

Omantel Group Performance 2015

January –September 2015

Presentation to Investor Community
Conference Call

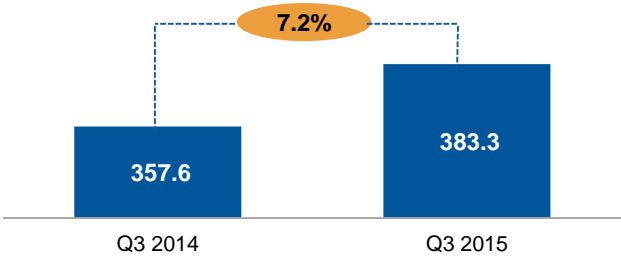
16th November at 2 PM (Oman Time)

عمانتل
Omantel

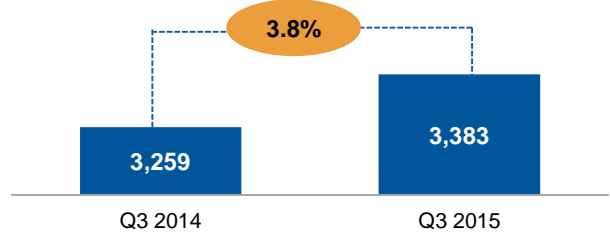
Revenue recorded a growth of 7.2% and EBITDA increased by 4.5%

Revenues & Subscribers growth

Revenue – RO Mn

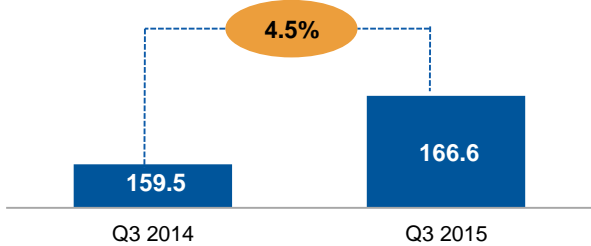


Domestic Subscribers'000s

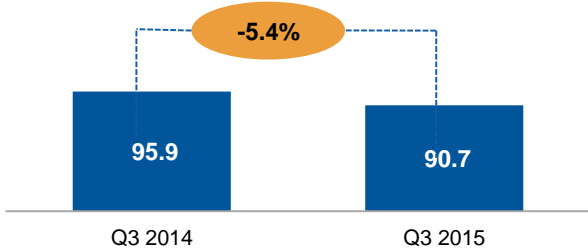


EBITDA & Net Margin

EBITDA – RO Mn



Net Profit – RO Mn



- Group Revenue at RO 383.3 Mn compared to RO 357.6 Mn of the corresponding period, mainly contributed by 7.8% growth in Domestic Operation.
- WTL contribution (international operation) to the total revenue stands at 1.5%.
- Domestic customer base grown by 3.8%
- Continued robust Mobile Subscriber acquisition. Omantel Mobile achieved growth of 8.9%

- Growth in EBITDA by 4.5%. EBITDA as % is 44% compared to 45% of the corresponding period.
- Group Net Profit after tax is RO 90.7 million compared to RO 95.9 million of the corresponding period, a decrease of 5.4%
- Group Net profit margin (after MI) is 24% compared to 27% of the corresponding period.

Continued strong balance sheet with impressive market fundamentals.

Strong Balance Sheet

- Debt Ratio is 31.2% and Gearing at 6.5%
- Group total assets at RO 810 Mn.
- Net worth of RO 557 Mn.
- Net Asset per share is RO 0.751

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 1.211 Bn (Sep'15)
- Price Earning Ratio {P/E 10.02}
- EV / EBITDA 5.45
- Price to Book Value 2.15

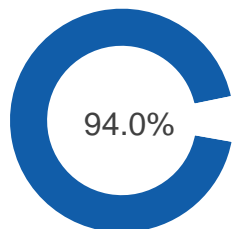
Achievements

- Omantel has been voted for Leading Corporate for Investor Relations and Best Investor Relations Professional in Oman for the year 2015, at the seventh Annual Middle East Investor Relations Society (ME-IRS) award ceremony held in Dubai.
- Omantel has been voted most valuable brand in Oman and trusted brand in the telecom sector by Brand Finance as announced by Oman Economic Review.

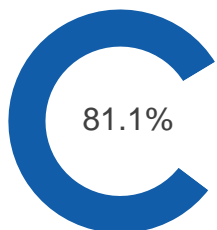
Continued improvement in network coverage and initiatives to improve customer experience

Coverage

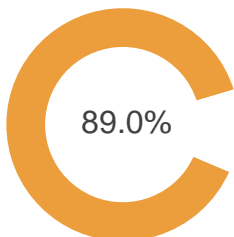
3G (Population)



4G (Population)



Fixed Broadband
(Household)



Q3'2015 Focus area

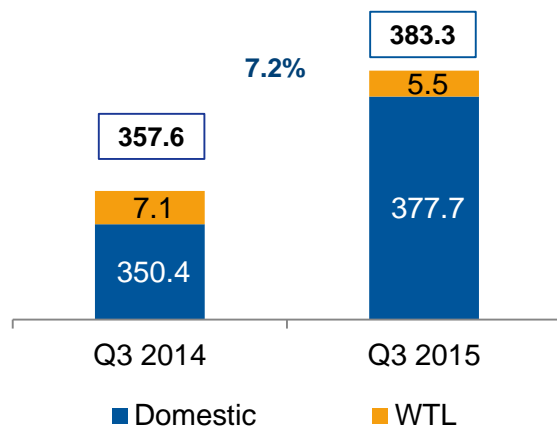
- **Deploying new BPM KIOSK machines** with the advanced features which will improve customer interaction and the touch & feel experience.
- On **developing technical Video tutorial** of Omantel products and services, there has been significant progress and number of videos been developed. Targeted to release number of these videos by the year end.

Launches / Achievements

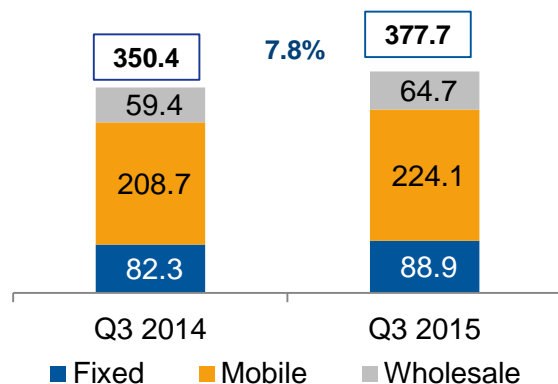
- Launch of **prepaid on-boarding program** to enhance customer experience and engagement
- Launch of **Visitor's pack** for Khareef Season
- Launch of **utility based emergency credit** feature for customers
- Successful pilot for IPTV
- Omantel continued to focus on digitalizing and ease of bill enquiry by enhancing the process for activating the eBill (paperless digital copy of bill).
- **Enhanced IVR payment processing** method which improving the payment tracking feature and efficiency of IVR continuing on the concept seamless payment processing.

Impressive domestic revenue performance and 3 key segments (Consumer, Corporate and Wholesale) achieved revenue growth

Group Revenue RO Mn



Domestic Revenue RO Mn



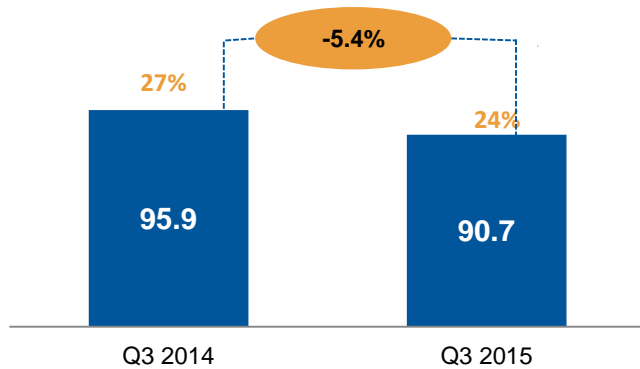
Domestic Highlights

Domestic Revenues increased by **7.8%**, mainly contributed by growth in;

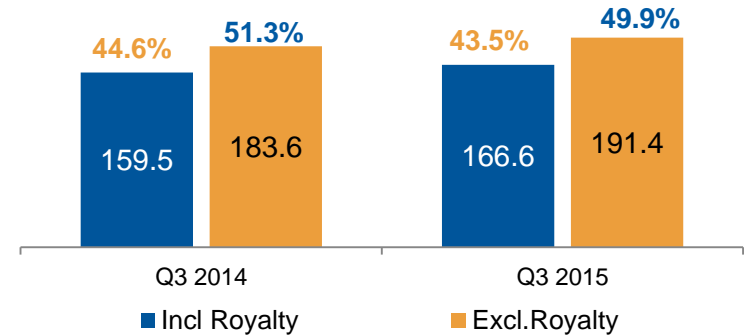
- **8.3%** from Fixed Line Business Retail Revenues (include internet & data).
- **24.8%** increase in Fixed Broadband revenue.
- **25.7%** increase in Mobile Broadband revenue.
- Increase in revenues from all 3 segments;
 - **Consumer by 8.3%.**
 - **Corporate by 5.3%.**
 - **Wholesale by 9.5%.**
- Total Fixed Broadband subscriber growth of 31.3%.
- Growth in mobile broadband subscribers by 13.3%
- 62% Smartphone penetration in Omantel Mobile Network

Net Profit is lower than last year and mainly due to reduction in finance & other income resulting from the steep decline in the carrying value of portfolio investments due to meltdown in the security markets

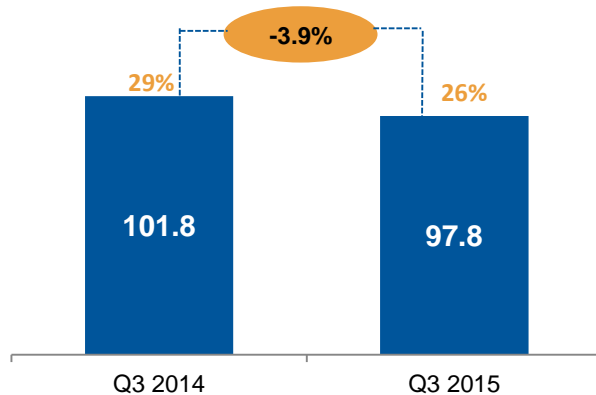
Group Net Profit RO Mn



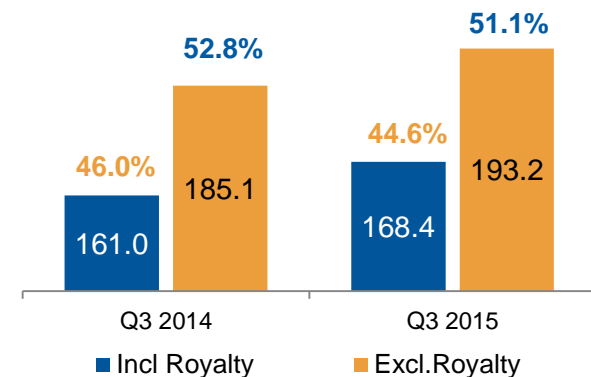
Group EBITDA RO Mn & %



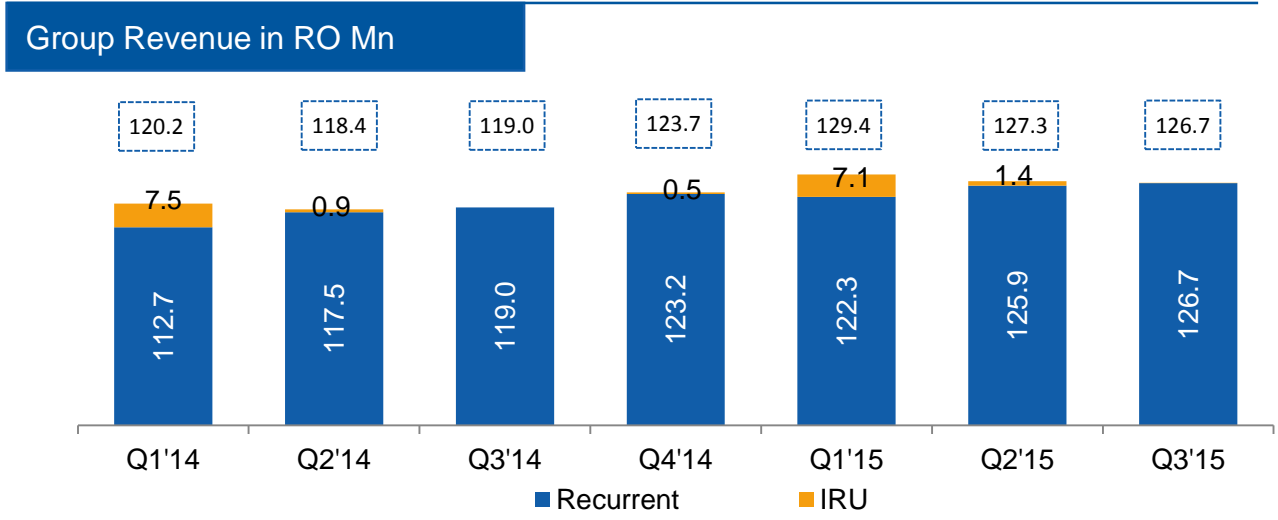
Domestic Net Profit RO Mn



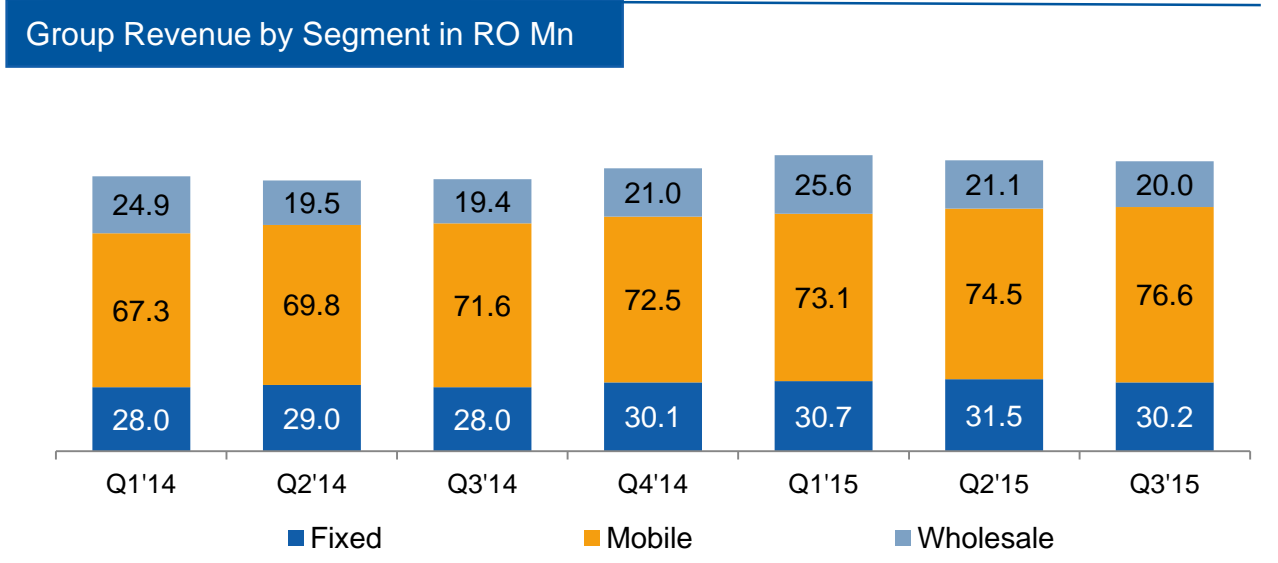
Domestic EBITDA RO Mn & %



Group Revenue - Quarterly Analysis shows overall revenues is highest compared to last 6 quarters.



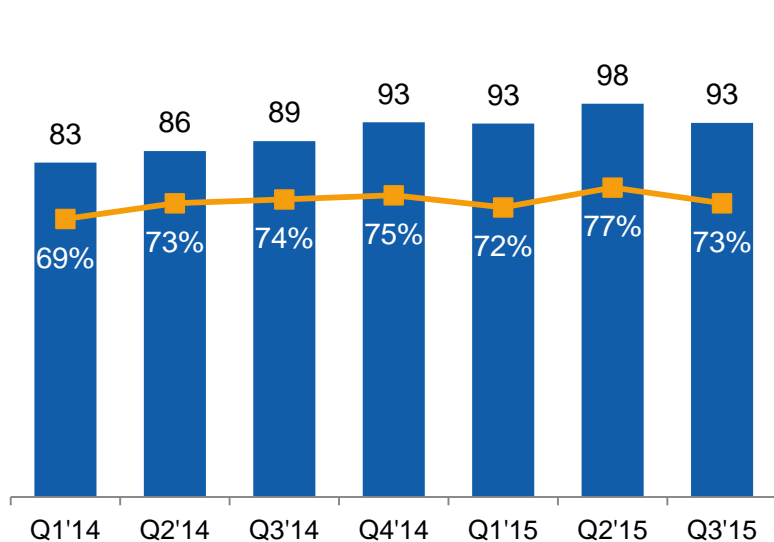
Overall Group Revenue highest in Q3'15
RO 126.7 Mn



Mobile Q3'15 highest at
RO 76.6 Mn
 compared to last 6 Qtrts

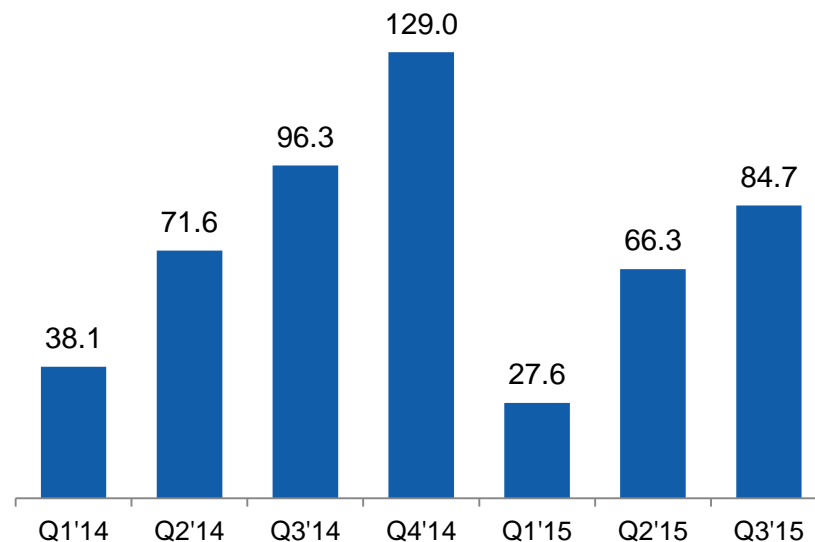
OPEX ratio for Q3'15 is 73% which lower than Q2'15 and Capex ratio is at 22.1%

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



Domestic Opex to Revenue ratio for Q3'15 is 71.9%

Capex Additions (Cumulative) RO Mn

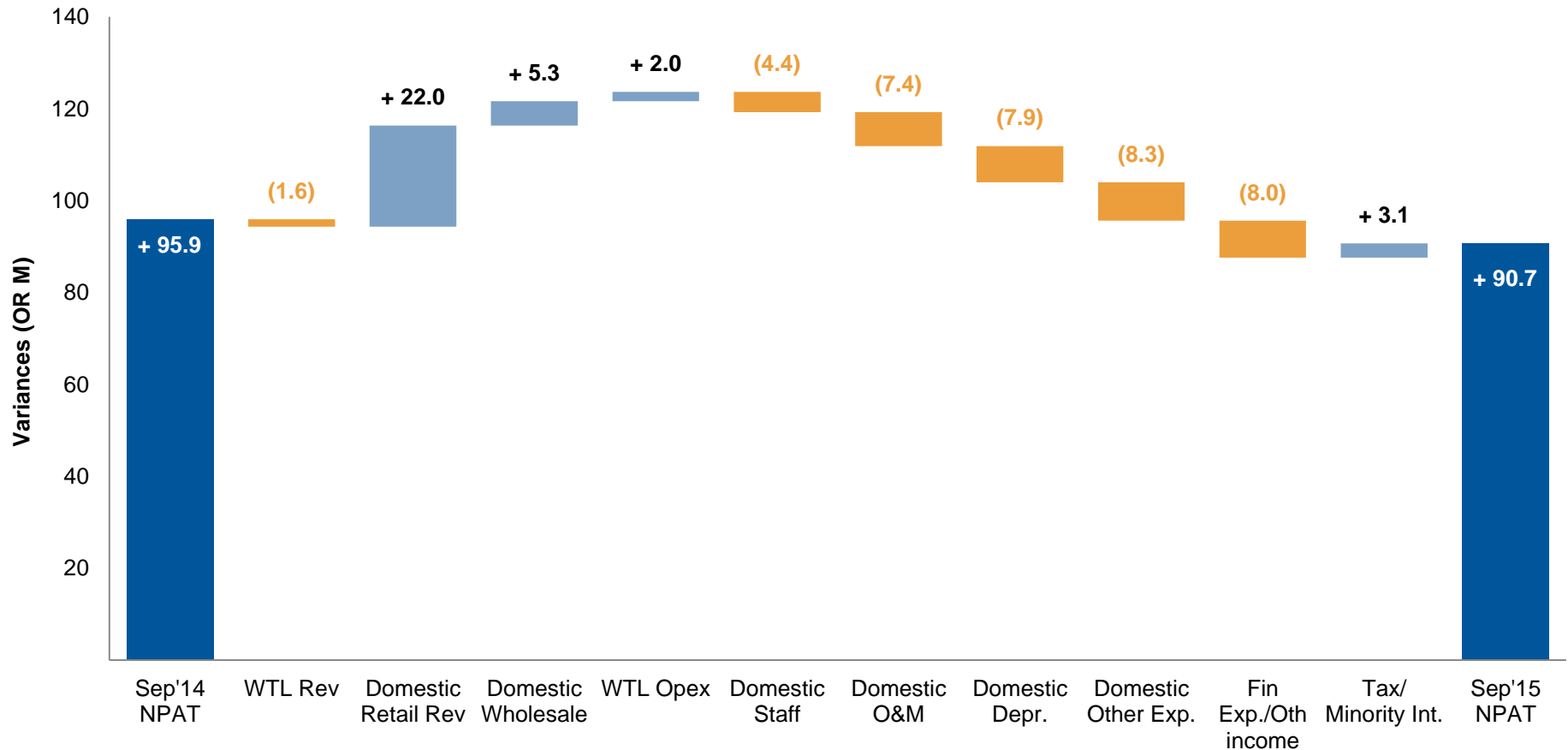


Capex to Revenue ratio is at 22.1%

Omantel 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.

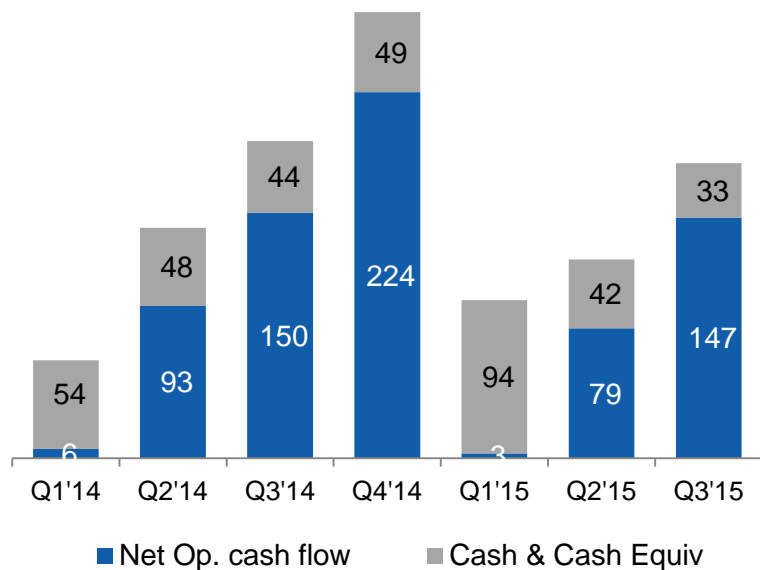
Net profit is lower by 5.2 Mn compared to last year. One of the main reason is impact on Finance & other income amounting to RO 8 Mn

NPAT Actual Variance Including WorldCall (Sep'15 Vs Sep'14) OR -5.2 Mn

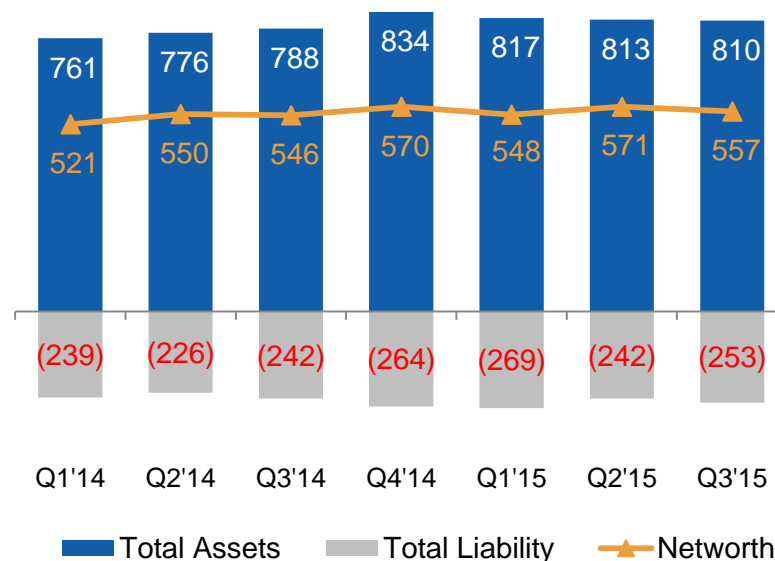


Continued healthy Cash flow and strong Balance sheet

Cash Flow (Cumulative) RO Mn



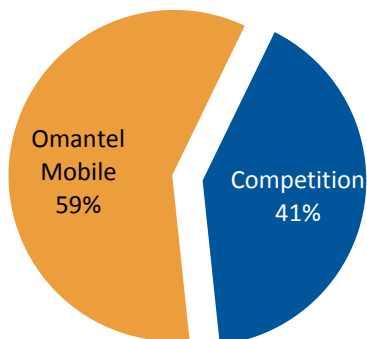
Assets, Liability & Net worth RO Mn



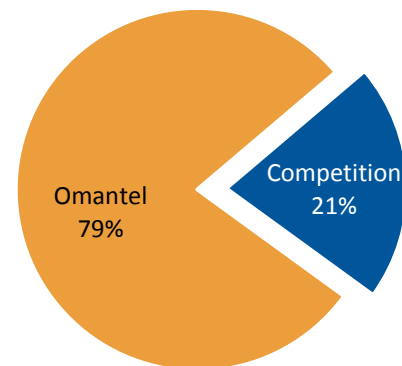
- 1) Operating cash flow before working capital changes is RO 170 Mn which is 44.5% of revenue.
- 2) Cash & Cash equivalent excludes Fixed deposit with banks amounting to RO 38.3 Mn

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

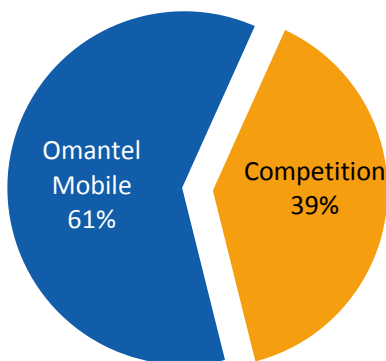
Mobile Subscriber Market Share - (incl. Mobile Resellers)



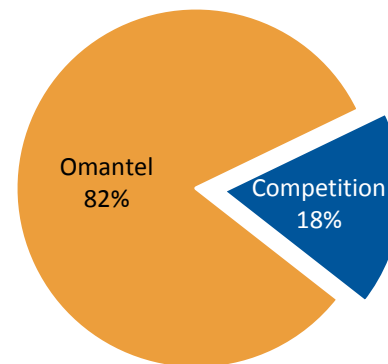
Fixed Line Subscriber Market Share



Mobile Revenue Market Share - (incl. Mobile Resellers)



Fixed Line Revenue Market Share



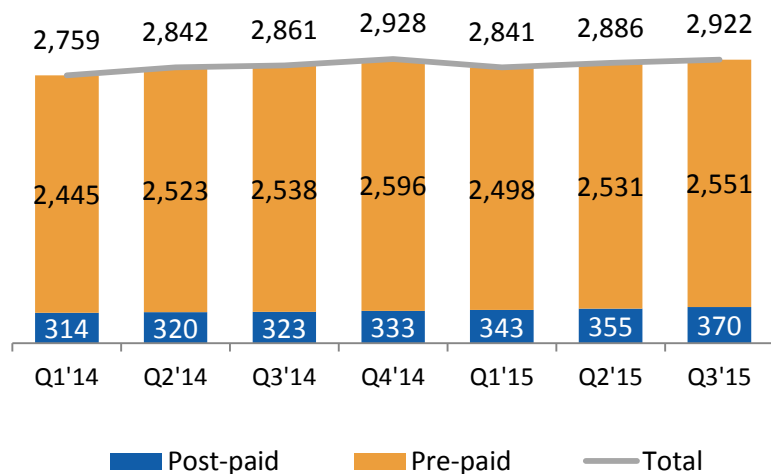
Omantel Mobile (incl Mobile Resellers) achieved a growth rate of 8.9%, net addition is around 316 K.

Omantel achieved a growth rate of 8%, net addition is around 26 K.

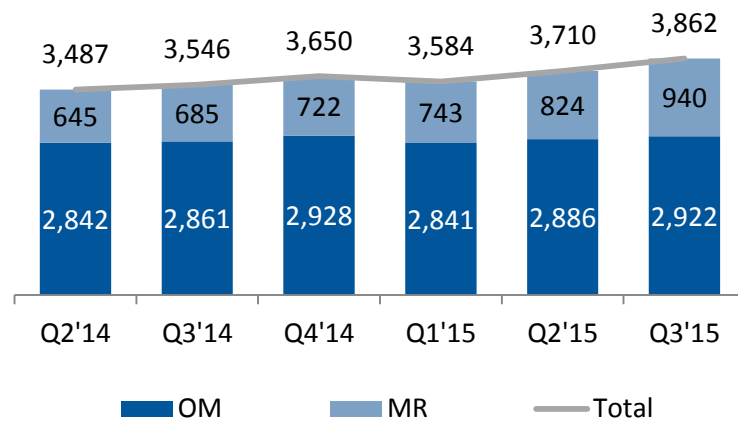
Note: Source as announced by the Operators

Mobile subscriber base – Post paid has achieved 14.7% growth YoY

Oman Mobile Subscribers – In '000s



With Mobile Resellers – In '000s

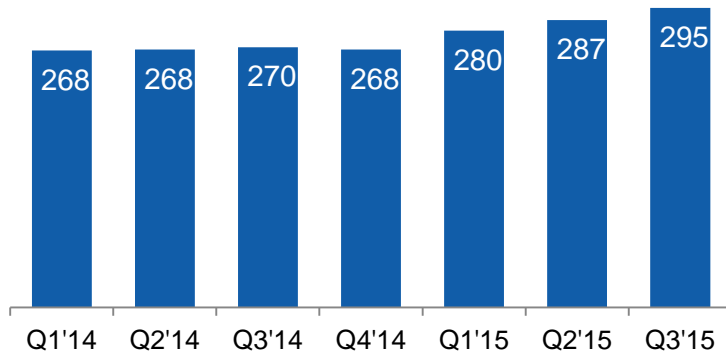


Growth in both post & pre paid Omantel mobile subscriber base by 14.7% and 0.5% respectively compared to Q3'14.

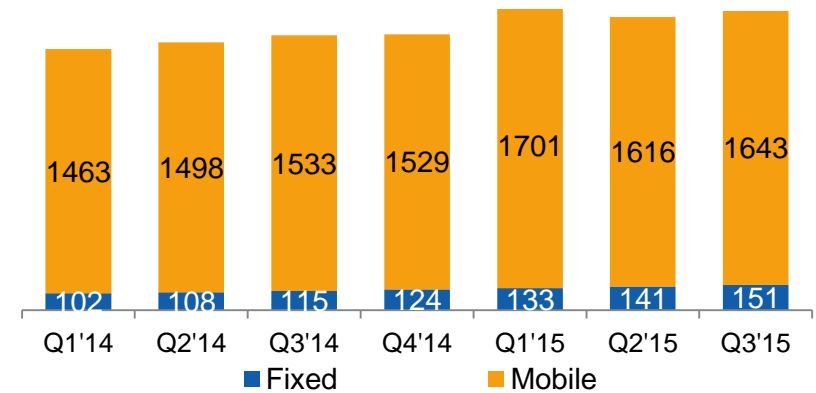
Overall Omantel mobile market grew by 8.9%.

Fixed line and Broadband Subscriber base both fixed and mobile continues its impressive growth

Fixed Line Subscribers – In '000s



Fixed & Mobile Broadband – In '000s

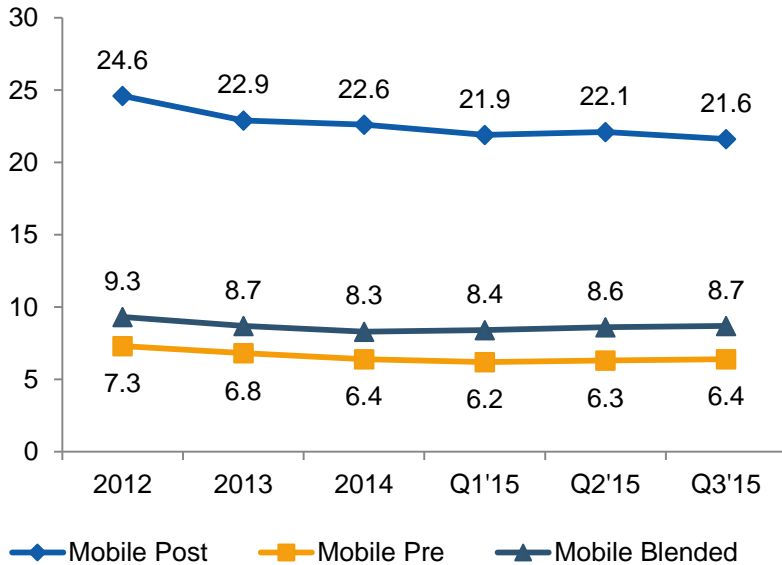


- 1) Fixed line include pre-paid and payphone.
- 2) Fixed Line subscribers recorded a growth of 9.4% compared to Q3'14.

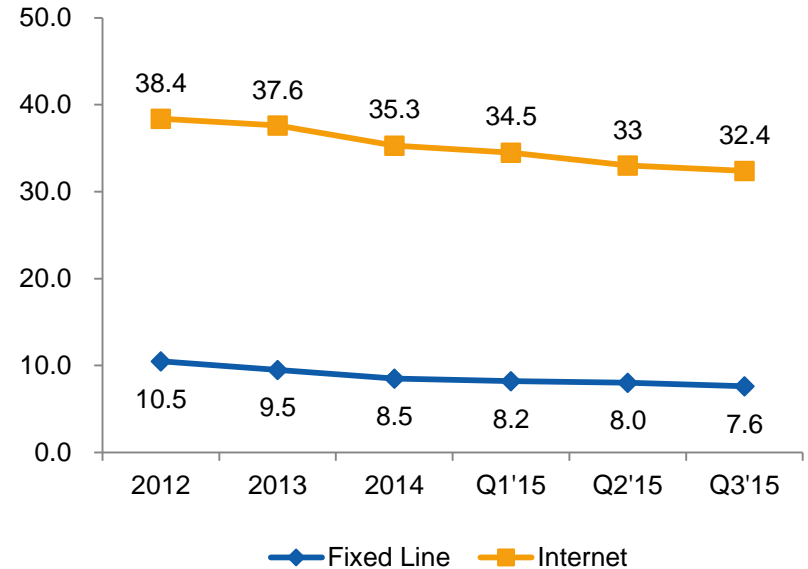
- 1) Mobile Broadband subscribers includes Pay As You Go (PAYG).
- 2) Mobile Broadband grown by 7.2% while Fixed broadband increased by 31.3% compared to Q3'14. Combined Broadband Subscribers recorded a growth of 9%.
- 3) Mobile Broadband unique subscribers subscribed to any one of the packages including Blackberry service is around 950 K as of Sep'15 compared to 838 K, an increase of 13.3%.

ARPU / month for major products

Mobile Services



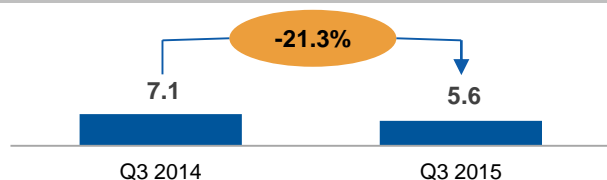
Fixed Line Services



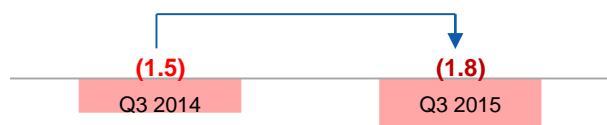
- 1) Fixed line include post & pre-paid and payphone.
- 2) Internet include Broadband and all internet services (dialup post & prepaid, dedicated)

Worldcall Performance

Revenue In Mn RO



EBITDA In Mn RO



Net Profit In Mn RO



Highlights

- YTD revenues for 2015 posted RO 5.615 Mn (-21.3%) {-16.5% in PKR} lower than YTD revenues for 2014.
- EBITDA 2015 has declined to RO -1.8 Mn compared to the corresponding period of year 2014. EBITDA margin decreased from -21.7% in 2014 to -32.7% in 2015.
- The YTD bottom line posted a net loss of RO 12.9 Mn as against a loss of RO 10.2 Mn in 2014.
- In view of the continued losses despite the turnaround strategies, the management is exploring alternative strategies, which will be disclosed in due course.

Presented by

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