

# How do we generate great shareholder returns?

## Dear Shareholders

**On behalf of the Board of Directors, I have pleasure in presenting the 2012 annual report of Omani Qatari Telecommunications Company SAOG "Nawras".**

Here in Oman, the Government's positive attitude to business is allowing companies to operate and flourish in an environment of continuing stability. The continuing strong national economy has attracted an increasing number of regional and international firms keen to establish operations in the Sultanate, and to capitalise on the many opportunities here.

Nawras has maintained its unwavering commitment to investing in the best available technology for the benefit of our customers. This is a cornerstone of the Company's operational strategy and will continue into 2013 and beyond. Additionally, 2012 saw considerable efforts focused on re-energising our customer experience. This involved significant investment in programmes aimed at improving our understanding of our customer needs. This investment will continue through 2013 and will result in continued enhancements to our customer experience.

In our third year as a public company, gross consolidated revenue was OMR 193.5 million (2011: OMR 196.9 million), yielding net profits of OMR 37.0 million after taxation. Earnings per share equated to OMR 0.057.

Nawras has maintained compound annual revenue growth of 45 per cent since the Company started operations in 2005. This achievement enables the Board to recommend that shareholders approve, at the AGM on 27 March 2013, a dividend of OMR 0.038 per share (38 baisa), which represents a yield of 8.2 per cent on the Company's share price at the close of 2012.

Our focus in 2012 was on: new customer-driven initiatives; delivering the technology to increase customer choice; and to bring telecoms, media and data to a larger percentage of our population. In addition, we made substantial investments in people training and development.

By year end, for example, our plans to turbocharge our network with the introduction of 4G LTE, the latest wireless communications standard, were well-advanced, while the opening of our new flagship store in Muscat Grand Mall further enriched the customer experience, raising our brand's profile among new and existing customers.

These important milestones would not have been realised without the dedication and contribution of the entire Nawras family – our human capital – that is the foundation of the Company's on-going success. I offer my sincere thanks to them all for their contributions during 2012.

Their outstanding team effort resulted in continued steady growth in total customer numbers across all Nawras' services. I am pleased to report that, as in previous years, our industry peers, the media, and other groups recognised this effort by honouring us with a number of prestigious awards covering customer service, technology, investor relations, and people and training initiatives.



As a Board, we also owe a considerable debt of gratitude to the Qtel Group, our major shareholder, for helping Nawras realise a number of important operational and financial goals for the year. The Group's support is greatly appreciated and evidence of a very solid partnership.

On behalf of the Board of Directors, I offer my thanks to our shareholders, customers and partners for their trust and commitment. I join my colleagues in also acknowledging the considerable support of the Ministry of Transport and Communications, the Telecommunications Regulatory Authority (TRA), the Capital Market Authority (CMA) and Muscat Securities Market (MSM).

In closing, I offer my heartfelt gratitude to His Majesty Sultan Qaboos bin Said, may God protect him. Our leader's vision and wisdom has been the driver for the emergence of Nawras as one of the Sultanate's premier communications providers.

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**Sayyed Amjad Mohamed Al Busaidi**  
Chairman

