

Oger seeks two buys before IPO

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Dubai-based Oger Telecom, which on Saturday lost its bid to enter Saudi Arabia's telecoms market, said it wants to conclude at least two acquisitions this year before restarting scrapped IPO plans as early as 2008.

Oger, whose majority owner Saudi Oger is controlled by relatives of late Lebanese prime minister Rafiq Hariri, has \$4-5 billion to spend on acquisitions, which could include a bid in a privatisation of Kazakhtelecom, Chief Executive Paul Doany said on Sunday.

The firm cancelled a \$1.25 billion initial public offering in November on fears that tumbling Gulf Arab markets would hit the share price after listing in Dubai and London.

"We believe it would make more sense to crack at least two of these acquisitions before the IPO," Doany told the Reuters Middle East Investment Summit in a telephone interview.

"The shareholders will have to decide what is the right time for the IPO. I believe that the end of this year or early next year seems like the right timing for it," he said.

Oger is increasingly focusing on telecom acquisitions outside of the Middle East after its bids in Tunisia and Saudi Arabia fell below those of competing Gulf Arab operators.

In the latest upset, Oger's \$4 billion bid for Saudi Arabia's third mobile phone licence came in far below the \$6.1 billion winning bid of a consortium led by Kuwait's Mobile Telecommunication's Co. on Saturday.

"That was absolutely the highest level we were prepared to offer. We didn't expect prices to reach that level. Even at our price it was a real stretch," Doany said.

"There has been overpayment of licences in the region ... We are not prepared to play that game."

Oger, which runs fixed and mobile phone services in Turkey, a cellular business in South Africa, and Internet services in Saudi Arabia, Jordan and Lebanon, is looking at taking stakes in telecom and information technology companies in Eastern Europe and Central Asia, he said.

"We are looking at four specific acquisitions ... We are now bidding on one opportunity," Doany said, declining to give details.

He said the firm is also prepared to bid for any tender of Kazakhstan's largest fixed-line operator Kazakhtelecom, in which the government holds a stake of around 50%. Kazakhtelecom also owns 49% of a mobile phone operator in the country.

"We believe the privatisation of Kazakhtelecom will be happening in six to nine months, and we are very very keen on that," Doany said.

The company would also look at bidding for a majority stake in Albanian fixed and mobile phone operator Alba Telecom through Turk Telekom if the government issues a new tender this year, he said.

The Albanian government may re-issue a tender of more than 60% in Alba Telecom after its first tender received interest from only one Turkish bidder, Doany said.

"We need to have either full control or substantial control in all the acquisitions," he said, adding the firm would also consider bidding for a privatisation of Algeria Telecom, expected later this year.

The Turkish government is likely to sell a 15%-20% stake in fixed-line phone operator Turk Telekom, in which Oger Telecom and Telecom Italia bought a 55% stake for \$6.55 billion in 2005, later this year, he added.

The Turkish Treasury plans to divest part of the 45 percent stake it still holds in the operator in an IPO.

"The company would potentially be ready for the IPO by mid this year," Doany, who is also chairman of Turk Telekom, said, adding it would probably happen by early 2008.