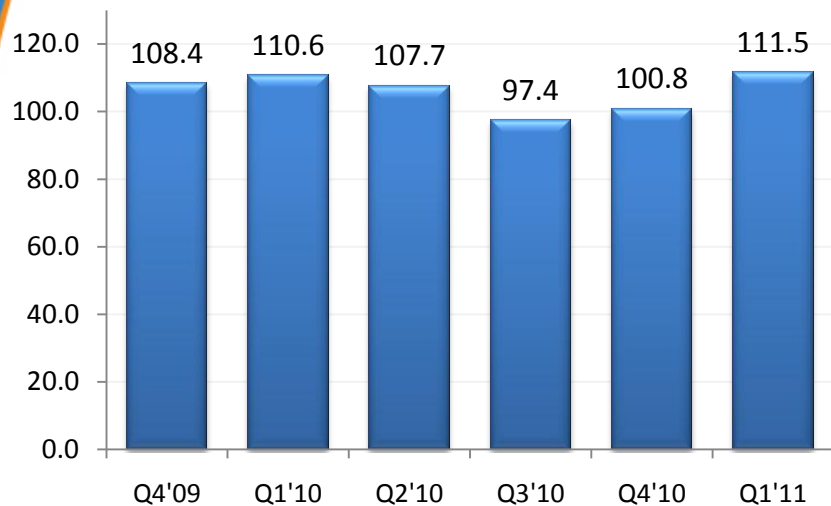
Domestic operation

Net Profit / EBITDA RO Mn

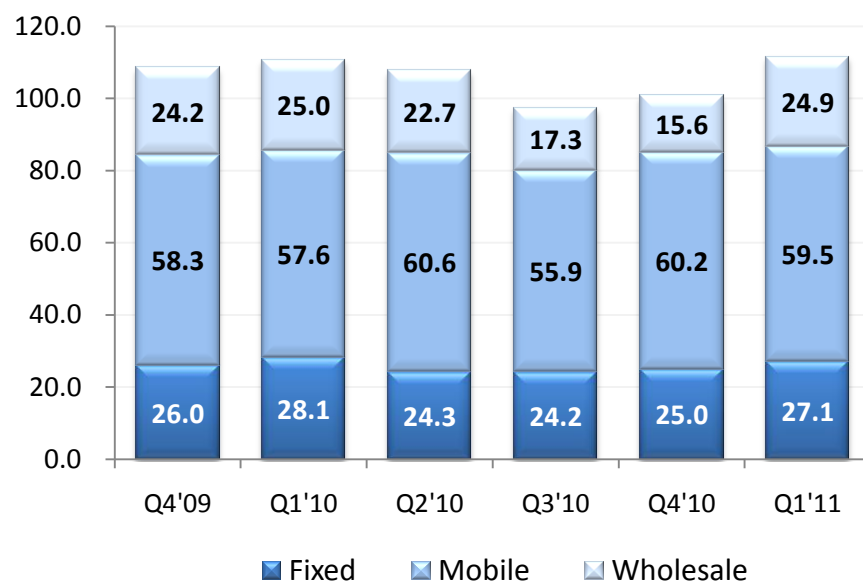


Q1'11 revenue has grown by 10.6% compared to Q4'10 mainly driven by domestic mobile revenues and contribution from capacity sales.

Group Revenue in RO Mn

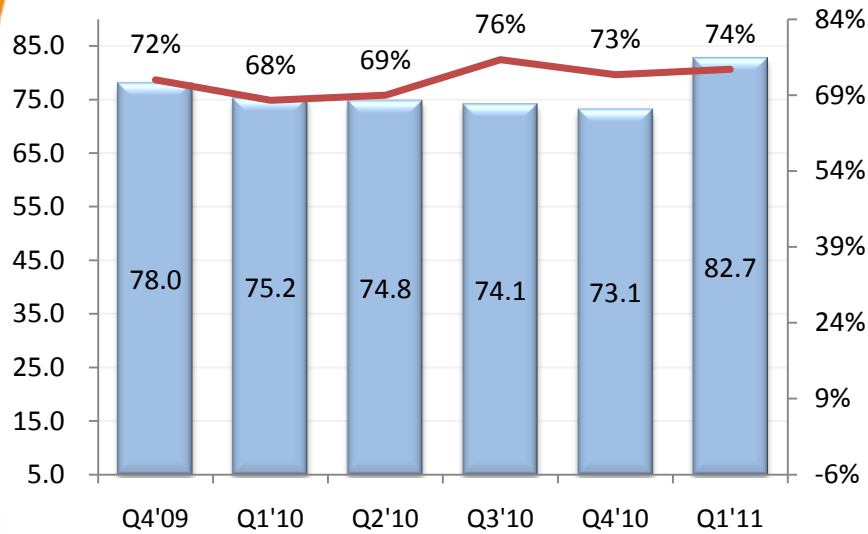


Revenue by Segment RO Mn



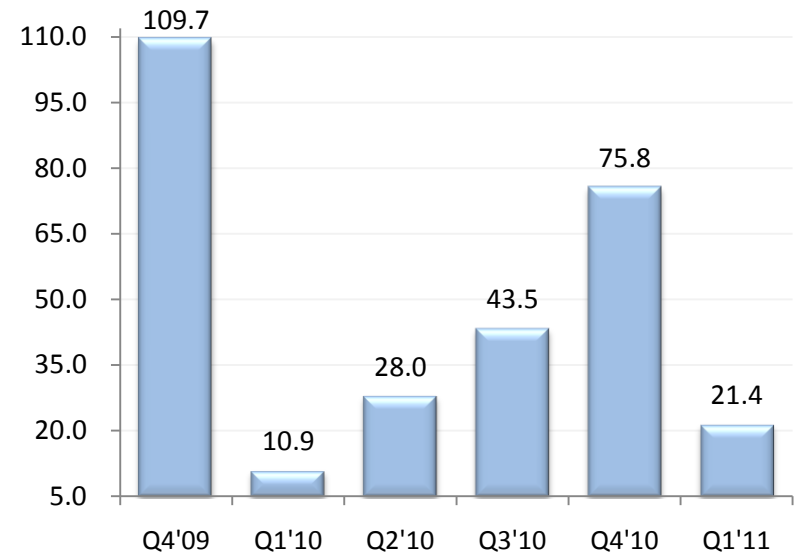
Consolidated Opex to Sales ratio is at 74%, which is within the trend line of last two quarters.

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



Increase in absolute value in Opex mainly contributed by cost related to capacity sale and increase in depreciation.

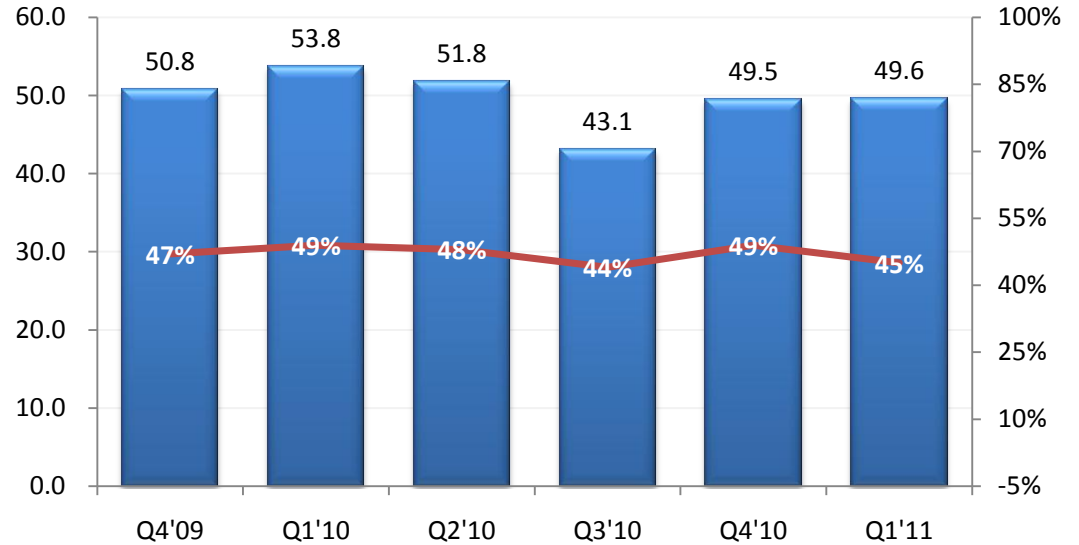
Capex Additions (Cumulative) RO Mn



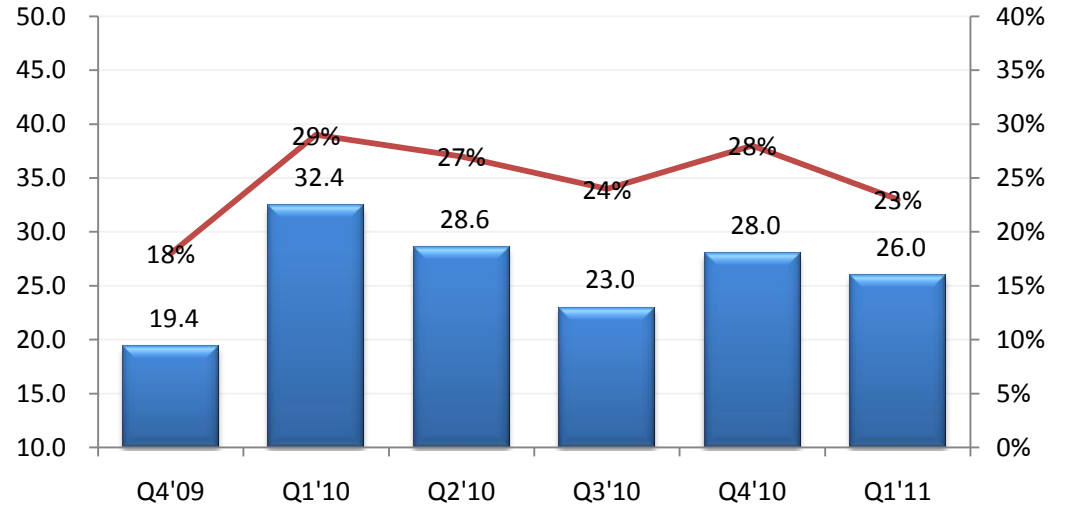
Capex to Revenue ratio is 19%, which is marginally higher compared to 18% of Yr 2010.

Qtr to Qtr analysis – Q1'11 net profit margin recorded 23% decrease over Q4'10.

EBITDA RO Mn & %



Net Profit (after Tax) – RO Mn & %

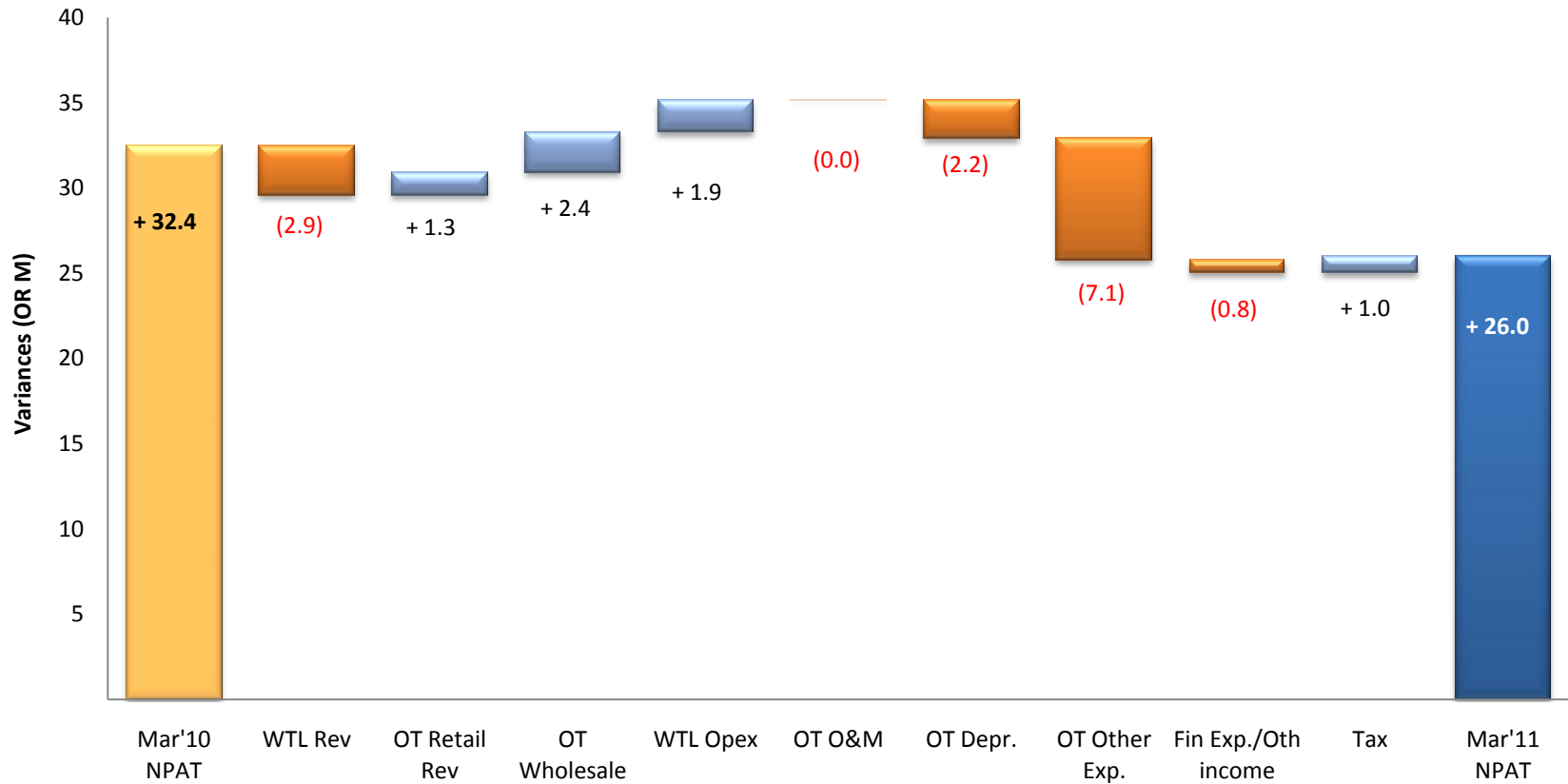


Q4'09 Net profit decline is due to the impact of Voluntary End of Service



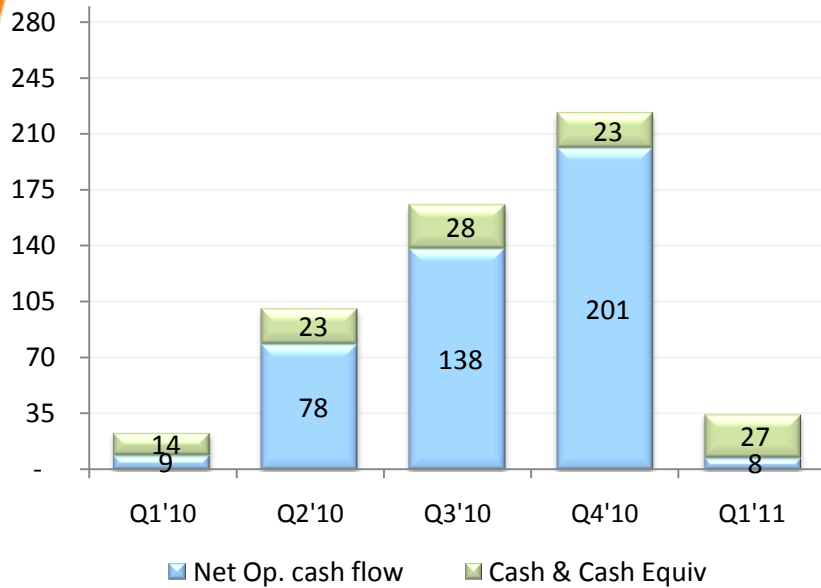
Net Profit After Tax Variance analysis (Mar'11 Vs Mar'10) before Minority Interest

NPAT Actual Variance Including WorldCall (Mar'11 Vs Mar'10) OR (6.4) Mn

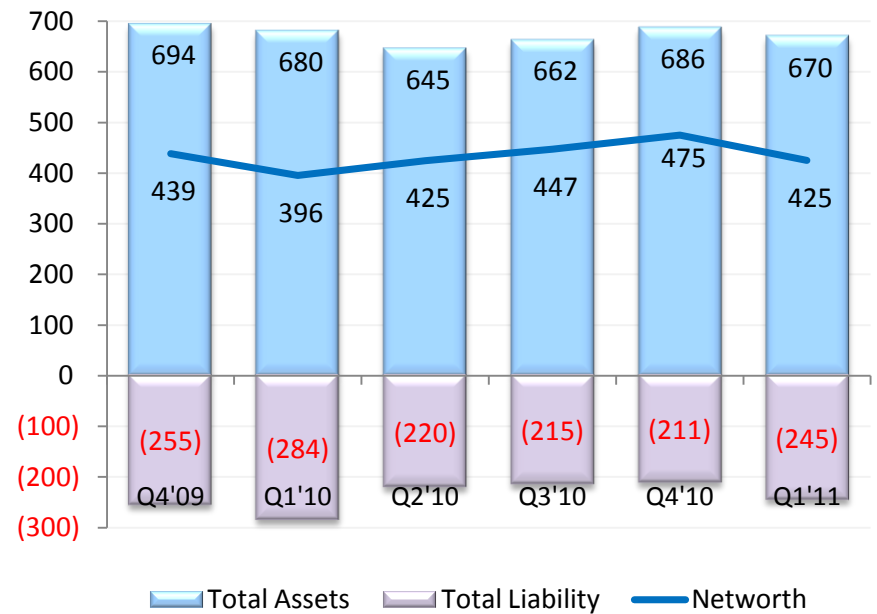


Net operating cash flow is around 7% of the gross sales. Debt ratio of 37%

Cash flow (cumulative) RO Mn

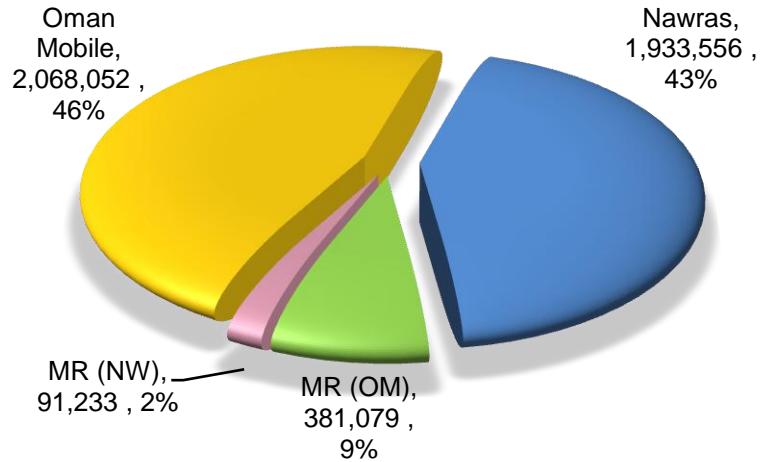


Assets, Liability & Net worth RO Mn

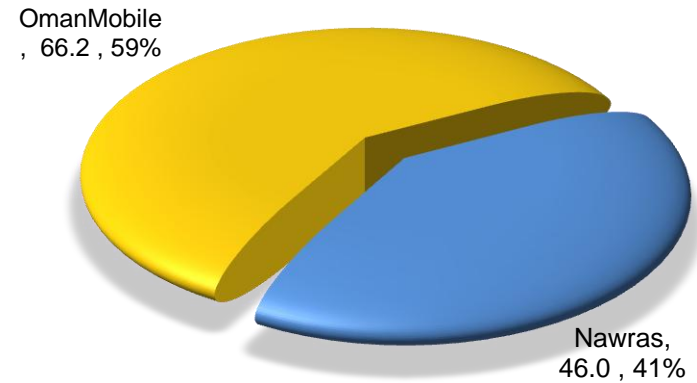


Oman Mobile continue to be leading subscriber market share (55%) as well as revenue market share (59%)

Mobile Market Share – Mar'2011



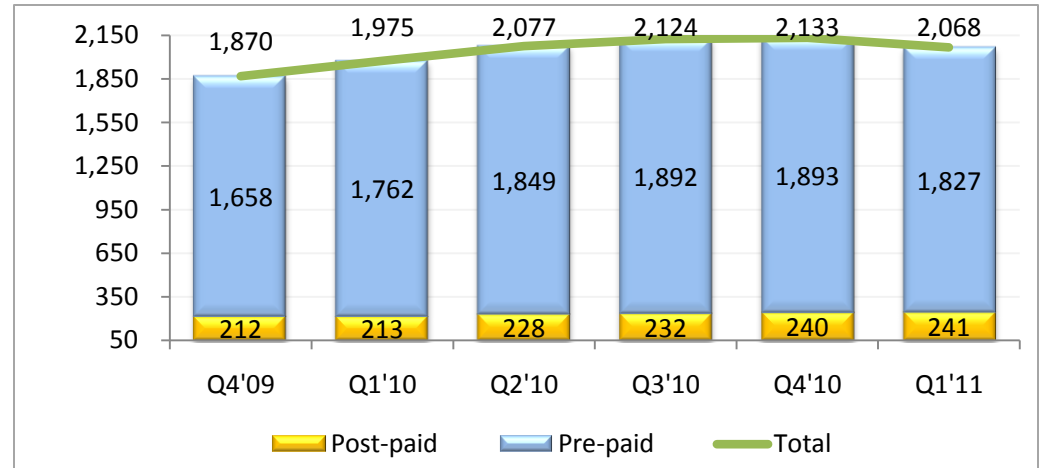
Mobile Revenue Share – Mar'2011 (RO Mn)



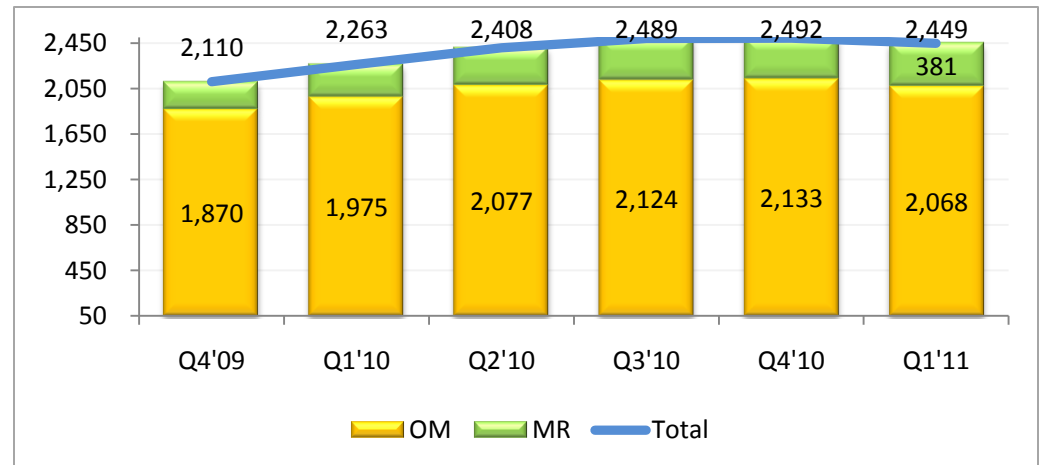
Total Mobile market grown by 6% compared to Q1'10. Oman Mobile (incl Mobile Resellers) achieved a growth of 8%, net addition is around 186 K, which is around 72% of total net additions.

Quarter to Quarter Oman Mobile subscriber base has dropped by 3%. Post paid growth trend continues.

Oman Mobile Subscribers – In '000s



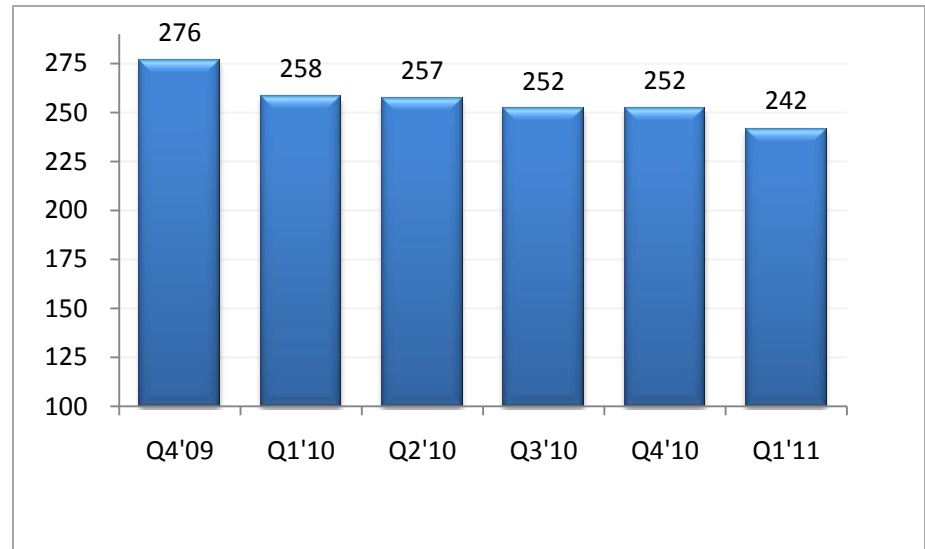
With Mobile Resellers – In '000s



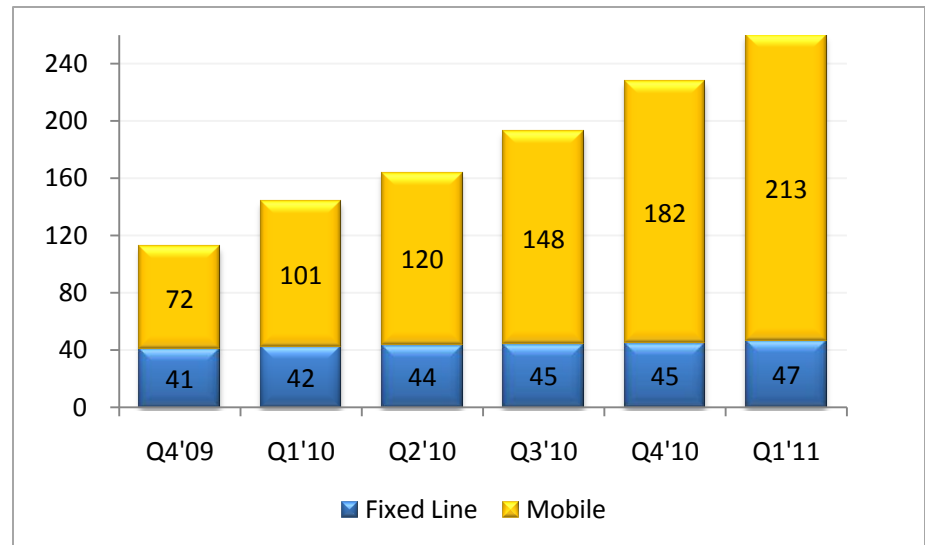
Fixed line subscribers continue to decline, while ADSL growth has been slowed down due to significant off-take of mobile broadband services

Fixed Line Subscribers – In '000s

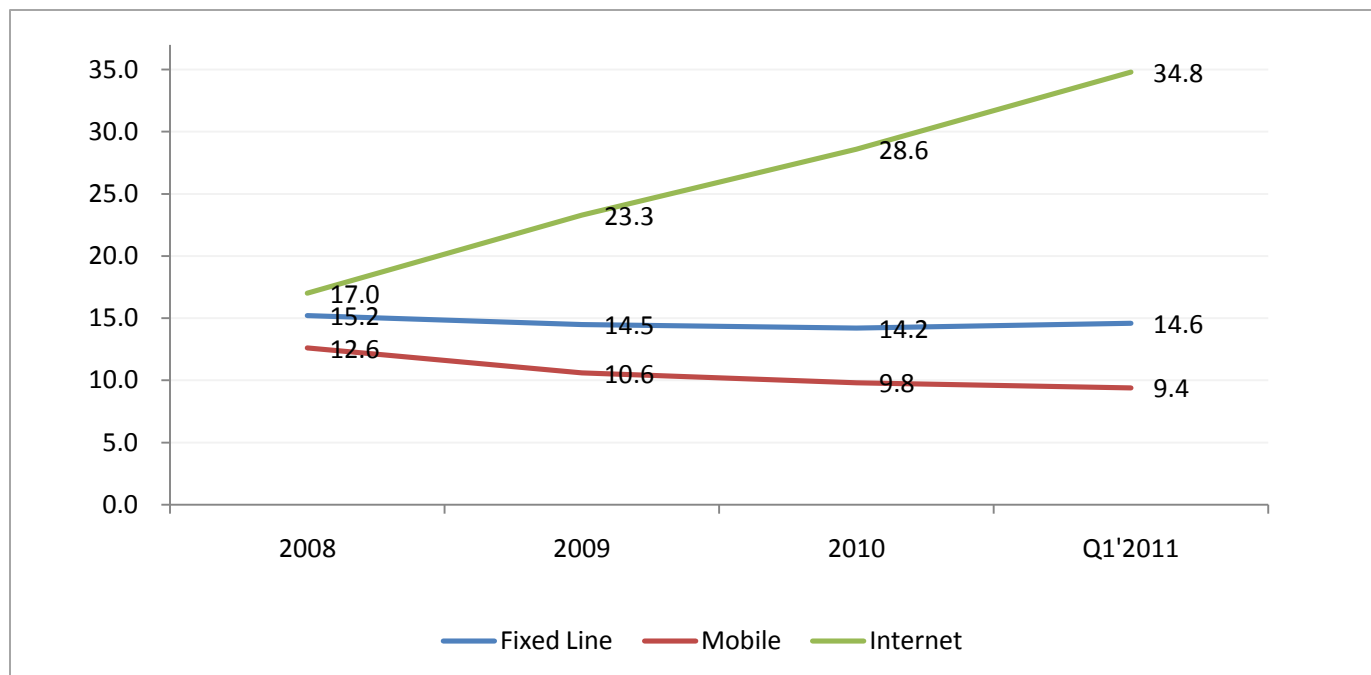
Fixed line include pre-paid and payphone



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



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