

Public Offer for Sale of 71,250,000 Shares of Oman Telecommunications Company S.A.O.G. by the Government of the Sultanate of Oman represented by the Ministry of Finance to Omani Individual Investors

INFORMATION MEMORANDUM

Offer for Sale of 71,250,000 Shares at a Price of RO 1.350 per Offer Share

Financial Adviser & Lead Manager



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Al Busaidy, Mansoor Jamal & Co.



Offer Opening Date: 31 March 2014

Offer Closing Date: 13 April 2014

This Information Memorandum relates to an offer for sale of 71,250,000 (Seventy one million two hundred fifty thousand) shares in Oman Telecommunications Company S.A.O.G. held by the Government of the Sultanate of Oman, represented by the Ministry of Finance at an Offer Price of RO 1.350 per share to Omani individual investors.

This is an unofficial English translation of the original Information Memorandum prepared in Arabic. On [●] the Capital Market Authority has accorded its No-objection to this Offer. In the event of any conflict between the original Information Memorandum prepared in Arabic and this unofficial English translation of this Information Memorandum, the Arabic version will prevail. Although every care has been taken in this translation, neither the Government of the Sultanate of Oman nor bank muscat S.A.O.G. shall be held responsible or accept any responsibility for any information interpreted differently from the Arabic Information Memorandum.

Financial Adviser & Lead Manager



Legal Adviser

Al Busaidy, Mansoor Jamal & Co.



Subscription Banks

Ahli Bank SAOG
alizz islamic bank SAOG
Bank Dhofar SAOG
bank muscat SAOG
Bank Nizwa SAOG
Bank Sohar SAOG
National Bank of Oman SAOG
Oman Arab Bank SAOC

This Information Memorandum pertains to a partial sale of the existing shareholding held by the Government of the Sultanate of Oman. It contains important information and requires the attention of all prospective investors. In the event that a prospective investor does not fully understand the contents of this Information Memorandum, such investor should consult his financial adviser. Oman Telecommunications Company S.A.O.G.'s shares are listed on the Muscat Securities Market.

The Capital Market Authority assumes no responsibility for the accuracy and adequacy of the statements and information included in this Information Memorandum and shall not assume any

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liability for any damage or loss resulting from the reliance upon or use of any part of the same by any person.

Abbreviations and Definitions

“Applicant”	means an Omani Person that applies for the purchase of Offer Shares in the Offer
“Application”	means an application made by an Applicant for subscription to Offer Shares through the submission of an Application Form to a Subscription Bank.
“Application Form”	means the application form pursuant to which an Applicant may apply for Offer Shares
“Application Money”	means the amount payable by an Applicant at the time of submission of an Application Form to a Subscription Bank being the product of the Offer Shares applied for by an Applicant and the Offer Price
“Articles”	means the articles of association of the Company (as amended)
“Board”/ “Board of Directors”	means the board of directors of the Company constituted in accordance with the Articles and the CCL
“Baizas/Bzs”	means Baizas (Bzs 1,000 =RO 1)
“CCL”	means the Commercial Companies Law as issued under Royal Decree No. 4/74 (as amended)
“CMA”	means the Capital Market Authority of Oman established pursuant to the CML
“CML”	means the Capital Market Law issued by Royal Decree No.80/98 (as amended)
“Code”	means the Code of Corporate Governance for MSM listed companies issued by Circular 1/2003 (as amended)
“Company”	means Oman Telecommunications Company S.A.O.G.
“Commercial Register”	means the Commercial Register maintained by the MOCI pursuant to the Commercial Register Law issued by Royal Decree No. 3/74
“CR Number”	means Commercial Registration Number of the Company
“EGM”	means an extraordinary general meeting of the Shareholders
“First Omantel Decree”	means Royal Decree No.46/99 dated 18 July 1999 passed to, amongst other matters, corporatize GTO
“FY/ Financial Year”	means the financial year of the Company which starts on 1 st January and ends on 31 st December of that particular year
“Financial Adviser & Lead Manager” or	means bank muscat SAOG

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"Lead Manager"	
"GOSO"	means the Government of Oman
"GTO"	means the General Telecommunications Organization, the predecessor of the Company
"Information Memorandum" / "IM"	means this information memorandum
"Investor"	means an Applicant who purchases Offer Shares pursuant to the Offer
"Investor Number"	means the unique folio number of the investor as registered with the MCDC
"Legal Adviser"	means Al Busaidy, Mansoor Jamal & Co.
"MOCI"	means the Ministry of Commerce and Industry
"MOF"	means the Ministry of Finance
"MCDC"	means Muscat Clearing and Depository Company SAOC
"MSM"	means the Muscat Securities Market
"Offer Closing Date"	means, 13 April 2014, the closing date of the Offer
"Offer Opening Date"	means, 31 March 2014, the opening date of the Offer
"Offer Shares"	means 71,250,000 Shares owned by the Selling Shareholder
"Offer Price"	means RO 1.350 per Offer Share
"Offer Period"	The period between the Offer Opening Date and the Offer Closing Date, inclusive of both days, during which an Applicant can submit an Application
"Offer"	means the offer-for sale by the Selling Shareholder of the Offer Shares to the Omani Persons
"OGM"	means an ordinary general meeting of the Shareholders
"Oman"	means the Sultanate of Oman
"Omani Person"	means an Omani individual (i.e. a natural person who is a citizen of Oman)
"Rial Omani"/"RO"	means the currency of Oman
"Royal Decree"	means a Royal Decree issued by His Majesty, the Sultan of Oman
"Second Omantel Decree"	means Royal Decree No.36/2005 issued in April 2005
"Selling Shareholder"	means GOSO represented by the MOF
"Share"	means an ordinary share in the capital of the Company with a nominal and

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	paid up value of 100 Baizas and “Shares” shall be construed accordingly
“Share Capital”	means the issued and paid up share capital of the Company
“Shareholders”	means the shareholders of the Company, as registered with the MCDC
“Subscription Banks”	Ahli Bank SAOG alizz islamic bank SAOG Bank Dhofar SAOG bank muscat SAOG Bank Nizwa SAOG Bank Sohar SAOG National Bank of Oman SAOG Oman Arab Bank SAOC

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Important Notice

All prospective Investors are requested to read this notice carefully.

- The principal aim of this Information Memorandum is to present information on the Offer which may assist prospective Investors to make an appropriate decision as to whether or not to invest in the Offer Shares. However, this Information Memorandum does not contain all information in relation to the Offer Shares or the Company which may be relevant to a prospective Investor's decision whether or not to invest in the Offer Shares. All prospective Investors should therefore make their own independent investigation as to the merits of purchasing the Offer Shares. The Company is listed on the MSM and prospective Investors should refer to the MSM website at www.msm.gov.om (MSM Ticker Code: OTEL) or to the Company's website www.omantel.om/omanweblib/investors/default.aspx for any further information required to make an independent investment decision.
- The Offer does not constitute an offer for "Public Subscription" of securities within the meaning given to that term in Article 1 of the CML.
- This Information Memorandum is not a prospectus issued pursuant to Article 3 of the CML, Article 6 of the Executive Regulations of the CML (issued by the Board of Directors of the CMA vide Decision No. 1/2009) or any other provision of Omani law.
- To the best of the knowledge and belief of GOSO and the Lead Manager, all reasonable care has been taken to ensure that the information contained in this Information Memorandum concerning the Company is accurate. The information provided in this document has been obtained from known and publicly available sources.
- All equity investments carry market risks to varying degrees. The value of any security can fall as well as rise and no profit or income is guaranteed.
- Prospective Investors are advised to seek professional guidance, to examine and study this Information Memorandum carefully and to take into account all facts related thereto, before deciding whether to apply for the Offer Shares.
- Other than information or representations contained in this Information Memorandum, no information or representation may be provided or made on behalf of GOSO by any person in relation to the Offer unless approved by the MOF or the Financial Adviser & Lead Manager.

Chapter 1

Offer Summary

Name of the Company	Oman Telecommunications Company SAOG
Name of the Selling Shareholder	GOSO represented by the MOF
Registered Office of the Company	P.O. Box 789, Ruwi, Muscat, 112 Oman
CR Number of the Company	1640747
Duration of the Company	Unlimited
Financial Year of the Company	Commences on 1 st January and ends on 31 st December each year
Authorized Share Capital of the Company	750,000,000 Shares with a nominal value of Bzs 100 each (Rial Omani Seventy Five million).
Issued and Paid up Share Capital of the Company	750,000,000 Shares with a nominal value of Bzs 100each (Rial Omani Seventy Five million) fully paid-up
Offer Shares	71,250,000 Shares that are currently owned by the Selling Shareholder. The Offer Shares rank equally with all other Shares.
Eligibility for the Offer	Omani Persons
Offer size as a Percentage of the total issued and paid-up Share Capital	9.5% of the Issued and Paid up Share Capital of the Company.
Maximum Application Size	10,000 Shares
Minimum Application Size	100 Shares and thereafter in multiples of 100 Shares
Proposed Allotment Procedure	<p>Offer shares shall be allocated on a pro-rata basis.</p> <p>In the event any Offer Shares remain unsubscribed then such Offer Shares shall remain unsold and shall be retained by the Selling Shareholder.</p> <p>The final allotment on the above basis will be decided by the Lead Manager and the Selling Shareholder in consultation with the CMA.</p>
Commencement of the Public Offer	31 March 2014

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Close of the Public Offer	13 April 2014
Nominal Value each Offer Share	100 Baizas (One Hundred Baizas)
Offer Price	RO 1.350 for each Offer Share
Currency of Application	Rial Omani
Use of Proceeds	The Selling Shareholder will receive the proceeds arising from the sale of the Offer Shares. The Company will not receive any of the proceeds of the sale of the Offer Shares.
Financial Adviser & Lead Manager	bank muscat SAOG, Investment Banking P.O. Box 134, Ruwi, Postal Code 112, Oman Tel: +968 2476 8888; Fax: + 968 2479 8220 URL: www.bankmuscat.com
Subscription Banks	bank muscat SAOG Ahli Bank SAOG Bank Dhofar SAOG Bank Sohar SAOG National Bank of Oman SAOG Oman Arab Bank SAOC alizz islamic bank SAOG Bank Nizwa SAOG
Legal Adviser	Al Busaidy, Mansoor Jamal & Co Barristers & Legal Consultants P.O. Box 686, Ruwi, Postal Code 112, Oman Tel: +968 2481 4466; Fax: +968 2481 2256 URL: www.amjoman.com

Chapter 2

Purpose of the Offer

The Selling Shareholder, after the initial divestment of a 30% stake in the Company in 2005 and the subsequent private placement of a 9.5% stake in March 2014, intends to divest a further 9.5% stake in the Company, as part of its privatisation program. The principal objectives which the Selling Shareholder seeks to achieve from the phase of privatization undertaken in 2014 are to:

1. further spread the share ownership of Omani individual and institutional investors in the Company, which is a nationally strategic institution;
2. enhance the active and widespread public participation in the privatization process initiated by GOSO;
3. strengthen and enhance the development of the capital markets in Oman;
4. increase domestic investment by local investors; and
5. maximize Shareholder value and proceeds.

The Offer is intended to target Omani Persons in an effort to increase the base of local investors and provide them with the opportunity of subscribing to the Offer Shares. The net proceeds of the Offer will accrue to the Selling Shareholder.

Chapter 3

Shareholding and Ownership Pattern

Pre and Post-Offer Shareholding

The Selling Shareholder, currently holds 60.5% of the Share Capital of the Company i.e. 453,750,000 Shares. Assuming the sale of all of the 71,250,000 Offer Shares, the pre and post Offer Shareholding of the Selling Shareholder in the Company is as follows:

	Shares	% stake
Pre-Offer Shareholding	453,750,000	60.50%
Post-Offer Shareholding	382,500,000	51.00%

Post Offer equity structure

The Offer, being an offer for sale of the existing shareholding held by the Selling Shareholder in the Company, would not lead to an increase in the Share Capital. As a result, the Share Capital structure of the Company would remain unchanged following completion of the Offer.

Chapter 4

Objects and Approvals

Overview

The Company was incorporated in 1999 as a closed joint stock company under the First Omantel Decree following the transformation of GTO and was vested with all the assets and liabilities of the GTO with effect from 1 August 1999.

The Company was transformed into a public joint stock company and 30% of the Share Capital was listed on the MSM on 28 July 2005. The Company is registered with the MOCI under Commercial Registration number 1640747. The Company's core business activity is the operation and provision of mobile and fixed telecommunication networks and services to residential and corporate customers in Oman.

Second Omantel Decree

Pursuant to the Second Omantel Decree, it was declared that the Company shall be governed by the provisions of the CCL applicable to public joint stock companies. The Second Omantel Decree, *inter alia*, states as follows:

"Article 3

Changes in the duration of the Company, rules and procedures for formation of its Board or provisions otherwise contained in its Articles shall be made by a decision of the general meeting of the Company. The general meeting and the Board of the Company may exercise the authorities and powers prescribed for each of them under the CCL aforesaid.

Article 4

The Council of Ministers shall issue the rules regulating the following:

- (1) Determination of the percentage, procedures and conditions for the sale of any portion of the share capital of the Company which is owned by the Government or offering of the same for public subscription.*
- (2) Determination of the nominal value of the shares of the share capital of the Company and the entities and persons who may be allowed to purchase such shares or subscribe for them.*
- (3) Determination of the period during which the purchasers of the shares of the share capital of the Company will not be allowed to dispose of such shares to third parties or that during which the subscribers are not allowed to negotiate the shares subscribed for to non Omani individuals.*
- (4) Determination of the rules aforesaid shall be deemed an exception from the provisions of the CCL, the CML and the Privatisation Law aforesaid."*

Council of Ministers Decision

In accordance with Article 4 of the Second Royal Decree and Article 13 of the Articles, the Selling Shareholder confirms that the Council of Ministers, at a meeting held on 28 January 2014, pursuant to decision No. 4/2014 approved the divestment of an aggregate 19% of the Share Capital owned by the Selling Shareholder, which is being undertaken in two phases comprising: an offering to Omani institutional investors and sophisticated investors on a private placement basis (which was concluded in March 2014); and the Offer.

Company's objects as set out in the Articles:

Article 4 of the Company's Articles sets out the objectives as follows:

“construct and operate telecommunications networks inside Oman and link Oman with other countries in the world in accordance with plans formulated by the Board of Directors of the Company from time to time within the framework of the general policy of the State and in accordance with the licence issued for the Company by Royal Decree No. 20/2004 and any other licences granted to the Company”.

Material Licenses

The Company presently holds the following material licences:

Telecommunications Regulatory Authority: Licences

Mobile License

Type: License for the Installation, Operation, Maintenance and Exploitation of a Mobile Public Telecommunications System in Oman.

Expiry Date: 15 years from the date of the Royal Decree issuing this license (i.e. 10 February 2019).

Fixed Line License

Type: License for the Installation, Operation, Maintenance and Exploitation of a Fixed Public Telecommunications System in Oman.

Expiry Date: 25 years from the date of the Royal Decree issuing this license (i.e. 10 February 2029)

Ministry of Commerce and Industry: Commercial Registration

Commercial Registration Number: 1640747

Date of Registration: 22 April 2000; Expiry Date: 21 April 2015

Oman Chamber of Commerce & Industry: Membership

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Registration Number: 1151

Expiry Date: 28 April 2015

Chapter 5

Rights and Liabilities of the Shareholders

Shareholders' liabilities

The liability of a Shareholder will be limited to payment of the value of the Shares for which the Shareholder has subscribed. The Shareholder will not be liable for the debts of the Company except to the limit of the nominal value of the subscribed Shares.

Shareholders' rights

Subject to the Articles, all the Shares enjoy equal and inherent rights, which, in accordance with the CCL, are:

- the right to receive dividends declared in the general meeting;
- preferential rights to subscribe for any new Shares, except as provided for under applicable law;
- the right to share in the distribution of the proceeds of the Company's surplus assets on liquidation;
- the right to transfer Shares in accordance with applicable law;
- the right to access the Company's balance sheet, profit and loss account and Shareholders' register;
- the right to be invited to attend the general meeting and vote in such meetings personally or by proxy (each Shareholder will have one vote for each Share owned);
- the right to apply for annulment of any resolution made by the general meeting or the Board of Directors if such resolution(s) are contrary to applicable law or the Articles or the internal regulations of the Company;
- the right to institute legal proceedings on behalf of the Shareholders or the Company against the Board of Directors or the auditors of the Company, provided that in accordance with Article 132 of the CCL, the directors appointed by GOSO shall have no liability in respect of any action they perform during the exercise of their functions as directors of the Company; and
- the right to approach the CMA (provided that the move is supported by Shareholders who own at least 5 per cent of the Shares), to request the CMA to exercise its authority to suspend resolutions of the general meeting which are made in favour of a certain category of Shareholders or against a certain category of Shareholders, or in the interest of the members of the Board of Directors or others.

Additionally, under the Articles, the Selling Shareholder has the right to appoint 7 directors to the Board.

Reports and statements

The Board shall prepare unaudited quarterly financial statements for the first, second and third quarter of each financial year. It shall also prepare an annual report within two months from the end of each financial year, comprising the audited balance sheet, profit and loss statement, cash flow statement,

changes in shareholder's equity, report of the Board of Directors, report on the discussions held by the Board and their analysis and report on the organisation and management of the Company. These statements should be disclosed at least two weeks prior to the annual OGM through the electronic transmission system on the MSM website.

The unaudited quarterly financial statements shall be forwarded to the information centre of the MSM within thirty days from the end of each quarter or any other legal period prescribed by the disclosure rules and conditions issued by CMA through the private electronic transmission system of the MSM's information centre. The said centre shall also be provided with two copies duly endorsed by the Board.

Ordinary General Meetings

The Board may convene an OGM at any time and such meeting shall be convened whenever required by the CCL or the Articles, or upon request of one or more Shareholders who represent at least 25 per cent of the issued and paid-up Share Capital. The Board shall establish the agenda of the OGM. If the meeting is convened by the auditors, the agenda shall then be established by them. The Board, or the auditors if necessary, shall include in the agenda any proposal put forward by Shareholders who represent more than 10 per cent of the Share Capital provided that such proposal is submitted for inclusion in the agenda at least one month before the date of the meeting. The resolutions of the OGM shall not be valid unless the meeting is attended by Shareholders or their proxies who represent at least half of the Share Capital. If such a quorum is not formed, a second meeting shall be called to discuss the same agenda. The second OGM shall be notified to the Shareholders in the same manner as the first meeting, at least one week prior to the date set for the second meeting. The resolution of the meeting shall be valid regardless of the number of shares represented, provided that such meeting is held within one month from the date of the first meeting. The resolution of the OGM shall be adopted by simple majority of votes cast.

Extraordinary General Meetings

An EGM will be convened to decide on issues such as:

- a. a reduction or increase in the authorized share capital of the Company;
- b. the dissolution, liquidation or merger of Company;
- c. the sale of Company's business or its disposal in any form or manner;
- d. an amendment to the Articles; and
- e. the issue of negotiable bonds by public subscription or private placement.

The resolutions of the EGM shall not be valid unless the meeting is attended by Shareholders or proxies representing at least three-quarters of the Share Capital. Failing such a quorum, a second meeting shall be convened to discuss the same agenda. The Shareholders shall be notified of the second EGM in the same manner as the first EGM, at least two weeks prior to the date set for the second meeting.

The resolutions of the second EGM shall be valid if the meeting is attended by Shareholders or proxies representing more than half of the Share Capital, provided such meeting is held within six weeks of the

date of the first EGM. The resolutions of the EGM shall be adopted by a majority of three-quarters of the votes cast in respect of a certain resolution, provided such resolution must receive votes in favour representing more than fifty per cent of the Share Capital.

Any shareholder or any interested party may refer to the courts in Oman within five years from the date on which the meeting was held, to decide on nullification of any decision if taken during a general meeting in violation of the CCL, the provisions of the Articles, the Company's internal regulations, or through deceit or misuse of authority.

Restrictions on ownership and transfer of the Shares

In accordance with the Articles, except for the Selling Shareholder, no person shall be entitled to own Shares such that he/she/it would, as a result, own more than 5% of the Share Capital. For the avoidance of doubt the Selling Shareholder shall be permitted to own more than 5% of the Share Capital. Separately, under applicable law, the shareholding of each Shareholder may not exceed the maximum limit prescribed and provided for in the CML, unless the necessary approvals are secured. In this regard:

- a) Any person whose shareholding, along with his minor children's shareholding, reaches 10 per cent or more of the Share Capital, is required to advise the CMA of the same in writing. Further, the Shareholder must inform the CMA in writing of any transaction or dealing which leads to any change in this percentage immediately after it happens.
- b) No single person or related person up to second degree may hold 25 per cent or more of the shares of a public joint stock company except in accordance with the rules issued by the CMA on the subject.

In accordance with Article 4 of the Second Omantel Decree and Article 13 of the Articles, the Shares owned by GOSO in the Company shall be transferred in accordance with the resolution passed by the Council of Ministers on 28 January 2014. Maximum foreign ownership in the Company is limited to 49% of the Share Capital.

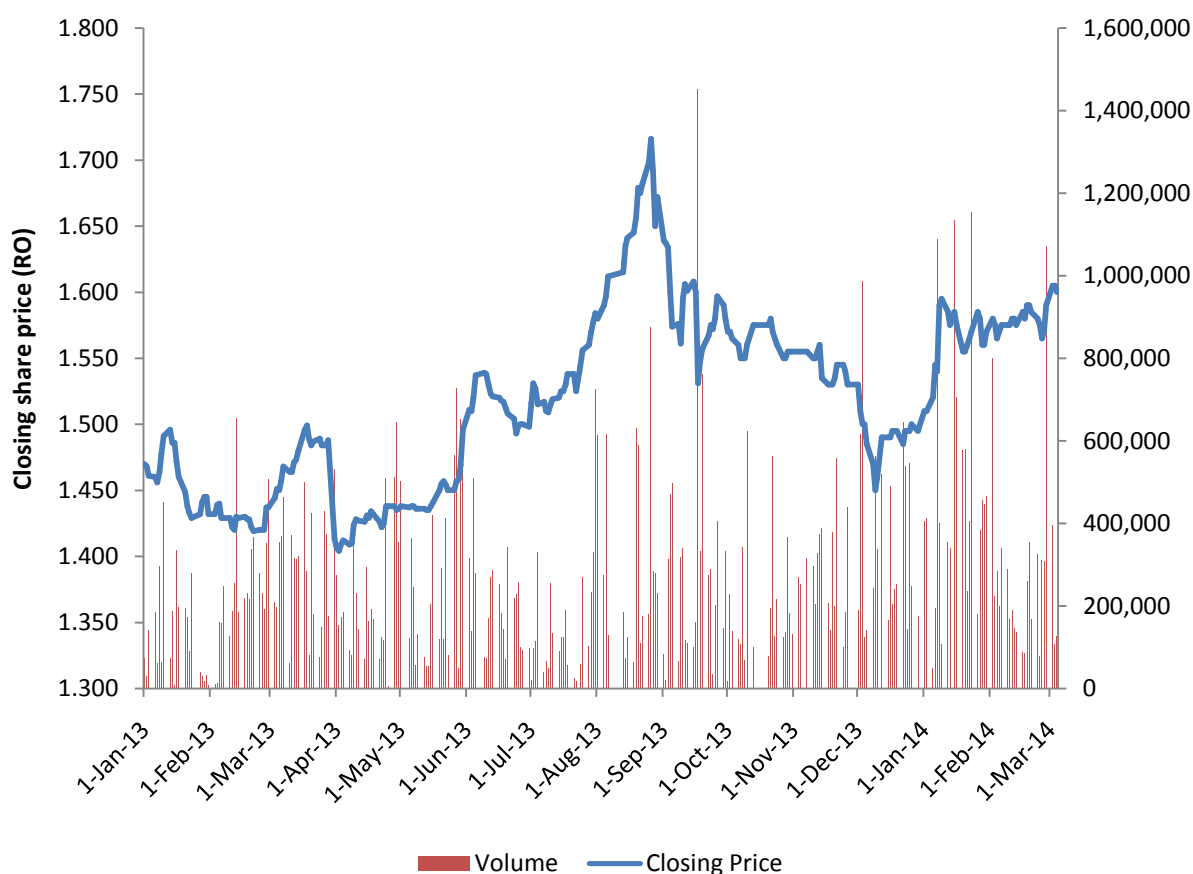
Chapter 6

Pricing

The Company is the leading telecommunications company in Oman. It has a long and successful experience in the telecom sector. By way of this Offer, the Selling Shareholder wants to allow Omani investors to increase their level of participation in the Company. The Selling Shareholder is selling Shares in this Offer at a price of RO 1.350 per Offer Share, which represents a 15.9% discount to market price as at 12 March 2014.

1. Price history at the MSM

The movement in the Share price commencing from 1 January 2013 till 4 March 2014 is graphically illustrated below:



Source: MSM

The movement in the Share price over the different periods during the past one year ending 4 March 2014 is shown below:

	Low	Average Closing	High
1 month	1.565	1.583	1.620
3 months	1.445	1.549	1.620
6 months	1.445	1.554	1.620
1 year	1.400	1.529	1.720

Source: MSM. Prices taken as of end of trading on 4 March 2014

Earnings per share (EPS)

The EPS for the previous four reported years for the Company is shown below:

Year	Omantel
2010	0.149
2011	0.149
2012	0.155
2013	0.159

Source: MSM

Price Earnings (PE) ratio (times)

The PE ratio for the Company is presented below:

Parameter	Company
EPS (RO)	0.159
Offer Price (RO)	1.350
PE ratio (implied)	8.5

Source: MSM. EPS based on 2013 earnings.

Return on equity

The return on equity of the Company for the four year period ended 31st December 2013 is presented below:

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Year	Company
2010	25.5%
2011	23.4%
2012	23.3%
2013	23.0%

Source: MSM

Dividend history

The history of dividend payment for the Company is presented below:

Company		
Year	Dividend (RO)	Payout ratio
2010	0.100	66.9%
2011	0.100	67.1%
2012	0.115	74.2%
2013	0.115	72.3%

Source: MSM

The dividend yield of the Company is presented below:

Dividend Yield

Parameter	Company
Dividend (RO)	0.115
Offer Price (RO)	1.350
Yield	8.5%

Source: MSM. Dividend represents interim and final dividend paid with respect to 2013.

A comparative snapshot of the Company along with the regional comparables is presented below:

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Company	Country	Market Cap (USD mn)	P/E (TTM)	P/B (TTM)	Dividend Payout	Dividend Yield	ROE EV/ EBITDA
Oman Telecommunications Company	Oman	3,117	10.1x	2.3x	72%	7%	23%
Nawras	Oman	1,082	12.5x	2.2x	75%	6%	18%
Bahrain Telecommunications Company	Bahrain	1,437	11.9x	1.0x	73%	6%	9%
Du	UAE	7,343	13.9x	3.8x	44%	6%	27%
Emirates Telecommunications Corporation	UAE	26,583	13.5x	2.4x	78%	7%	17%
Mobily	Saudi Arabia	18,837	10.6x	2.9x	54%	5%	30%
Jordan Telecom	Jordan	1,186	14.1x	2.4x	99%	10%	16%
Mobile Telecommunications Company KSC	Kuwait	9,668	11.2x	1.7x	100%	8%	13%
National Mobile Telecom Co KSS	Kuwait	3,257	12.0x	1.2x	83%	7%	9%
Saudi Telecom Company	Saudi Arabia	33,063	12.4x	2.2x	45%	3%	19%
Telecom Egypt Company	Egypt	3,678	9.0x	0.9x	85%	9%	10%
Qatar Telecom (QTel) Q.S.C.	Qatar	12,904	17.1x	1.8x	53%	4%	10%
Maroc	Morocco	10,648	15.7x	5.7x	96%	7%	35%
Max			17.1x	5.7x	100%	9.9%	35%
Average	GCC & MENA		12.6x	2.3x	74%	6.5%	18%
Min			9.0x	0.9x	44%	3.2%	9%

Source: Bloomberg, Data taken as of 5 March 2014

The Company is listed on the MSM and prospective Investors should refer to the MSM website at www.msm.gov.om (MSM Ticker Code: OTEL) or to the Company's website www.omantel.om/omanweblib/investors/default.aspx for any further information required to make an independent investment decision.

Chapter 7

Subscription Conditions and Procedures

Offer Structure

<i>No. of Offer Shares</i>	71,250,000 Offer Shares
<i>Basis of Allotment</i>	Offer shares shall be allocated on a pro-rata basis
<i>Offer Price</i>	RO 1.350 per Offer Share
<i>Minimum Subscription</i>	100 Shares and thereafter in multiples of 100 Shares
<i>Maximum Subscription</i>	10,000 Shares
<i>Terms of Payment</i>	100 per cent of the subscription amount to be paid at the time of submission of an Application Form to a Subscription Bank

Eligibility for the subscription of Offer Shares

The Offer will be open to Omani Persons.

Prohibitions with regard to the Applications for subscription

Applications will be rejected (without contacting the applicant) if made by the following applicants and/or in the following circumstances:

- **Juristic Persons:** Only Omani individuals are eligible to subscribe to the Offer Shares and juristic persons (for example, companies, pension funds, banks, etc) are not permitted to submit an Application
- **Sole Proprietorship Establishments:** The owners of sole proprietorship establishments may only submit Applications in their personal names.
- **Trust Accounts:** Customers registered under trust accounts may only submit Applications in their personal names.
- **Multiple Applications:** An Applicant may not submit more than one Application.
- **Joint Applications:** Applicants may not submit applications in the name of more than one individual (including on behalf of legal heirs).

Subscription on behalf of minor children

- For the purpose of the Offer, any person under 18 years of age on the date of submission of an Application will be defined as a minor.
- Only a father may subscribe on behalf of his minor children.
- If an Application is made on behalf of a minor by any person other than the minor's father, the person submitting the Application will be required to attach a valid Shariah (Legal) Power of Attorney issued by the competent authorities authorising him or her to deal in the funds of the minor through sale, purchase and investment.

Applicant's number with MCDC

- Any Applicant who subscribes for Offer Shares must have an account and Investor Number with the MCDC. Any Applicant may apply to obtain an Investor Number and open an account by completing the MCDC application form. This may be obtained from the MCDC's Head Office or its website at www.csdoman.co.om, or from brokerage companies licensed by the MSM. The completed form may be submitted by an Applicant through any of the following channels:
 - At the head office of the MCDC, situated in the Commercial Business District, Muscat Oman.
 - At the branch of the MSM based in Salalah, Oman, Tel: +968 2329 9822, Fax: +968 2329 9833.
 - At the office of any brokerage company licensed by the MSM.
 - By sending a facsimile to MCDC at +968 2481 7491.

- By opening an account through the MCDC website at www.csdoman.co.om.
- Applicants who already hold accounts with the MCDC are advised, before the Offer, to confirm their details as noted in the Application Form. Applicants may update their particulars through any of the channels mentioned above.
- All correspondence including allocation notices and dividend cheques will be sent to Applicant's address as recorded at the MCDC. Applicants should ensure that their addresses as provided to the MCDC are correct and kept up to date.
- Each Applicant should secure its Investor Number from the MCDC as the Investor Number will be required in order to complete the Application. Each Applicant is responsible for ensuring that the Investor Number set out in their Application is correct. Application Forms not bearing the correct Investor Number will be rejected without contacting the Applicant.
- For more information on these procedures, Applicants should contact the MCDC:

Muscat Clearing & Depository Co., SAOC
Tel: +968 2482 2222; Fax: +968 2481 7491
www.csdoman.co.om

Offer period

The Offer Period will commence on 31 March 2014 and close on 13 April 2014 with the end of the official working hours of the Subscription Banks on the Offer Closing Date.

Allotment

Offer Shares shall be allocated on a pro-rata basis.

In the event any Offer Shares remain unsubscribed then such Offer Shares shall remain unsold and shall be retained by the Selling Shareholder.

The final allotment on the above basis will be decided by the Lead Manager and the Selling Shareholder in consultation with the CMA.

Allotment in case of under-subscription

Any Offer Shares remaining unsubscribed shall remain unsold and shall be retained by the Selling Shareholder.

Minimum limit of public subscription

The minimum number of Offer Shares to be subscribed will be 100 Offer Shares and in multiples of 100 Offer Shares thereafter.

Maximum limit of public subscription

The maximum number of Offer Shares that can be applied for is 10,000 Offer Shares.

Neither the Lead Manager nor the Selling Shareholder is liable for any change in the applicable laws or regulations that occur after the date of this IM. Applicants are advised to make their own independent

investigations to ensure that their Applications comply with the Articles and prevailing laws and regulations.

Terms of payment

- The Selling Shareholder will open an escrow account entitled the “Omantel OFS” account with each of the Subscription Banks for the collection of the Application Money.
- This account will be managed by each Subscription Bank, which, after allotment and refunds, will transfer the balances in such account to the Lead Manager.
- Each Applicant can pay by cash, draw a cheque or demand draft or instruct an account transfer for the amount payable at the time of submission of the Application Form.

Particulars of the bank account of the Investor

- Each Applicant is required to furnish the particulars of the Applicant’s bank account (registered in the name of the Applicant). The Applicant must not use the bank account number of any other person except in the case of a father applying on behalf of his minor children.
- If the bank account of the Applicant is registered with a bank other than one of the Subscription Banks, the Applicant will be required to submit a document to confirm the details of the bank account particulars as provided in the Application Form. This can be done by submitting any document from the bank of the Applicant that states the account number and name of the account holder, account statements, or a letter or any document issued by the bank confirming this information. The Applicant is responsible for ensuring that the evidence submitted is legible and contains the required information. The Applicant is not obliged to submit any evidence with regard to the accuracy of the Applicant’s bank account if the Applicant is subscribing through the Subscription Bank where the Applicant maintains the account. In this case, the bank will be required to verify and confirm the correctness of the Applicant’s account through its own system and procedures or through the evidence submitted to it by the Applicant.
- In accordance with the instructions of the CMA, the details of the Applicant’s bank account will be listed in the records of the MCDC for transferring any refund as well as for crediting the dividends distributed by the companies listed on the MSM. For Applicants who already have bank accounts registered with the MCDC, the account mentioned in the Application Form will be used for the transfer of refunds only.
- Any Application Form containing the bank account number of a person other than the Applicant will be rejected, with the exception of Applications made on behalf of minors that contain bank accounts particulars of their fathers.

Documentation required

- Submission of a document confirming the accuracy of the bank account number provided in the Application Form is only required where the bank account is registered with a bank that is not the Subscription Bank.

- A copy of a valid power of attorney duly endorsed by the competent legal authorities must be included in the event the subscription is on behalf of another person (with the exception of a subscription made by a father on behalf of his minor children).

Mode of Application

- The Applicant will be responsible for furnishing all particulars and will ensure the correctness and validity of the information set out in the Application Form. The Applicant will be required, before completing the Application, to carefully read this IM, including the conditions and procedures governing the subscription.
- The Applicant will be required to fill in the Application Form and furnish copies of all particulars as noted on the Application Form.
- The Applicant will be required to submit the Application Form to one of the Subscription Banks, together with the Application Money and the documents in support of the Application.
- Cheque or demand draft for the Application Money will be in favour of “Omantel OFS”.

Banks receiving Applications

Throughout the Offer Period, Application Forms will be accepted by any one of the Subscription Banks during official bank hours only. The Subscription Bank receiving the Application Form is required to accept the Application Form after confirmation of compliance with the procedures set out in this IM. The Subscription Bank must instruct the Applicants to comply and fulfil any requirements set out in the Application.

Applicants must submit an Application to one of the Subscription Banks on or before the Offer Closing Date. The Subscription Bank shall refuse any Application received after the official working hours on the Offer Closing Date.

Payment into escrow account

- All Investors will, with the submission of the Application, pay by cash, draw a cheque or demand draft or instruct an account transfer for the amount payable at the time of submission of the Application Form in favour of “Omantel OFS”.
- Where an Investor has been allocated fewer Offer Shares than indicated in the Application Form, the excess amount, if any, paid on Application, will be refunded to the Investor from the escrow account of “Omantel OFS”.

Acceptance of the Applications

The Subscription Banks will not accept Applications in the following circumstances:

- If the Application Form does not bear the signature of the Applicant.
- If the Application Money is not paid by the Applicant in accordance with the conditions set out in this IM.
- If the Application Money is paid by cheque and the cheque is dishonoured for whatever reason.
- If the Application Form does not include the Applicant’s Investor Number registered with the MCDC.
- If the Application is submitted in joint names.
- If the Applicant is a sole proprietorship or trust account.
- If the Applicant is a juristic person.
- If the Investor Number furnished in the Application is incorrect.
- If the Applicant submits more than one Application in the same name, all of them will be rejected.
- If the supporting documents are not enclosed with the Application.
- If the Application does not contain all the particulars of the bank account of the Applicant.
- If the particulars of the bank account provided in the Application are found to be incorrect or not relevant to the Applicant, with the exception of Applications submitted in the names of minor

children, who are allowed to make use of the particulars of the bank accounts held by their fathers.

- If the power of attorney is not attached to the Application in respect of an Applicant who subscribes on behalf of another person (with the exception of the fathers who subscribe on behalf of their minor children).
- If the Application does not comply with the legal or eligibility requirements as provided for in this IM.
- Any other reason as specified by the CMA.

If the Subscription Bank receives an Application that does not comply with the procedures set out in this IM, due effort will be taken to contact the Applicant so that the mistake may be corrected. If the Applicant does not rectify the Application within a specified period, the Subscription Bank will return the Application together with the Application Money to the Applicant.

Refusal of Applications

The Lead Manager may reject any Application under any of the conditions referred to above, subject to securing the approval of the CMA and submission of a comprehensive report furnishing the details of the Applications that are rejected and the reasons behind the rejections.

Enquiry and Complaints

Any Applicant who intends to seek clarification or file complaints with regard to issues related to the allotment or rejected Applications or refund of the Application Money in excess of the subscription, may contact the branch of the Subscription Bank where the subscription was made. In case there is no response from the Subscription Bank, the Applicant may contact the person whose details are set out below:

Subscription Bank	Contact Name	Postal Address	Contact Details
Ahli Bank SAOG	Sulaiman Al Hinai	P.O. Box 545 Postal Code 116, Mina Al Fahal Oman	Tel: +968 2457 7081 Fax: +968 2456 7841 Email: Sulaiman.alhinai@ahli-bankoman.com
alizz islamic bank SAOG	Ahmed Al Rawahi	P.O. Box 753 Postal Code 113 Oman	Tel: +968 2477 5541 Email: ahmed.alrawahi@alizzislamic.com
Bank Dhofar SAOG	Prakash Saraogi	P.O. Box 1507 Postal Code 112 Oman	Tel: +968 2479 0406 Fax: +968 2479 1131 Email: prakashs@bankdhofar.com
bank muscat SAOG	Ahmed Al Busaidi	P.O. Box 134 Postal Code 112 Ruwi Oman	Tel: +968 2476 8064 Fax: +968 2478 7764 Email: ahmedbu@bankmuscat.com
Bank Nizwa SAOG	Paul Alapatt/ Adeel Haider	P.O. Box 1423 Postal Code 133 Shatti Al Qurum Oman	Tel: +968 2465 5778/ 2465 5536 Fax: +968 2464 9049 Email: paul.alapatt@banknizwa.om

Bank Sohar SAOG	Mohammed Dohadwala	P.O. Box 44 Postal Code 116 Hai Al Mina Oman	Tel: +968 2466 2150 Fax: +968 2466 2156 Email:mohammed.dohadwala@banksohar.net
National Bank of Oman SAOG	Gopalakrishnan Karrupiah	P.O. Box 751 Postal Code 112 Ruwi Oman	Tel: +968 2477 8610 Fax: +968 2477 8993 Email:gopal@nbo.co.om
Oman Arab Bank SAOC	Ahmed M Al Farsi	P.O. Box 2010 Postal Code 112 Oman	Tel: +968 2482 7344 Fax: +968 2482 7367 Email:a.farsi@oabinvest.com

If the Subscription Bank fails to resolve the complaint with the Applicant, it will refer the subject matter to the Lead Manager and keep the Applicant informed of the progress and development in respect of the subject matter of the dispute.

Allotment letters and refund of money

The Lead Manager will arrange to allot the Offer Shares to Applicants within 15 days after the close of the Offer Period after receiving the approval of the CMA on the basis of allotment. The Lead Manager will also refund the excess money to eligible Applicants within 15 days after the close of the Offer Period and after receiving the approval of the CMA. The Lead Manager will arrange to send allotment letters to Applicants who have been allotted Shares through MCDC to their addresses registered with the MCDC.

Listing and Trading of the Offer Shares

The Offer Shares are already listed and traded on the MSM. Following allotment of the Offer Shares to the Applicants, the Shares will be transferred to investors' MCDC accounts through an "off-the-floor" transaction procedure authorised by the CMA under Article 15 of the CML. The Shares so transferred shall be immediately tradable on the MSM.

Proposed timetable

The following table shows the expected time schedule for completion of the subscription procedures:

Procedure	Date
Commencement of subscription.....	31 March 2014
Closing of subscription.....	13 April 2014
Due date for the Lead Manager to receive the subscription data and final registers from the Subscription Banks.....	22 April 2014
Notification to the CMA of the outcome of the subscription and the proposed allotment.....	23 April 2014
Approval of the CMA of the proposed allotment of the Offer Shares through an off-market transaction (pursuant to Article 15 of the CML).....	24 April 2014
Commencement of refunds and dispatch of the notices regarding allotment	27 April 2014
Offer Shares become tradable on the MSM	28 April 2014

Responsibilities and obligations

The Lead Manager, the Subscription Banks and the MCDC must abide by the responsibilities and obligations set out by the directives and regulations issued by the CMA. The Lead Manager and the Subscription Banks must also abide by any other responsibilities that are provided for in the agreements entered into among them and Selling Shareholder.

The parties concerned will be required to take remedial measures with regard to any liability arising from any negligence committed in the performance of the functions and responsibilities assigned to them. The Lead Manager will be the entity responsible before the regulatory authorities for taking suitable steps and measures for reparation of such damages.