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## **Saudi Oger announces substantive agreement to sell a 35% stake in Oger Telecom to STC**

Saudi Oger, the controlling shareholder of Oger Telecom Limited (Oger Telecom), announces that it has reached substantive agreement with Saudi Telecom Company (STC) for the sale of an interest of 35% in Oger Telecom based on a gross value of US\$2.85 billion in cash (including 35% of a pre-completion return of capital of US\$833 million implying a net price for STC of US\$2.56 billion), valuing 100% of the equity of Oger Telecom at approximately US\$8.14 billion.

The transaction remains subject to final agreement of legally binding documentation. Completion of the transaction will be subject to various approvals and certain other customary conditions precedent. Saudi Oger will maintain a controlling interest in Oger Telecom after the conclusion of this transaction.

**Mohammed Hariri, Chairman of Oger Telecom and Senior Vice President of Saudi Oger, said:** *“Saudi Oger has made great strides in its telecom activities since its initial investment in Cell C and subsequent acquisition of a controlling interest in Türk Telekom. This transaction represents a major step in the development of Oger Telecom and confirms the benefits of Saudi Oger’s telecoms strategy. We welcome STC as a shareholder”.*

**Dr. Paul Doany, CEO of Oger Telecom, said:** *“We are delighted to be able to announce this investment by STC in Oger Telecom”.*

Oger Telecom is one of the largest telecom operators in the region with 2006 revenues reaching US\$6.9 billion on a proforma basis and a subscriber base of around 35 million. Turkey and South Africa have the largest telecom sectors in the Middle East and Africa respectively, driven by their large and relatively wealthy populations.

The Turkish fixed-line market is the largest in the region with approximately 19 million access lines controlled by Türk Telekom. In addition, the Turkish market has witnessed rapid growth in broadband penetration with DSL adoption reaching over 4.5 million subscribers, up from 250,000 subscribers at the end of 2004.

The mobile markets in Turkey and South Africa have also been exhibiting significant growth over the past two years, reaching compounded annual growth levels in subscribers of 19% and 17%, respectively. Rapid growth is expected to continue in the medium term, driven by further penetration and increased innovation and competitive activity in the markets.

Oger Telecom also operates as an ISP providing dial-up, ADSL, leased line and VPN services in Saudi Arabia, Lebanon and Jordan through Cyberia.

Oger Telecom Limited is a company incorporated in the Dubai International Financial Centre

Citigroup Global Markets Limited is acting as exclusive financial advisor to Saudi Oger and Linklaters as legal advisors.

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**For Further information please contact**

**Saudi Oger:**

Mazen Fayed – Director of Corporate Communications  
+966 (1) 477 3115 (ext . 1386)

**Oger Telecom Limited:**

Joe Haj Ali – Chief Marketing & Communications Officer  
+971 (4) 428 428 4

**Buchanan Communications:**

Tim Anderson / James Strong  
+44 (0) 20 7466 5000

**Citigroup:**

Dan Bailey / Hervé Malausséna / Alex Exarchos  
+44 (0) 20 7986 4000

**About Saudi Oger**

Saudi Oger was incorporated in January 1978 as a construction company under the rules and laws of the Kingdom of Saudi Arabia with its headquarters in Riyadh. Saudi Oger is a private company, wholly owned by the family of the late Rafic Hariri. Since its inception, Saudi Oger has grown into a multi-company, multi-divisional organization with subsidiaries and affiliates in the Kingdom of Saudi Arabia and abroad. The company leads the construction sector in the region based on its superior technical expertise gained from overseas subsidiaries and the regional knowledge gained from several decades of hands-on experience. In addition to the construction industry, Saudi Oger's lines of business cover Operation & Maintenance, Real Estate Development, Printing, Telecommunication, Utilities and IT services.

**About Oger Telecom Ltd.**

With 35 million customers under management, Oger Telecom is a leading provider of telecommunications services in Turkey, South Africa and the Middle East, operating fixed-line, mobile communications and Internet access businesses in these markets. Headquartered in the Dubai International Financial District (DIFC), Dubai, UAE, Oger Telecom is one of the region's leading Full Services telecom conglomerates. Oger Telecom owns a controlling 55% stake in the dominant fixed-line operator in Turkey, Türk Telekom, which, in turn, owns 81% of Avea, the 3rd largest Turkish mobile operator. Oger Telecom also owns 75% of Cell C, the 3rd largest mobile operator in South Africa. In addition, Oger Telecom owns a major regional ISP (Cyberia) which operates in Saudi Arabia, Lebanon and Jordan.

**About Saudi Telecom Company**

Saudi Telecom Company is a Saudi Arabia national telecommunications company which offers fixed, mobile, data and internet services. The company operates through its four business units: Al Hatif, which includes fixed services, card phones, prepaid card services and business services; Al Jawal, which offers a range of mobile services, including Al Jawal, Sawa, messaging services, business services, data services and roaming services; Saudi Data, a provider of internet and data solutions; and Wholesale, which provides network services to other local operators. STC currently serves more than 20 million subscribers in Saudi Arabia and more than 17 million subscribers in its international markets covering India, Malaysia and Indonesia. Additionally, STC has recently acquired the 3rd mobile license in Kuwait.

In 2006, STC generated US\$9.01 billion (SAR 33.8 billion) in revenue and US\$4.4 billion (SAR 16.5 billion) in EBITDA. As at 20 January 2008, STC had a market capitalisation of approximately US\$42 billion (SAR 157 billion).