

REMARKS BY HON. HENRY ROTICH, CABINET SECRETARY/NATIONAL TREASURY ON THE OCCASION OF THE SALE OF SHARES HELD BY ORANGE EAST AFRICA (OrEA) IN TELKOM KENYA LTD TO JAMHURI HOLDINGS LIMITED

1. Let me start by welcoming all of you to the National Treasury this afternoon on the occasion of the completion of a transaction that will see the entry of a new investor into our telecommunications sector as we bid farewell to another investor.
2. The transaction we are witnessing today is essentially a transaction between two private sector entities, Orange East Africa S.A (OrEA) a fully owned subsidiary of Orange S.A formerly, France Telecom and Jamhuri Holdings Limited (JHL) a company owned 100% by HeIios Fund III, a fund which is managed by Helios LLP.
3. Through this transaction JHL is acquiring the 70% shareholding held by OrEA in TKL, which means that OrEA is divesting fully from TKL.
4. As part of the transaction the Government of Kenya reached an agreement with Helios/JHL through which JHL has agreed to an arrangement which involves:-
5. The Transfer of 10% of the shares in TKL to the Government for a consideration of Kshs 1/- such that the Government’s shareholding in TKL will increase from 30% to 40%; and
6. The sharing of the OrEA shareholder loans based on the new shareholding structure i.e. JHL 60% and GOK 40% at a price to GOK of Kshs 1.
7. Although TKL has been facing a number of challenges for a fairly long time, we are optimistic that, with renewed focus and energy, it will turn around, be sustainable and be able to compete effectively in the telecommunications sector. Indeed, in the last one year or so there has been an improvement in the performance of the company and many more Kenyans have become Orange subscribers.
8. I want to take this opportunity to sincerely thank OrEA for the responsible manner in which they have handled their exit and the support that they have given the company throughout their tenure in Kenya and more particularly through this process. We trust that you will, in the not too distant future, find other investment opportunities in Kenya and we look forward to welcoming you back when such opportunities arise. For the non-Kenyan individuals who will be leaving Kenya at the end of their tour of duty, we welcome you to make Kenya a key holiday destination for you, your families and friends.
9. As for our new partners, the Helios Group we warmly welcome you to join us in building this nation. We have seen the positive impact of your investments in other sectors of our economy and we hope and trust that your investment in TKL will have a transformative impact on the operations and standing of the company. We wish you well and look forward to interacting with you further, as we seek to find ways on how best we can achieve our mutual objective of growing TKL into a sustainable and prosperous business.
10. Finally, I would like to thank the Cabinet Secretary, Ministry of Information, Communications & Technology and the Hon. Attorney General for their invaluable collaboration in getting this transaction to this final stage. I also thank the Cabinet and the regulators (Competition Authority (CA) and Communication Authority of Kenya (CAK)) for providing necessary approvals to facilitate this transaction. Last but not least, I thank everyone who has worked tirelessly to ensure that the transaction was well thought out and properly structured in the best interest of all the parties concerned.

Asanteni Sana.

10th June 2016