

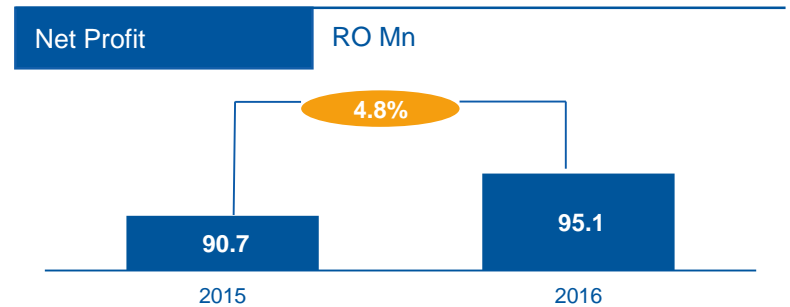
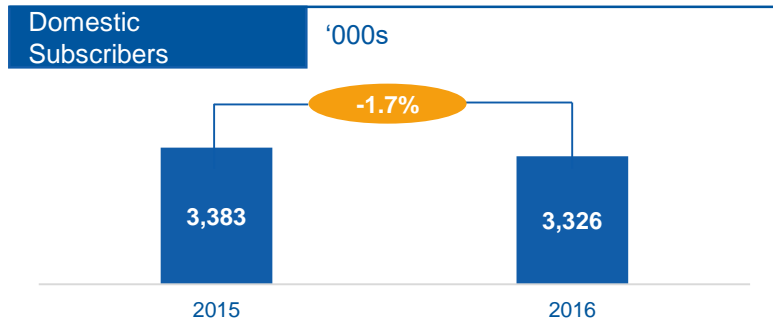
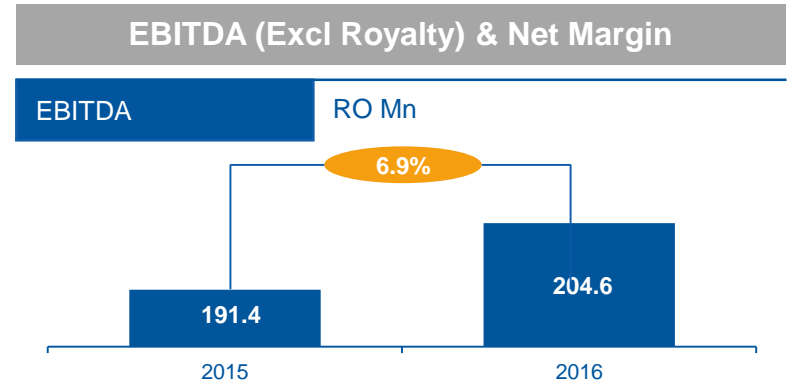
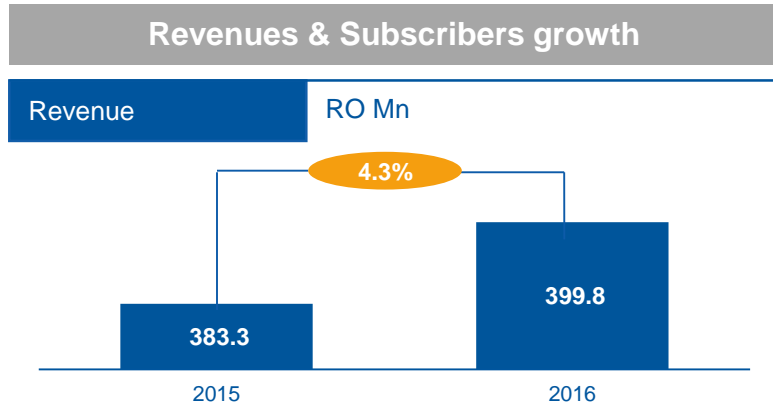
Omantel Group Performance – Q3 2016

Presentation to Investor Community

Conference call
10th November at 2 PM (Oman Time)

عمانتل
Omantel

Group Revenue recorded a growth of 4.3% mainly driven by parent company's (*domestic operations*) revenue growth of 5.1%. **EBITDA** increased by 6.9%



- Group Revenue at RO 399.8 Mn compared to RO 383.3 Mn of the corresponding period, mainly contributed by 5.1% growth in Parent company revenues.
- Domestic customer base including Mobile Resellers achieved the growth of 3.0%
- Continued growth in Mobile Subscriber acquisition. Overall Mobile subscribers achieved growth of 2.3%.
- Growth in EBITDA (Incl Royalty) by 7.5%.
- Group Net Profit after tax is RO 95.1 million compared to RO 90.7 million of the corresponding period, an increase of 4.8%.
- Group Net profit margin is 23.8% compared to 23.7% of the corresponding period.
- Group has not accrued for any additional losses for WTL for Q3-2016 considering the fact that the investment was fully impaired in year 2015. This of course has resulted in lower loss of approx. RO 4.7 mn in Yr 2016 in comparison to year 2015.

Income Statement for Q3 2016 (High Level Summary)

Omantel Group				
In RO Mn	Nine Months ended 30 th September			
	2016	2015	In Fig	In %
Revenue	399.8	383.3	16.5	4.3%
Cost of Sales	(80.8)	(74.3)	(6.6)	(8.8%)
Gross Margin	319.0	309.0	9.9	3.2%
Gross Margin % of Revenue	<i>79.8%</i>	<i>80.6%</i>		
Operating Expenses	(114.3)	(117.7)	3.3	2.8%
EBITDA	204.6	191.3	13.3	6.9%
EBITDA %	<i>51.2%</i>	<i>49.9%</i>		
Depreciation & Amortization	(74.8)	(67.0)	(7.8)	(11.7%)
EBIT	129.8	124.4	5.5	4.4%
Finance & Other Income/ Expense	2.9	1.3	1.6	121.7%
Profit Before Royalty & Taxation	132.8	125.7	7.1	5.6%
Royalty & Taxation	(38.8)	(40.8)	2.0	5.0%
Profit After Tax (Before Minority Interest)	94.0	84.9	9.1	10.7%
Minority Interest	1.1	5.8	(4.7)	(81.4%)
Net Profit	95.1	90.7	4.4	4.8%
Net Profit %	<i>23.8%</i>	<i>23.7%</i>		

Note: Operating expenses includes costs related to Employee, O&M, admin, marketing and annual license fees

Strong balance sheet with impressive market fundamentals.

Strong Balance Sheet

- Debt Ratio is 33.3%
- Gearing 5.7%
- Group total assets at RO 786 Mn.
- Net worth of RO 525 Mn.
- Net Asset per share is RO 0.747

Impressive Market Fundamentals

- Dividend Yield 7.3% (Dividend at 115 Bz / share based on 31 Dec 2015 Closing Price of RO 1.565) & 7.4% Yield based on Sep'16 closing price of RO 1.550
- Market Capitalization at RO 1.16 Bn (Sep'16)
- Price Earning Ratio {P/E 9.03}
- EV / EBITDA 4.83
- Price to Book Value 2.07

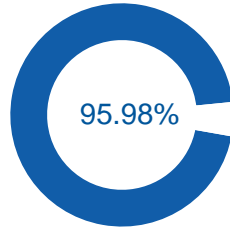
Achievements

- **Omantel Wins Duet of Awards at 8th Middle East Investor Relations Society (MEIR) – Leading Corporate for Investor Relations in Oman.** In addition to these awards, Omantel also placed in the Top 5 Corporates in the Overall Grand Prix among Leading Corporates for Investor Relations in the Middle East.
- Omantel Reveals Dedicated Division for **Integrated ICT Solutions** - a newly formed division that enables Omantel to act as the single point of contact for integrated ICT solutions including connectivity and next generation smart technologies.
- Omantel Launched **Ultrafast Home Broadband Packages** Offering Speeds Up-to 200 Mbps.
- Omantel, in partnership with The Research Council of Oman has launched the **Oman Research and Education Network (OMREN)** which will provide High-Throughput network connecting Oman's Top Universities to facilitate collaboration across Universities and provide access to World renowned Internet-2 including rich set of science and engineering publications.

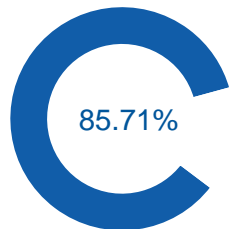
*Continuous improvement in network coverage and initiatives to improve customer experience

Coverage

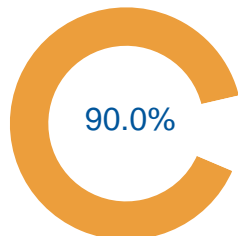
3G (Population)



4G (Population)



Fixed Broadband
(Household)



Key Focus Area

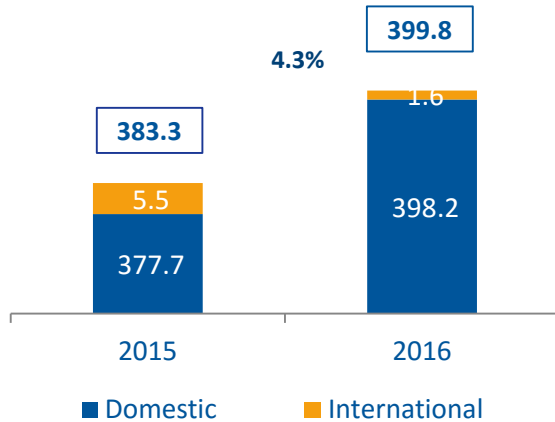
- Upselling Home Broadband (HBB) customers on the newly launched ultrafast HBB plans
- Revamping of MBB plans with focus of value creation
- Series of initiatives for improvement of customer experience
- Benchmarking contact center operations and performance and improving customer experience
- Enhancement of HBB Complaint Handling through implementation of Test & Diagnosis (T&D)
- Enhance existing complaints handling process to deliver better customer experience

Launches / Achievements

- New Omantel kiosk at Muscat International Airport.
- Installation of 60 digital screens in 3rd party agents as a part of ongoing Trade Marketing activities.
- Launch of 1st of 3 planned trade promotions for trade.
- Launch of industry first **unlimited** whatsapp plan, Snapchat, Instagram
- Revamped HBB plans
- Auto-renewal for MBB plans to enhance customer experience and convenience
- Self-service transactions (Payments) been added for Al-Ufuq customer through the IVR

Parent revenue performance compared Year 2015 - All 3 segments (Consumer, Corporate and Wholesale) achieved revenue growth

Group Revenue RO Mn

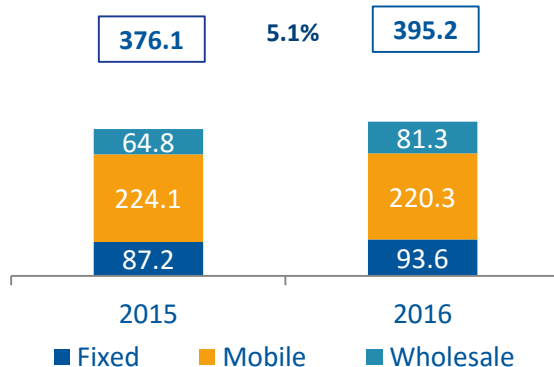


Domestic Operations Highlights

Parent has achieved 5.1% growth in a highly competitive market, mainly contributed by growth in;

- 7.4% from Fixed Line Business Retail Revenues (include internet & data).
- 22.1% increase in Fixed Broadband revenue.
- 11.4% increase in Mobile Broadband revenue.
- Increase in revenues from all 3 segments;
 - Consumer by 1.0%.
 - Corporate by 1.2%.
 - Wholesale by 22.8%.

Parent Company Revenue RO Mn

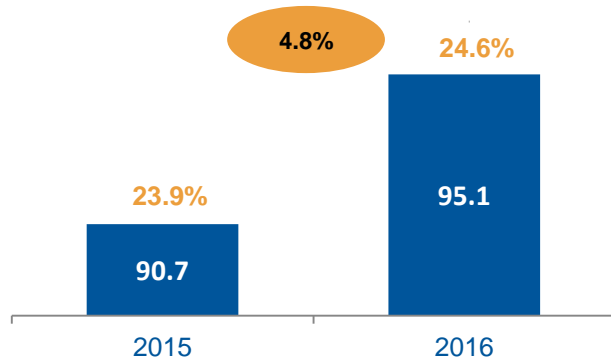


- Total Fixed Broadband subscriber growth of 25.7%.
- Growth in mobile broadband subscribers by 1.4%.
- 68.2% Smartphone penetration in Omantel Mobile Network.
- Continue decline in voice and SMS revenues.

Group EBITDA achieved a growth of 6.9% (increase of RO 13.3 Mn)

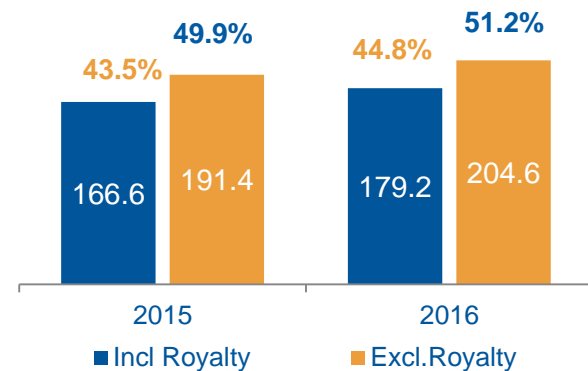
Group Net Profit

RO Mn



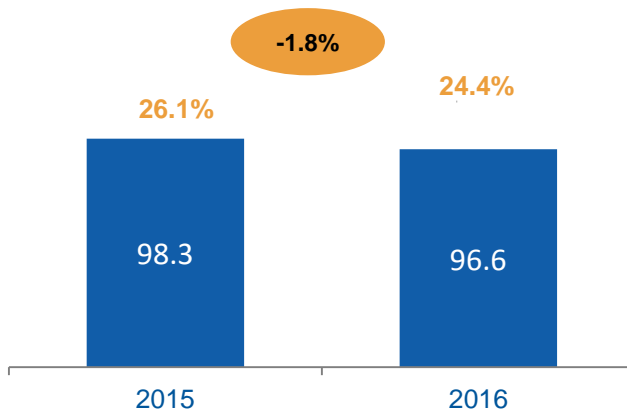
Group EBITDA

RO Mn & %



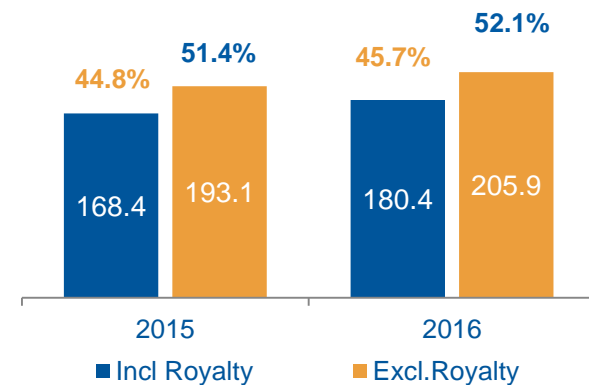
Parent Net Profit

RO Mn

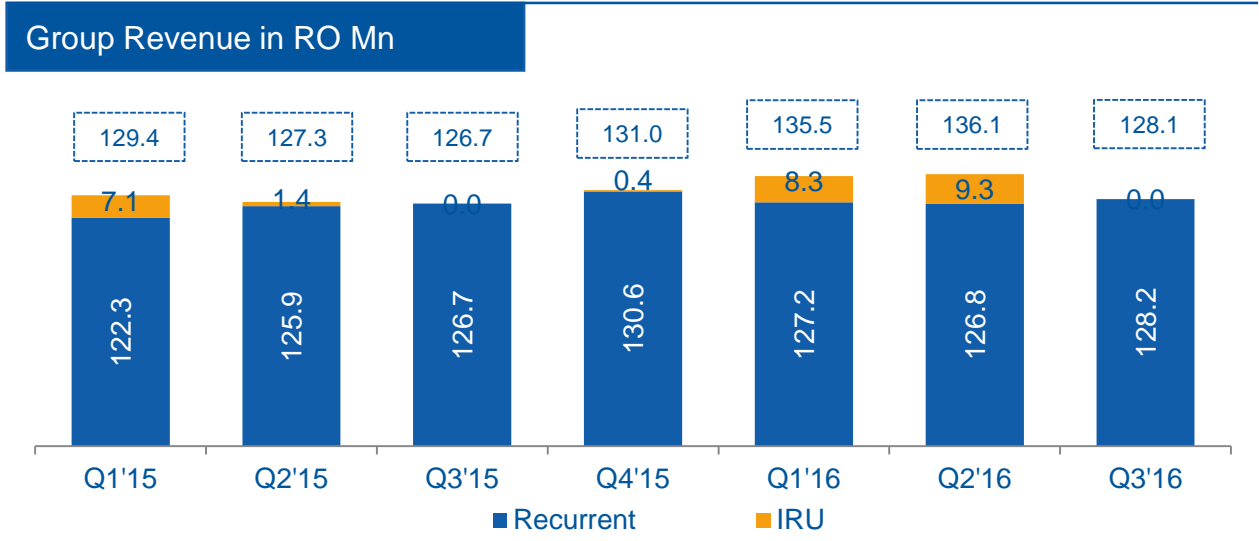


Parent EBITDA

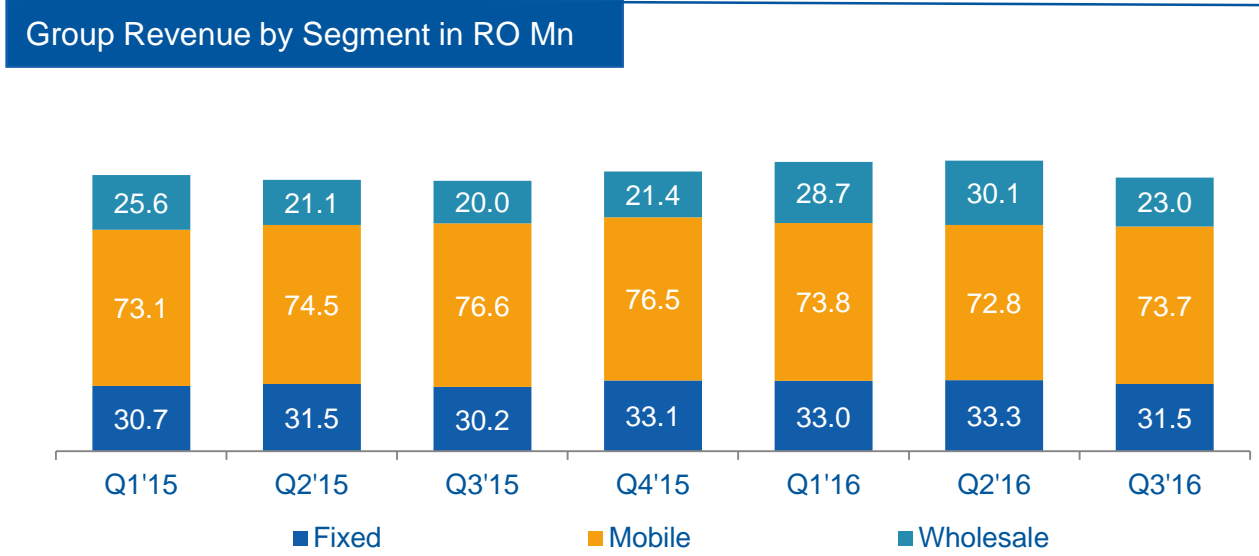
RO Mn & %



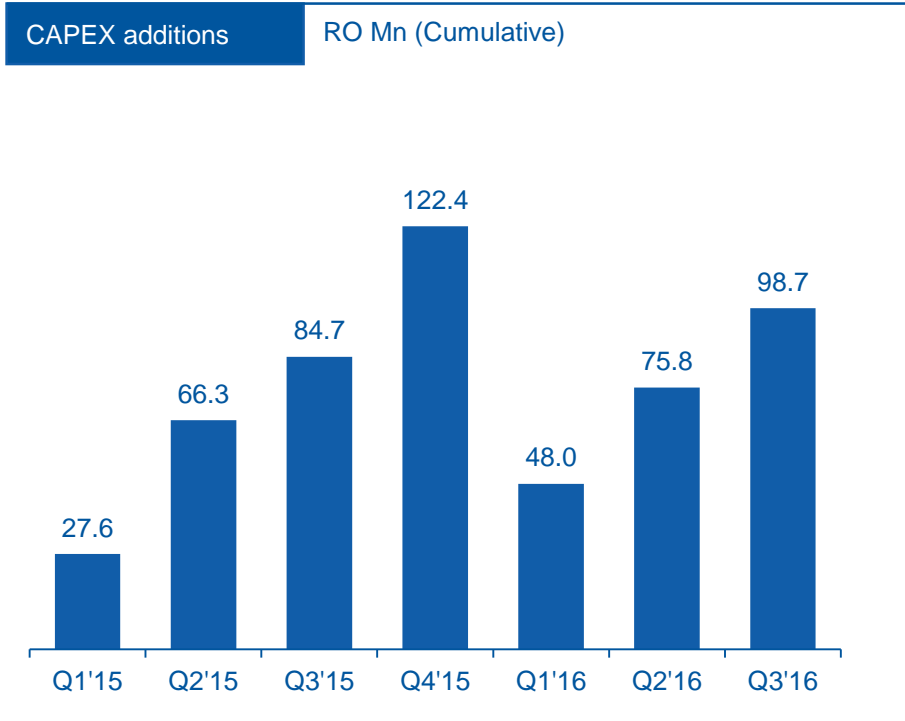
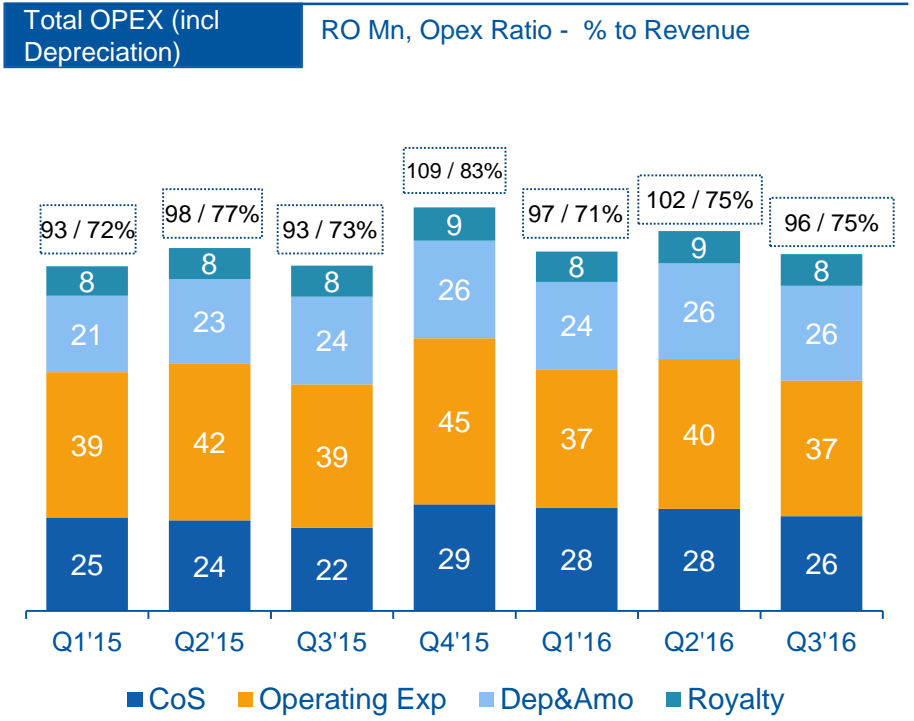
Group Revenue - Quarterly Analysis



Q3 2016 did not have revenues from IRU. Thus the lower revenue compared to other quarters.



OPEX ratio for Q3'16 is 75%. Capex to revenue ratio is at 24.7%



Capex to Revenue ratio is at 24.7% (cumulative)

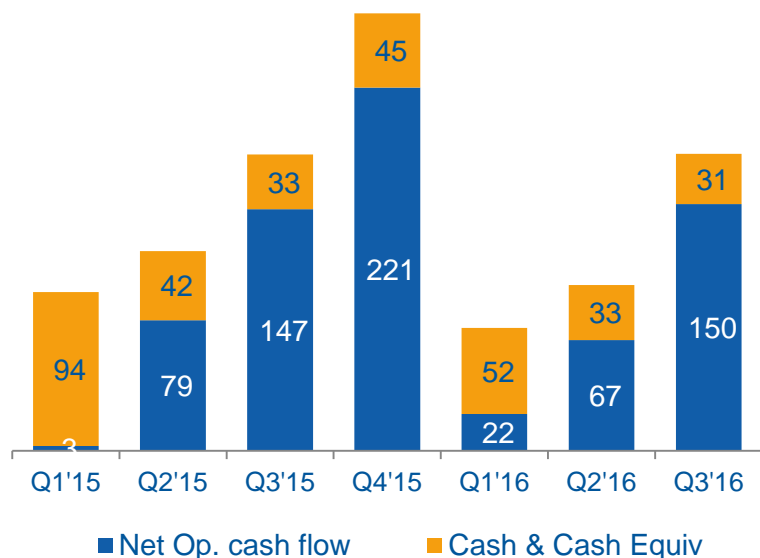
Opex to Revenue ratio for Q3 2016 for Group is 75.0% and for Parent also is 75%. Increase in depreciation amounting to RO 9.894 Mn over Q3 2015 is mainly from increased investment in network expansion and modernization of both mobile and fixed networks. Employee Cost amounting to RO 4.1 Mn is capitalized

9 Note: Operating expenses includes costs related to Employee, O&M, admin, marketing and annual license fees

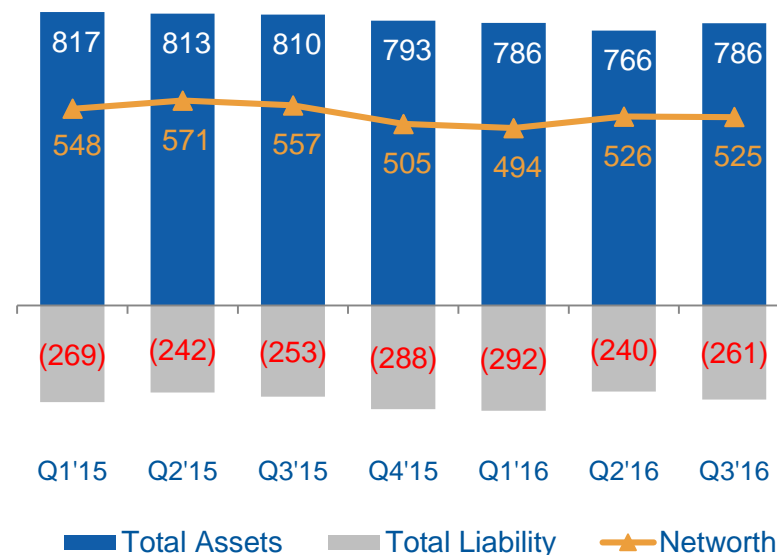


Continued healthy Cash flow and strong Balance sheet

Cash Flow (Cumulative) RO Mn



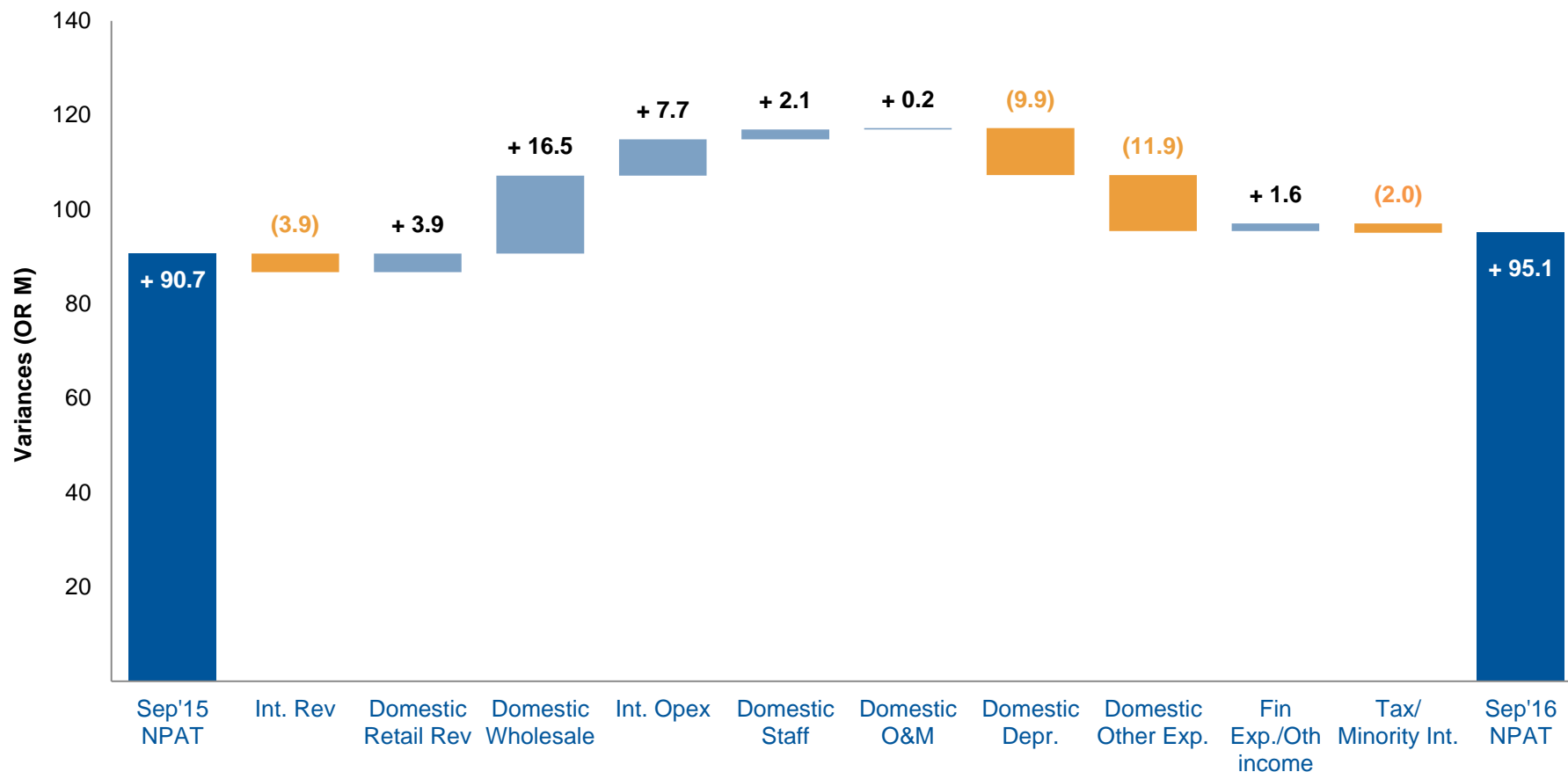
Assets, Liability & Net worth RO Mn



- 1) Net operating cash flow is RO 150 Mn which is 37.5% of revenue.
- 2) Cash & Cash equivalent excludes Fixed deposit with banks amounting to RO 37.5 Mn

Net profit increased to RO 95.1 Mn, which is higher by 4.8% compared to last year

NPAT Actual Variance Group (Sep'16 Vs Sep'15) OR 4.4 Mn

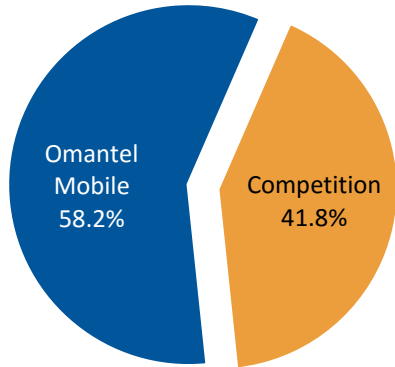


Group has not accrued for any additional losses for WTL for Q3-2016 considering the fact that the investment was fully impaired in year 2015. This of course has resulted in lower loss of approx. RO 4.7 mn in Yr 2016 in comparison to year 2015.

Both Mobile & Fixed Market Share have been mostly stable during the period

Mobile Subscriber Market share

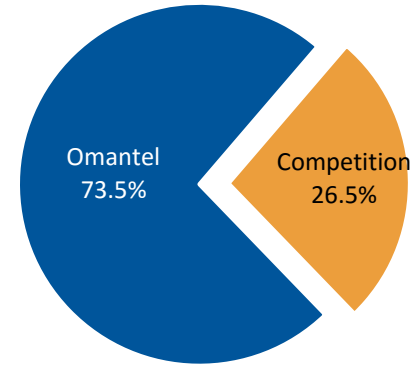
% - including Mobile Resellers



Omantel Mobile (incl Mobile Resellers) achieved a growth rate of 2.3%, net addition is around 87 K.

Fixed Line Subscriber Market share

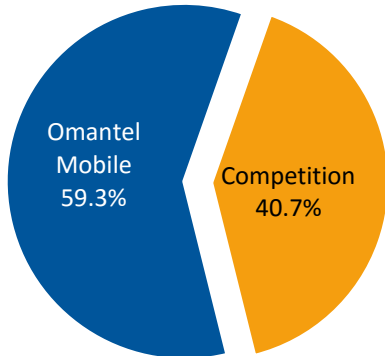
%



Omantel fixed line subscriber base achieved a growth rate of 1.7%, net addition is around 6 K.

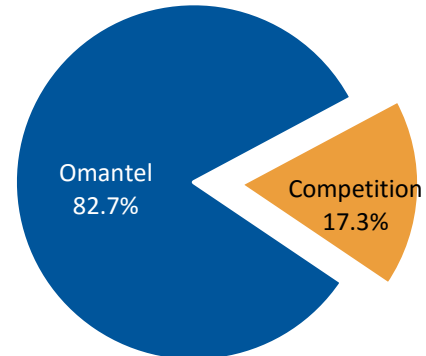
Mobile Revenue Market share

% - including Mobile Resellers

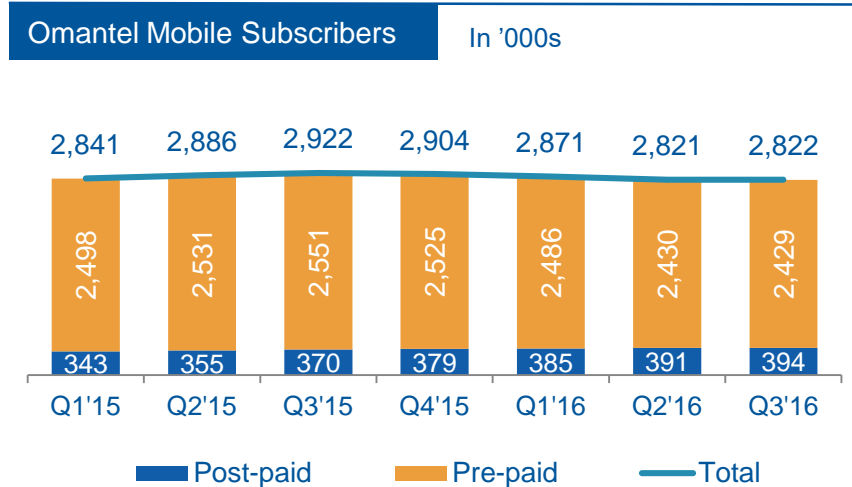


Fixed Line Revenue Market share

%



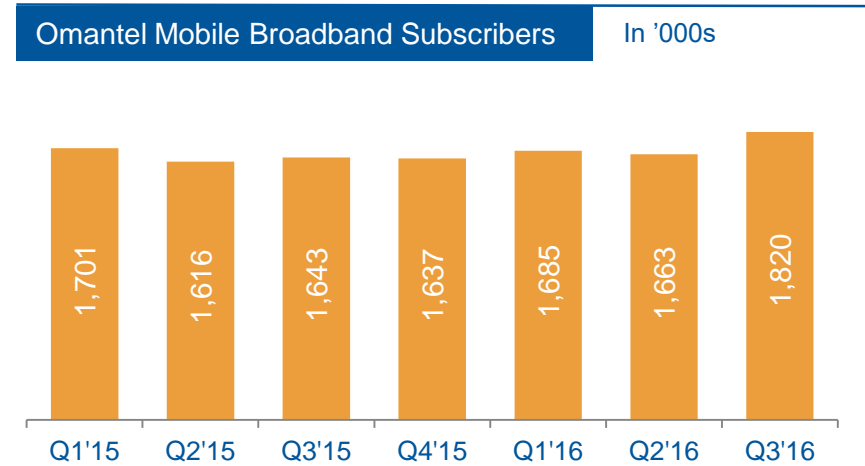
Mobile subscriber base – Overall subscriber base including mobile resellers grown by 3.4%. Post paid achieved 6.2% growth YoY.



Growth in postpaid Omantel mobile subscriber base by 6.2% compared to Q3'15.

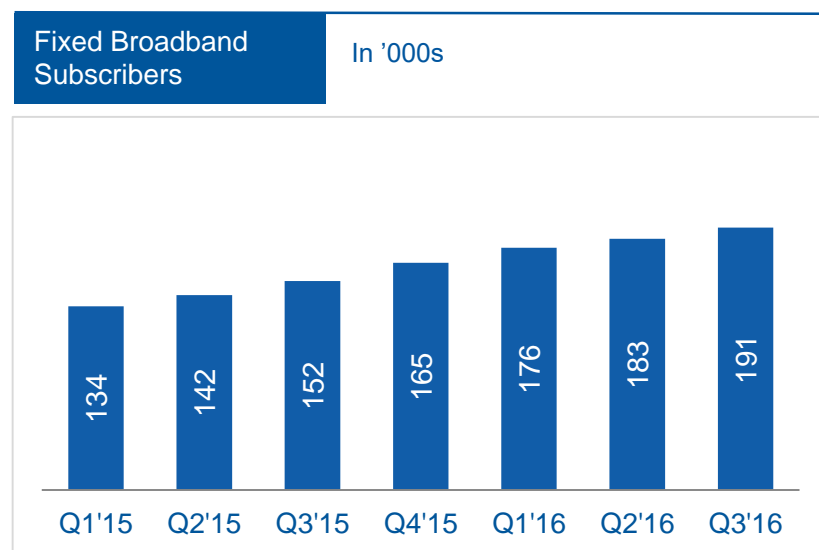
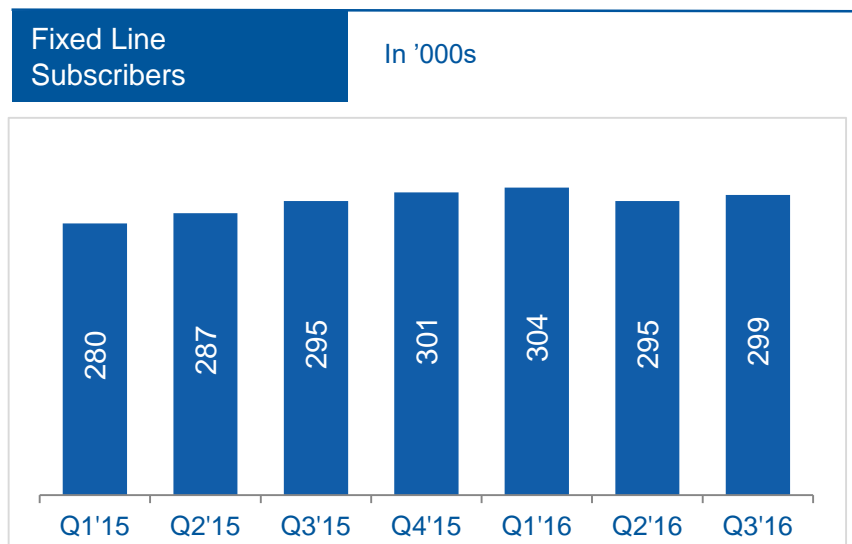


Overall Omantel mobile market grew by 2.3%.



- 1) Mobile Broadband subscribers includes Pay As You Go (PAYG).
- 2) Mobile Broadband grown by 10.8% compared to Q3'15. Compared to Q4'15, it has grown by 11.2%.
- 3) Mobile Broadband unique subscribers subscribed to any one of the packages including Blackberry service is around 963 K as of Sep'16 compared to 950 K, an increase of 1.4%.

Fixed line and Fixed Broadband Subscriber base continued its growth trend



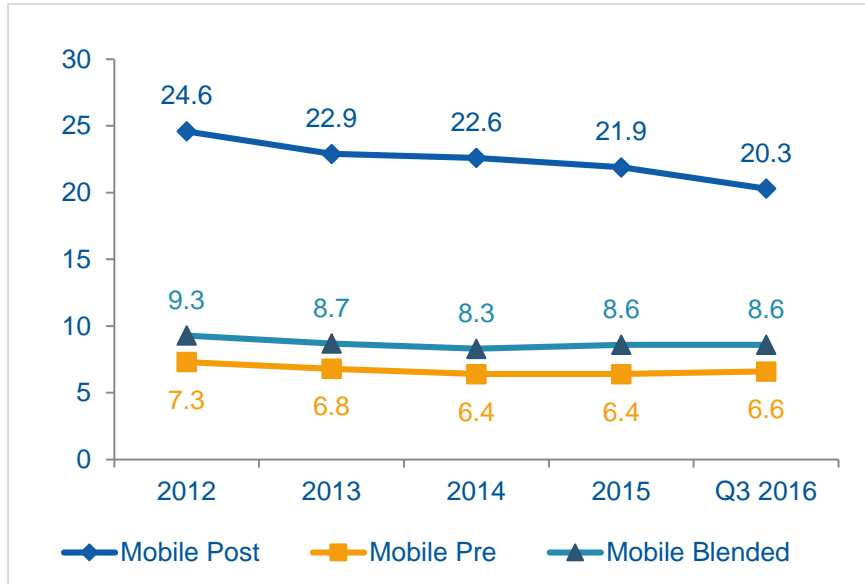
- 1) Fixed line subscribers include postpaid, pre-paid and payphone. Including ISDN primary, the total fixed line reported is 337,001
- 2) Fixed Line subscribers restated in May 2016 after in line with TRA recommendations, which impacted around 16,916 lines including normal and ISDN Lines. The impact on the normal Fixed Line was 9,022 lines.

Fixed broadband increased by 25.6% compared to Q3'15.

ARPU / month for major products shown marginal variation compared to previous year

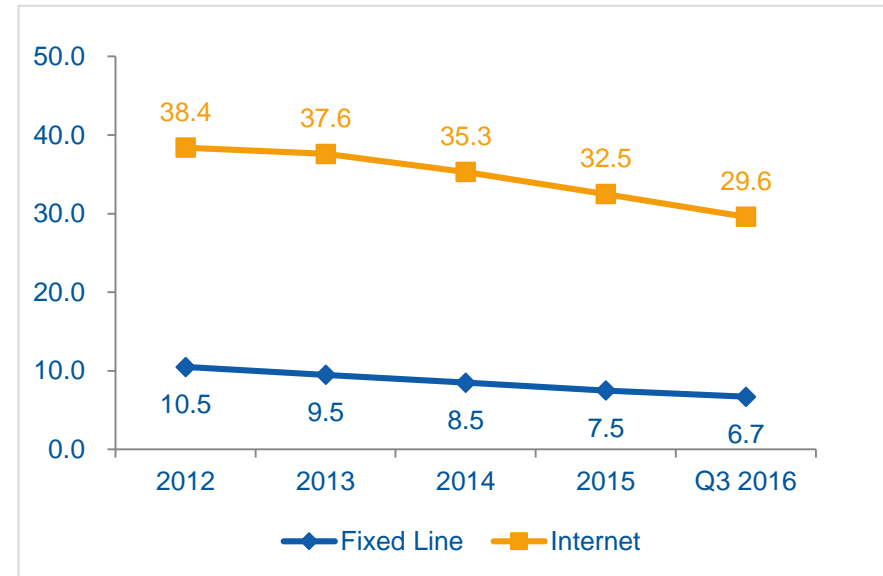
Mobile Services

RO / Month



Fixed Line Services

RO / Month



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

Presented by

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