

Nawras Investor Presentation

Q1 – 2013 Performance



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Q1 2013 Financial Results

	First Quarter Analysis		
	Q1 2013	Q1 2012	% change
Revenue (OMR m)	48.2	46.8	3.0%
EBITDA (OMR m)	23.2	24.2	-4.1%
Net Profit (OMR m)	7.7	9.8	-21.4%
Mobile and Fixed Customers ('000s)	2,234	1,988	12.3%

- Revenues growth is driven by increases in both fixed and mobile data revenue as well as international voice revenue offset by a decrease in SMS and national voice revenue.
- Net profit was affected by higher depreciation due to network modernisation.
- Total number of customers grew by 12.3% in Q1 2013 from 1,988,476 to 2,234,453.
 - The fixed service customer base increased by 57% from 32,857 to 51,532 customers.
 - The mobile post-paid customer base grew by 5.9% to 182,090 customers from 171,980.
 - The mobile pre-paid customer base increased by 12.2% to 2,000,831 compared to 1,783,639.

Customer Experience

- Implement Customer Experience at Nawras in order to drive customer loyalty and advocacy.
- Further improvements in our customer care service levels.

Cost Optimisation Program

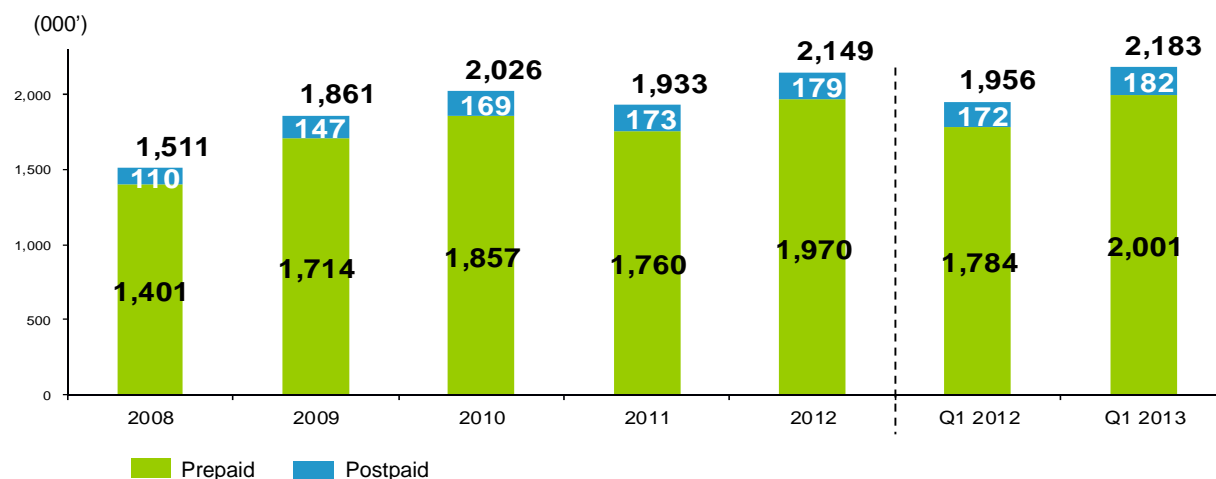
- The objective of program is to continue achieving savings during 2013 through different initiatives.

Turbo Charging

- Successfully launched the 4G LTE in Feb.
- Completed the first phase of the company's extensive Network Turbocharging programme
- Greater network performance and voice traffic improvement.
- Increased speed, extended capacity and provided wider coverage giving our customers a more rewarding experience.

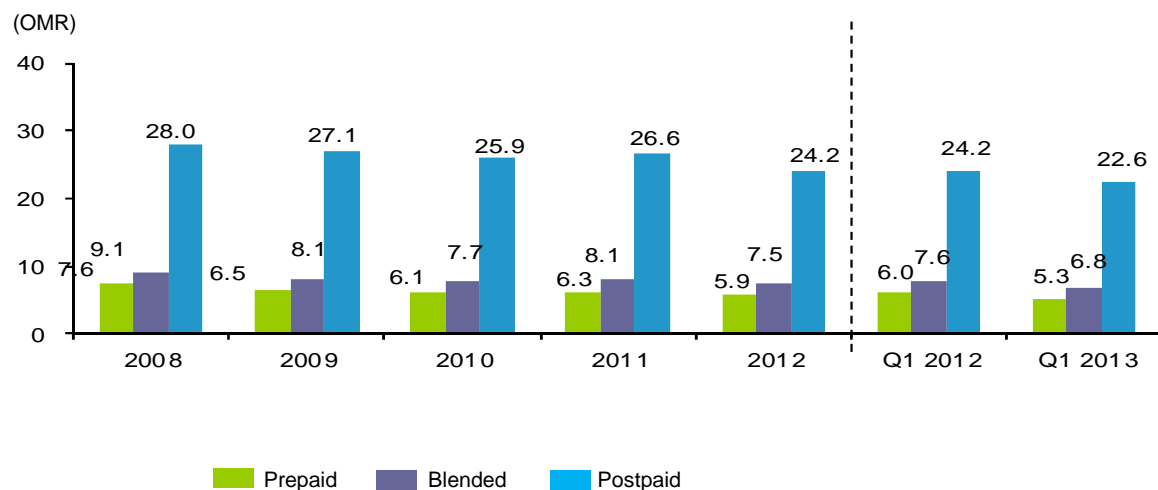
Performance

End of period (EoP) mobile customers breakdown



- The mobile post-paid customer base grew by 5.9% to 182,090 customers compared with 171,980 customers in Q1 2012.
- The mobile pre-paid customer base for Q1 2013 increased by 12.2% to 2,000,831 compared to 1,783,639 for the same period last year.

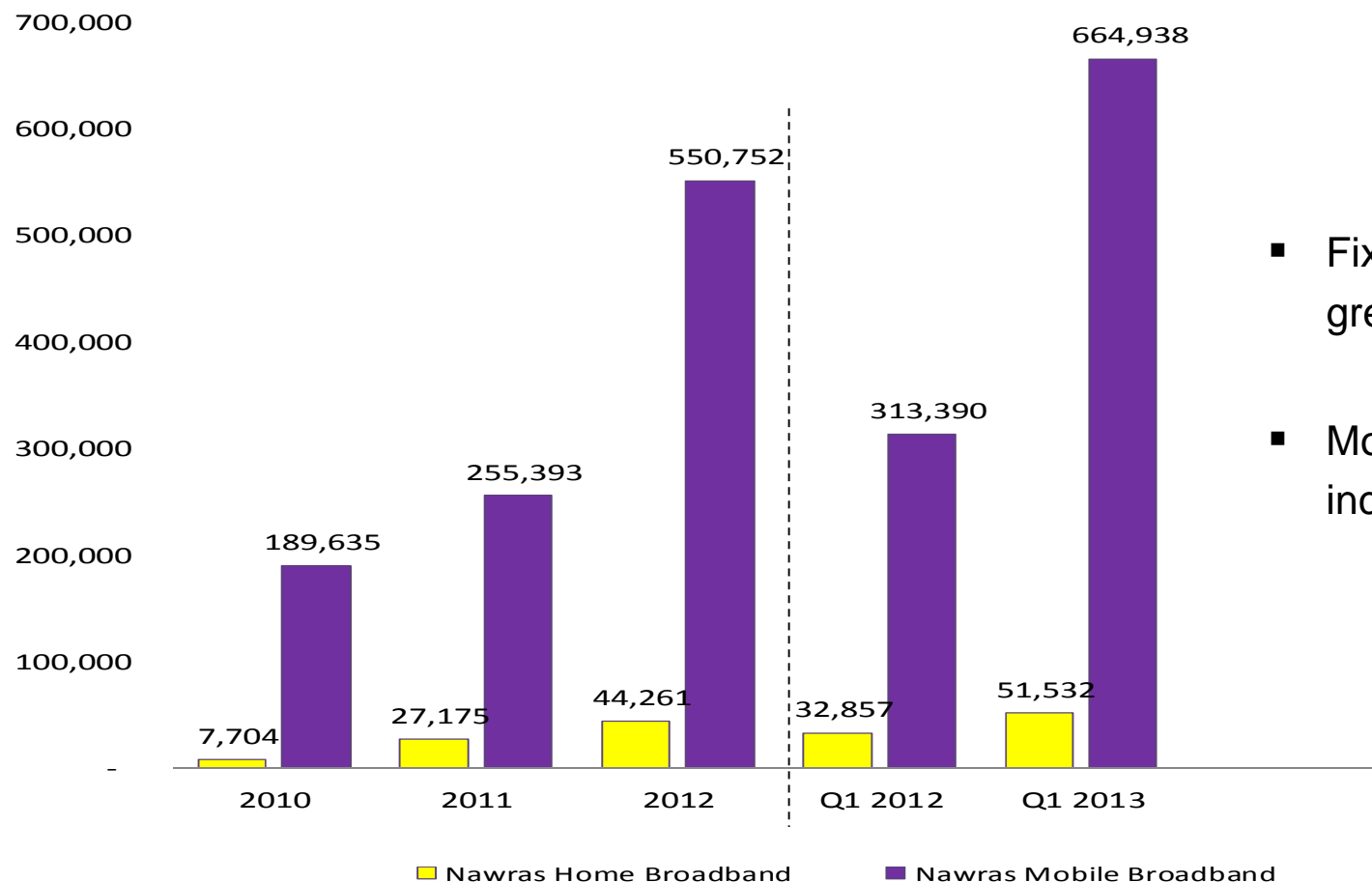
Monthly ARPU – Post-paid, prepaid and blended



- ARPUs were affected by the decline in SMS revenue.

Nawras broadband customers

Broadband (Mobile* and Fixed)



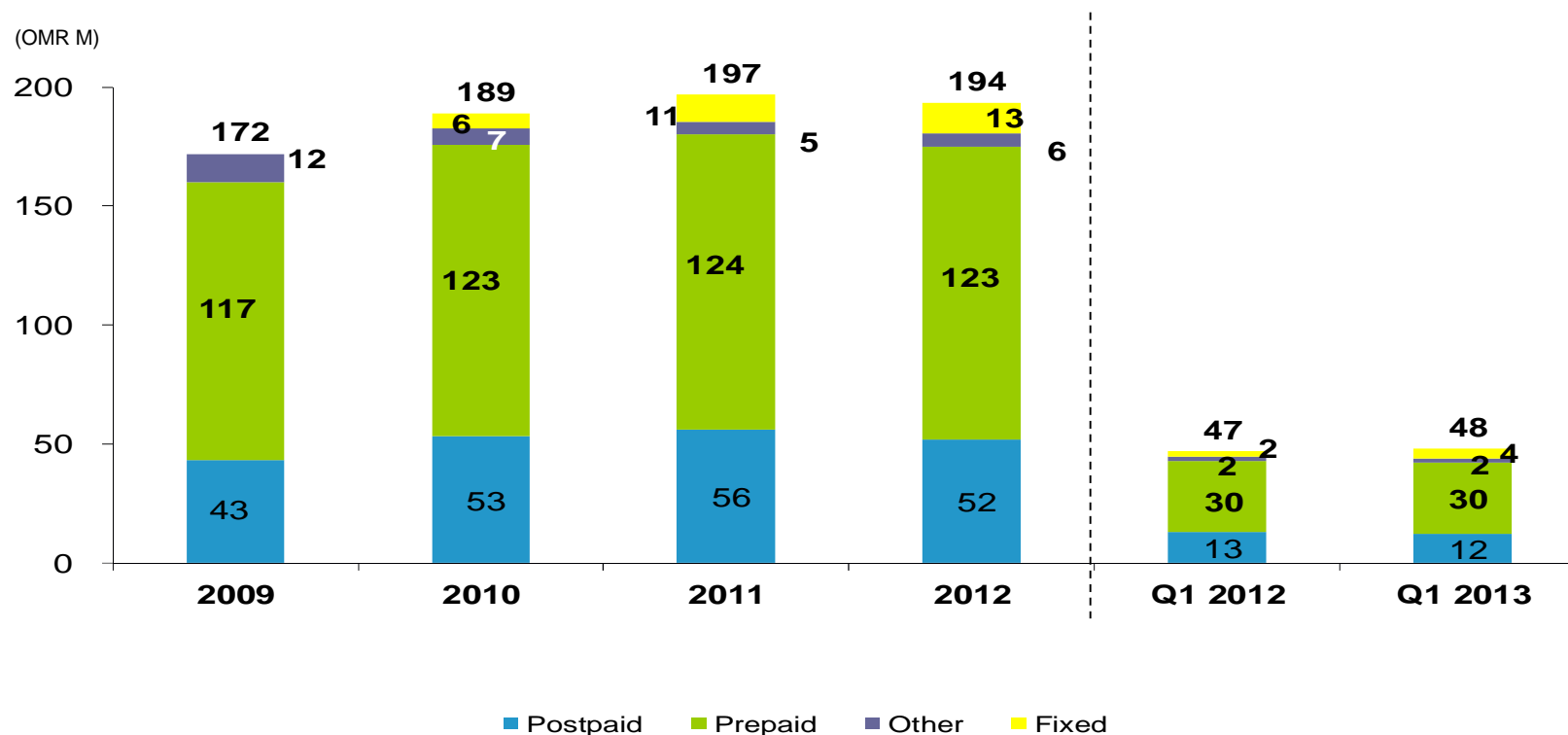
- Fixed broadband customers grew by 57%.
- Mobile broadband customers increased by 112% .

* Nawras MBB figure doesn't include BlackBerry customers



Financial highlights

Revenue



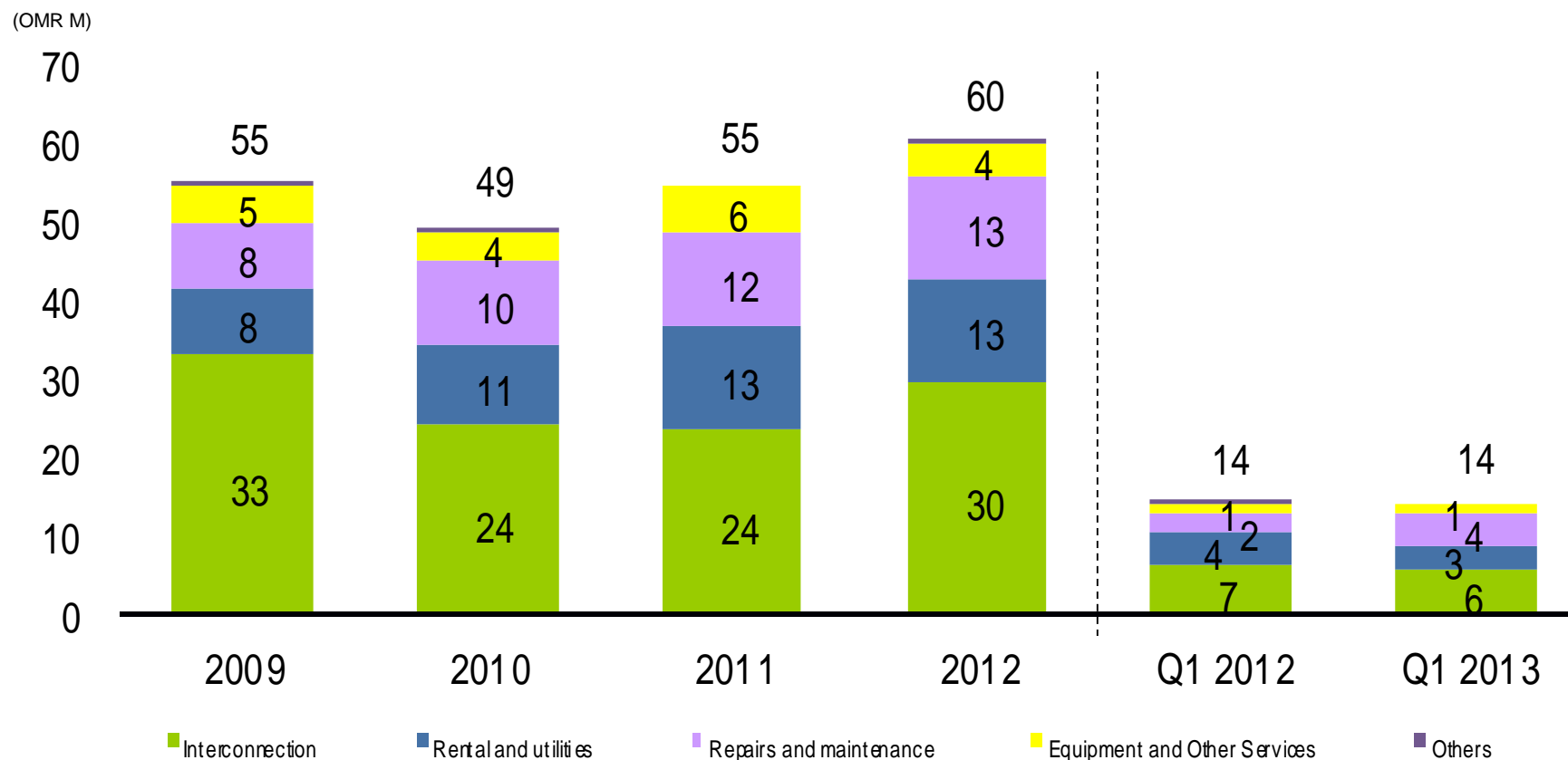
- Revenues for Q1 2013 grew by 3.0% to OMR 48.2 million compared with OMR 46.8 million in Q1 2012.
- The growth is driven by increases in both fixed and mobile data revenue as well as international voice revenue offset by a decrease in SMS and national voice revenue.

Source
Notes

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

Key financial drivers

Operating expenses



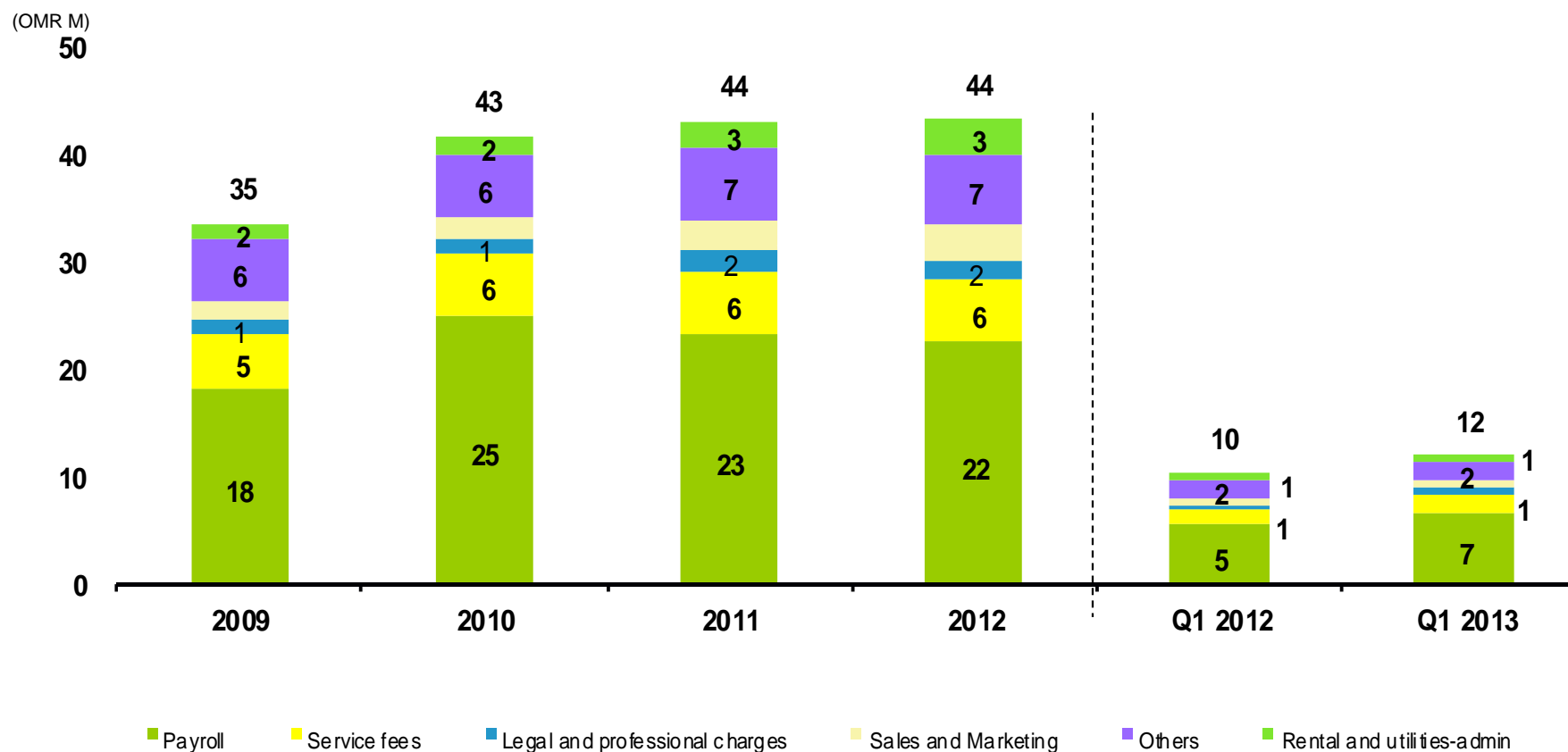
- Stable operations expenses.
- Increase in repairs and maintenance costs is driven by higher managed services cost. This is due to increased number of network elements consequent to modernization.

Source
Note

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

Key financial drivers

SG&A



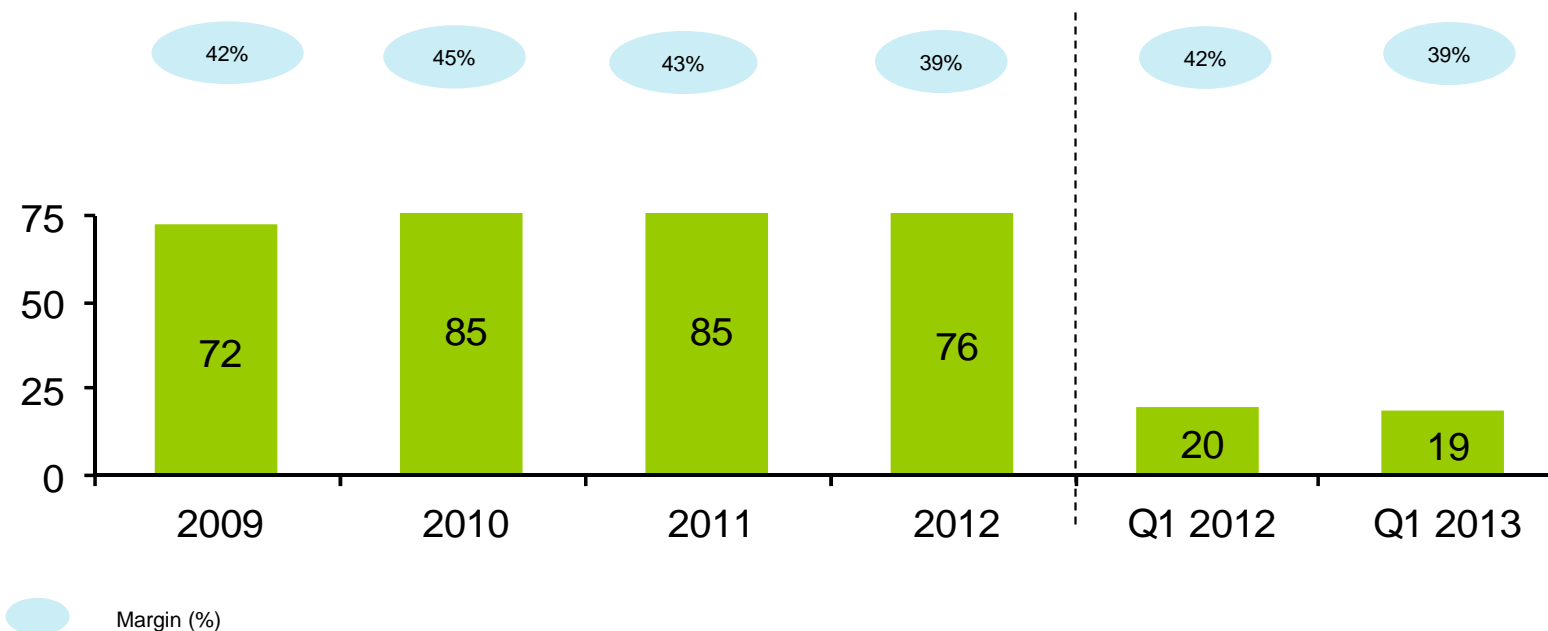
- Q1 2012 included a reversal in employee related cost of OMR 1.2 million relating to 2011.

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⁾



- Q1 2013 EBITDA was affected by increased marketing activities.

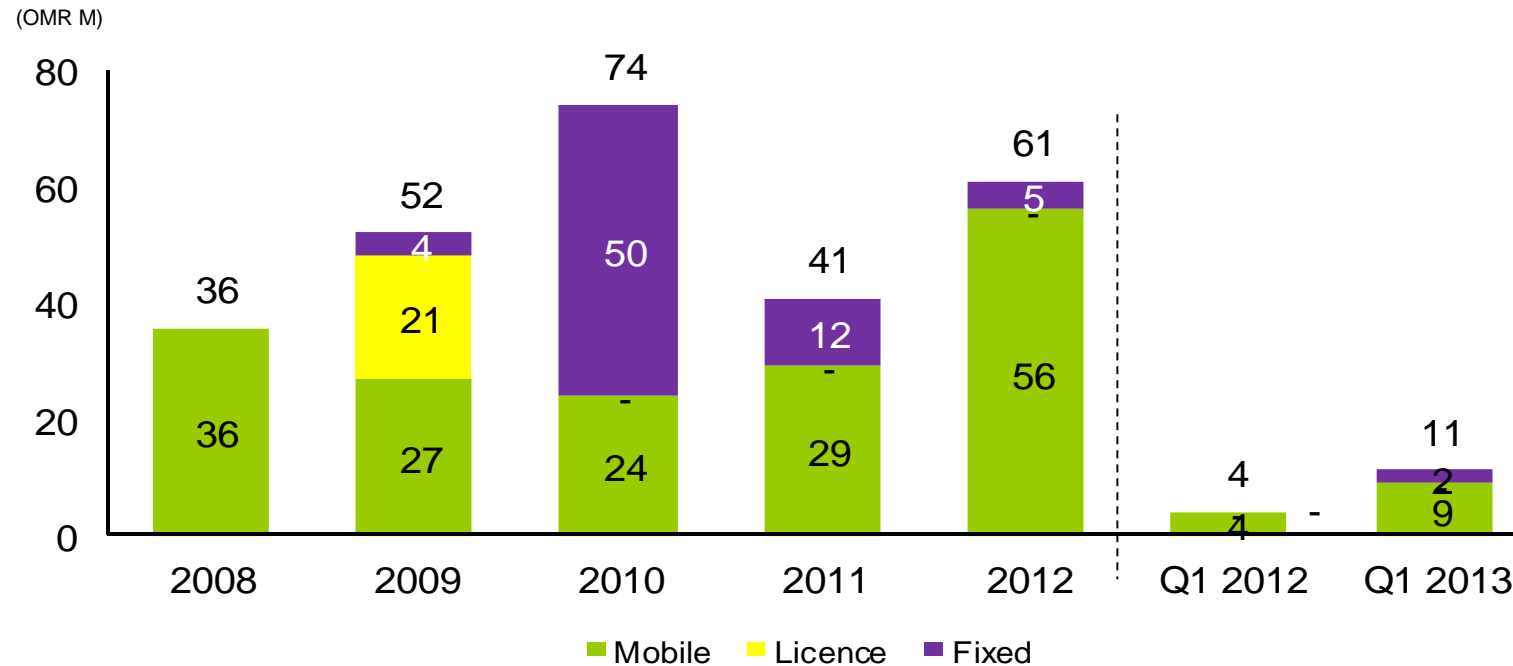
Source

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

Key financial drivers

Capital expenditure



- Capex increased as we continue to investing in our network.

Source

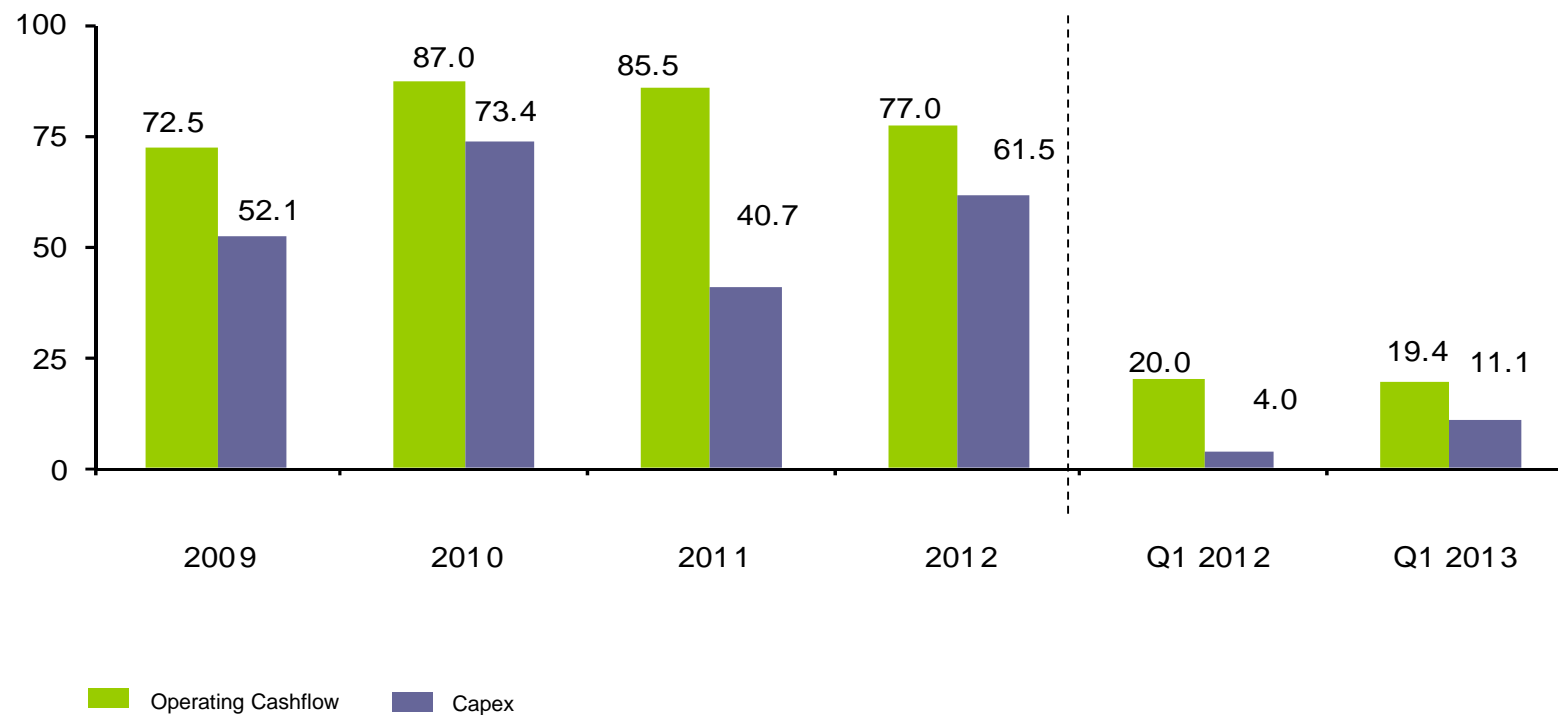
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Key financial drivers

steady cash flow

Operating cash flow before working capital

(OMR M)



- Steady operating cash flow generation

Source

Nawras

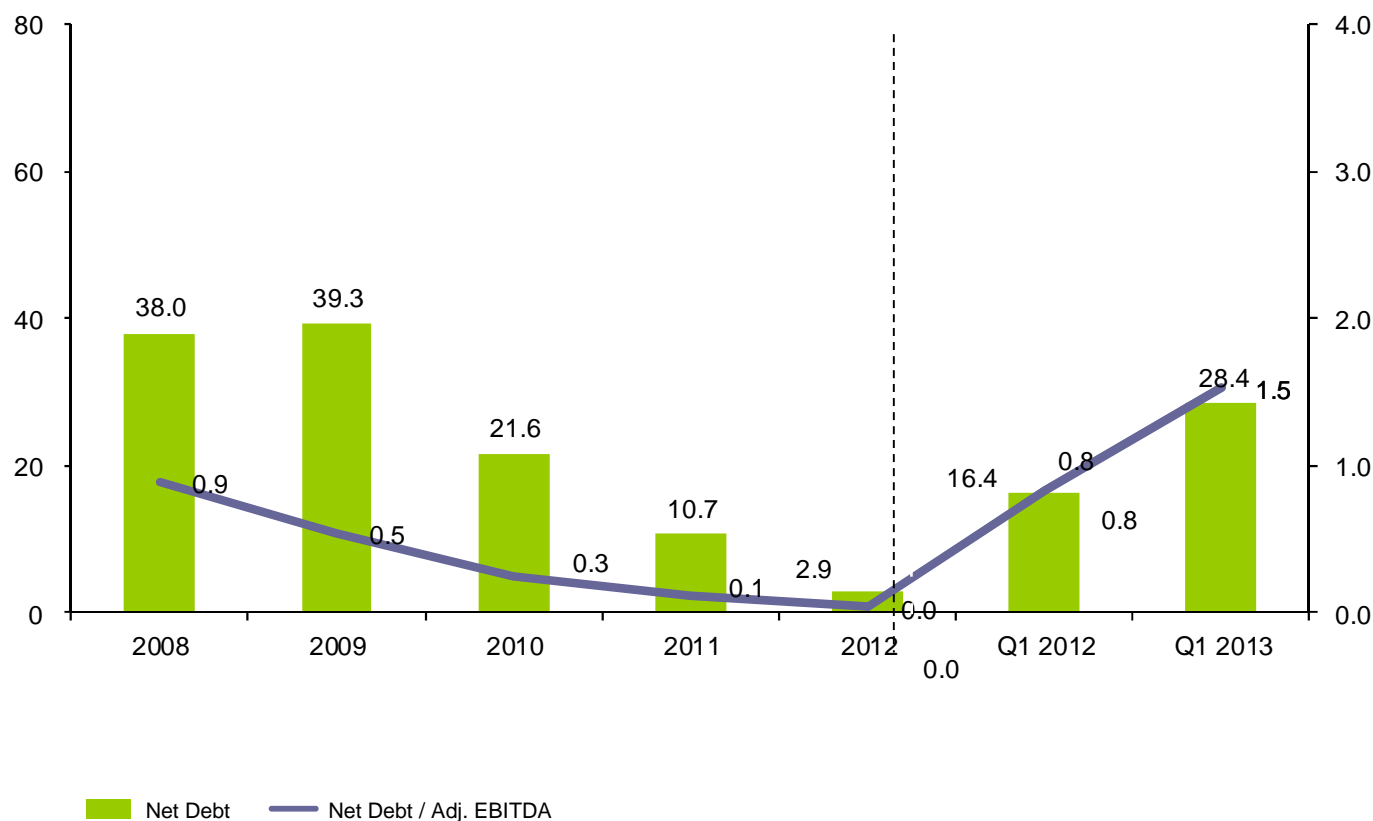
Net debt

Improvement in leverage

Net debt⁽¹⁾

Net debt / Adj. EBITDA

(OMR M)



- New loan facility of OMR 90 million was signed in early 2013.

Source
Note

Nawras

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

Conclusions

- **Market**
 - Increased total customer number by more than 12%
 - Revenue increased by 3%.
 - Increased competition in the market
- **Network**
 - Successfully completed phase one of Turbocharging our network.
 - Launched 4G LTE service, adding another exciting Nawras milestone.
- **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

