

Industrials

Valuation Summary (TTM)

Currency	OMR
Price	0.763
PER (x)	13.3
P/B (x)	3.6
P/S (x)	2.6
EV/Sales	2.4
EV/EBITDA	11.0
Div Yield	5.2
Free Float(%)	78
Shares O/S(m)	28
Beta	0.6

(In Million)	OMR	USD
Mcap	21	55
EV	17	45

Price Performance (%)

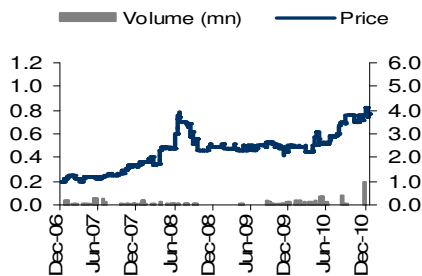
	1M	3M	12M
Muscat Gases	1.7%	1%	57%
MSM 30	3.4%	7%	7%

Average Daily Turnover (m)

	1D	10D	3M
Volume	N/A	0.00	0.02

52 Week	High	Low
Price	0.825	0.445

Price Chart



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Valuation Data as of Jan 23, 2011

Result Flash: Muscat Gases Co.

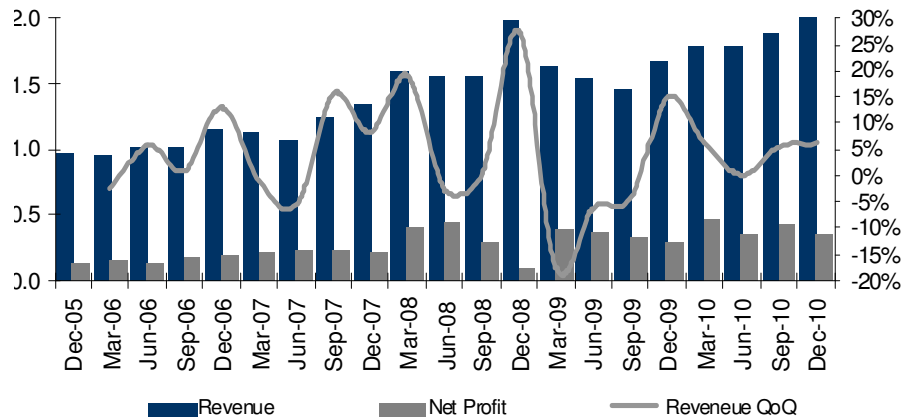
Lower 4Q10 earnings performance, despite improvement in yearly results: Muscat Gases reported its full year 2010 un-audited results last week and reported a total operating income (Including investment income) of RO 7.6 million in 2010, higher by 18% from 2009. However, the 4Q10 revenue grew only by 6% to RO 2 million. Muscat Gases, reportedly had a lower profitability margin declining to 17% in 4Q10 from 23% in 3Q10. Net Profit declined by 19% to RO 0.35 million in 4Q10 the lowest of the past four quarters, however the full year results reported a 16% increase.

	2009	2010	4Q09	1Q10	2Q10	3Q10	4Q10
Total Revenue	6.44	7.60	1.81	1.79	1.79	1.88	2.00
% change		18%	24%	-1%	0%	5%	6%
Total Expenses	(4.87)	(5.78)	(1.56)	(1.36)	(1.24)	(1.30)	(1.88)
% change		19%	49%	-13%	-9%	5%	18%
PBT	1.56	1.82	0.34	0.43	0.49	0.50	0.40
% change		16%	-9%	27%	16%	1%	-20%
PAT	1.38	1.60	0.29	0.47	0.36	0.43	0.35
% change		16%	-10%	59%	-24%	22%	-19%
PBT Margin	24%	24%	19%	24%	28%	27%	20%
PAT Margin	21%	21%	16%	26%	20%	23%	17%

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

Stock price surged over recent period, while valuations needs to be watchful: Muscat gases stock price rallied over few days in 2010 on positive news upon additional investment from Takamul Investment Co.SAOC with the stock price testing new highs. The stock currently trades at a PER of 13.3x and P/B of 3.9x is relatively a watchful trend to be looked upon. Hence, we remain Neutral on the stock over the near term until a possible re-rating scenario exists.

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



Source: Company data and Thomson Reuters

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