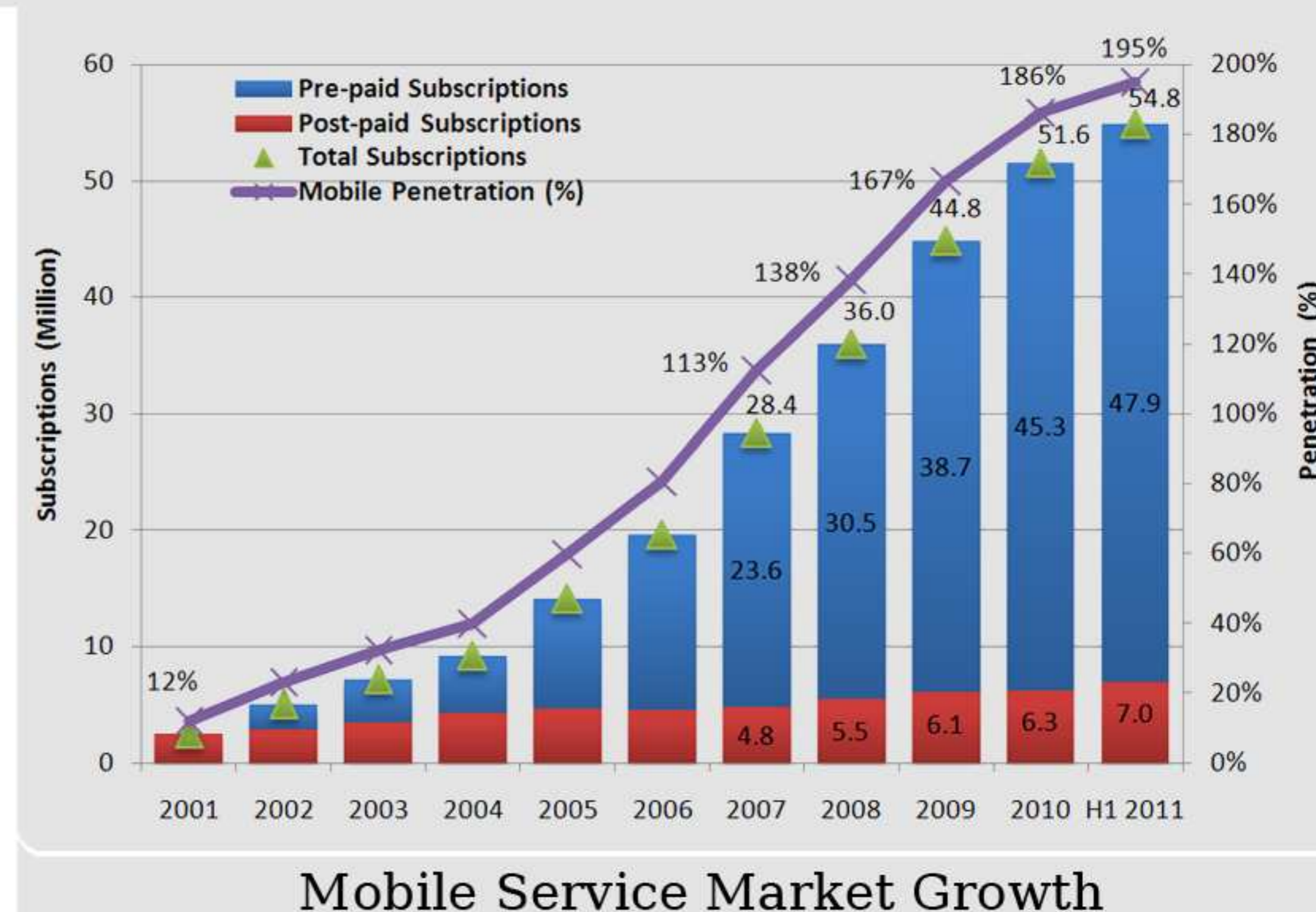
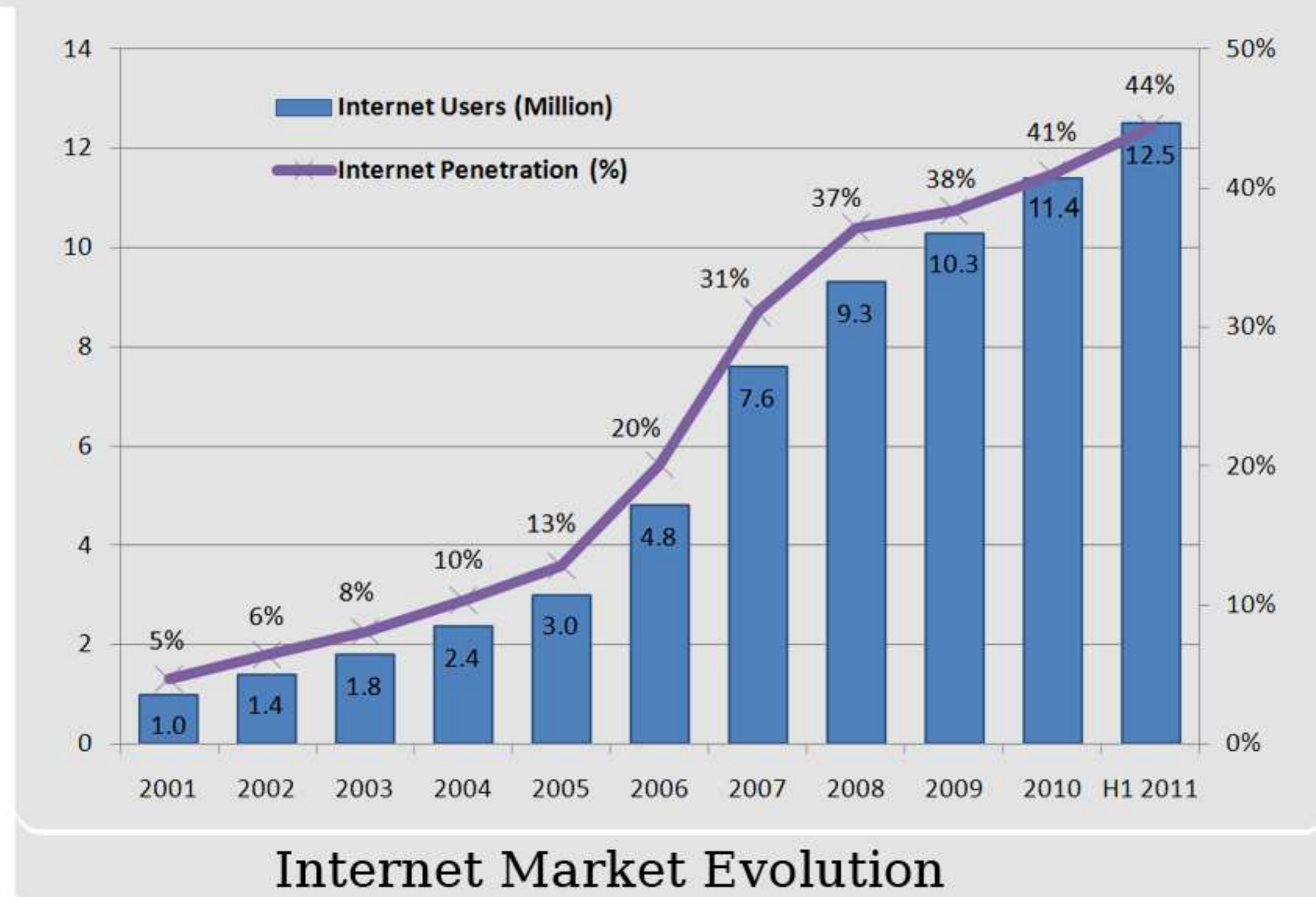




## 54.8 million mobile subscriptions and 12.5 million internet users in the Kingdom by the end of H1 2011



The total number of mobile subscriptions grew to around 54.8 million by the end of H1 2011, with the penetration rate standing at 195%. Prepaid subscriptions constituted the majority (87%) of all mobile subscriptions, which is in line with the trend in other countries around the world. Fixed telephone lines stood at 4.49 million by end of H1 2011, of which around 3.37 million or 75% were

residential lines. This represents a household teledensity of around 68.9%. The population teledensity is around 16% or 160 telephone lines for every 1000 inhabitants. The number of Internet users grew from around 1 million in 2001 to an estimated 12.5 million at the end of H1 2011. Internet penetration increased to 44% of the population by the end of H1 2011.

### Mobile operators in KSA sign the number portability agreement

Zain, Mobily and STC are implementing the number portability service agreement signed at the CITC headquarters in Riyadh. The agreement was developed following a series of meetings and discussions between CITC experts and officials supervising the introduction of the service and includes Zain as the third party to offer number portability services, allowing subscribers to change service providers while retaining their original phone numbers.

New articles were introduced under the agreement to help curb unauthorized practices. The new articles enable numbers that are temporarily disconnected to be transferred, and limit reasons for rejecting an application for transferring a number to the following: (1) The applicant's identification number does not match that in the operator's database; (2) Failure to pay outstanding financial dues to the company; (3) The number requested to be transferred was issued or transferred from another company less than two months previously; and (4) The number requested to be transferred was canceled.

The agreement stresses that operators should abide by the CITC regulations in this regard and not reject an application without a lawful reason.

CITC is supervising implementation of the agreement to guarantee the rights of both subscribers and operators and to cope with technical obstacles that may arise.

### CITC to Approve New Organizational Restructuring

The Board of Directors of the Communications and Information Technology Commission (CITC) has recently approved a new organizational restructuring, seeking to improve the performance of the Commission in coping with the development and expansion that the Saudi telecom sector has been witnessing in recent years.

The restructuring created new sectors and departments focused on addressing subscriber protection and competition affairs, and was undertaken in response to the developments in the telecommunications market, including the rapidly growing number of competitors, the diversity of services, continued growth in the number of subscribers, and the accelerating technological developments.

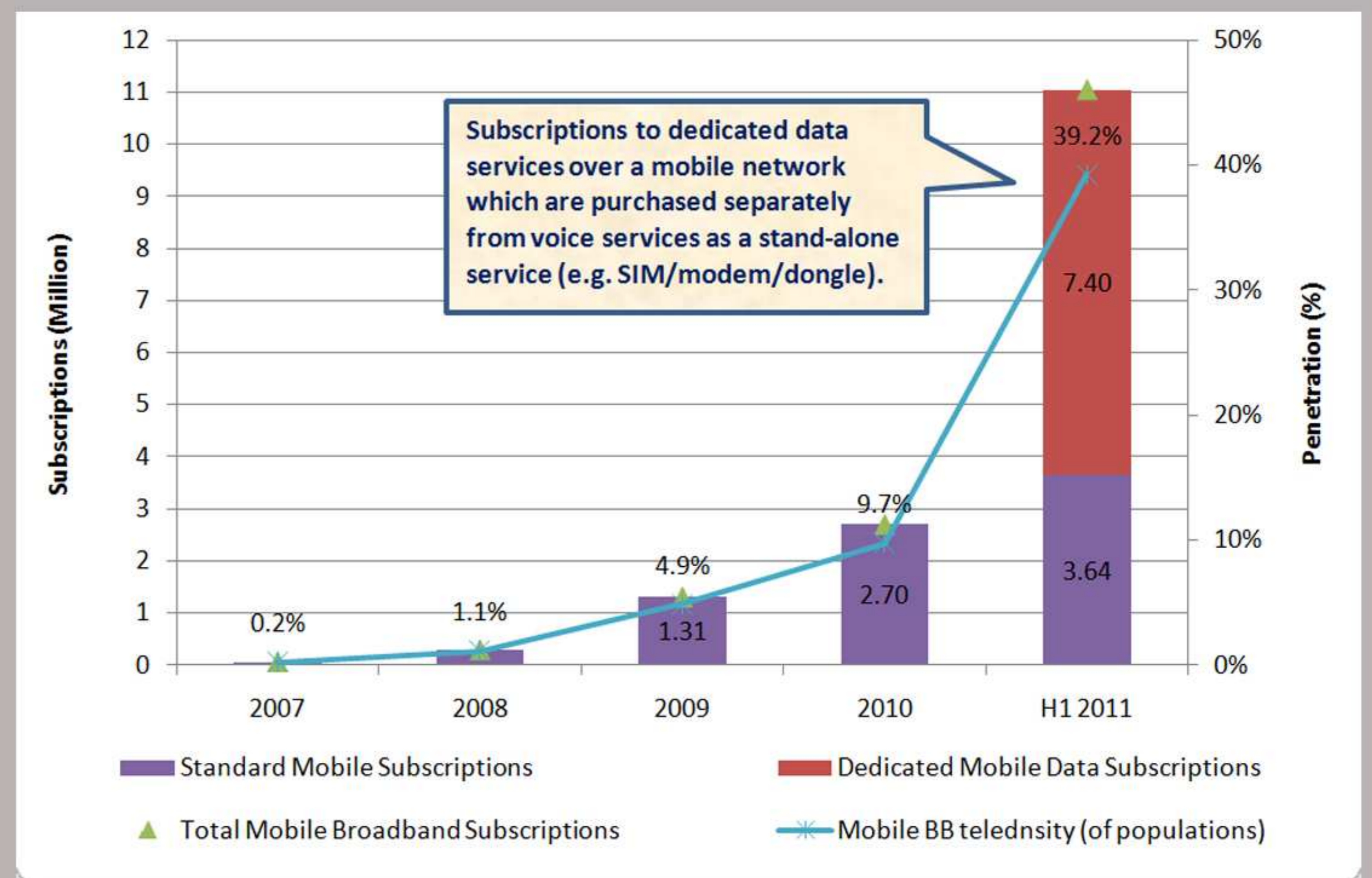
It should be noted that this is the first time that CITC re-structured since its foundation in 2002.

## Mobile Broadband Subscriptions At 11 Million by the end of H1 2011

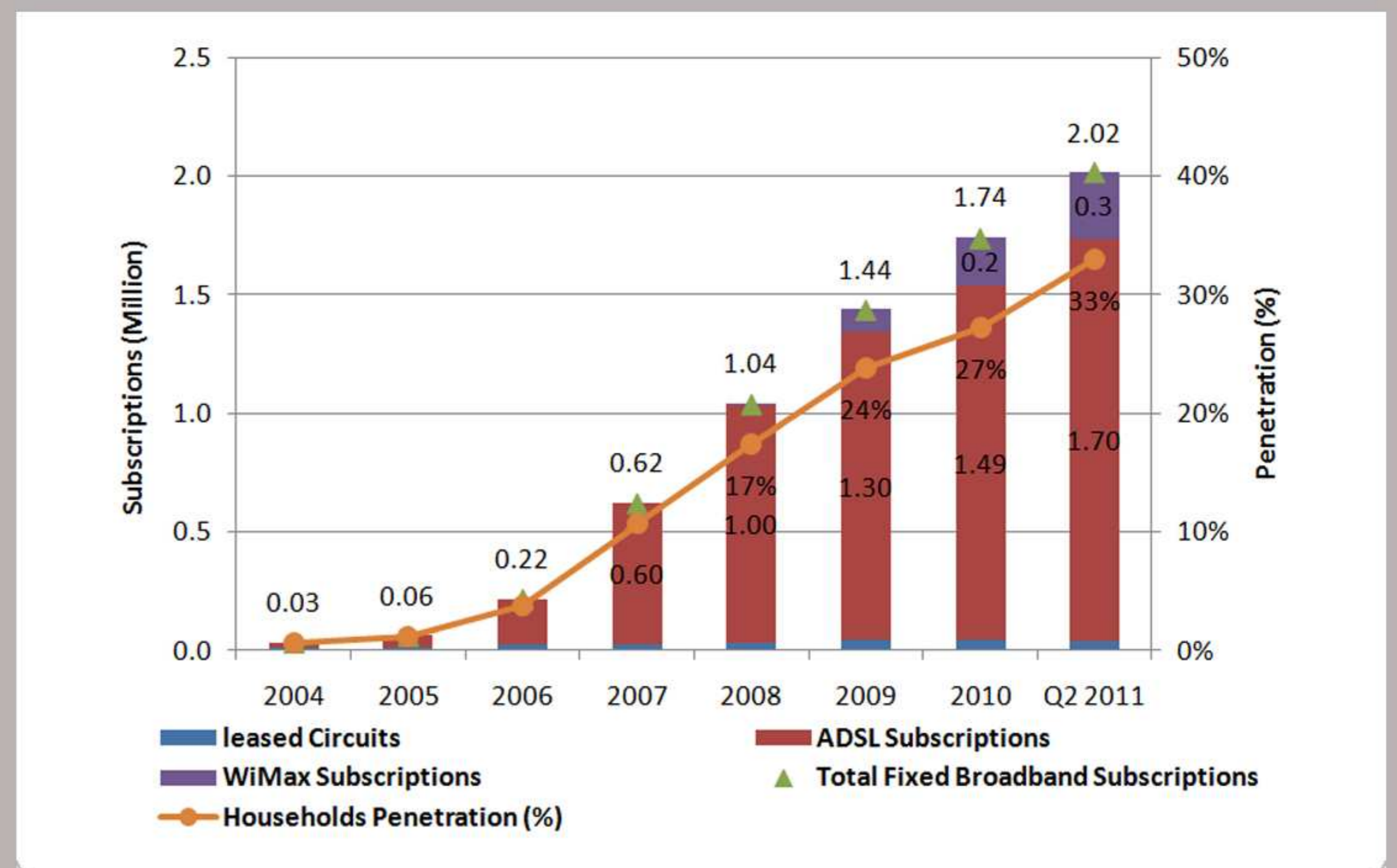
Fixed Broadband subscriptions including DSL subscriptions, Fixed Wireless (Wimax) subscriptions and other fixed lines have grown to around 2 million at the end of H1 2011. The Fixed Broadband penetration rate stood at around 33 % of households at the end of H1 2011.

Total subscriptions to mobile broadband reached 11 million at the end of H1 2011, representing a penetration of 39% of the population. It should be noted that in calculating the number of subscriptions, CITC has adopted the new recommendation put forward by the ITU in early 2011.

The new ITU methodology as well as the new CITC ICT indicators provide for including in the calculation subscriptions to voice SIMs with use of data communications at broadband speeds, as well as subscriptions to dedicated data SIMs. As a result, the broadband subscriptions and penetration totals for the first half of 2011 are substantially higher relative to those reported in previous months.



Mobile Broadband Market Evolution



Total Fixed Broadband Subscriptions

### Ideas that could change the world?

## 60 innovators will win the chance to pitch their great idea to industry leaders at ITU Telecom World in Geneva

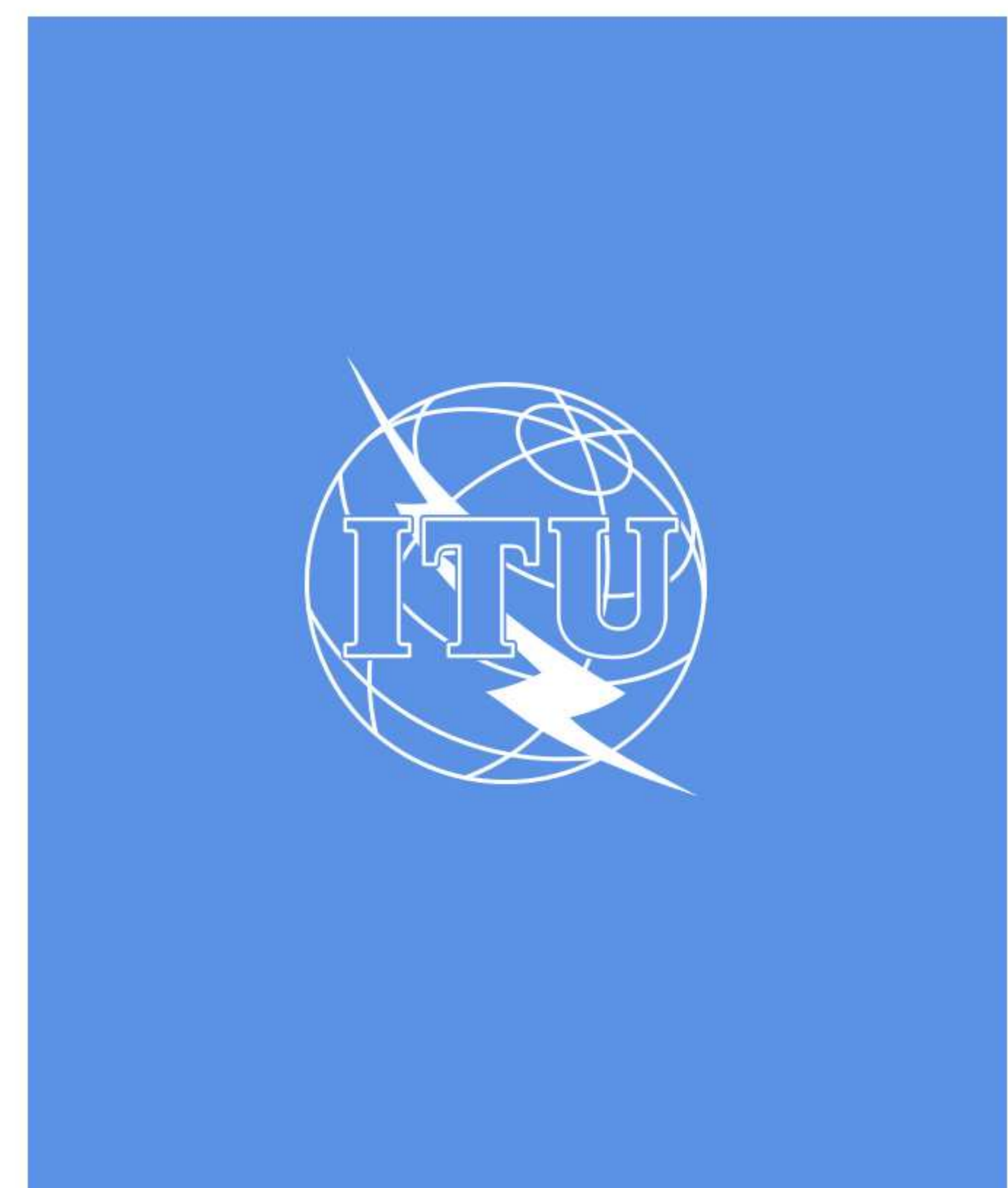
ITU Telecom World 2011 has launched a global competition that gives 60 young digital innovators the chance to participate in the event in Geneva (October 24-27) pitching their ground-breaking ideas to ICT industry leaders.

This competition is divided into two categories. Innovators can simply submit their ideas online. Each category has its conditions and only three winners will be chosen from each category.

The three entrants from each category judged to have the best

all-round concepts by an online vote of delegates attending the ITU Telecom World 2011 event will share prize money totaling over CHF 50,000 to help them realize their digital dream.

Industry mentors will also work with the six winners after the event to help them turn their vision into a reality. For more details, please visit the ITU website on [www.itu.int](http://www.itu.int)



## Mobile penetration over 100% in 97 economies

Recent statistics by ITU researchers revealed that the first decade of the new Millennium saw extraordinary progress in ICT development on a global scale. While gaps still remain between the developed and developing world – especially concerning Internet use – the developing world is closing that gap and is now only a few years behind.

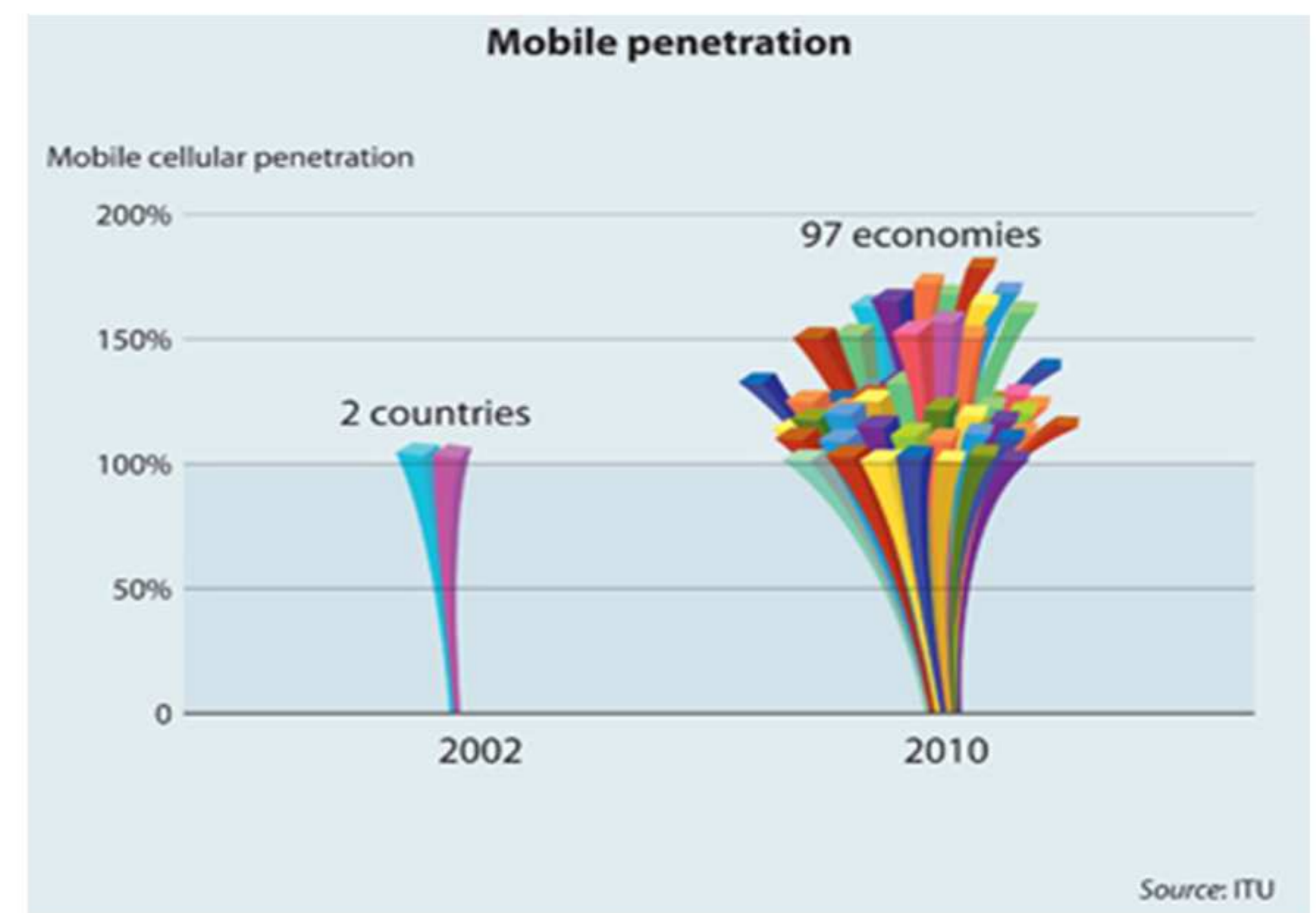
At the end of 2010 – while more than 2.6 billion people worldwide still lacked access to toilets or other forms of sanitation, there were almost 4 billion mobile cellular subscriptions in the developing world. Mobile cellular penetration in the developing world reached 70% at the end of 2010 – just six years after reaching 70% in the developed world. In 2002, there were only two countries in the world with mobile cellular penetration over 100%. Eight

years later, almost 100 economies had mobile cellular penetration over 100% – and 17 economies had penetration rates above 150%.

### Internet user penetration reaches 30%

The statistics also show that global Internet user penetration reached 30% in 2010; Internet user penetration in developed countries reached 30% just nine years earlier in 2001. In the year 2000, Internet user penetration was under 1% in 72 economies. Ten years later, there were

just 6 economies with Internet user penetration under 1%. Internet user penetration in the developing world as a whole reached 21% in 2010. Global Internet penetration in 2010 (30%) was higher than global fixed (16%) or mobile (12%) telephone penetration in the year 2000. It should be noted that data and analysis in this ITU Statshot are drawn from the ITU World Telecommunication/ICT Indicators database. For more details, please visit the ITU website on [www.itu.int](http://www.itu.int)



## CITC To Discuss Monitoring Quality Of Services And Subscriber Satisfaction With Service Providers

Over the last three months, the Communications and Information Technology Commission (CITC) has conducted two official meetings with the telecom service providers at the CITC headquarters in Riyadh. The meetings were conducted in the presence of the Commission's Governor Abdullah Al-Dharrab and discussed issues related to sector developments and how to go about overcoming obstacles that may

arise, in order to provide better services to subscribers end users. The meetings also addressed the service providers' plans for broadband services as well as the number portability agreement signed by the service providers in mid-July.

CITC and the service providers agreed to form two working groups composed of experts and specialists. One group is tasked to develop appropriate mechanisms to quickly

resolve subscriber complaints. The other group is to monitor service quality and subscriber satisfaction in the Kingdom. It should be noted that such official meetings between CITC and the service providers will continue to be held regularly to ensure the provision of better services to subscribers.