

Industrials

Valuation Summary(TTM)

Currency	OMR
CMP	1.239
PER (x)	13.8
P/B (x)	2.6
P/S (x)	0.6
EV/Sales(x)	0.9
EV/EBITDA(x)	13.9
Div Yield(%)	2.4
Free Float(%)	40
Shares O/S(m)	90
Beta	1.8

	OMR	USD
Market Cap	111	289
EV	160	415

Price Performance (%)

	1M	3M	12M
Oman Cables	5%	-1%	-16%
MSM 30	3%	7%	7%

Average Daily Turnover (m)

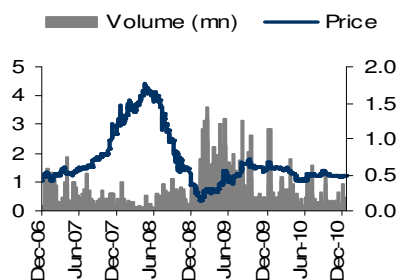
	1D	10D	3M
Volume	0.02	0.06	0.07

52 Week	High	Low
Price	1.540	1.000

Major Shareholders

Draka Holding Group	34.78%
Mustafa M. A. Al Lawati	12.54%
Hussain S. G. Al Lawati	12.19%

Price Chart



Research Team

Joice Mathew, Sr.Manager-Research
+968 2476 3311
Santhosh Balakrishnan, Analyst
+968 2476 3319
Tariq Mustafa Salman, Associate
Valuation Data as of Jan 23, 2011

Result Flash: Oman Cables Industry

Better results in 4Q10 and slightly higher than expectations: Oman Cables Industry announced its 2010 unaudited results and reported group revenue of RO 201 million in 2010 vs RO 156 million in 9M10, a growth rate of 29% YoY, while 4Q10 registered a growth of 12% QoQ. Net income improved significantly by 23% YoY in 2010 and 28% QoQ in 4Q10 to RO 8.1 million in 2010. Oman cables were able to maintain net margins in the range of 4% in 2010 despite fall in 3Q10 and resort to dividend payment proposal of 40% for 2010, yielding 3.2%. We remain slightly positive on operational performance of the group over the long term.

	2009	2010	4Q09	1Q10	2Q10	3Q10	4Q10
Revenue	156	201	43.0	41.2	50.3	51.7	57.7
COGS	NA	NA	(37)	(38)	(46)	(48)	NA
Gross Profit	NA	NA	5.8	3.5	4.7	3.9	NA
EBITDA	NA	NA	4.2	2.7	3.5	2.9	NA
Operating Profit	NA	NA	3.8	2.2	3.1	2.3	NA
Net Income	6.6	8.1	3.2	1.727	2.361	1.760	2.252
EPS	0.07	0.09	0.04	0.02	0.03	0.02	0.03

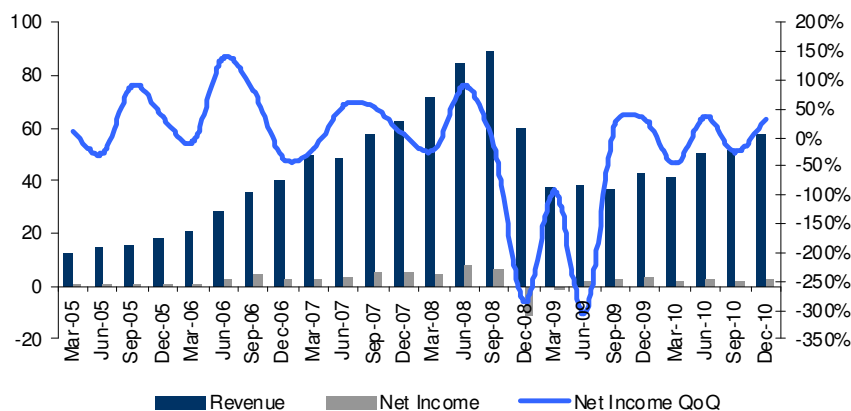
EBITDA Margins	NA	NA	10%	7%	7%	6%	NA
Operating Margins	4%	4%	9%	5%	6%	4%	NA
Net Margins	4%	4%	8%	4%	5%	3%	4%

Revenue growth	29%	18%	-4%	22%	3%	12%
Net Income growth	23%	32%	-4.7%	37%	-25%	28%

Source: Company data and United Securities Research, Fig in RO Million except EPS

Valuations on the forefront to 2011: Oman Cables is currently trading at PER of 13.8x its 2010 earnings and does offer only slight discount to five year average. Hence, we believe, the stock is on the forefront for 2011 performance and may offer attractive valuations in the medium term after 1Q11. We expect competition in the business to take a downplay in the near term.

Revenue and Net Profit QoQ growth for last 20 quarters (Figures in OMR Million)



Source: Company data and United Securities Research

Research team	Tel	E mail
Joice Mathew	+968 2476 3311	joice@usoman.com
Santhosh Balakrishnan	+968 2476 3319	santhosh@usoman.com
Tariq Mustafa Salman	+968 2476 3318	tariq.salman@usoman.com
United Securities LLC P.O Box 2566 PC 112 Ruwi, Sultanate of Oman	+968 2476 3300	info@usoman.com

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