

**UN-AUDITED CONDENSED FINANCIAL INFORMATION FOR NINE MONTHS ENDED
SEPTEMBER 30, 2011**

OF

M/S.OMAN FIBER OPTIC CO. S.A.O.G

**Principal place of business
and registered address:**

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Oman Fiber Optic Co SAOG

Unaudited Condensed Financial Information for nine months ended September 30, 2011

Notes to the unaudited condensed financial information

1 Legal Status and Principal Activities

Oman Fiber Optic Co. S.A.O.G is registered in the Sultanate of Oman as a joint stock company. The company is engaged in the design and manufacturing of fiber optic cables, trading of copper cables and cable laying services and broadband wireless communication networks.

2 Significant Accounting Policies

(a) The accounting policies applied in the unaudited condensed interim information are the same accounting policies as applied to financial statements of the company for the year 2010, as included in the audit report issued on January 24, 2011.

(b) The unaudited condensed interim financial information for the nine months ended September 30, 2011 is prepared as per International Accounting Standard 34 – Interim Financial Reporting (IAS 34) and the disclosure requirements set out in the Rules and Guidelines on Disclosure by Issuer of securities and Insider Trading issued by the Capital Markets Authority, and the Commercial Companies Law of 1974, as amended, which require management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual figures may differ from these estimates and judgments. While preparing the unaudited condensed interim financial information, the significant judgments made by the management in applying the accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as on December 31, 2010.

3 Dividend

During the nine months, dividend of RO 0.300 per share amounting to RO 1,094,783 for the year 2010 was declared and paid. In the year 2010, dividend of RO 0.250 per share amounting to RO 912,319 for the year 2009 was declared and paid.

4 Segment Reporting

The Company has three reportable segments that of optical fiber cables and copper cables; cable laying services and wireless field communication network. The information set out below analyses the revenues over the three segments. However, it is not easily possible to accurately analyse certain costs over the three segments. Hence, the Management does not consider it appropriate to provide segment cost information.



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4 Segment Reporting (continued)

(Figures in RO'000)

Description	30 Sept 2011	30 Sept 2010
Revenue from sale of Fiber optic cable and copper cables		
GCC countries including the Sultanate of Oman	3,519	3,822
Middle East, Africa and Asia	297	1,031
Revenue from Cable Laying services		
Sultanate of Oman	2,903	3,759
Revenue from wireless field communication network project		
Sultanate of Oman	3,464	-
Total revenue	10,183	8,612
Less: common costs	8,789	6,675
Net profit	1,394	1,937

5 Statement of Compliance

The unaudited condensed interim financial information has been prepared in accordance with IAS 34. This does not include all the information required for full annual financial statements and should be read in conjunction with the financial statements for the year ended December 31, 2010.

6 Acquisitions and disposals of items of property, plant and equipment

The company acquired property, plant and equipment of RO 227,657 and disposed off asset worth RO 11,275 during the reporting period. (For the nine months ended 30th September 2010 - Acquired RO 62,681 and disposed asset worth of RO 34,380)

7 Inventories

	As at 30 th Sept 2011	As at 30 th Sept 2010	As at 31 st December 2010
	RO '000	RO '000	RO '000
Raw materials	1,267	1,711	1,599
Finished goods	191	247	259
Work in progress	201	210	161
Project equipment	852	-	-
Spares and consumables	217	629	537
Provision for slow moving inv.	(246)	(160)	(210)
	<u>2,482</u>	<u>2,637</u>	<u>2,346</u>



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7 Inventories (continued)

a) The movement in the provision for slow moving inventories during the period/year is as follows:

	As at 30th Sept 2011 RO '000	As at 30 th Sept 2010 RO '000	As at 31 st December 2010 RO '000
At the beginning of the period/year	210	213	213
Provided during the period/year	39		47
Written back during the period/year	(3)	(53)	(50)
	<u> </u>	<u> </u>	<u> </u>
At the end of the year	246	160	210
	<u> </u>	<u> </u>	<u> </u>

b) At the end of the reporting period, finished goods represent 25 days (30th Sept 2010 -28 days and 31 December 2010 - 25 days)

8 Accounts and other receivable

At the end of the reporting period, accounts and other receivables are as follows:

	As at 30th Sept 2011 RO '000	As at 30 th Sept 2010 RO '000	As at 31 st December 2010 RO '000
Account receivables	2,229	2,318	3,187
Due from Customer (WIP)	4,367	971	149
Less - provision	-	-	-
	<u> </u>	<u> </u>	<u> </u>
	6,596	3,289	3,336
Other receivable	841	336	955
	<u> </u>	<u> </u>	<u> </u>
	7,437	3,625	4,291
	<u> </u>	<u> </u>	<u> </u>

9 Related party transactions

Holders of 10% or more of the company's shares may include companies, individuals, or families. Families are included if the shares of the family members total 10% or more of the company's shares. Members of the family of an individual are those that may be expected to influence, or be influenced by, that person in their dealings with the company.



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9 Related party transactions (continued)

The nature of significant transactions involving related parties or holders of 10% or more of the company's shares, or their family members, and the amounts involved during the nine months ended September 30, 2011 were as follows:

	Nine months ended Sept 30, 2011	Nine months ended Sept 30, 2010
	<u>RO'000</u>	<u>RO'000</u>
Income/revenue transactions		
Sale to Oman Telecommunications Co	1,521	1,744
Sale to National Telephone Services	1	26
Sale to Waleed Associates	23	6
	<u>1,545</u>	<u>1,776</u>
Purchases / expense transactions		
Bank charges paid to Oman International Bank in which H.E. Dr Omar Zawawi has interest.	28	35
Goods and services bought from companies in which H.E. Dr Omar Zawawi has interest	63	76
Meeting attendance fee paid to Directors	15	12
	<u>106</u>	<u>123</u>

Loans, advances, receivables due, provisions & write-offs

Loans, advances or receivables due from related parties or holders of 10% or more of the company's shares, or their family members, minus all provisions and write-offs which have been made on these accounts at any time, are further analysed as follows:

	As at 30th Sept 2011 RO '000	As at 30 th Sept 2010 RO '000	As at 31 st December 2010 RO '000
Receivables	1,829	2,447	2,244
Less – Provision/write off	-	-	-
	<u>1,829</u>	<u>2,447</u>	<u>2,244</u>
Amounts due to related parties	<u>8</u>	<u>7</u>	<u>20</u>



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10 Share capital

At the end of the reporting period, shareholders who own 10% or more of the Company's share capital and the number of shares they hold are as follows:

Name of the shareholder	As on 30 th Sept 2011		As on 30 th Sept 2010		As on 31 st December 2010	
	No. of shares held	%	No. of shares held	%	No. of shares held	%
Oman Telecommunications Company SAOG	1,494,824	40.96	1,494,824	40.96	1,494,824	40.96
H.E. Dr. Omar Abdulmunim Yousuf Al Zawawi	783,412	21.47	783,412	21.47	783,412	21.47
Oman and Emirates Investment Holding Company SAOG	762,931	20.91	762,931	20.91	762,931	20.91

11 Loans and bank overdrafts

This can be analysed as follows:

	As at 30 th Sept 2011 RO '000	As at 30 th Sept 2010 RO '000	As at 31 st December 2010 RO '000
Government soft loan	375	750	750
Overdraft	-	549	441
	<u>375</u>	<u>1,299</u>	<u>1,191</u>
Less : current maturities of bank loans and overdrafts	(375)	(924)	(816)
	<u>-</u>	<u>375</u>	<u>375</u>
	<u><u>-</u></u>	<u><u>375</u></u>	<u><u>375</u></u>

- Government soft loan bears interest at the rate of 3% per annum and represents one instalment of RO 375,000 due in June 2012.
- The company has no other long term bank loans.
- The bank overdraft facilities bear interest at rates ranging between 6.25% to 7.5% per annum.



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12 Commitments

a) Capital commitments:

At the end of the reporting period, the company had capital expenditure committed but not yet incurred amounting to RO 102,695 (31 December 2010 – RO 87,357).

b) Purchase commitments:

At the end of the reporting period, the value of outstanding purchase commitments amounted to RO 3,550,492 (31 December 2010 – RO 509,502)

13 Contingent Liabilities

At the end of the reporting period, there were contingent liabilities in respect of letters of credit, guarantees, bonds amounting to RO 3,373,363 (31 December 2010 – RO 2,965,751) provided in the normal course of business from which it is anticipated that no material liabilities will arise.

14 Subsequent Events

There are no material events subsequent to the interim period ended September 30, 2011

15 Comparative figures

Comparative figures have been regrouped/reclassified wherever necessary.