

Nawras Investor Presentation

FY – Q4 2012 Performance



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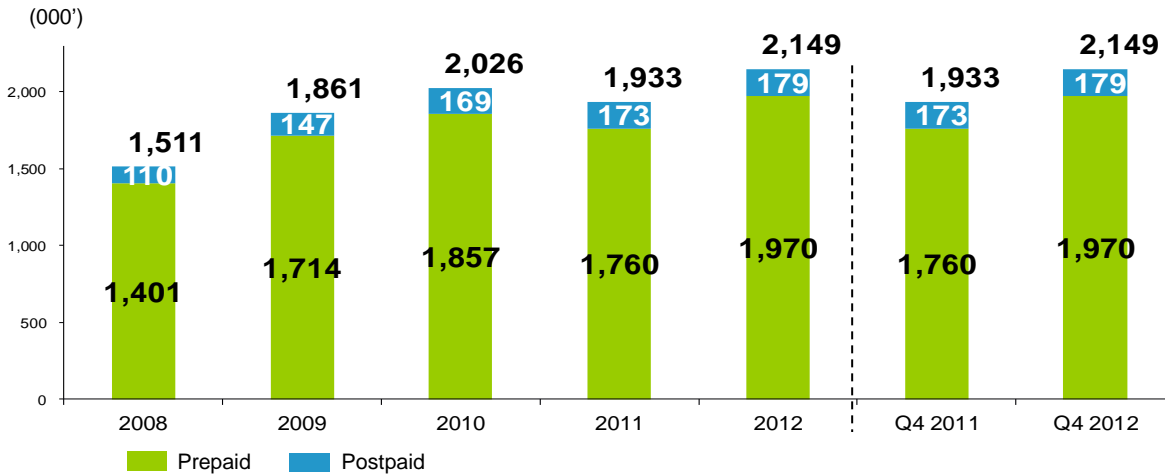
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Performance

Highest Customer net adds since Q3 2010

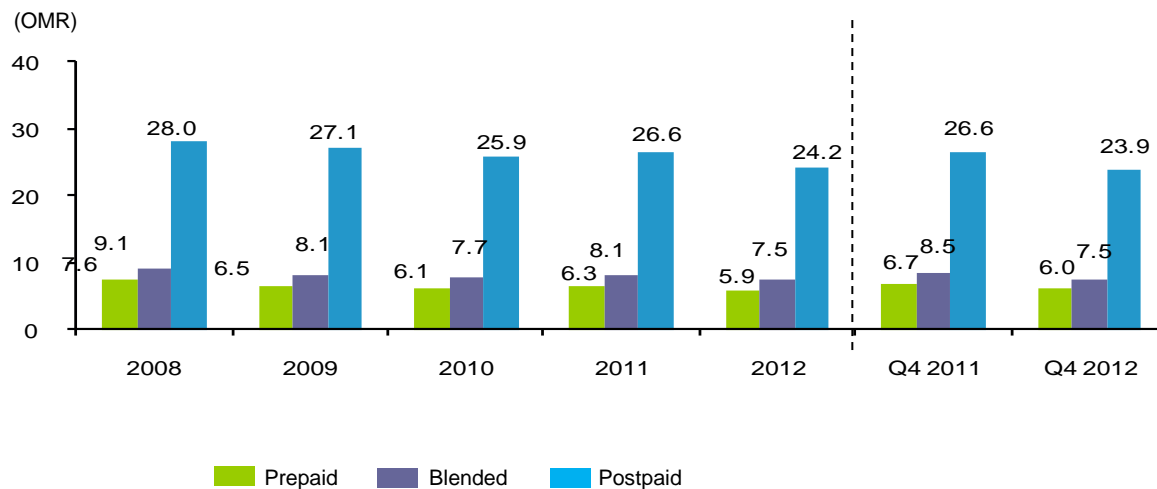


End of period (EoP) mobile customers breakdown



- The mobile post-paid customer base developed by 3.4% to 179,182 compared with 173,274 customers in 2011.
- The mobile pre-paid customer base increased by 11.9% from 1,759,787 in 2011 to 1,969,586 in 2012.

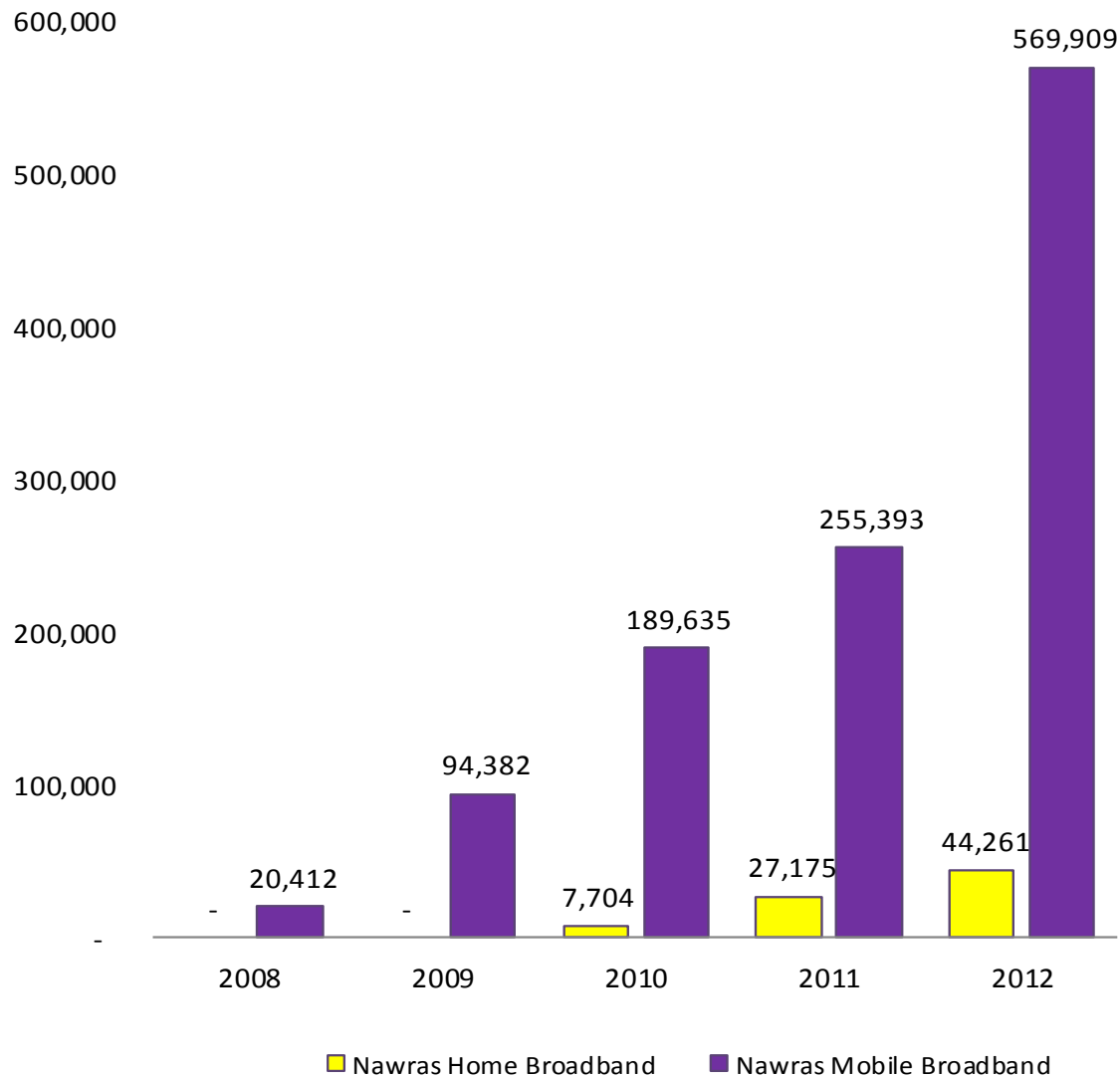
Monthly ARPU - Postpaid, prepaid and blended



- ARPUs were affected by the decline in sms revenue.

Nawras broadband customers

Broadband (Mobile* and Fixed)



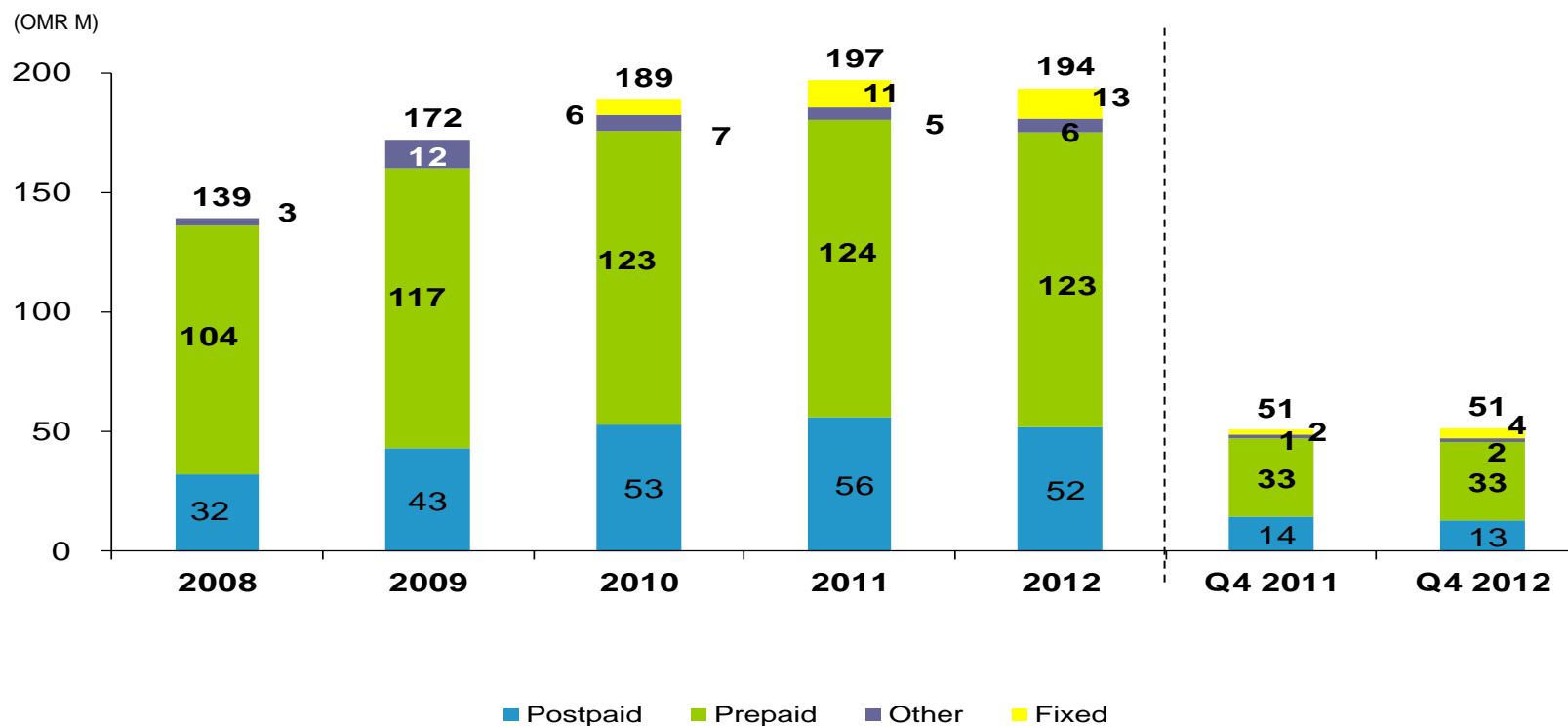
- Fixed service customers grew by 63% Y-Y
- Mobile broadband customers increased by 123% Y-Y.

* Nawras MBB figure doesn't include BlackBerry customers



Financial highlights

Revenue ⁽¹⁾



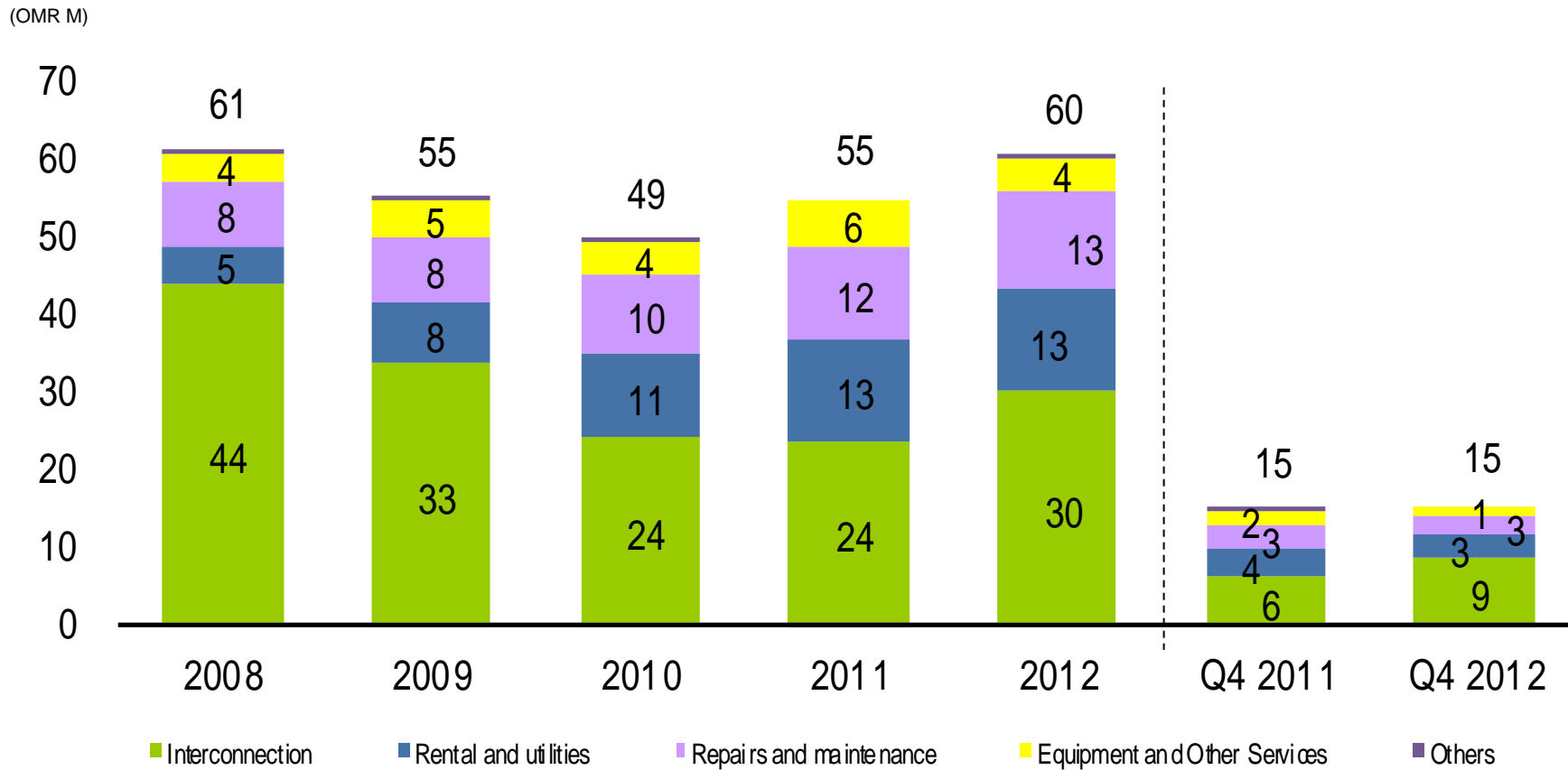
- Nawras reported highest ever quarterly revenue in Q4 2012.
- The decline in full year 2012 revenue is primarily driven by a reduction in SMS and on net voice revenue, partially offset by growth in both mobile and fixed data revenues.

Source Nawras

Notes - (1) Other revenue mainly includes inbound roaming and wholesale revenue from resellers
- Totals may not add up to sum of parts in some cases due to rounding

Key financial drivers

Operating expenses



- Increase in international interconnect due to higher international minutes driven by 0902 offer.

Source
Note

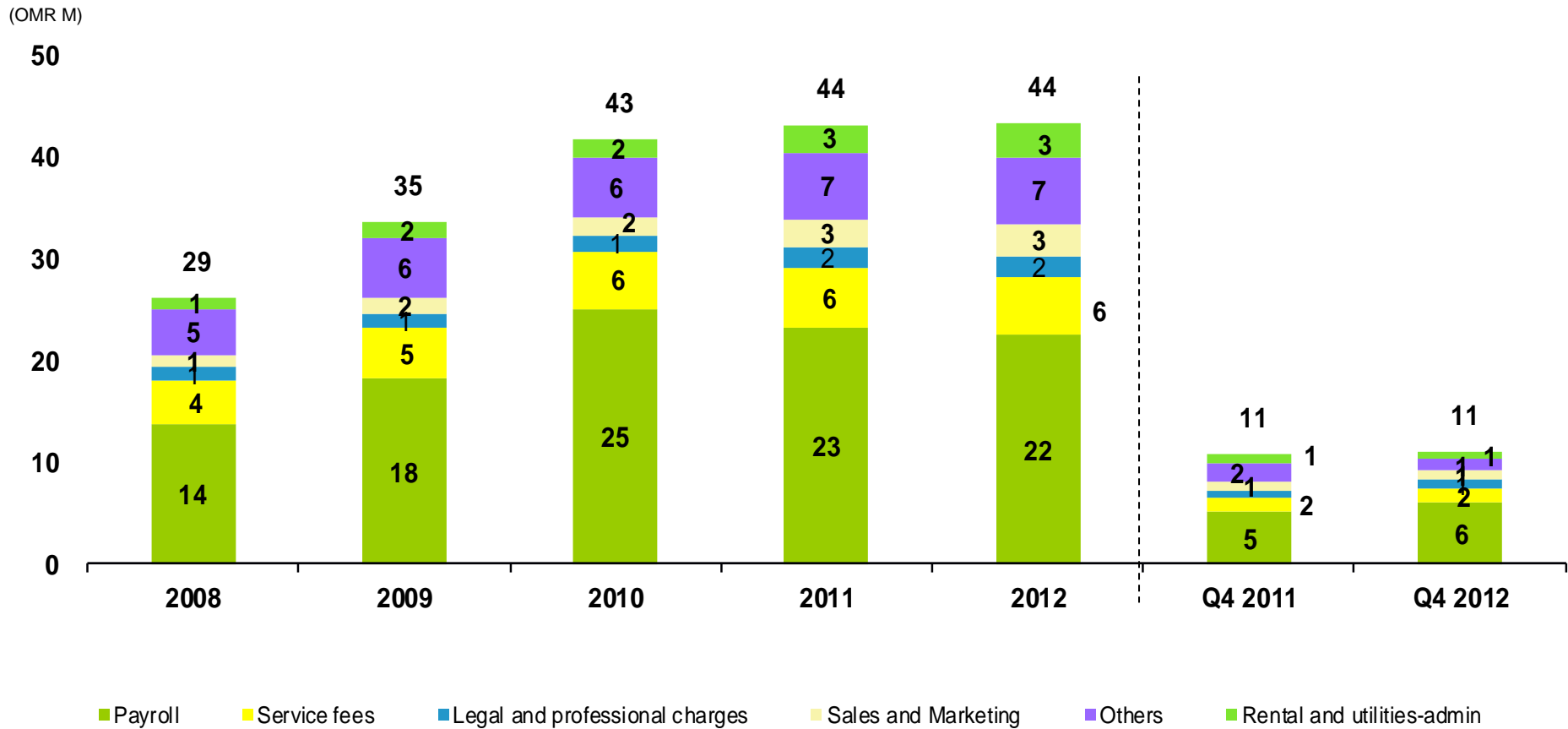
Nawras
Totals may not add up to sum of parts in some cases due to rounding

Key financial drivers

Tight cost control



SG&A



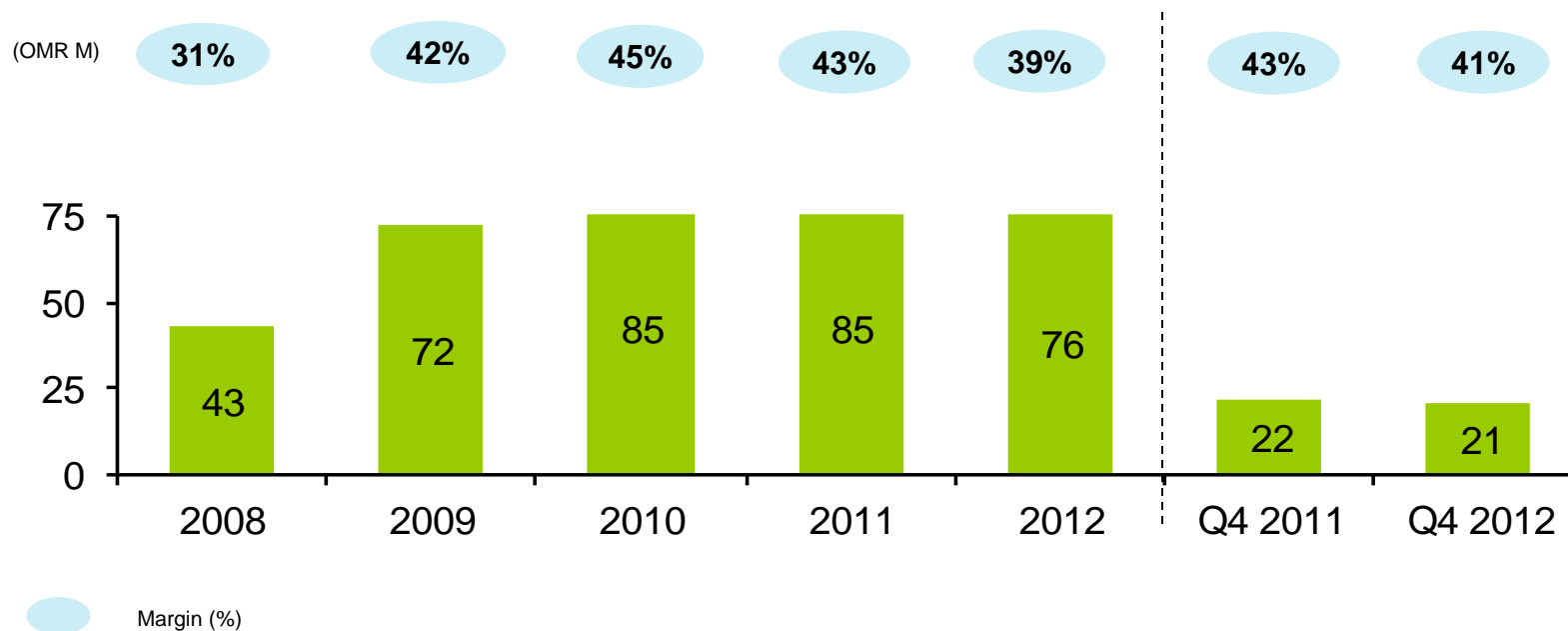
- SG&A for 2012 included a reversal of OMR 1 million in Q1 2012 relating to staff cost accounted in 2011.

Source
Note

Nawras
Totals may not add up to sum of parts in some cases due to rounding

EBITDA

Adj. EBITDA⁽¹⁾



- EBITDA affected by lower gross margin due to increase in international traffic, higher operating expenditure (international interconnect cost), offset by lower general and administration expense.

Source

Nawras

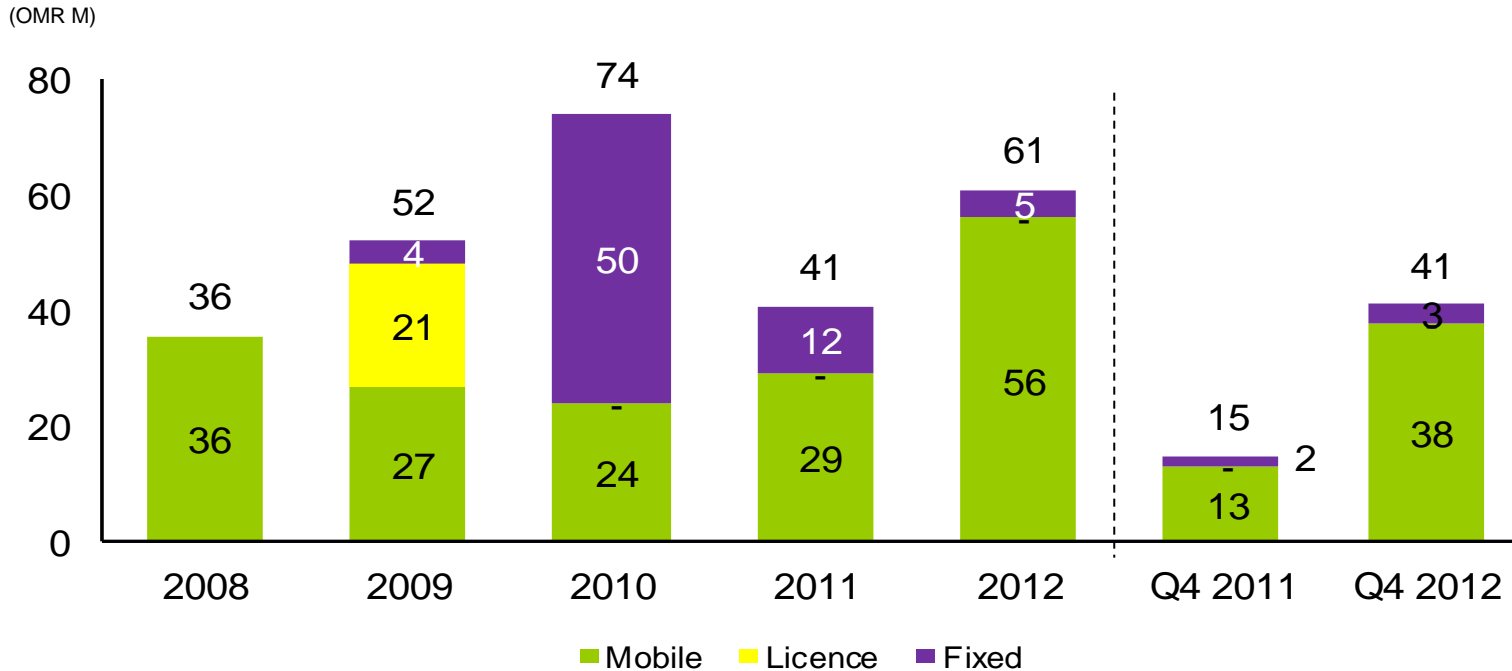
(1) Adj. EBITDA = Revenues – Operating Expenses – General and Administrative Expenses (including service fees) - royalty

Key financial drivers

incremental capex spend for fixed line rollout



Capital expenditure



- Turbocharging programme (swapping of RAN, introducing 2nd carrier, LTE etc.) began in August 2012 has driven the Capex

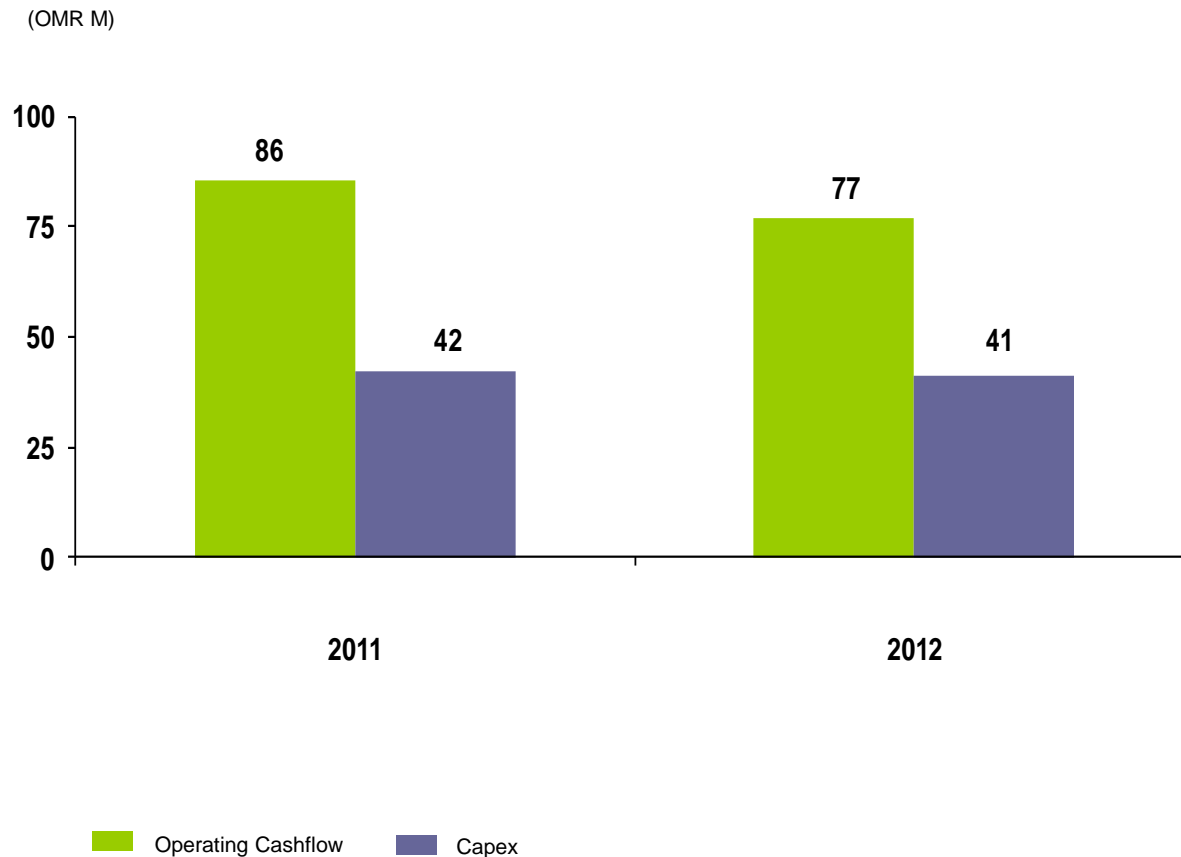
Source

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Key financial drivers

steady cash flow

Operating cashflow before working capital



- Continued to generate steady operating cash flow partly affected by lower revenue and higher interconnect cost

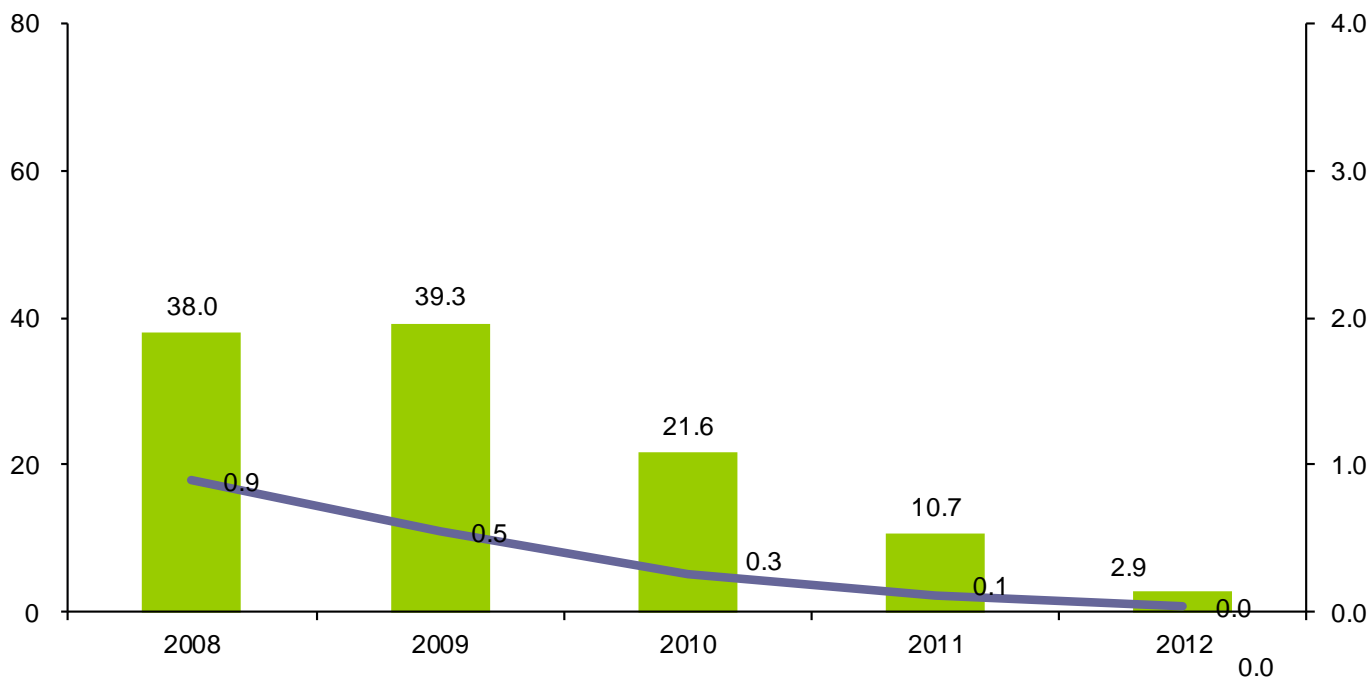
Net debt

Improvement in leverage

Net debt⁽¹⁾

Net debt / Adj. EBITDA

(OMR M)



Net Debt Net Debt / Adj. EBITDA

Source
Note

Nawras

(1) Net Debt = Total Borrowings – Cash and Cash Equivalents

(2) Adj. EBITDA = Revenues – Operating Expenses – General and Administrative Expenses (including service fees) – royalty

- Proposed a dividend of 67% of net income (38 bsz per share)
- New loan facility of OMR 90mil was signed in early 2013. If this facility is assumed to have been fully utilized as of 31 Dec-2012, Net debt would be OMR 93mil and the Net debt/ Adj. EBITDA would be 1.2

Conclusions - 2012

- **Market**
 - Highest Customer net adds since Q3 2010
 - Total customer number increased by 12% in 2012
 - Increased competition in the market
- **Network**
 - Huawei was selected for Network modernization project.
 - Introducing 4G LTE and upgrading all existing sites to enhanced 3G+
- **Future top line growth opportunities**
 - Mobile, Home and Business broadband
 - Full service provider for corporate services
 - Wholesale services
- **Future bottom line growth**
 - Strong operating leverage of fixed line business
 - Reduction in national and international transmission cost
 - Overall cost reduction and quality improvement
- **Strong cash flow generation**

Thank you

