

**NBK Capital****Kuwait****Head Office**

17th Floor, Dar Al-Awadi Building  
Ahmed Al-Jaber Street, Sharq  
P.O. Box 4950, Safat 13050,  
Kuwait  
Tel: +965 2224 6900  
Fax: +965 2224 6904

**International Network****United Arab Emirates****NBK Capital Limited**

Precinct Building 3, Office 404  
Dubai International Financial Center  
P.O. Box 506506, Dubai  
United Arab Emirates  
Tel: +971 4 365 2800  
Fax: +971 4 365 2805

**Turkey****NBK Capital**

Arastima ve Musavirlik AS  
SUN Plaza, 30th Floor  
Dereboyu Sk. No.24  
Maslak 34398, Istanbul, Turkey  
Tel: +90 212 276 5400  
Fax: +90 212 276 5401

**NBK Capital MENA Research**

Tel: + 965 2224 6663

Fax: + 965 2224 6984

E-mail: [menaresearch@nbkcapital.com](mailto:menaresearch@nbkcapital.com)**Disclaimer**

This document and its contents are prepared for your personal information purposes only and do not constitute an offer, or the solicitation of an offer, to buy or sell a security or enter into any other agreement. Projections of potential risk or return are illustrative, and should not be taken as limitations of the maximum possible loss or gain. The information and any views expressed are given as of the date of writing and are subject to change. While the information has been obtained from sources believed to be reliable, we do not represent that it is accurate or complete and it should not be relied on as such. Watani Investment Company (NBK Capital), its affiliates and subsidiaries accept no liability for any direct, indirect or consequential loss arising from use of this document or its contents. At any time, the employees of NBK Capital and its affiliates and subsidiaries may, at their discretion, hold a position, subject to change, in any securities or instruments referred to, or provide services to the issuer of those securities or instruments.

**Omantel (OTL.OM)****February 15, 2009**

- Omantel announced its preliminary unaudited financial results for FY2008 and reported total revenue of OMR 427.9 million, a 17% increase compared to FY2007 results. This was 4% above our forecast of OMR 411 million. The company did not announce their 4Q2008 results, but from our calculations we noticed that total revenue during the 4Q2008 increased by 17% compared to 4Q2007; this was 17% above our forecast. According to management, the growth in revenues is driven by the mobile, Internet and data, and wholesale services, which witnessed double digit growth.
- Total subscribers (including Oman and Pakistan subscribers) grew by 58% during 2008 and reached 2.96 million. Pakistan subscribers represented 28% of Omantel's total subscribers. In Oman, total subscribers grew by 13% during 2008 and reached 2.12 million subscribers.
- As for operating income, it grew by 26% during FY2008 and reached OMR 158 million; this was 5% above our forecast on the back of better cost control than we anticipated.
- Omantel's Pakistani subsidiary, WTL (56.8% owned by Omantel), value was hit by the global financial crisis. As required by IFRS, the group recognized an impairment loss of OMR 18.88 million in respect to its investment in WTL. Thus, net profit reached OMR 116.7 million in 2008, a growth of 4% compared to FY2007 results.
- If we were to exclude that impairment loss, Omantel's net profit growth would have been around 21% during 2008 compared to 2007 and would have been 6% above our forecast.
- We will be issuing an update on Omantel following the release of the full financial statements

**Analyst:***Diala Hoteit**Direct: +971-4-3652855**[diala.hoteit@nbkcapital.com](mailto:diala.hoteit@nbkcapital.com)***Related Research**

- Omantel Update - 20 Nov. 2008
- Omantel Initiation of Coverage - 06 Aug. 2008