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## **Belgacom International Carrier Services and MTN extend strategic co-operation by combining their international carrier services**

Belgacom ICS (BICS) and MTN announce a next step in their strategic co-operation by combining their international carrier services, resulting in MTN holding an equity stake in BICS. The current shareholders of BICS, Belgacom and Swisscom, are therefore pleased to see MTN become a new shareholder.

In terms of this transaction, MTN will contribute into BICS the assets of MTN ICS, its international wholesale subsidiary, which generated revenues of €223 million for the year ending 31 Dec 2008. In addition, MTN will mandate BICS to operate as the official international gateway for carrier services of MTN globally.

The completion of this transaction is expected to take place during the fourth quarter of 2009, subject to, *inter-alia*, the approval of the relevant government, regulatory and competition authorities and the completion of certain statutory formalities. It is envisaged that the MTN ICS operations will be progressively integrated. Post implementation of the transaction, Belgacom will own 57.6% of BICS, Swisscom 22.4% and MTN 20.0% with the right to appoint two directors to the board.

The combination of the international carrier services of BICS and MTN ICS is expected to improve efficiencies and product offerings resulting from greater economies of scale. In addition to the anticipated efficiencies, the transaction is expected to positively impact the future growth of the larger combined entity which will become the leading international wholesale operator in Africa.

Sifiso Dabengwa, Group Chief Operating Officer of MTN commented: *"This transaction is a natural next step following our successful strategic co-operation with Belgacom ICS since 2005. By combining our international carrier services activities, we seek to further improve the quality of the international service offering of our operations in Africa and the Middle East, while realising meaningful cost benefits."*

Didier Bellens, CEO of the Belgacom Group commented: *"This agreement perfectly meets the strategic objectives of Belgacom ICS: to participate in the international wholesale market consolidation while developing in parallel innovative wholesale solutions for mobile operators worldwide. Our strategy to participate in the ICS consolidation, was initiated in 2005 with the creation of Belgacom ICS as a joint venture with Swisscom, and pursued with the signature of various outsourcing agreements. We are proud to welcome MTN as a new shareholder of Belgacom ICS."*

Carsten Schloter, CEO of the Swisscom Group, commented: *"We are confident that this transaction will generate significant value for the three shareholders. Belgacom ICS has indeed successfully proven to-date its ability to integrate an acquired international carrier business and to sustain profitable growth."*

Daniel Kurgan, CEO of BICS, commented: *"Thanks to this cooperation, Belgacom ICS will reinforce its leadership in international wholesale telecommunications, both for voice services (now within the world top 5) and for international connectivity services to mobile operators (world leader). Becoming the carrier partner of African's biggest*

*mobile group will significantly strengthen our footprint and make Belgacom ICS the Number 1 international carrier in Africa. This transaction will be of benefit to all existing and future customers"*

Elie Bardawil, CEO of MTN ICS, commented: *"MTN ICS, formerly known as Mediterranean Network, operated for more than 10 years as the international gateway for primarily the Investcom group of companies until its acquisition by MTN in 2006. Since then MTN ICS has contributed to the overall growth of MTN's international traffic and related services. MTN ICS will bring to the combined entity its knowledge of the African and Middle Eastern markets and the skills and experience of its team."*

**About MTN Group (MTN):**

Launched in 1994, the MTN Group Limited is a multinational telecommunications group, operating in 21 countries across Africa and the Middle East. MTN Group is listed on the JSE Securities Exchange in South Africa. It recorded over 98 million subscribers as at 31 March 2009, exceeding the 100 million mark in April. The MTN Group is a global sponsor of the 2010 FIFA World Cup in South Africa™ and has exclusive mobile content rights for Africa and the Middle East. For more information please visit [www.mtn.com](http://www.mtn.com) and [www.mtnfootball.com](http://www.mtnfootball.com).

**About Belgacom ICS:**

Belgacom International Carrier Services S.A./N.V. (Belgacom ICS) is a leading global carrier of voice, data and value added services to over 500 wireless, wireline and service providers through sales offices in Brussels, Bern, Dubai, Singapore and New York.

Belgacom ICS is at the forefront of the international communications industry, acting as a catalyst for growth, both in terms of traffic and reach. The company aims to enable global interworking across all networks, technologies and services. As a result of this approach and the joint venture with Swisscom ICS, Belgacom International Carrier Services is now one of the largest wholesale voice carrier and a world leader in data transit services.

For more information, please visit [www.belgacom-ics.com](http://www.belgacom-ics.com)

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