

Chairman's Message

Dear Shareholders

On behalf of the Board of Directors, I take pleasure in presenting the 2011 annual results of the Omani Qatari Telecommunications Company SAOG, familiarly known to us all as Nawras.

The past year has been one of marked change. Internationally, the prolonged after-effects of the economic crisis continue to impede global recovery and instil uncertainty, particularly in the Eurozone.

Here in Oman, however, stability has prevailed. A sound and well-managed national economy, buoyed by consistently high oil prices throughout the year, has created a prosperous environment with ample business opportunity. Against this background, Nawras was able to maintain its long-term growth record, returning an operational performance distinguished by improvements across all key benchmarks.

In our first full year as a public company, gross consolidated revenue increased by 4.2 per cent to OMR 196.9 million (2010: OMR 189 million), yielding net profit of OMR 47.5 million after taxation. Earnings per share equated to OMR 0.073.

Taking the latest results into account, Nawras has maintained compound annual growth of 54 per cent in revenue since its formation. This enables the Board to recommend to shareholders a dividend of OMR0.038 per share, representing a yield of 5.8 per cent on the company's share price at the close of 2011, subject to AGM approval in March 2012.

The year's achievements are the fruits of a well-established business strategy that has shaped the company's success over its seven-year existence. We have invested heavily in creating the physical structure necessary to bring the best of modern telecommunications technology to the people of Oman, wherever they live or work. By the end of 2011, we had expanded broadband access to the vast majority of the population; we had become a premier provider of mobile and fixed-line services; and we had connected to our own undersea cable, giving our customers telecoms access to the rest of the world as cost-efficiently as possible.

Our investment in technology and physical assets has been complemented by corresponding emphasis on developing our human capital. Nawras has always been a 'people company' and this outstanding feature becomes more evident by the year. Our employees, our distributors and retailers, our customers, and our suppliers all comprise the extended Nawras family. And we treat each other with the respect that family members deserve.

I am convinced that this principle, which is such an important part of our corporate philosophy, is instrumental in the number of awards and honours that Nawras receives in recognition of its achievements. Of the many such distinctions awarded in the past year, two are particularly noteworthy: Our Chief Executive, Ross Cormack, was named 'Outstanding Leader of the Year' at the TMT Finance & Investment Awards Middle East, and Nawras won 'Best Innovation in HR' at Asia's Best Employer brand awards in Singapore.

Such distinctions, conferred by independent external evaluation, testify to the strength of Nawras' management and the strategies, policies, and practices that guide their work. In this they are ably supported by a thoroughly dedicated team of employees. I

thank them all for their unstinting efforts, and extend my congratulations on their performance in 2011.

As a Board, we are also very mindful of the resources put at our disposal by Qtel Group, our controlling shareholder, providing experience and expertise that represent an invaluable contribution to Nawras' continued achievements.

On behalf of the Board of Directors, I also thank my predecessor, HE Sheikh Salim bin Mustahil Al Ma'ashani, who did so much to make Nawras what it is today. Thanks are also due to all our shareholders and customers for their confidence and support, and I extend our appreciation to the Ministry of Transport and Communication, the CEO and team at the Telecommunications Regulatory Authority, the Muscat Securities Market and the Capital Market Authority for their dependable cooperation and guidance.

In closing, I offer sincere gratitude to His Majesty Sultan Qaboos bin Said, may God protect him. His enlightened leadership has created the environment that has enabled Nawras to become such a leading provider of telecommunication services for the Sultanate's people.

Amjad Mohamed Al Busaidi
Chairman