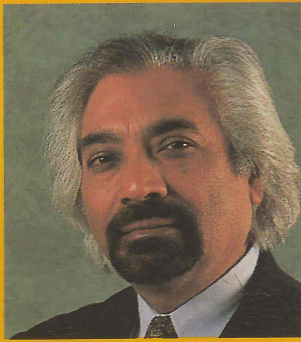


WorldTel – Closing the global communications Gap





WorldTel is an independent, privately funded commercial corporation, initiated by the International Telecommunications Union (ITU)* to organise large telecommunications infrastructure projects in developing countries, with three principal objectives:

- to identify emerging countries and regions for the development of major telecommunications infrastructures, using the most appropriate technology
- to raise financing for projects by offering private, institutional and public market investors and institutions unique opportunities to invest in rapidly growing emerging markets
- to work in partnership with the governments of developing countries, local private companies, international equipment suppliers and operators to identify, structure, fund and manage major telecommunications projects for the benefit of the peoples and economies of those countries.

This unique partnership between the ITU and the private sector combines the energy, enthusiasm and entrepreneurship of two visionaries.

SAM PITRODA

CHAIRMAN & CEO WORLDTTEL

Following a successful career in the US in the design and manufacture of digital switching technology, Mr Pitroda served as the first chairman of India's Telecom Commission and is a founding member and Vice Chairman of the ITU's World Telecom Advisory Council.

Mr. Pitroda holds over 50 world-wide patents and is founder of several companies in Europe and North America.

DR. PEKKA TARJANNE

SECRETARY-GENERAL, ITU

A holder of a Ph.D in Physics, Dr Tarjanne has served as a University Professor, Minister and Director-General of Post and Telecommunications in Finland.

Dr. Tarjanne was elected to the position of Secretary-General of the ITU in 1989. Since then, thanks to his visionary leadership, the ITU has effected a new set of working methods and structures in order to guide and lead the revolution in today's global telecommunications industry.

* The ITU is the United Nation's oldest specialized agency, with 187 member countries and over 400 members from the Telecom industry.

With 80% of the world's telephones located in just 25 countries, 4 billion people have no access to telephone services. For example the African continent has fewer telephone lines than the city of Tokyo.

In 1984, the Maitland Commission's report to the ITU identified the lack of telecom infrastructure as a principal factor in preventing economic growth in the developing world. The report raised the concept of an independent development and finance approach to the problem - the WorldTel concept - but the so-called "Old Game" of reliance on conventional aid and subsidy programmes prevailed.

Almost ten years later, the World Telecom Advisory Council commissioned a feasibility study by leading global management consultants McKinsey & Company to revisit the WorldTel concept. Their research confirmed that conventional aid and subsidy financing was still failing to meet the shortfall in global funding for telecom projects. There was also significant investor interest in risk-managed projects which used new technologies to address real market needs. In short, the time was now right for WorldTel's "New Game" approach.

WorldTel was launched as an independent telecom development company in January 1995, and unanimously endorsed by the ITU Council in June 1995 under Resolution 1081.

RESOLUTION 1081

- 1...to encourage all interested parties to collaborate in a mutually beneficial commercial undertaking with the aim of closing the communications gap;
- 2...that the ITU may provide to WorldTel the expertise and services available in the Union ...for identification of projects and for the delivery of programmes in the field of pre-investment studies, training, planning, management, legal and regulatory matters;
- 3... that the ITU shall have no financial or operational obligations to WorldTel except those matters covered by the arrangements referred to in resolves 2 above.

instructs the Director of the Telecommunication Development Bureau
to provide all the necessary assistance to WorldTel within the framework of resolves 2 above;
instructs the Secretary-General
to continue effective liaison between WorldTel and the ITU and to inform the Council about the progress of WorldTel.

Based in London, with a branch in Geneva, WorldTel is a new kind of private sector development company, specifically created to develop and finance telecommunications infrastructure in developing countries on a commercial basis.

By bringing together client countries, investors and the global telecom industry, WorldTel plans to help millions of people in the developing world access telephone services for the first time. WorldTel intends to revolutionise the funding and growth of emerging telecom markets, forming partnerships to improve telephone accessibility and thereby promote economic development in client countries.



'WorldTel could help break the vicious circle of underdevelopment perpetuated by conventional approaches, creating large new markets, and thereby bring benefits to both the First and Third world nations.'

Executive summary of McKinsey & Company feasibility assessment

Strong foundations for a successful future

WorldTel's lean management team of professionals brings together experts in the fields of finance, law, accounting, network operations, licensing regulation, and equipment evaluation. A permanent liaison is maintained with the ITU through WorldTel's office in Geneva.

Core investors in WorldTel include major corporations such as GE Capital, American International Group (AIG), International Investment Group (IIG), as well as NatWest Markets and other investors. WorldTel's Board of Directors includes representatives of the core investor groups and an elected representative of the Client countries. The Secretary - General of the ITU sits on the board as an invited participant.

To preserve its independent status, commercial telecom concerns such as network operators or equipment manufacturers are not investors in WorldTel Limited, but are actively encouraged to invest at the individual project level.

The Assembly of Governors

"Host" nations may join WorldTel's advisory council upon payment of a membership fee. Each member country has a seat on the Assembly of Governors (AOG), a policy advisory body with a representative on the WorldTel Board of Directors. The AOG currently includes the nations of China, India, Kenya, Pakistan, Tanzania, Uganda, and Zambia. Negotiations are in progress with a number of other prospective member countries.

Sound financial management

WorldTel is backed by the financial resources of world-class institutional investors with a history of investing billions of dollars in carefully selected infrastructure opportunities world-wide.

International capital is sourced from institutional and public markets globally in order to fund commitments to a range of projects.

Project flexibility

As an independent private sector organisation, WorldTel has the flexibility to structure projects to satisfy individual market demands and investor interest.

WorldTel has no specific agenda concerning privatisation. WorldTel can work in concert with government programs, for example through 'Build - Operate - Transfer' or like schemes. Alternatively, WorldTel can enhance the value of privatised telecom companies, by bringing additional investment funds at an early stage.

WorldTel

Core Investors



These include major corporations, investment institutions and private investors

Board of Directors*

Includes representatives of the core investors and the representative of the Assembly of Governors

Assembly of Governors (AOG)

A policy advisory body consisting of each member country



The ITU Secretary-General participates in the Board and AOG meetings

WorldTel Funds



Projects

Local and Global Investors, Manufacturers and Operators



WorldTel's unique strengths. With the support of the ITU, WorldTel offers a 'new game' to provide telecommunications access for the developing world. WorldTel is not funded by equipment suppliers or network operators. WorldTel is 'technology independent', free to choose among available options and form partnerships to devise country-specific solutions. WorldTel's shareholders are major global institutional investors, able to support long-term investments.



* Founder directors: Sam Pitroda and Abdul Rahman Al-Ghunaim (as appointed by the ITU).

'This 'new game' approach, provided through a lean, entrepreneurial organisation that balances the interests of investors and carefully selected client countries could enable WorldTel to close the communications gap.'

Executive summary of McKinsey & Company feasibility assessment

WorldTel – a new way forward for global communications

WorldTel plans to help millions of people gain access to telecommunications in the next decade, opening up new markets around the world.

Based on a uniquely favourable combination of circumstances including support from the ITU, investor interest in emerging markets, the co-operation of host countries and cost-effective new technologies, WorldTel will follow a clear development strategy to achieve its objectives:

- **Identification of the most suitable projects worldwide**
- **Effective fundraising to offer market returns on investment**
- **Liaison with operators, vendors and local partners**
- **Swift implementation of cost-effective, high-technology solutions**
- **World-class services leading to high levels of customer satisfaction**
- **Leading the development of the 'new game' in global telecom**

WorldTel welcomes enquiries or comments from client countries, equipment manufacturers, investors, consultants and service providers who share our vision, and are ready to work with us to create the global telecommunications infrastructure of tomorrow.