



REPUBLIC OF THE UNION OF MYANMAR
MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY
UNION MINISTER'S OFFICE

Dated: 10 July, 2013

Joint Press Release with Telenor Mobile Communications and Ooredoo

Introduction

As announced by the Telecommunications Operator Tender Evaluation and Selection Committee on June 27, Telenor Mobile Communications and Ooredoo have been selected by the Committee as the two successful applicants in the Nationwide Telecommunications Licence Award Process.

Both successful applicants were chosen in an objective and transparent process, in line with international best practices. A consortium consisting of Orange and Marubeni Corporation was named as the back-up applicant in the event one of the two successful applicants does not fulfil the post-selection requirements contained in the Invitation to Tender previously issued by the Committee.

The Ministry of Communications and Information Technology is pleased by the selection of two very strong international operators, both having also experience in South-East Asia. The two successful applicants have made strong commitments to quickly develop and operate telecom networks in the Republic of the Union of Myanmar.

Telenor Mobile Communications

Telenor Mobile Communications is a wholly-owned subsidiary of Norwegian telecom company, Telenor ASA. As one of the world's major mobile operators, Telenor has operations in 11 markets in the Nordic region, Central and Eastern Europe and in Asia, as well as a voting stake of 42.95 per cent (economic stake of 33 per cent) in VimpelCom Ltd., operating in 18 markets. Through its ownership in leading mobile operators in Thailand (dtac), Malaysia (DiGi), India (Uninor), Bangladesh (Grameenphone) and Pakistan (Telenor), Telenor has gained insights into the diverse communications needs of markets in Asia, while also gaining an understanding of how it can leverage its global innovation capabilities and technology competence to support Myanmar's telecommunications goals.



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Telenor is committed to the rapid roll out of a modern telecommunications network and affordable services that will deliver the benefits of mobile communications to the people of Myanmar. This includes building a state-of-the-art mobile network using HSPA and LTE-ready technologies for Myanmar to match the sophistication of leading networks around the world today, and plans to achieve nationwide network coverage in Myanmar within five years by establishing an extensive distribution network across the country. Telenor has committed to a nationwide geographic coverage of 83% for voice and 78% for data after 5 years. Telenor also has committed to more than 70,000 points of sales where SIM cards can be bought and more than 95,000 points of sales where top-up can be purchased, after 5 years. As a long-term player Telenor understands the strategic role of telecommunications in promoting a more vibrant, attractive and competitive business environment, and hopes that helping to modernise Myanmar's telecommunications sector will enable sustainable economic growth and development.

Telenor is also fully prepared to contribute to the government's goal to rapidly boost mobile penetration by providing affordable services for the mass market in Myanmar to remove entry barriers and enable more people to access the opportunities that connectivity presents. The company will offer highly competitive tariffs that are significantly lower than what is available in the market today, and will also leverage its experience and in-depth knowledge in Asia to provide cost-effective packages that are tailored for consumers in the prepaid segment while ensuring an excellent customer experience. For example, the tariff for prepaid voice during peak hours will not be higher than MMK 25 per minute (excluding taxes). SIM cards will cost not more than MMK 1,500. A full range of mobile services, both voice and data, will be commercially launched as its initial offering, anticipated to happen by the second quarter of 2014. It will also provide a comprehensive portfolio of value-added services to customers in Myanmar including mobile financial and healthcare services, as well as services tailored to the agriculture industry.

Telenor also places a high priority on contributing to the communities in markets where it operates, and will build on its strong track record of working with the government and relevant organisations to develop a corporate responsibility and community engagement programme in Myanmar. For example, Telenor will build 200 "Community Information Centres" with the aim of fostering user adoption of mobile services and Internet in rural areas and improving digital literacy through nationwide initiatives for schoolchildren. Telenor will recruit a strong Myanmar workforce at all levels and provide employees with solid career opportunities including working alongside a core team of experienced international technical experts and business leaders.

The company has also pledged to support the government of Myanmar through commitments such as a free central government SMS communication channel and free use of emergency services, as well as free access to important public, government, educational and health websites.



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Ooredoo

Ooredoo is an international telecommunications company with headquarters in Qatar and with over 92 million subscribers worldwide. It operates networks in Asia, Africa and the Middle East. Ooredoo possesses strong experience in South East Asia, with operations in Indonesia, Singapore, Laos and the Philippines.

Ooredoo's binding commitments will significantly contribute to the leapfrog of Myanmar's telecom sector. Ooredoo has committed to nationwide geographic coverage of 84% (both voice and data) after 5 years. It has committed to a voice tariff during peak hours of up to MMK 45 per minute (for calls to another operator) and up to MMK 35 (for calls among Ooredoo subscribers). It will offer SIM cards at MMK 1,500 or below and will also have an offer with a SIM card for free. Ooredoo has committed to create a large distribution network encompassing 240,000 points of sales where SIM cards can be bought and more than 720,000 points of sales where top-up can be purchased after 5 years.

Ooredoo will offer a wide range of value added services. For example, its mobile money service will give customers the opportunity to send money to their family and friends. Local content including local video content and mobile applications will be made available to customers. A range of mHealth services will be provided including health-based advisory, monitoring services, access to doctors and the ability to submit the user's health data to a database for automatic monitoring of key health indicators. Another service will function as an information service and portal for agriculture market prices, weather forecasts, and equipment rental services.

Ooredoo has also pledged to invest heavily in the Myanmar economy and strongly contribute to the development of the country. It will invest around USD 60 million into corporate social responsibility initiatives over the next 10 years. For example, Ooredoo will build 10,000 tele-centres across the country that will provide free public Internet connectivity to Myanmar people in both urban and rural areas. Additionally, Ooredoo has guaranteed at least one free Internet access-point for all public primary and secondary schools, universities and libraries. Moreover, it will provide coverage to all 900 hospitals and clinics around Myanmar, with each receiving at least one free Internet access-point. Ooredoo also intends to set up 15 mobile health clinics by the end of 2016, which will provide healthcare assistance to rural communities through routine and scheduled visits to designated locations, and which will focus on women, children and citizens who cannot afford any healthcare. 99.9% of Ooredoo's employees in Myanmar will be Myanmar citizens after 5 years.



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Conclusion

The Union Government is pleased to have selected two very strong and experienced international operators, which will quickly develop telecommunications networks across the country. The two successful applicants have both committed to a very strong coverage of all regions and states, a dense distribution network in both urban and rural areas and a wide range of (value added) services, at low prices. Therefore, the selection of these two successful applicants will significantly contribute to the growth of the Myanmar economy and benefit Myanmar citizens across all states and regions.