

VIVACOM FIRST QUARTER RESULTS 2014

Sofia, 12 May 2014

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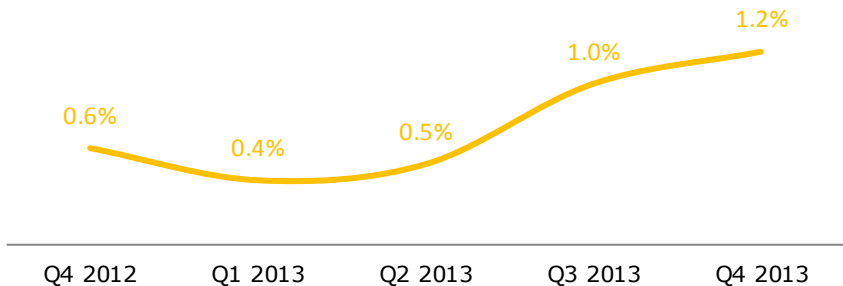
1. Overview
2. Performance highlights
3. Financial review
4. Q&A session

1. OVERVIEW

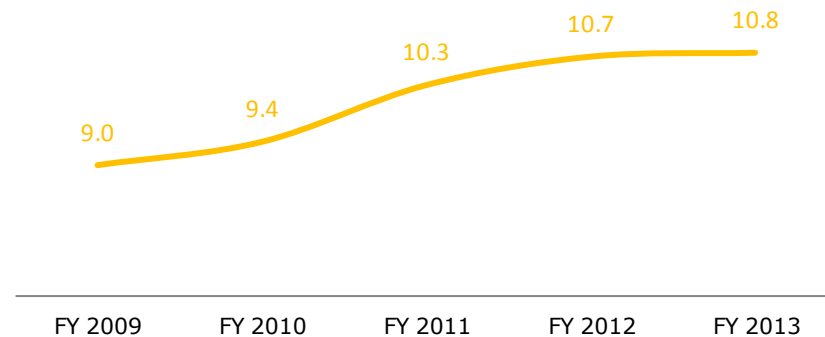
Atanas Dobrev
Chief Executive Officer

Macroeconomic environment

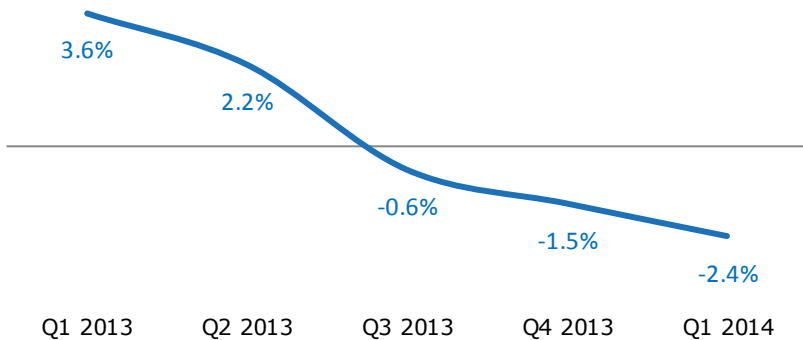
GDP growth recovering slowly
(%)



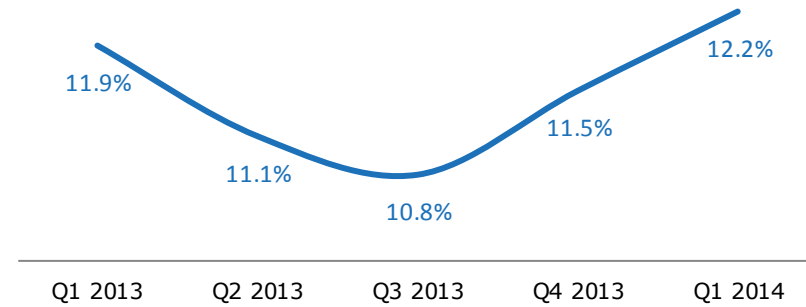
GDP per capita is on the rise, but remains low
(BGN 000)



CPI in negative territory
(%)



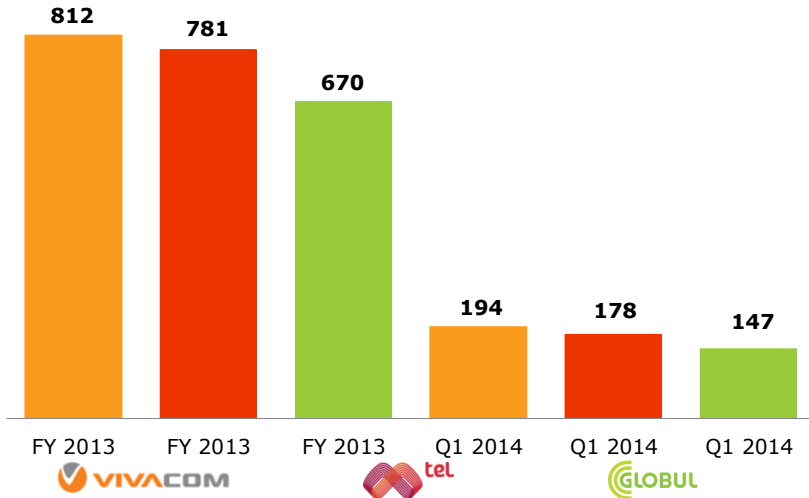
Unemployment remains high
(%)



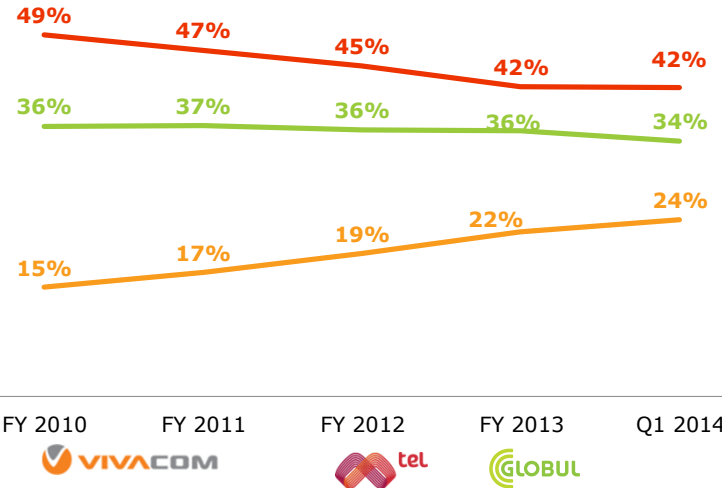
Source: NSI

Performance overview

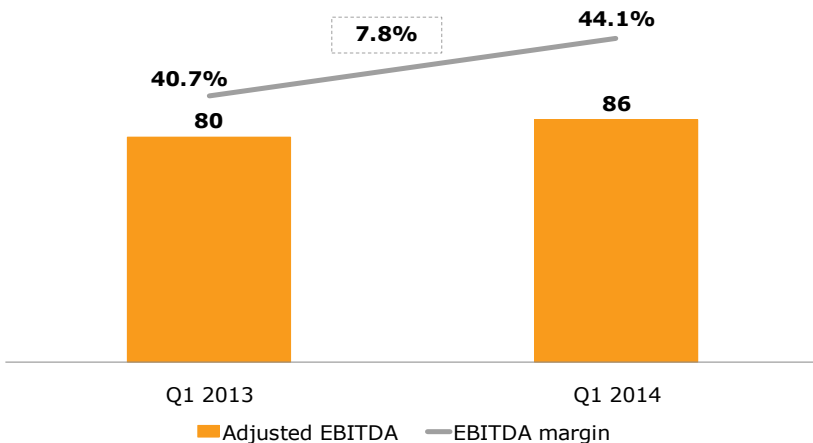
#1 Telco company on total revenues in 2013 and Q1 14
(BGN m)



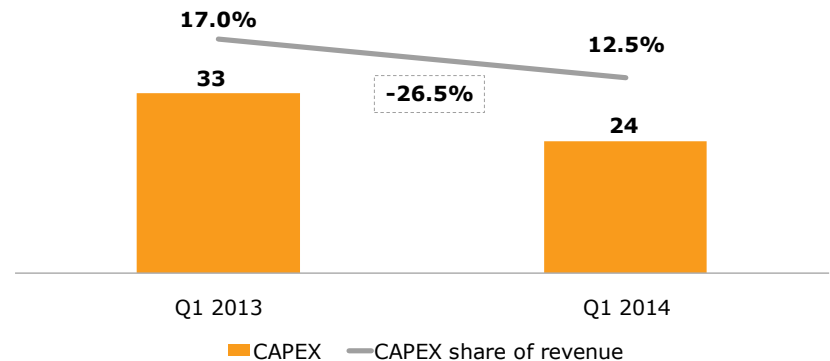
Gaining share in mobile revenues
(%)



Adjusted EBITDA and margins growing
(BGN m)



Capex supporting 3G and fiber, but with timing variance
(BGN m)



Source: Company data, Telekom Austria reports, Telenor reports

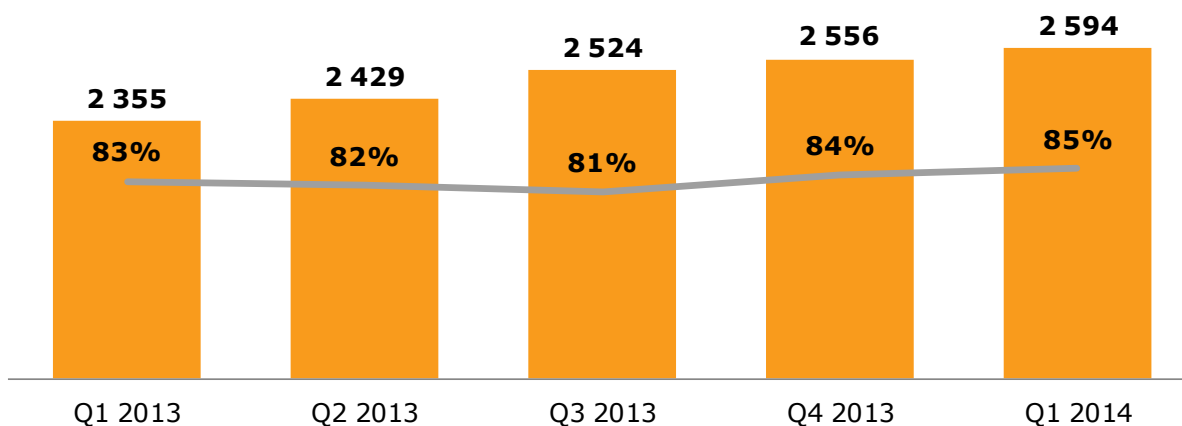
2. HIGHLIGHTS



Mobile key metrics

Subscribers (000s)

— Postpaid Share

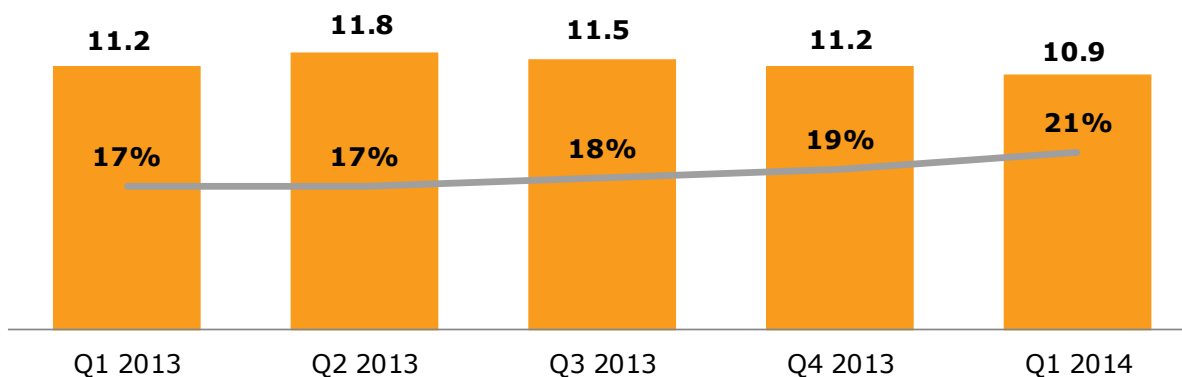


Highlights

- Subscriber acquisition continues with focus on postpaid and longer term contracts
- Smartphones and tablets driven device market

ARPU blended (BGN)

— Data share



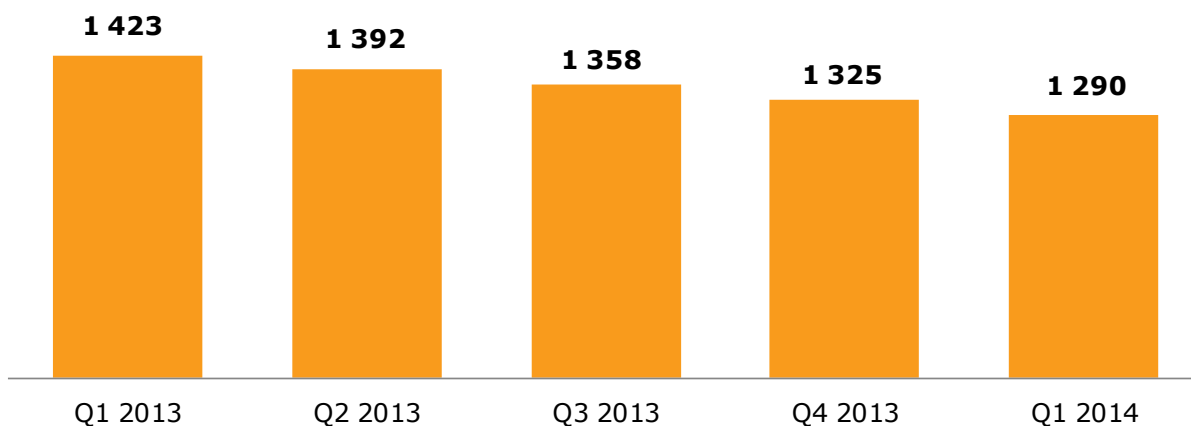
- Voice ARPU still impacted by MTR reductions (13% in Jan, but EBITDA neutral) and increasingly flat tariffs
- Growing share of data boosted by smartphone penetration

Source: Company data



Fixed voice key metrics

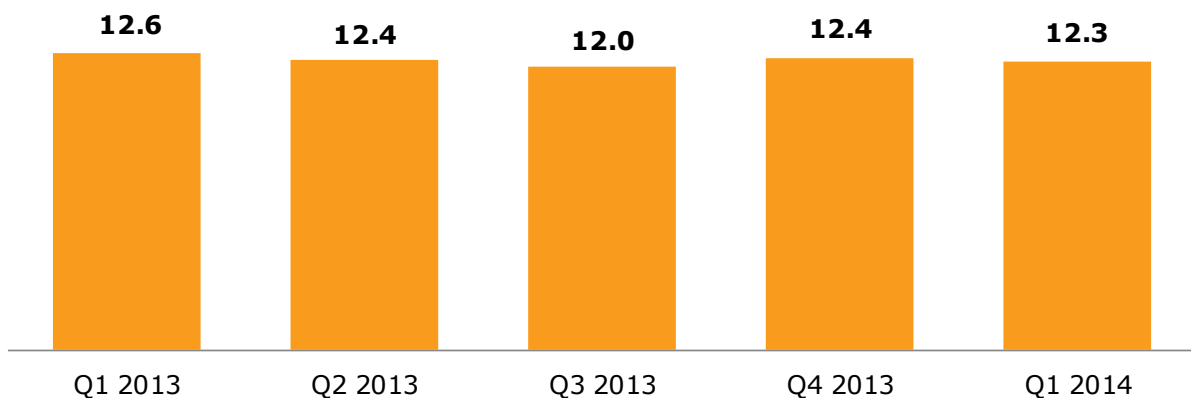
Subscribers (000s)



Highlights

- Ongoing fixed to mobile substitution trend, but with improved churn
- Competitive pressure from alternative providers with low ARPUs

ARPU blended (BGN)



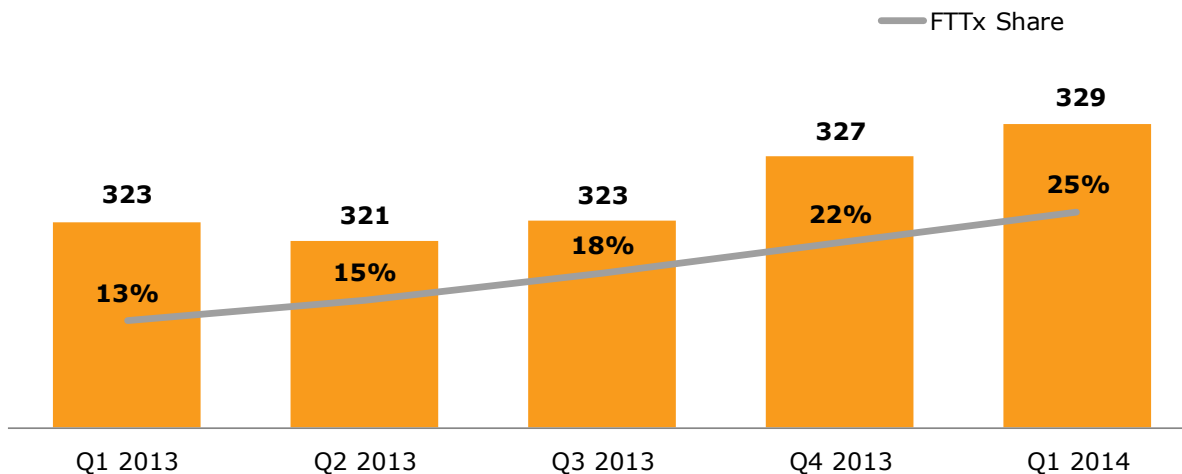
- ARPUs remain stable

Source: Company data



Fixed broadband key metrics

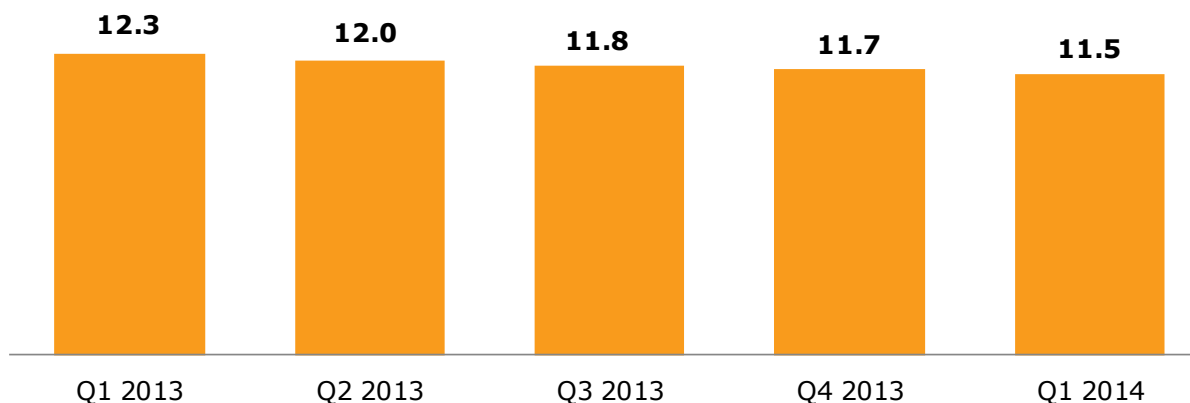
Subscribers (000s)



Highlights

- Ongoing shift to high quality and high speed FTTx services supports broadband growth
- Highly competitive market with many local operators and cheap bundled offers from bigger players

ARPU blended (BGN)



- ARPU pressures from fragmented competition and increased bundling – with ADSL most affected

Source: Company data

3. FINANCIAL REVIEW

Asen Velikov
Finance Director

Financial performance summary

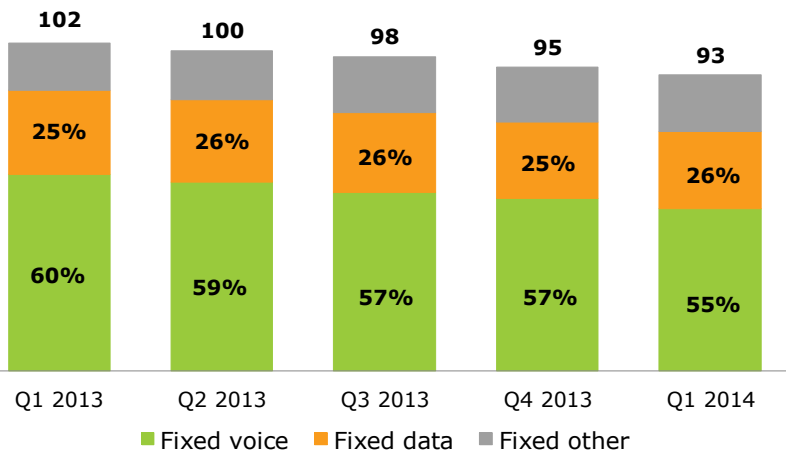
(BGN m)	Q1 2014	Q1 2013
Revenue	194	195
<i>% growth</i>	<i>(0.5%)</i>	
Net income	8	4
EBITDA	85	79
Other gains, net	1	1
EBITDA adjustments	2	2
Adjusted EBITDA	86	80
<i>% of revenues</i>	<i>44.1%</i>	<i>40.7%</i>
Capex	24	33
<i>% of Revenues, excl. licenses</i>	<i>12.5%</i>	<i>17.0%</i>
Adjusted EBITDA - Capex	61	46
Change in net working capital	(18)	7
Other CF items	(11)	2
Pre-tax FCF	32	55

Source: Company data.

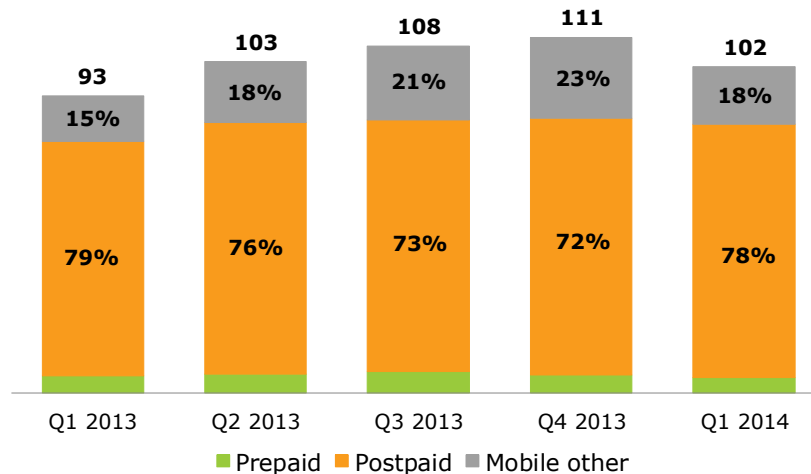
FCF excludes net cash used in financing activities, interest received/paid, corporate income tax paid and cash deposits

Revenues

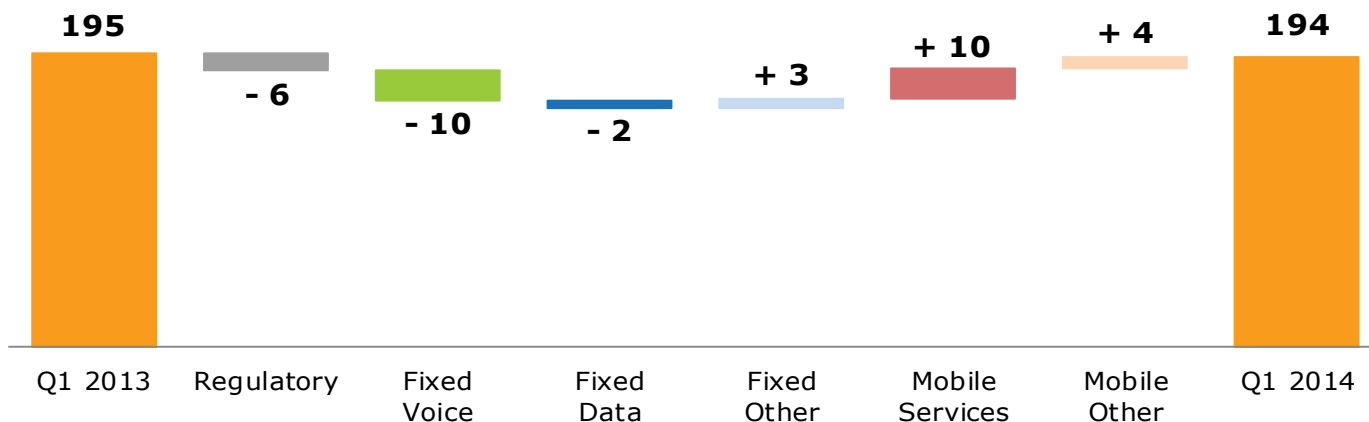
Revenues Fixed
(BGN m)



Revenues Mobile
(BGN m)



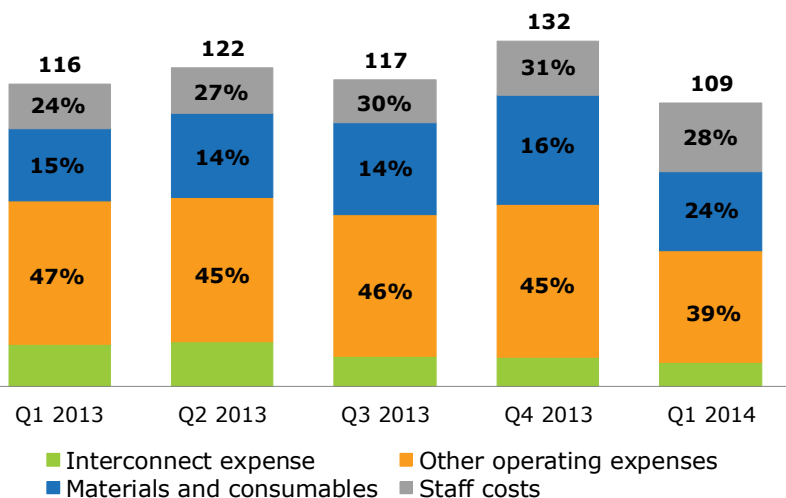
Revenue bridge Q1 2013 - Q1 2014 (BGN m)



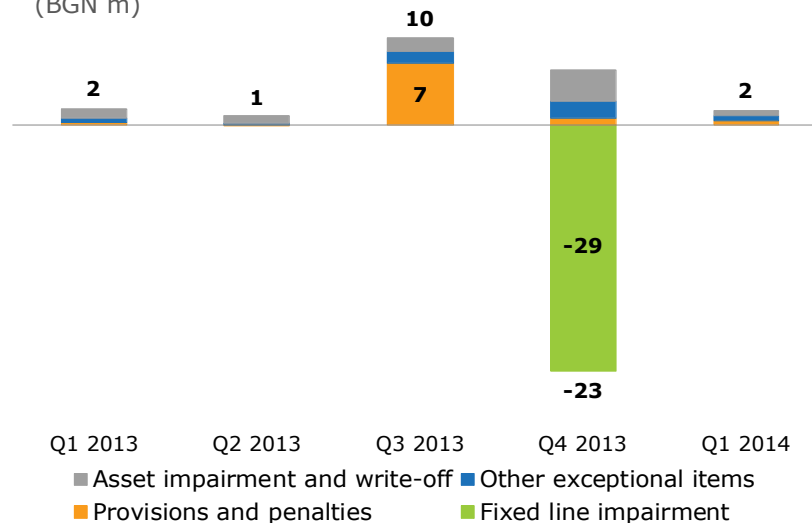
Source: Company data

Operating expenses and adjusted EBITDA

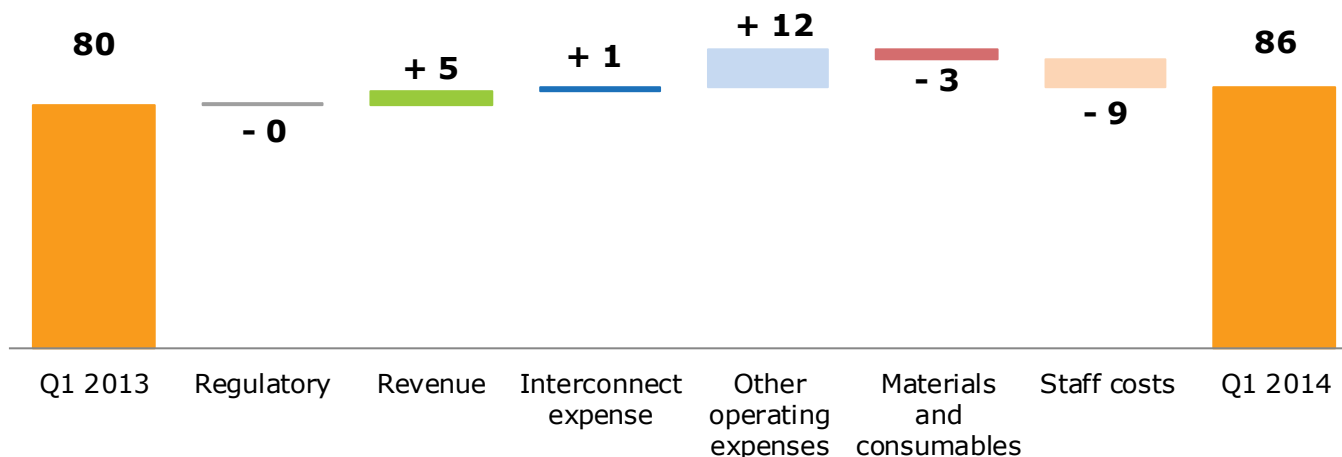
COS and Opex
(BGN m)



EBITDA adjustments
(BGN m)



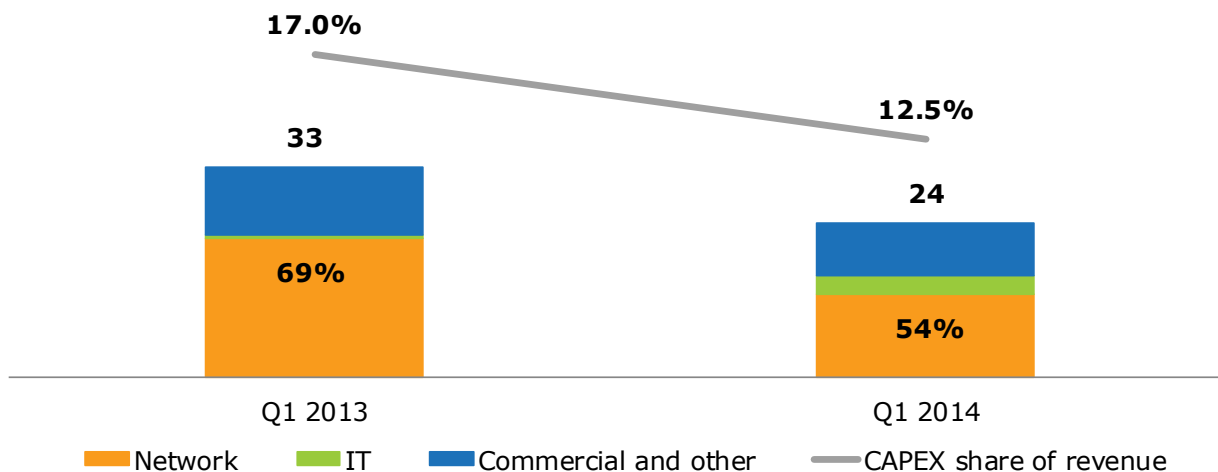
Adjusted EBITDA bridge Q1 2013 - Q1 2014 (BGN m)



Source: Company data

Capex

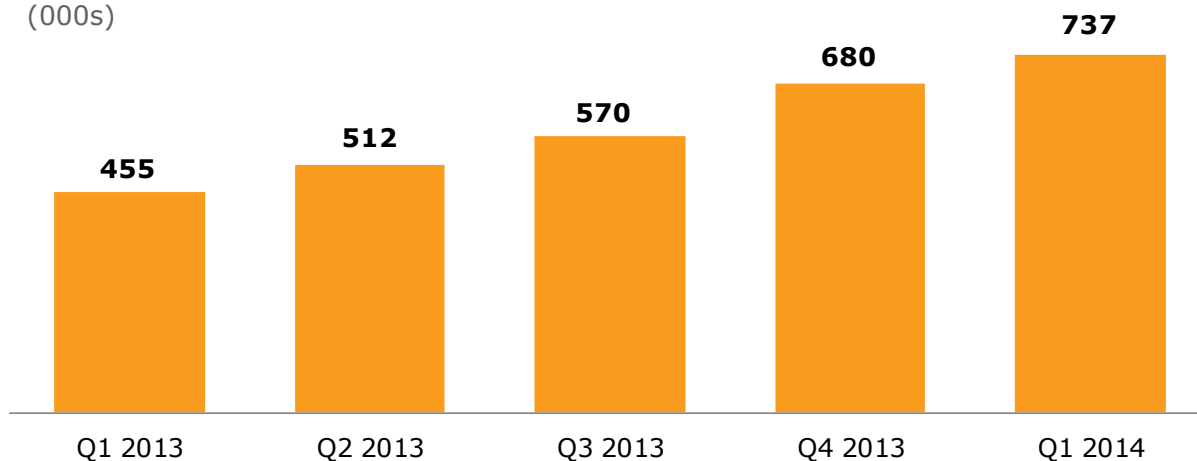
Capex structure (BGN m)



Highlights

- Mobile network capex falling with timing differences in roll-outs projects

FTTx homes passed (000s)



- FTTx rollout continues with controlled cost per household passed

Source: Company data

Net debt

(BGN m)	Q1 2014	Q4 2013
Bonds	783	769
Revolving credit	68	69
Trade credits	11	12
Financial lease	3	3
Total borrowings	865	853
Total cash and cash equivalents	(118)	(87)
Net debt	747	765
<i>Net Leverage Ratio(1)</i>	2.26	2.36

Source: Company data.

(1) Net leverage ratio calculated as ratio of Net debt and Adj. EBITDA for the last 12 months

Outlook 2014 - Unchanged

Adjusted EBITDA

BGN 310 - 330 m

Capex

BGN 160 - 180 m

Q&A