



هيئة
تنظيم
الاتصالات
Telecommunications
Regulatory
Authority

**TRA case reference no. 1/08 –
Bahrain Broadband Company W.L.L - Re-
Distribution of Shares amongst the Existing
Shareholders (Mahmood Mahmood Hussain
and Shawqi Mahmood Mahmood Hussain)
and Kleos Offshore s.a.1 (New Shareholder)**

A Decision issued by the Telecommunications
Regulatory Authority under the
Telecommunications Mergers and
Acquisitions Regulation, Regulation No. 3 of
2004

3 June 2008

Decision

Article 3.2(b) NON-OPPOSITION

DECISION

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I. Background

1.1. On 14 May 2008 the Telecommunications Regulatory Authority (“TRA”) received a notification of a proposed transaction pursuant to Article 2 of the Telecommunications Mergers and Acquisitions Regulation (the “Regulation”)¹.

1.2. Bahrain Broadband Company W.L.L., a telecommunications company in the Kingdom of Bahrain registered under commercial registration number 58447-1 and licensed by the TRA (“Bahrain Broadband”), is currently owned by Mahmood Mahmood Hussain (80% of shares) and Shawqi Mahmood Mahmood Hussain (20% of shares). Kleos Offshore s.a.l is a company registered under the laws of Lebanon under commercial registration number 1576-18.

1.3. Under the proposed transaction, Bahrain Broadband Company W.L.L. will increase its capital, and its shares will be distributed amongst the existing shareholders, Mr. Mahmood Al Mahmood and Mr. Shawqi Al Mahmood, and the new shareholder, Kleos Offshore s.a.l (New Shareholder).

1.4. As a result of the transaction, the share ownership in Bahrain Broadband Company W.L.L. will be as follows:

Shareholder	Number of Shares	Percentage of Shares
Mr. Mahmood	260	26%

¹ Regulation No. 3 of 2004

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Mahmood Hussain (Existing Shareholder)		
Mr. Shawqi Mahmood Mahmood Hussain (Existing Shareholder)	250	25%
Kleos Offshore s.a.l (New Shareholder)	490	49%

II. The Parties

1.1. The parties are involved in the following activities:

- Bahrain Broadband Company W.L.L.: *Licensed Telecommunications Operator that provides Telecommunications Services and Value Added Services in the Kingdom of Bahrain;*
- Kleos Offshore s.a.l: Conducting mobile broadband projects in several countries;
- Mr. Mahmood Hussain Al Mahmood: Private Investor;
- Mr. Shawqi Mahmood Al Mahmood: Private Investor.

According to the submission of the parties, they are not involved in other activities related to telecommunications services in the Kingdom of Bahrain.

1.2. The parties hold the following telecommunications licenses:

- Bahrain Broadband Company W.L.L.:

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- (a) Individual International Telecommunications Services License;
- (b) Value Added Services Class License,

- Kleos Offshore s.a.l: *None*

III. Bahrain Telecommunications Industry

3.1 The proposed transaction involves a market affecting the telecommunications industry in the Kingdom of Bahrain.

IV. The Transaction

4.1 TRA considers that, as a result of the Transaction, there will be a change of control on a lasting basis in Bahrain Broadband Company W.L.L. Therefore, TRA considers that the Transaction is a Qualifying Transaction for the purposes of Article 1.2 of the Regulation.

4.1.1 In reaching this conclusion TRA has considered, *inter alia*:

4.1.2 Prior to the proposed transaction, Mr. Mahmood Mahmood Hussain held 80% shares in Bahrain Broadband Company W.L.L., and Mr. Shawqi Al Mahmood held 20% shares in Bahrain Broadband Company W.L.L.

4.1.3 That, as a result of the proposed transaction, the Investors will acquire different proportions of shares previously owned by Mr. Mahmood Al Mahmood and Mr. Shawqi Al Mahmood as outlined in paragraph 1.4 above.

V. Competitive Assessment

5.1 On the basis of:

5.1.1 the information made available by the parties to TRA; and

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5.1.2 TRA inviting comments with respect to the transaction in the prior notification on the transaction published on 18 May 2008; and

5.1.3 without having received any comments from interested third parties, TRA has concluded that the proposed transaction does not raise serious doubts as to its compatibility with the Regulation.

5.2 In reaching this conclusion TRA has considered, *inter alia*, that the Investors have confirmed to TRA that they do not have any interests in licensed telecommunications operators in the Kingdom of Bahrain other than in Bahrain Broadband Company W.L.L.

VI. Conclusion

6.1 TRA has determined pursuant to Article 3.2(b) of the Regulation that the proposed transaction does not raise serious doubts as to compatibility with the Regulation.

6.2 This decision shall be published in accordance with the provisions of the Regulation, and a copy of the same shall be served on the parties and the Ministry of Industry and Commerce.

For the Telecommunications Regulatory Authority

Alan Horne

General Director

3 June 2008