Management Discussion & Analysis

Report – Year Ended 31st December 2015

With rapid advancements on technological front and with the intrusion of powerful non-traditional cloud based OTT competitors, telecom operators are rapidly becoming an interconnected medium of data communication over digitalized networks. The widely emerging socio-technological customer behavior supported by increasing device affordability, has led to an explosive demand in data communications & high speed internet over recent years. Operators are coping up with these trends through continued investments in network upgrades, the financial implications which are visibly impacting their profitability, especially in the absence of growth prospects from traditional voice and messaging revenue streams.

Inline with the industrial trends and as witnessed in the Sultanate domestic market, telecom digitization is also changing Omantel's business models. High mobile penetration limiting the customer growth outlook, diminishing growth in of voice and SMS revenue due to OTT services and high growth observed in broadband internet segments defines the recent telecom trend, with Omantel as no exception. Responding to these developments, Omantel now remains more focused on customer experience enhancement, continued upgradation of network and innovative services offerings.

Amidst increasing operational challenges, the year 2015 turned out to be yet another successful year for Omantel. Besides the challenges faced, we are pleased to declare that Omantel Group maintains its position as market leader in both fixed and mobile communications. Driven by our superior quality of service, attractive pricing, innovative offerings, the largest and superior network in Oman, Omantel Group revenue demonstrated solid year-on-year growth of 6.9% in 2015, increasing from to RO 481.2 Mn in FY 2014 to RO 514.3 Mn in FY 2015.

Our customer family continued to grow during 2015, especially in re-sellers, data and internet segments. As at 31st December 2015, Omantel's domestic customer base stood at 3.38 Mn (4.4 Mn including resellers) as against a total customer base of 3.34 Mn (4.06 Mn including resellers) in 2014. This represents a year-on-year growth of 1.3% (8.5% including resellers). Our customer base from resellers surpassed 1 million mark, and closed at 1.02 Mn customers on 31st Dec, 2015.

Omantel continues to stand out among the Sultanate's corporate sector through its high investor grade ratings. We maintained our 'BBB' and 'A3' ratings assigned by Standard & Poor's and Moody's respectively. These ratings are reflective of our strong and sustainable financial position in the Sultanate's fixed line and mobile telephony markets, solid competitiveness, operating performance and above average profitability.

We continued to win international accolades and recognitions throughout the year. These achievements are depicted in the 'Awards' section later.

During 2015, Omantel continued its work towards realizing the laid out "Carrier of Carriers" strategy. Sustainable revenue growth from our wholesale business outside Oman evidences the successful execution of this strategy and the fact that more and more global content players and international carriers select Omantel as their partner to serve the region and beyond.

The deployment of the Asia Africa Europe-1 (AAE-1) submarine cable system, one of the world's largest systems stretching from Hong Kong to Singapore where Omantel is the first GCC operator to land a cable in Europe, is expected to become operational by November 2016. Our wholly owned subsidiary 'Omantel France SAS' is set to provide open access to all AAE-1 partners entering into the European Union.

In addition, the Bay of Bengal Gateway (BBG) cable system, the first cable system in the world connecting Singapore directly with the Middle East (in Oman with Omantel), will also become operational during 2016. BBG will enable Omantel to uniquely offer unchallenged quality between Frankfurt and Singapore. In order to capture the underserved Eastern African market, Omantel commenced working on Gulf to Africa (G2A) cable system connecting Oman with Somalia through. G2A will connect East African region with west and Asia on the same time. G2A is expected to be commercially operational towards end of 2016.

Including the abovementioned, Omantel Group now holds assets in close to 20 submarine cable systems around the world. Our focus in 2016 is to increase the capacity towards Pakistan, Afghanistan and China via a combination of sub-sea and terrestrial network.

Omantel's new strategy "Omantel 3.0" kicked off in 2015, and implementation of the transformation program is currently underway. Core elements of Omantel 3.0 have already been incorporated in the organization's operational and financial planning.

Our strategy entails optimization of revenue generating metrics, expansion into near-core and non-core areas of business, strategic re-positioning of our partnership ecosystem, improve broadband propositions, improve our customers' experience, capturing value proposition from emerging value streams such as Internet-of-Things & ICT, expanding Omantel's global wholesale footprint, transforming our IT infrastructure to build required capabilities etc. Omantel now has a dedicated Transformation office operating with the exclusive objective to ensure optimal implementation of 'Omantel 3.0'.

Industry Structure and Related Challenges

Omantel operates in a market with a young and demographically diverse population scattered over a large geographical footprint. Although the size and value of the Omani telecommunications market has consistently increased over time, penetration rates in Oman for fixed line and fixed broadband services are still below the GCC average. According to the TRA, as at 31st December 2015, fixed line penetration in Oman was 10.1% (based on population), fixed internet services was estimated at 5.5% (measured by population) and 58.7% (measured by households), and mobile penetration was 154.5%.

Dramatic changes in global communications dynamics is taking toll on the operators' legacy business models. Heightened operational challenges such as cannibalization of traditional voice revenue due to IP migration, increasing network upgradation and maintenance expenditure, excessive price rationalization retail and wholesale segments etc., kept both revenue growth and profitability under pressure during 2015.

Challenges faced by Omantel have proven to be persistent in nature and growing with the passage of time. Domestic telecom market in Oman remained highly liberalized during 2015 with multiple operators across fixedline, mobile, and international gateway segments. The country's telecom sector comprises of 2 class-1 mobile operators, 3 class-1 fixed operators, 4 IGW licensees and 1 class-1 maritime operator and, 6 class-2 re-sellers' licenses (3 are currently operational). A new Broadband operator Awaser-Oman has launched its Broadband services in Muscat on the state owned Oman Broadband Company's (OBC) fiber network from the beginning of 2016. As the Sultanate's existing operators plan to utilize OBC's network to reach their customers, this will support operators to not only optimize their independent network expenditures, but also increase overall competitiveness in the market.

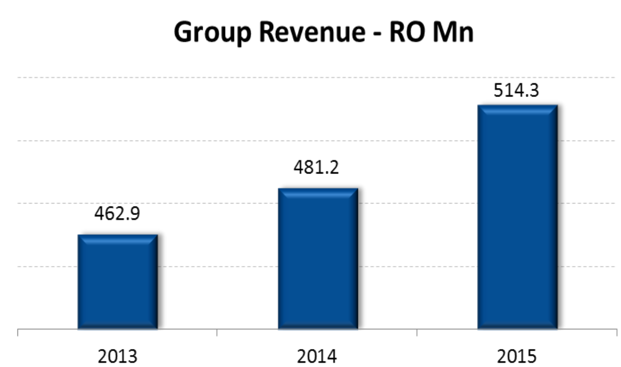
Persistent regulatory enforcements gained further momentum during 2015. Pursuant to the existent controls such as competition framework, separated regulatory accounts, auditing standards and tariff transparency guidelines etc., TRA introduced further regulations in the area of retail pricing. Access and Interconnection regulations are also being finalized, which will strengthen the regulator's role in the wholesale pricing. Accounting separation regulations are being revised to cover mobile markets as well.

Omantel Group Performance – 2015

Omantel Group revenue includes revenues from domestic Fixedline, Internet, Data, Mobile and Wholesale (external admin & Interconnection) services. In addition, Group's revenue includes the operations of Worldcall Telecom Limited (WTL) and Oman Data Park LLC. WTL is a Pakistani telecom services operator providing Wireless Local Loop, Long Distance International Services, Payphones and Cable Television services. Oman Data Park is a locally incorporated subsidiary of Omantel Group providing data center, co-location, cloud and disaster recovery services in the country.

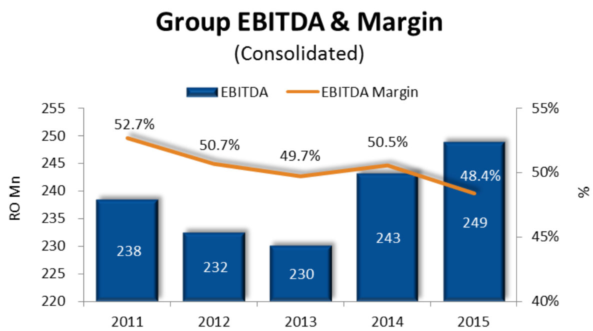
Omantel Group achieved a revenue of RO 514.3 Mn in the year 2015, compared to RO 481.2 Mn in 2014. Parent company contributes 98% of the group revenues.

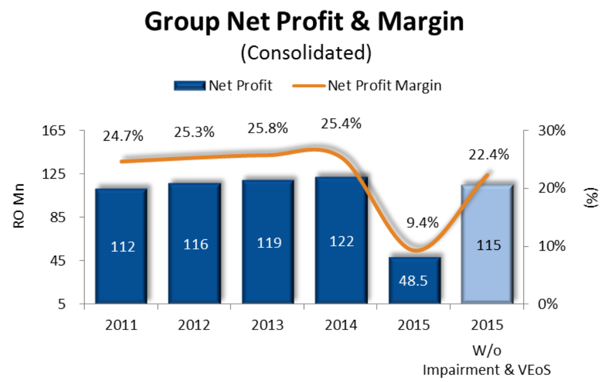
This corresponded to an overall revenue growth of 6.9% during 2015, compared to 4% in the year 2014. Group's revenue growth was mainly driven by Omantel's domestic operations, which itself recorded a growth of 7.3%.



Profitability:

Group's EBITDA (Earnings before Interest, Taxation, Royalty, Depreciation and Amortization) increased from RO 243.2 Mn in 2014 to RO 248.9 Mn in 2015. However, EBITDA margin reduced from 50.5% in year 2014 to 48.4% in 2015.





The group achieved an after tax Net Profit of RO 48.5 Mn for the year ended 31st December 2015, compared to the after tax profitability of RO 122.4 Mn in 2014, a decline of 60.4%. Net Profit has been impacted due to impairment of investment in WTL and Voluntary End of Service (VEOS) program. Prior to the impact of these 2 events, the Group achieved a Net Profitability of RO 115 Mn. The impairment charge on Worldcall investment was booked at RO 55.1 Mn (net of minority interest & taxes) at group level.

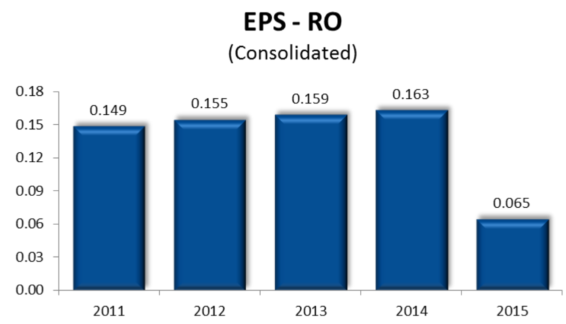
Resultantly from the aforementioned 2 events, the Group's Net Profit Margin also declined from 25.4% as recorded in 2014, to 9.4% in 2015. However, excluding the impact of impairment, foreign currency loss, and VEoS, the net profit margin of the Group remained at 22.4%.

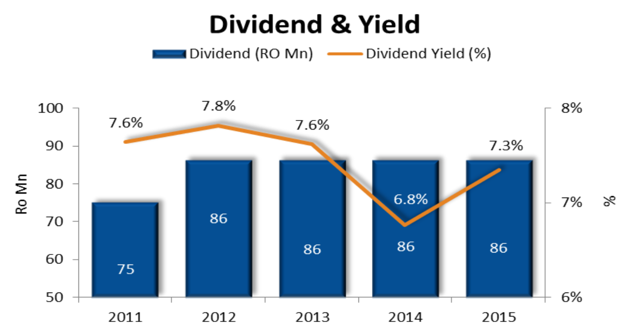
As part of the cost optimization strategy, the group has initiated the implementation of the 4th phase of the Voluntary End of Service (VEoS) program covering 266 employees of its parent company. Total cost of the program is estimated at RO 12.6 million, which has been provided in Year 2015 accounts in line with International Financial Reporting Standards. Implementation of VEoS will be spread over 7 quarters commencing from Q1'2016.

EPS, Dividend & Yield:

Owing to the operational pressures experienced during the year and pursuant to the overall reduction in net profitability, Omantel's EPS dropped from RO 0.163 in 2014 to RO 0.065 in 2015. It is noteworthy to reiterate that EPS for 2015 has been severely impacted due to impairment WTL investment & cost of VEoS program.

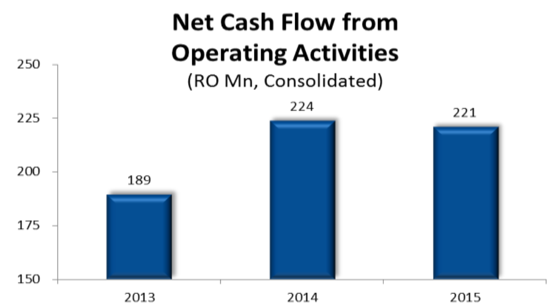
The Group continues to maintain a healthy shareholder relationship with a lucrative dividend distribution policy. In line with the dividends declared in the previous years, a dividend of RO 86.25 Mn has been assumed for 2015, which amounts to 115% of the share capital. As at 31st December 2015, Omantel share price closed 8% lower in value at RO 1.6, compared to RO 1.7 as of 31st Dec'14.



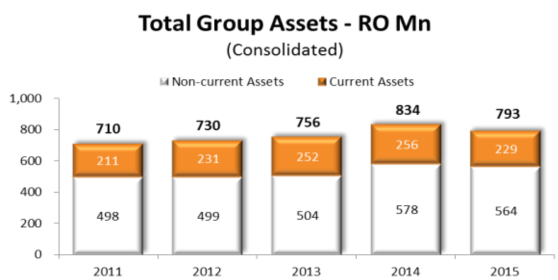


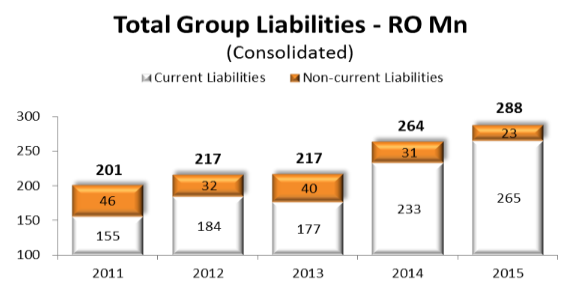
Omantel has been generating sufficient cash though its domestic operations to comfortably meet its working capital and capital expenditure requirements.

Net cash flow generated from operating activities amounts to RO 220.7 Mn, which is 43% of revenue.

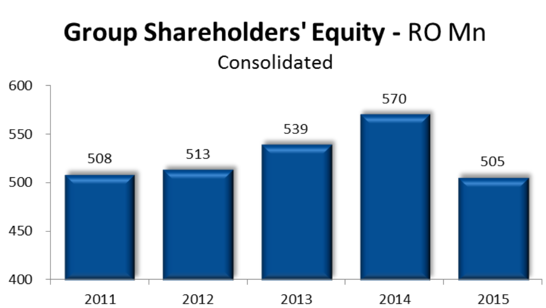


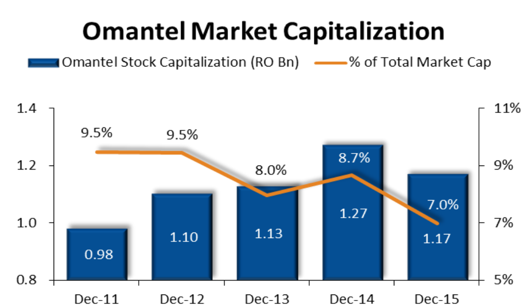
Financial Position:



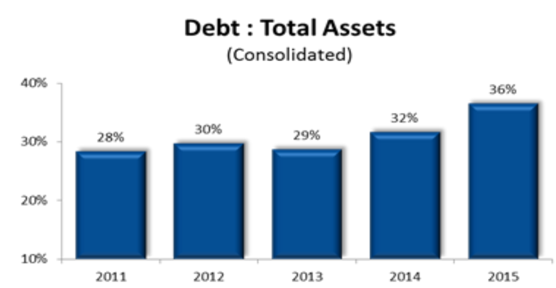


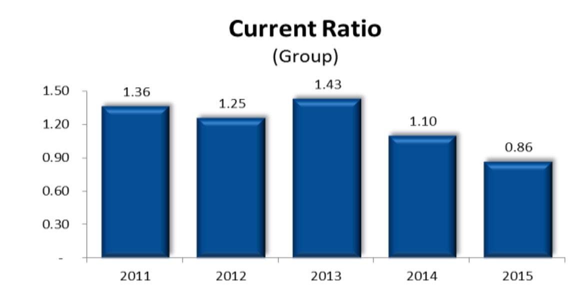
The overall assets of the Group depict a strong financial position, at the backdrop of Omantel's committed investments in its network in both mobile and fixed line services. Fixed assets (including intangible assets), principally telecom equipment and facilities currently account for 62% (up from 59% in FY 2014) of the Group's overall asset base.





Group's consolidated shareholders' equity posted a decline of 11.4% over 2014. The Shareholders' equity decreased from RO 570.1 Mn in 2014 to RO 505.4 Mn in 2015. Omantel's market capitalization stood at RO 1.17 Billion as at 31st December 2015, down from RO 1.27 Billion at the corresponding date in 2014. This accounts for 7% of the overall market capitalization of Muscat Securities Market.





The Group's Debt to Total Assets ratio was recorded at 36% as at 31st Dec 2015, compared to 32% on the corresponding date in 2014. The Group's current ratio was recorded at 0.86, representing a healthy liquidity position.

Performance of Parent Company

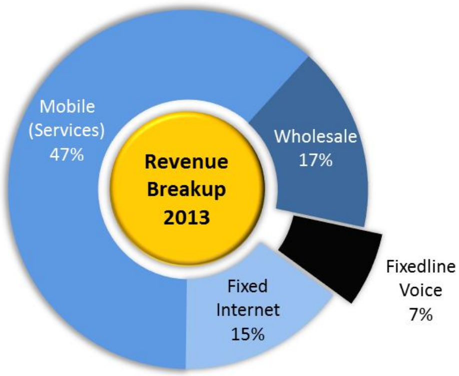
Despite the challenging operational environment as discussed earlier, Omantel's parent company demonstrated an overall positive performance underlined by both customer and revenue growth. Omantel's Parent company revenue posted a growth of 7.3% (RO 34.5 Mn) during the year 2015, over the revenue generated in 2014. Omantel achieved a revenue of RO 503.7 Mn in the year 2015, compared to RO 469.2 Mn in 2014.

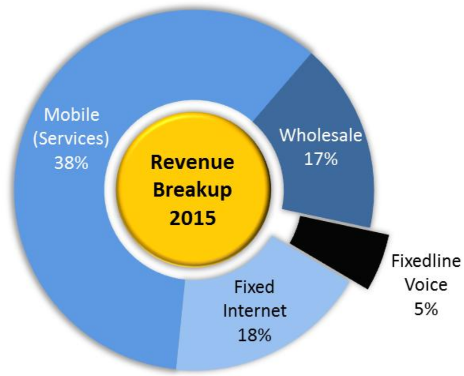
Parent's domestic revenue growth was mainly driven by growth in mobile services, fixed & mobile data and broadband internet segments.

Financial year ended 31 December (Domestic Operations)				
Fig in RO Mn	**2012**	**2013**	**2014**	**2015**
Fixed line services	32.2	30.0	27.5	25.9
Internet and data services	58.7	68.2	80.7	91.3
Mobile services	270.0	275.8	281.2	300.7
Wholesale (In payment + Interconnection+ capacity sale)	70.5	74.6	79.7	85.8
Total services revenues	**431.4**	**448.6**	**469.1**	**503.7**
Growth %		4.0%	4.6%	7.4%

The growth in total revenues in the recent years is mainly driven by the increase in Broadband revenue resulting from growth in both mobile and fixed broadband business. Fixedline voice business continues to persistently decline, mainly due to a constant fixed to data & mobile substitution. The Fixed and Mobile Business retail revenues recorded a growth of 8.3% and 6.9% respectively. The growth is mainly driven by Broadband revenues, which witnessed an overall increase of around 21.7% (fixed & mobile broadband combined).

Broadband data revenue contributed 38% of Fixed and 36% of mobile retail revenues in the year 2015, compared to 33% and 31% respectively in 2014

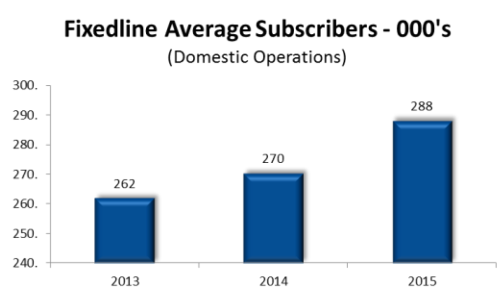


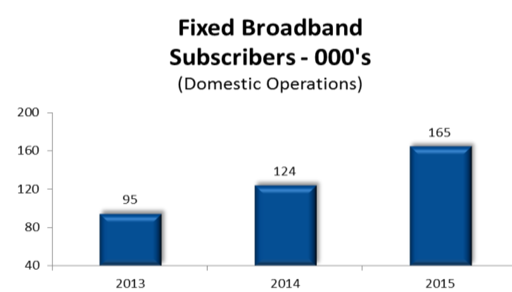


Revenue and Subscribers:

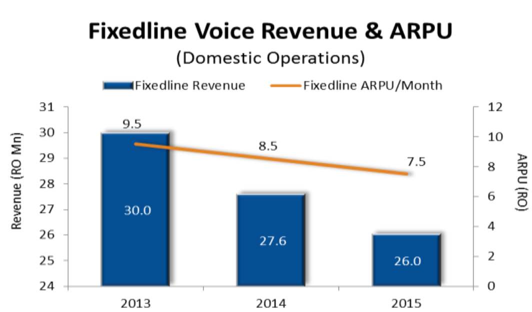
Fixed line Business:

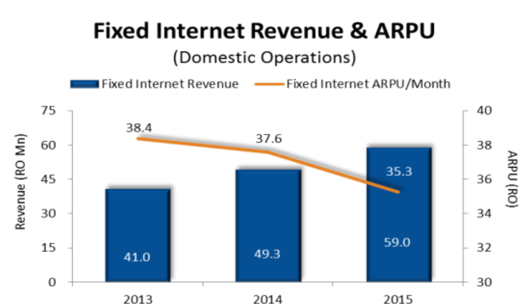
Fixed line Business includes national and international fixed line voice (post and pre-paid) and prepaid cards (Jibreen) and payphones (Al Multaqa). Average fixed line subscribers posted an overall growth of 7% over 2014, and an y-o-y increase of 26k subscribers during 2015. Higher growth however, is witnessed in the fixed bundled broadband services. Fixedline internet subscribers comprising of Broadband, Internet dedicated and dialup, posted a healthy growth of 31% mainly driven by fixed broadband (FBB), and achieved an increase of 40.6k subscribers during 2015 compared to a net increase of 28k subscribers during the year 2014.





The ARPU for the fixed line segment has been derived based on the revenues generated by all fixed line users, including payphones. The ARPU of the fixed line segment continued to decline during 2015. Average fixed line voice ARPU declined by 11%, i.e. from RO 8.5 per month in 2014 to RO 7.5 per month in 2015.



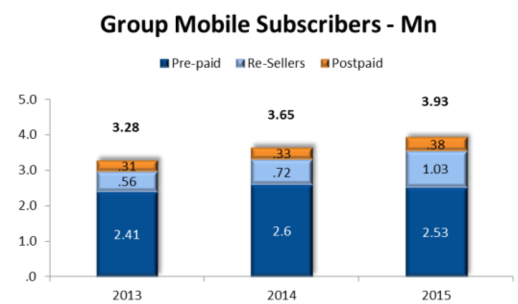


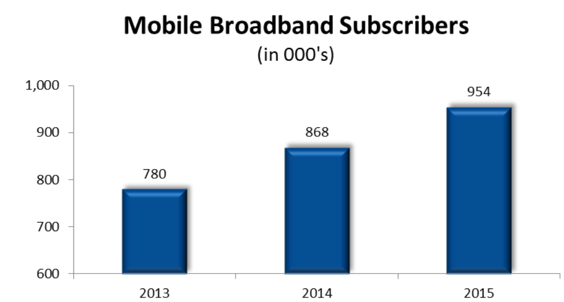
Overall revenue from Internet services (internet dialup, fixed broadband, internet dedicated) posted a healthy growth of 20% during 2015 mainly driven by Broadband growth. However, the ARPU in this segment has declined by 7.8%; Fixed Broadband subscribers increased by 32.6% reaching 164.6k in 2015 compared to 124.1k in 2014. Fixed internet ARPU for is driven from revenues generated by all Internet services.

Mobile Business:

Mobile service includes postpaid, prepaid and other value added services. Omantel's mobile customer base (including Resellers) continued to grow during 2015 i.e. an increase from 3.65 Mn subscribers in 2014 to 3.93 Mn subscribers in 2015.

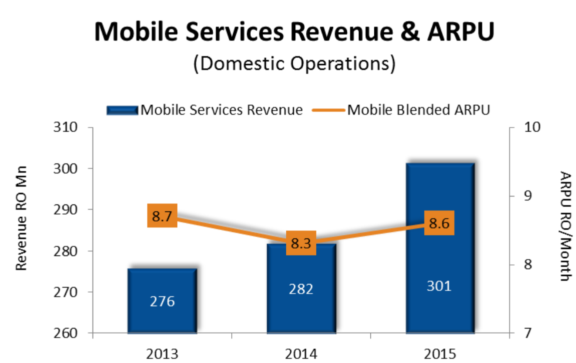
However, subscriber growth remained under pressure as country's market saturated further, competition continued to intensify and customer demographics are changing in favor of those operators targeting low income customer group (i.e. mobile resellers).





The mobile segment has been the primary growth driver of the Omantel revenues over the past several years.

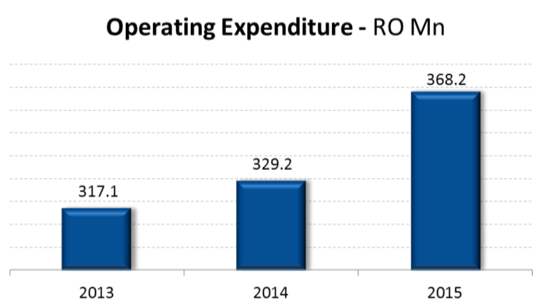
Omantel mobile retail revenue accounted for 59.7% of total domestic revenue in 2015. Given the relatively higher growth in the revenue compared with previous years, the blended monthly mobile ARPU increased from RO 8.3 in 2014 to RO 8.6 in 2015, a growth of 3.5%.

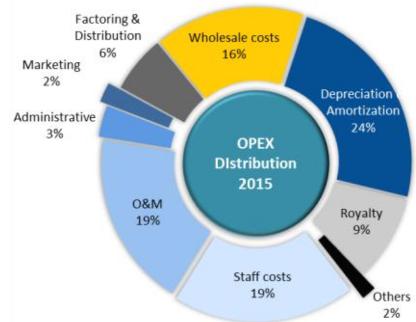


Operating Costs:

Total operating expenses ('opex') of the Omantel amounted to RO 368.2 Mn in 2015, i.e. an increase of RO 38.9 Mn over 2014. As a percentage of total service revenue, the Opex to revenue ratio increased from 70.2% in year 2014 to 73.1% in the year 2015.

Evolution of domestic operating expenditure over the years





The increase in operating expenditure was posted mainly due to the increase in wholesale costs, depreciation, O&M, royalty and staff costs.

Financial year ended 31 December	*Figures in RO Mn*		
Omantel Parent Opex	**2013**	**2014**	**2015**
Staff costs	63.7	66.4	70.5
O&M (including IRU)	57.9	61.3	74.3
Administrative	9.0	9.6	12.7
Marketing & Advertising	7.0	6.7	7.8
Factoring, Collection & Distribution	22.6	22.9	22.5
Charge of impairment of receivables	-	0.3	1.4
Total Controllable Opex	160.1	167.2	189.1
Cost of content services	2.3	2.9	3.4
Cost of Roaming operator	5.5	4.6	6.2
External Administration	29.7	30.8	30.3
Interconnection expenses	13.8	13.5	13.5
Depreciation & Amortization	72.3	74.9	87.7
Annual License Fees to TRA	2.9	3.9	4.4
Royalty	30.5	31.5	33.6
Total Uncontrollable Expenses	157.1	162.0	179.1
Total Operating Expenses	**317.2**	**329.2**	**368.2**

Staff Costs:

Staff costs include salaries and allowances, social security costs, end of service benefits, and other benefits. Staff costs have recorded a 6.2% increase compared to Year 2014 due annual increments as per the law.

Operating & Maintenance expenditure

Operating & Maintenance ("O&M") expenditures increased by 16.9%, mainly due to increase in cost of sales which is in line with increase of related revenue and satellite channel and frequency charges.

Administrative expenditure

Administrative expenses have increased by 31.9%, mainly for payment to TRA and consultancy costs on new Corporate Strategy and Spend optimization initiatives.

Depreciation

Depreciation Increased by 17.7%, mainly due to increased investment in network expansion and modernization of both mobile and fixed networks to meet the growing demand of broadband services.

Royalty charges

Royalty charges recorded an increase of 6.5% compared to Year 2014 which is in line with the increase in revenue.

Investment income

Investment income decreased by 80%, mainly due to investments valuation at market price. This is evident from the economic slowdown of global market in Q4 of 2015.

Investor Rating:

Omantel maintained its investment grade financial ratings during the year 2015, as assigned earlier by Standard and Poor's at 'BBB', and 'A3' by Moody's. Our ratings are reflective of our continued financial and operational strength demonstrated throughout the year.

Internal Control Systems and their Adequacy:

The company has internal control systems and processes that provide reasonable assurance of effective and efficient operations, internal financial control and compliance with laws and regulations. Internal controls comprise of operational procedures, segregation of duties, periodic reconciliations and formal policies and procedures that facilitate complete, accurate and timely processing and recording of transactions and safeguarding of assets.

The Management receives independent feedback from the reports issued by Internal Audit of the Group, Statutory Auditors and the State Audit Institution on the adequacy of the internal controls and continues to strengthen the internal control weaknesses. Also, as part of the internal control, the company has a defined authority manual and processes, which are followed across the organization. Internal controls are generally adequate for established activities and services. Internal controls are periodically tested, reviewed and enhanced.

Omantel Group Subsidiaries:

Worldcall Telecom Limited:

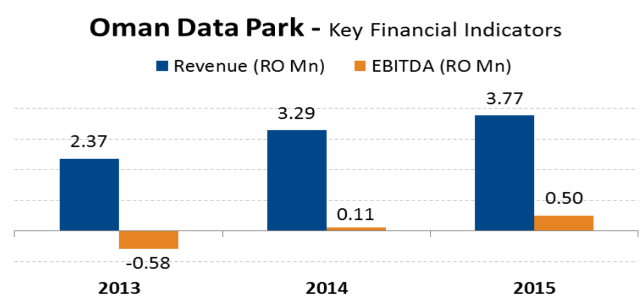
Worldcall posted a total revenue of RO 7.2 Mn in 2015, i.e. a decrease of 19.3% over the revenue in 2014. Decline in revenue is mainly contributed by decrease in LDI business. During the year, operating expenses of WTL increased by 15% to RO 20.5 Mn compared to RO 17.8 Mn in 2014. The company has incurred a net loss of RO 22.5 Mn in 2015 (out of which RO 12.8 Mn being Omantel's share), compared to a net loss of RO 14.0 Mn (out of which RO 7.9 Mn being Omantel's share) in FY 2014.

On the way forward, Omantel management is working with WTL management on various strategic options.

Oman Data Park:

Since its incorporation in 2012, our Group subsidiary Oman Data Park has been continuously posting solid topline growth.

Oman Data Park is providing disaster recovery, business continuity and cloud based IT services to the domestic corporate sector. Omantel holds 60% shareholding in ODP.



We are pleased to report that ODP has reported a healthy revenue growth and a positive EBITDA of RO 496k for the year 2015. The Company posted a revenue of RO 3.8 Mn in 2015, up from RO 3.3 Mn recorded in 2014. The current operational and financial indicators, as well as the outlook of ODP growth are promising for a newly incorporated venture.

Group Achievements & Awards

Omantel continued to gain recognition across several international and domestic forums, and won following accolades during 2015:

- *Best Contact Centre Experience award at 4th annual Customer Experience Management in Telecoms Middle East Summit, held in Dubai in April 2015*
- *Excellence award in Employee Engagement presented at the 4th HR International conference held in London and MENA Excellence Award organized by NASEBA held in Dubai in May 2015*
- *Best Performing company in Muscat Securities Market (MSM) by Oman Economic Review for the 10th consecutive year*
- *Most Trusted Brand in the Telecom Sector in the Sultanate by Oman Economic Review. Omantel also maintained its position as Oman's Most Valuable Brand, according to a study published by Brand Finance, one of the world's leading intangible assets and brand valuation independent consultancies. Omantel moved 8 positions upwards to become 33rd among the 50 most valuable brands in MENA region with a total value of $479 million*
- *Leading Corporate for Investor Relations and Best Investor Relations Professional in Oman awards, at the 7th Annual Middle East Investor Relations Society (ME-IRS) award ceremony held in Dubai*
- *ISO9001 certification for consistently delivering outstanding levels of service within its Corporate Customer Services division*
- *Golden Gear Award by the Ministry of Sports Affairs as the most "Outstanding Supporter of Sports" in Oman*

- *Talal Al Mamari, CEO recognized as the CEO of the year by Alam al Iqtisad Wa al Aamal (AIWA) magazine*

Trends, Opportunities, Threats & Outlook

The global shift of telecommunications towards IP & data has not only created new business opportunities for the operators, but has also severed the value generation from conventional voice streams on the other hand. Reliance on growth through traditional revenue streams (voice and messaging) does not remain a feasible option anymore. Additionally, extensive liberalization of the sector coupled with increasing penetration rates is exerting tremendous pressure on subscriber growth.

Legacy communication behavior is rapidly shifting from traditional products (e.g. voice & SMS) towards those build around data consumption. With the advancements in VoLTE technology platforms over IP networks, the share of conventionally high margin voice and SMS business is continuously declining.

Operators' growth is now observed mainly in IP traffic, which itself is dominated by an entirely new breed of cloud based global OTT competitors. IP services (especially voice based) of these OTT operators are cannibalizing legacy business streams faster than ever. Although, traditional voice and messaging services will continue to exist going forward, competition with OTT services over IP networks will keep eroding the utility of these services – and customers' willingness to pay for them. This has been proven by the fact that Omantel's (and all other regional operators') traditional voice and messaging revenue have posted decline over recent years.

Technological advancements ranging from fast evolving device ecosystems to more digitalized networks, have enabled consumption of data at enormous volumes and speeds. To cope up with the exploding data demand, Omantel is also undertaking persistent capex spending on network and technology up gradation. These trends, coupled with heightened regulatory pressures on pricing, coverage, quality, and shrinking growth potential due to market saturation etc., has made it difficult for the operators to maintain their historic growth trajectory as experienced a decade ago.

Amidst all the threats and challenges, exist tremendous growth opportunities in the evolving segments such as IoT, IPTV, ICT, M2M etc. As commercial, industrial and socio-cultural environment is rapidly digitizing, governments and businesses are more focused on digital transformation. Device ecosystems are rapidly evolving towards greater affordability. Telecom operators are re-positioning themselves to serve their customers across these newly defined services. Omantel has also responded to these developments and our newly defined corporate strategy includes exploration of value generation prospects across new internet based segments. A recent example of which is the launch of IPTV services 'Omantel TV+' for our fixed broadband customers.

Device growth is observed in non-traditional indoor entrants such as smart TVs, home and commercial appliances etc. Fixed broadband data is hence poised to remain a major growth driver going forward. Fixed WiFi data consumption is persistently gaining momentum due to factors such as speed, reliability and price. From a recent survey conducted in Europe, it was observed that fixed WiFi traffic dominates data consumption. 81% of all smartphone data traffic was carried over WiFi networks. Similar trends are being observed in Oman and we hence foresee a continued growth in fixed broadband.

Omantel leads the broadband market with the broadest choice, largest coverage and superior quality services across our fixed and mobile networks, and we continue to our network across ADSL, 3G and 4G

LTE technologies. Our effective strategies to sustain fixedline and mobile growth are being continuously re-evaluated to reflect the changing technological trends.

We believe that future growth can only be ensured through enriching our customers' experience. Hence our efforts are focused on expanding and modernizing our already superior network, service differentiation and improved broadband value propositions through innovative bundling.

Outlook:

Given the recent global and regional economic environments, challenges faced by the telecom sector are not different than others. The world's economy is still struggling to recover from the legacies of global financial crisis. Regional economies on the other hand, face a different challenge posed by the ongoing oil price slump.

Over the years, the Sultanate's telecom sector has drawn its growth stimulus from the consistent economic development of the country. However, at the backdrop of recent crash in the oil prices, and in case of any prolonged consistency in the pricing slump, the growth momentum of the national economy as well as performance of the Sultanate's telecom sector would have to be assessed in the broader economic context.

Omantel is not an exception to this broader layer of challenges. However, we proudly report that the Group has successfully responded to these elements and retains its stature as the flagship telecom operator of the country in mobile, fixed and wholesale markets.

In view of the foregoing, when a low customer growth is expected going forward, our strategy remains focused on enrichment of customer experience and retention through continuously improving our network capabilities, adopting innovation and cost efficiencies.

'Omantel 3.0'

Omantel's new strategy "Omantel 3.0" has already kicked off, and the transformation program implementation is underway. Our strategy focuses on revenue generating units as key metrics, expanding into near core and non-core areas and by becoming the key differentiator companion of choice and creator and enabler of digital ecosystems. Our key focus areas for 2016 are:

- Increase relevance of near-core and beyond core services to drive revenue growth in both Consumer and Corporate segments
    - *Focus on new and improved Broadband value propositions, with the aim to monetize data and compensate declines in traditional voice and messaging*
    - *Consolidate strategic advantage in the fixed communication solutions, mitigate threat from competition and increase relevance through positioning and developing the Smart Home ecosystem, i.e. Home Automation, IPTV & content, WiFi, bundled offerings etc.*
    - *Corporate ICT Solutions*
- Strategic positioning of innovation and partnership ecosystem in the organization

- Investments to grow the Wholesale mass infrastructure (submarine cable systems) and to build a diversified service offering leveraging this infrastructure
- Building the required capabilities within Omantel through recruitment of new resources
- Strong focus on extending/modernizing the network to enhance customer experience
- Completion of major IT transformation projects to support the customer experience requirements

Employee Status:

Total number of employees in the group (Domestic Operations) as of Dec'15 stood at 2,689 (2,691 in Dec'14). With total number of Omanis of 2,434, compared to 255 Non-Omani employees, the Group's Omanization achievement stands at 90.5%. Total Male employees accounted for 2,088 at 31st Dec'15, and female employees were reported at 601.

53% of the total employees are aged between 36-50 years, 1,000 are aged between 21-35 years and 10% of the employee force is aged above 51 years.