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ESMT Case Study

Vodafone in Egypt: National crises and their implications for multinational corporations (A)

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Introduction

On Thursday, January 27, 2011, hundreds of thousands of protesters in Egypt were vociferously demanding an end to the 30-year rule of President Hosni Mubarak, and to the state of emergency he had let prevail and nurtured during that tenure.¹ The protest movement was expected to gather even greater momentum following the afternoon prayers the next day, a Friday. The communication and connectivity through social media had acted as a key catalyst in enabling the protesters to coordinate their actions. President Mubarak's government decided to strike hard at the lifeline of this virtual medium by exploiting some of the rights that the state of emergency had accorded them. That afternoon, the government ordered the three main voice and data

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communications providers in Egypt - Vodafone, Mobinil, and Etisalat - to suspend services in selected areas.² Among these areas was Tahrir Square ("Freedom/Martyrs' Square") in Cairo, the biggest nucleus where protesters had assembled. Later, the government would also instruct these communications providers to broadcast propaganda text messages to all their subscribers, imploring them to be on the side of the Egyptian Army, which the government said was the true protector of Egypt.

When Hatem Dowidar, CEO of Vodafone Egypt, heard about the government's order, he was about to take a crucial decision. He knew that the situation in Egypt was being observed closely from all over the world. Dowidar also realized that the course of action he opted for would have consequences, *not* just for Vodafone Egypt, but also for the parent Vodafone Group. He contemplated the possible consequences, well aware that any decision he took would invariably evoke strong reactions.

Vodafone Group: Formation and key developments

By early 2011, Vodafone was among the leading wireless telecom providers worldwide.³ It operated globally primarily under the brand name Vodafone, except for the US, where it operated as Verizon Wireless. Vodafone's product and service offering included providing fixed line, mobile, data, voice, and messaging services. The company was expanding its services to include integrated mobile and PC communication services. For the Financial Year 2009/10 ending March 31, 2010, Vodafone reported having 341 million proportionate customers worldwide,^a with equity interests in 30 countries, and partner markets in 40 countries. In terms of subscribers, it only trailed China Mobile⁴ (see 0).

The origins of Vodafone dated back to 1982,⁵ when Racal Strategic Radio Ltd. was established as a subsidiary of Racal Electronics PLC - the UK's largest maker of military radio technology at the time. The newly formed subsidiary won one of the two UK cellular telephone network licenses, with British Telecom winning the other. This network was managed by Racal Vodafone, a joint venture (JV) between Racal Strategic Radio Ltd. and Millicom Holding. The name Vodafone stood for voice data fone, reflecting the provision of voice and data services over mobile phones. At the start of 1985, Vodafone was launched with its first office based in the Courtyard, in Newbury, Berkshire.

In 1988, when the parent company Racal Electronics floated 20 percent of the stock in its telecom operations - Racal Telecom - on the London Stock Exchange, the telecom stake was valued so high, that Racal Electronics came under increasing pressure to demerge the Racal Telecom operations. This happened in 1991, and Racal Telecom was demerged from Racal Electronics as the Vodafone Group, with Gerry Whent as its first CEO. During the next five years

^a Proportionate customers represents the number of mobile customers in ventures which the Vodafone Group either controls or in which it invests, based on the Group's ownership in such ventures (Vodafone Group PLC (2010). Annual report, 141).

under Whent, Vodafone had acquired either entire, or controlling stakes, in various phone chain stores, service providers and so forth, in the UK.

In 1997, Whent retired and was replaced by Sir Christopher Gent as CEO. Gent was responsible for transforming Vodafone from a small, UK-based operator, into the global giant, through some significant international acquisitions.⁶ In 1998 Vodafone expanded into Egypt and acquired AirTouch Communications Inc. for about \$75 billion. The merged company commenced trading as Vodafone AirTouch PLC. It was through this merger that Vodafone also acquired a 35 percent stake in Mannesmann, which owned Germany's largest mobile network. In the US, Vodafone merged its wireless assets with Bell Atlantic Corp. to form Verizon Wireless. In 2000, the company dropped AirTouch from its name and became Vodafone Group once again. In 1999, Mannesmann acquired Orange Telecom of the UK, contravening what was a gentleman's agreement with Vodafone, not to compete in each other's territory. Vodafone launched an unsolicited offer for Mannesmann, and when that failed, a fierce struggle for control continued until the Mannesmann Board finally agreed to Vodafone's offer of \$185 billion - then the largest corporate merger ever.⁷

In April 2003, the expansionist Sir Chris Gent was replaced at the helm by Arun Sarin for the next five years. Sarin withdrew Vodafone's operations from saturated and/or unprofitable markets like Sweden, Belgium, and Japan.⁸ Given the slowing growth in Vodafone's core European markets, he subsequently expanded Vodafone into emerging markets such as India, Turkey, and Romania.⁹ He put Vodafone in a leading position in India by acquiring a controlling stake in Hutchison Essar.¹⁰ Sarin also extended Vodafone's product offering to include, Internet, data, and broadband services. By the time Sarin resigned in mid-2008, he had steered Vodafone to more than double its customer base to 260 million globally. He had also brought Vodafone Group back to profitability following the £21.9 billion loss in 2006 - the largest in European corporate history - partly as a result of massive write-downs following acquisitions during the Gent era.¹¹

Sarin was replaced by the then deputy CEO, Vittorio Colao. Colao stated that the company's plans included a continued expansion into Africa, Asia, and the Middle East, through acquisitions and partnerships, while exiting non-core markets.¹² The key areas for growth in terms of service segments were identified to be mobile data, broadband, and corporate accounts. In 2008, Vodafone raised its stake in the key mobile operators and wireless carriers in South Africa, Ghana, as well as in Australia. In 2010, revenues in most of Vodafone's European strongholds were showing low or even declining growth, while those in emerging markets such as India and Egypt were showing strong trends.¹³ This development could be confirmed by looking at the prospects for mobile penetration rates across various regions: with the average global mobile penetration rate of about 70 percent; Europe was well above 120 percent. Various emerging countries in Asia and Africa - with mobile penetration rates of between 40 and 70 percent - held the real growth potential.¹⁴ Two developments in 2010 reinforced the growing importance of the mobile market in the Arab world, and in Egypt in particular: the first Arabic (that is, non-Latin) Country Code Top-Level Domain (CCTLD) "misr" (in Arabic characters) was added to the Internet root zone; and the National Telecommunication Regulatory Authority (NTRA) of Egypt announced

a plan to extend the length of mobile numbers from 10 to 11 digits by adding an extra digit to the code of each mobile operator. The latter decision would allow for the creation of new mobile numbers, as the existing system approached full capacity.¹⁵

Vodafone in Egypt

Market entry and development

Vodafone had expanded into Egypt in 1998, as the second mobile telecom operator, by buying a minority (30%) stake in the MisrFone Group.^b As part of the liberalization of the Egyptian telecom market that began in 1999, MisrFone Group became the second operator to have been awarded a license for GSM operations in Egypt, which it began to run under the name Click GSM. Initially, these operations were in the form of a consortium between Vodafone International, AirTouch, and local/international partners. In 1999, Vodafone Group acquired the AirTouch share, and in 2002, that of Vivendi of France. In January 2002, Click GSM was rebranded Vodafone Egypt.

In early 2005, in a promising move to establish a level playing field and facilitate competition, the Ministry of Communications and Information Technology (MCIT) and the NTRA of Egypt launched the Universal Service Fund (USF). The USF aimed to finance the expansion of unprofitable services into remote areas of Egypt and to subsidize the provision of services in low-income areas through contributions, which all telecoms companies in Egypt were obliged to make.¹⁶ Vodafone Egypt agreed to pay 0.5 percent of its revenues into the USF.¹⁷

In 2006, Vodafone Egypt launched off-shore operations under the name of Vodafone International Services. This subsidiary was dedicated to outsourcing business processes and IT services for Vodafone operators and beyond. Both its business process outsourcing (BPO) and information technology outsourcing units grew successfully in the subsequent years. By 2010, they employed over 2,200 staff, speaking 10 different languages, to provide customer and technical support for customers in 80 countries. To complement its wide set of voice and mobile Internet services, Vodafone Egypt acquired a 51 percent controlling stake in Egypt's Raya Telecom in October 2006.¹⁸ Raya was a leading data operator in Egypt, with a modern network infrastructure, serving domestic and international, corporate, and consumer segments. To strengthen its Internet-based services, Vodafone Egypt acquired Sarmady Communications in August 2008. Sarmady had grown steadily since its establishment in 2001, to dominate some of the Arab world's most popular Internet content services, such as ContactCars.com, FilBalad.com, FilFan.com, and FilGoal.com.¹⁹ Sarmady became the digital arm delivering the Vodafone Internet experience in Egypt, putting Vodafone Egypt at the forefront of data innovation in the market. In 2007, Hatem Dowidar took over as CEO of Vodafone Egypt. In early 2011, Vodafone Egypt's executive team comprised nine members, two of which - Marwa El Ayouti, the chief financial officer, and Dalia El Gezery, the human resources director - were women. Tony Dolton, the chief technology officer,

^b "Misr" is the Romanized Arabic name of Egypt.

was the only non-Arabic director, though all members of the executive team had international experience, in terms of higher education and/or work experience (see 0). Of the 470 management positions, 82 (17%) were occupied by women; while there were 1,450 women (33%) in the total workforce of 4,360.²⁰ Vodafone Egypt's shareholder structure consisted of Vodafone Group (54.93%), state-owned Telecom Egypt (44.94%), and a minority free float (0.13 %).

Vodafone Egypt was also active in corporate social responsibility (CSR) initiatives. In 2003, it established the Vodafone Egypt Foundation, which supported NGOs and civil society organizations in implementing developmental projects in the areas of health and education for children, community development, the usage of mobile technology for development, and access to communications. The CSR section of Vodafone Egypt's website conveyed the vision and strategy of the foundation (see 0). Some of the notable initiatives by early 2011 included the following: medical caravans, various charity events, and initiatives for school children.²¹

Since its entry into the Egyptian market in 1998 as a minority stakeholder in the second GSM license holder, Vodafone Egypt grew over the years to become the leading mobile operator in Egypt in terms of revenues, as well as, with the largest customer base. By the end of 2010, it served 24.6 million customers,²² and employed 6,500 employees. It operated its own network in Egypt, but at the same time was heavily dependent upon the government for running some critical elements of this infrastructure.

Egyptian telecom market overview

Since the liberalization of the Egyptian telecom industry in 1999, and the ratification of the Telecommunication Act of 2003, development of the mobile communications sector became a priority for the Egyptian Government.²³ From 2006 onwards, rivalry among the three key players²⁴ - Vodafone, Mobinil, and Etisalat - started intensifying, and led to falling tariff prices, to the benefit of consumers in lower income brackets. With fixed line revenues decreasing, mobile telecommunications revenues made up over 65 percent of total telecommunications revenues by 2011, up from 50 percent in 2006.

Of an overall population of approximately 85 million, there was a total of almost 75 million mobile subscribers at the end of 2010 (see 0). Among the addressable population^c of 55 million for mobile communications, Egypt had an estimated *real* mobile penetration rate^d of 95 percent at the end of 2010.²⁵ This penetration rate was expected to keep growing gradually, and reach 100 percent by the end of 2014. The competition was led by Vodafone with almost 30.7 million subscribers; followed closely by Mobinil with 30.3 million. Etisalat, with about 13.8 million subscribers, was a distant third. The competition among the three key players had been dynamic. The former incumbent operator - Mobinil - had been losing market share considerably, dropping from 47.3 percent in 2008 to 40.5 percent in 2010. Etisalat was the main beneficiary from

^c Addressable population is the portion of the total population after adjusting for age and income.

^d The real penetration rate reflects the proportion of mobile subscribers among the addressable population after adjusting for the number of dual SIM holders.

Mobinil's decline, expanding its market share from 11.4 to 18.4 percent over the same period. Vodafone Egypt's market share had been fairly constant at around 41 percent over the 2008-2010 period.

With these high mobile penetration rates, the potential for existing mobile services was reaching saturation. At the same time, the average amount of money earned from each subscriber had been decreasing, as seen in the blended Average Revenue Per User (ARPU)^e trends for Vodafone and Mobinil. The growth in revenues, as well as subscribers, was projected to come down sharply from the 30 percent levels a couple of years back, to just three percent from 2013 onwards (see 0). On the one hand, the Egyptian Government had been undertaking important steps to liberalize the growing telecommunications industry, while on the other hand, it still exercised enough control over these players so as to monitor their ICT activities.

The 2011 revolution in Egypt

Sovereign Egypt until early 2011

Since acquiring sovereignty from the British officially in July 1952, Egypt as a nation, first underwent a high degree of centralization during the rule of President Gamal Abdel Nasser. After Nasser, Anwar Sadat took over as president in 1970, and following the latter's assassination in 1981, the then Vice President Mubarak assumed power. Under those circumstances, Mubarak declared a state of emergency in Egypt. In the years that followed, he started opening up the Egyptian economy, but he also maintained the state of emergency, and refrained from appointing a vice president.²⁶ Through Mubarak, the Western world saw Egypt as a great political ally, especially because of Mubarak's support for the allied powers in ousting Iraq out of Kuwait during the 1991 Gulf War, also because of his diplomatic stance towards Israel, and his suppression of Islamic fundamentalism in Egypt.

Within Egypt however, Mubarak's rule was harsh. Mubarak had remained in power as president on the basis of a one-party rule. For four of his five six-year terms, Mubarak was nominated by parliament as the sole candidate, and then confirmed in a popular referendum. Moreover, the continuous state of emergency that prevailed allowed for significant reduction in basic human and civil rights, such as prohibition of street demonstrations, limitation of political organization, candidate bans in elections, and right to imprison individuals indefinitely without reason (see Exhibit 4). Police brutality was excessive and widespread, with Amnesty International reporting about 567 documented cases of torture by police, resulting in 167 deaths between 1993 and 2007. The same report also estimated that between 5,000 and 10,000 people were being held in long-term detention without charge or trial, as a result of abuse of the emergency law. Some of these detainees were assumed to have been held for more than a decade.²⁷

^e Blended ARPU is the weighted average ARPU from prepaid and postpaid subscribers.

During his last term, Mubarak aggressively pursued economic reforms to attract foreign investment, and facilitate GDP growth. Yet despite the relatively high levels of economic growth, huge damage had been done on the economic, as well as socio-political fronts. Living conditions for the average Egyptian were rather poor, with PPP-adjusted GDP per capita of \$6,393 per annum, which was well below the global average of \$11,131 per annum.²⁸ Workers' unions were getting louder in demanding better worker rights and minimum wages. Unemployment in 2010 was around nine percent, which was lower than that in the US and EU, though in the case of Egypt, almost 80 percent of the unemployed had received either university or intermediate education. On the socio-demographic front, there was growing dissatisfaction particularly amongst young and well-educated Egyptians. The significant reduction in child mortality in Mubarak's early years, combined with a rapidly declining absolute population growth since the late 1980s, led to a "youth bulge" (see **Exhibit 5** Error! Reference source not found.). The result was that third and fourth sons no longer found prestigious positions, leading to social unrest, war, and terrorist tendencies. A significant proportion of the population (11%) lived in and around Cairo, but the majority of the rest was spread over rural areas.²⁹

Egypt and the Arab Spring of 2011

Taking cue from the uprising that started on January 14, 2011, in Tunisia, resulting in the overthrowing of Ben Ali's rule, Egyptians began their popular uprising on Tuesday, January 25, 2011. This day, already known as National Police Day, was marked as the day of revolt and witnessed mainly non-violent protests throughout Egypt. These protests took the form of demonstrations, marches, labor strikes, non-violent civil resistance, civil disobedience, and so forth. The protests continued the next day too, spreading to the Suez regions. Stepping up the momentum further, more massive rallies were planned in Cairo and other cities for Friday, January 28, after the weekly prayers past noon. As the focus of the protests, it was planned to assemble tens of thousands of protesters at Tahrir Square in Cairo. Among the main demands of the protesters were a limitation to the president's term, and the termination of the Emergency Law. The law did not only restrict civil rights it also put pressure on the telecom operators in Egypt, including Vodafone Egypt.

Role of social media and mobile operators

Popular Internet-based social media networks, such as Twitter and Facebook, provided the technological platform that was critical for the protesters' ability to communicate amongst themselves, and with the larger masses to get them organized. Of the 142 nations that were ranked by the World Economic Forum regarding the use of virtual social networks, Egypt was ranked 56 with a score of 5.4 out of 7.0 (7.0 being the best).³⁰ Mubarak's government perceived the popularity of social networks as posing a potential threat to its power. In June 2010, plainclothes agents in Alexandria had beaten to death a young Internet aficionado, Khaled Said, spawning a Facebook campaign that prompted silent vigils across the country.

In January 2011, the protest movement was initially led mostly by Islamic, anti-capitalist, and feminist activists, but as a result of the power of social media, it soon turned into a mass-

movement that eventually managed to bring up to two million people together around Tahrir Square. The 26-year old blogger Asma Mahfouz became instrumental in mobilizing the masses for the protests on January 25. The freelance Egyptian-American journalist Mona Eltahawy referred to Mahfouz as, “the girl who helped start a revolution.” Mahfouz posted a video blog on YouTube a week before the event on January 18, a video that became viral.³¹ In it, she said:

Four Egyptians have set themselves on fire to protest humiliation, and hunger, and poverty, and degradation they had to live with for thirty years. Four Egyptians have set themselves on fire thinking maybe we can have a revolution like Tunisia, maybe we can have freedom, justice, honor, and human dignity. I am making this video to give you one simple message: We want to go down to Tahrir Square on January 25. If we still have honor, and want to live in dignity on this land, we have to go down on January 25.³²

A Facebook group that was set up particularly for the demonstrations on January 25 attracted 80,000 attendees. Observing the importance of communication channels, such as Twitter and Facebook, the government decided to block access to Twitter on January 25, and to Facebook on January 27.

Orders issued by the Egyptian Government

On January 27, Vodafone, along with the other two key mobile operators in Egypt, Mobinil and Etisalat, was ordered to shut down the mobile network in specified areas. Later, it was also instructed by the Egyptian authorities to send propaganda SMS messages. The content of the messages was meant to appeal to the patriotism of all Egyptians, imploring them not to side with the protesting forces, but rather with forces like the Egyptian Army, which had Egypt’s best interests at heart.

It was already being rumored, that during a protest of textile workers previously in April 2008 in the town of El-Mahalla, the Egyptian Government authorities had successfully carried out an experiment, “involving the use of provocative elements of SMS and Internet services to spread false rumors, that would eventually lead to chaos.”³³

The Egyptian Government could not only monitor ICT activities, but it was also technologically in a position to disconnect the entire system forcibly. In case of such a forced closure, restoration of services would have had to rely on the Egyptian authorities, and it was likely that the restoration would take much longer compared to a disconnection by the mobile operators themselves.

Hatem Dowidar’s decision

Since its formation, the UK-based Vodafone Group was one of the few telecom companies that grew, primarily through mergers, acquisitions, and joint ventures, from a local operation with a focused product offering, to become a global player offering a broad range of mobile and data

telecommunication services. Vodafone's products and services were playing a key role as the backbone of communication in the countries in which it operated.

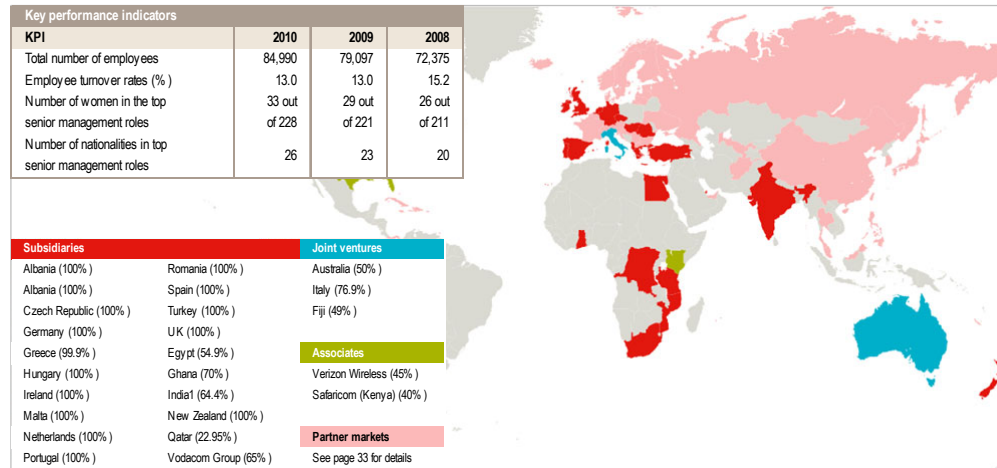
In January 2011, significant developments were taking place in Egypt and the Arab world, thousands of kilometers away from Vodafone's home base. Hatem Dowidar, the CEO of Vodafone's Egyptian operations, was about to take a difficult decision which could potentially impact upon the reputation of the Vodafone Group. Dowidar knew that the danger of national crises spreading to other countries, where Vodafone had operations, was very real, and that his decision would be watched closely, not only in Egypt, but also in similarly affected neighboring countries, and at the group's UK headquarters.

On that day, group CEO Vittorio Colao was among the various dignitaries assembled in Davos, approximately 2,500 kilometers north-west of Cairo, for the 2011 World Economic Forum. Referring to the ongoing developments in Egypt, Ban Ki-moon, the United Nations secretary-general, was reported to have said on that occasion, "I believe that one of the ground principles of democracy should be to protect the freedom of speech of the people."³⁴ The availability of uninterrupted communications services was an important prerequisite for Egyptians to be able to enjoy their freedom of speech and to express themselves. Amidst these circumstances and developments, what decision should Hatem Dowidar have taken?

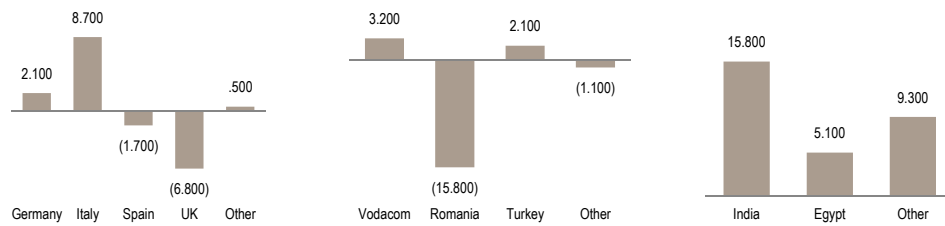
ESMT-714-0144-1

Vodafone in Egypt: National crises and their implications for multinational corporations (A)

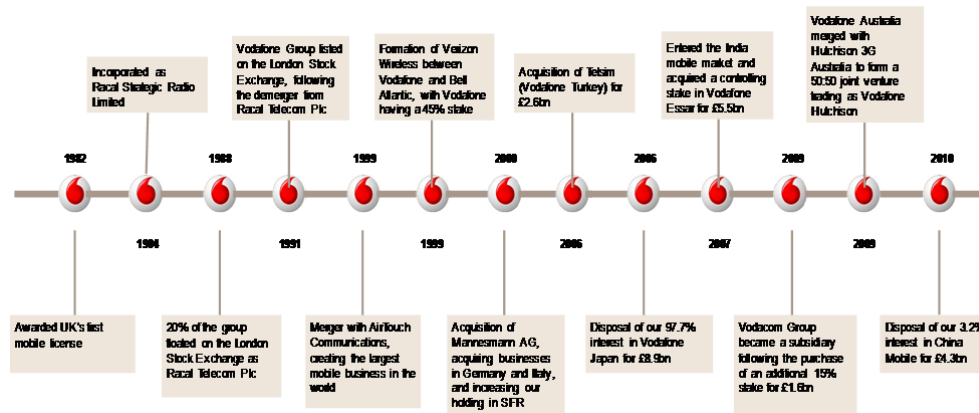
Exhibit 1: Vodafone: Global presence and key developments



Revenue growth (%)



Timeline

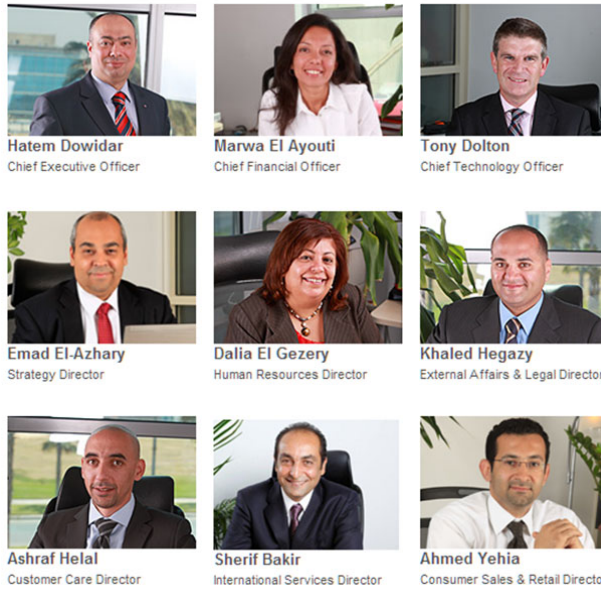


Source: Vodafone Group PLC (2010). Group annual report, http://www.vodafone.com/content/dam/vodafone/investors/factsheet/group_presentation.pdf (accessed January 24, 2014).

Vodafone in Egypt: National crises and their implications for multinational corporations (A)

ESMT-714-0144-1

Exhibit 2: Vodafone Egypt: Executive team and CSR strategy



Source: Vodafone Egypt, Executive team, <http://www.vodafone.com.eg/vodafoneportalWeb/en/P609322281289119392636> (accessed January 24, 2014).

Our mission: to be admired as a diverse ethical company operating responsibly and providing products and services that enable a more sustainable society for our customers and our community by being the leading telecommunications company for:



Sources: Vodafone Egypt, Our strategy, <http://www.vodafone.com.eg/vodafoneportalWeb/en/P660027791300699032363> (accessed January 24, 2014).

ESMT-714-0144-1

Vodafone in Egypt: National crises and their implications for multinational corporations (A)

Exhibit 3: Egyptian telecoms market: Key indicators, current and projected

	2008a	2009a	2010e	2011e	2012e	2013e	2014e
Population (a)	78,066	79,667	81,298	82,929	84,489	86,071	87,607
Market subscribers (b)	42,554	57,020	74,861	84,242	89,206	91,659	93,999
Market subscriber growth	37%	34%	31%	13%	6%	3%	3%
Market net adds (c)	11,503	14,466	17,841	9,381	4,964	2,453	2,340
SIM penetration	54.5%	71.6%	92.1%	101.6%	105.6%	106.5%	107.3%
Population <9 and >75 years (d)	17,947	18,064	18,207	18,351	18,424	18,524	18,590
50% of population below poverty line (e)	7,338	7,329	7,398	7,464	7,520	7,574	7,622
Addressable population (a-d-e) = (f)	52,781	54,274	55,693	57,114	58,545	59,973	61,395
Age and poverty adjusted penetration	81%	105%	134%	147%	152%	153%	153%
% of dual SIM	0%	14%	39%	50%	53%	53%	53%
Dual SIMs (g)(1)	-	7,860	21,726	28,405	31,299	32,006	32,764
Market sub. adjusted for dual SIM (b-g) = (h)	42,554	49,160	53,135	55,837	57,907	59,653	61,235
Real penetration = (h/f)	81%	91%	95%	98%	99%	99%	100%

Adjustments made to market subscribers and population to arrive at real human penetration ('000)

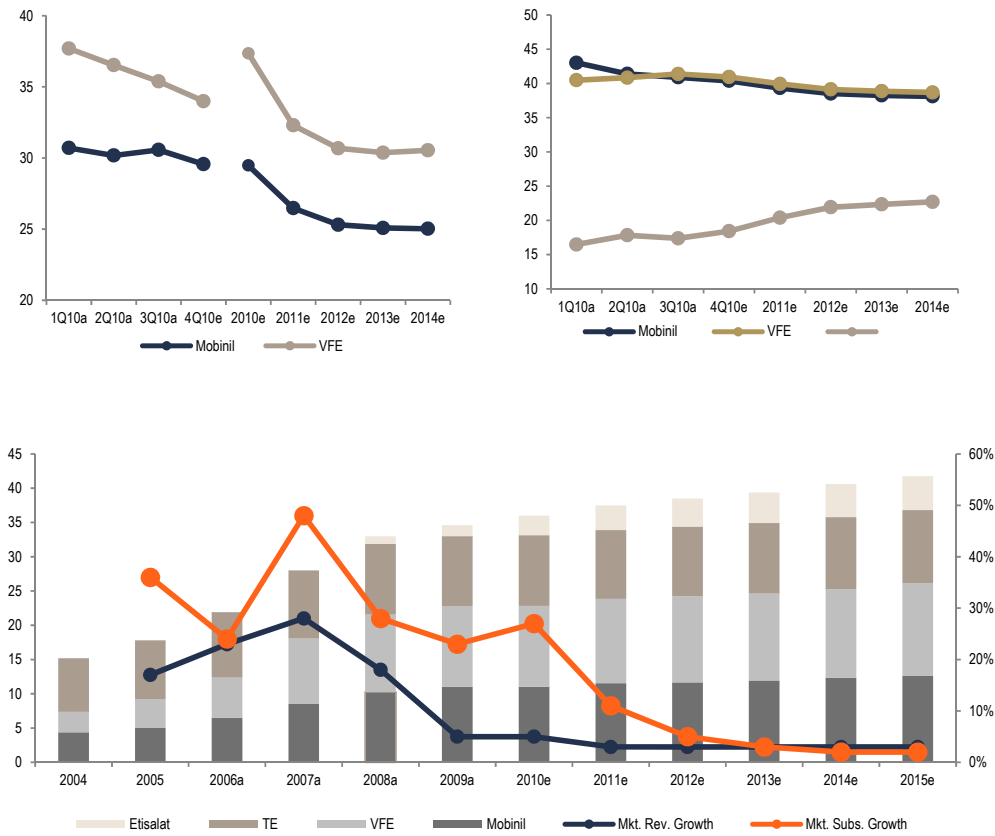
	2008a	2009a	2010e	2011e	2012e	2013e	2014e	2015e
Subscribers								
Mobinil	20,115	25,354	30,339	33,298	34,591	35,313	36,027	36,689
VFE	17,600	23,325	30,734	33,742	35,062	35,797	36,522	37,196
Etisalat	4,839	8,341	13,789	17,201	19,553	20,549	21,449	22,343
Net adds								
Mobinil	4,997	5,239	4,985	2,959	1,293	722	714	662
VFE	4,267	5,725	7,409	3,008	1,320	735	725	674
Etisalat	2,239	3,502	5,448	3,412	2,352	996	900	894
Market Share								
Mobinil	47.3%	44.5%	40.5%	39.5%	38.8%	38.5%	38.3%	38.1%
VFE	41.4%	40.9%	41.1%	40.1%	39.3%	39.1%	38.9%	38.7%
Etisalat	11.4%	14.6%	18.4%	20.4%	21.9%	22.4%	22.8%	23.2%

Source: HC Brokerage (2010). Egyptian telecom sector: A yield game. MENA research sector note, 3.

Vodafone in Egypt: National crises and their implications for multinational corporations (A)

ESMT-714-0144-1

Exhibit 3 (continued)



Source: HC Brokerage (2010). Egyptian telecom sector: A yield game. MENA research sector note, 14, 18.

Exhibit 4: Emergency Law in Egypt: Selected excerpts in English

Article 1: The state may declare a state of emergency whenever security or public safety in Egypt, or in a specific area of Egypt, is threatened by war or an uprising/rebellion that puts people in danger or threatens public safety.

Article 2: The declaration and termination of a state of emergency is to be declared by the President of the Republic and the following must be included: why the state of emergency is being declared, the area it covers, and when it will be enforced.

Article 3: When the President of the Republic declares a state of emergency the following measures can be taken:

Restrictions will be placed on the freedom to assemble, to move residence, and drive in certain places, or at certain times (a curfew), as well as the arrest (without warrant) of those suspected of disrupting public order, as well as being able to search homes with no warrant.

The security forces have the right to seize or confiscate all types of publications (newspapers, pamphlets, advertisements), as well as screen them before publication.

The state has the right to shut down stores, open others, or close all in a certain area.

The state has the right to seize any companies threatening civil order.

The state has the right to seize any unregistered arms, weapons, or weapons depot.

The state has the right to evacuate areas, restrict transportation to areas, search individuals, and request identification.

Article 3B: A person detained under these pretenses may appeal against the detention after six months. If a detainee wants to be released, the President of the Republic must approve a court ordered release.

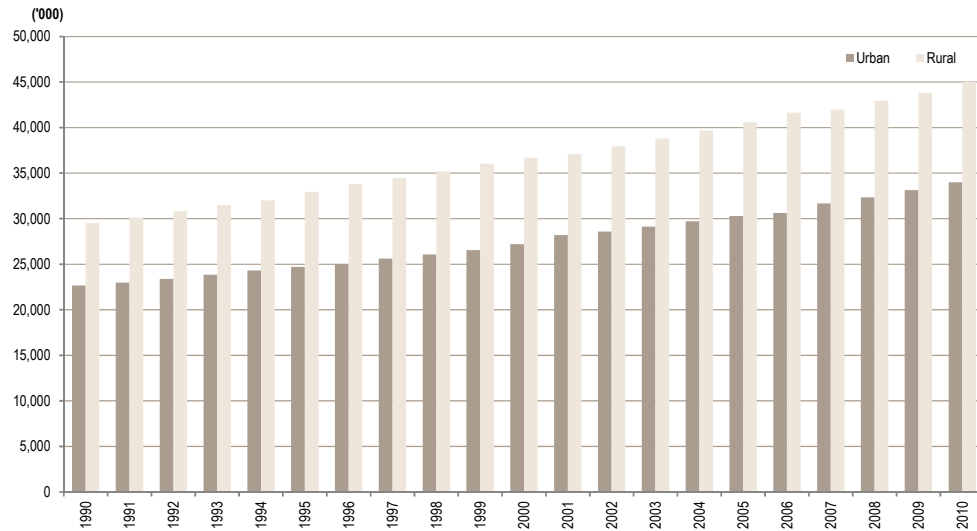
Article 5: Detainees will be sentenced to hard labor and a fine of 40 thousand Egyptian pounds.

Article 6: After six months a detainee will be brought to court for trial.

Article 13: The President of the Republic has the right to dismiss any rulings by the court or demand the release of a detainee.

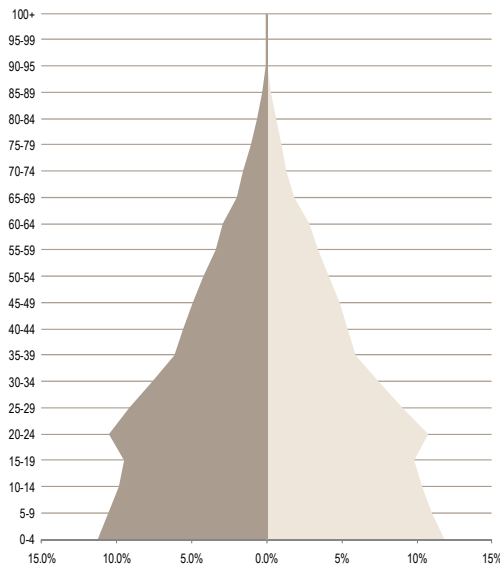
Sources: Carnegie Endowment for International Peace. Guide to Egypt's transition, emergency law, <http://egyptelections.carnegieendowment.org/2010/09/09/emergency-law> (accessed January 24, 2014).

Exhibit 5: Egypt: Population distribution and age pyramid during 2011 uprising
Egypt: Distribution of population between urban and rural areas



Source: Statistical yearbook of Egypt 2012, http://www.capmas.gov.eg/pdf/Electronic%20Static%20Book_eng/population/untitled1/index.html?pageNumber=10 (accessed January 24, 2014).

Egypt: Age pyramid of population in 2010 showing the “youth bulge”



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