

Omantel

FY 2008 Result flash
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United Securities LLC
Investment Research

Omantel reported provisional, unaudited Net Profit of RO 117.218 million for the financial year ended December 2008

Omantel	FY 2008	FY 2007	YOY Change %	Q4 2008	Q3 2008	QoQ Change
Total Revenue (RO ,000)	427,898	365,311	17%	177,300	87,182	103%
Net Profit (RO ,000)	117,218	112,574	4%	10,112	32,329	-68%
EPS for FY 2008 (RO)	0.156	0.150	4%	0.013	0.043	-68%

Key Stock Info

Current Market Price (RO)	1.450
Annualised P/E (FY2008)	9.3
DPS (RO)	N.A
Dividend Yield (based on 2007 Dividend)	N.A
Paid up capital (RO ,000)	75,000
No of Shares (,000)	750,000
Market Cap (RO ,000)	1,087,500

- **Revenue:** The total revenue as of December'08 witnessed a growth of 17.1%, reaching at RO 427.898 million compared to RO 365.311 million for the previous year. Operating profit reported for FY08 is RO 157.653 million for the year ended December 31, 2008 compared to the operating profit of RO 125.207 million for the year 2007, a growth of 25.9%. The main reason for the good growth in operating profit is due to revenue growth and effective cost management.
- **Cost & Expenses:** The operating expenses is estimated at RO 270.245 million compared to RO 240.104 million for the last year, an increase of 12.6%.
- **Net Profit:** The Company achieved a Net profit of RO 116.714 million for the year ended December 31, 2008 compared to the Net profit of RO 112.032 million for the year 2007, a growth of 4.18%. The growth compared to the sales growth was deteriorated by the impairment loss made by the investment in Worldcall Telecom Limited (WTL), in Pakistan. As required by IFRS, the Group has recognized an impairment loss of RO 18.880 million, based on a report by an Independent Consultant. The adjustment is a non-cash charge on the income statement.
- **Subscriber base:** Total subscriber base (all services) increased to 2.955 million as of 31 Dec'08, which includes 0.836 million subscribers of WTL as compared to 1.869 million for the previous year, a growth of 58.1% of additional new WTL subscribers. Where as Excluding WTL subscribers, the growth was 13.4% on year on year basis.
- **Dividend:** The Company has not yet announced any dividend for FY2008.
- **We maintain our positive outlook on the company until further review.** We are waiting for detailed financial results to reassess our outlook on the company.

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N.A: Not Announced

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