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<th>Subscribers 4Q 2006</th>
<th>Population 2006</th>
<th>Tele-density</th>
</tr>
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<tbody>
<tr>
<td>South Africa</td>
<td>37,522,000</td>
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<td>Nigeria</td>
<td>27,979,000</td>
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<td>Country</td>
<td>Population</td>
<td>GDP</td>
<td>Phone Penetration</td>
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<td>Cameroon</td>
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<td>Congo Brazzaville</td>
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<td>Gabon</td>
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<td>Reunion</td>
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<td>Mauritius</td>
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<td>Niger</td>
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<tr>
<td>Country</td>
<td>Population</td>
<td>GDP (Million)</td>
<td>GDP PCE%</td>
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<td>-------------------------------</td>
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<tr>
<td>Liberia</td>
<td>453,504</td>
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<tr>
<td>Gambia, The</td>
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<td>Rwanda</td>
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<td>Swaziland</td>
<td>268,000</td>
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<td>Burundi</td>
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<td>CAR</td>
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<td>Equitorial Guinea</td>
<td>142,500</td>
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<td>Guinea-Bissau</td>
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<td>Cape Verde</td>
<td>107,344</td>
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<td>Mayotte</td>
<td>104,538</td>
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<td>Eritrea</td>
<td>69,600</td>
<td>4,786,994</td>
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<td>Seychelles</td>
<td>62,540</td>
<td>81,541</td>
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<td>Djibouti</td>
<td>55,900</td>
<td>486,530</td>
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<td>Comoros</td>
<td>28,477</td>
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<tr>
<td>Sao Tome and Principe</td>
<td>18,700</td>
<td>193,413</td>
<td>9.7%</td>
</tr>
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Source: industry sources, Blycroft estimates © Blycroft 2007

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**AFRICA & MIDDLE EAST:**

**Herakles joins the race for the East African undersea network**

Herakles Telecom has joined the race to construct an undersea fibre optic network that will connect South Africa, Madagascar, Mozambique, Tanzania, Kenya, India and Europe. The company has awarded a contract to Tyco Telecommunications to study the feasibility of constructing the undersea fibre
optic network.

Under the terms of the SEACOM project contract, Tyco will examine the East and South African coast, which spans 13,000 kilometres. SEACOM is the fourth project after East African Submarine Cable System (EASSy), the East African Marine System (TEAMS) and the project by Flag Telecom. These projects are in line with the companies’ and governments’ aims to reduce the costs of international broadband access.

Bitange Ndemo, the permanent secretary at the Kenyan Ministry of Information and Communication, stated that TEAMS will be given the utmost importance among all other projects.

As per the terms of the TEAMS agreement, the Kenyan government will control a 40 percent stake in the project, Etisalat will control 20 percent and the remaining 40 percent will be distributed among the investors of East Africa through an IPO.

John Waweru, the director general of the Communications Commission of Kenya (CCK), stated that the TEAMS project is expected to become profitable over a period of three years.

The Kenyan government is also working on EASSy, which will enable communications between nine coastal countries and the rest of the world. The fibre optic network will commence from South Africa and will link Djibouti, Kenya, Madagascar, Mozambique, Somalia, South Africa, Sudan and Tanzania.

The third project, called the Kenya Data Network (KDN), is being led by Flag Telecom. KDN will begin from Mombassa and end at Yemen. The network is expected to be launched in 1Q 2008.

Africa & Middle East Telecom Week

AFRICA:

Gateway Communications increases bandwidth capacity

In a bid to cater to the growing demand of bandwidth, Africa Gateway Communications (Gateway) has increased its satellite bandwidth capacity by 84 percent from 302 MHz in 2006 to 555 MHz in 2007. In addition, the company will try to decrease the expenditure and enhance the efficiency of the network by upgrading the existing network using next-generation switch technology as well as improving the capacity management and bandwidth allocation system.
At present, the company's network can support traffic from 400 satellite links across 300 African countries through 15 transponders. Gateway controls the Pan-African Network Operation Centre at Brussels, which manages satellite services for GSM operators in Africa. The company has made huge investments in its Brussels centre in the past.

According to Peter Gbedemah, the CEO of Gateway, satellite communications is a necessity in certain African regions, especially in areas where terrestrial connectivity is not feasible. A number of regions are dependent on satellite communications for video broadcasting, Internet and mobile telephony.

Gbedemah added that the company has been approached by numerous telecom operators who are facing problems in communications due to insufficient bandwidth capacity to meet the increasing demand of their customers.

Gateway reported an increase in the average customer data by 69.5 percent from 208.6 Mbps to 353.7 Mbps in 4Q 2006. Moreover, the total voice minutes increased to 764.9 million minutes in 2006 as compared to 653.5 million minutes in 2005.

For further information about Gateway Communications, please contact Tim Tudor on + 44-207-173-1700. Gateway is online at http://www.gatewaycomms.com/.

BAHRAIN:

**Batelco reports net profit of BHD 24.8 million in 1Q 2007**

Batelco has announced its financial results for 1Q 2007. The company posted a 7 percent increase in its net profit to reach BHD 24.8 million (USD 65.88 million) in 1Q 2007 as compared to that in 1Q 2006.

The company witnessed a year-on-year increase in its revenues to reach BHD 66.5 million (USD 176.65 million). The company's EPS increased from BHD 19 (USD 50.47) in 1Q 2006 to BHD 21 (USD 55.78) in 1Q 2007.

According to Hamad bin Abdulla Al Khalifa, the chairman of Batelco, the company will continue to focus on introducing new and innovative service as well as take initiatives to enhance the company’s growth. The company aims to provide high-quality and value-added services.

He added that the company will also focus on expanding its presence in the Middle East by expanding its broadband and mobile business. Peter
Kaliaropoulos, the CEO of Batelco, cited that the company purchased a 20 percent stake in Sabafon in April 2007 in a bid to strengthen its position in the region. Kaliaropoulos added that the company has upgraded its Internet broadband packages, which has resulted in a decrease in the price of packages and higher Internet speed.

Moreover, the company has been shortlisted for the Saudi Arabian fixed-line licence and is awaiting an opportunity to offer fixed-line and broadband services in Saudi Arabia.

Batelco has introduced a promotional scheme – Happy Hour prices. It allows pre-paid subscribers to make IDD calls at BHD 0.08 (USD 0.21), which is 81 percent less than the original rate. The company has deployed the ADSL2+ technology that supports data speed up to 10 Mbps. Moreover, the company plans to introduce 3G and HSDPA services across Bahrain by the end of 2007.

In addition, Bateleco is upgrading its existing network to a next-generation network. The new network will enable the company to provide the latest integrated communications services and will help it in reducing its operational costs.

Batelco is available online at www.batelco.com. For further information about the company, please call +973-1-788-1881.

CONGO BRAZZAVILLE:

Celtel selects Ceragon’s backhaul solution to improve its performance

Celtel International has signed a USD 3 million contract with Ceragon Networks, a high-capacity wireless backhaul solutions provider, to deploy Ceragon’s FibeAir 1500HP in Congo. The solution will help Celtel Congo in decreasing its infrastructure costs considerably by enabling it to cover long distances with less number of installations.

According to Thibeault De La Barre De Nanteuil, the chief technological officer of Celtel Congo, Ceragon’s solution will enable Celtel to cover distance of up to 43 miles, thereby, reducing the expenditure on infrastructure.

The selection of Ceragon’s solution was based on its ability to provide a state-of-the-art embedded dual receiver architecture that helps in improving the performance of the network. In addition, Ceragon’s management solution provides the most effective deployment of resources through remote management of individual areas of the main system.
For further information about Celtel, please contact Martin de Koning, Corporate Communications Director, by telephone on +31-655-822-409 or write in to enquiries@celtel.com.

For further information about Ceragon please contact Monique Cohen at the company by phone on +972 3 766 8430 or via e-mail at monique@ceragon.com. Ceragon is online at http://www.ceragon.com.

EGYPT:

**Orascom bags contract for SCCP solution for Telecom Italia**

Telekom Italia Sparkle, a wholly owned-subsidiary of Telecom Italia, has signed a deal with Orascom for an inter-carrier Signalling Connection Control Part (SCCP) solution. The solution will manage the transport of traffic signals from international roaming operators. In addition, the contract also includes the switching of calls between GSM-ITU and GSM-Ansi standards.

The contract will provide Orascom with an opportunity to work with around 600 cellular operators across the world. This will further increase the company’s voice, SMS roaming and interworking revenues.

Orascom Telecom can be visited online at www.orascomtelecom.com and can be reached by phone on +202-461-50-50/1.

ISRAEL:

**Tadiran completes network deployment for Kazakhmys**

Tadiran Telecom has completed the deployment of a communication network for Kazakhmys Corporation, the world’s tenth largest refined copper producer. Tadiran had won the USD 3 million contract by ousting numerous companies, such as Nortel, Avaya, Siemens, Nokia and Alcatel.

Vladimir Khan, chief of IT and Telecom – Kazakhmys Copper, stated that Tadiran was selected due to its high quality and reliable telecom products.
Moreover, Tadiran products fulfilled Kazakhmys' requirements. He added that the successful deployment of the new network has increased the possibility of using Tadiran’s IP solutions.

ADVANTEK Systems, Tadiran’s business partner, provided assistance to Tadiran for the construction of the network. In 2003, Tadiran started the construction of the network (which includes 40 systems) that links Kazakhmys’ corporate centre with its mining units.

Tadiran has utilised its Coral systems to deploy the 40 systems. The company has deployed a hub of Coral FlexiCom 6000 systems to link Kazakhmys’ corporate centre and mining facilities through satellite links.

For further information about Tadiran please contact Roni Ganani at Tadiran by phone on + 972 3 557 4241 or via e-mail at roni@tadcomm.com. Tadiran is online at http://www.tadiran-com.co.il.

KUWAIT:

Nasser Marafih appointed as new CEO of Wataniya International

Qtel has appointed Nasser Marafih, the existing CEO of Qtel, as the CEO of Wataniya International. Marafih will replace Ahmad Haleem, the existing CEO of Wataniya International.

In March 2007, Qtel acquired a 51 percent stake in Wataniya from KIPCO for USD 3.8 billion. Wataniya International offers its telecom services across Iraq, Tunisia, Saudi Arabia, Algeria and the Maldives.

For further information about Wataniya and its corporate activities, please contact Sylvie Scott, Wataniya International FZ-LLC, 2nd Floor, Showtime Building, Dubai Media City, Dubai, UAE by phone at + 97-143-672-330, by fax at + 97-143-908-000 or by email at sscott@wataniya.com. Wataniya can be found online at http://www.wataniyatelecom.com.

Qtel is available online at www.qtel.com.qa. For further information about the company, please call +974-4-380-000, or write in to info@qtel.com.qa.
Wataniya reports 131 percent increase in net profits

Wataniya has announced its financial results for the quarter ended 31 March 2007. The company reported a 131 percent increase in its profit from KWD 11.15 million (USD 38.72 million) in 1Q 2006 to KWD 25.74 million (USD 89.39 million) in 1Q 2007.

Faisal al-Ayyar, the former chairman of Wataniya, announced that the company expected the net profits to increase between 20 percent and 25 percent in 1Q 2007.

The company witnessed more than 200 percent increase in the EPS from KWD 0.02 (USD 0.07) in 1Q 2006 to KWD 0.06 (USD 0.21) in 1Q 2007. The company has managed to enhance its network coverage in Iraq, Tunisia, Saudi Arabia, Algeria and the Maldives.

In March 2007, Qtel acquired a 51 percent stake in Wataniya from KIPCO for USD 3.72 billion.

For further information about Wataniya and its corporate activities, please contact Sylvie Scott, Wataniya International FZ-LLC, 2nd Floor, Showtime Building, Dubai Media City, Dubai, UAE by phone at + 97-143-672-330, by fax at + 97-143-908-000 or by email at sscott@wataniya.com. Wataniya can be found online at http://www.wataniyatelecom.com.

LEBANON:

TELES joins hands with Vanrise to deploy turnkey solution

Vanrise Solutions, a Lebanese IP-based voice and data solutions provider, has formed an alliance with TELES, a German VoIP and NGN telecom solutions provider, in a bid to deploy an IP/TDM turnkey voice solution in the Middle East.

Under the terms of the arrangement, the turnkey solution will comprise TELES’ iSWITCH IP/TDM solution and Vanrise’s Telecom Automation and Billing System (TABS).

The alliance reflects the increase in popularity of TELUS’ products and solutions in the Middle East. In November 2006, the company launched its flagship showroom in Dubai, UAE, in partnership with VoIPMONSTER. Moreover, the company has been involved in the installation of numerous systems in the region.
Vanrise Solutions will deploy its TABS platform in collaboration with TELES to optimise rate, sales, purchasing, invoicing and carrier management in retail and wholesale domain. The TABS platform will support increasing traffic in the Middle East to ensure a continuous customer data records and revenue statistic management.

According to Frank Koyro, the regional sales manager at TELES Middle East, the alliance is in line with the company’s plans to expand its presence in the Middle East. In addition, the partnership will provide the company with an opportunity to deploy a comprehensive turnkey solution in the region.

NAMIBIA:

FNB, MTC introduce mobile banking in Namibia

First National Bank (FNB) Namibia and MTC Namibia have introduced a mobile banking service in Namibia. FNB has utilised the Unstructured Supplementary Service Data (USSD) technology for the mobile banking service. The move is in line with the duo’s plans to strengthen their foothold in the country.

The launch will help FNB Namibia to leverage the market awareness regarding mobile banking, which was launched in December 2006.

According to Len Pienaar, the CEO of FNB Mobile and Transact Solutions, the number of customer registrations and transactions will play a key role in the success of the mobile banking service. This new service will be targeted at youth and bank employees as well as mainstream and agricultural markets.

The new service will provide users with a simple, affordable and secure mode of banking. Moreover, FNB Namibia will implement a competitive price strategy to increase the popularity of its service. In addition, it will enable users to make pre-paid top-up transaction and enquiry related to the balance by the end of June 2007.

For further information about MTC, please contact Mr Ibrahim Adel, MTC Investor Relations Manager, by post at PO BOX 22244 Safat, 13083 Kuwait, by phone on +965-464-4954, by fax on +965-484-6992 or by email at i.adel@mtc.com.kw.
NIGERIA:

**Bourdex concludes first phase of 3G CDMA network deployment**

Bourdex has installed its 3G CDMA 2000 1X network in Nigeria by upgrading its existing AMPS system to 3G CDMA platform. The company will utilise the new network to provide a wide range of services including CDMA RUIM/SIM-based fixed-wireless and mobile phone service, PTT Direct Connect, fax, high-speed wireless Internet and data services to its customers.

This move was in line with the company’s strategy to offer high-quality and innovative services, such as high-quality voice services, rich multimedia content and high-speed packet data access. Bourdex was assisted by Nortel Networks in the deployment of the new network.

Bourdex has successfully concluded the first stage of the deployment process across South and South-east Nigeria. The company plans to expand its network coverage across the country, which will enable Nigerians to avail various benefits such as 3G, state-of-the-art, cost-effective and functionally efficient CDMA technology.

Bourdex was the first company to offer PTT service in Africa. Moreover, the company became the first to launch RUIM/SIM-based fixed wireless and mobile phones and PTT Direct Connect. The company also introduced its ‘pay as you browse’ service in January 2007 in a bid to offer more options to its subscribers.

In 2006, Bourdex was awarded the unified licence by the Nigerian Communications Commission (NCC) that enabled the company to deliver mobile, fixed-line and other telecom services across Nigeria.

QATAR:

**ictQATAR forms selection process to choose mobile licensee**

The Supreme Council of Information and Communication Technology of Qatar (ictQATAR) has formed a process to select the second mobile telecom licensee in the country. At present, Qtel is the sole mobile telecom services provider in the country.

The selection process is divided into different phases. In the pre-qualification
phase, companies eying the licence will be required to meet the specified criteria set by ictQATAR. The pre-qualification requirements have been established and the information can be availed through ictQATAR’s website. The deadline for the submission of application in the pre-qualification phase is 27 May 2007. The companies that managed to qualify in this phase will move to the next phase – the formal application phase.

In addition, ictQATAR plans to introduce a different process for the selection of a fixed-line telecom licensee. The authority is expected to issue both fixed-line and mobile licences by the end of 2007. The move is in line with ictQATAR’s plans to liberalise the country’s telecom market.

The authority has also commenced a public consultation process in a bid to obtain feedback on the proposed telecom regulations and polices. ictQATAR has demanded various interested parties to make recommendations regarding the regulations and policies. The last date for the submission of the consultation document is 27 May 2007.

Qtel to acquire stake in Burraq

Qtel is expected to acquire a 70 percent stake in Burraq Telecom, a Pakistan-based company, for USD 30 million. The company is in negotiations with Burraq to acquire the stake and re-launch the company in Pakistan.

According to Asad Karim, the chief technical officer of Burraq Telecom, the result of the discussions between the two companies is expected to be announced next week.

According to an industry source, Burraq has been seeking investors in a bid to introduce its services in the country. However, the company was unsuccessful to find any partner. This led the company’s management to sign a deal with Qtel.

Burraq is owned by a group of three companies – Comcept, TeleCall Payphones and Stancom. Burraq was awarded the licence to offer countrywide and international telephony services in Pakistan in 2004.

Qtel is available online at www.qtel.com.qa. For further information about the company, please call +974-4-380-000, or write in to info@qtel.com.qa.
SAUDI ARABIA:

**Batelco, Verizon, PCCW to commercially launch fixed-line service by 2008**

The Saudi Arabian telecom regulator has approved the bids of consortia led by Batelco, PCCW and Verizon Communications for the licence, which will enable them to offer fixed-line services in Saudi Arabia.

The three consortia will establish three companies in order to deliver fixed-line services in the country. Moreover, the companies will launch IPOs by the end of 2008.

According to Abdulrahman al-Fehaid, the deputy governor of Communications and Information Technology Commission (CITC), the three consortia have passed the commercial and technical evaluation stage. At present, they are awaiting the approval from the council of ministers.

For the fixed-line licence, the consortium comprising Verizon and Millicom International Cellular filed a bid worth SAR 5 million (USD 1.33 million). The company will utilise a cable network for the fixed-line service.

The consortia led by Batelco and PCCW plan to employ radio spectrum technology to offer fixed-line services across 13 regions in Saudi Arabia. Batelco filed a bid worth SAR 69 million (USD 18.40 million) to offer landline services in Mecca.

In addition, Batelco will establish a company worth SAR 1 billion (USD 266.66 million) with its partners to deliver fixed-line telecom services in the country.

The three consortia will be allowed to launch their services commercially in the year subsequent to the issuance of the licence. Moreover, the companies will be required to cover at least three regions in the country in the first three years. In addition, the companies are required to offer their services to seven regions within seven years.

Additionally, under the terms of the licence agreement, the three groups are required to float 25 percent of consortia’s stake as IPO and allocate 10 percent as pension fund.

Batelco is available online at [www.batelco.com](http://www.batelco.com). For further information about the company, please call +973-1-788-1881.

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Mobily disclosed financial results for 1Q 2007

Mobily has announced its financial results for 1Q 2007. The company reported earnings of SAR 251 million (USD 66.93 million) in 1Q 2007, reflecting a 578.4 percent increase over the corresponding figure in 1Q 2006.

The company posted net profits of SAR 37 million (USD 9.87 million) in 1Q March 2007. Moreover, the company’s revenues increased by 66.4 percent to reach SAR 1.88 billion (USD 501.32 million) in 1Q 2007 as compared to that in 1Q 2006. The company reported a subscriber base of 6.2 million by the end of 31 March 2007 as compared to 2.8 million at the end of 1Q 2006.

However, the increase in the company’s profit was less as compared to 1086 percent increase as anticipated by various analysts. Analysts expected that Mobily would earn profits between SAR 348 million (USD 92.80 million) and SAR 505.6 million (USD 134.82 million) in 1Q 2007 as it had reported profits worth SAR 330 million (USD 87.99 million) in 4Q 2006.

According to Hamoud al-Ghobaini, the corporate communications manager of Mobily, the weak results were due to the decline in tourist activity for haj as compared to 4Q 2006. In addition, the company’s aggressive pricing policy was also responsible for the weak results. However, Mobily managed to secure a 30 percent share in the Saudi Arabian mobile phone market.

In March 2007, Mobily secured a USD 2.8 billion loan to fund its expansion plans and upgrade its infrastructure.

STC reports financial results for 1Q 2007

STC has disclosed its financial results for 1Q 2007. The company witnessed a third consecutive decline in its net profit; it declined by 20 percent from SAR 3.43 billion (USD 914.63 million) in 1Q 2006 to SAR 2.72 billion (USD 725.31 million) in 1Q 2007. The company’s profits in 1Q 2007 were the lowest since December 2004.

In Saudi Arabia, STC was the sole player in the telecom sector before the entry of Mobily in 2005. At present, Mobily accounts for a 30 percent share in the mobile market. Owing to increase in competition from Mobily, STC is witnessing a decline in its profit margin. This has forced STC to look for partners outside Saudi Arabia.

The EPS of STC witnessed a year-on-year decrease from SAR 1.71 (USD 0.46) in 1Q 2006 to SAR 1.36 (USD 0.36) in 1Q 2007, reflecting a 20 percent decline. In addition, STC reported a 2.3 percent decline in operating revenues to reach SAR 8.32 billion (USD 2.2 billion), which led to a decline of nearly
15.8 percent in operating profit. This can be attributed to the increase in expenditure on its promotional activities. However, promotions facilitated the increase in the company’s customer base by 18 percent.

According to an STC spokesperson, the company has the ability to secure a USD 15 billion to finance its acquisition process. Moreover, the company would be required to reduce its expenditure and launch new innovative services in Saudi Arabia.

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**Thuraya inks service provider agreement with APSI**

Thuraya Satellite Telecommunications has signed the first service provider agreement with Asia Pacific Satellite Industries (APSI) of Korea, which is partly owned by Thuraya. Yousuf Al Sayed, the CEO of Thuraya, and Jang Soo Ryo, the president and CEO of APSI, inked the deal. Under the terms of the agreement, APSI will be the exclusive distributor of Thuraya’s products and solutions in South Korea.

In addition, APSI will be responsible for managing the promotional activities, sales, marketing and customer care services of Thuraya. The service-provider agreement is in line with Thuraya’s plans to establish partnerships before the commercial launch of its services. The company is expected to roll out its new satellite Thuraya-3 by 4Q 2007.

Soo Ryo stated that the agreement will enhance APSI’s product portfolio by adding satellite telecom services to it.

In another development, APSI and Thuraya have inked a Memorandum of Understanding (MoU) in a bid to broaden the scope of partnership for the development and improvement of Thuraya’s products and services.

For information about Thuraya Satellite Telecommunications Company, call the company in the UAE on +971-26-161-217 and speak to the Marketing Communications Department. Alternatively, visit [http://www.thuraya.com](http://www.thuraya.com).

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**Thuraya inks SPA with CSCG to expand its Asia-Pacific business**

Thuraya Satellite Telecommunications and China Satellite Communications Global (CSCG), a subsidiary of China Satcom have inked a Service Provider
Agreement (SPA). The move is in line with Thuraya’s plans to expand its business in the Asia-Pacific region and prepare itself for the roll out of its new satellite Thuraya-3.

Under the terms of the agreement, CSCG will act as the sole distributor of Thuraya’s space-based products across China. CSCG will also be responsible for managing the promotional, marketing, sales and customer support activities of Thuraya in China.

In addition, Thuraya and China Satcom have inked a Memorandum of Understanding (MoU) to take advantage of the popularity of their satellite telecom services in the country.

According to Al Sayed, the CEO of Thuraya, the agreement will act as the basis for a long-term strong association between the two companies. Lu Ruifeng, the CEO of CSCG, stated that the agreement will help the company cater to the growing demand for communications services in the rural and remote regions of China. Ruifeng added that the company will utilise Thuraya’s Gen-II products including satellite handsets to enhance its product portfolio. These products can be used in transport, maritime, oil and gas, and farming sectors.

For information about Thuraya Satellite Telecommunications Company, call the company in the UAE on +971-26-161-217 and speak to the Marketing Communications Department. Alternatively, visit http://www.thuraya.com.

SOUTH AFRICA:

Yeigo launches new VoIP solution

Yeigo Communications, the South African telecom solutions provider, has introduced a new VoIP software solution called Yeigo. The new solution will enable users to make calls through their mobile handsets over the Internet at affordable costs across the world.

The company is offering free calls made between Yeigo users. For calls made to other networks, rate will be decreased by around 80 percent as compared to standard mobile call rates.

The launch has made Yeigo the first company to offer VoIP technology over mobile phones in South Africa. The Yeigo solution is compatible with mobile handsets that use Windows Mobile and Symbian operating systems as well with Wi-Fi, EDGE, 3G, HSDPA connections.
The Yeigo service can be availed as a value-added service in conjunction with the service from the mobile operators.

According to Rapelang Rabana, the MD of Yeigo Communications, the telecom market will witness a significant increase in the implementation of the VoIP technology in offering voice and data services.

Cell C considering takeover options

Cell C, a network operator in South Africa, is considering a number of takeover options. Zeona Motshabi, the chief of corporate affairs in Cell C, has revealed that the company has received various takeover proposals.

Currently, Cell C has a subscriber base of 3 million. The company is jointly owned by Saudi Oger Telecom, Cellsaf, the local empowerment investors, and Lanun Securities Holdings, an investment company, with a shareholding of 60 percent, 25 percent and 15 percent, respectively.

After the appointment of Jeffrey Hedberg as the CEO in May 2006, the company reformulated its market strategy; targeting the entry-level market with their low-cost products to capture a larger share in the South African mobile market. Additionally, it cut 1 percent jobs to reduce cost. In 1Q 2006, Cell C reported revenues of USD 425 million, with a pre-tax income of USD 28.2 million.

Dobek Pater, a telecom analyst at Africa Analysis, has observed that it usually takes a period of three to five years for cellular operators to achieve profitability in Africa. He stated that Cell C will be able to capture up to 10 percent of the market share despite having a subscriber base of 2.7 million in July 2006. He added that Cell C, being the third cellular entrant in the country, has the opportunity to grow in the initial two years, following which, the company’s market share will remain stable.

Telkom plans to launch media service in 2008

Telkom Media has outlined its plans to introduce its satellite and IPTV service by 2008. The company awaits the approval of the Independent Communications Authority of South Africa (ICASA). The company plans to
invest around ZAR 7.5 billion (USD 1.06 billion) to offer satellite and IPTV services to middle-income and high-end customers, respectively.

Rikus Matthyser, the chief strategy and operations officer at Telkom Media, stated that Multichoice, the dominant pay-TV broadcaster in South Africa, overlooked the growth prospects of the market (which facilitated the launch of Telkom Media’s entry-level satellite product). Telkom has priced its product at ZAR 100 (USD 14.14). The company’s IPTV services will be available at ZAR 320 (USD 45.24), which excludes the rental for the DSL line. At present, the company is conducting a pilot for its IPTV offering.

Matthyser added that the demand for consumer technology is expected to grow significantly. At present, only 9 percent of the total TV set owners, which is around 75 percent of the total population, has opted for pay-TV service.

Telkom is online at http://www.telkom.co.za.

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TURKEY:

Turkey seeks fourth GSM operator to increase competition in the telecom sector

Binali Yildirim, the government minister of Ministry of Transportation, announced that the country’s telecom sector is looking for a fourth GSM operator in a bid to provide stiff competition in the sector. The increase in competition will benefit consumers in the country as it will provide them with more options at competitive prices.

However, Süreyya Ciliv, the general manager of Turkcell, has requested the ministry to limit the number of GSM operators to three. Turkcell is witnessing a decline in its market share due to the entry of third GSM operator.

On the contrary, Yildirim stated that the ministry’s research report revealed that Turkey is all set for the fourth GSM operator, which will result in a healthy competition in the country’s telecom sector.

Although none of the telecom company has applied for the licence to offer GSM services in the country to date, the ministry expects numerous applications from foreign countries.

For further information about Turkcell, please contact Koray Ozturkler, Investor Relations at Turkcell, by phone on +90-212-313-1500 or via email at koray.ozturkler@turkcell.com.tr. Alternatively, please contact Ferda Atabek, Investor Relations at Turkcell, by phone on +90-212-313-1275 or via email at
UNITED ARAB EMIRATES:

**Tawasul, Etisalat join hands to deliver IP VPN services in the GCC region**

Etisalat has teamed up with Tawasul Telecom to deliver IP VPN services to its business customers across Gulf Cooperation Council (GCC) countries. Under the terms of the agreement, Etisalat will deliver these services through Tawasul’s GCC MPLS network.

The agreement will allow Etisalat’s customers in the UAE to access secure and flexible IP-enabled VPN services. These services will enable customers to communicate over corporate intranet with the company’s branches in the GCC region at affordable costs.

According to the agreement, Tawasul and Etisalat will introduce programmes to meet the growing demand for VPN services in the Gulf region. Tawasul will utilise Etisalat’s telecom infrastructure to provide its VPN solutions in the region.

Abdulla Hashim, the VP of enterprise solutions at Etisalat, stated that the partnership with Tawasul will enable the company to offer benefits of IP VPN solution to its customers. These solutions will help Etisalat’s customers to enhance their productivity and efficiency. According to Hamad Al-Mansour, the VP of enterprise sales at Tawasul Telecom, the agreement provides the company with the opportunity to offer its solution to the growing market in the GCC region.

For more information on Etisalat, please call +97-126-182-173 or write in to prd@etisalat.ae.

**du inks roaming agreement with Etisalat to enhance mobile coverage**

du has signed a new roaming agreement with Etisalat in a bid to expand its mobile coverage. The agreement allows du’s customers to access Etisalat’s networks when they are outside the coverage of du’s network.
During the last two months, du has conducted trials to check the quality of the roaming service on Etisalat’s network. du has obtained the approval from the Telecom Regulatory Authority (TRA) of UAE for providing roaming services.

du’s customers can avail the roaming service without any additional cost. The roaming agreement will expire after one year, and within this period, du will be required to deploy and expand its infrastructure.

On 11 February 2007, du introduced its mobile services in the UAE, which led to the end of Etisalat’s monopoly in the telecom market of UAE. The company has managed to cover 80 percent of the country’s population with its network infrastructure.

For more information on Etisalat, please call +97-126-182-173 or write in to prd@etisalat.ae.

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**du launches new online service**

du has launched its e-shop in the UAE that will enable its customers to buy the company’s products and services online. Moreover, the new online service will provide a comprehensive virtual telecom experience.

du rolled out its e-shop at the MECOM Telecommunications & ICT Summit 2007 at Abu Dhabi. According to Osman Sultan, the CEO of du, the launch marks the efforts of the company to introduce innovative services for its customers.

The e-shop will allow users to purchase products and services online as well as benefit from the numerous exclusive offers. The product or service ordered through e-shop will be delivered with no additional costs. The free home delivery offer will be valid till 31 October 2007.

The online service also provides a search facility that enables users to look for products and services as well as the price, specification and features of the product.

In addition, e-shop will enable customers to virtually test features of mobile handsets with interactive product demonstration. The customers can pay for the purchase through MasterCard or VISA.

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Etisalat signs MoU with social organisations to offer specialised services

Etisalat, the Ministry of Social Affairs, the Zayed Higher Organisation for Humanitarian Care – Special Needs and Minor Affairs and the Sharjah City for Humanitarian Services have signed an MoU to develop and deliver specialised telecom services in the UAE. The MoU was signed at MECOM 2007.

Etisalat announced that specialised packages and services will also include discounted prices and a wide range of services. According to Abdullah Al Suweidi, the deputy minister of social affairs, Etisalat is responsible for delivering services to different segments of the community by understanding their respective needs. Suweidi added that the MoU will result in an improvement in the information delivery process of the country by providing pertinent telecom services to the specific user.

Mohamed Fadel Al Hamly, the deputy chairman of the board and general secretary of Zayed Higher Organisation for Humanitarian Care, stated that the agreement is in line with the government’s steps to improve the communication system in the community by introducing new and innovative services such as video conferencing.

Jameela Mohammed Al Qassimi, the director general of the Sharjah City for Humanitarian Services, added that the MoU provides all organisations involved in the agreement with the opportunity to use their expertise for a common goal of enhancing communication services in the country and making these services accessible to a majority of people.

Etisalat has been involved in the research regarding specific telecom needs of various segments of the community and developing specialised solutions for them. At present, Etisalat offers a wide range of services to people with special requirements, such as Telecom Devices for Deaf (TDD), Deaf Interpreter Service (DIS), fixed-line SMS services and BlackBerry services.

For more information on Etisalat, please call +97-126-182-173 or write in to prd@etisalat.ae.
Please note that as details are subject to alteration, no guarantees can be offered as to the nature, appropriateness and dates of displayed events. Readers are advised to confirm details before making arrangements.

UNITED ARAB EMIRATES:

WiMAX MEGNA
17-18 April 2007
Dubai

UNITED ARAB EMIRATES:

Cards Middle East 2007
Al Bustan Rotana Hotel, Dubai
Contact: Simon Reid
T: +44 (0) 207 827 5974
E: simon.reid@terrapinn.com

SOUTH AFRICA:

ACT8: The African Computing and Telecommunications Summit
15-18 May 2007
Sandton Convention Centre, Maude Street, Johannesburg
W: http://new.aitecafrica.com/forum/149

SOUTH AFRICA:

The Canada-Africa Trade & Investment Conference & Exhibition
24-25 May 2007
Sandton Convention Centre, Maude Street, Johannesburg
W: http://new.aitecafrica.com/node/119

Country Report

April's Free Report - United Arab Emirates

March's free report, 'UAE - Telecoms Market Overview & Statistics', is available for download now from the Africa & Middle East Telecom Week Internet archive.

The archive also contains downloadable recent reports on Turkey, Mauritius,

Archive access is included as part of your subscription to this newsletter. Subscribers who have forgotten or not yet received their archive passwords should e-mail editor@blycroft.com to request one.

Access the archive at www.telecom-daily.com/africa/login.html and log-in. Then use the Country Finder to select the appropriate report.

Additional Information

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The archive additionally contains a range of Paul Budde Communication (PBC) country reports on AME countries. Through an arrangement with PBC, as part of your annual AMETW subscription you are provided with access to 12 new country reports per calendar year, as they are published monthly within the Archive.

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Please note that editorial coverage of these respective regions is disproportionate.

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