



50 Million Mobile Subscriptions in KSA at the end of Q1 2014

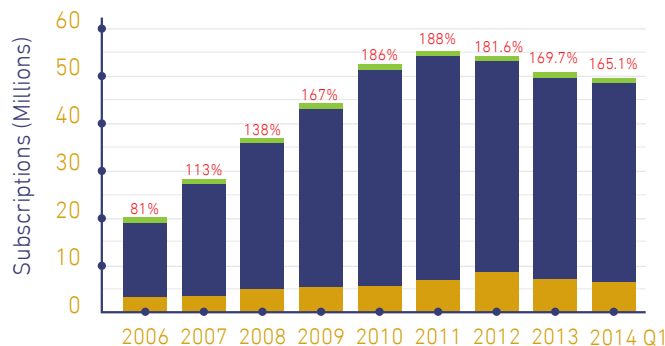
The total number of mobile subscriptions reached around 50 million at the end of Q1 2014, with penetration rate of 165.1%. Prepaid subscriptions constitute the majority (over 86.5%) of all mobile

subscriptions. The continued decrease in the number of subscriptions since 2012 seen here is due to of the adoption of CITC's decision linking the sale and activation of pre-paid SIM cards with

the national ID systems. As companies deactivated a large number of unidentified SIM cards, this impacted the total number of subscriptions and penetration rate.

Mobile Service Market Growth-Total Subscriptions

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|-------------------------|------|------|------|------|------|------|------|------|------|
| Total Subscriptions | 20 | 28 | 36 | 45 | 52 | 54 | 53 | 51 | 49.8 |
| Pre-paid Subscriptions | 15.1 | 23.6 | 30.5 | 38.7 | 45.3 | 47.1 | 45.7 | 43.9 | 43.1 |
| Post-paid Subscriptions | 4.6 | 4.8 | 5.5 | 6.1 | 6.3 | 6.6 | 7.3 | 6.9 | 6.7 |



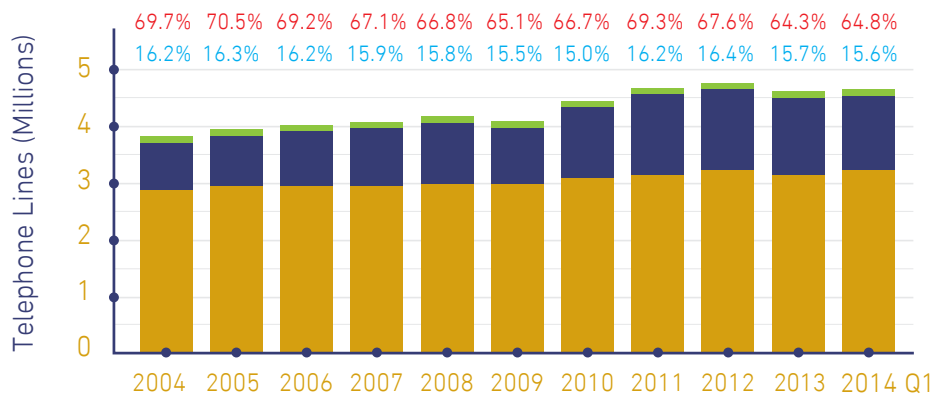
Mobile Penetration % Total Subscriptions Pre-paid Subscriptions Post-paid Subscriptions

Fixed telephone lines reached 4.8 million at the end of Q1 2014, of which around 3.4 million or 71% were residential lines. This represents a household

teledensity of around 64.8%, while the population teledensity is about 15.6%, taking into consideration the growth in the number of households.

Fixed Telephone Market Evolution

| | | | | | | | | | | | |
|-------------------|-----|------|------|-----|------|------|------|------|------|------|-----|
| Total Fixed Lines | 3.7 | 3.84 | 3.95 | 4.0 | 4.12 | 4.17 | 4.17 | 4.63 | 4.8 | 4.72 | 4.8 |
| Business Lines | 0.8 | 0.9 | 1.01 | 1.1 | 1.17 | 1.03 | 1.3 | 1.44 | 1.44 | 1.41 | 1.4 |
| Residential Lines | 2.8 | 2.9 | 2.9 | 2.9 | 3.0 | 3.0 | 3.1 | 3.3 | 3.4 | 3.3 | 3.4 |



Population Teledensity % Household Teledensity % Total Fixed Lines Residential Lines Business Lines

Note: Population teledensity is calculated by dividing the total number of fixed lines by the total population, and household teledensity is calculated by dividing the total number of residential fixed lines by the total number of households.

More than 23 Million Mobile & Fixed Broadband Subscriptions in KSA

The total number of mobile broadband subscriptions continue to increase, and reached around 20 million at the end of Q1 2014, representing a population penetration rate of 66%. The mobile broadband market also continues to gain momentum in the Kingdom. The key reasons for this growth include strong competition, the healthy expansion in the use of smart phones, and the offering of various data packages by

mobile operators suitable for different user segments. These have led to a dramatic rise in the number of users in recent years, and an increase in the data traffic over these devices, supported by the wide coverage of the 3G and 4G networks.

Fixed broadband subscriptions including DSL, fixed wireless (WiMax), FTTx and other fixed lines have grown to around 3.12 million subscriptions at the end of Q1 2014. The

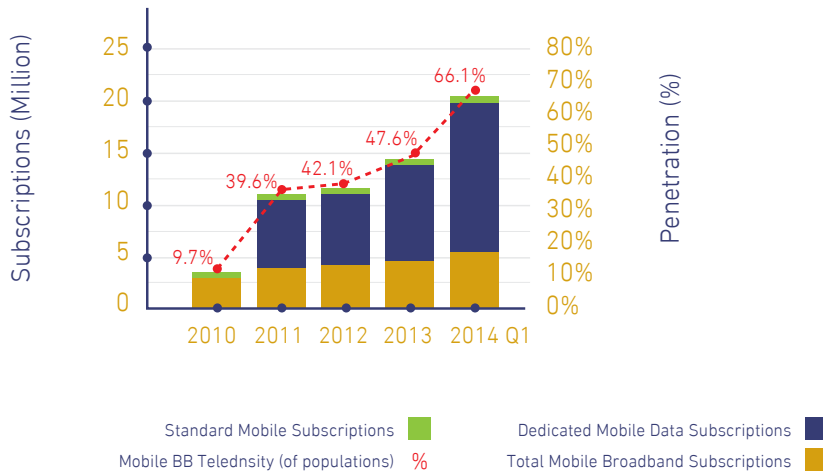
Fixed broadband penetration rate stands at about 46.3% of households.

Recently, demand for broadband services has increased significantly compared to previous years, due to the society's need for broadband services, especially after the government strong support for high tech projects which require good digital infrastructure. In addition, many government services are being accessed

through e-government transactions. The widespread use of Internet in society is another factor that led to this growth, where the Internet has become a major source of hundreds of thousands of applications that are downloaded to smart devices such as social networking, business applications, text messaging, security tools, games and more. This has driven service providers to provide many broadband packages targeting different user segments.

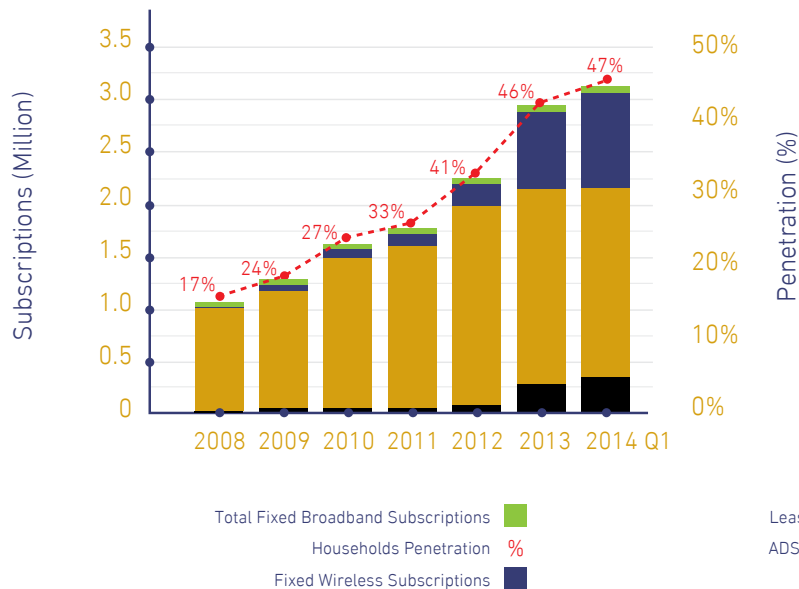
Total Mobile Broadband Subscriptions

| | | | | | |
|--------------------------------------|-----|-------|-------|-------|-------|
| Standard Mobile Subscriptions | 2.7 | 11.34 | 12.28 | 14.27 | 20.35 |
| Dedicated Mobile Data Subscriptions | | 7.06 | 8.07 | 9.68 | 14.84 |
| Total Mobile Broadband Subscriptions | 2.7 | 4.28 | 4.22 | 4.59 | 5.5 |



Fixed Broadband Market Evolution

| | | | | | | | |
|-------------------------------------|-------|-------|-------|-------|-------|-------|-------|
| Total Fixed Broadband Subscriptions | 1.04 | 1.44 | 1.74 | 1.95 | 2.54 | 2.92 | 3.12 |
| Fixed Wireless Subscriptions | 0.01 | 0.1 | 0.2 | 0.3 | 0.6 | 0.8 | 1.0 |
| ADSL Subscriptions | 1 | 1.30 | 1.49 | 1.56 | 1.87 | 1.85 | 1.83 |
| Leased lines + FTTx | 0.032 | 0.043 | 0.044 | 0.044 | 0.118 | 0.258 | 0.324 |



18.1 Million Internet Users in KSA at the end of Q1 2014

The estimated number of Internet users in the Kingdom was 16.5 million at the end of 2013, with a population penetration of 55.1%.

An increased demand for Internet services

and broadband was observed due to the high use of social networking services, video downloading and gaming. Customers are seeking higher speeds and capacities resulting in heavy

data traffic on both mobile and fixed networks.

It is expected that the demand for Internet services will continue to increase significantly in the next few years as a

result of availability of high speed fiber optic networks (FTTx), increased Internet content, and the continuing spread of handheld smart devices and applications.

Total Internet Users

