Oman Air reported Profits for the first nine months 2006





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Oman Aviation Services "Oman Air" net financial results for the first nine months of the year ended 30 September 2006 showed a profit of RO 1.452 million compared to a profit of RO 1.351 million during the same period in the previous year, an increase of RO 101,000 or 7%.



Bin Hamdoon Al Harthy Oman Air's Chairman

He Said Bin Hamdoon Al Harthy, Oman Air's Chairman said "In Airline business during the mentioned period, Oman Air carried 931,753 passengers, up 10% over the previous year, with a seat factor of 75%, and even achieved a marginal improvement in average yield. Airport Services business has reported improved financial performance with the increased flight movement (+ 2,312 flights or 15%) and higher catering uplift (+ 699,180 meals or 28%) during the first nine months of the year".

His Excellency added "Oman Air has managed to maintain its market share despite the increased competition from the existing carriers as well as the new entrants in the region. We have either suspended or reduced operations on the loss making routes, and redeployed the capacity on the routes that are either profitable or hold good potential for the future".

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"Oman Air recently signed lease agreements to acquire two new B 737 800 aircraft in May 2007 and March 2008, one of which will replace an existing B 737 700 aircraft. We will continue to explore new high potential routes such as Amman by the end of this year. We are also aiming to strengthen our air charter services in Oman. The Company is working closely with Petroleum Development of Oman (PDO) to upgrade the air services to their oilfields with jet aircraft. Oman Air has also taken significant initiatives to enhance the quality of its product and services. During the year, e-ticketing has been introduced at most stations in the network. About 51% of our passengers now use e-tickets. Internet booking has also been launched along with the airline's new web site. We have also introduced a new customer loyalty program, Sindbad" His Excellency further said.

Al Harthy concluded "Since Seeb International Airport will witness expansion in the coming years. Oman Air is making additional investment in manpower, training, equipment, and systems to cope with this expansion. When compared to the previous year, we have already added 308 employees at the airport and invested over RO 1.4 million in new equipment at the airport. With the increase in passenger movement at the airport, shareholder's equity has risen to RO 18.465 million at 30 September 2006 compared to RO 17.010 million at 31 December 2005. Since the Company has distributed 10% bonus shares this year, the net assets per share was marginally lower at RO 1.390 compared to RO 1.409 at the end of previous year. On behalf of Oman Air, I do sincerely take this opportunity to express our deepest gratitude to His Majesty Sultan Qaboos Bin Said and his Government for their continued support to the Company."