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## **MULTI-MILLION DOLLAR PRIVATE DEBT FINANCING FACILITY AWARDED TO A COMPANY IN AFGHANISTAN**

***Afghanistan's largest GSM mobile operator Roshan signs US\$45m loan agreement with Asian Development Bank and PROPARCO***

***Loan is the largest private sector senior debt financing facility awarded in Afghanistan***

KABUL, AFGHANISTAN (April 6<sup>th</sup>, 2005) – Roshan, Afghanistan's largest GSM mobile operator, announced today that it has finalized agreements with the Asian Development Bank (ADB) and Promotion et de Participation Pour La Coopération Economique (PROPARCO) for a US\$45 million loan – to date, the largest to have been awarded to a private sector entity in Afghanistan.

The US\$35 million from ADB and US\$10 million from PROPARCO will significantly complement Roshan's aggressive network expansion plans. Afghanistan urgently needs investments in telecommunications given the dependence on nationwide communications to support the relief and reconstruction efforts already underway in the country. Since Roshan started operations on July 27, 2003, mobile penetration has rapidly grown from 100,000 users at the end of 2003 to over 600,000 at the end of 2004, of which Roshan has over 400,000 customers. During this time, Roshan has expanded its network to 25 of the largest cities in Afghanistan, including Herat, Kandahar, Mazar-i-Sharif, Jalalabad, Kunduz, Gardez, Ghazni, Bamyan and Pul-e-Alam, as well as covering many of the major border crossings with Pakistan, Iran and Uzbekistan.

Mr. Karim Khoja, Chief Executive Officer of Roshan commented:

*"Today's signing is a major milestone not only for Roshan, but also for the ongoing reconstruction of a nation that has been swept by war for almost three decades. As a leader in the private sector, Roshan's growth, development and success has a positive impact on the economy and the people of Afghanistan. Our agreement with ADB and PROPARCO will allow us to improve coverage and capacity in all areas currently supported by the Roshan Network, as well as to further expand the Network to more rural areas that are not currently served by any communications provider. This includes expanding on the 100 Public Call Offices (PCOs) which currently have been established in the country. PCOs, which are similar to pay-phones, enable individuals who cannot afford to buy a connection to call and speak to family and friends."*

*Roshan's investments in Afghanistan continue to spark the spirit of private enterprise through communication, while creating employment opportunities both directly and indirectly. This complements the work of the Aga Khan Development Network, and other such agencies which seek*

*to improve the quality of life for the people in Afghanistan through interventions in the social and cultural sectors.”*

*Furthermore, last month, the GSM community recently recognized Roshan by awarding us the prestigious GSM Award for the Best Marketing Campaign. We are proud of this recognition, because we have been able to build a highly successful business, bringing outstanding GSM experience to Afghanistan, in a very challenging environment in a short period of time. “*

His Excellency, Minister Sangin, the Minister of Communications in Afghanistan added:

*“The financing arrangement which Roshan has signed with ADB and PROPARCO is a significant achievement for Roshan and Afghanistan. It is a clear indication that private enterprises can be successful here and that major financial agencies are committed to being part of the ongoing reconstruction in Afghanistan. It is critical for us to continue to grow the telecommunications infrastructure in the country, so that we reach as many people as possible as quickly as possible. Given Roshan’s track record to date in establishing their Network, and this additional investment, the prospects for a high quality, well managed nationwide network is fast becoming a reality.”*

Mr. Daniel Thomas (Director of Roshan) and Industrial Development Manager of the Aga Khan Fund for Economic Development (AKFED), the leading sponsor of the project (51% holding) added:

*“Roshan is a powerful example of how technology can help spur development even in the most difficult of terrain. Roshan's involvement in the telecommunications sector complements and strengthens various development initiatives that have been launched by the Aga Khan Development Network in Afghanistan in the last decade.”*

Mr. Michael Barrow, an ADB Senior Structured Finance Specialist, stated:

*“The signing of this financing facility agreement is reflective of ADB’s increasing confidence in the Afghan economy as a whole and the telecommunications sector specifically. Our agreement with Roshan, the first significant loan of its kind to be made to a privately owned enterprise in Afghanistan in almost 30 years, will strongly support Afghanistan’s reconstruction efforts and overall economic development. Telecommunications is an essential element of a country’s infrastructure, alongside transport, water supply and energy, and cellular telephony is seen as the only viable method of providing reliable, nationwide communications coverage in a country. ADB’s loan to Roshan will hopefully serve as a positive example that should help encourage aid agencies and commercial sector lenders to support private sector development in Afghanistan.*

Mr. Olivier Fourcade, Legal Counsel, PROPARCO, said:

*“PROPARCO is committed to the development of the private sector in developing and emerging markets and has been involved in financing infrastructure projects in various parts of the world. As a result, Roshan’s commitment to social development and rural programmes, as well as its catalyst role in the Afghan economy, fully meets PROPARCO’s objectives such as reducing the technological divide and promoting a stable and efficient economic base for private sector development. We are delighted to be bringing our first private sector loan to Afghanistan with the finalization of this agreement and look forward to participating in future projects that will ultimately contribute to Afghanistan’s recovery.”*

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### **Notes to editors**

Meaning “light” in Afghanistan’s two most widely spoken languages, Dari and Pashto, Roshan brings a promise of hope, development and a brighter future for the people of Afghanistan.

Currently, Roshan is one of the largest private company employers in Afghanistan, directly employing over 470 people, 21% of whom are women. In addition, Roshan provides indirect employment to more than 5,000 people who work as dealers, distributors, contractors and suppliers.

In addition to employment, Roshan also contributes as one of the largest advertisers in Afghanistan, spurring on a market of printing, billboards and advertising. Just last month, Roshan was recognized at the tenth GSM Association (GSMA) Awards. Winners were announced at the mobile industry’s leading annual event, the 3GSM World Congress 2005, in Cannes, France. Roshan beat international companies such as Motorola USA and Vodafone UK to win the coveted Best Marketing Campaign Award for its “Light and Hope” campaign, aimed at making mobile communications widely accessible to the Afghan people. Roshan was praised for navigating through religious, ethnic and cultural issues to establish a brand and significantly grow the Afghan communications market. Roshan has become the Afghan brand, embracing the hope and opportunity that Afghanistan now represents.

Owned by an international consortium formed by the Aga Khan Fund for Economic Development (AKFED), Monaco Telecom International (MTI) and US-based MCT Development Corp, Roshan brings international expertise to Afghanistan and is committed to the network quality and coverage for the Afghan people.

The Aga Khan Fund for Economic Development (AKFED), the leading sponsor with 51% of the equity in the operating company is the economic development arm of the Aga Khan Development Network (AKDN), a group of private, non-denominational development agencies seeking to improve opportunities and living conditions in specific regions of the developing world, especially Africa and Asia.

The Aga Khan Development Network, which has been supporting humanitarian assistance and rehabilitation in Afghanistan since 1996, works for the common good of all citizens, regardless of their gender, origin or religion and its underlying impulse is the ethic of compassion for the vulnerable in society. Its programmes in Afghanistan come under a comprehensive development agreement signed by the Aga Khan and President Hamid Karzai.

AKFED has also established the First MicroFinanceBank, which provides banking facilities and microfinance loans to several regions in Afghanistan. AKFED will also be opening up its 5-Star hotel, Kabul Serena Hotel, later this year in Kabul.

#### **About Asian Development Bank**

The Asian Development Bank is dedicated to reducing poverty in the Asia and Pacific region through pro-poor sustainable growth, social development, and good governance. Established in 1966, it is owned by 63 members, with 45 from the region.

#### **About PROPARCO**

PROPARCO is a subsidiary of the Agence Française de Développement, a public corporation and specialized financial institution, which is part of France's official economic development aid. PROPARCO is dedicated to private sector financing and operates in a large number of developing and emerging countries.

#### **About Monaco Telecom International (MTI)**

Monaco Telecom International (MTI) holds a 36.75% stake and is a 100% subsidiary of the Monaco Telecom Group, the incumbent operator for the principality of Monaco. Monaco Telecom Group was created in 1997 out of the Principality's administrative service, the Office Monégasque des Télécommunications. Since 2004, the Monaco Telecom Group shareholding is 49% Cable & Wireless, 45% Principality of Monaco and 6% Compagnie Monégasque de Banque. MTI has operations in Afghanistan, Algeria, Kosovo and Tunisia.

#### **About MCT Corp.**

MCT Corp., which holds a 12.25% equity stake, is a U.S. company and a leading provider of mobile wireless telecommunications services in Central Asia and Russia. MCT has developed 29 ventures in the region since its formation over 10 years ago, and today it provides mobile and other services through fifteen ventures licensed to serve populations of 68 million people. Service is offered under the *Indigo*, *Coscom* and other regional service brands. Further information is available at [www.mctcorp.net](http://www.mctcorp.net) and [www.Indigo.ru](http://www.Indigo.ru).