Nawras

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Strategy

Nawras focuses on three strategic goals to secure value creation

Grow mobile revenues faster than the market

- Maintain a high share of new customers through attractive promotions and innovative offers
- Attract customers in underpenetrated segments and regions
- Continue to provide an excellent customer experience to retain and acquire high value customers
- Stimulate usage through targeted value-based offers, with focus on data products and innovative bundling

Develop new revenue streams

- Capture significant share of growing mobile and fixed broadband market
- Increase share of business market with reliable and integrated products and services
- Capture share of growing international carrier services business
- Sell spare voice and data capacity to other Omani network operators and service providers

Remain a lean and efficient operator

- Exploit synergies between mobile and fixed business through shared systems and services
- Reduce costs for international traffic by exploiting international gateway and sea cable
- Optimise network rollout with focus on high value customers
- Leverage Qtel Group to maximise benefits in planning, purchasing, product development and time-to-market

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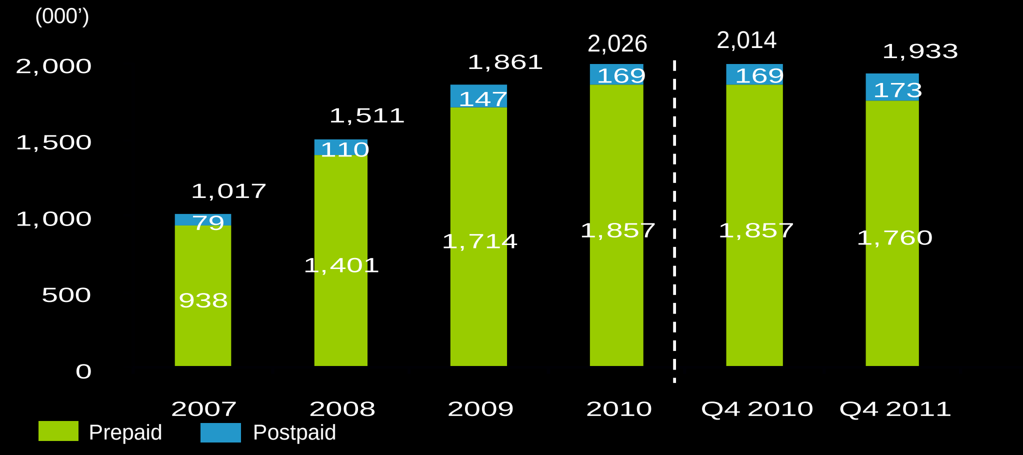
Performance

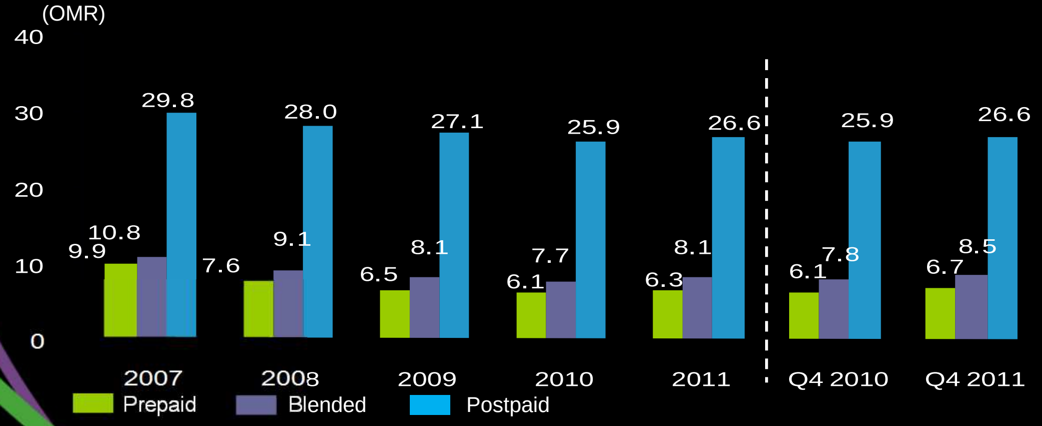
Stable customer base and ARPU development-

End of period (EoP) mobile customers breakdown



- **Prepaid customer base was negatively affected by regulatory changes in 2011**
  - **TRA limited SIM card time expiry to 6 months**
  - **TRA limited SIM card ownership to 10 per ID**
  - **Termination of SIM cards of expatriates who left the country (visa expiry or cancellation)**
- **226k SIMs terminated during 2011 due to regulatory reasons.**

Monthly ARPU - Postpaid, prepaid and blended



- **ARPU for postpaid customers increased due to increase in interconnect revenues, data usage and outgoing calls.**
- **Prepaid ARPU increased as customer numbers affected by regulatory changes were reduced.**

Source *Nawras*

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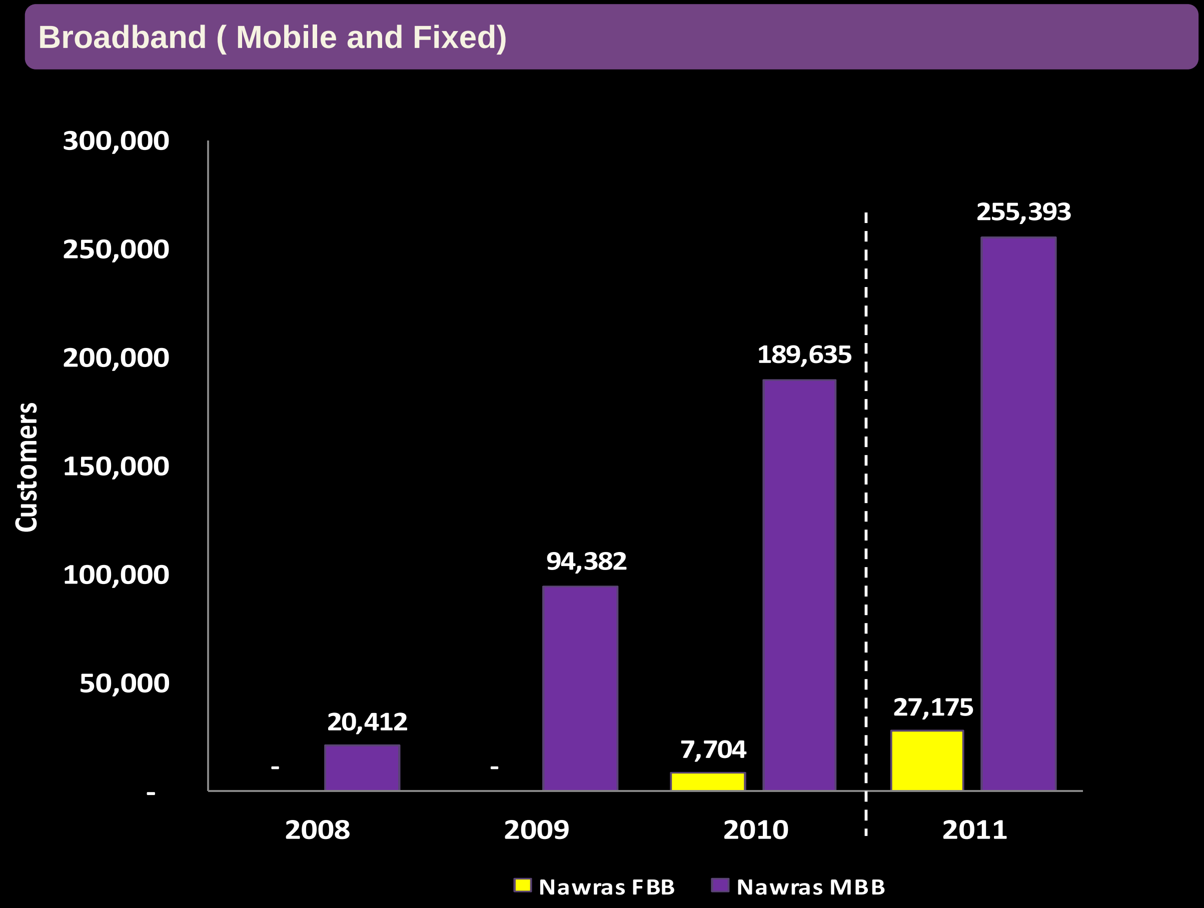
Nawras broadband customers



- Prepaid customers contributed approximately 69% of mobile broadband revenues
- Nawras commenced fixed broadband and voice services in June 2010

Source *Nawras*

Financial highlights

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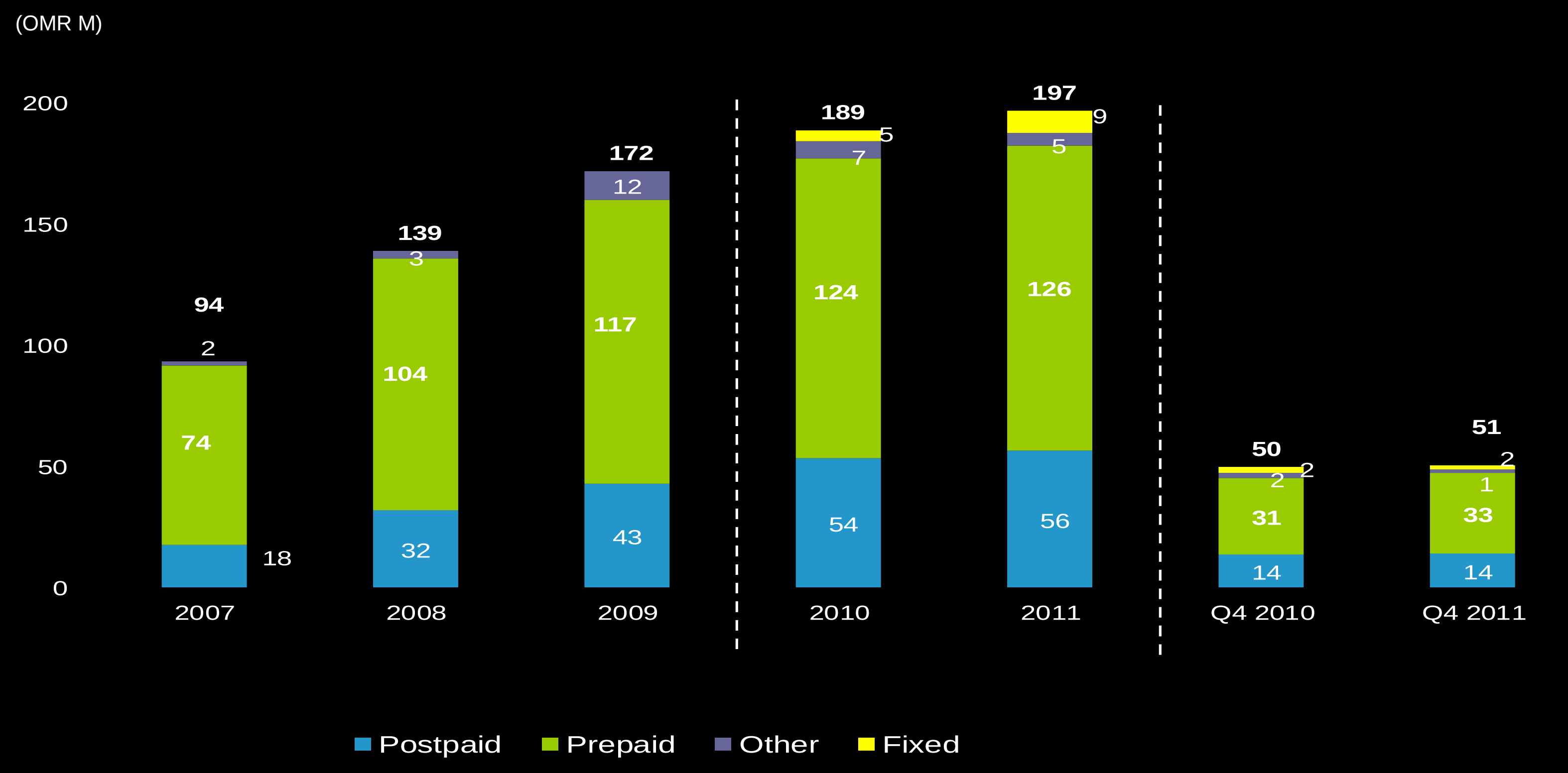
Revenue
Continued top line growth

Revenue

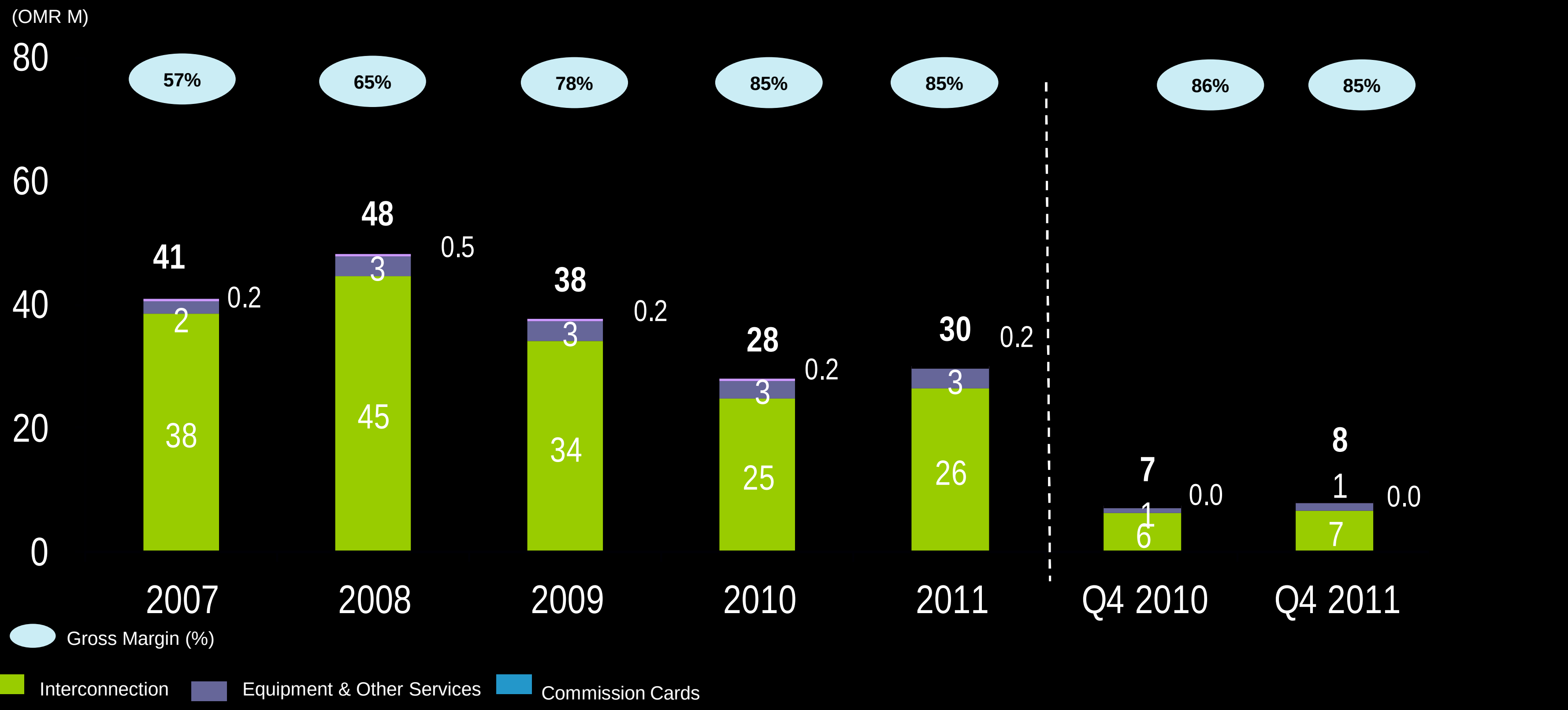


- **Revenues up over 4% year to year and approximately 2% Q4 2011 to Q4 2010.**
- **Post and prepaid customers revenues both increased by about 3%.**

Source	*Nawras*
Notes	*(1) Other revenue mainly includes inbound roaming and wholesale revenue from resellers*

Key financial drivers
Gross margin level stable

Operating expenses



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

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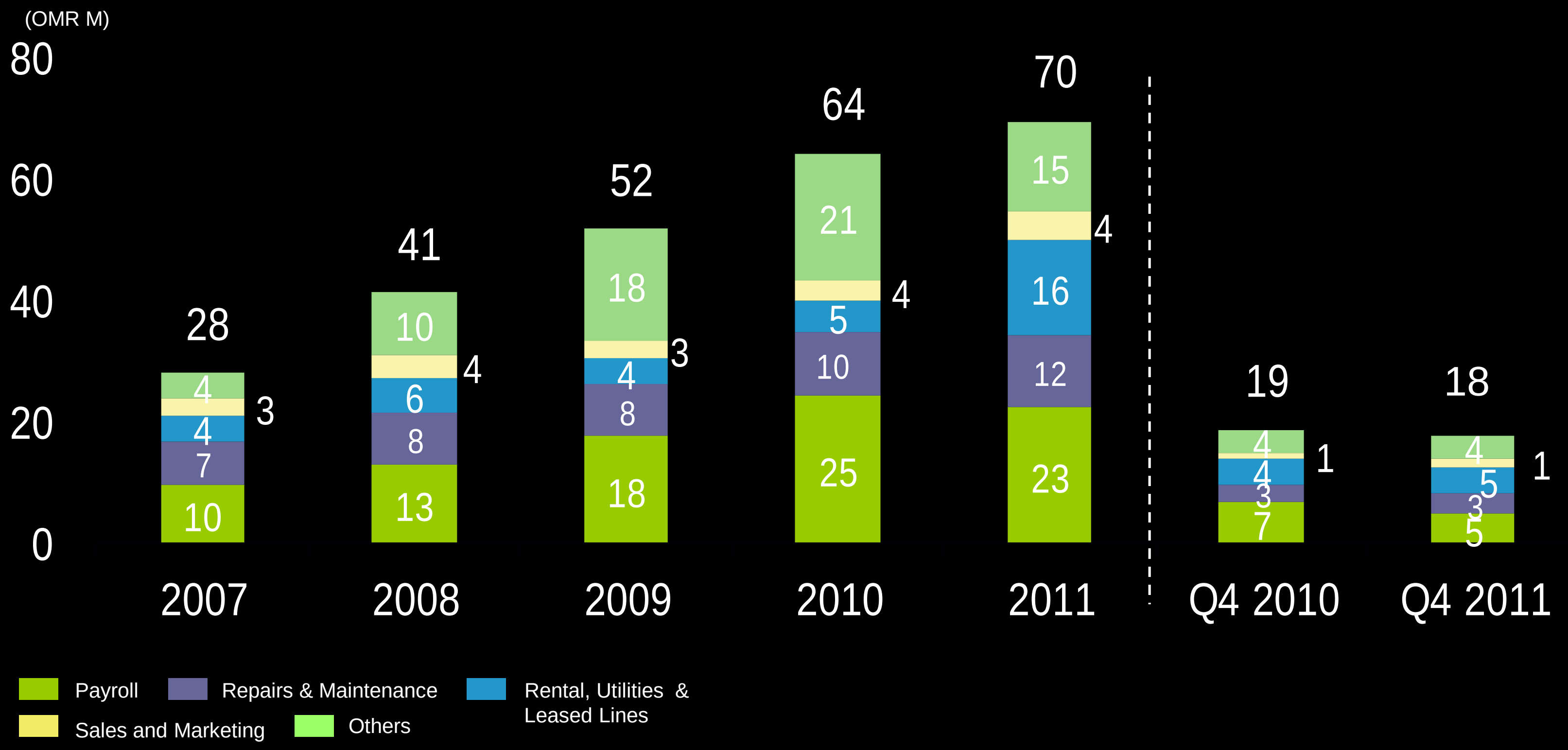
Key financial drivers
Tight cost control

SG&A



- **Payroll costs reduced by 8%.**
- **Repair and maintenance costs and leased line numbers increased.**
- **Full year in terms of fixed operation maintenance cost in 2011 compared to four months in 2010.**

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

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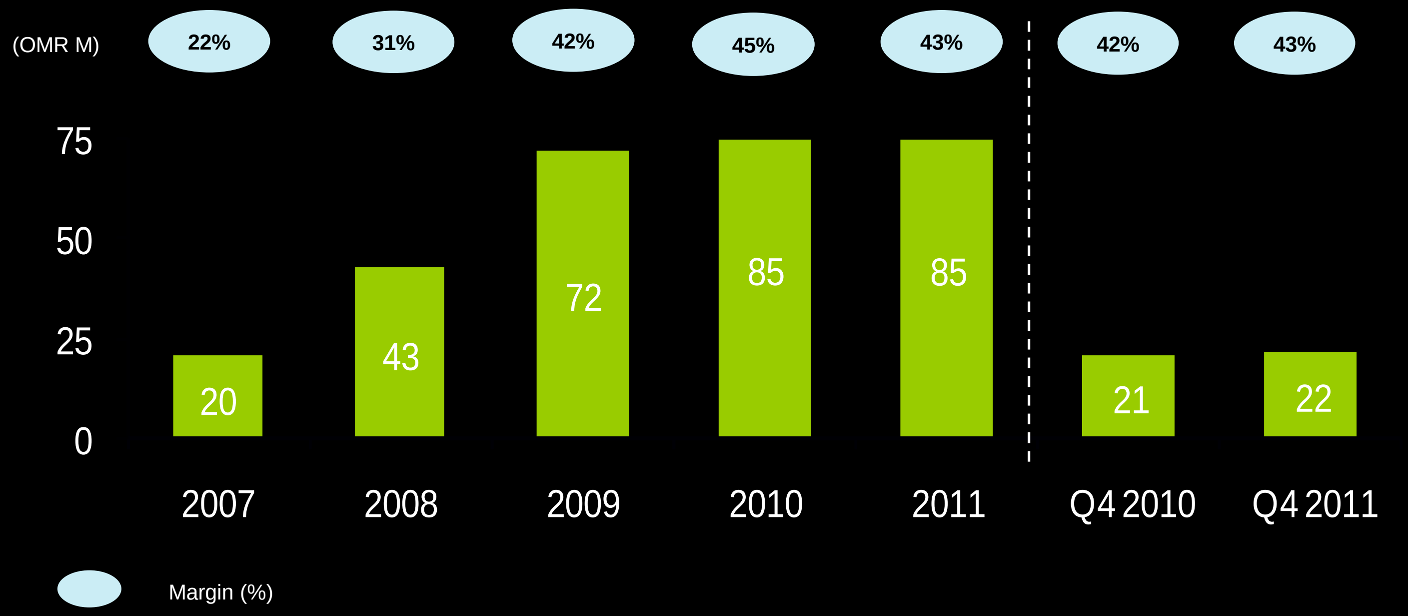
EBITDA

Adj. EBITDA[1]

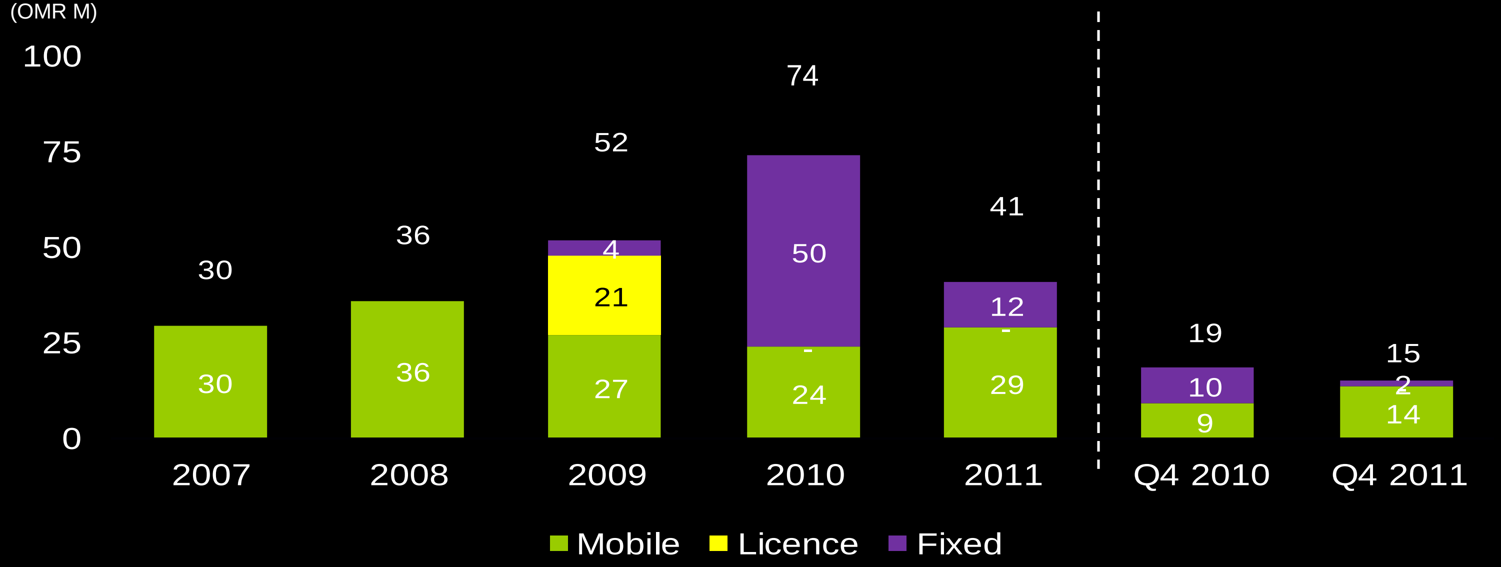


- **Q4 improvement in EBITDA driven by**
  - **Increase in revenues**
  - **Active customer base growth**
- **YTD EBITDA margin affected by increased network maintenance costs including full twelve months of fixed network**

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



- **OMR140 million 2010/11 Capex programme wasn't fully utilized due to delayed roll out caused by vendor issues.**
- **Capex relating to new sites expected to be carried over into 2012.**

Source *Nawras*

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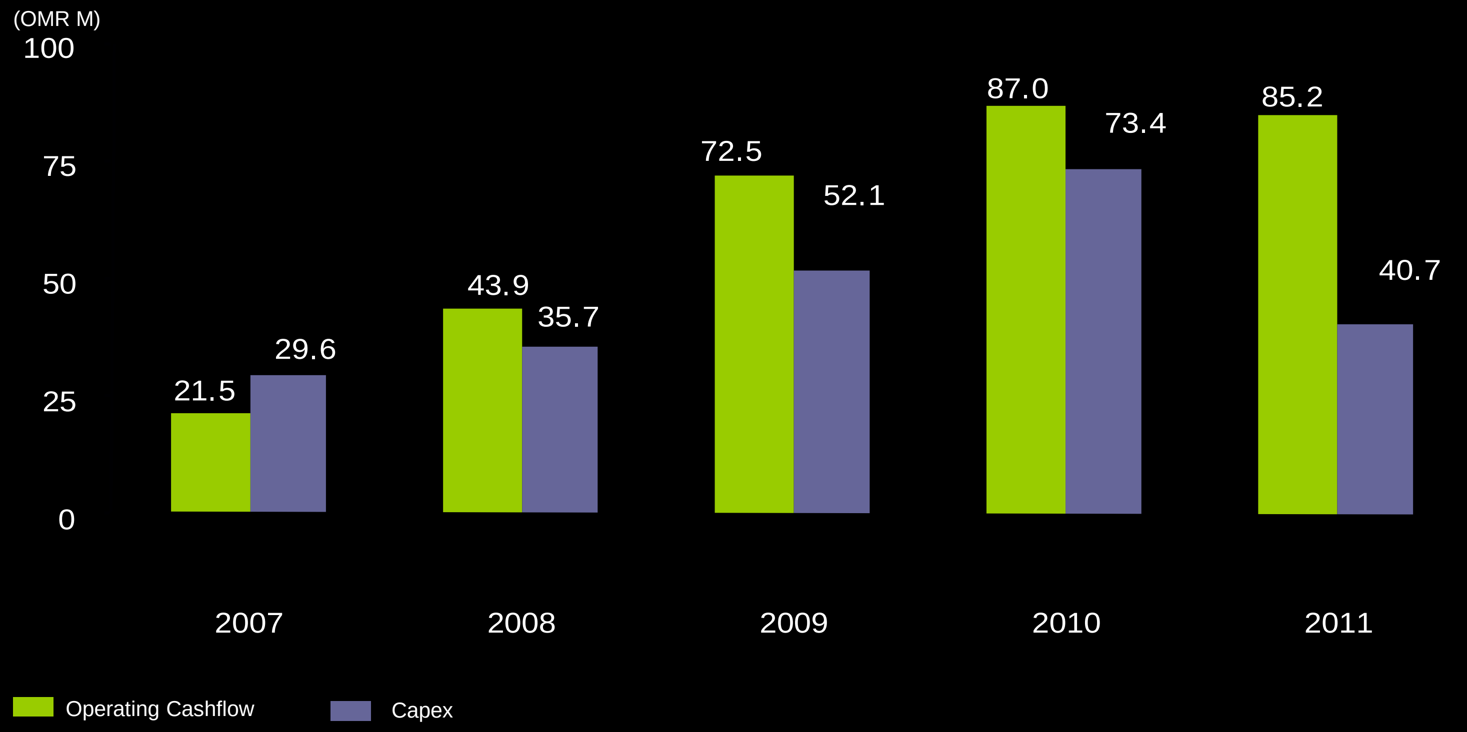
Key financial drivers
Steady cash flow

Operating cashflow before working capital

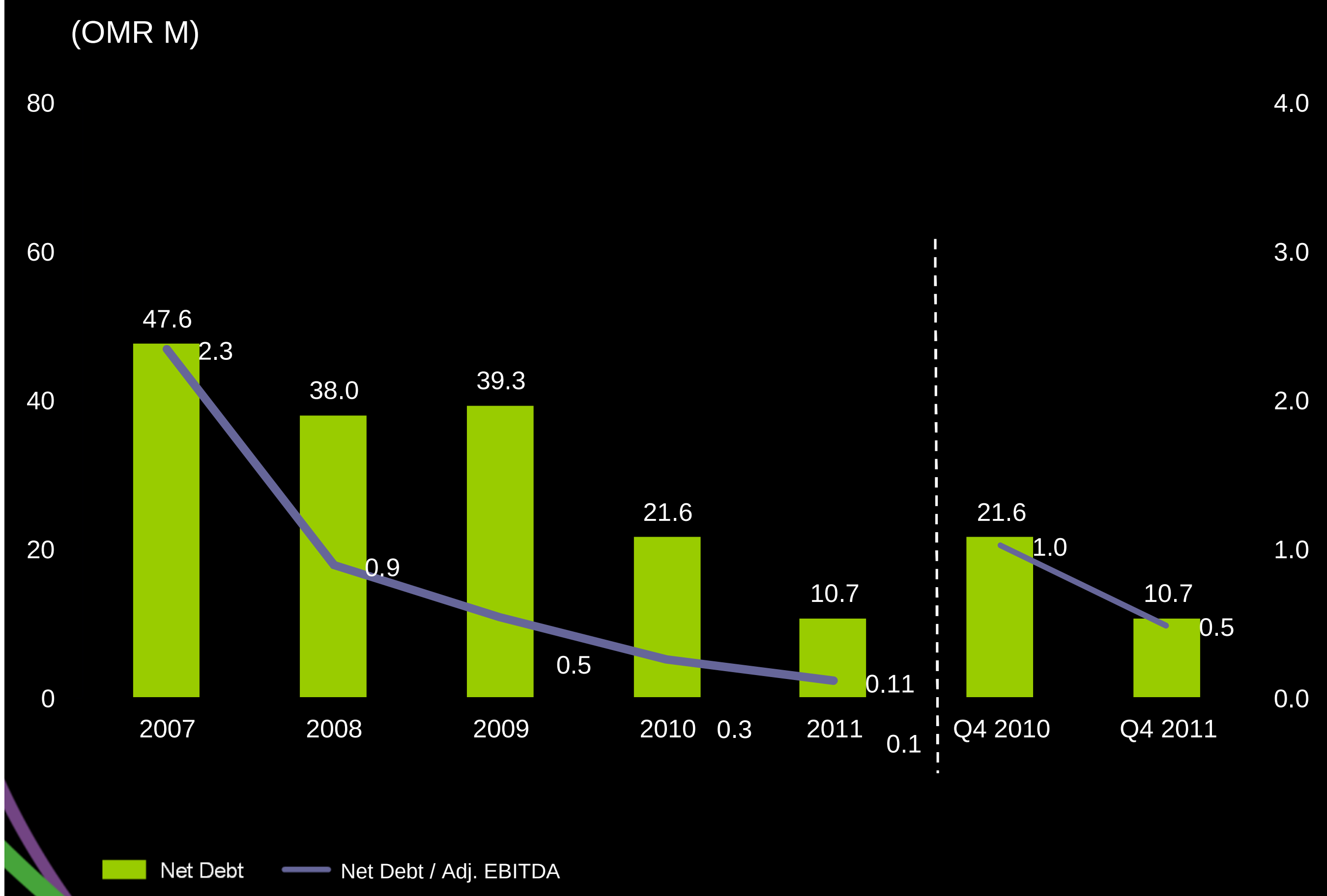


- **Steady operating cash flow generation**

Source *Nawras*

Net debt
Improvement in leverage

Net debt[(1)] | **Net debt / Adj. EBITDA**



- **Repayment of loans started in 2008**
- **Low net debt to EBITDA ratio**

Source *Nawras*
Note *(1) Adj. EBITDA = Revenues – Operating Expenses – General and Administrative Expenses (including service fees) – royalty*

Conclusions

- Market
  - Increased competition in the market
  - Stable political structure
- Track record underscores management capability
  - Extensive combined telecom experience with more than 30 operators in more than 20 countries
  - Consistent delivery of Nawras strategy over 7 years
- 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

Results in growth with substantial cash return to shareholders

Thank you!

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