

- **Nawras Investor Presentation**

- Q1-3M 2014 Performance



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Q1 2014 Financial Results

	First Quarter Analysis		
	Q1 2014	Q1 2013	% change
Revenue (OMR m)	52.7	48.2	9.4%
EBITDA (OMR m)	26.6	23.0	15.7%
Net Profit (OMR m)	8.8	7.7	14.3%
Mobile and Fixed Customers ('000s)	2,433	2,234	8.9%

- The increase in revenue is driven by mobile and fixed data revenues, offset partially by decline in SMS.
- Net profit for the quarter was OMR 8.8 million compared to OMR 7.7 million in Q1 2013. Net profit increase by 14.3 % due to improvement in EBITDA
- Total number of customers grew by 8.9% in Q1 2014 from 2,234,453 to 2,432,751.
 - The fixed service customer base increased by 27.5% to 65,728 from 51,532
 - The mobile pre-paid customer base for Q1 2014 increased by 8.8 % to 2,177,469 compared to 2,000,831 for the same period last year.
 - The mobile post-paid customer base grew by 4% to 189,554 customers compared with 182,090 customers in Q1 2013

Q1 2014 - Areas of Focus

Turbocharging

- Doubling the 3G+ NW capacity in Buraimi, Ibri, Yanqul, Dank, Nakhal and Rustaq as part of the Phase IIB North NW modernization project which was completed ahead of planned schedule.
- Continued noticeable broadband quality and coverage improvement by introduction of 42 2G and 45 3G+ sites in Nawras network.
- Broadband quality of the above-mentioned cities further improved as a result of upgrading all microwave transmission links of Nawras base stations in these cities to IP.

Customer Experience

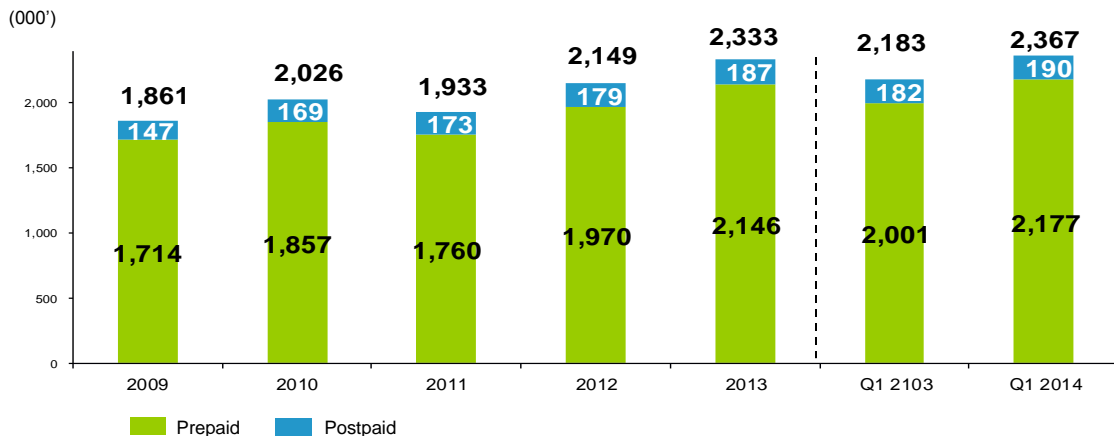
- Delivery of an Initiative to pro actively monitor service used by customers.
- Delivery of an initiative to allow customers to reserve numbers online

Cost Optimisation Program

- The objective of this program is to continue achieving savings throughout 2014 and beyond, via a number of different initiatives.

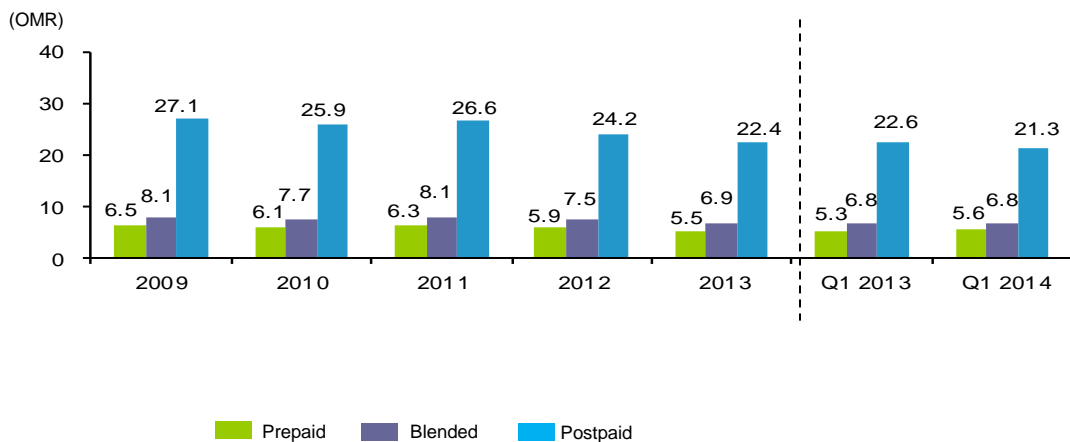
Performance

End of period (EoP) mobile customers breakdown



- The mobile pre-paid customer base by end of Q1 2014 increased by 8.8% to 2,177,469 compared to 2,000,831 in Q1 2013.
- The mobile post-paid customer base grew by 4.1% to 189,554 customers compared with 182,090 customers in Q1 2013

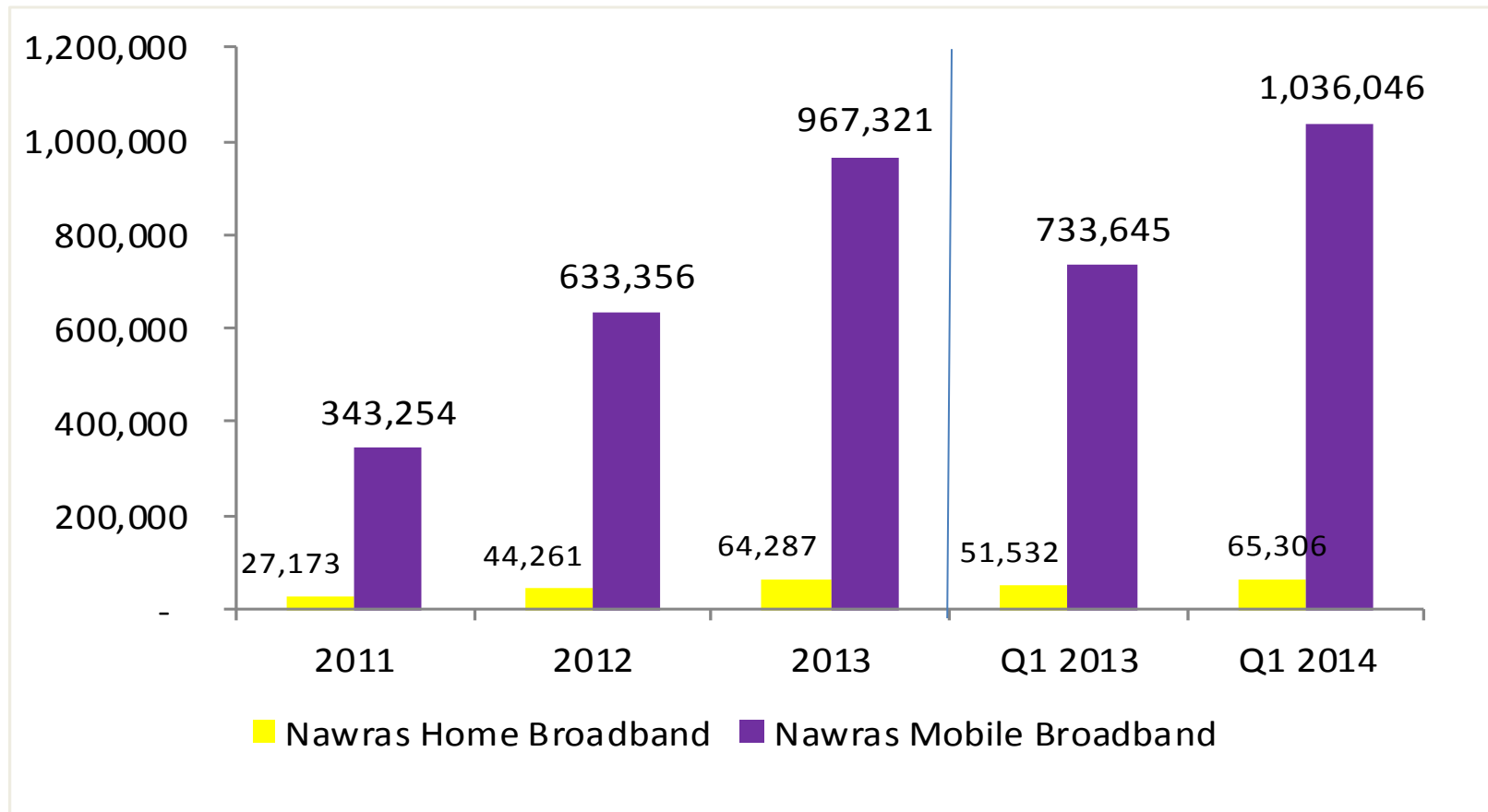
Monthly ARPU – Post-paid, prepaid and blended



- Q1 ARPU for prepaid has improved by 4.4% due to growth in data revenue. Postpaid ARPU is partially impacted by lower voice revenue.

Nawras broadband customers

Broadband (Mobile* and Fixed)

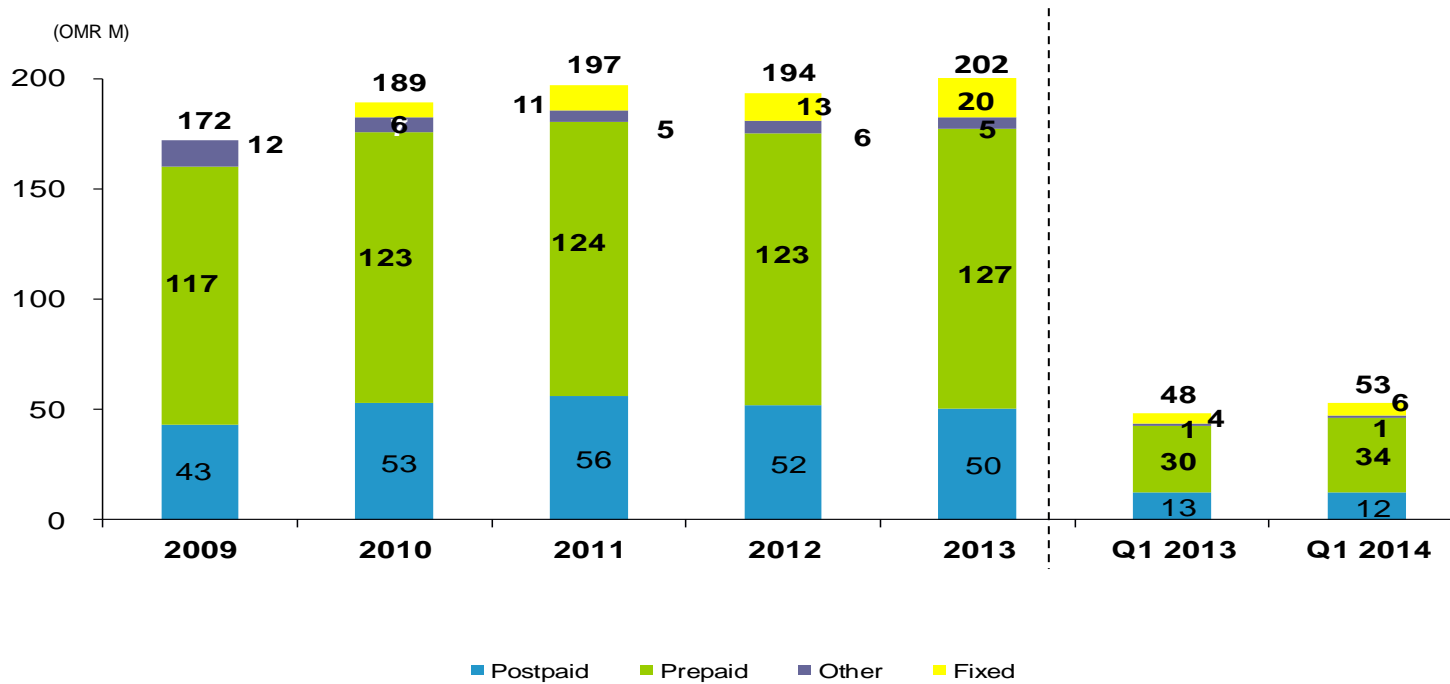




Financial highlights

Revenue

Best performance since Q4 2012



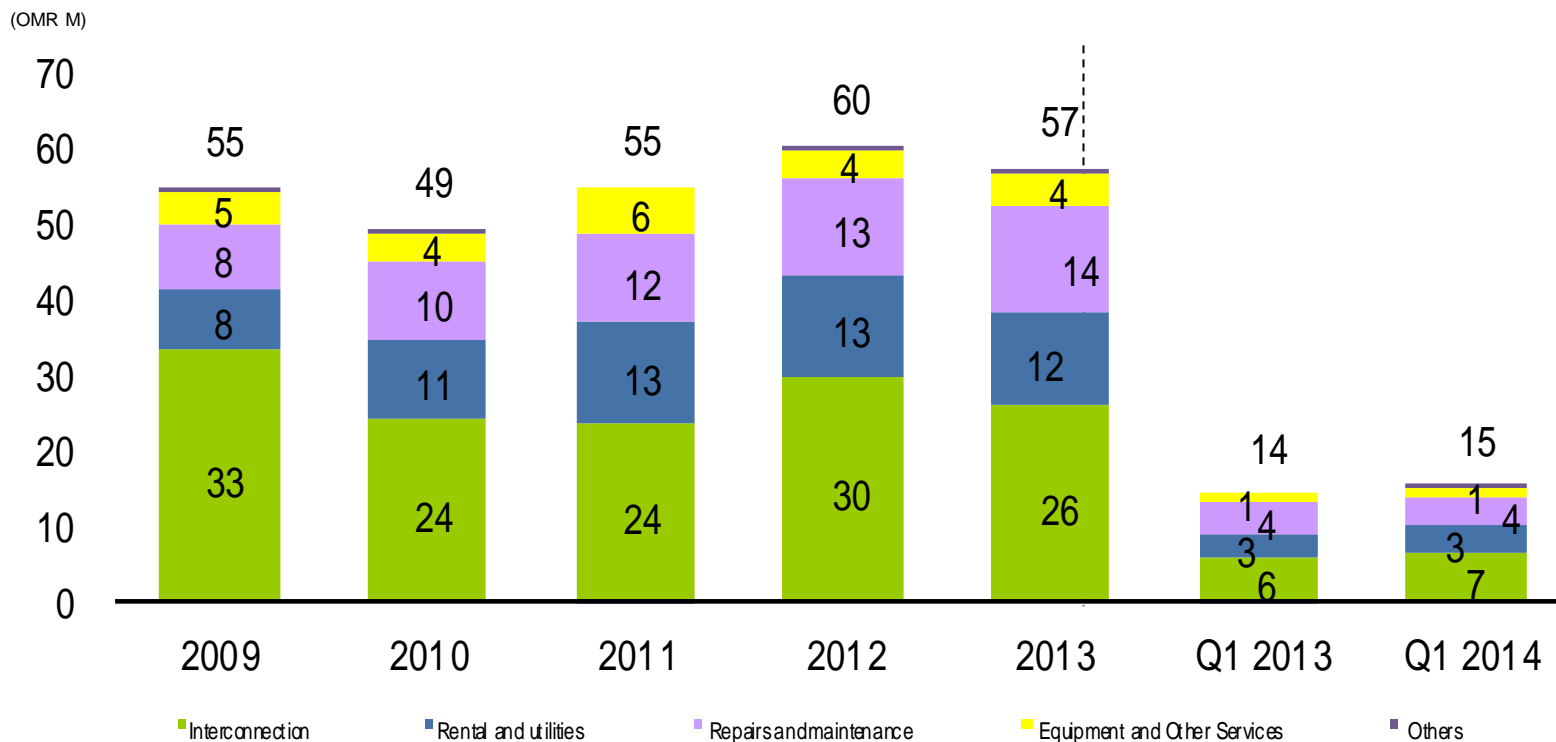
- The increase in revenue is driven by fixed and mobile data revenues, offset partially by SMS.

Source
Notes

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

Key financial drivers

Operating expenses



- Operating expenses in line with the previous quarter showing only a marginal increase in interconnection charges.

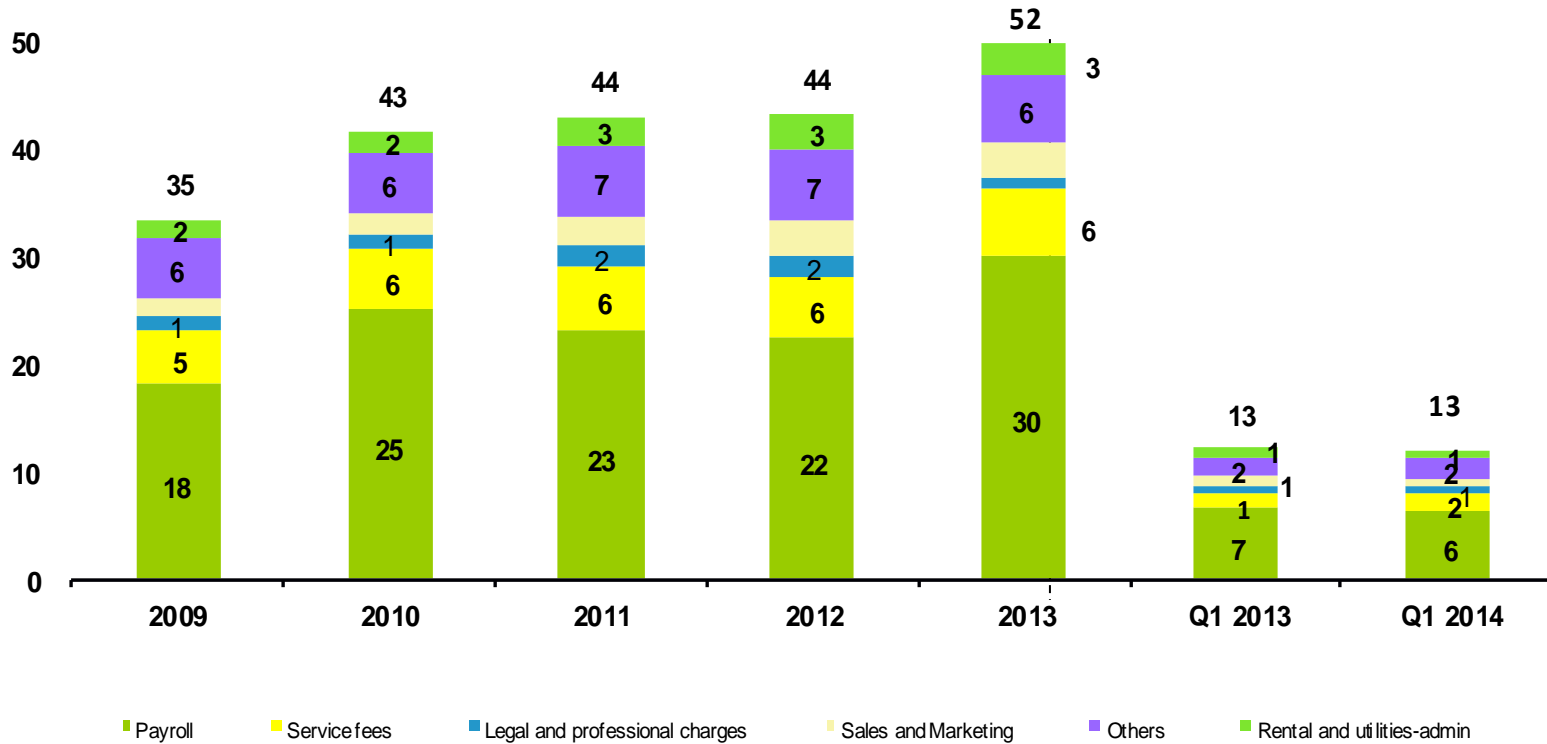
Source
Note

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

Key financial drivers

SG&A

(OMR M)



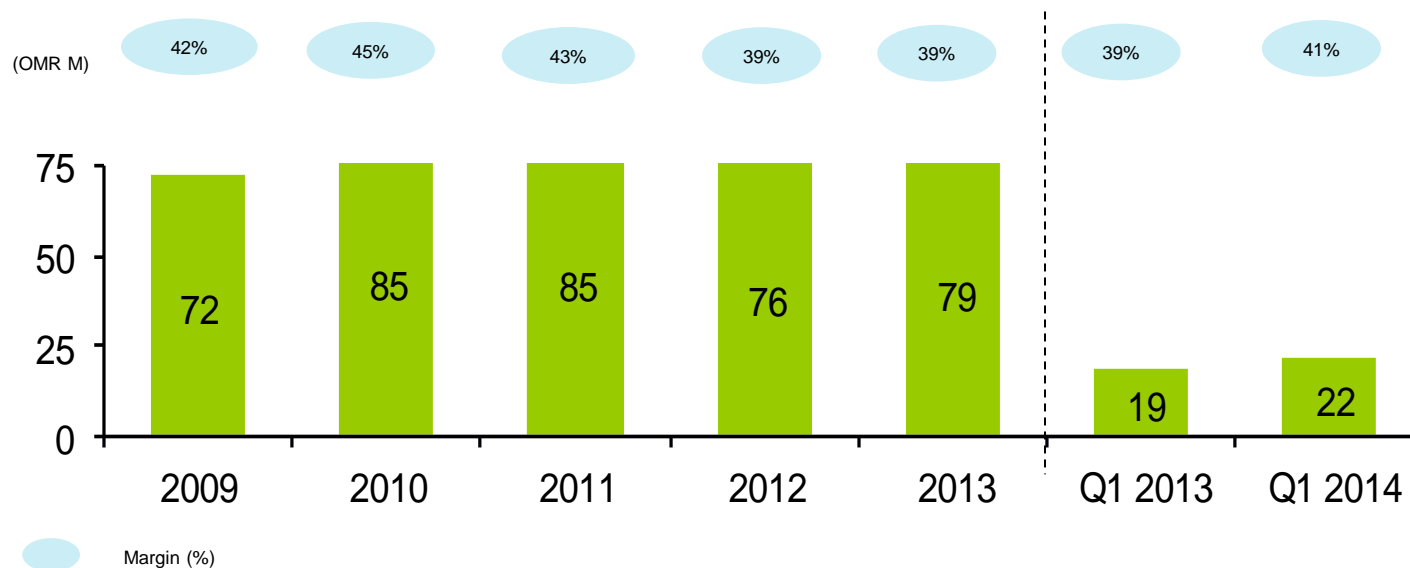
- SG&A is the same as in the previous quarter.

Source
Note

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

EBITDA

Adj. EBITDA⁽¹⁾



- EBITDA has improved due to an increase in revenues

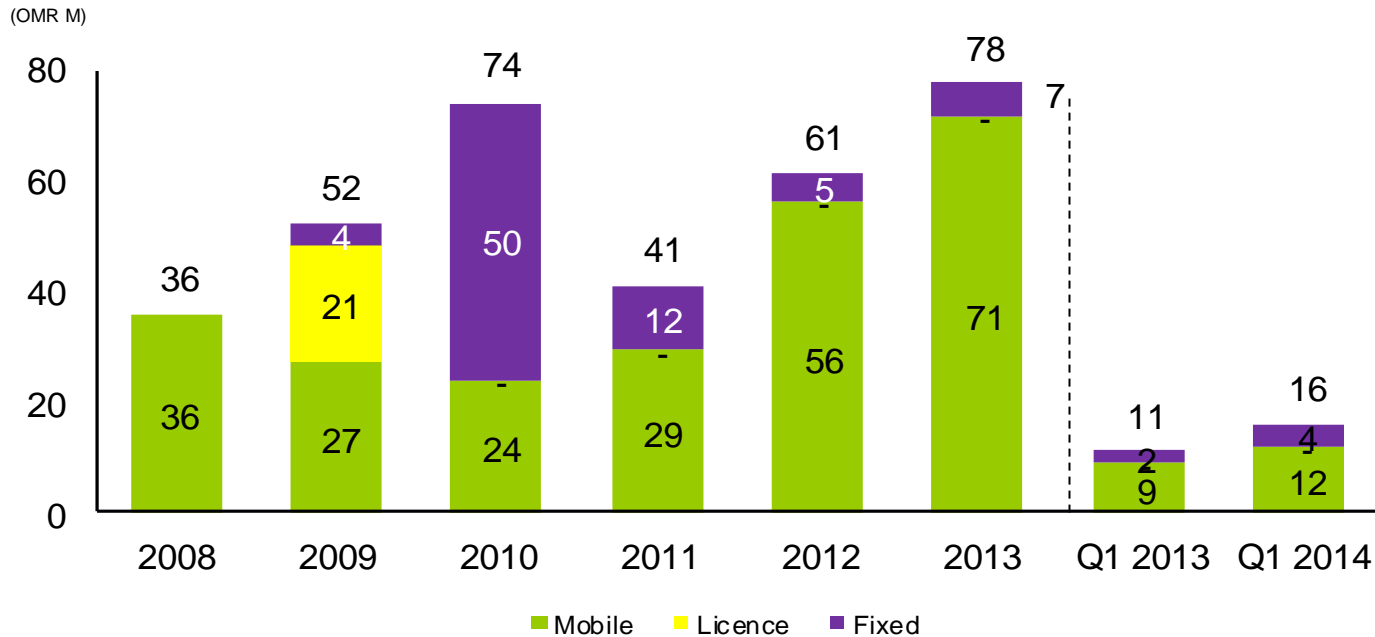
Source

Nawras

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

Key financial drivers

Capital expenditure



- Increase in Capex is driven by our investment in the network modernisation project which is future-proofing the network with the latest technology.

Source

Nawras

Key financial drivers

steady cash flow

Operating cashflow before working capital

(OMR M)



- Steady operating cash flow generation

Source

Nawras

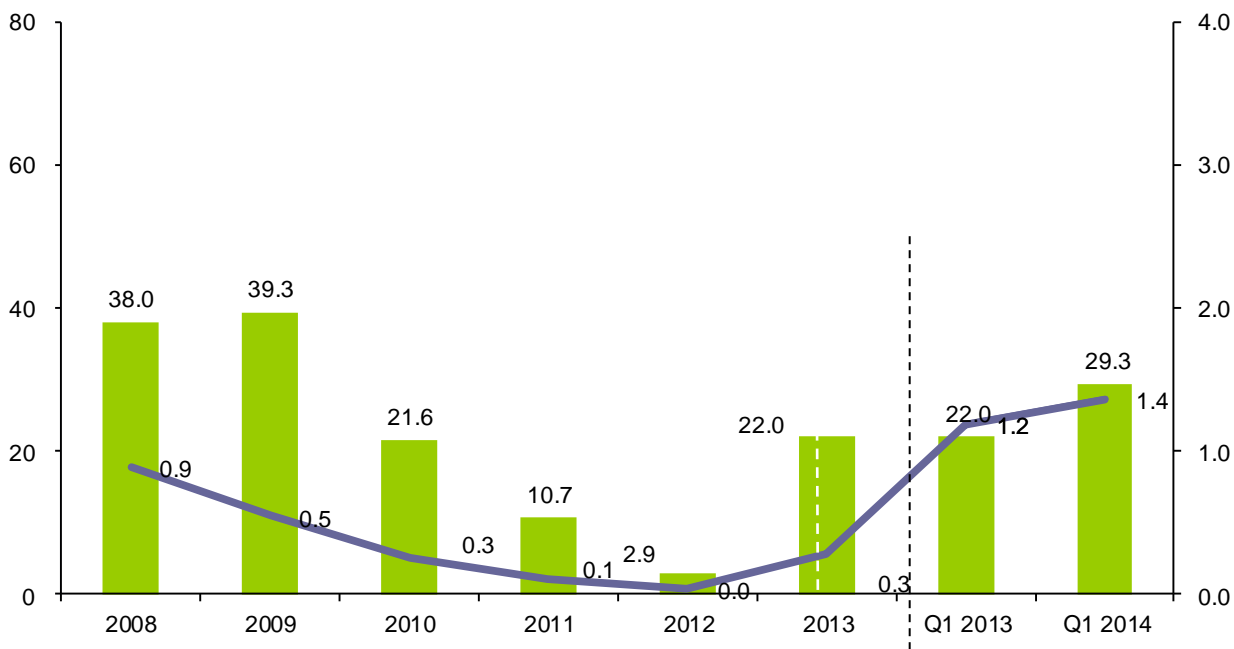
Net debt

Improvement in leverage

Net debt⁽¹⁾

Net debt / Adj. EBITDA

(OMR M)



- As on Mar 2014 we have unutilized funds of OMR 74.3m

Net Debt Net Debt / Adj. EBITDA

Source
Note

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

Summary

- **Market**

- In terms of revenue, Q1 was one of the best quarters in the history of Nawras.
- Quarterly revenue and EBITDA growth of 9.4% and 15.7% respectively,
- Revenue increase is driven by data and fixed revenues, offset partially by SMS.
- 8.9% growth in total number of customers and the fixed continued to grow.

- **Network**

- Phase IIB North countrywide Turbocharging Programme completed two weeks ahead of its planned schedule.
- Capacity of the 3G+ network in the cities of Buraimi, Yanqul, Ibri, Dank, Rustaq and Nakhal doubled

- **Future top line growth opportunities**

- Mobile, Home and Business broadband.
- Full service provider for corporate 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

