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## Ratings Lowered On Oman Telecom And Oman Power And Water Following Similar Action On The Sovereign; Outlooks Stable

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**OVERVIEW**

- On Feb. 9, 2015, Standard & Poor's lowered its ratings on Oman to 'A-/A-2' from 'A/A-1' and assigned a stable outlook.
- As a result, we have reviewed our ratings on two Omani corporations in the telecommunications and utility sectors.
- We are therefore lowering our long-term rating on Oman Telecommunications Co. to 'BBB' from 'BBB+' and affirming the 'A-2' short-term rating, and lowering our rating on Oman Power and Water Procurement Co. to 'A-' from 'A'.
- The stable outlooks reflect that on the long-term sovereign credit ratings.

DUBAI (Standard & Poor's) Feb. 12, 2015--Standard & Poor's Ratings Services said today that it had lowered its ratings on two Oman-based companies, Oman Telecommunications Co. (Omantel) and Oman Power and Water Procurement Co. SAOC (OPWP) (see RATINGS LIST below). The outlooks on both companies are stable.

The rating actions reflect our view of Omantel and OPWP as government-related entities and stem from the downgrade of Oman on Feb. 9, 2015 (see "Sultanate of Oman Ratings Lowered To 'A-/A-2'; Outlook Stable," published on RatingsDirect).

**Omantel**

The ratings reflect our continued assessment of Omantel's stand-alone credit

profile (SACP) at 'bbb', based on a "satisfactory" business risk profile and a "minimal" financial risk profile, and our opinion that there is a "moderately high" likelihood that the government of Oman would provide timely and sufficient extraordinary support to Omantel in the event of financial distress. However, because of the lowering of the sovereign credit rating, we have reduced by one notch the uplift we incorporate into the long-term rating on Omantel for this support.

#### OPWP

The long-term rating reflects our continued assessment of OPWP's SACP at 'a-' and our opinion that there is an "almost certain" likelihood that the government of Oman would provide timely and sufficient extraordinary support to OPWP in the event of financial distress. We continue to regard OPWP as having a "satisfactory" business risk profile and a "modest" financial risk profile.

#### RELATED CRITERIA AND RESEARCH

##### Related Criteria

- Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Key Credit Factors For The Telecommunications And Cable Industry, June 22, 2014
- Corporate Methodology, Nov. 19, 2013
- Corporate Methodology: Ratios And Adjustments, Nov. 19, 2013
- Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- Methodology: Industry Risk, Nov. 19, 2013
- Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- Rating Government-Related Entities: Methodology And Assumptions, Dec. 9, 2010
- Stand-Alone Credit Profiles: One Component Of A Rating, Oct. 1, 2010
- Use Of CreditWatch And Outlooks, Sept. 14, 2009

##### Related Research

- Sultanate of Oman Ratings Lowered To 'A-/A-2'; Outlook Stable, Feb. 9, 2015

#### RATINGS LIST

##### Downgraded

	To	From
Oman Telecommunications Co. Corporate Credit Rating	BBB/Stable/A-2	BBB+/Negative/A-2
Oman Power and Water Procurement Co. SAOC Corporate Credit Rating	A-/Stable/--	A/Negative/--

N.B. This list does not include all ratings affected.

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Complete ratings information is available to subscribers of RatingsDirect at [www.globalcreditportal.com](http://www.globalcreditportal.com) and at [spcapitaliq.com](http://spcapitaliq.com). All ratings affected by this rating action can be found on Standard & Poor's public Web site at [www.standardandpoors.com](http://www.standardandpoors.com). Use the Ratings search box located in the left column. Alternatively, call one of the following Standard & Poor's numbers: Client Support Europe (44) 20-7176-7176; London Press Office (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow 7 (495) 783-4009.

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