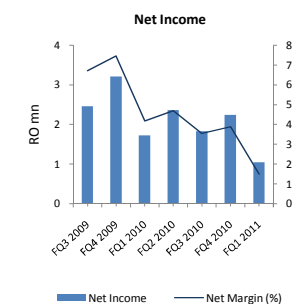
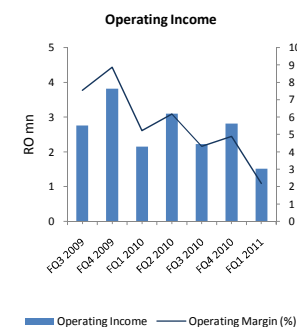
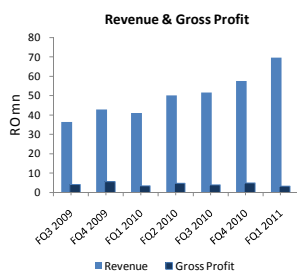
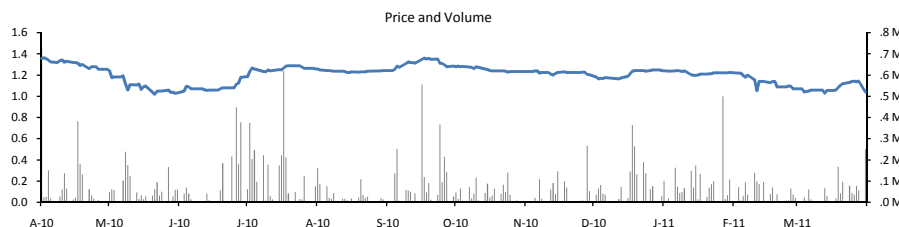


- Oman Cables has negatively surprised the investors by posting a 53% decline in net profit for Q1'11. NP margins declined from 3.89% in previous quarter to 1.5% in Q1'11. As a result, the stock tumbled to RO 1.040, down by 9.01%.
- The quarterly analysis shows that the company sales (including (OAPIL) Oman Aluminium Processing Industries) in Q1'11 improved by 20.9% q-o-q, from RO 57.7mn in Q4'10 to RO 69.7mn in Q1'11. It is noticed that in Q1'11 the company posted highest quarterly sales since Q4'08. According to the company management report the increase is attributed to increase in volume and commodity prices.
- It's worth to mention that regional unrest in Sohar has impacted the company performance as OAPIL lost their production as well as sales
- According to management report gross margins were impacted mainly due to increase in raw material prices, thus the company reported a decline in gross margin from 8.6% in Q4'10 to 4.7% in Q1'11.
- Based on latest result, currently the stock trade at a TTM PE of 12.63 x.
- we remain conservative about fluctuation in commodities prices

Issue Data	
Last Price (RO)	1.040
52wk High (4/18/2010)	1.380
52wk Low (6/30/2010)	1.000
P/E (Trailing 12m) (x)	12.63
Dividend Yield (%)	3.85
Price to Book Ratio (x)	2.07
Price to Sales Ratio (x)	0.46
EV / Trail 12M EBITDA	13.82
Shares Outstanding (mn)	89.7
Market Cap (RO mn)	93.29



Financials Summary

Income Statement (RO mn)	FQ3 2009	FQ4 2009	FQ1 2010	FQ2 2010	FQ3 2010	FQ4 2010	FQ1 2011
Revenue	36.58	43.05	41.23	50.27	51.66	57.72	69.77
Gross Profit	4.09	5.66	3.53	4.72	3.90	4.97	3.27
Operating Income	2.76	3.82	2.16	3.11	2.23	2.82	1.52
EBITDA	2.76	3.99	2.19	3.14	2.27	2.85	-
Net Income	2.46	3.21	1.73	2.36	1.83	2.24	1.05
Basic EPS	0.03	0.04	0.02	0.03	0.02	0.03	0.01
Y-o-Y growth							
Revenue	-58.9%	-27.6%	10.8%	29.7%	41.2%	34.1%	69.2%
Operating Income	-63.3%	-128.3%	-30900.0%	18.2%	-19.3%	-26.2%	-29.5%
Net Income	-60.8%	-127.6%	-282.5%	20.9%	-25.4%	-30.1%	-39.2%
Q-o-Q growth							
Revenue	-5.6%	17.7%	-4.2%	21.9%	2.8%	11.7%	20.9%
Operating Income	5.1%	38.5%	-43.6%	44.0%	-28.2%	26.5%	-46.1%
Net Income	25.8%	30.7%	-46.2%	36.8%	-22.4%	22.4%	-53.3%

Balance Sheet (RO mn)	FQ3 2009	FQ4 2009	FQ1 2010	FQ2 2010	FQ3 2010	FQ4 2010	FQ1 2011
Total Current Assets	68.5	70.0	79.5	75.9	83.1	96.5	-
Total Long-Term Assets	27.3	30.1	31.8	33.0	34.0	35.6	-
Total Assets	95.9	100.1	111.3	108.9	117.1	132.0	-
Total Current Liabilities	51.0	50.9	60.8	55.4	62.7	74.1	-
Total Long-Term Liabilities	5.9	7.6	9.1	10.2	9.5	11.1	-
Total Liabilities	56.9	58.6	69.9	65.6	72.2	85.1	-
Total Shareholders' Equity	38.9	41.5	41.5	43.3	45.0	46.9	-
Book Value per share	0.4	0.4	0.4	0.5	0.5	0.5	-
Y-o-Y growth							
Assets	-36.6%	-27.2%	6.8%	20.1%	22.2%	32.0%	-
Equity	-1.0%	28.8%	15.2%	12.4%	15.5%	13.0%	-

Ratio Analysis	FQ3 2009	FQ4 2009	FQ1 2010	FQ2 2010	FQ3 2010	FQ4 2010	FQ1 2011
Gross Margins (%)	11.2	13.1	8.5	9.4	7.6	8.6	4.7
Operating Margin (%)	7.5	8.9	5.2	6.2	4.3	4.9	2.2
Net Margin (%)	6.7	7.5	4.2	4.7	3.5	3.9	1.5
Return on Equity (%) - TTM	-21.2	18.6	24.8	24.8	22.5	19.1	-
Return on Assets (%) - TTM	-6.6	5.6	8.7	9.8	8.6	7.0	-
Asset Turnover (x)	1.4	1.3	1.5	1.7	1.7	1.7	-
Inventory Turnover (x)	3.8	3.5	4.7	6.7	6.3	5.4	-
Receivables Turnover (x)	-	3.8	-	-	-	4.6	-
Payables Turnover (x)	-	10.1	-	-	-	11.7	-
Debt/Equity (%)	102.8	102.5	120.7	111.0	109.4	110.2	-
Debt/Total Assets (%)	41.7	42.5	44.9	44.1	42.0	39.2	-
Current Ratio	1.3	1.4	1.3	1.4	1.3	1.3	-
Quick Ratio	0.1	0.8	0.1	0.1	0.0	0.7	-

Source: Bloomberg, OABINVEST, Company Announcement



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