



Omantel Group Performance 2015

January – June 2015

Presentation to Investor Community

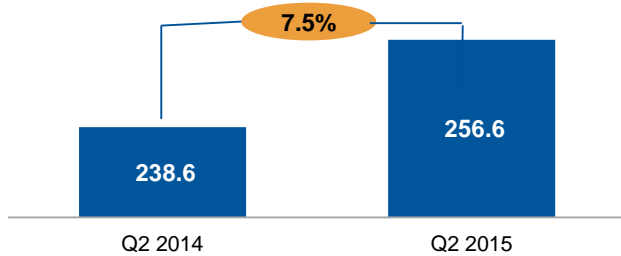
Conference Call

13th August at 2 PM (Oman Time)

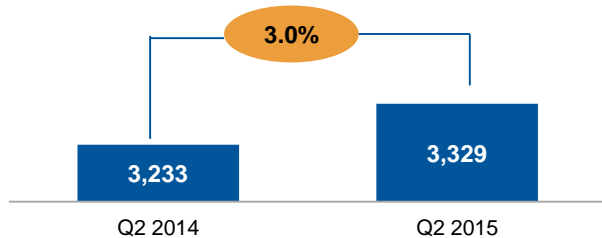
Group Performance Highlights

Revenues & Subscribers growth

Revenue – RO Mn

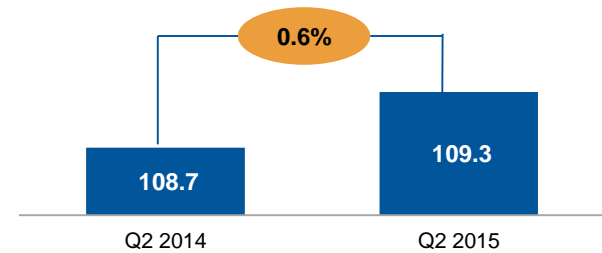


Domestic Subscribers'000s

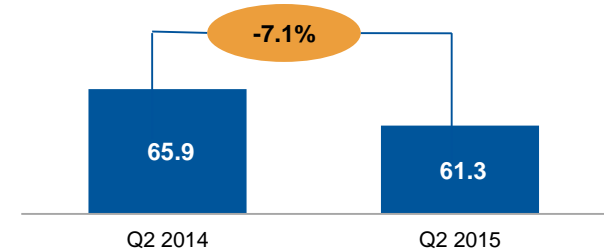


EBITDA & Net Margin

EBITDA – RO Mn



Net Profit – RO Mn



- Group Revenue at RO 256.6 Mn compared to RO 238.6 Mn of the corresponding period, mainly contributed by 8.3% growth in Domestic Operation.
- WTL contribution (international operation) to the total revenue stands at 1.4%.
- Domestic customer base grown by 3.0%
- Continued robust Mobile Subscriber acquisition. Omantel Mobile achieved growth of 6.4%

- Growth in EBITDA by 0.6%. EBITDA as % is 43% compared to 46% of the corresponding period.
- Group Net Profit after tax is RO 61.3 million compared to RO 65.9 million of the corresponding period, a decrease of 7.1%
- Group Net profit margin (after MI) is 24% compared to 28% of the corresponding period.

Group Performance Highlights

Strong Balance Sheet

- Debt Ratio is 29.8%
- Group total assets at RO 813 Mn.
- Net worth of RO 571 Mn.
- Net Asset per share is RO 0.767

Board has approved an Interim dividend of 55% of the paid up capital (55 bz per share) for the financial year 2015.

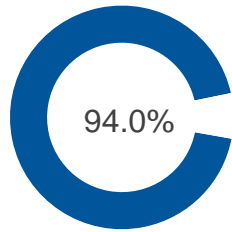
Impressive Market Fundamentals

- Dividend Yield 6.8% (Dividend at 115 Bz / share based on 31 Dec 2014 Closing Price of RO 1.695)
- Market Capitalization at RO 1.301 Bn (Jun'15)
- Price Earning Ratio {P/E 10.62}
- EV / EBITDA 5.95
- Price to Book Value 2.26

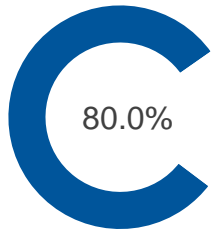
Customer experience

Coverage

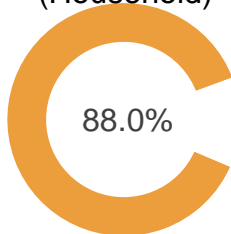
3G (Population)



4G (Population)



Fixed Broadband
(Household)



Q2'2015 Focus area

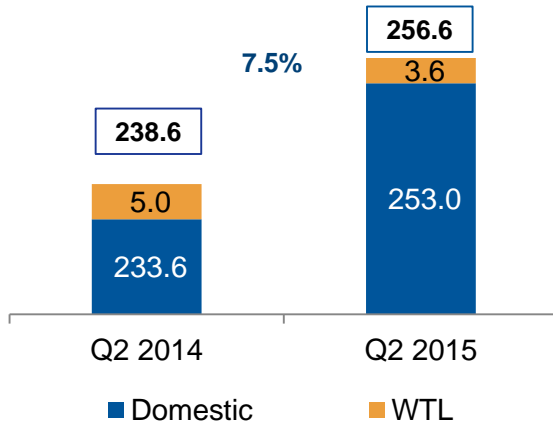
- **Innovative device bundled promotions:** Attractive mobile device offers and innovative product pushes (smart home, gaming, TV etc.,)
- **Extended multichannel customer support** by adding Online live chat in Omantel web portal, which provides easy, convenient and efficient interaction medium to the new era of digitalized Oman.
- **Rolled out new SIM card** which facilitates a 3 type of SIM in 1 SIM (Normal, Micro , Nano).
- **Hayyak (Pre-paid)** Mobile services made available at International airports.
- **Net Promoters Score (NPS)** Implemented all Omantel outlets, which gives clear parameters about customer satisfaction and the way forward to enhance customer experience.
- **Expanded the Customer Visit Management** system in the outlet to improve customer experience.
- **Expanded Bill payment Machine Network** to 132 machines across Oman with 42 of them giving 24/7 services and 5 at government public service locations.
- **Loyalty & Retention Program** – Effective enrollment of Loyalty program (Makasib enrollment) and focused retention campaigns.

Network Modernization

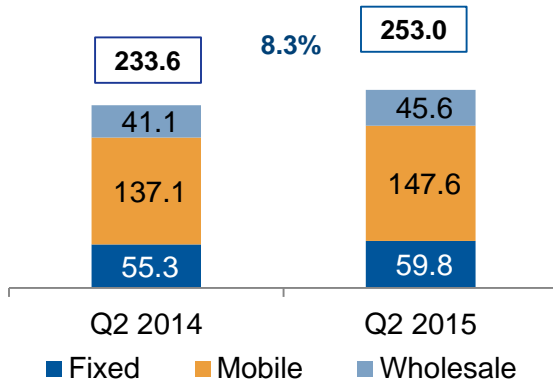
- **Network Modernization:** Continued emphasis on mobile network modernization as planned with 76% completed up to date and around 81% towards the end of this year (Dec-2015) covering both 3G / 4G deploying multiple carriers focusing both on coverage and capacity enhancement.
- **Fixed network modernization** is 100% completed wherein all of the fixed services can now travel on IP protocol ('all-IP').

Revenue Breakup

Group Revenue RO Mn



Domestic Revenue RO Mn



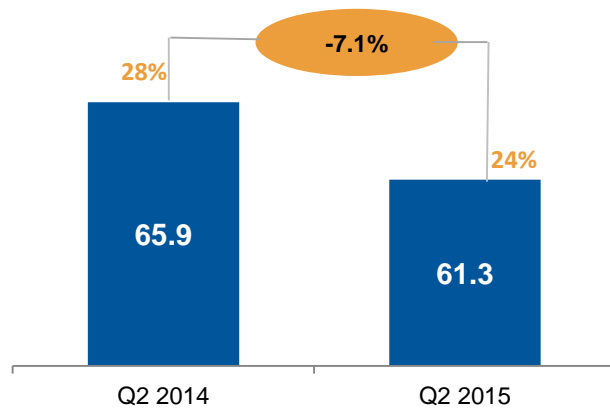
Domestic Highlights

Domestic Revenues increased by **8.3%**, mainly contributed by growth in;

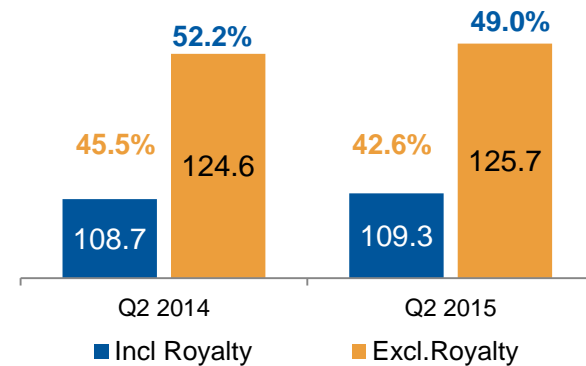
- **8.2%** from Fixed Line Business Retail Revenues (include internet & data).
- **24.7%** increase in Fixed Broadband revenue.
- **28.5%** increase in Mobile Broadband revenue.
- Increase in revenues from all 3 segments;
 - **Consumer by 8.3%.**
 - **Corporate by 5.5%.**
 - **Wholesale by 12.1%.**
- Total Fixed Broadband subscriber growth of 30.4%.
- Growth in mobile broadband subscribers by 11.9%
- 60% Smartphone penetration in Omantel Mobile Network

Net Profit and EBITDA

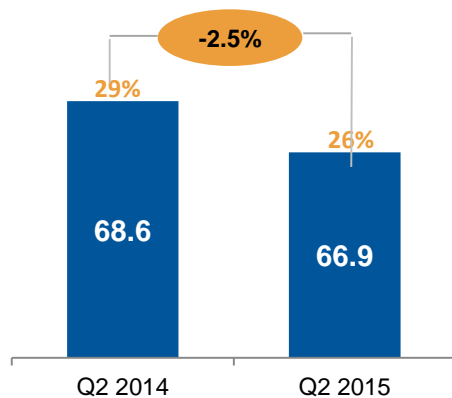
Group Net Profit RO Mn



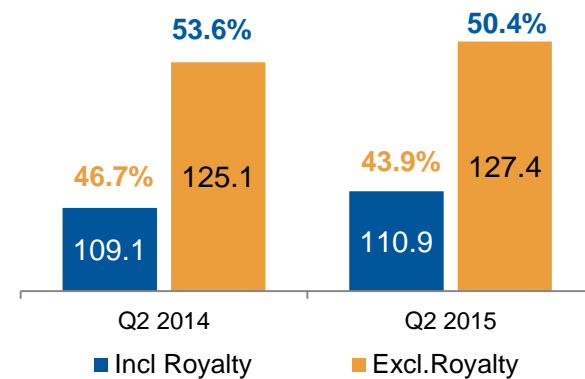
Group EBITDA RO Mn & %



Domestic Net Profit RO Mn

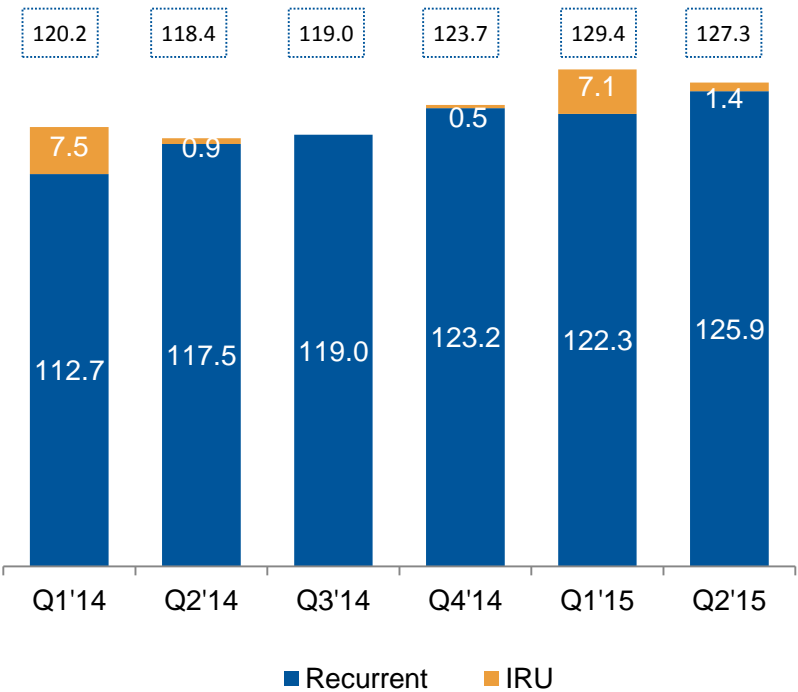


Domestic EBITDA RO Mn & %

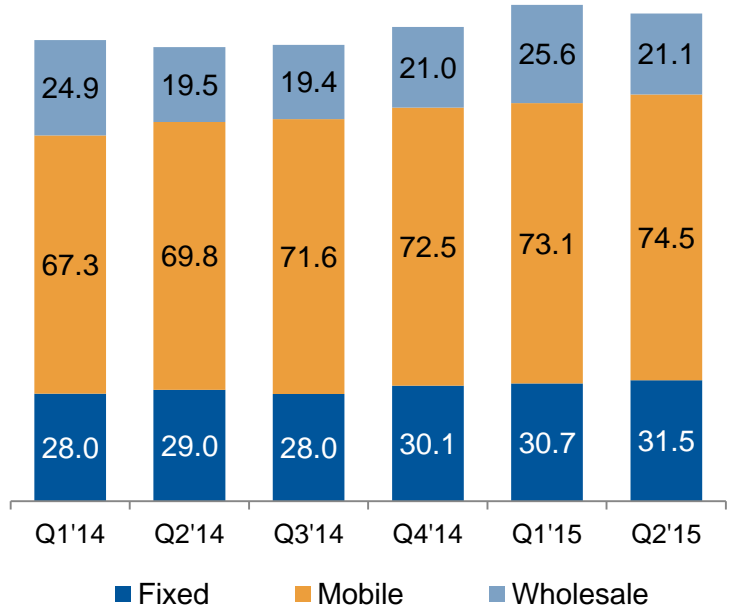


Group Revenue - Quarterly Analysis shows both mobile and fixed recorded highest revenues compared to last 6 quarters.

Group Revenue in RO Mn

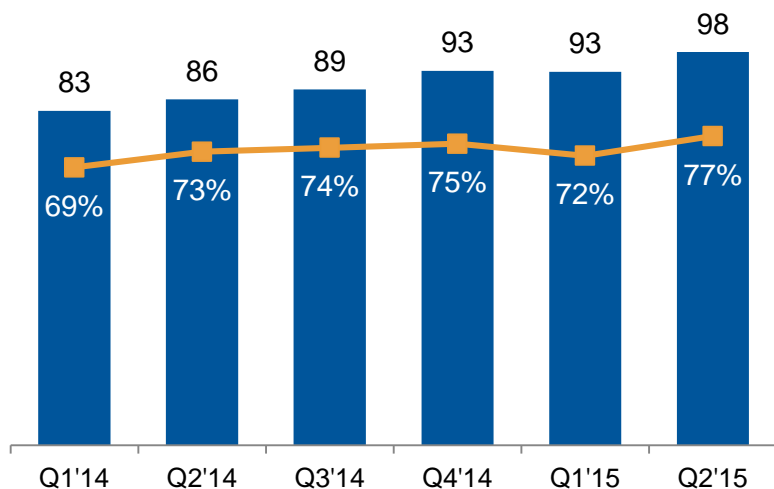


Group Revenue by Segment RO Mn



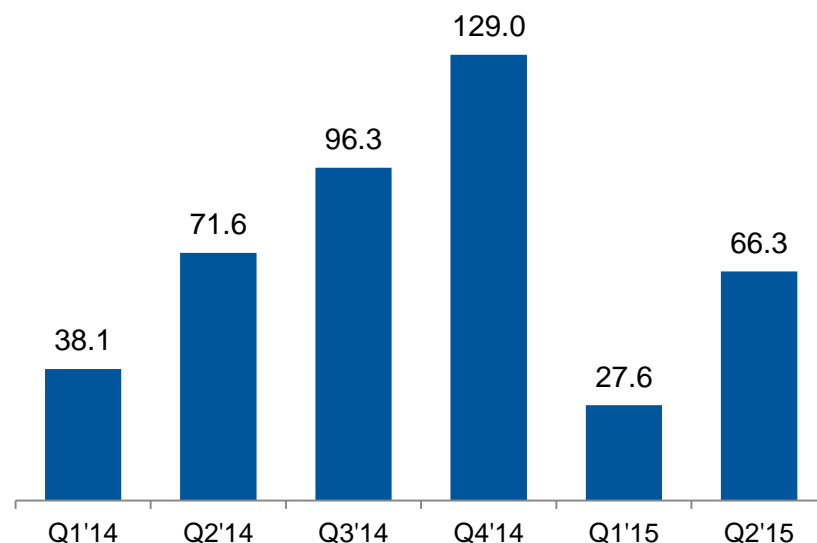
OPEX – CAPEX (Increased Opex in Q2 mainly due to TRA Penalty of RO 1 Mn, depreciation and consultancy costs, mostly of non-recurrent nature)

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



Domestic Opex to Revenue ratio for Q2'15 is 74.6%

Capex Additions (Cumulative) RO Mn



Capex to Revenue ratio is at 25.8%

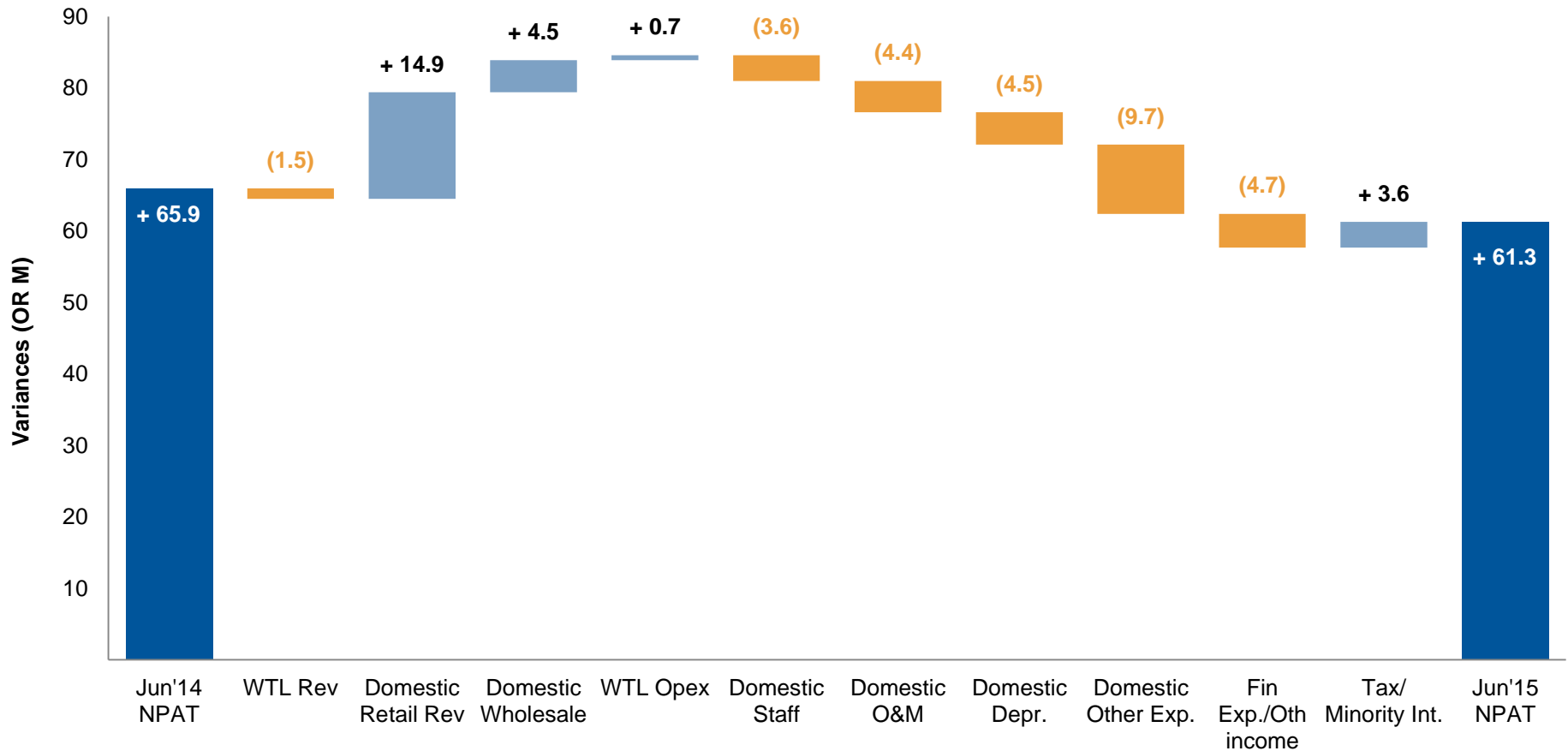
Increase in Q2 2015 opex compared to Q1 2015 mainly due to;

- Depreciation by RO 2.4 Mn due to network modernization
- Admin RO 1.4 mn (Initiatives related to Spend optimization / new Corporate Strategy 3.0 and RO 1 Mn Penalty imposed by TRA on network outage).

Acquired additional spectrum in 800 and 2600 Mhz to enhance its mobile Broadband service offerings for RO 7.7 Mn. This is expected to boost the deployment of LTE and enable to have wide coverage of LTE services and improved quality of broadband services.

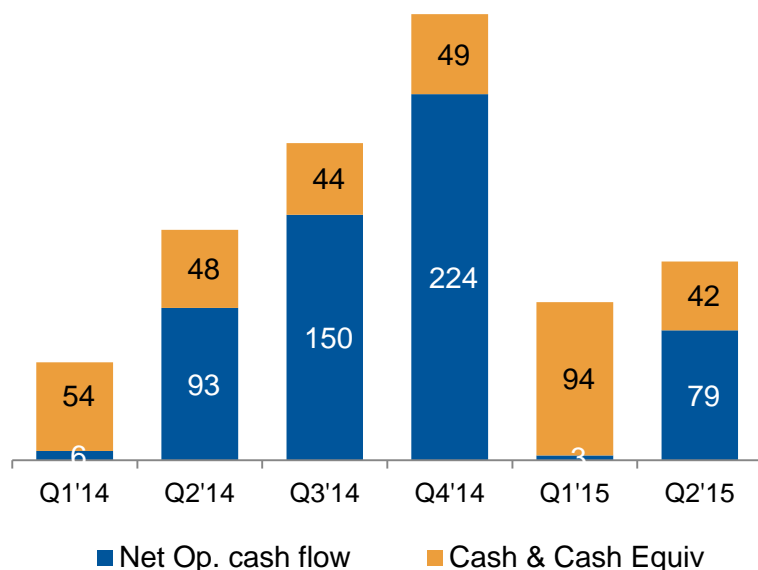
Net profit after Tax

NPAT Actual Variance Including WorldCall (Jun'15 Vs Jun'14) OR -4.7 Mn

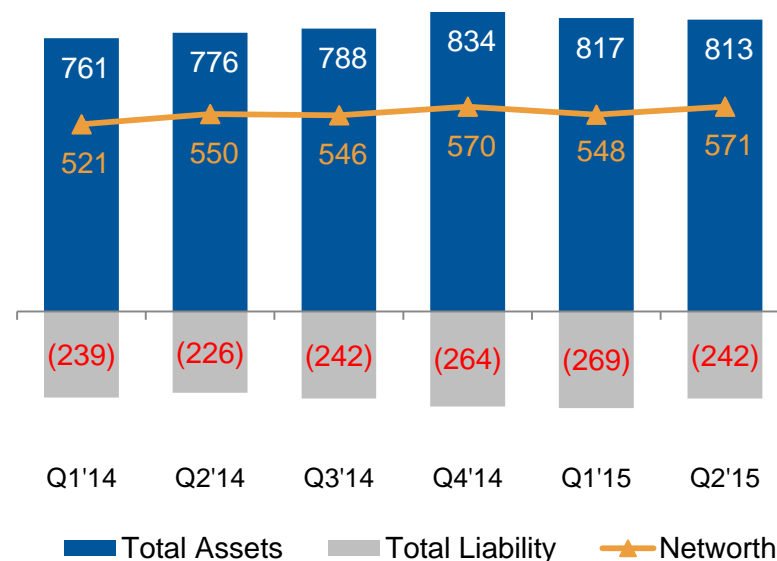


Healthy Cash flow and strong Balance sheet

Cash Flow (Cumulative) RO Mn



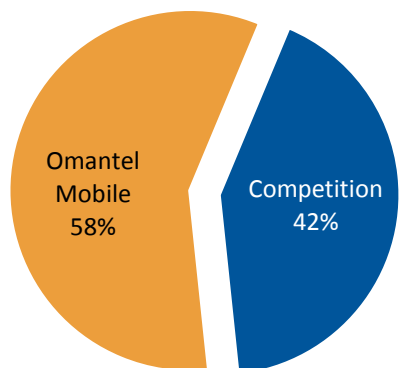
Assets, Liability & Net worth RO Mn



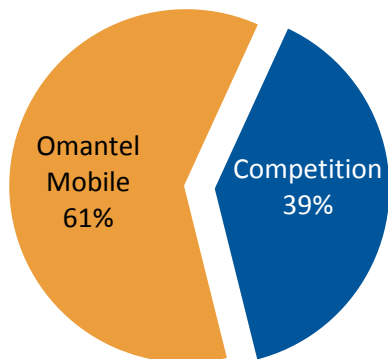
- 1) Operating cash flow before working capital changes is RO 112 Mn which is 43.6% of revenue.
- 2) Cash & Cash equivalent excludes Fixed deposit with banks amounting to RO 38.3 Mn

Mobile Market Share

Subscriber Market Share - (incl. Mobile Resellers)



Revenue Market Share - (incl. Mobile Resellers)

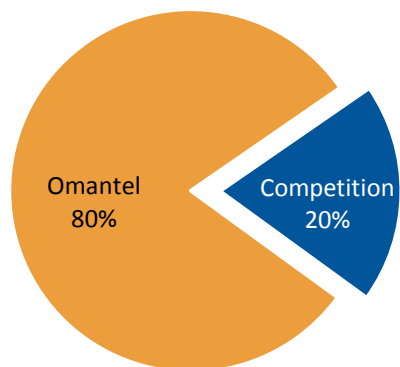


Highlights

- 1) Omantel Mobile continue to be the leading mobile operator – Subscriber market share including mobile resellers is at 58.0% with Revenue market share of 61.0%
- 2) Omantel Mobile (incl Mobile Resellers) achieved a growth rate of 6.4%, net addition is around 223 K.

Fixed Line Market Share

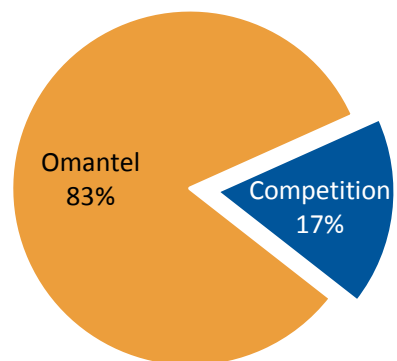
Subscriber Market Share



Highlights

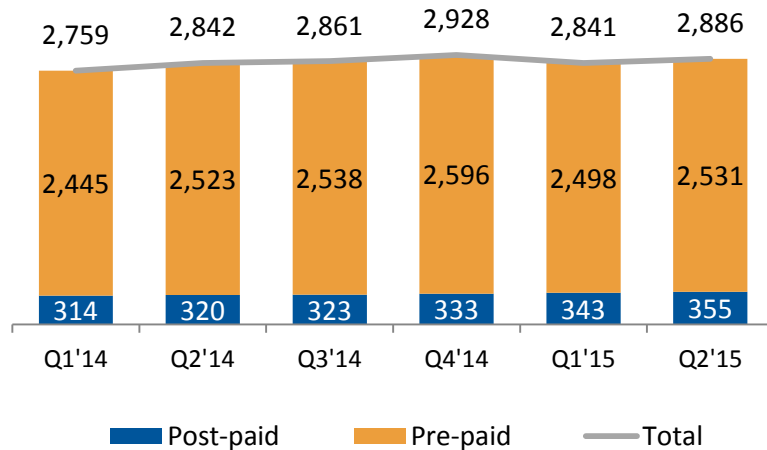
- 1) Omantel continues to be the leading fixed line operator –Subscriber market share is at 80.4%.
- 2) Revenue market share is around 82.7%

Revenue Market Share

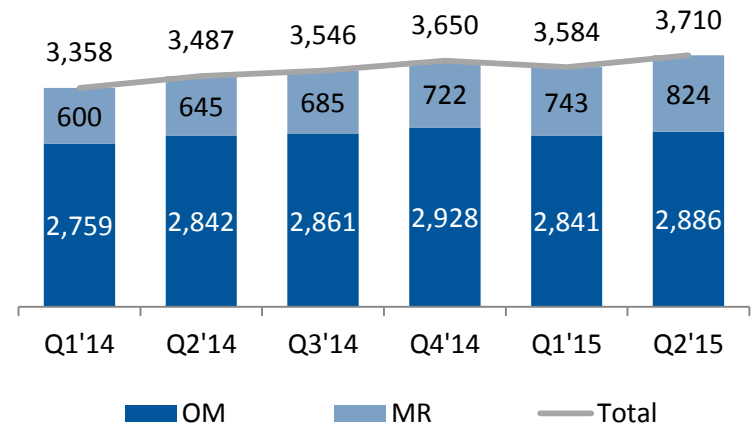


Mobile subscriber base - Quarterly

Oman Mobile Subscribers – In '000s



With Mobile Resellers – In '000s

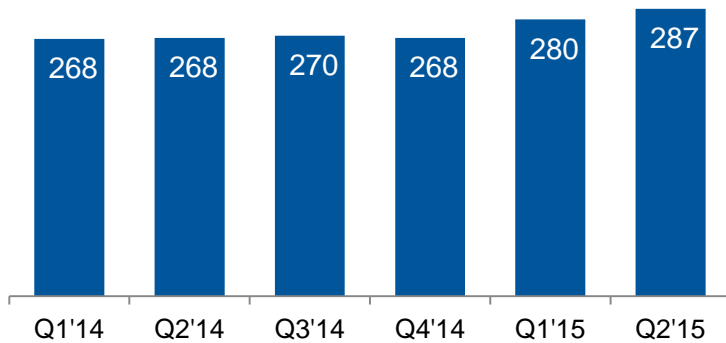


Growth in both post & pre paid Omantel mobile subscriber base by 11% and 0.3% respectively compared to Q2'14.

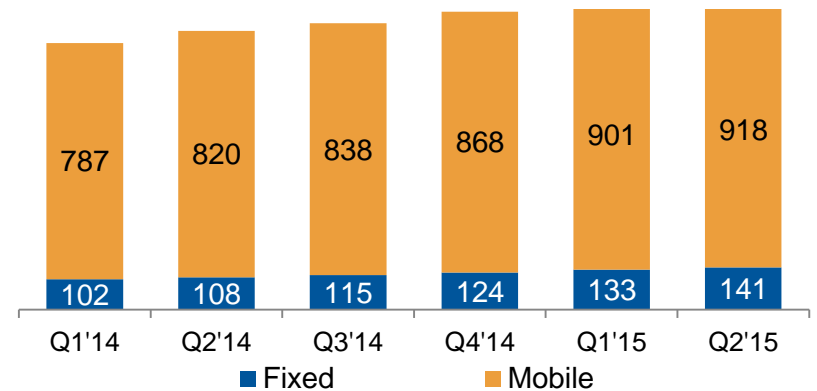
Overall Omantel mobile market grew by 6.4%.

Fixed line and Broadband Subscriber base

Fixed Line Subscribers – In '000s



Fixed & Mobile Broadband – In '000s

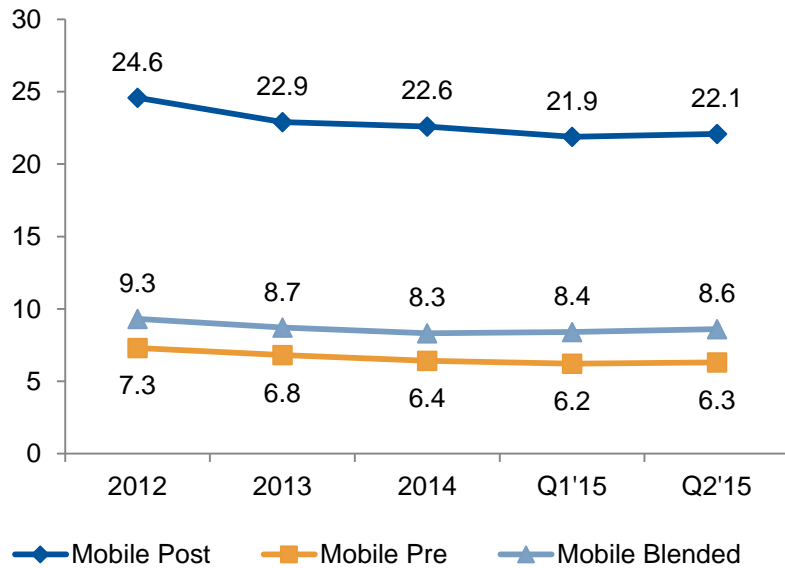


- 1) Fixed line include pre-paid and payphone.
- 2) Fixed Line subscribers recorded a growth of 7.1% compared to Q2'14.

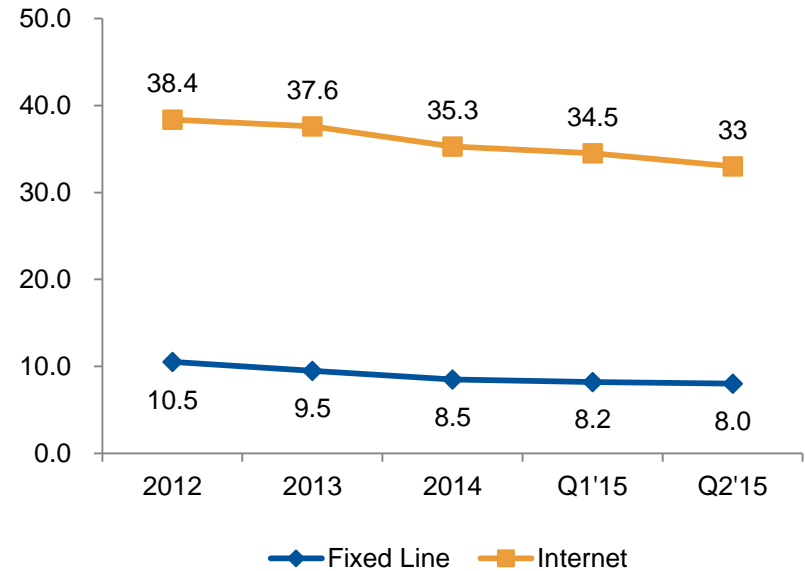
- 1) Mobile Broadband subscribers are unique subscribers subscribed to any one of the packages including Blackberry service.
- 2) Mobile Broadband grown by 11.9% while Fixed broadband increased by 30.4% compared to Q2'14. Combined Broadband Subscribers recorded a growth of 14%.
- 3) Mobile Broadband subscribers including Pay As You Go (PAYG) is estimated at 1.616 Mn as of Jun'15.

ARPU / month for major products

Mobile Services



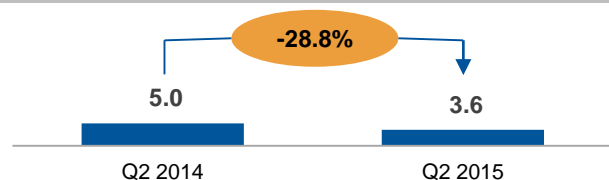
Fixed Line Services



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

Worldcall Performance

Revenue In Mn RO



EBITDA In Mn RO



Net Profit In Mn RO



Highlights

- YTD revenues for 2015 posted RO 3.579 Mn (-28.8%) {-24.5% in PKR} lower than YTD revenues for 2014.
- EBITDA 2015 has declined to RO -1.7 Mn compared to the corresponding period of year 2014. EBITDA margin decreased from -9.6% in 2014 to -46.7% in 2015.
- The YTD bottom line posted a net loss of RO 9.9 Mn as against a loss of RO 4.1 Mn in 2014. Increase in loss mainly on account of unrealized currency losses amounting to Ro 0.5 mn compared to a gain of RO 2.7 mn in the previous period. This was on account of PKR depreciation by 6.2% against US Dollar. Further the tax charge increased by RO 2.5mn mainly on account of reversal of deferred tax assets.
- As announced last year, most of the turnaround strategies are in place and the management are closely monitoring the performance.

Presented by



- Mr. Talal Said Al Mamari, CEO
- Mr. Abdullah Saif Al Hosni, Acting CFO
- Mr. P.G. Menon, GM Strategic Finance
- Ms. Bushra Al Balushi, Manager Planning & Economics

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