TELECOMMUNICATIONS REGULATORY AUTHORITY

هيئة تنظيم الاتصالات
Telecommunications Regulatory Authority

Telecom Sector Indicators

Report: 4Q-2010

Market Research & Planning-EAU

2010

TRA-OMAN

Introduction

1. This is the 4th Quarter 2010 report, which provides a brief update on the major telecom services in the Sultanate of Oman. The report briefly covers the performance of fixed, mobile and internet services.

2. This report has been compiled based on the data received from the telecom operators and mobile resellers: Omantel, Oman Mobile, Nawras, Friendi Mobile, Renna, Mazoon, Injaz and Samatel.

3. This quarterly report is also published on the TRA website (www.tra.gov.om).

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Telecom Sector at a Glance

Type of Service	As of Dec 2010	As of Sep 2010	% Change
1. Main Fixed Subscribers:			
1.1 Post Paid	200,467	199,001	0.74%
1.2 Pre-Paid	37,523	36,659	2.36%
1.3 Public Telephone - Payphone	6,801	6,801	0.00%
1.4 ISDN Equivalent Channels	36,964	36,280	1.89%
Total Fixed Telephone Lines in Operation (1.1-1.4)	**281,755**	**278,741**	**1.08%**
Fixed Line Penetration	10.46%	9.72%	7.57%
2. Mobile Subscribers:			
2.1 Post Paid	414,011	405,978	1.98%
2.2 Pre Paid	4,192,122	4,119,764	1.76%
Total Mobile Subscribers: (2.1+2.2)	**4,606,133**	**4,525,742**	**1.78%**
Mobile Penetration	170.97%	157.86%	8.31%
3. Internet Subscribers:			
3.1 Dial Up Subscribers			
3.1.1 Post Paid	13,140	14,402	-8.76%
3.1.2 Pre Paid**	8,138	8,810	-7.63%
Total Dial-Up Subscribers: (3.1.1+3.1.2)	**21,278**	**23,212**	**-8.33%**
3.2 Total Fixed Broadband Subscribers			
Total Fixed Broadband Subscribers	52,630	50,475	4.27%
Total Fixed Internet Subscribers (3.1+3.2)	**73,908**	**73,687**	**0.03%**
Total Fixed internet Penetration	2.74%	2.6%	5.4%
3.3 Total Mobile Broadband Subscribers***	1,847,223	1,626,896	13.54%
Mobile Broadband Penetration	68.57%	56.75%	20.83%
4. Internet Users			
4.1 Estimated fixed internet users****	428,666	427,384	0.29%
4.2 Estimated mobile internet users	1,242,108	1,182,562	5.03%
Total Estimated Internet Users; (4.1+4.2)	**1,670,774**	**1,609,946**	**3.78%**
Estimated Internet Users' Penetration	62%	56%	3.33%

NOTE:

** Internet prepaid subscribers are calculated on the basis of average dial up usage.
*** Equals to the number of mobile subscribers having 3G supported handsets.
**** Fixed estimated internet users calculated using the 5.8 multiplier of the average household size eligible for internet use in Oman from 5years and above.

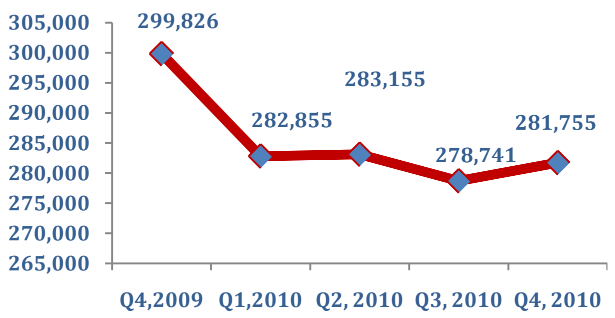
Penetration rates for December are based on the latest published population regime by the Government, as per census 2010: 2,694,094 compared to September: 2,867,000.

Fixed Telephony Services

Fixed Telephone Lines

- The fixed line trend shows an increase in the 4th quarter due to the introduction of fixed services by (Nawras) in the market.
- Fourth quarter 2010 ended with total of 281,755 fixed lines, increasing from the third quarter by 3,014 lines.
- Fixed line subscribers' penetration reached 10.46% by end of December 2010.

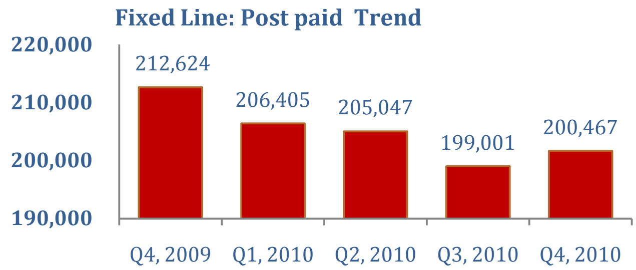
Figure.1: Total Fixed Telephone Lines Trend



Fixed Line: Postpaid

- The fixed postpaid growth showed a growth of 0.75% from the 3rd quarter resulting in total of 200,467 postpaid lines.

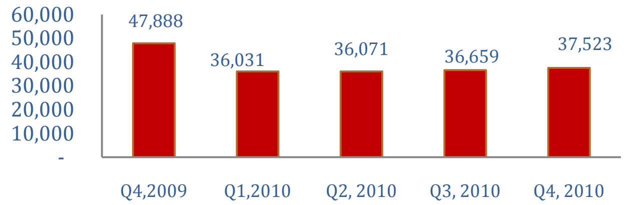
Figure.2: Fixed line: Post paid Trend



Fixed Line: Prepaid

- Quarter four ended with 37,523 prepaid connections. This number increased by 2.36% over the previous quarter.

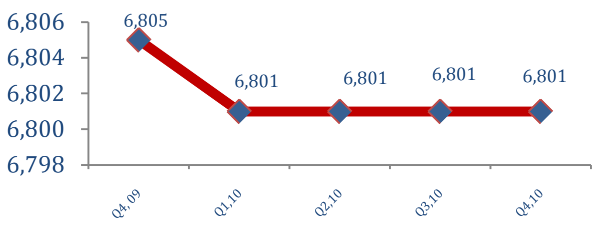
Figure.3: Fixed line: Pre paid



Payphones

- Public Payphones remained static for the last four quarters with the total of 6,801 pay phones in service. No additions are made, however Omantel is maintaining its existing payphones as their license obligation.

Figure.4: Public Pay Phones Trend

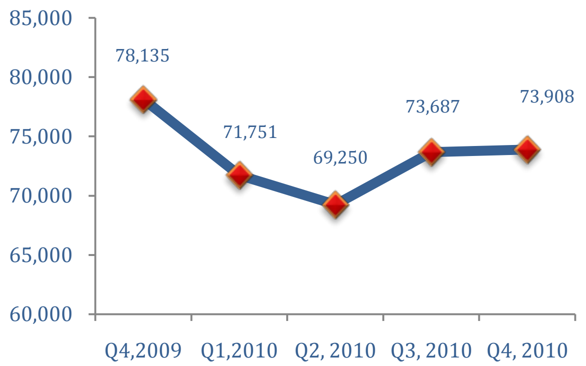


Internet Services

Fixed Internet Subscribers

- The trend of fixed internet growth shows slight increase.
- In fourth quarter 2010, total subscribers stood at 73,908 with 0.3% increase against the previous quarter.
- Fixed internet subscribers' penetration rate comes to 2.7% by December 2010.

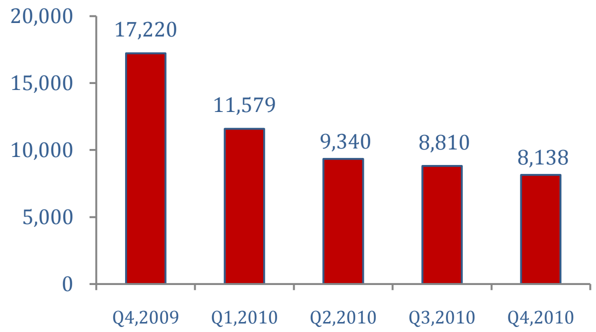
Figure.5: Fixed Internet Subscribers



Internet Prepaid Subscribers

- The Internet prepaid subscribers' base shows continuous decline. The fourth quarter shows a decline in the number of prepaid internet subscribers by 8% from the previous quarter.

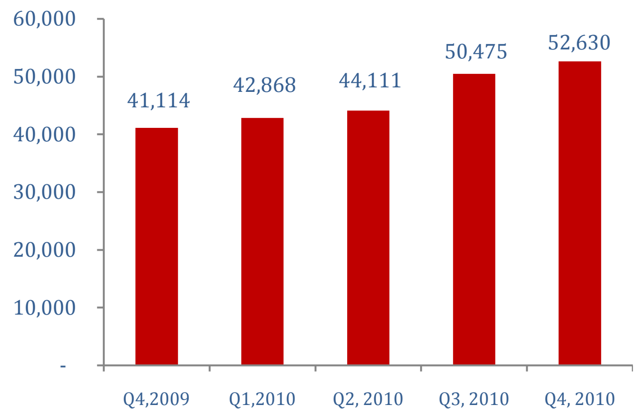
Figure.6: Prepaid Internet Subscribers



Fixed Broadband Subscribers

- The 4th Quarter 2010 registered a slight increase in numbers in fixed Broadband subscription. The 4th quarter registered an increase of 4.27% over the previous quarter.

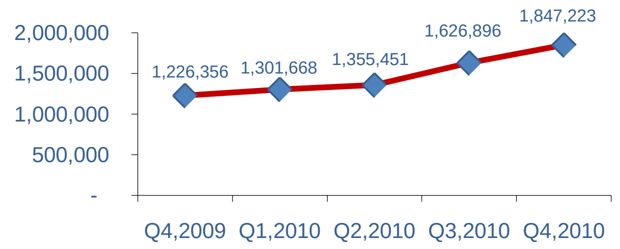
Figure 7: Fixed Broadband Subscribers



Mobile Broadband Subscribers

- Quarter four 2010 recorded 1,847,223 as total mobile broadband subscribers with unique 3G supported devices, which is 13.5% higher than the previous quarter.
- Mobile broadband subscribers' penetration rate stood at 68.57% by December 2010.

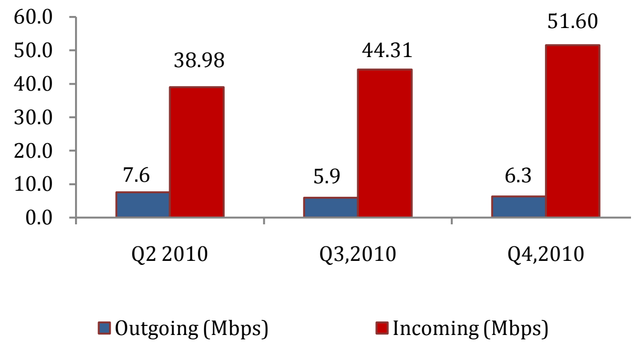
Figure 8: Mobile Broadband Subscribers



International Internet Bandwidth

- The fourth quarter 2010 recorded 8,537 Mbps as total of international internet bandwidth capacity in the market. Out of that, 6.3% has been utilized for the outgoing and 51.6% for the incoming.

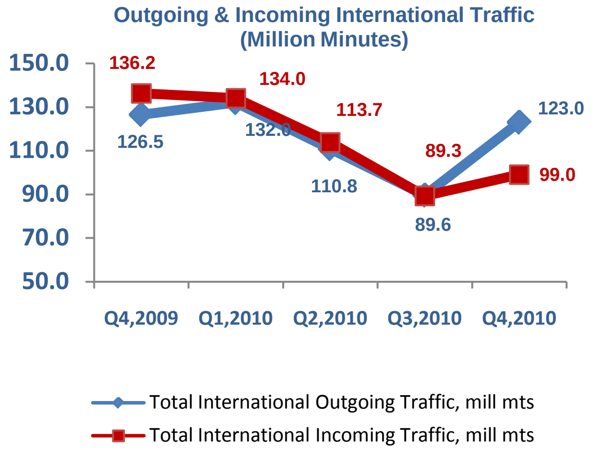
Figure. 9: International Internet Bandwidth: *% of utilization (Mbps)*



International Traffic for Voice (Minutes)

- As December 2010, both outgoing and incoming international traffic experienced increase, due to introduction of the second fixed operator in the market and some promotional tariffs, these figures increased by 37.3% & 11% respectively.

Figure 10: Outgoing & Incoming International Traffic (Million Minutes)

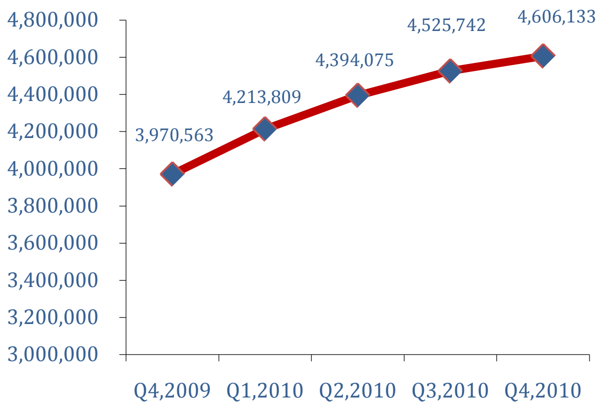


Mobile Services

Mobile Subscribers

- By end of December 2010, Total mobile subscribers stood at 4,606,133.
- Mobile operators and resellers reported that 80,391 subscribers were added to their network during this quarter. The number has increased by 2% over the previous quarter.
- The penetration rate of mobile subscribers was 171% by December 2010, achieving 8% growth rate from third quarter.

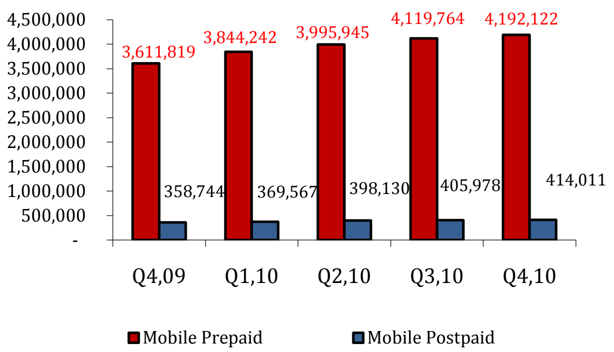
Figure 11: Total Mobile Subscribers



Mobile Postpaid & Prepaid Subscribers

- The subscribers for mobile prepaid service showing continuous growth achieving 4,192,122 subscribers with quarterly average growth of 4%.
- The mobile post paid is also moving upward, achieving an increase of 8,033 subscribers with growth rate of 2% during the fourth quarter 2010 reaching 414,011 subscribers.

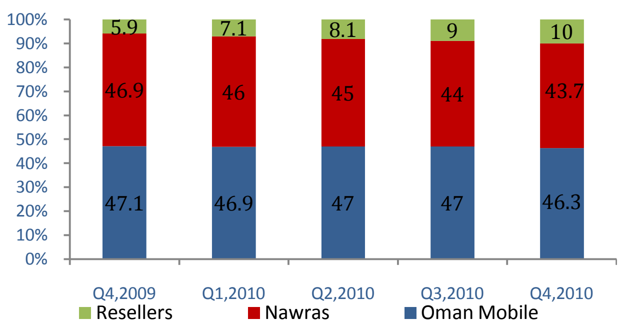
Figure 12: Mobile Postpaid & Prepaid Subscribers



Mobile Market Share

- The Market Share based on number of Subscribers, has changed for Oman Mobile & Nawras compared with the previous quarters. As of December 2010, Oman Mobile possessed a market share of 46.3% while Nawras owned 43.7%. Resellers achieved 10% market share during the quarter.

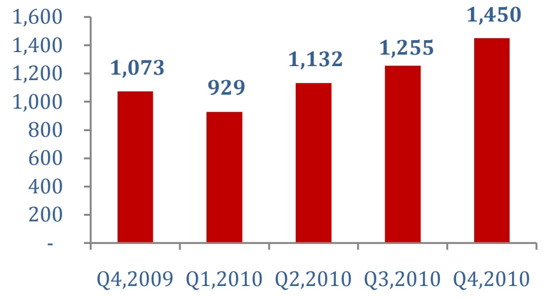
Figure 13: Mobile Operator's Market Share



Outgoing Mobile Traffic (Minutes)

- The total originated mobile traffic reached 1,450 million minutes during this quarter. This has increased by 15.5% compared to the previous quarter.

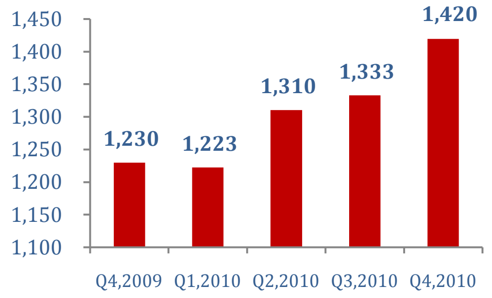
Figure 14: Mobile Traffic (Minutes)



SMS (Sent)

- By end of fourth Quarter 2010, the total volume of originated messages increased from 1,333 million to 1,420 million SMS, which is 6.5% higher compared to September 2010.

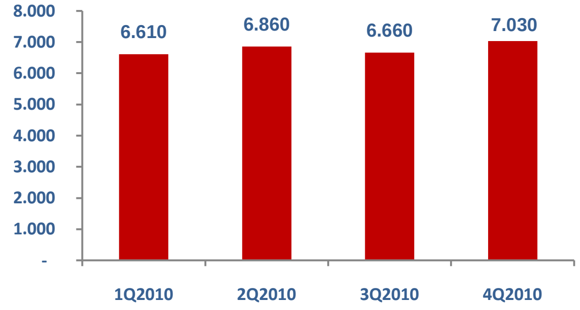
Figure 15: Mobile SMS



MMS (Sent)

- By end of fourth Quarter 2010, the total volume of originated MMS increased from 6.660 million to 7.030 million, which is 5.6% higher compared to September 2010.

Figure 16: Mobile MMS



Average Revenue per User (ARPU)

Figure.17: Fixed Post-paid ARPU/Month (OR)

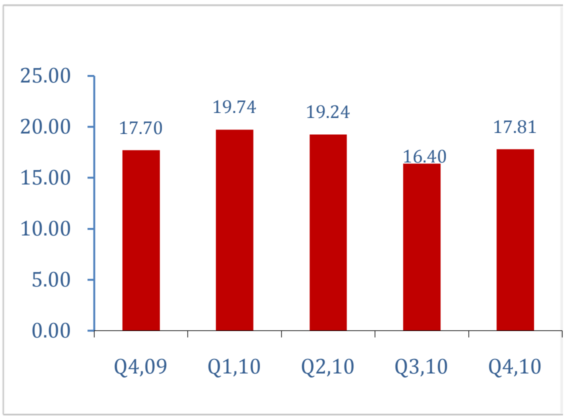


Figure 18: Fixed Prepaid ARPU/Month (OR)

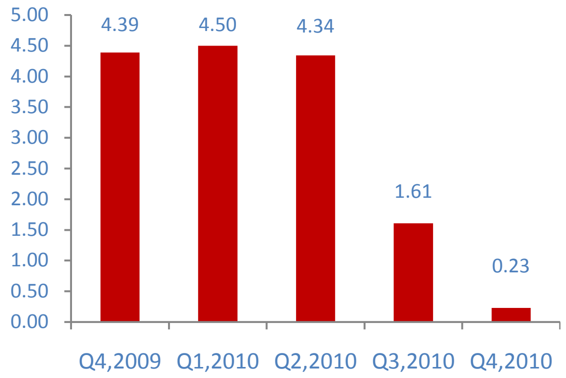


Figure.19: Payphone ARPU/Month (OR)

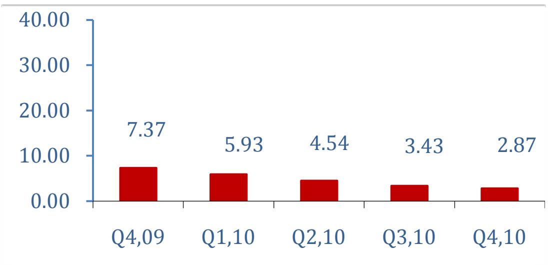


Figure 20: Fixed Internet ARPU/Month (OR)

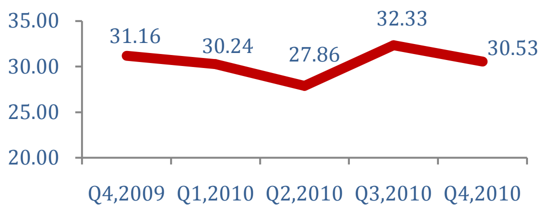


Figure 21: Total Mobile ARPU/Month (OR)