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Published:	Kuwait, Sunday, July 12 - 2009 at 17:10 (GMT+4)

Showtime Arabia and Orbit Group merge pay-TV operations

Kipco, the Kuwait Projects Company today announced the merger of its satellite broadcast company Showtime with Orbit, one of the region's leading television companies.



The deal brings together the Showtime and Orbit brands and operating platforms. The new company will become the leading pay-TV platform in the Middle East and North Africa (MENA).

The new company is a partnership between the Orbit Group, a member of the Riyadh-based Mawarid Group and Showtime Arabia, a subsidiary of Kipco. The deal follows statements by Kipco and Orbit Group calling for a consolidation of the region's pay-TV industry.

The new company will offer over 70 exclusive channels featuring the widest choice of exclusive first run Hollywood movies, premium sports, Arabic and international television entertainment.

The deal brings together the two core network operations comprising programming, marketing, distribution, broadcast technology and subscriber management systems. The merger offers customers superior programming choice, innovative decoder technology and the most complete pay-TV platform.

Mr Faisal Al Ayyar, Kipco's Vice Chairman, said the merger was good news for all concerned and another example of Kipco's successful business strategy.

'This deal is all about consolidation. First, it brings together two great brands in one company to offer customers the very best in Western and Arabic entertainment. Kipco and Orbit were pioneers of the region's pay-TV market and we've both been calling for a consolidation of the market for some time. So, joining forces in this way is good news for customers, staff and the local TV industry,' Mr Faisal Al Ayyar.

'Secondly, this deal is also very good news for Kipco shareholders because the merged company consolidates our position in one of the region's fastest-growing business sectors. This creates excellent long-term potential because we are now partners in the dominant company in the regional pay-TV market,' he added.

'Above all, this deal is another example of the way Kipco builds long-term shareholder value.

Our strategy of creating and building businesses in high-growth sectors has been central to our success and we believe this deal is an essential part in the development of our stake in this industry. Our calls for consolidation in the market have now been fulfilled and this leads the way for much faster growth and greater financial return," Al Ayyar said.

Notes and Media Contacts

Notes:

Credit Suisse acted as exclusive financial advisor on the merger. Weil Gotshal & Manges acted for Showtime Arabia and Kipco. Linklaters LLP represented the Orbit Group.

About Kipco:

The Kipco Group - listed on the Kuwaiti Stock Exchange and the London Stock Exchange is one of the largest diversified holding companies in the Middle East and North Africa, with consolidated assets of \$19bn. The Group has significant ownership interests in a portfolio of 50 companies operating across 21 countries. The company's main business sectors are financial services and media. Through the subsidiaries and affiliates of its core companies, Kipco also has interests in real estate, manufacturing, healthcare and the management advisory sector.

About Orbit Group of Companies:

Orbit Group of Companies (OGC), a member of the Riyadh based Mawarid Group of Companies, manages a number of businesses in the communications and entertainment industry. In addition to the Orbit Satellite & Television Radio Network, Orbit's pay-TV platform, OGC currently owns and operates:

- * Media Gates, OGC's Arabic production and channel development business. It is one of the leading Arabic productions houses in the Middle East, producing more than 50 original hours of programming a week.
- * Noorsat, a satellite bandwidth provider with a current portfolio of over 150 TV channels.
- * Orbit Data Systems offering currently offering Satnet, a two way satellite internet service and SatCom, a dedicated satellite bandwidth for data services.

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