

CONNECT

Raya Newsletter

Issue No. 12, Summer 2002

RAYA TELECOM GOES LIVE



ONE CONTACT-POINT FOR
MIRACO CARRIER'S CUSTOMERS

»» CITYSTARS
INTERVIEW
WITH SHEIKH
SHARBATLY



Raya is the largest Egyptian national holding company specializing in the IT and Telecommunications industries. The company's particular structure consist of the autonomous subsidiaries in addition to several centralized support functions.



Information Systems



Raya Integration specializes in broad-scale systems integration and offers multi-vendor support through its ISO-certified service center.



Oratech is a joint venture between Raya Holding and Orascom IT Group that specializes in providing consultancy and IT professional services.



ProNet delivers integrated services of infrastructure and network solutions to telecommunications manufacturers and service providers.

Software Development



Raya Software is dedicated to offer ready-made software packages, to develop custom tailored business applications and deliver all related professional services regionally and internationally.

Education



Raya Academy, established in cooperation between Microsoft and Raya Holding, spans academic education & certification and technical training for the field of IT & Management.

Telecom



Raya Telecom, builds and operates a nationwide public data network and provides hosting and connectivity solution.



Starnet, Raya's internet service provider mainly offers dial-up connectivity with a focus on outstanding customer care.



Ciranet, a joint venture between Citibank and Raya Holding, provides call center outsourcing services including tele-marketing, tele-sales and tele-research.

Retail & Distribution



Protech, Raya's retail & distribution arm offers a diversified product mix of telecommunication & technology products backed up by a network of dealers and distributors and service center.

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The Security Paradigm



“ The new subsidiary Raya Telecom, not only completes our scope of business, it further strengthens our foothold as a leader in the IT and telecommunications market ”

Our strategic focus in Raya has always been on the services and in-house products we can provide and rely on to maximize our value-add to the customers and the economy as a whole. Our value-added activities have ranged from professional services, consultancy, training and software development to after-sales support of hardware and digital equipment. We succeeded in increasing the solutions & services revenue from LE 7.6 million in 1998 to LE 72 million end of 2001, representing around 20% of the total revenue.

and operating a public data network in addition to our Internet and call center services. Investing in the network and the team operating and maintaining it demonstrates our commitment to increase the value add of our company. The new subsidiary Raya Telecom, not only completes our scope of business, it further strengthens our foothold as a leader in the IT and telecommunications market.

To complement these offerings, we decided to penetrate the market of telecommunication services, by building

Medhat Khalil
Chairman & CEO

One Vision, One Goal

We are confident that Raya Telecom will occupy the forefront of the data and communications network market. Our assurance is based on numerous factors such as our financial position, strengthened by strategic investors like Bank Misr and our management capabilities and vision, reinforced by Magdy Rasekh, chairman of Raya Telecom.



Adopting the latest technologies in this field and having a pool of experienced resources in Raya Telecom, has enabled us to design, implement and support a state-of the art network and data center. Furthermore, the integration of our IT and telecommunication services in Raya allows us to offer our customers an entire end-to-end solution.

This in turn, combined with our market reach, provides us with a competitive advantage that cannot be matched by any of our competitors.

Mohamed Fares
Managing Director
Raya Telecom

Ashraf Sabry
Vice President Operations
Raya Holding

Raya Holding

72 Mohey El Din Aboul Ezz St.,
Mohandeseen

Tel. : +(202) 7496353
+(202) 7496356
Fax : +(202) 7496343

E-Mail: info@raya.com.eg
http ://www.rayaholding.com

Raya Telecom

► Goes Live

Network Implementation



Raya Telecom's team acquired practical training during the complete staging in Cisco labs in the United States.

In response to the need for reliable and secure networks in today's information intensive world, Raya Telecom acquired a license last year to build and operate a public data network across the nation. Today, Raya Telecom's network carries the data of more than 60 companies in Egypt. By the end of this year, Raya Telecom's coverage will amount to 68 sites covering the major cities in Egypt.

opting for their superior technologies, and finally

installation, Raya Telecom's team of professionals, acquired practical training in operating and maintaining a data network during the complete staging in Cisco labs in the United States.

Magdy Rasekh, the founder of Tricom, the representative of British Telecom in Egypt, has been elected Chairman of Raya Telecom after its merge with Tricom. The paid capital of Raya Telecom is LE 40 million and the authorized capital LE 100 million. With Raya Holding as the major shareholder in Raya Telecom, Bank Misr, a strategic investor, owns 10% of its shares.

Systems, Compaq, Microsoft, Sun and Telecom Egypt as their strategic partners. The network was built using the latest technology of Cisco Systems, the leading company worldwide in Internet and state-of-the-art networks. To ensure minimum problems during

Raya Telecom further hired highly qualified professionals and created a fully automated network operating center, equipped with the latest security

Raya Telecom provides hosting & connectivity solutions and related value added services to business enterprises

Raya Telecom's strategy is to maintain network superiority and deliver outstanding customer service. According to Medhat Khalil, chairman & CEO of Raya Holding: "The edge that we adopted is "build-as-we-grow" strategy, so we place our investment where and when the business potential is proven."

To guarantee network superiority, Raya Telecom researched the international market for the top technology suppliers,

Data Center



Raya Telecom created a fully automated network operating center, equipped with the latest security measures, and complemented its services with a state-of-the-art data center.

“The edge that we adopted is "build-as-we-grow" strategy, so we place our investment where and when the business potential is proven”

Medhat Khalil



measures to provide its employees with up-to-date tools that guarantee superior service. Mohamed Fares, managing director of Raya Telecom adds: " To complement Raya Telecom's service offerings, we created a state-of-the-art data center, ensuring secure hosting for data and applications in addition to collocation services for corporations, application service and content

As for other services provided by Raya Telecom, they consist of virtual private networks (VPNs) that connect the various branches of any company and enable communications between them. The VPNs can be further utilized in Voice over IP that allows internal phone calls to a company's branches over the VPN. Raya Telecom also offers permanent Internet lines using DSL technology along with (Dial VPNs) that enable remote employees to easily and securely access their company's private network from different sites in the

Telecom's services include secured lines to British Telecom international network which suit the companies in demand of extremely high security data

transfer to the outside world (International VPNs).

Raya Telecom is working on increasing the number of free Internet users in Egypt through technical support for its sister company and Internet service provider Starnet, which offers its services through Raya Telecom's public data network. Raya Telecom has further developed partnership programs based on revenue sharing for hosting Internet sites of content providers like Maktoob, the Scientific Research Academy and others, and accordingly increase their reach to all cities in Egypt. This in turn

will encourage the Egyptian community to access the Internet and interact with local and Arabic content.

Raya Telecom network carries the data of more than 60 companies in Egypt

Raya Telecom did not start from scratch; it rather built on the achievements of its

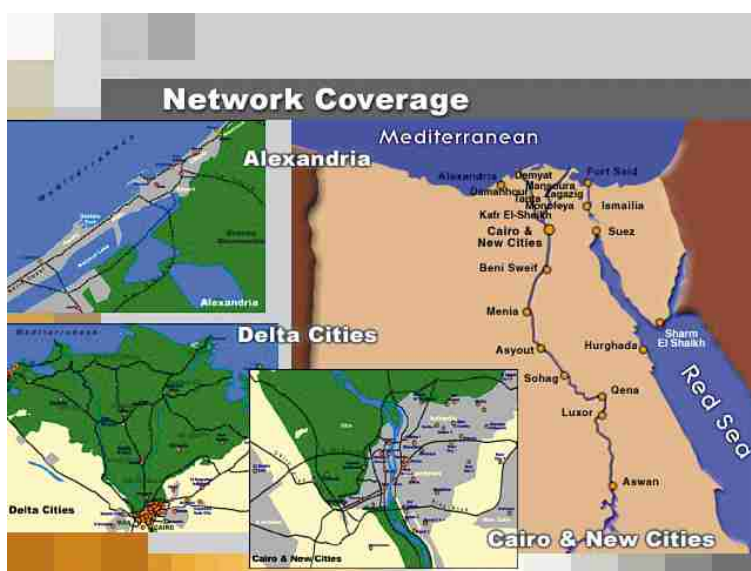
companies, whereby Raya Holding has been providing it with financial, managerial and technical support

management and central functions. Raya Telecom not only benefits from its highly qualified team, it is further backed up by its sister companies' strong market

professionals in Raya, each specialized in its own field, covering all aspects of IT and



Medhat Khalil and Mohamed Fares welcoming H.E. Dr.Ahmed Nazif during the launch of Raya Telecom on 15th May, 2002 in Mohamed Ali Club



By the end of this year, Raya Telecom's coverage will amount to 68 sites covering the major cities in Egypt.



With the advent of urban development and the growing need for integrated complexes that serve the needs of business and consumer alike, investors have realized the importance of developing an advanced IT system that supports the existing infrastructure and services. With this realization evolved the need to align with strategic partners to ensure a long-term sustainable relationship. To shed light on the role played by local information technology in supporting integrated complexes, Connect conducted this interview with Mr. Abdul Rahman Sharbatly, Chairman of Golden Pyramids Plaza and one of the biggest Saudi



Sheikh Abdel Rahman Sharbatly
Chairman
Golden Pyramids Plaza

Walking Through the Gates of "Smart Cities"

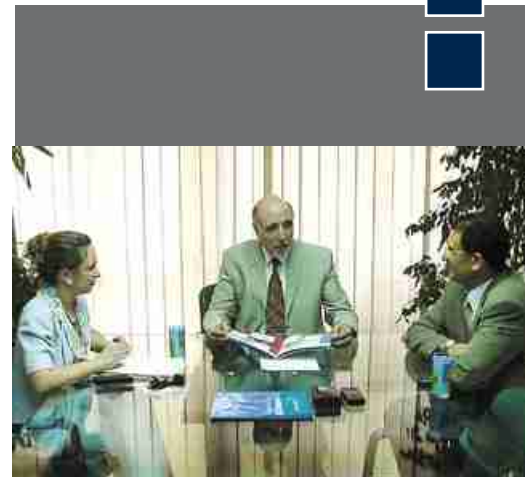
Q Can you give us an overview of Citystars as a model for integrated

Citystars, located in Heliopolis (Ard El Golf) is one of the largest integrated touristic projects in the Middle East. The project is built over a surface of 115,000 ² and consists of an all-embracing first-class complex made up of three international hotels, luxurious apartments, a shopping mall, and a comprehensive medical center. The project also includes Star Capital, with a total surface of 70,000 ² of office space, combining all the necessary elements that makes an ideal administrative center with separate entrances, reception hall, car parks and

All the towers are equipped with the latest VRV central conditioning system and Schindler-Switzerland elevators technology- miconic ten - an automation system that saves waiting time and energy, implemented for the first time in

the Middle East. The project's administration gives special attention to the world class level of security, maintenance, cleanliness, and service provision. All units benefit from the hotel services and employees have the option to use the project's other facilities including restaurants, health clubs, travel agencies, change bureaus, hotels, etc.

As for Stars Centre, it represents the biggest shopping & entertainment mall in the Middle East with a total surface of ². It includes 16 movie theaters, an internal amusement park(6000 m²), a hypermarket (14000 m²), furniture and toys showrooms, specialized markets, a wide variety of shops and a large exhibition hall. The parking space can take up to 6000 cars in addition to 2000 other parking spaces allocated to the functional and residential buildings ... all divided onto 3 underground levels over the total surface of the project.



From left to right

Magda Habib
Director of Marketing & Communications
Raya Holding

Sheikh Abdel Rahman Sharbatly
Chairman
Golding Pyramids Plaza

Medhat Khalil
Chairman & CEO
Raya Holding

Q Where does technology stand from the creation of such integrated complexes and what role does it play in supporting them?

Large projects such as Citystars require a superior infrastructure which complies with the technological advancement in this field. This is exactly what has been done in Citystars since we established the largest state-of-the art telecommunications network in the world (45000 outputs) compatible with the Internet IP protocol. The network comprises a hub of fiber optics designed to meet the project's needs for telecommunication services. Technology plays a crucial role in the development of such networks which require a great experience and finer precision in their design, implementation and operation. Being a pioneer in this field, Citystars benefited from the experience of Raya Integration and Cisco in the implementation process.

Large projects such as Citystars require a superior infrastructure which complies with the technological advancement in this field

Q To what extent does the investor benefit from advanced technologies such as IP telephony and what's the level of consumer acceptance for new technologies?

The IP technology used in the project allows all available IP applications to utilize the network. Moreover, upcoming applications automatically become compatible with the system. The services provided include IP compatible telephone switches, high speed broadband Internet, all available terrestrial and satellite TV channels, video on demand, as well as application services. All those applications are provided through a single output regardless of the nature of the services, and can be adjusted according to the



customer's needs. Such technological services are relatively new in Egypt. Hence, it is necessary to educate consumers about such services and the benefits they can pull out of it in order to improve their lifestyle and achieve a more efficient work cycle.

Q Are such technological solutions available locally? And what added value and technical support can a company like Raya bring

All these solutions are available locally and supported by strong international expertise. The cooperation and technical support provided by Raya Integration and Raya Holding have enabled us to acquire all the needed solutions at the highest quality. It is worth mentioning that the contribution of Raya Holding and Cisco in the project was not limited to supplying

The cooperation and technical support provided by Raya Integration and Raya Holding have enabled us to acquire all the needed solutions at the highest quality

equipment, cables, and appliances ... for their main contribution was to provide us with the expertise and the know-how of advanced technologies. Obviously, their role does not stop at the implementation and initial operation levels. Rather, this role will continue in other areas such as the maintenance and technical support for all the equipment, the training of Citystars technical team as well as contributing to the value added applications and software that Citystars plans to offer to its customers in the future in all areas of communication systems.



One Contact-point for Miraco Carrier's Customers



“Since mid April 2002, Ciranet started providing Miraco Carrier, with call center outsourcing services for marketing, sales and after-sales activities.”

"Establishing a direct and unified communication channel with our customers is vital for our success, and a professional call center is the best way for reaching our large number of customers," declares Hazem Barakat managing director of Miraco Carrier, the Egyptian and worldwide leading manufacturer and exporter of air conditioners.

"Ciranet has proven very successful in establishing a unified communication channel that is scalable and flexible to accommodate our needs. The operations of Ciranet call center streamlined our communication with customers and enhanced our internal operation control providing online feedback on our relationship with customers."

Since mid April 2002, Ciranet started providing Miraco Carrier, with call center outsourcing services for marketing, sales and after-sales activities. Customers used to have 4 different channels to communicate with Miraco Carrier; sales, after sales, management and customer satisfaction departments. The Call center project unified the communication channels through a five digit contact number 19111, where sales, service and complaint calls are to be answered within 30 seconds, even in peak times.

Miraco Carrier required a state-of-the-art, scalable call center, operating 12 hours a day and for extended hours during peak seasons and marketing campaigns.

The call center needed to address Miraco Carrier's customer satisfaction through analysis of direct feedback on the activities of the company. Establishing its own call center, would have cost Miraco Carrier a huge initial investment, took a long time to setup, in addition to all the administration and maintenance hassles. In addition, there would have been a high human resources cost, due to the seasonality of Miraco Carrier's

product that requires over-staffing during peak times. Based on Siebel CRM, the solution helps managing the thousands of contacts and activities of the sales and after sales departments. It integrates available customer information and interactions history in order to facilitate more effective planning, exceeding customer expectations and creating customer loyalty. This in turn enables Miraco Carrier to focus on its core competencies, manufacturing world class air conditioners.

Ciranet's solution offered minor initial investment, rapid set setup, optimized staffing & scheduling and state of the art technology tailored to the customer's needs





Amr Abdallah
CFO Raya Holding



Tarek Zidan
MD Protech

Top Management Promotions

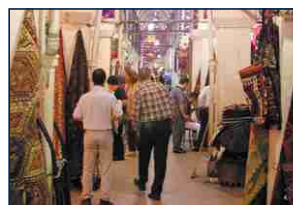
Due to outstanding performance and successive achievements over the past years in managing a sound financial operation at Protech, Amr Abdallah, former managing director of Protech accepted the responsibility of chief financial officer in Raya Holding. **Tarek Zidan**, former managing director of Starnet, who succeeded in establishing Starnet as a leading ISP in Egypt, was also recognized for his numerous accomplishments and accepted the responsibility of managing director of Protech, the retail and distribution arm of Raya.

Raya's HR recognized by Business Media

A panel of business and HR experts ranked Raya Holding as one of the top 18 companies (mostly multinationals) in Egypt that are committed to human resources development. Among the panel experts were Ibrahim Hegazy, executive director of the Institute for Management Development, Larry Hean, chief-of-party at the USAID-backed Management Association, Joe Wasef, managing director of PIPT Management and Business Consulting and Nadia Haridi, managing partner of HR First International. The panel's evaluation was published in Business Today July 2002 issue.

Top Achievers in Turkey

Members of Raya Achievers Club (RAC) 2001, a recognition program that grants Raya top performers a yearly trip abroad, spent five special days of sightseeing, entertainment and group interaction in Turkey last May. Accompanied by the chairman, directors of HR and marketing & communication, the group was divided into three teams that brainstormed and shared their visions for Raya's future. They also competed in a full range of activities such as treasure hunts, car races and biking in Princess Island.



Thumbs up to Raya Cup Winner

To further promote team spirit and group interaction in every part of Raya, the company held its annual bowling tournament for all employees in the International Bowling Center. Socializing away from the daily work pressure, the teams participated in the tournaments and hundreds of employees attended the various games. Congratulations to Raya Software for winning the golden and bronze medals, and Raya Integration for the silver medal.



Information Security

A Top Priority



From left to right
Mostafa Serhaneq, ISS President Middle East shaking hands with
Ibrahim Sarhan, MD Raya Integration

Expanding its security product portfolio, Raya Integration signed a Solution Partner Agreement with Internet Security Systems Middle East (ISS), a pioneer and worldwide leader in IT and security. According to this agreement, the two companies will cooperate in offering superior consultancy and security solutions. Owing to the growing importance of IT security, Raya integration has formed a security consulting team that is dedicated to quality information security services, based on an entrenched process.

First Implementation of Middleware in Egypt

Within a record time frame, Raya Integration successfully delivered the first implementation of middleware in Egypt to the Commercial International Bank (CIB). The full operation would have required many separate solutions, each with a complete separate system and a substantial budget. Hence, Raya Integration was contracted to implement a middleware application to connect and synchronize among various solutions under one program swiftly



and securely. CIB's chosen solutions: IVR, SMS and WAP are now up and running, enabling customers to make secure financial inquiries electronically and remotely.

▶ Oratech Business with Americana

Cairo Poultry Group (CPG) embarked on a project to revolutionize its information system's capabilities by deploying Oracle financials & logistics applications at all of its nine subsidiaries. CPG is affiliated to Americana and considered the largest corporation in the poultry business in the Middle East. Capitalizing on Oratech's experience, CPG awarded Oratech a first phase implementation contract covering the holding company and 2 of its subsidiaries. After the finalization of phase I, a consolidation phase will be initiated including the deployment of Oracle sales & financial analyzer modules.



From bottom left: **Nabil Hamza**, MD Oratech, **Ahmed El Khayat**, Group GM CPG, **Magdy El Sebaie**, CFO CPG

From top left: **Medhat Khalil**, **Shereen El Guidy** and **Moataz El Alfi**, CEO Americana Group & CPG

Services Revenue Sky-Rockets



With a value exceeding US\$1million, Oratech has succeeded in signing a key services contract with PricewaterhouseCoopers (PwC) Belgium to implement Oracle applications in Central Bank of Syria (CBS). PwC, a worldwide leading management consultancy firm and CBS, a major financial institution in Syria based their decision on Oratech's success and world class Oracle implementation in Central Bank of Jordan (CBJ). The project's duration is three years during which PwC will study and reengineer CBS financial processes, and Oratech will implement Oracle financials and procurement. The project comes in line with Oratech's strategic direction towards large, long-term, high-value adding complex projects.

▶ ProNet ... Now in Tunisia

ProNet professionals are currently in Tunisia contributing to the expansion of the country's nationwide data infrastructure. Contracted by Nortel Networks, ProNet is implementing the 10 passport data switches as a 1st phase for Tunisia Telecom. The project demonstrates ProNet's commitment to expansion in the MENA region. Middle East and North Africa: ProNet is on its way!





New Portal in Morocco



Raya Software together with Oracle Egypt have successfully executed a prototype project for a customer in Morocco. The project consists of a portal that successfully reduces time and effort while increasing the efficiency of its users through a single access point. It enables all customer's employees to create and personalize their own portals. The portal also contains a workflow management and content management system.

Towards CMM Quality Standards

In its continuous efforts to expand internationally, Raya Software is seeking to acquire the CMM certificate (Capability Maturity Model). In June 2002, Raya Software went through a preliminary assessment that measured its technical and professional capabilities according to the CMM quality standards. Raya Software was selected by the Egyptian Software Engineering Certification Center (SECC) and Motorola USA, to pass the assessment that was held by certified assessors from the SEI (Software Engineering Institute), University of Carnegie Mellon, USA. The assessors were impressed by the continuous technical progress of the company, its strong hierarchy, high technical skills, and rare specializations that constitute a base for establishing a technical system following CMM quality standards.



A New Breed of Egyptian IT professionals



In line with the national target of exporting IT services around the world, the Ministry of Communications and Information Technology (MCIT) aims to raise the number of IT qualified professionals in Egypt. To achieve this target MCIT sponsors an IT training program for a large number of individuals annually. This year, Raya Academy participates in this national program by training 100 individuals, focusing on the field of systems engineering. To maximize the learning benefits for its trainees, Raya Academy introduces both academic and practical training through the program which started in April and is expected to be completed by year end.



With Starnet.... Surely a Winner

LE 50,000! The lucky winner is Ashraf Shokry Mosbah, a graphic designer who uses Starnet service daily to surf the net. To enter the draw, he just needed to spend 50 hours in a period of 2 months using Starnet service. Starnet's campaign " Set your dreams free ..." has made his dream come true. Expect more surprises in the coming period.



Protech an Agent For

Microsoft®

Products

This year, Protech joined Microsoft's annual partner's meeting in Ireland as the newest Microsoft authorized distributor of its Original Equipment Manufacturer (OEM) products in Egypt. Microsoft OEM products are Protech's latest addition to the company's expanding portfolio of technology products. By teaming with the leading computer, networking and software giants and through its ever-growing network of technology dealers, Protech is today strongly positioned as one of Egypt's leading IT distributors.

Microsoft OEM products
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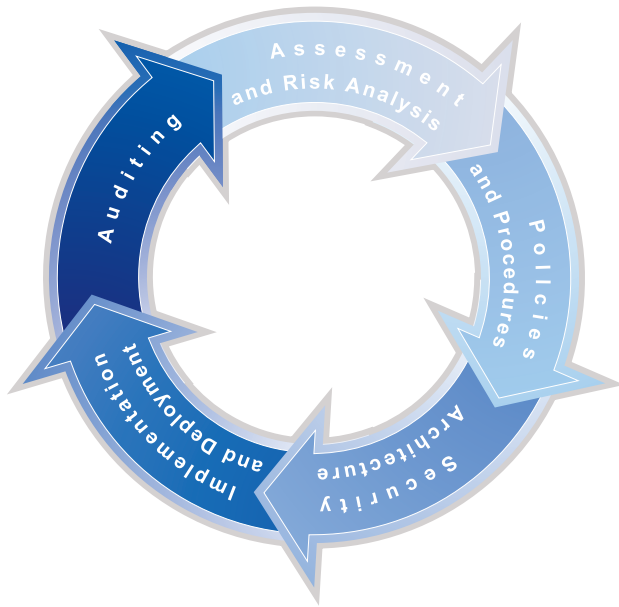
Protech Dealers Snowmobile ... in Finland

Top performers in Protech's dealers' loyalty program, Mazaya, joined the company's sales team on a one week trip to Nokia's headquarters in Finland. Their schedule included factory tours and seminars in Nokia's headquarters where they were updated on new technologies and upcoming Nokia launches and discussed current issues in the Egyptian mobile market. Nokia organized a day tour of Helsinki, a hot air balloon ride, husky safari and snowmobile excursions and even a salsa night! Protech dealers' annual trip is an event both parties value as a chance to strength their relations and prepare for everyday market challenges.



THE SECURITY PARADIGM

The Security Cycle



As with most technologically rooted problems, the first instinct to solve the computer and information security issue is to apply more technology. That is, add more security technologies to the infrastructure: Firewalls, Intrusion Detection Systems, Anti-Virus Software, Cryptographic Technology, and so forth.

Unfortunately, this "product centric" approach hasn't been working well. It turns out that such products and building blocks are indeed necessary, but not sufficient to achieve the desired level of security. Rather security must be viewed as a process with built-in quality control and continuous improvement.



The security process is viewed as being composed of the following (repeatable) activities: (1) Assessment and Risk Analysis; (2) Policies and Procedures Development; (3) Security Architecture; (4) Implementation and Deployment; and (5) Auditing.

The initial step, **Assessment and Risk Analysis**, involves testing networks, systems, and applications to assess their vulnerability (this typically includes ethical hacking activities). The outcome is a report detailing findings, emphasizing risk analysis, and recommendations. The second step, **Policies and Procedures (P&P) Development**, involves critical assets and business impact analysis, and performs

The status quo of computer and information security is alarming. The popular press is filled with examples of hacker attacks, devastation caused by computer viruses and worms, and stories of compromise and theft of information resources. This should not come as a surprise. As most businesses move into the digital world and come to depend more on technology, so do those who wish to harm, spy or steal. Simply put, just as many legitimate businesses have become e-businesses, then so will crime; it will become e-crime!

business modeling based on templates and standards. The typical outcome includes company specific P&P documents. The third step, **Security Architecture**, provides the high level design of the security solution to be deployed, in addition to the means for implementing the organizations' P&Ps.

The fourth step, **Implementation and Deployment**, caters for the actual deployment and integration of the various architectural elements identified in the previous step. Finally, **Auditing** ensures that the implementation is consistent with the organization's requirements, and P&Ps. Security is a process. Hence, the only valid methodology to ensure vital information and computer security is by following and continuously improving such security processes.

Submitted by Dr. Sherif El-Kassas



Dr. Sherif El-Kassas joined Raya Integration January 2002 as Senior Security Consultant. Since then, he has been helping in establishing a full-fledged security services department within the company. Dr. El-Kassas is also a lecturer of computer science at the American University in Cairo.