Report of the Board of Directors

Oman Cables Industry (SAOG) has the pleasure in submitting the report on the performance of the parent company and the group for the six month period ended 30 June 2016.

Oman Cables (Parent) Performance

Sales of Oman Cables for the six month period ended 30 June 2016 was Rial Omani (RO) 108.2 million compared to RO 117.7 million in the same period last year. The decrease in sales of 8% is mainly attributable to the fall of 20% in prices of major raw materials viz. Copper.

The impact of current economic situation on the growth of infrastructure in the markets where Oman Cables operates is being closely monitored.

The Net Profit after tax for the six month period ended 30 June 2016 was RO 9.8 million as compared to RO 9.0 million for the same period in 2015, increase of 8.8%. The Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) for the period was RO 12.4 million compared to RO 11.7 million during the same period in 2015, increase of 5.7%.

Oman Aluminum Processing Industries LLC (OAPIL) (subsidiary)

The aluminum market is facing slowdown and is impacting the OAPIL results and the premiums are under pressure. The Sales and profitability for the six month period ended 30 June 2016 is substantially lower compared to the same period in 2015. It may be noted that the year 2015 was an exceptional year for the Aluminum Rod premium levels.

Group Performance

The Sales of the Group for six month period ended 30 June 2016 was RO 123.9 million compared to RO 145.4 million for the same period last year. The Group Net Profit after tax, (after deducting Non-Controlling Interest), for the period is RO 9.4 million compared to RO 9.6 million during the same period in 2015. The EBITDA for the period was RO 12.8 million compared to RO 12.9 million during the same period in 2015.

We are very grateful to His Majesty Sultan Qaboos bin Said for his able leadership and wish him the best of health.

Board of Directors

Oman Cables Industry (SAOG)