

The award of the Second National Operator license in Kenya to a consortium led by Vtel Holdings Ltd represents a major transaction undertaken by the Lead Advisor and Arranger, Loita Capital Partners International Ltd ('Loita').

Loita was mandated to advise the consortium in the bidding for the Second National Operator license. These services, which include all preparations for the bid and related processes, will also focus on fund raising and advising on the setting up the operations of the Second National Operator, VTEL Kenya Communications Company Ltd.

The consortium is composed of four shareholders; Dubai based VTEL Holdings and local partners Kiriniyaga Construction (K) Ltd, Unitel Kenya Ltd and the Kenya Union of Savings and Credit Cooperatives (Kuscco).

VTEL Holdings is a USD 1 Billion Company formed by a consortium of leading regional and international entrepreneurs and conglomerates. It was established to identify, invest in and help create Information and Communication Technology (ICT) ventures in emerging markets. The company is represented in the Middle East, North Africa, Greater Africa, Commonwealth of Independent States of the former Soviet Republics, Latin and Central America and the Caribbean. The local partners are all well-known and reputable entities whose aim is to be instrumental in the development of the Telecommunications industry in their country and to ensure that the Consortium meets the requirements of the CCK with respect to the 30% of shareholding to be owned by Kenyans. Loita also ensured that the Kenyan shareholding is broad based with the involvement of Kuscco that has more than 3,000 cooperatives under its umbrella and an excess of 3 million members across Kenya.

Loita Capital Partners International is the investment-banking arm of the Loita Group which is an African based, independent banking and information technology group established in 1992, with its headquarters in Mauritius and regional offices in Nairobi Kenya and Johannesburg, South Africa and other presence in more than 10 countries in Africa.

The Loita Corporate and Structured Finance Executive, Mr. Kevin Teeroovengadam, who is overseeing the transaction, considered that the SNO in Kenya will be one of the biggest Foreign Direct Investment (FDI), as the consortium has won the license which is US\$169.7 Million and to be paid by end of January 2007. Thereafter, the project implementation will be in excess of the license value. In addition to FDI, the consortium will be a major creator of employment in the country.

The Loita local office Chief Executive Officer, Ms Namukolo Mwananshiku, felt that this transaction represented Loita's commitment to serve the East African market by continuing with its objectives of attracting substantial investment into African emerging markets.

Loita's competitive advantage derives from the ability to bridge the gap between the objectives of regional and international financial institutions and Africa's investment banking requirements. Loita, have created the optimum environment from which to originate and structure innovative solutions to those requirements.

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As a testament to their abilities, Loita Capital Partners was presented with The Best Financial Consultancy of the year award in both 2004 & 2005 at the inaugural Africa Investor awards and is the only company to defend their title. The award recognizes Loita Capital Partners' support and development of Capital Markets within the African continent and specific transactions relating to the same.