



Nawras Investor Presentation

Q3 – 9M 2012 Performance



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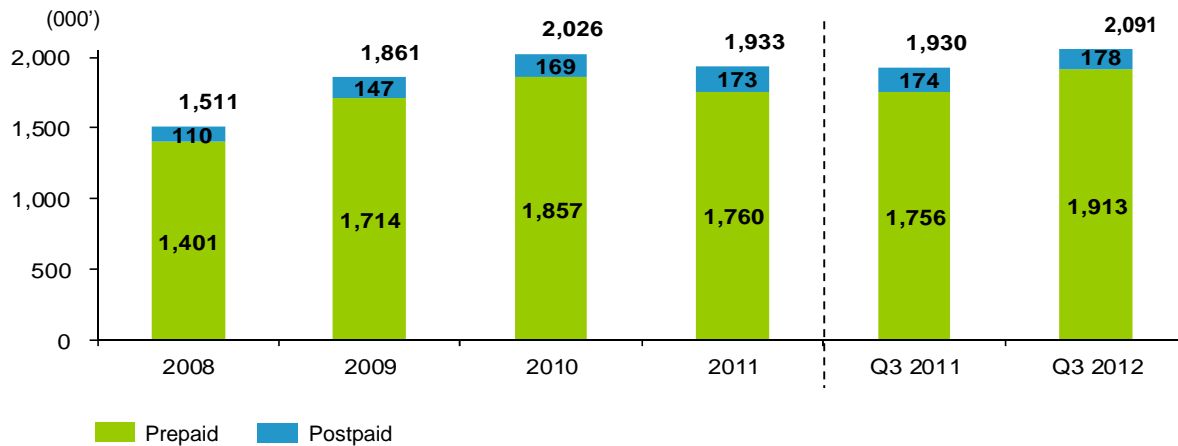
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Performance

Highest Customer net adds since Q3 2010

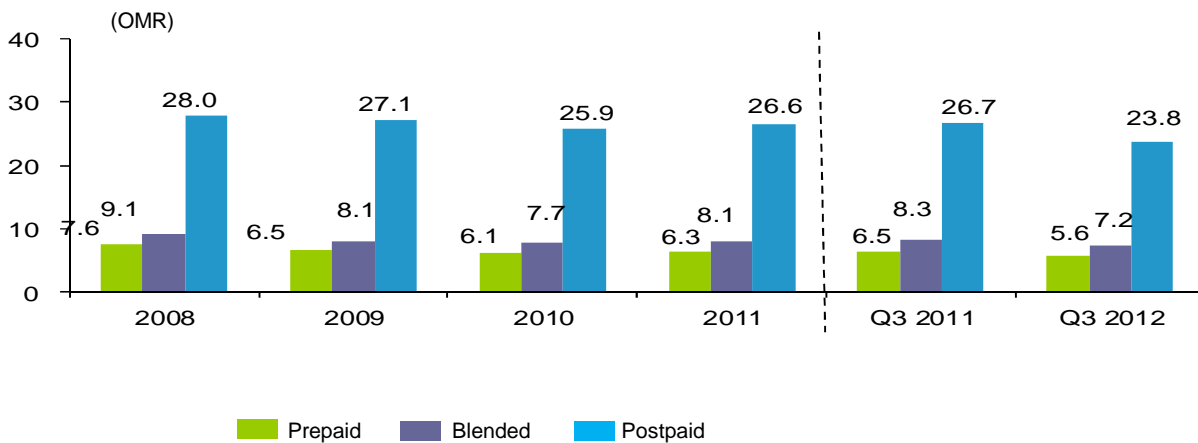


End of period (EoP) mobile customers breakdown



- The mobile post-paid customer base developed by 2.4% to 177,747 customers compared with 173,506 customers in Q3 2011.
- The mobile pre-paid customer base at end of Q3 2012 increased by 8.9% to 1,913,200 customers compared to 1,756,357 customers in Q3 2011.
- Active mobile customers grew by 3.6% from Q2 to Q3 2012 and by 13.2% from Q3 2011 to Q3 2012.

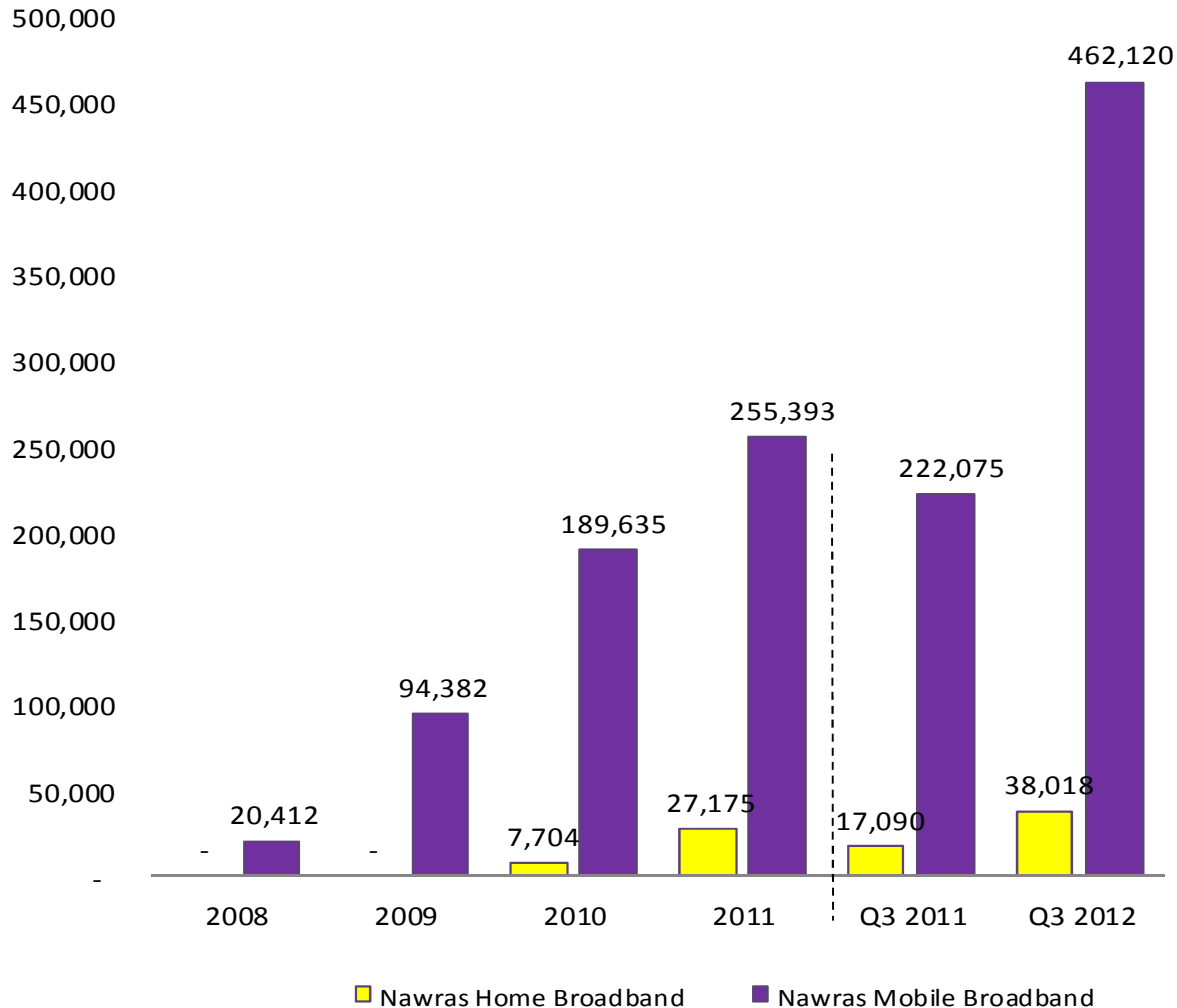
Monthly ARPU - Postpaid, prepaid and blended



- ARPUs were affected by the decline in sms revenue.

Nawras broadband customers

Broadband (Mobile* and Fixed)



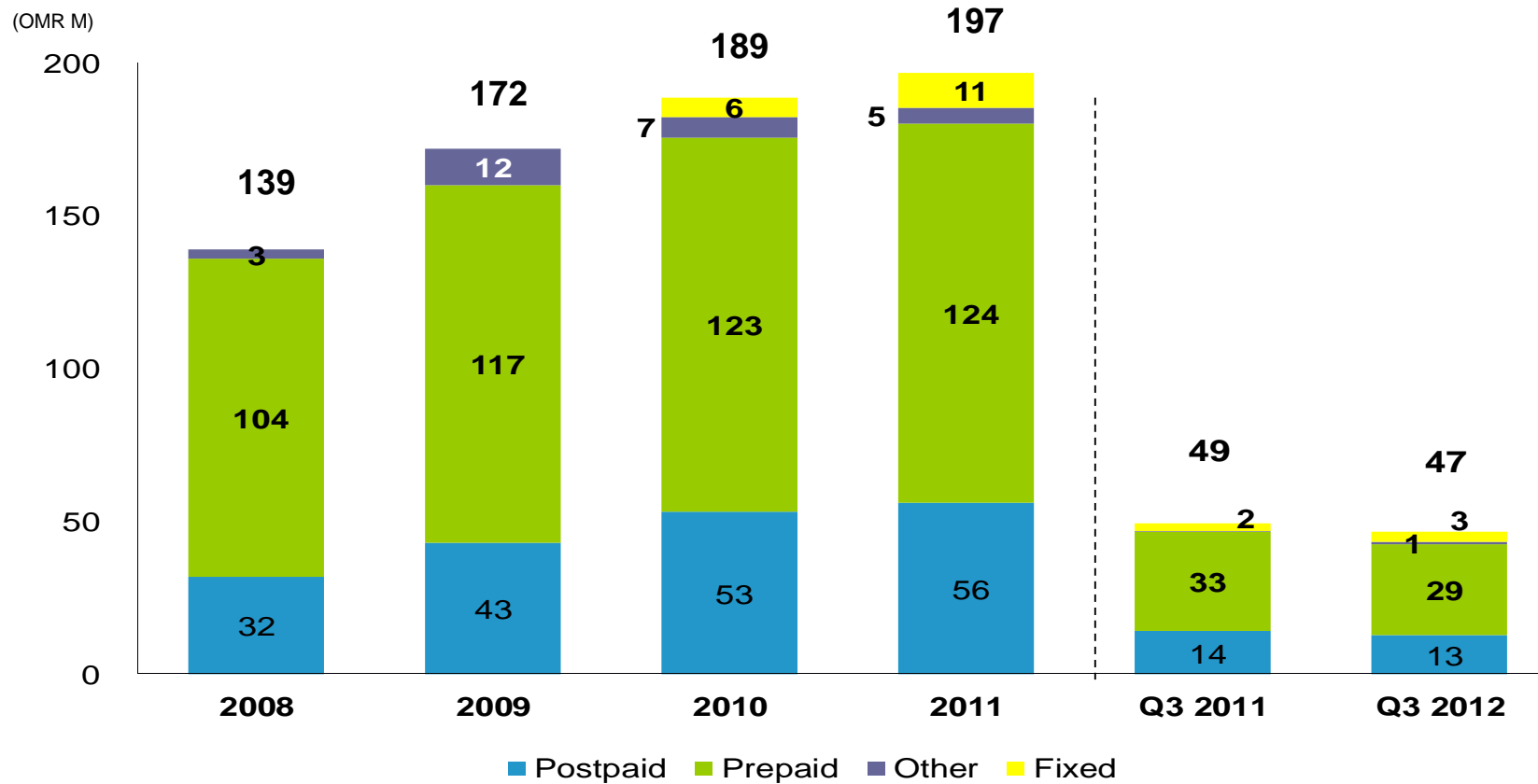
- Fixed service customers grew by 123%.
- Mobile broadband customers increased by 108%.
- Prepaid customers contributed approximately 76% of mobile broadband revenue.

* Nawras MBB figure doesn't include BlackBerry customers



Financial highlights

Revenue



- The decline in revenue is primarily driven by a reduction in SMS revenue, partially offset by growth in both mobile and fixed data as well as international voice revenues.

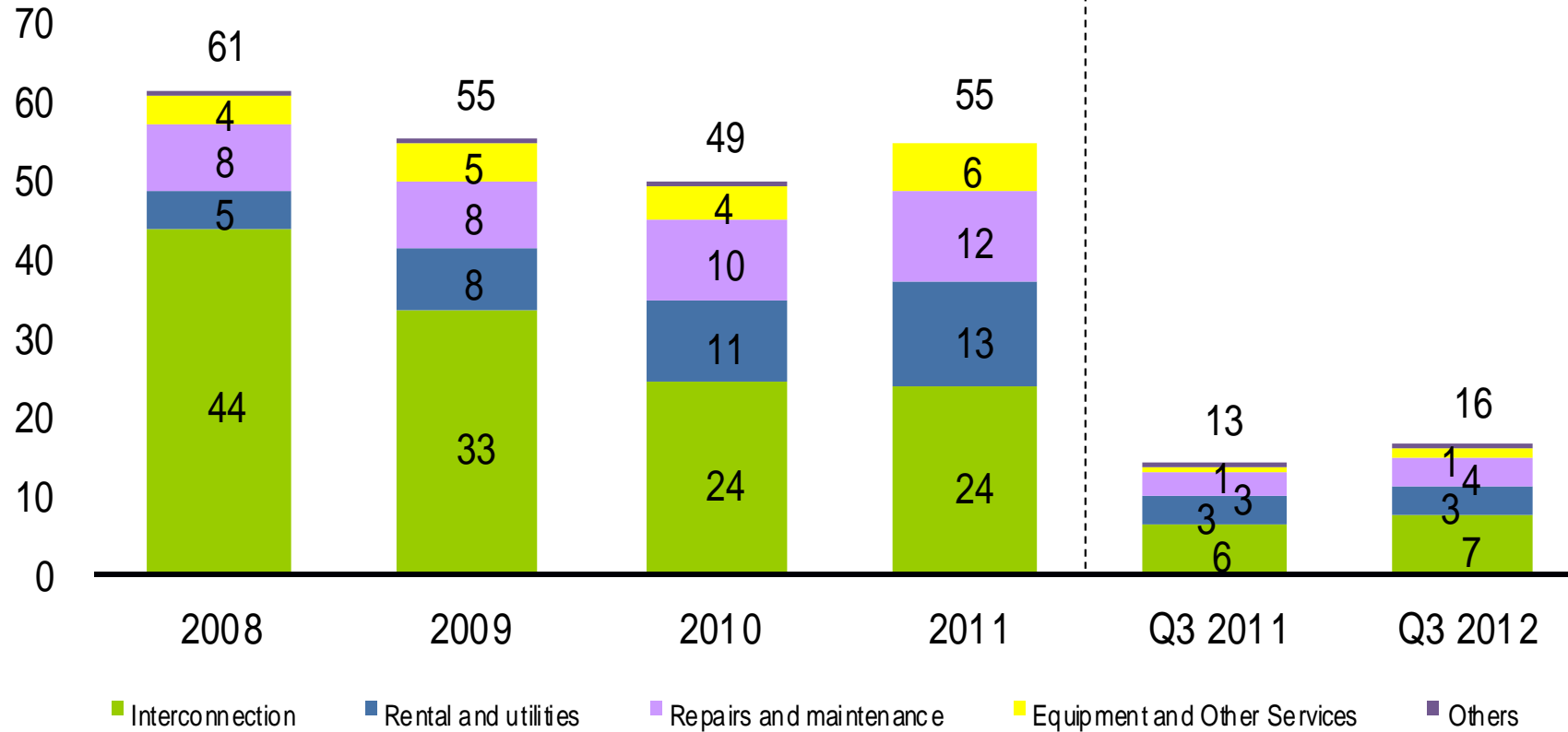
Source
Notes

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(1) Other revenue mainly includes inbound roaming and wholesale revenue from resellers

Key financial drivers

Operating expenses

(OMR M)



- Increase in interconnection cost driven by higher international volume.
- Higher operating expenses are mainly due to higher network maintenance cost.

Source
Note

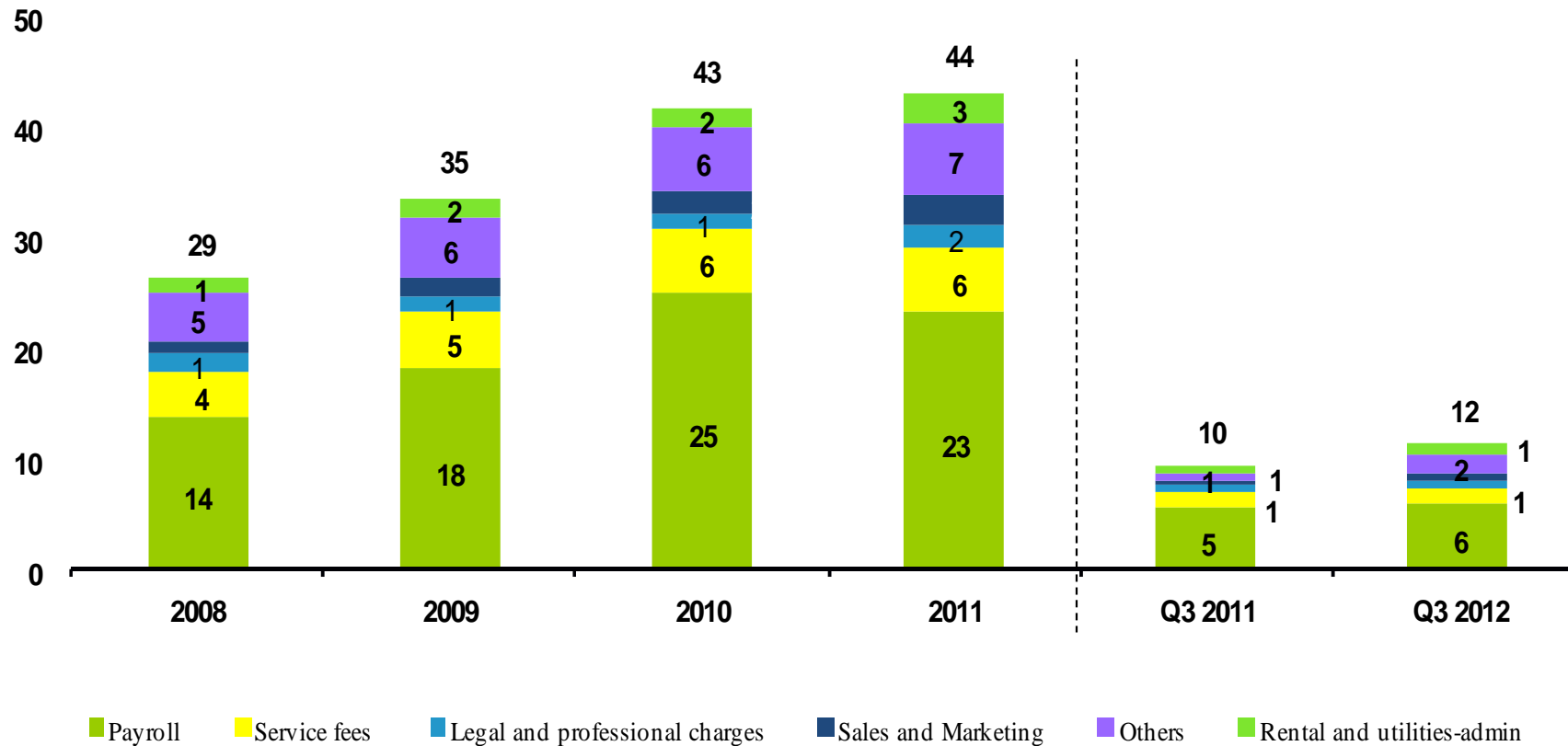
Nawras
Totals may not add up to sum of parts in some cases due to rounding

Key financial drivers

Tight cost control

SG&A

(OMR M)



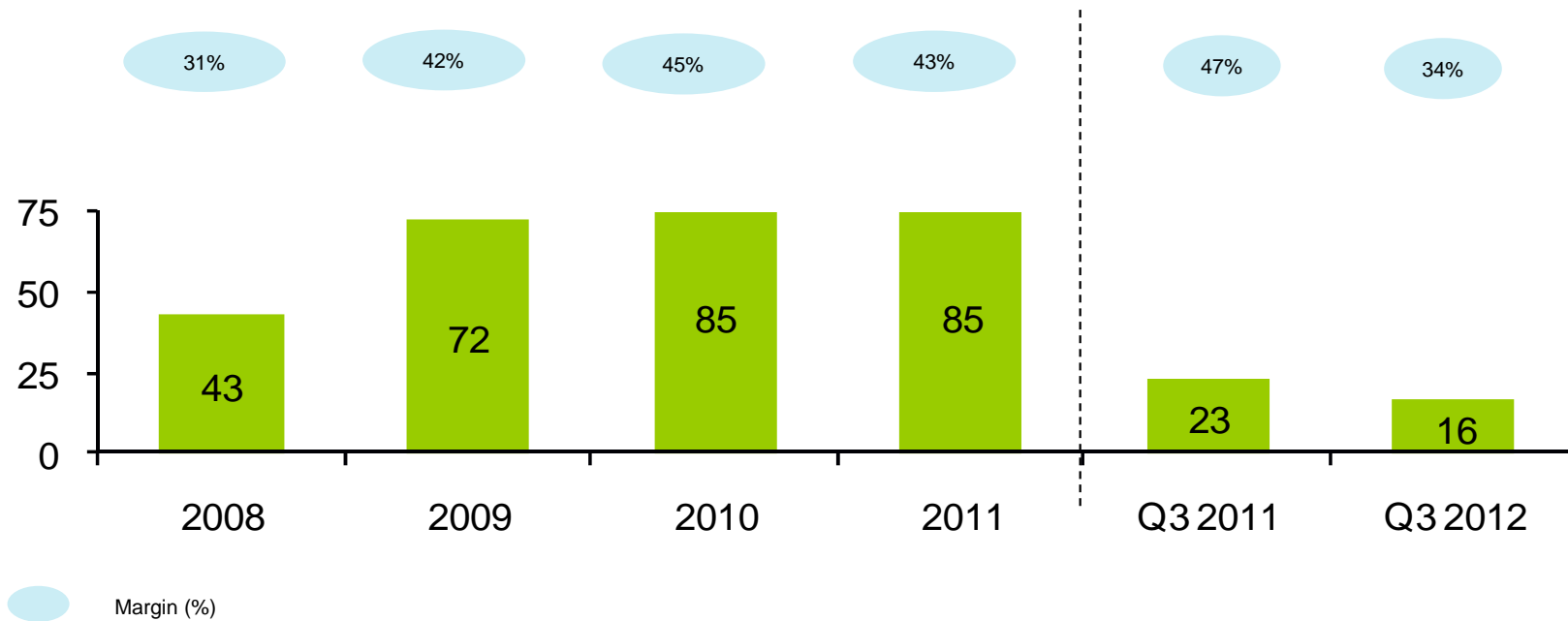
- Increase in SG&A is due to reversals of payroll (OMR 480K) and bad debts provision (OMR 677K) in 2011.

Source
Note

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

EBITDA

Adj. EBITDA⁽¹⁾



- EBITDA for the year has been affected by higher operating expenses and SG&A costs.

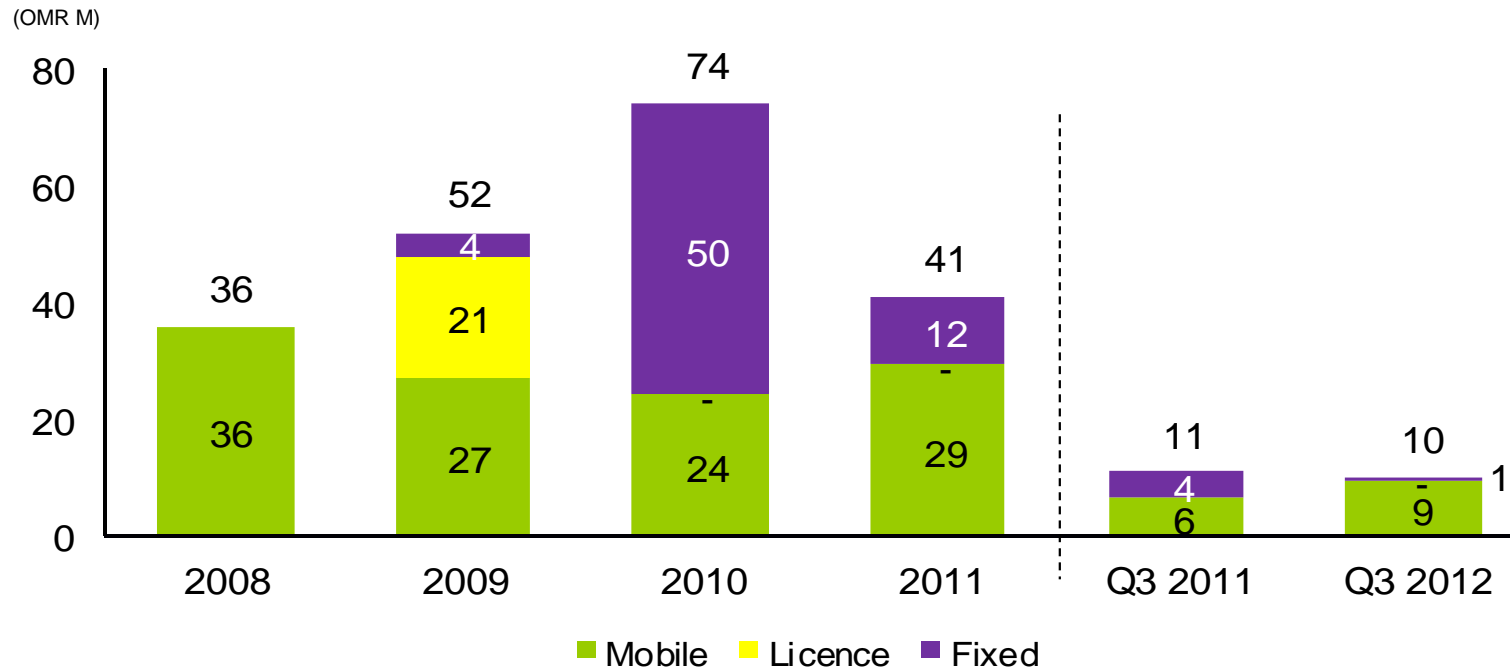
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(1) Adj. EBITDA = Revenues – Operating Expenses – General and Administrative Expenses (including service fees) - royalty

Key financial drivers

Capital expenditure



- Turbocharging of the network started in Q3 and Capex is expected to accelerate consequently.

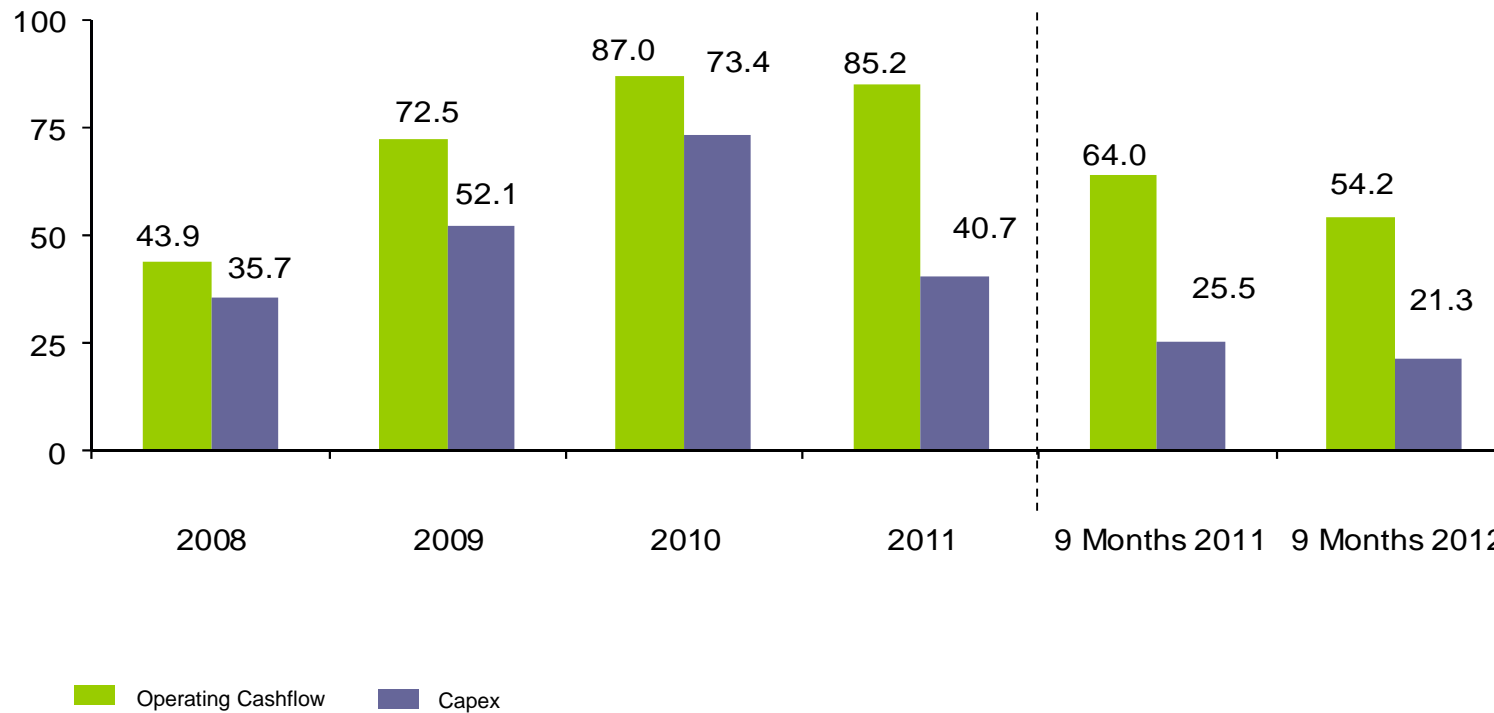
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Key financial drivers

Operating cashflow before working capital

(OMR M)



- Cash flow generation supporting present investment activity.

Source

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Net debt

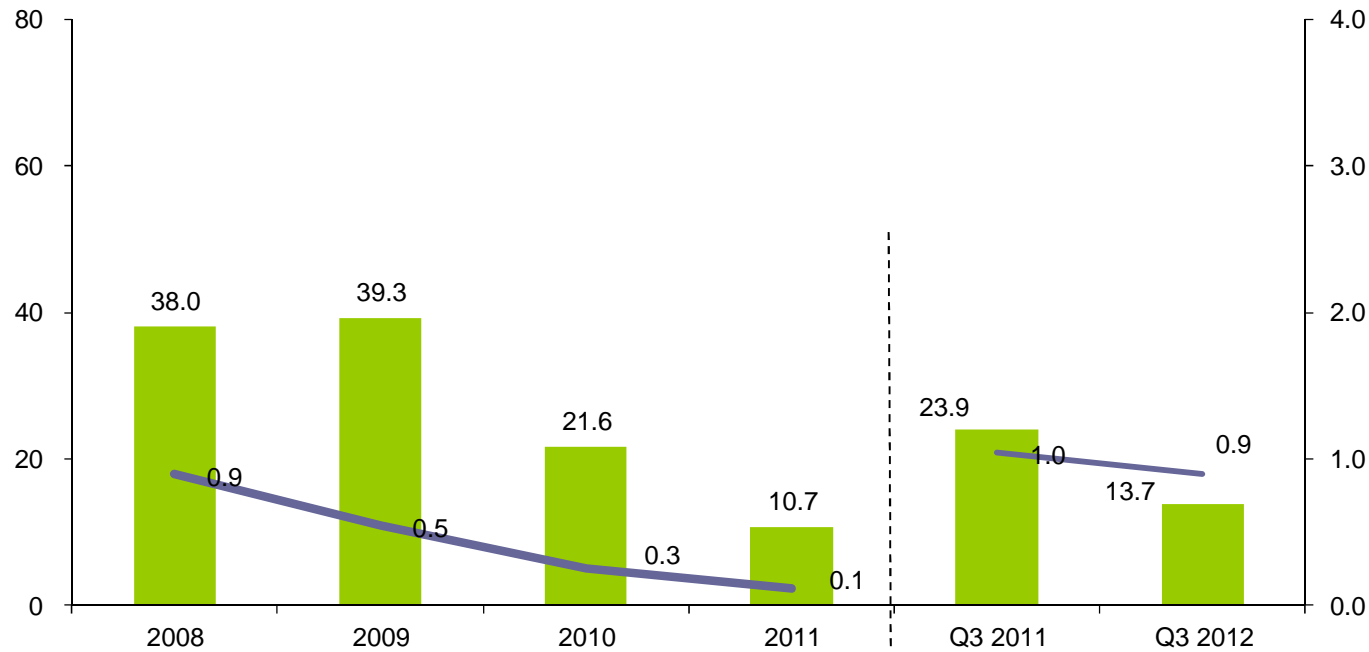
Improvement in leverage



Net debt⁽¹⁾

Net debt / Adj. EBITDA

(OMR M)



Net Debt Net Debt / Adj. EBITDA

Source
Note

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

Conclusions



- **Market**
 - Highest Customer net adds since Q3 2010
 - Total customer number increased by more than 9%
 - Increased competition in the market
- **Network**
 - Successfully completed the first stage of Turbocharging the nawras network
 - Upgrading our core network and introducing a new carrier at 1800 Mhz
- **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, quality improvement and enhancing customer experience

Thank you



