

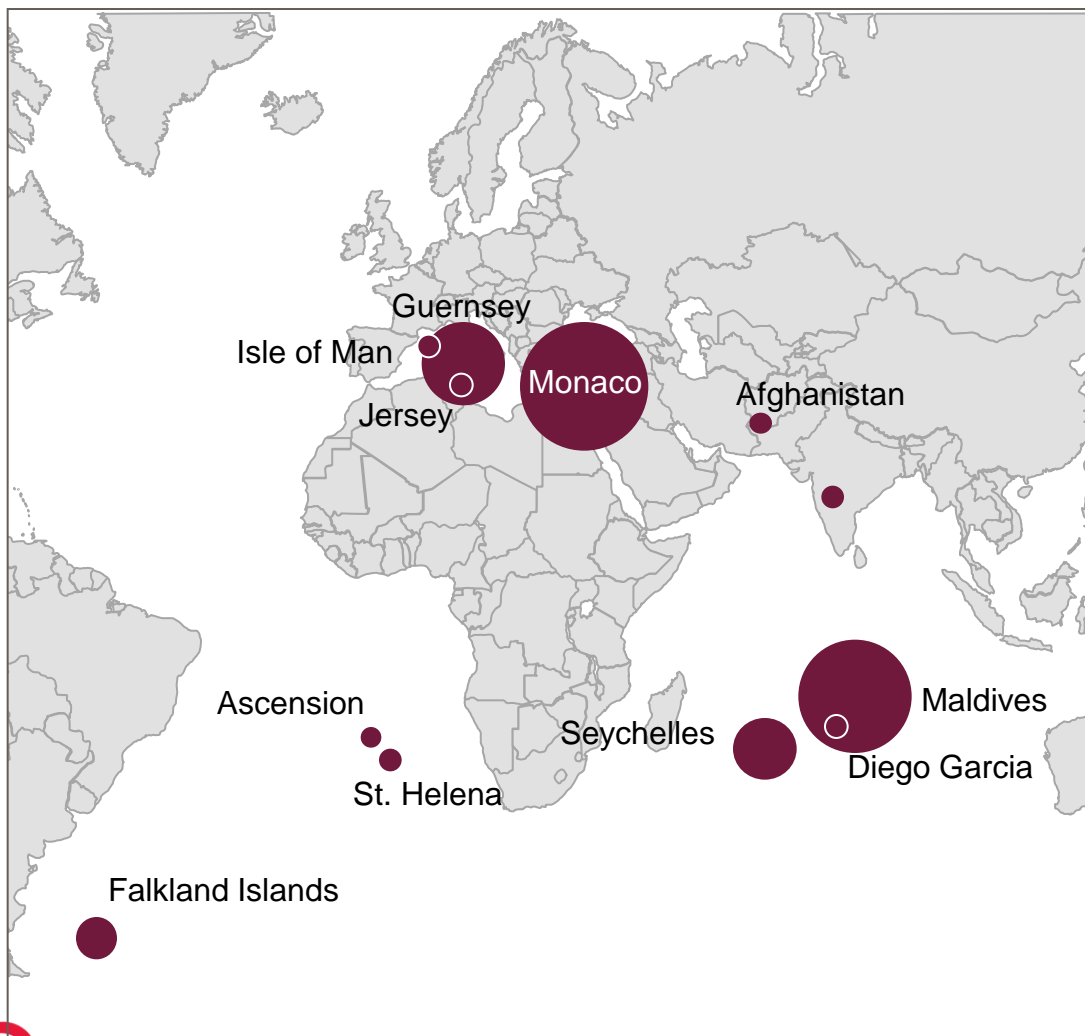


**BATELCO GENERAL  
MEETING**

**Proposed acquisition of  
the CWC M&I Target  
Companies**

14<sup>th</sup> January 2013

# Acquire 100% of Cable & Wireless Communications Monaco & Islands (“M&I”) Portfolio



Touch Maldives



CABLE & WIRELESS



- ✓ Accretive Acquisition
- ✓ CWC Reported For 2011/12<sup>(1)</sup>  
Revenue: \$567m  
EBITDA: \$208m
- ✓ M&I Target Companies Debt free
- ✓ No 1 or 2 market position in all markets
- ✓ Delivers dividends

Note: (1) CWC press release dated 3 Dec 2012. EBITDA figures include management fee expenses

# M&I Target Companies

## M&I Target Companies Group

In thousands (FYE March 31) <sup>(1)</sup>	2010A	2011A	2012A
Broadband subscribers (consolidated)	47	52	57
Mobile subscribers (consolidated)	476	526	543
Fixed subscribers (consolidated)	132	128	125

### Big 4 Assets

### Other Assets

#### Monaco



- **55% ownership** (Monaco Principality 45%)
- Mobile, enterprise and data
- #1 for mobile, domestic voice, broadband, pay TV

#### Maldives



- **52% ownership** (Maldives Govt. 33%, remainder free float)
- Mobile, fixed line voice
- #1 for mobile, domestic voice and broadband

#### Guernsey



- **100% ownership**
- Mobile, enterprise and data
- #1 for mobile, domestic voice and broadband

#### Seychelles



- **100% ownership**
- Mobile, fixed line voice
- #1 for mobile, domestic voice and broadband

#### Jersey, Isle of Man, SADG



- **100% ownership**
- Mobile, enterprise and broadband
- #1 in SADG, #2 in Jersey and Isle of Man

#### Afghanistan



- **20% indirect ownership via Monaco Telecom (37% owned by MT, itself owned at 55%)**
- Mobile

# Batelco-to become a diversified telco of global relevance

**Today**

**Post Completion**

**Countries – 6**  
**Revenue – \$0.8 billion<sup>1</sup>**  
**Customers – 7.4 million**

**Countries – 17**  
**Revenue – \$1.4 billion**  
**Customers – ~12 million**  
**#1 in vast majority of markets**







Note: (1) Annualised figures for Batelco Group based on 30<sup>th</sup> September Interim Financials

# Completion in 2 stages

## Completion I (March 2013)

- Initial payment of up to \$680m (the “**Purchase Price**”) comprising
  - A. **\$580m** (the “**Islands Purchase Price**”) for control of market leading companies in Maldives, Guernsey, Seychelles and 4 other Islands, all with strong cashflows, dividend history and no net debt
  - B. **\$100m** for 25% of CMC (company controlling Monaco) (“**CMC Minority Shares**”)
  - Valuation: **\$680m** representing 5.6x prop LTM Sep 2012 EBITDA of \$122m<sup>(1)</sup>

### First closing expected by March 2013


- Controlled entities:
  - Maldives  Touch Maldives
  - Seychelles  **CABLE & WIRELESS**
  - CIIM 
  - SADG 
- Non Controlled entity: MT (13.75%)
- **Initial consideration: \$680m (plus net cash / less net debt)**
- **CWC reported Revenue of \$319m and EBITDA of \$130m<sup>(2)</sup>**

Completion I: Consideration certainty of US\$580m at valuation of 5.6xEBITDA

## Completion II ( March-April 2014)

- Within 12 months (“Option Period”); either
  - **Acquire control** of MT, i.e. Total 55%, for additional **\$345m (“Option Consideration”)** resulting in a total payment of \$1,025m **OR**
  - **Receive \$100m** on return of CMC Minority Shares
  - Valuation: **\$1,025m** representing 6.2x prop LTM Sep 2012 EBITDA of \$165m<sup>(1)</sup>

### Second closing up to 1 year after closing of Step 1

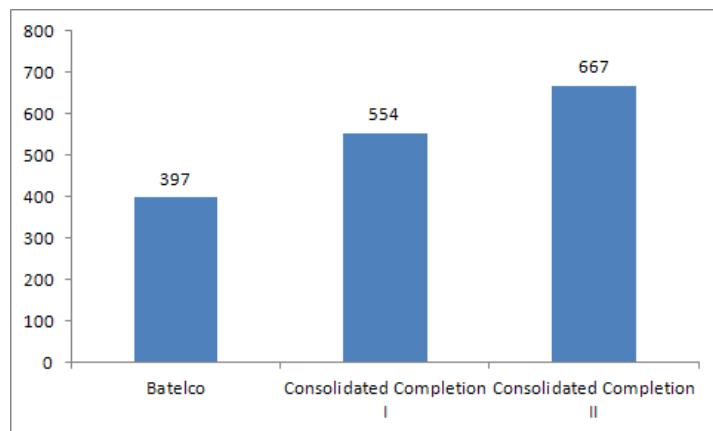
- Additional controlled entities, if POM approval is received:
  - MT  
- **Total consideration: \$1,025m (plus net cash / less net debt) for Group or \$580m for Islands only**
- **CWC reported Revenue of \$248m and EBITDA of \$78m<sup>(2)</sup>**

Completion II : Total Consideration of US\$1025 at valuation of 6.2x EBITDA

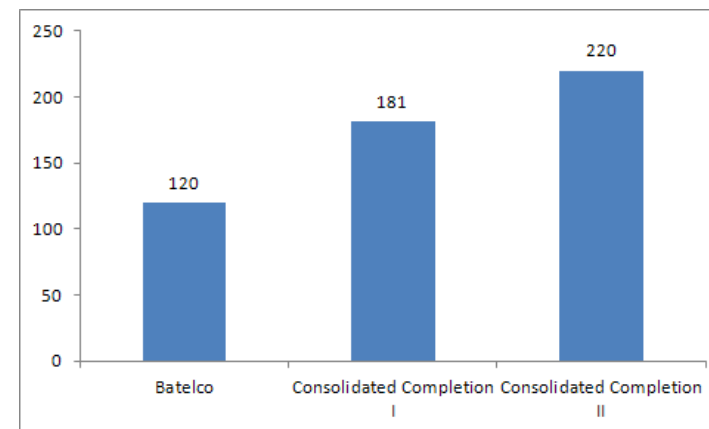
Note: (1) Batelco shareholder circular dated 30 Dec 2012  
(2) CWC press release dated 3 Dec 2012

# Completion Impact on Batelco ( Unaudited Pro forma numbers)<sup>(1)</sup>

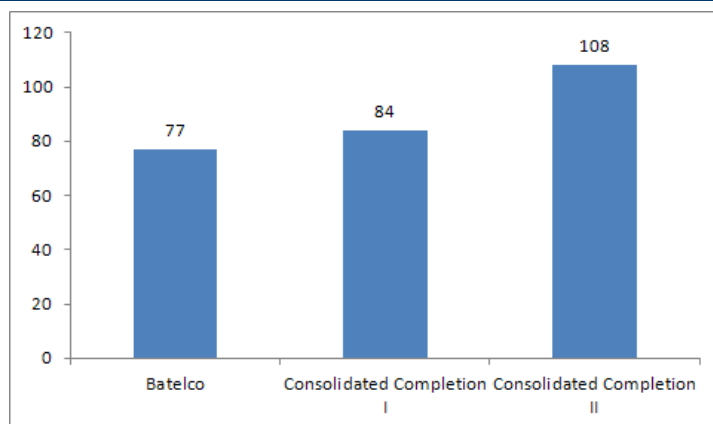
## Revenue USD Million (Six Months ending 30 Sep 2012)



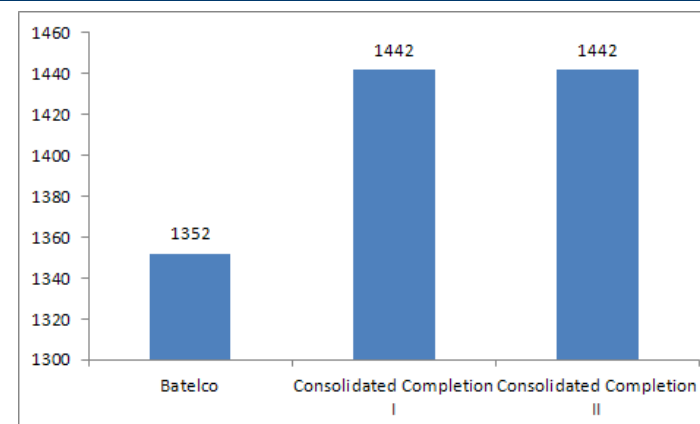
## EBITDA USD Million (Six Months ending 30 Sep 2012)



## Profit USD Million (Six Months ending 30 Sep 2012)



## Net Assets (As at 30 Sep 2012)



Note: (1) The above charts represent unaudited pro forma figures for illustrative purposes only  
 (2) Source: Batelco shareholder circular dated 30 Dec 2012



# Transaction Financing

## Sources & Uses

### Phase 1

#### Sources (\$m)

Bridge to Bond / Bond	650
Cash (Batelco)	30

#### Uses (\$m)

Investment by Batelco	680
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**Total Sources** 680

**Total Uses** 680

### Phase 2

#### Sources (\$m)

3Y Amortizing Term Loan	345
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**Total Sources** 345

#### Uses (\$m)

Investment by Batelco	345
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**Total Uses** 345

## Key Transaction Assumptions

- Acquisition of 100% of CWC M&I assets for US\$1,025m (1)
- Acquisition occurs in two phases:
  - Completion I: 25% of CMC, 100% Island assets for \$680m
  - Completion II: the remaining 75% of CMC, totalling 55% ownership in MT for additional \$345m

## Batelco Pro Forma Capitalisation ( Incremental)

\$m	Step 1	Bridge to Bond	Step 2
<b>Bridge Loan</b>	650	0	0
<b>Bond</b>	0	650	650
<b>Term loan</b>	0	0	345
<b>Total</b>	<b>650</b>	<b>650</b>	<b>995</b>

Notes: (1) Excludes funds required to acquire cash estimated at \$20-\$30m. Actual cash adjustment may differ subject to completion procedures at closing

# Transaction Conditions, Risks and Timetable

<b>Conditions Precedent</b>	<ol style="list-style-type: none"> <li>1. The passing of Transaction Resolutions by the Shareholders</li> <li>2. Approval of change of control of Cable &amp; Wireless Guernsey Limited and Dhiraagu</li> <li>3. No Material Adverse Effect having occurred</li> <li>4. The passing of a resolution approving the Transaction Agreement by the shareholders of CWC ✓</li> </ol>	
<b>Risks Relating to the Transaction</b>	Please refer to detail provided in Part V of the Shareholder Circular	
<b>Timetable of Principal Events</b>	Announcement of Transaction CWC General Meeting Batelco General Meeting Expected Date of Completion I Expected Date of Completion II	3 December 2012 9 January 2013 14 January 2013 March 2013 March-April 2014





# Resolutions

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## ■ A: Transaction Resolution:

### Ordinary Resolution

THAT the acquisition by Batelco International Group Holding Limited, a wholly owned subsidiary of Bahrain Telecommunications Company B.S.C. (the “**Company**”), from affiliates of Cable and Wireless Communications plc (“**CWC**”), of:

- i. 100% of the shares in the capital of CWC Holdco Limited;
- ii. 100% of the shares in the capital of CWC Islands Limited; and
- iii. 100% of the shares in the capital of Compagnie Monégasque de Communication S.A.M.(by way of a 25% initial purchase, with completion of the purchase of the remaining 75% subject to certain put and call option arrangements),

such companies together comprising the Monaco & Islands business of CWC operating in Monaco, Guernsey, Jersey, Isle of Man, the Maldives, the Seychelles, Afghanistan, the Falkland Islands, St Helena, Ascension and Diego Garcia (the “**Acquisition**”), on the terms and subject to the conditions set out in the Transaction Agreement (as defined in the circular to shareholders dated 30 December 2012 and described in detail in Part II therein, in particular section 2 (Consideration) of such Part II), be and is hereby approved and the Directors of the Company be and are hereby authorised to waive, amend, vary or extend any of the terms of the Transaction Agreement (provided that any such waivers, amendments, variations or extensions are not of a material nature) and to do all things as they may consider to be necessary or desirable to implement and give effect to, or otherwise in connection with, the Acquisition and any matters incidental to the Acquisition.



## ***Resolutions (cont'd)***

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### ■ **B: Financing Resolution:**

#### Ordinary Resolution

**THAT** the issuance from time to time of debt instruments (whether in the form of notes, bonds or sukuk) in an amount outstanding from time to time of no more than USD1 billion (or its equivalent in other currencies) be and is hereby approved, with such securities capable of being issued either directly by the Company or indirectly by a special purpose company, on a standalone basis or pursuant to one or more programme(s) for the issuance of such instruments, and may be secured or unsecured, listed or unlisted, publicly or privately offered, and on such terms as the Board of Directors may approve and/or from time to time amend.

1. In connection with the foregoing, the Board of Directors be and is hereby authorised to:
  - i. incorporate any special purpose vehicle corporate entity (whether as a wholly-owned subsidiary of the Company or otherwise) which is necessary or desirable to facilitate the issuance of such instruments as described above (subject to obtaining all necessary regulatory approvals in connection with the same and compliance with applicable laws in the Kingdom of Bahrain), and the entry by the Company into transactions with such corporate entity in connection with such issuance be and is hereby approved;
  - ii. determine the terms, conditions and characteristics of the debt instruments including the issue date and price, based on market conditions and subject to applicable laws in the Kingdom of Bahrain;



## ***Resolutions (cont'd)***

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- iii. seek all necessary approvals from any regulators or authorities in connection with any issuance of any debt instruments;
  - iv. appoint such advisers and other service providers in connection with the foregoing as it considers appropriate;
  - v. approve and execute all documentation to be entered into in respect of such instruments, including any amendments thereto as may be required from time to time; and
  - vi. delegate any or all of its authority in respect of the foregoing to such person(s) as it may in its absolute discretion approve.
2. The issuance of any debt instruments shall, where necessary and applicable, be in accordance with the Commercial Companies Law (21 of 2001) and the Central Bank of Bahrain's Guidelines for the Issuing, Offering and Listing of Debt Securities (as amended or replaced from time to time). The shareholders authorise and delegate the power to the Chief Executive Officer (with the power to delegate his authority to other officers of the Company) to obtain all necessary authorisations and approvals from various regulatory bodies for the issue of any debt instruments and to effect any necessary amendments to the abovementioned resolutions as may be required by the Central Bank of Bahrain or any other regulatory bodies, in order to attain the objective of the above mentioned resolutions, without the need to revert to the shareholders.

