

VIVACOM
RESULTS FOR 2013
Sofia, 4 March 2014

Forward looking statements

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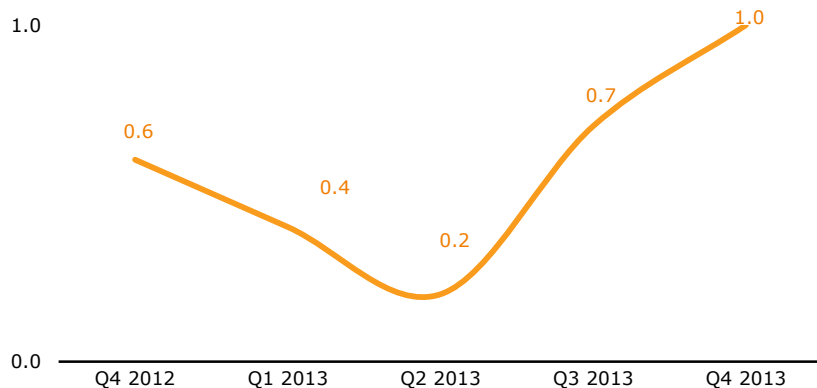
1. Overview
2. Performance highlights
3. Financial review
4. Q&A session

1. OVERVIEW

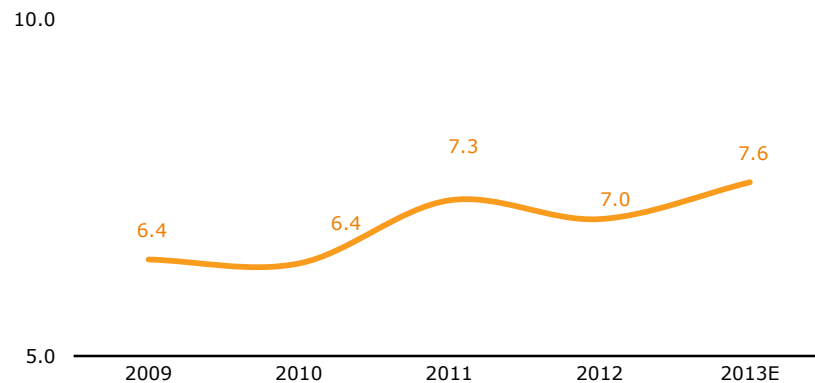
Atanas Dobrev
Chief Executive Officer

Macroeconomic environment

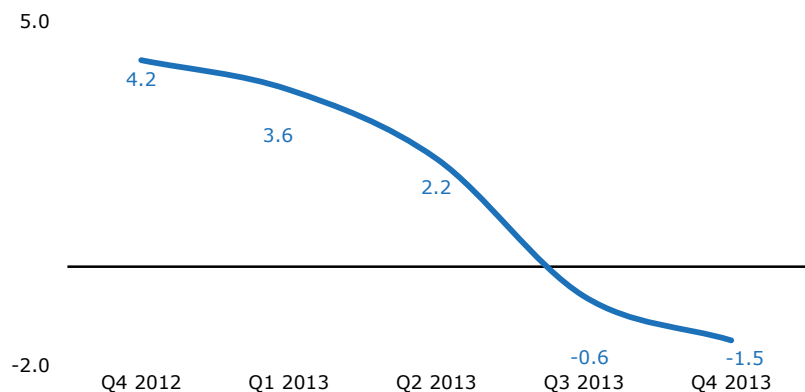
GDP growth recovering slowly
(%)



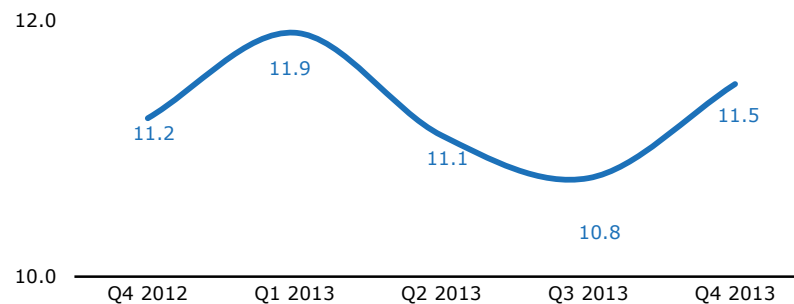
GDP per capita is on the rise, but remains low
(USD 000)



CPI in negative territory
(%)



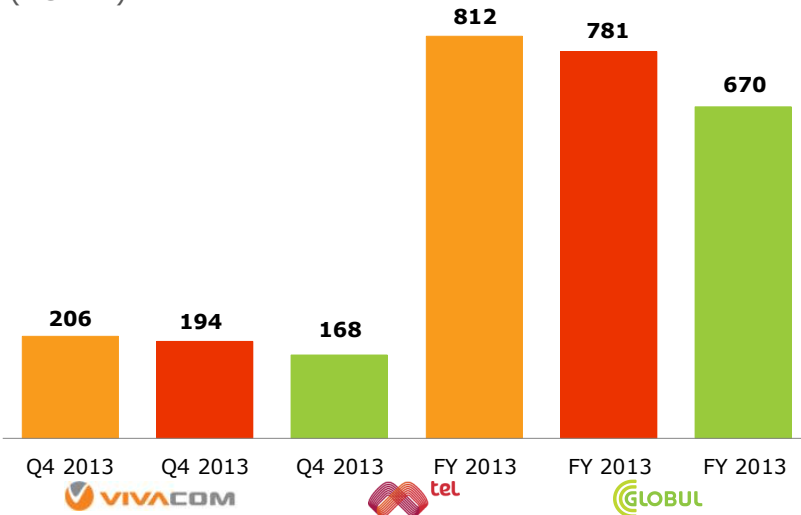
Unemployment remains high
(%)



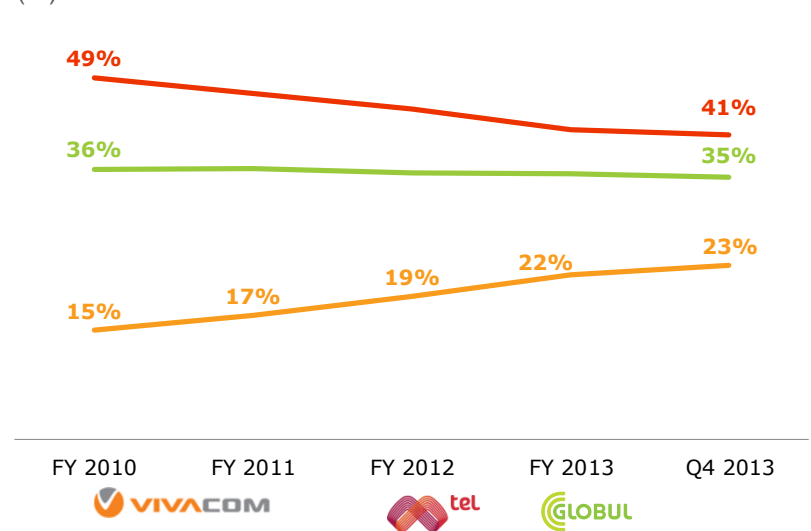
Source: NSI : GDP growth, inflation and unemployment (2013 preliminary data)
IMF : GDP per capita

Performance overview

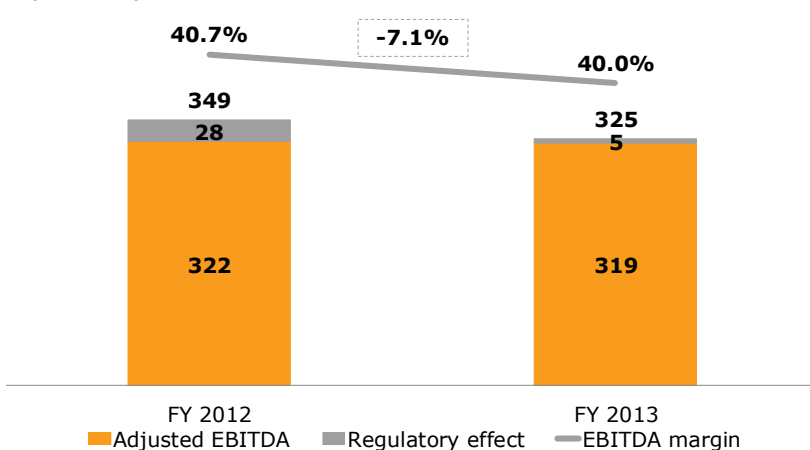
#1 Telco company on total revenues in 2013
(BGN m)



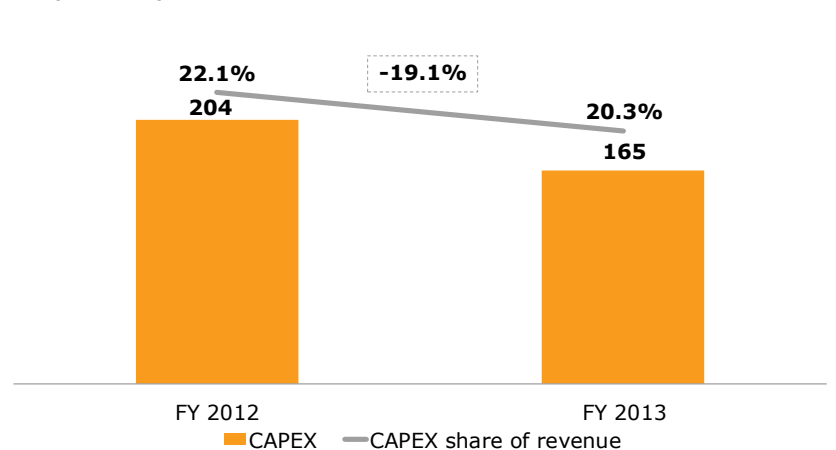
Gaining share in mobile revenues
(%)



Solid adjusted EBITDA prior to regulation
(BGN m)



Capex supporting 3G and fiber roll-out
(BGN m)



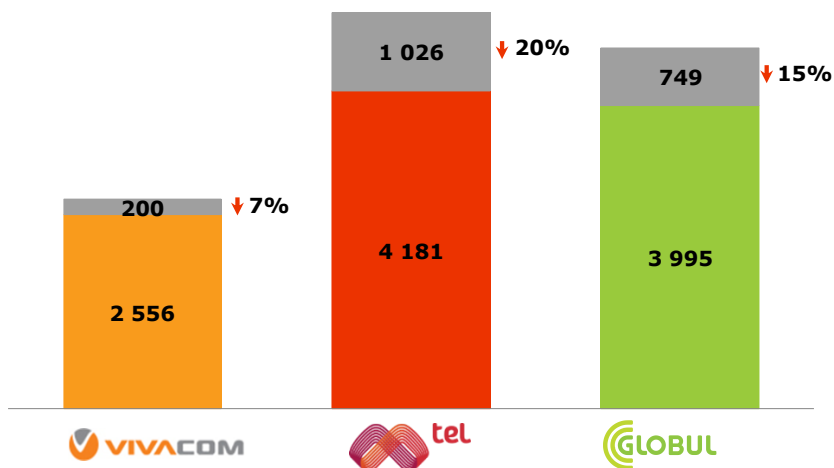
Source: Company data, Telekom Austria reports, Telenor reports.

Revenues and EBITDA ex-regulatory effect represent the financial metrics as they would have been, had regulated rates been constant at their H2 2013 levels throughout the relevant period

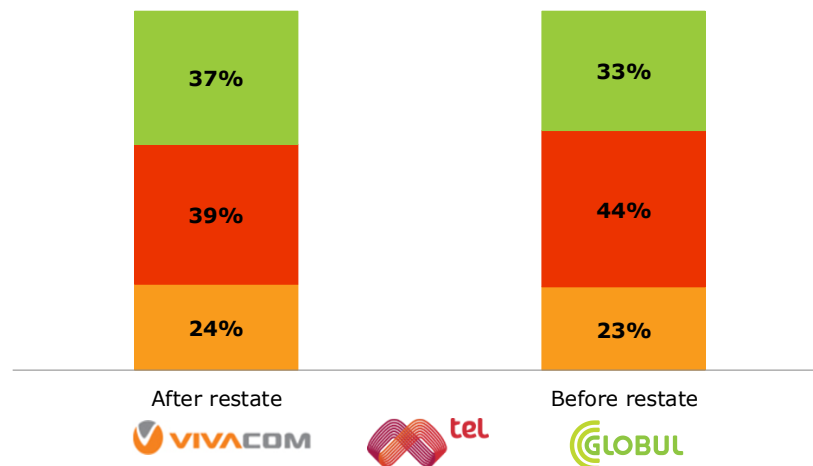
2. HIGHLIGHTS

Change in mobile subscribers reporting

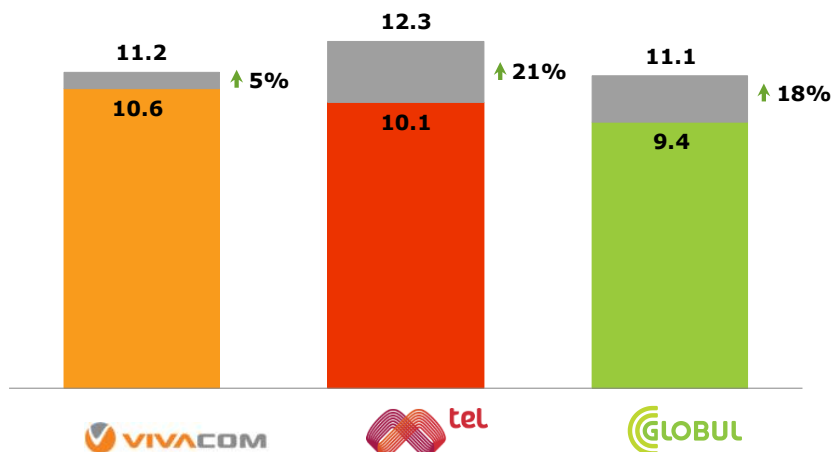
Total subscribers Q4 2013
(000s)



Subscriber market share Q4 2013
(%)



ARPU blended Q4 2013
(BGN)



- Prepaid counting only customers with 3 months activity. Subscriber decreases: Vivacom -200k (Q4), Mtel -498k (Q4), Globul⁽¹⁾ -687k (Q3)
- Postpaid reassessment: Mtel -528k (Box and ITS services), Globul -62k
- Fixed-line connections via mobile technology are counted as mobile by Mtel and Globul and as fixed by Vivacom

Source: Company data, Telekom Austria reports, Telenor reports.

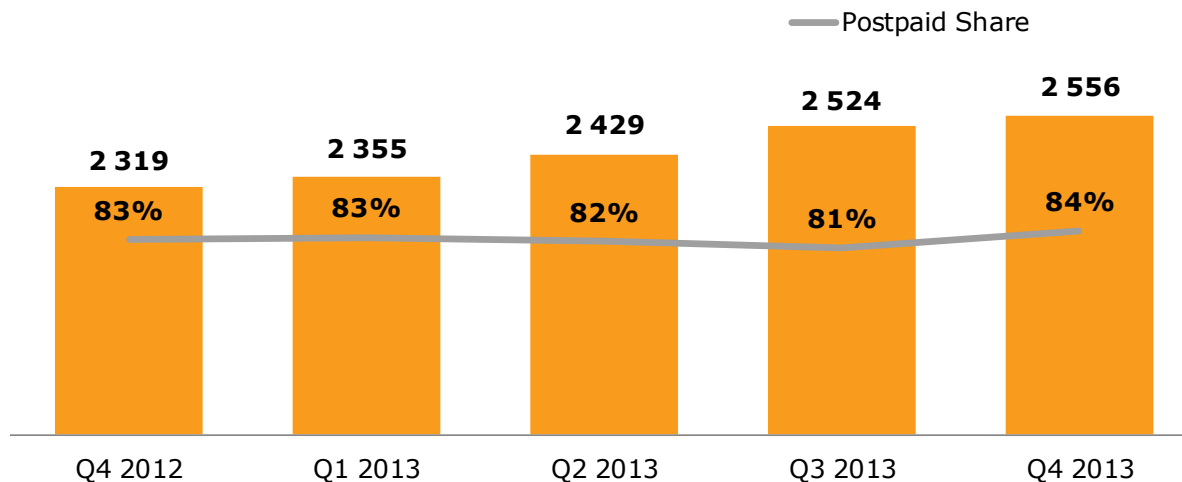
- (1) Globul prepaid subscribers adjustment is estimated as Q3 prepaid net adds
- (2) Globul ARPU prior to adjustment is estimated



Mobile key metrics

Subscribers (000s)

— Postpaid Share

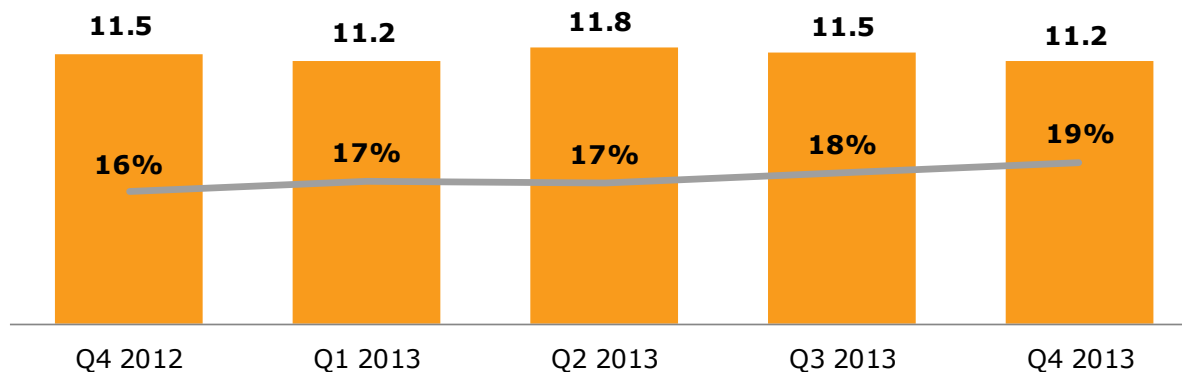


Highlights

- Subscriber acquisition continues with strong focus on postpaid and longer term contracts
- Smartphones and tablets driven market supports postpaid customer growth

ARPU blended (BGN)

— Data share



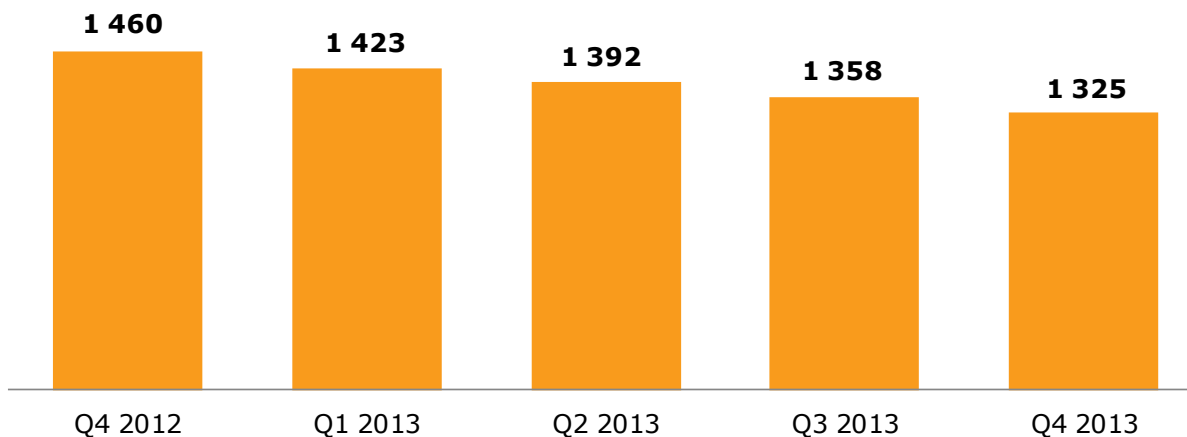
- Pressures on voice ARPUs remain with customers increasingly moving to flat tariffs with bundled minutes
- Growing share of data

Source: Company data



Fixed voice key metrics

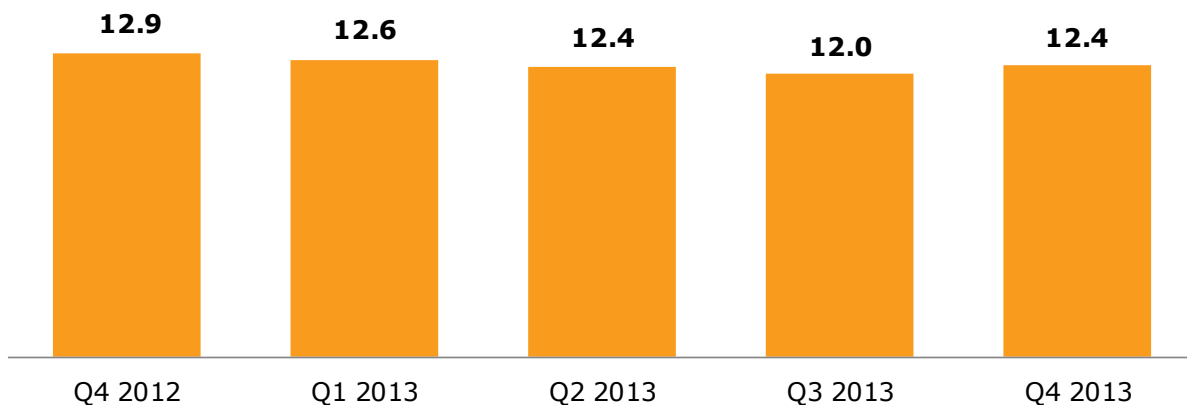
Subscribers (000s)



Highlights

- Churn stabilized, despite strong fixed to mobile substitution and growth in VoIP
- Alternative providers offer fixed as cheap add-on

ARPU blended (BGN)



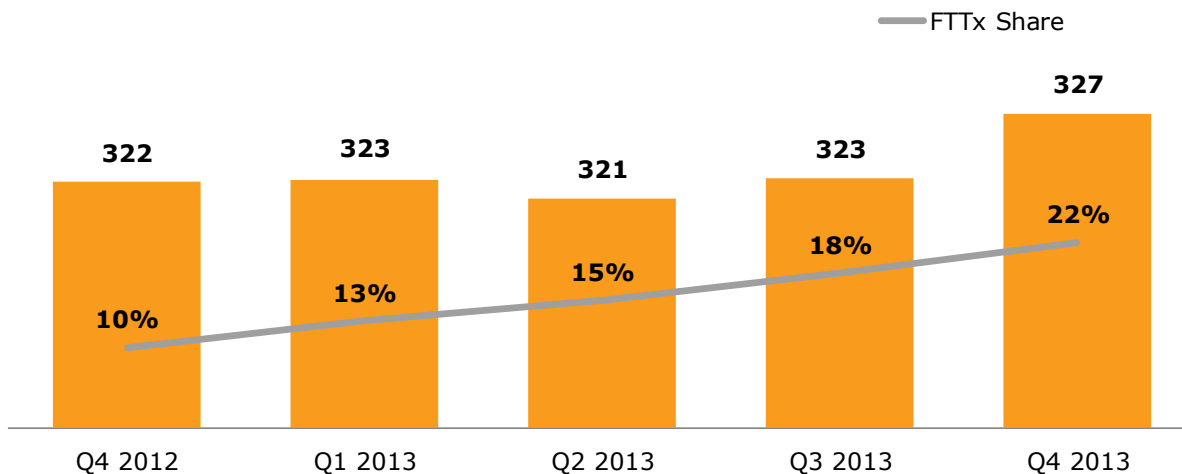
- ARPUs affected by increasingly flat traffic revenues and bundled offers

Source: Company data



Fixed broadband key metrics

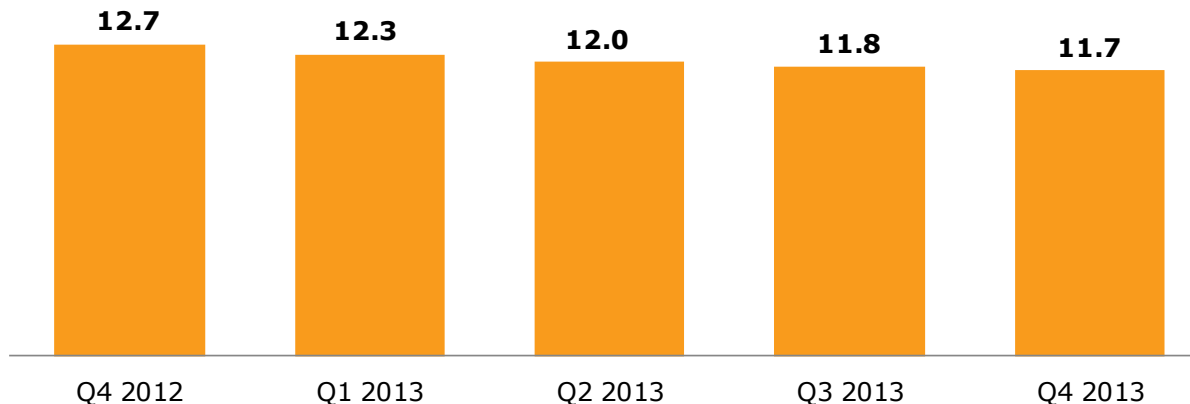
Subscribers (000s)



Highlights

- Data subscriber growth driven by high quality FTTx services
- Highly competitive market with many local operators and cheap bundled offers from bigger players

ARPU blended (BGN)



- ARPU pressures from fragmented competition and specifically on weaker ADSL
- Stabilization with growing FTTx

Source: Company data

3. FINANCIAL REVIEW

Asen Velikov
Finance Director

Financial performance summary

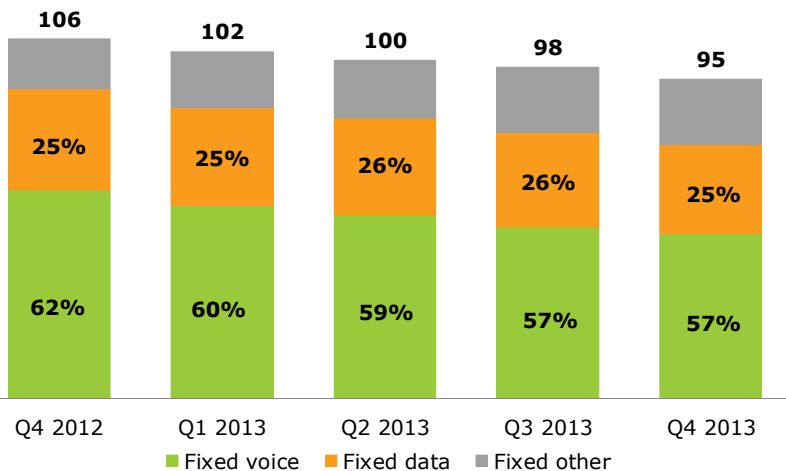
(BGN m)	Q4 2013	Q4 2012	2013	2012
Revenue	206	207	812	858
<i>% growth</i>	<i>(0.5%)</i>		<i>(5.3%)</i>	
Net income	19	(66)	29	(33)
EBITDA	99	4	339	267
Other gains, net	(2)	(3)	(5)	(10)
EBITDA adjustments	(23)	76	(9)	93
Adjusted EBITDA	74	77	325	349
<i>% of revenues</i>	<i>35.9%</i>	<i>36.9%</i>	<i>40.0%</i>	<i>40.7%</i>
Capex	67	78	165	204
<i>% of Revenues, excl. licenses</i>	<i>32.3%</i>	<i>30.8%</i>	<i>20.3%</i>	<i>22.1%</i>
Adjusted EBITDA - Capex	7	(1)	160	146
Change in net working capital	7	10	(26)	7
Other CF items	(2)	18	(7)	8
Pre-tax FCF	12	27	127	161

Source: Company data.

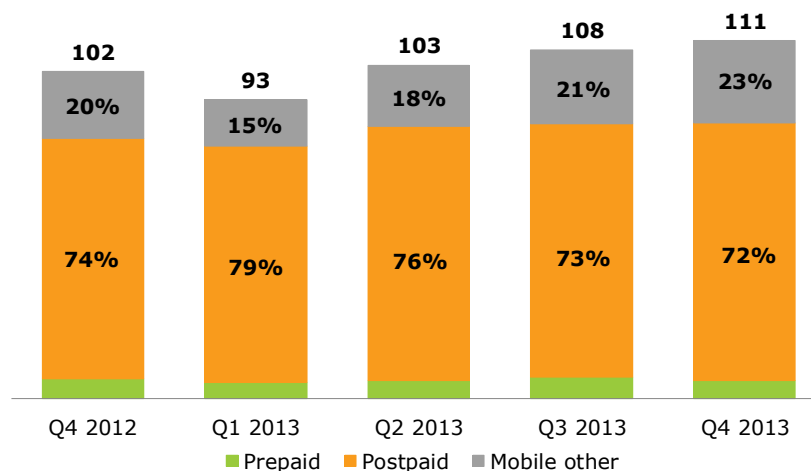
FCF excludes net cash used in financing activities, interest received/paid, corporate income tax paid and cash deposits

Revenues

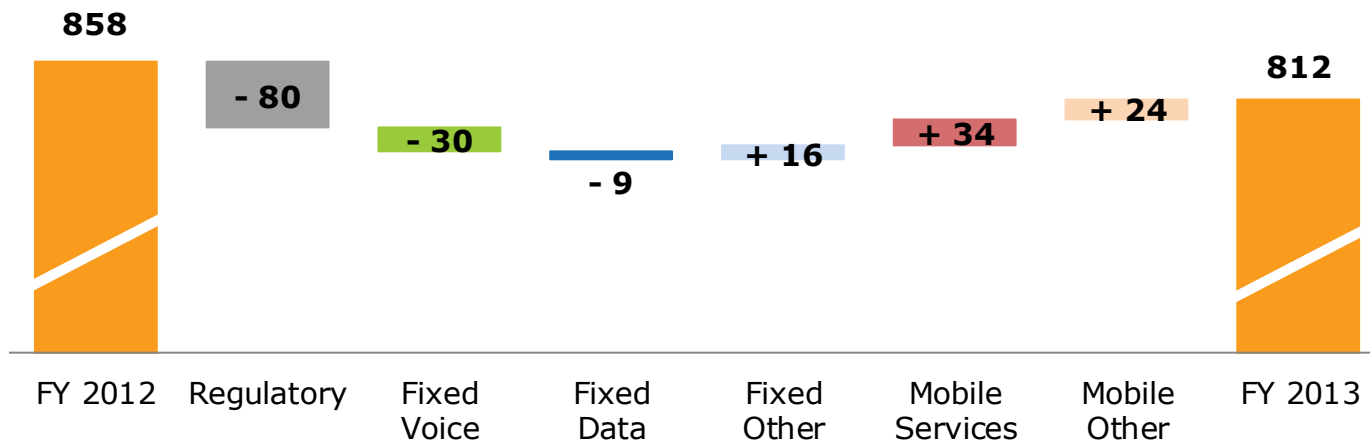
Revenues Fixed
(BGN m)



Revenues Mobile
(BGN m)



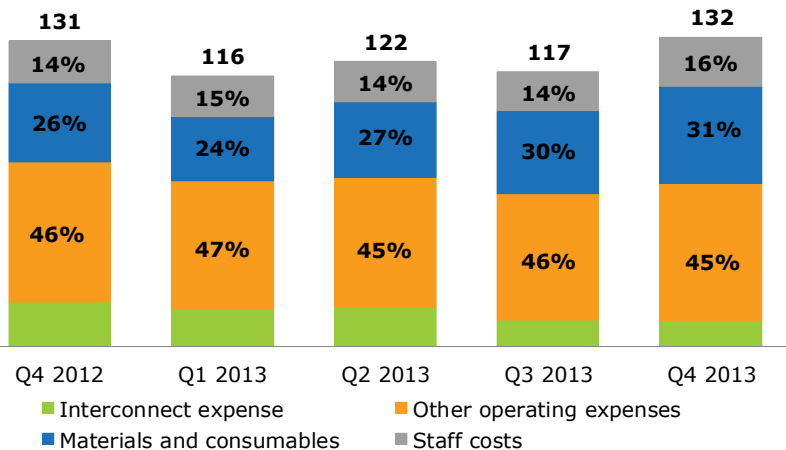
Revenue bridge 2012-2013
(BGN m)



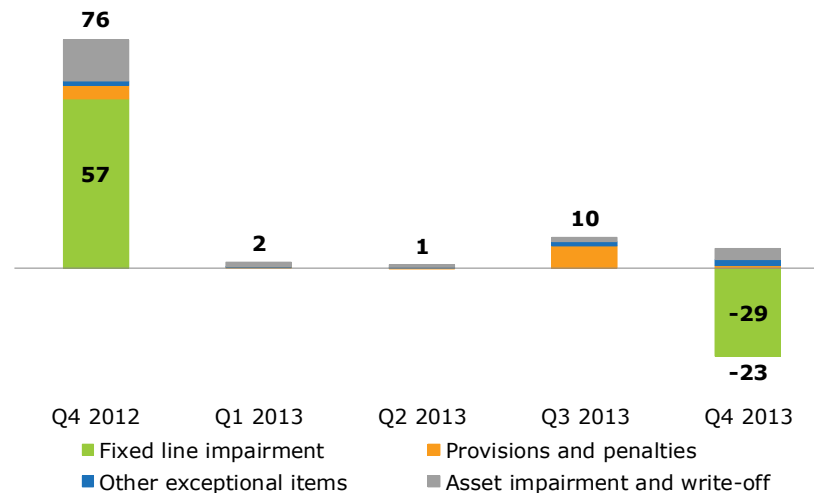
Source: Company data

Operating expenses and adjusted EBITDA

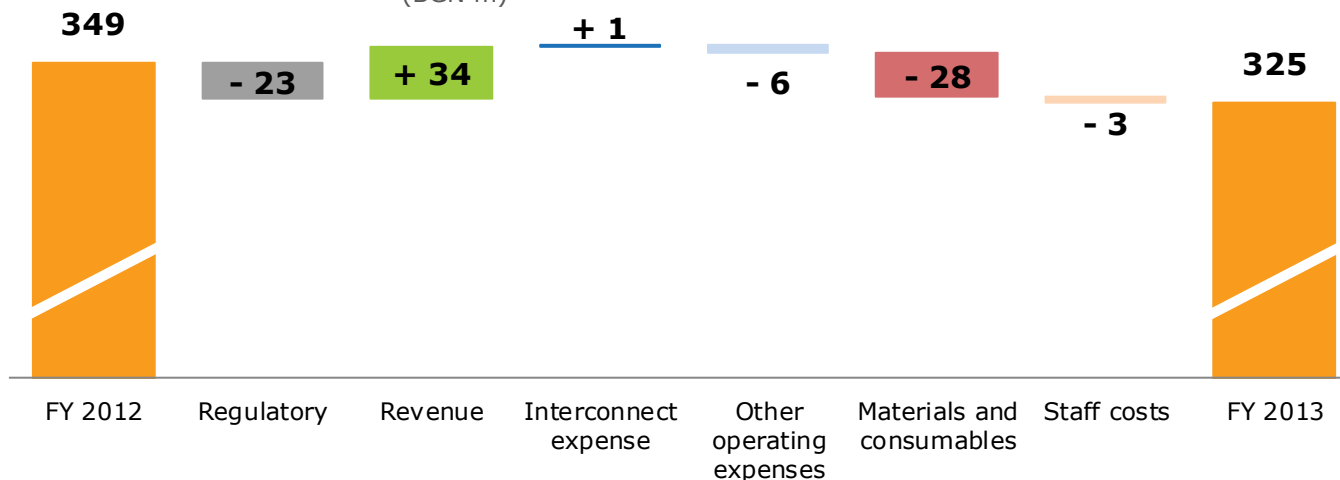
COS and Opex
(BGN m)



EBITDA adjustments
(BGN m)



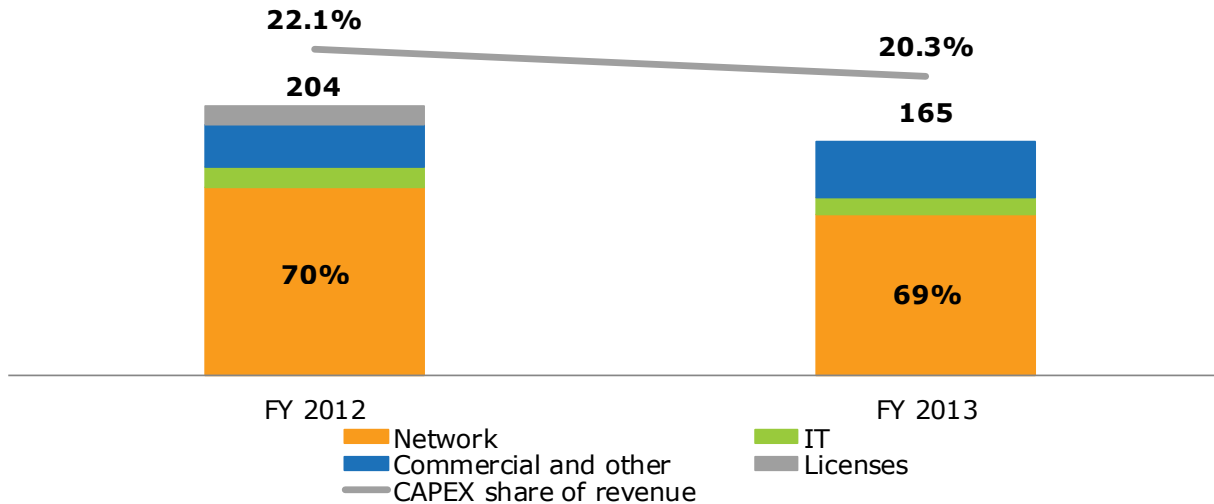
Adjusted EBITDA bridge 2012-2013
(BGN m)



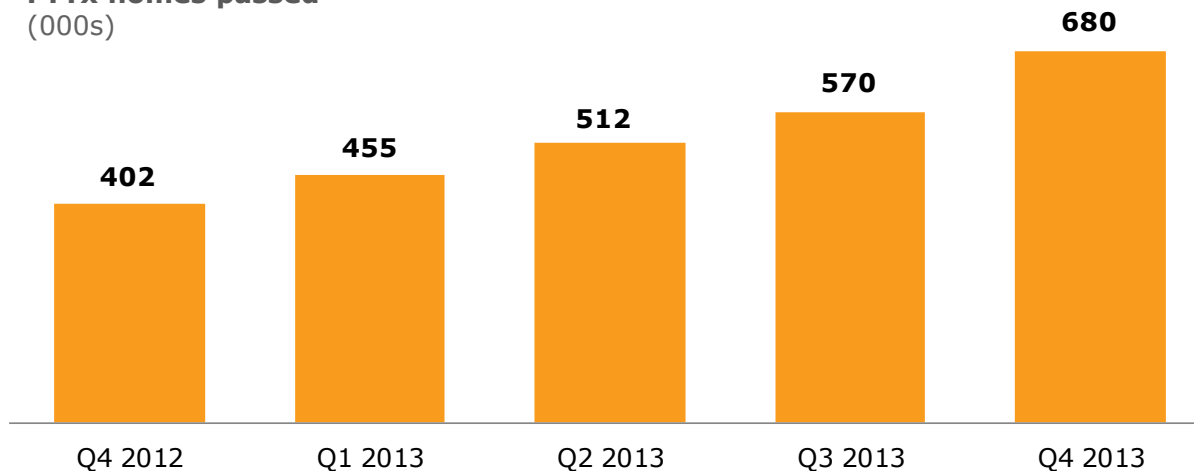
Source: Company data

Capex

Capex structure (BGN m)



FTTx homes passed (000s)



Highlights

- Network capex falling as major 2G and 3G roll-outs and related transmission are almost complete
- Mobile network with sufficient capacity to meet projected customer growth
- Higher commercial capex with more CPEs for TV and FTTH and capitalized commissions on 2-year contracts
- Targets for FTTx rollout exceeded, but capex is below last year

Source: Company data

Net debt

(BGN m)	2013	2012
Syndicated loan	-	892
Bonds	769	-
Revolving credit	69	-
Trade credits	12	-
Financial lease	3	3
Total borrowings	853	894
Total cash and cash equivalents	(87)	(64)
Net debt	765	830
<i>Net Leverage Ratio⁽¹⁾</i>	2.36	2.38

Source: Company data.

(1) Net leverage ratio calculated as ratio of Net debt and Adj. EBITDA

2014 Outlook

Adjusted EBITDA

BGN 310 - 330 m

Capex

BGN 160 - 180 m

Q&A