

Company:	Kuwait Projects Co (KIPCO)
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Qtel and KIPCO agree Wataniya Telecom transaction

Qatar Telecom QSC (Qtel) and Kuwait Projects Company Holding KSC (KIPCO) announced that they have entered into a binding agreement in which Qtel will acquire a controlling shareholding in Kuwait based, National Mobile Telecommunications Company KSC (Wataniya Telecom).



Qtel will acquire 233.688 million shares in Wataniya Telecom from Kuwait Projects Company Holding KSC (KIPCO) and other related parties, representing 51% of Wataniya Telecom's share capital. The transaction will include two additional stakes of 9% in each of Wataniya Telecom's operations in Algeria and Iraq. Total consideration for the transaction is of approximately KD 1.1 billion (US\$ 3.7 billion). Qtel intends to fund the acquisition from a combination of existing cash and debt facilities.

Commenting on the investment, His Excellency Sheikh Abdullah bin Mohammed bin Saud Al Thani, Chairman of Qtel said: 'This deal is undoubtedly the most significant in the region and totally changes the face of mobile telecommunications. This is yet another critically important move in our aim to be among the top 20 telecommunications companies in the world by 2020. The markets we are entering with this investment are ones with which we are culturally familiar but more importantly where we can bring our expertise to bring real growth opportunities. We are delighted with this deal and we look forward to concluding this transaction and developing our plan for the business.'

Mr Faisal Hamad Al-Ayyar, Managing Director and Chief Executive Officer of KIPCO, said: *'KIPCO is proud to have sponsored Wataniya's development from its inception in Kuwait to where it is now - a leading provider of wireless services throughout the Middle East and North Africa. We are confident that as a key shareholder, Qtel will enable Wataniya to continue its development and provide the necessary support in the company's expansion, growth trajectory and its position as a leading emerging markets wireless telephony provider.'*

'I would also like to take this opportunity to thank the staff and management team of Wataniya for the dedication, commitment and hard work they have demonstrated while building this company. Without their efforts, Wataniya would not be the success story it is today,' he said.

Morgan Stanley acted as sole external financial advisor to KIPCO in the transaction. Pulsar Knowledge Centre, a 100% subsidiary of KIPCO also assisted in the transaction.

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Qatar Telecom QSC:
Qatar Telecom (Qtel) is the exclusive telecommunications provider in Qatar. Its principal activities include local and international fixed telephone, mobile, Internet, data and cable television services.

Qtel is committed to growing its presence in the Middle East and internationally. In 2004, Qtel led a consortium and won the public tender for the second mobile licence in Oman, and launched its Nawras subsidiary services in March 2005, capturing more than 500,000 new customers (over 31% of the Omani mobile market) in just over 20 months of operations. In November 2006, Qtel signed an agreement to acquire a strategic stake in NavLink, a leading provider of managed data services to businesses in the Middle East, with AT&T Inc. In January 2007, Qtel further extended its international presence through the acquisition of an approximate 25% equity stake in ST Telemedia's Asia Mobile Holdings Pte. Ltd. ('AMH'), which has majority equity in Starhub in Singapore and IndoSat in Indonesia.

During 2006, the Qtel Group achieved revenues of QR 4.42 bn (2005 - QR2.98 bn), an increase of 48.2% over the corresponding period in 2005. In achieving these results, the Group also grew its combined mobile customer base in Qatar and Oman to 1,491,700, which is an increase of 55.3% over the customer base of 2005.

Qtel was the prestige partner of, and official telecommunications provider to, the 15th Asian Games Doha 2006, where it implemented the most advanced technologies in the region, including a wide range of services for local and international telephony, Internet and data services and television and radio broadcasting required to support the Games and transmission to over 3 billion people around the world.

Qtel is a winner of the 2005 Gulf Excellence Award and the 2006 GCC Economic Award. The company is listed on the Doha Securities Market and on other stock exchanges in the GCC. For more information, visit: www.qtel.com.qa.

KIPCO:
The KIPCO Group is one of the biggest diversified holding companies in the Middle East and North Africa, with assets worth more than US\$ 18 billion under management or control. The Group has substantial ownership interests in a portfolio of 54 companies operating across 17 countries. The company's main business sectors are financial services and media & telecommunications. Through the subsidiaries and affiliates of its companies, KIPCO also has interests in Industry, Healthcare, the Management & Advisory sector and Real Estate.

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