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Oman Air Reports Positive Results At AGM, Increases Authorised Share Capital

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- Oman Air's revenues increase in 2013 by 10 per cent to RO381,709 million
- Passenger numbers up by 13 per cent to almost five million
- Capacity increased to 14.9 billion available seat kilometres
- Cargo handling up by 7 per cent to 119,785 tonnes
- 6.5 million meals served – an increase of 400,000
- Authorised share capital to be increased by OR 200 million to OR 700 million

At a packed Annual General Meeting recently, Oman Air reported strong increases in revenues and passenger numbers, supported by growth in seat capacity, cargo operations and the number of passengers carried in 2013.

Oman Air's Chairman, His Excellency Darwish Bin Ismail Al Balushi further announced a move to increase the authorised share capital of the company by RO 200,000,000 (two hundred million Omani Rials), to a total of RO 700,000,000 (seven hundred Omani Rials).

Describing Oman Air's results, the Chairman went on to say that Oman Air had increased its capacity to 14.9 billion available seat kilometres in 2013, enabling the airline to carry, with a total of 4,994,729, nearly 13 per cent more passengers than in 2012.

In parallel, Oman Air's cargo operation handled 119,785 tonnes of cargo in 2013, an increase of 7% on 2012.



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These results, together with those of all the airline's other areas of operations, contributed to an increase in Oman Air's total revenues in 2013 of 10 per cent, compared to 2012, to a total of RO 381,709,000.

His Excellency Darwish Bin Ismail Al Balushi, Chairman of Oman Air, commented:

"On behalf of the Board of Directors, it gives me great pleasure to offer a warm welcome to the 32nd Annual General Meeting and to present the Annual Report for the financial year ending 31st December 2013.

"Over the course of 2013 we have enhanced our focus on driving up quality standards, delivering greater efficiencies, increasing the range of choices we offer, and preparing the way for our next stage of major expansion. Throughout these processes, we have adhered to two key principles which underpin every area of our work: to ensure that every customer enjoys the best possible passenger experience, and to continue our determined progress towards profitability.

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“This year’s results show what holding those principles close can achieve.

“The significant 10 per cent increase in our revenues and the very positive growth of 13 per cent in our passenger numbers demonstrate that demand for Oman Air’s award-winning services continues to grow, whilst the 15% increase in the tonnage of cargo handled by Oman Air illustrates the wisdom of our continued investment in this area of operations.

“Although Oman Air’s loss increased in 2013 by 16 per cent to RO 113.3435 million, the company’s direct and indirect contribution to the Omani economy over the same period was, according to studies we have commissioned, as much as OR 400 million, which more than offsets Oman Air’s financial debt to the nation.

“The loss was as a result of our continued investment in new aircraft. The arrival later in 2014 of the first of the 20 new aircraft we currently have on order will signal the start of a major new phase in Oman Air’s growth and an increase in our capacity to tackle Oman Air’s deficit and move towards profitability.

“In order to further assist this progress, I am pleased to announce an increase of two hundred million Omani Rials to Oman Air’s authorised share capital, taking the total to seven hundred million Omani Rials. This sum will be divided into seven hundred million shares, each to the value of one Omani Rial and the Articles of Association will be amended accordingly.”

Outlining Oman Air’s achievements over the course of 2013, His Excellency said that the new Embraer E175 and Boeing B737 aircraft which were added to Oman Air’s fleet in 2012 had increased the flexibility and capacity of Oman Air’s fleet, enabling the carrier to increase frequencies to a range of destinations in India and Pakistan, as well as between Muscat and Salalah. They also allowed the launch new services between Salalah and Jeddah, and between Muscat and Madinah. The Chairman also noted that the expansion of international services from Salalah, together with more frequencies between Oman’s second city and its capital, had been warmly welcomed by customers and had once again confirmed Salalah as a vital element within Oman Air’s network.

The successful increases achieved by Oman Air’s passenger services were, His Excellency added, matched by those of its cargo operations, which benefited from the enhanced capacity offered by the exclusive Block Space Agreement signed in March 2013 with DHL for utilising the company’s capacity in both directions of its air cargo operation between Muscat and Dubai.



At present, Oman Air is engaged in a range of diverse activities, including scheduled airline services, air charter services, ground handling, cargo handling, aircraft catering services, hospitality and duty

free business. His Excellency further informed the AGM that, since Oman Air's foundation 20 years ago, these activities have grown significantly and, as such, may be better managed as independent businesses with dedicated management focus. It is therefore intended that these businesses should be spun off into separate legal entities which will enhance efficiencies and effectiveness. The plan will be implemented in a gradual and sustainable manner, and will begin with the ground handling and cargo handling businesses. His Excellency further emphasised that even as separate entities, these businesses will continue to operate within a group, so that they could take advantage of the synergies among themselves and with the core Oman Air business. Final decisions and related timescales will be announced following consultations with the Government of Oman.

Returning to address Oman Air's achievements in 2013, satisfaction was expressed with the investment Oman Air made in 2013 in its workforce and, reflecting the airline's role as the Sultanate of Oman's national carrier, in its renewed commitment to improving employment and advancement opportunities for Omani citizens. Since the start of 2013, 38 Omani candidates have joined Commercial Pilot's License, Airline Transport Pilot's License, B737 type rating and ATR type rating courses across the Middle East and Europe. Many of those trainees have taken up Oman Air's offer to Omani citizens of places on a scholarship programme that assists with the costs of training to become pilots, and by the end of December 2013, 33 Omani trainees had joined Oman Air as pilots.

These new employees have helped to ensure that over 64 per cent of Oman Air's total workforce now comprises Omani citizens and, in accordance with His Majesty Sultan Qaboos's decree, Oman Air continues to pursue the country's Omanisation policy with vigour. The Chairman added that he looked forward to seeing even more Omanis employed at every level of the company over the coming year.

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