

GloBul

International

Enhance returns from international investments

- **Aggressively drive efficiencies from existing portfolio**
- **Assess investments under strict return criteria**

***Analyst & Investor Day
Athens - June 28, 2002***

**Nikos Avgerinos
GloBul CEO**

Agenda

- **Overview**
- **Performance & Targets**
- **Issues & Actions**

Key Country Characteristics

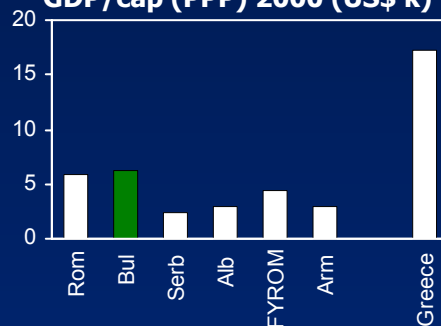
Bulgaria



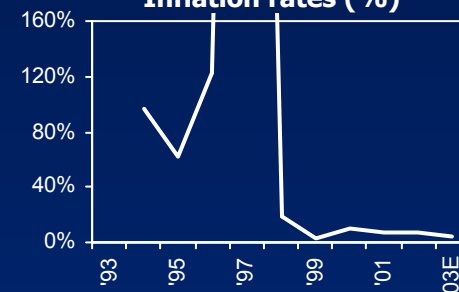
Total population	7.9 m
GDP* 2001	US\$ 13 bn
Projected real GDP growth 2003	4.2%

Macro economic indicators

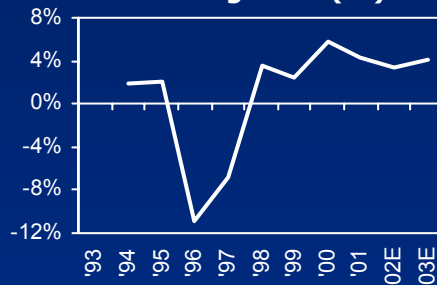
GDP/cap (PPP) 2000 (US\$ k)



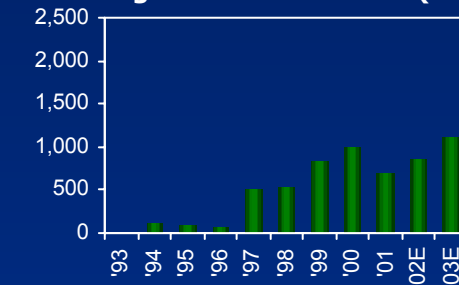
Inflation rates (%)



Real GDP growth (%)



Net foreign direct investment (US\$ m)



Economic stability

- Strong financial discipline imposed by the adoption of the currency board regime in 1997
- Implementation of sound macroeconomic and structural reforms have created strong growth in exports and industrial production
- Despite the weakening external environment, GDP growth has remained robust on the basis of a rebound in domestic demand, that is gradually replacing exports as the main driving source of growth

Bulgarian Telecom Market: Key Facts

- **State of telecom industry**

- **Mobile penetration 18%, customer growth 109% (2001)**
- **Fixed penetration 36%, digitalisation 20%**

- **State of deregulation & privatisation**

- **Deregulation policy directed toward fulfilling EU membership requirements**
- **Monopoly in fixed telephony until December 2002**
- **BTC currently involved in tender process**

- **Competitive landscape for mobile**

- **One analogue and two GSM players, third GSM license to be awarded as part of BTC tender process**



Profile of GloBul

- **GloBul 100% subsidiary of OTE Group**
- **Key actions to date**
 - **Network infrastructure build-up according to licence requirements**
 - **Timely launch of commercial operations, September 2001**
 - **Establishment of extensive distribution network**
 - **Increasing market share position**



Agenda

- Overview
- Performance & Targets
- Issues & Actions

Performance to Date

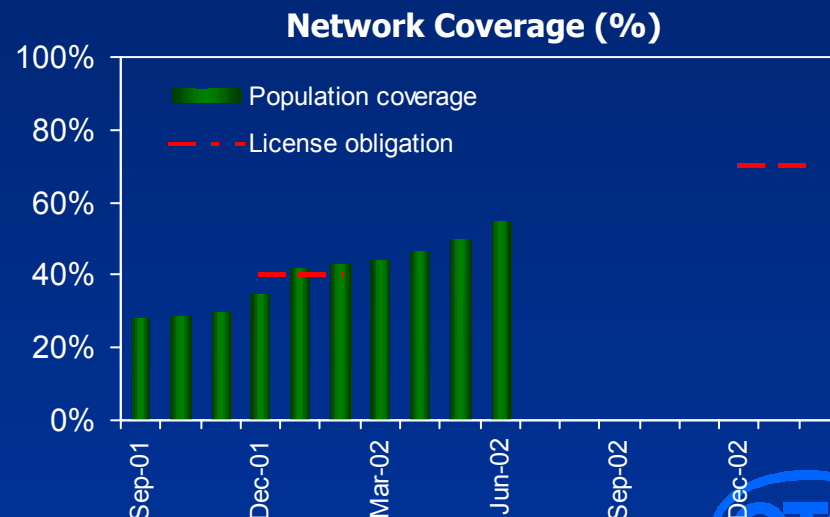
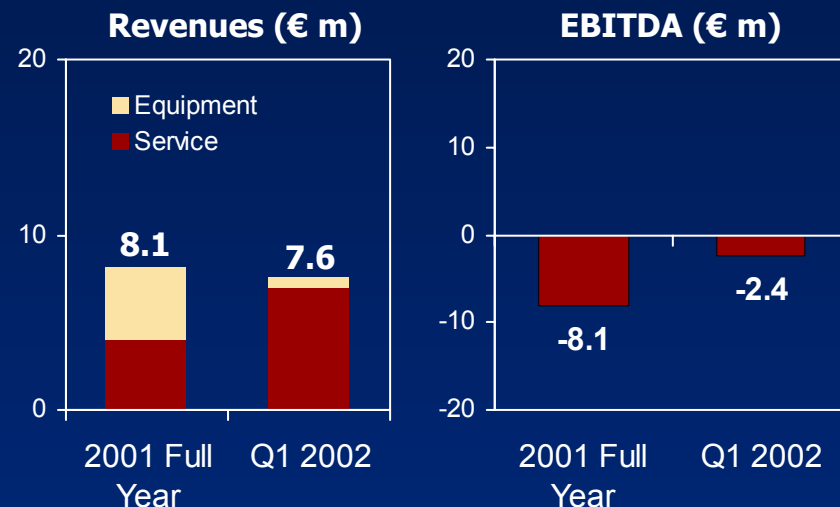
Key Performance Indicators

- **Strong customer growth**
 - 139,000 post-pay
 - 67,000 pre-pay

- **Growth in market share***
 - 2001 year end: 8%
 - April 2002: 11%

- **Improvement in EBITDA margin**
 - 2001: (209)%
 - Q1 2001: (32)%

- **55% current population coverage**

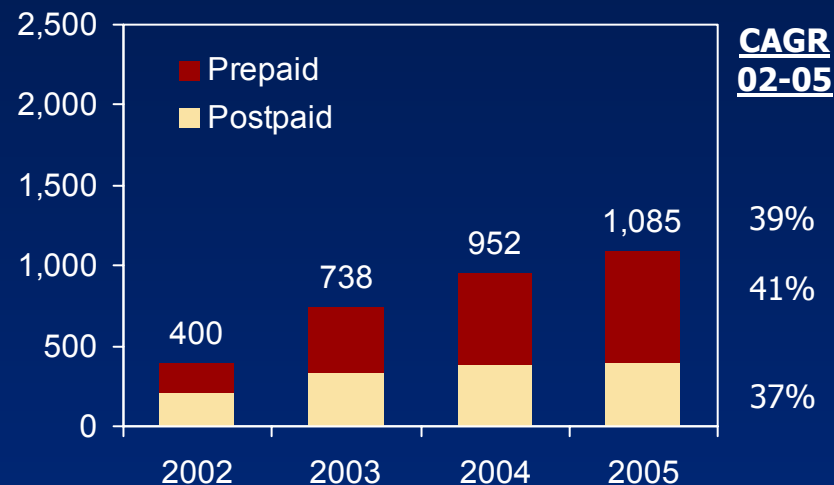


Operational Targets

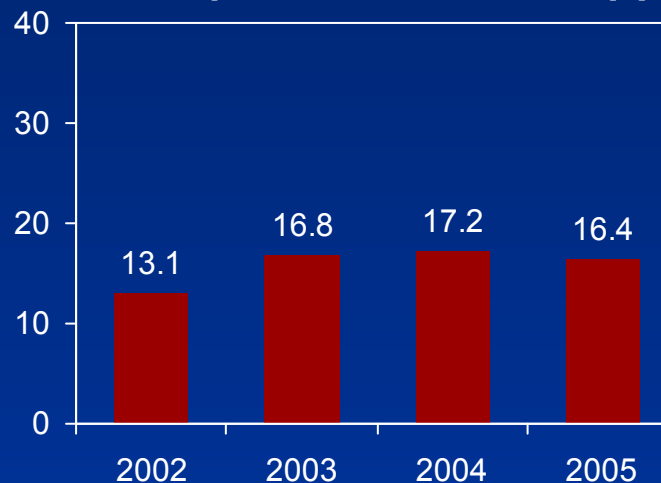
- Continue strong growth of customer base

- Achieve high usage levels to support healthy ARPU levels

Target subscriber base 2002-2005 (000s)



Development of Blended ARPU (€)



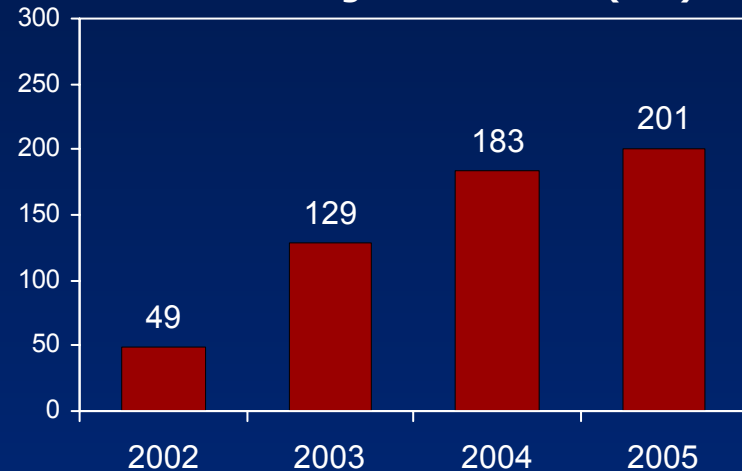
Financial Targets

- Revenues of € 215 m in 2005

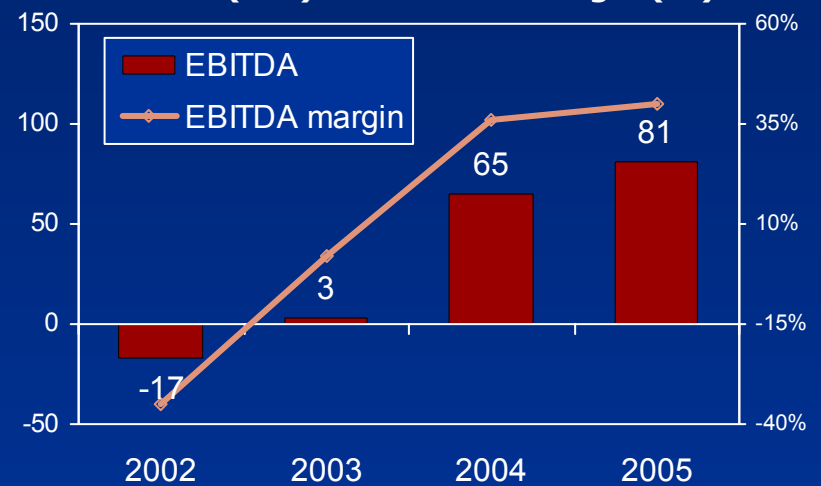
- EBITDA margin of 40% by 2005

- Cash flow positive by 2004

Revenues targets 2002-2005 (€ m)



EBITDA (€ m) and EBITDA margin (%)



Agenda

- **Overview**
- **Performance & Targets**
- **Issues & Actions**

Current Issues & Intended Actions

Issues

- **Maintain fast and cost effective network expansion rate to meet license obligation**
- **Secure debt financing to support Capex plan**
- **Ensure effective fraud control to minimise bad debt among post-paid customers**
- **Stimulate lower than expected usage rates to increase ARPU levels**

Actions

- **Optimise network planning and roll-out through deployment of expertise from corporate center**
- **Finalise negotiation with EBRD**
- **Enhanced focus on pre-paid with new pre-paid offer and renegotiation of distribution contracts**
- **Implement corporate customer marketing strategy and establish corporate sales force**

Presentation Structure

- **OTE's Strategic Focus**
- **Fixed Line**
 - **Commercial**
 - **Technical**
 - **Information Technology**
 - **IP Services**
 - **Wholesale / Key Accounts**
- **International Investments**
 - **Overview**
 - **RomTelecom**
 - **GloBul**

- **COSMOTE**
- **Group Financial Insight**
- **Closing Remarks**

