



Hits Telecom acquires 51% of Metrored Movil

By Roger Field **CommsMEA** on Sunday, July 20, 2008

Hits Telecom has acquired a 51% stake in Spanish MVNO Metrored Movil for EUR7 million (US\$11.1 million) in a deal that will give the KSA-based operator a much sought after presence in Europe.

Metrored Movil is expected to invest EUR15 million (\$23.8 million) in an MVNO operation, which is due to launch in September under the Hits Telecom Spain banner. The MVNO will operate over Vodafone Espana's network.

The move forms an important part of Hits Telecom's expansion strategy in that it will give the company an immediate presence in Europe, and will also give it valuable experience in how to run an MVNO in a highly competitive market.

Dr. Sultan Bahabri, chairman, Hits Telecom, said that his company also plans to establish an MVNO in the Middle East when the regulatory environment allows, and that the experience of running an MVNO in Europe will give it valuable experience to fulfill this aim.

"We are targeting the European markets and next to that will be the MENA region," Bahabri told CommsMEA. "The regulatory environment in the Middle East is not ready yet for MVNOs - but it will be ready in the coming two to three years."

"For that reason we want to acquire an MVNO operation in Europe to have the knowledge and the capability so when we are a MENA player we will come with some practice and experience in that area."

Hits Telecom, which has operations and interests in the Middle East, Africa and Latin America intends to gain between 4 million and 6 million subscribers in 10 countries by 2012. The operator listed on the Kuwait Stock Exchange (KSE), in partnership with co-investor Al-Madina Company, in April.