



PRESS RELEASE

26th March, 2003

Shortlist of applicants for second mobile license in Bahrain

The TRA has been evaluating applications for the second mobile license in Bahrain. Applications were submitted on 5th March, 2003, on behalf of 10 entities.

The TRA has reviewed the documentation that has been supplied. The TRA has also asked supplementary questions of all applicants.

In its evaluation, the TRA has applied the criteria that were listed in the Invitation to Apply document that was published early in January, 2003.

In line with the published timetable for the selection process, TRA today announces that it will at this time seek to carry forward its further evaluation process with:

- Kalaam Ltd
- MTC-Vodafone Bahrain
- Wataniya Telecom Bahrain

The TRA acknowledges the considerable strengths of other applicants in individual areas, but has formed the view that the selected applicants most closely meet the stated criteria when viewed at an overall level.

The TRA will now seek final clarifications from the short-listed companies, and, will seek performance undertakings that will ensure that significant investment is made, benefit is passed to Bahrain consumers and business users, and, that direct employment is created for Bahrainis.

This final process can be expected to take some weeks. If the necessary performance undertakings can be secured it is anticipated that the final selection of a licensee will be made in time to allow license award by 22nd April, 2003, as required by the Telecommunications Law.

Commenting on the shortlist:

Dr Mohammed Alghatam observed that, notwithstanding the small size of the Bahrain market and the present instability within other areas of the Gulf Region, the enlightened approach to the liberalization of its telecommunications market that has been adopted by Bahrain has resulted in a high level of interest, including that by major companies.

The enlightened approach adopted by Bahrain does not seek to burden market entrants with high acquisition costs for licenses that are then merely passed on to the consumer. Instead, it seeks to foster vibrant competition led growth that will optimize investment and job creation, both directly in the new licensed operator, and, in the ancillary areas of product distribution and service support.

Dr Alghatam further observed that the selection process had been rigorous, but fair to all applicants. A formal selection methodology continues to be applied, with the participation of the Board of TRA, to determine the most appropriate licensee.