

NIGERIA

Undergoing mass privatization

The rebranding of a nation

As it looks to enter the economic major leagues, Nigeria plays up its many positives, unveiling lucrative investment opportunities to the international business community.

With nearly 150 million people, Nigeria's investment openings are endless as the forward-thinking government privatizes great swaths of its operations, and embarks on a major international rebranding campaign to attract investors and entrepreneurs.

While the powerful energy industry dominates the economic landscape, Nigeria has begun to diversify its financial strength into other areas. In conjunction with the World Bank, the government recently created a series of blueprints for the restructuring of various sectors. At the forefront of this ambitious program of innovative change and rebranding is the Information and Communications Technology (ICT) sector, and in particular the mobile phone and telecommunications industry.

Reforms introduced by the Nigerian Communications Commission (NCC) in 2003 helped fuel outstanding market



Christopher Uloneme Anyanwu
Director General,
Bureau of Public
Enterprises

growth, with the mobile phone industry tripling its expansion rate over the following few years on the back of significant investment in networks, services, shops and other infrastructure.

In 2007, Nigeria overtook South Africa as Africa's largest mobile phone market and that success is set to continue as industry analysts predict subscriber numbers will reach an incredible 80 million in 2010. Ten years ago, there were just 450,000 subscribers.

Since being appointed minister of information and communications, professor Dora Nkem Akunyili has worked hard to improve Nigeria's image in the eyes of the world and in the minds of the Nigerian people. "There is no doubt that

this country needs a change in character and general orientation," Akunyili says. "When it comes to wealth creation, however, Nigeria is a gold mine for businessmen and women. People who invest in Nigeria will start making profits within a few years because Nigerians are big consumers and we have the population.

"Wealth creation is so big and so fast that investors are streaming in, even with the global melt-

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Professor Dora Nkem Akunyili
Minister of Information and Communications

down. Because of our population, strategic position and huge market, once you enter Nigeria, you have automatically made it in West Africa."

While Akunyili admits her country faces many challenges

in the months and years ahead, she believes now is the ideal time to rebrand the nation as its development is tied to its image in the international arena.

"This rebranding process will allow us to believe in ourselves and enable us to project that faith in ourselves to the outside world. With Nigerians able to operate through trusted institutions and with respect for regulations, investments will follow, more employment opportunities will

open up and more tourists will visit. International business executives will be more confident in dealing with us, so as we work on our values and social ills, we are also putting ourselves on the right footing."

The minister's role as head of the government's ICT department has proved vital to the country's recent economic growth and she is helping to coordinate the sale of Nigeria Telecommunications Ltd. (NITEL) – Nigeria's only fully integrated telecommunications operator. The giant company was recently brought back into public hands after a previous owner failed to turn around its fortunes amid fierce competition.

Established in 1985, NITEL provides services, including leased lines for domestic and international use, fixed telephony infrastructure and services, wireless and fixed Internet access, and satellite services. Through its 100 percent-owned subsidiary MTEL, NITEL also provides GSM and Analog (TACS) mobile telephony services. The sale of a 75 percent stake or more in the company is being organized by the Bureau of Public Enterprises (BPE).

NITEL's operations include the state-of-the-art SAT-3 transcontinental high-speed, digital optic-fiber submarine

cable linking Europe with West Africa and Southeast Asia via South Africa. The company's landline assets comprise fiber-optic, switches and cable networks that cover the 36 states of Nigeria, and include pay-phones and pre-paid systems. With an impressive 2.5G GSM network boasting a capacity of more than 1.2 million subscribers, MTEL is another jewel in NITEL's crown and has enjoyed enviable growth since its launch in 1996.

Led by Director General Christopher Uloneme Anyanwu, the BPE has overall responsibility for the implementation of Nigeria's policy on privatization and commercialization. Anyanwu, a barrister and has held roadshows in major international cities such as London, New York and Dubai to encourage interest in NITEL, and ensure the telecoms operator attracts a core investor that will make it flourish.

"NITEL has a lot of assets in terms of land, buildings and licenses," he explains. "The technology needs upgrading but that won't cost much, and once we get things back in shape we can expand the networks and boost Nigeria's economy as well. It really is an incredible investment opportunity for any international investor looking to come in and take advantage. By having control of the fixed and mobile lines, the sale of NITEL has a big impact on the country and the economy."

Anyanwu describes his vision for the bureau as "a springboard for the modernization of the Nigerian economy" through vibrant public-private participation in economic activities and goal-driven privatization. "We must remove bottlenecks, and make the privatization process simple and transparent. That way, the economy might be jolted through major activities that will cascade down and benefit everyone."

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Director General
Bureau of Public Enterprises

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FEDERAL REPUBLIC OF NIGERIA
National Council on Privatization (NCP)
Secretariat: Bureau of Public Enterprises (BPE)



INVITATION FOR EXPRESSIONS OF INTEREST IN THE ACQUISITION OF AT LEAST 75% IN NITEL OR ONE OF ITS CORE ASSETS

In line with the ongoing privatization program of the Federal Government of Nigeria (FGN), the National Council on Privatization (NCP) through its Secretariat, the Bureau of Public Enterprises (BPE), hereby invites prospective Core Group/Strategic Investors to express interest in acquiring:

- Either at least a 75% stake in the entire NITEL conglomerate
- Or at least a 75% stake in one or several of its components, namely: SAT-3; Domestic Fixed Line Telephony; National Fiber-Optic Transmission Backbone; CDMA networks, MTEL (GSM) and ANALOG SYSTEM (TACS)

Nigeria Telecommunications Ltd. (NITEL), as the First National Carrier, is the only fully integrated telecommunications operator in Nigeria. The company has the full complement of telephony licences issued by the Nigerian Communications Commission (NCC), the Nigerian telecommunications industry regulator. It provides the following services: Leased lines: domestic and international; Fixed telephony: post-paid, DID, prepaid, pay-phones, fixed wireless, ISDN; Broadcasting Services: Telecast, Voicecast, Satellite Services: Biznet, Finnet, Immarsat. IP Services: Retail Internet services, Corporate Internet services, Corporate IP Services (VPN/VoIP), IP Wholesale; ADSL; Telex services; Telegraph services; Fax services; Value added services: call diversion, call waiting, automatic alarm calls, malicious call identification.

Other services include Fixed destination services (hot lines), Automatic transfer to voice mail, Call line identification, Automatic call back, National roaming, Call blocking, Call on hold and Terrestrial Wide Area Network to corporate customers. NITEL also provides fixed line, fixed wireless, international direct dial (IDD) and IP wholesale. NITEL, through its 100%-owned subsidiary MTEL, also provides GSM and Analog (TACS) mobile telephony services.

NITEL and its mobile arm, MTEL and other components thereof may be acquired jointly or separately. Interested investors may thus bid for the whole company or any of the groups of assets listed below, separately or together. An investor bidding for more than one component of the NITEL group must in its bid disclose the bid amount for that component.

Preference will be given to bidders who desire to acquire NITEL fixed lines, Transmission Backbone, MTEL and SAT-3 components together while those bidding separately for MTEL must be ready to make the necessary investments to detach MTEL from the NITEL networks. However, the CDMA and Analog systems must be bid for separately as different networks with different operational licenses.

1. SAT-3

SAT-3 is a transcontinental high-speed, digital optical-fiber submarine cable linking Europe, West Africa, Southeast Asia via and including South Africa. SAT-3 has up to 64 STM-1s and a large bandwidth with a system availability of 99.99%.

2. NITEL LANDLINE

NITEL is the incumbent telecom operator in Nigeria. Its assets, comprising fiber-optic, switches and cable networks, cover the 36 states of Nigeria and the FCT enables provision of the following services:

- Fixed telephony: post-paid, DID, prepaid, payphones, fixed wireless.

3. MTEL (MOBILE)

MTEL was incorporated in May 1996 in order to take over the integral Mobile/TACS operations of NITEL that were developed in 1991. MTEL has developed a 2.5G GSM network with a total capacity of more than 1.2 million subscribers.

4. FIBER-OPTIC TRANSMISSION BACKBONE

- Broadcasting services: Telecast, Voicecast
- Satellite services: Biznet, Finnet, Immarsat

- IP services: retail and corporate Internet services
- Leased lines: domestic and international

5. NITEL CDMA NETWORK SYSTEM

NITEL's CDMA network covers the main large cities and has an installed capacity of 65,000 subscribers, expandable to 830,000 subscribers:

- Frequency band of 450 and 1900 MHZ
- 26 installed base station transceiver systems (BTS)
- Supports voice, faster data of 153kb/s Internet services with value added services (VAS)

With necessary investments, it can emerge as a robust modern mobile telephone network with its own operating license.

6. ANALOG (TACS)

The Analog system (which was the first mobile phone service in Nigeria - 090) consists of two (2) switches with a combined installed capacity for 267,000 subscribers. These switches can support voice calls with a prepaid system for billing subscribers. It is also a very robust network with capability for call forwarding, call line identification and roaming functionality. With necessary investments, it can emerge as a robust modern mobile telephone network with its own operating license.

FORM OF EXPRESSION OF INTEREST

Interested investors should indicate their interest by providing the following:

- Full name of the company and the contact person, postal address, telephone and fax numbers, and e-mail address. In the case of a group of investors, the details mentioned above should be provided for each member of the group.
- Out of the six groups of assets above, those which are of interest to the investor.

SUBMISSION

One original and five photocopies of Expressions of Interest form in sealed envelopes, clearly marked "NITEL CORE INVESTOR SALE" in the top right-hand corner, shall be delivered to the address below. A SOFT COPY OF YOUR PROPOSAL SHALL BE INCLUDED IN THE SUBMISSION.

The Director General, Bureau of Public Enterprises (BPE), (Room 122) No 11 Osun Crescent, Off IBB Way, Maitama District, P.M.B. 442, Garki, Abuja.

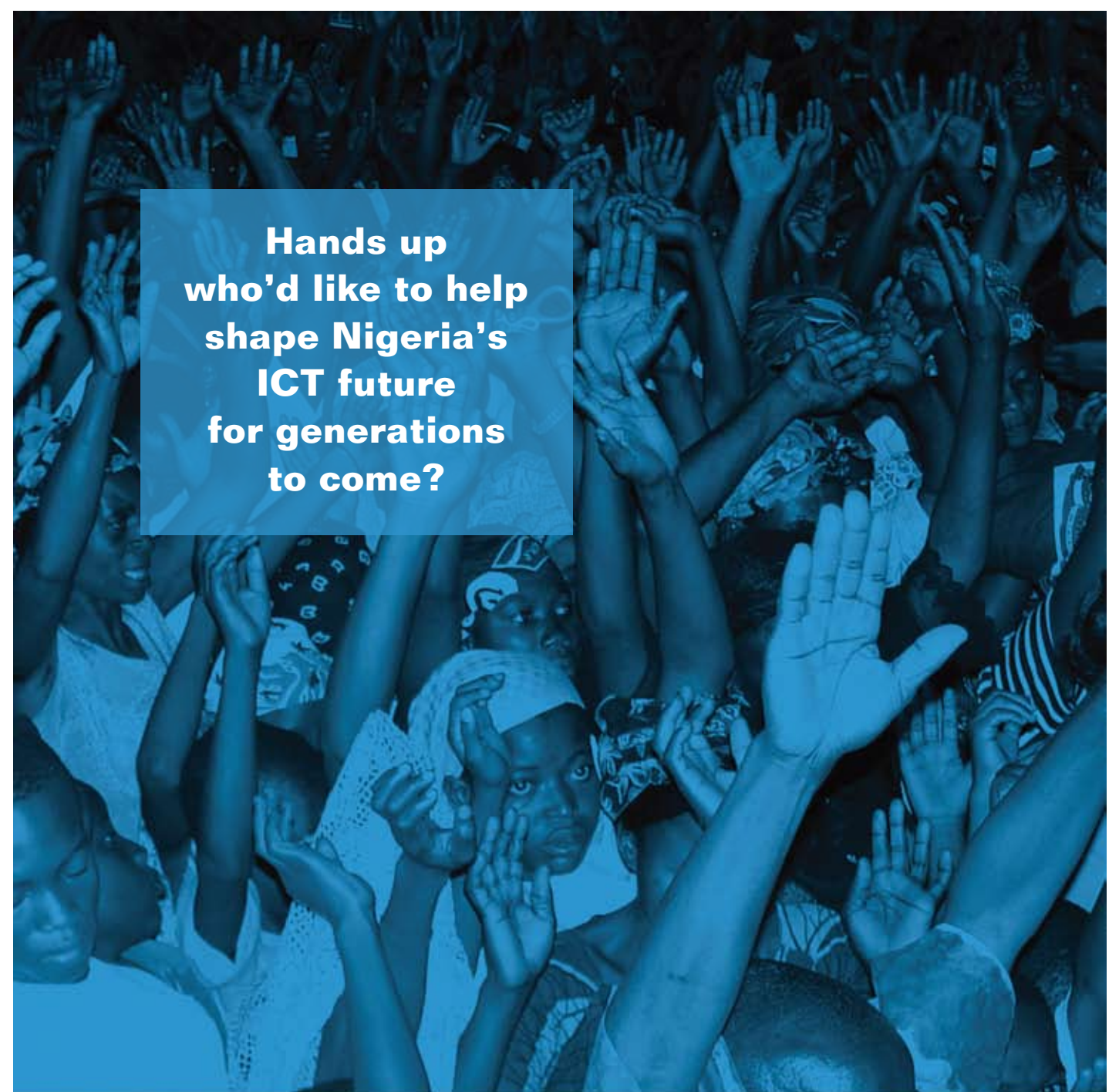
Tel. 234-9-4134664; 234-9-6703298

Interested bidders desirous of participating in the data room for due diligence should submit their EOLs by the deadline of Friday, August 28, 2009. It is expected that the transaction documentation will be available to potential investors from Monday, August 24, 2009. Those who elect not to participate in the data room process for due diligence after paying the bidding document fee, should submit their technical and financial bid on or before 5 p.m., Friday, October 2, 2009, which is the deadline for the receipt of technical and financial bids.

TRANSACTION PROCESS

Submission of Expressions of Interest shall be accompanied by a \$25,000 non-refundable fee payable to the Bureau of Public Enterprises, after which prospective investors will be provided with an Information Package and bidding documents after the execution of a Confidentiality and Non-disclosure Agreement.

Further details regarding the transaction process, the prequalification process and application forms will be found at the BPE Web sites: www.bpeng.org or www.bpeng.info



**Hands up
who'd like to help
shape Nigeria's
ICT future
for generations
to come?**

NITEL, the nation's only fully integrated telecoms provider, is up for sale. Offering unrivaled services, NITEL is the future of telecoms in Nigeria: a vast country of millions of consumers that also offers a strategic gateway to West Africa. Investors can choose from at least a 75% stake in the entire conglomerate or at least a 75% stake in one of its core assets. A not-to-be-missed opportunity to participate in a new Nigeria.

