



Press Release

Cellular Liberalization Task Force announces the successful bidder in the Phase II spectrum auction

October 18, 2015 -- The Cellular Liberalization Task Force (the Task Force) advises the public that Cable Bahamas Limited was determined as the successful bidder in the spectrum auction, and will now advance to satisfy the final pre-conditions for licensing.

Background

On April 29, 2015 the Task Force announced that Cable Bahamas Ltd. (CBL) and Virgin Mobile (Bahamas) Limited (VMBL) had both moved forward to the auction phase of the selection process. On September 1, 2015 the Task Force announced the resumption of Phase II by the Utilities Regulation and Competition Authority (URCA).

Results and Timing of the Spectrum Auction

The Auction commenced on Monday 28th September 2015, and on Friday 16th October 2015 URCA advised the Minister with responsibility for the Electronic Communications Sector (ECS) that the conditions for the conclusion of the auction were met, following 112 rounds of bidding.

In each round of the auction, VMBL and CBL had the opportunity to submit financial bids. The Phase I score of each bidder was combined with its respective Phase II score (based on its bid amount), to produce combined scores which determined the Standing High Bidder for that round. At the end of the auction, the Standing High Bidder was determined to be CBL, having submitted a financial bid of **B\$62,500,000** and obtaining the highest combined score of the two bidders.

Remaining Conditions for Licensing

In accordance with the Request for Proposals (RFP), CBL must honour its commitment to have at least 51% of the shares of NewCo (the company which will be granted the licence) owned by HoldingCo, a 100% Bahamian owned company). Although CBL will have management and board control, it must honour its commitment to become a party with HoldingCo, to the proposed NewCo shareholders' agreement which, amongst other things, will grant HoldingCo certain market standard veto rights in order to protect its investment. CBL must also comply with other provisions in the proposed shareholders agreement.

The licence will be awarded to NewCo for a fifteen year period and CBL's final bid amount will be collected from NewCo as the spectrum licence fee.

Should the remaining conditions for completion of the licensing process fail to be satisfied, then this may result in CBL's disqualification. In such circumstances, the RFP provides that the Government may declare the next best candidate as the Successful Applicant, which in this case would be VMBL.

The focus of the Task Force will now shift to engaging CBL regarding the above preconditions, whilst at the same time soliciting eligible Bahamian investors for HoldingCo.

It is anticipated that NewCo will be licensed by the end of this year.

Further information about the selection process and key contacts are available on the website of the Task Force, <http://www.bahamas.gov.bs/cellularliberalisation>.