



## **PHILIPPINES' LEADING GSM OPERATOR ACQUIRES STAKE IN BLUE OCEAN WIRELESS**

### **SMART Communications invests US\$15.9 million for 30% stake**

**Dublin, Ireland & Manila, Philippines | 8 August, 2007:** Blue Ocean Wireless ("BOW"), an Irish company delivering GSM communication capability for the merchant maritime sector, today announced that SMART Communications Inc. ("SMART"), the Philippines' leading wireless services provider, has agreed to acquire a 30% equity interest in BOW for US\$15.9 million. The investment now values Blue Ocean Wireless in excess of US\$55 million.

#### **Highlights**

- BOW partners with an established, international GSM network operator;
- Accelerates roll-out of BOW's dedicated product offering for the global merchant maritime sector;
- Provides GSM network facilities and call/text terminations for BOW global merchant maritime service;
- Provides route to significant Filipino market for BOW SIM and pre-paid value cards; and
- Broadens SMART's service to its existing subscriber base and an opportunity to capture significant new subscribers from world's 1.2 million seafarers.

#### **Investment in Blue Ocean Wireless**

SMART Communications, Inc. is the Philippines' leading wireless services provider with 27 million subscribers on its GSM network. SMART is a wholly-owned subsidiary of the Philippines' leading telecommunications carrier, the Philippine Long Distance Telephone Company (PLDT). PLDT has a market capitalisation of approximately US\$11 billion and is listed on the New York Stock Exchange (NYSE: PHI) and the Philippine Stock Exchange (PSE: TEL).

SMART, through its wholly-owned subsidiary SmartConnect Holdings PTE Limited, will acquire a combination of primary and secondary shares. In addition, SMART has an option to acquire a further 19% in BOW, exercisable within the next 3 years. Blue Ocean Wireless' other significant shareholders are Dublin based private equity firm, Claret Capital, Irish remote communications company, Altobridge, and Bank of Scotland (Ireland), a wholly owned subsidiary of HBOS Plc.

In addition to investing in BOW, SMART will provide GSM network facilities and call/text terminations for the BOW global merchant maritime service. SMART will also become a major reseller of BOW SIM cards and prepaid value cards.

Napoleon L Nazareno, President and CEO of SMART, commented "The global merchant maritime fleet is currently populated by 1.2 million seafarers, of which 40% are Filipinos. Their communications needs are currently served by satellite-based, bridge-mounted or shared fixed phones that tend to be expensive, inconvenient and lack privacy. Moreover, these types of phones allow only a limited number of incoming calls and do not provide for SMS or texting. The innovative Blue Ocean Wireless service will enable seafarers to bring their mobile phones onboard their vessels and use them just as if they were at home or roaming in other countries."

He added "This is an exciting opportunity and a natural extension of our Philippines GSM service but also one which allows us to offer services, in a cost competitive way, to seafarers across the world".

Robert Johnson, CEO of Blue Ocean Wireless, commented "We are delighted to announce this investment by SMART and a partnership with them to bring our unique product offering to market. SMART is a natural choice for us given that a significant portion of the world's seafarers are Filipinos. SMART also has a world-class software development team who are constantly bringing new and innovative products to their existing GSM customers. Working with them, we can progressively add additional services for Blue Ocean Wireless customers. We look forward to working with SMART to provide our GSM network to a global customer base."

Dómhnaíl Slattery, Chairman of Blue Ocean Wireless, remarked "We originally identified the Philippines as a key target market for Blue Ocean Wireless. Our partnership with SMART, therefore, is a natural fit for this business and is a further significant step towards the development of Blue Ocean Wireless as the world's first GSM global merchant maritime network. Maritime mobile services for the world's 1.2 million seafarers is an unserved market and presents a clear opportunity for Blue Ocean Wireless."

He concluded "SMART is also a leader in the South East Asian maritime telecommunications business with an existing installed customer base which presents an additional opportunity for a combined Blue Ocean Wireless and SMART offering."

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Blue Ocean Wireless	SMART Communications
<p>Jonathan Neilan/Mark Kenny K Capital Source</p> <p>T: +353 1 631 5500 E: <a href="mailto:blueocean@kcapitalsource.com">blueocean@kcapitalsource.com</a></p>	<p>Ramon Isberto Public Affairs</p> <p>T: +632 511-3101 E: <a href="mailto:rrisberto@smart.com.ph">rrisberto@smart.com.ph</a></p> <p>Deborah Anne Tan Investor Relations</p> <p>T: +632511-6121 E: <a href="mailto:dntan@smart.com.ph">dntan@smart.com.ph</a></p>

**About Blue Ocean Wireless**

Blue Ocean Wireless is an Irish company focused on expanding communication capability in the merchant maritime sector. Blue Ocean Wireless provides, for the first time, GSM connectivity for seafarers in deep ocean water, where no other network exists. This allows users to make and receive voice calls, send and receive SMS text messages and, in time, browse the internet using their existing handsets. Blue Ocean Wireless' offering is based on Altobridge's unique 'Aeronautical & Maritime Gateway Platform'<sup>TM</sup> technology. This technology can also be used, in conjunction with RFID technology, to track and monitor shipping containers while they are in transit at sea. For more information, please visit [www.blueoceanwireless.com](http://www.blueoceanwireless.com)

### **About Claret Capital**

Claret Capital, founded by Dómhnaíl Slattery in 2005, is a private investment firm based in Dublin, Ireland. Claret Capital currently manages over US\$1 billion in assets for a small number individuals and families. The firm has completed investments in the Private Equity, Real Estate, Media and Technology sectors. Claret Capital has also founded a number of new ventures including JetBird, Europe's first low-cost, on-demand private jet airline. JetBird has ordered 100 aircraft from Embraer and is the launch customer in Europe for the Phenom 100 very light jet.

### **About SMART Communications**

SMART Communications, Inc. is the Philippines' leading wireless services provider with over 27 million subscribers on its GSM network as of July 2007. SMART has built a reputation for innovation, having introduced world-first wireless data services, including mobile commerce services such as *Smart Money*, *SmartLoad* and *Smart Padala*. SMART also offers *SmartLink*, a prepaid satellite telephony service and *Smart 3G*, a 3G service, as well as a wireless broadband service, Smart Bro. SMART is a wholly-owned subsidiary of the Philippines' leading telecommunications carrier, the Philippine Long Distance Telephone Company.

### **About PLDT**

Founded on November 28, 1928, Philippine Long Distance Telephone Company (PLDT) is the leading telecommunications provider in the Philippines. Through its three principal business groups - fixed line, wireless, and information and communication technology - PLDT offers the largest and most diversified range of telecommunications services across the Philippines' most extensive fiber optic backbone and fixed line, cellular and satellite networks.

### **Images | Signing of Agreement, Makati City, Philippines.**



**Seated, left to right:** SMART Chief Finance Officer, Anabelle Chua; SMART President and CEO, Napoleon Nazareno; BOW CEO, Robert Johnson; BOW Advisor to the Chairman, Gerry Power.

**Standing, left to right:** SMART Advisor, Claus Karthe; BOW Chief Financial Officer, Tariq Aslam; SMART Advisor, Don Rae; SMART Public Access Group head, Tina Mariano; BOW Chief Technology Officer, Ian Walter; BOW Marketing Director, Julian Lynn; and PLDT Chief Financial Advisor, Chris Young.