



International Operations

Cautionary Statement

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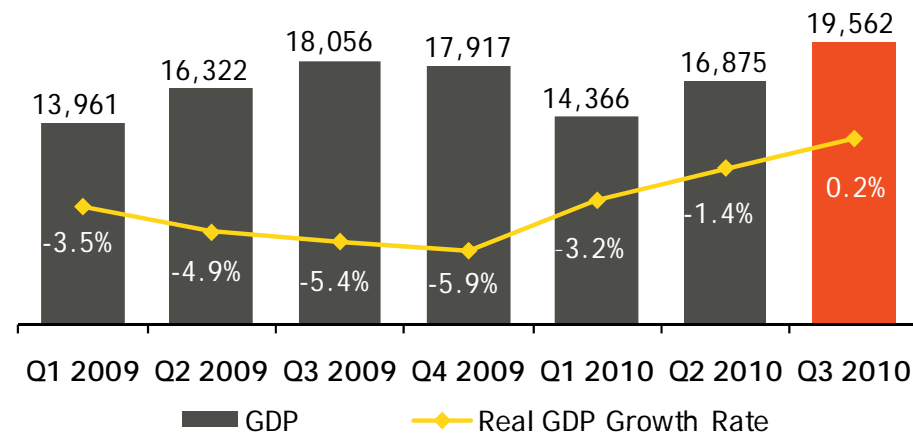
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Mobitel - Bulgaria

Business Environment Remains Challenging Despite Signs of GDP Stabilization

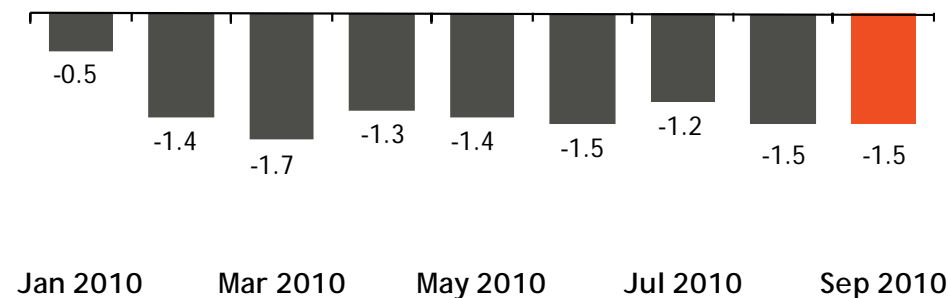
GDP and GDP Real Growth Rate

(in BGN mn)






Budget Deficit

(in BGN bn)



- > GDP real YoY growth rate continued to improve in Q3 2010:
- > Mostly driven by exports
- > Private consumption fell 7.3% YoY in Q3 2010
- > Main trading partners are EU countries, especially Greece
- > Major decrease in foreign direct investments to EUR 901 mn in 1-9M 2010
- > Austria is the biggest direct investor
- > Increase in bankruptcy and inter-company debt
- > Budget deficit BGN 1.5 bn 1-9M 2010

Convergent Strategy Strengthens Mobitel in a Highly Competitive Market

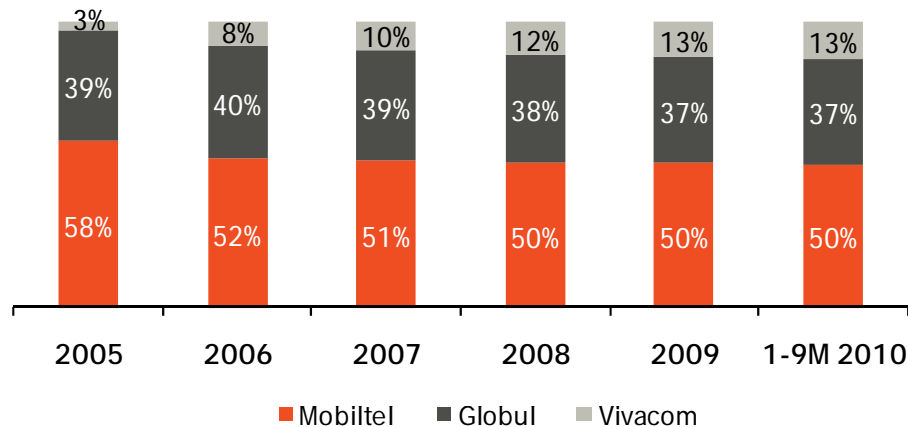
	 Convergent player	 Mobile provider	 Convergent player
Strategy	Convergent player	Mobile provider	Convergent player
Ownership	Telekom Austria Group	OTE 70%/ Deutsche Telekom 30%	PineBridge Investments, PCCW Ltd
Mobile Market	Market leader	Challenger	Price leader
Business Customers	85% market share of top 200 companies, synergies with TAG & Vodafone	Getting stronger with T-Mobile	Up selling fixed line companies with mobile
Distribution*	PsP: 574 (213 Mobitel shops) PrP: 5,000	PsP: 451 PrP: 4,500	PsP: 247 PrP: 4,500
Subscribers	5.2 mn	3.9 mn	1.4 mn

* PsP: Point of sale post-paid, PrP: Point of sale pre-paid

Strong Market Position of Mobitel Despite Highly Competitive Pricing Environment

Total Market Share

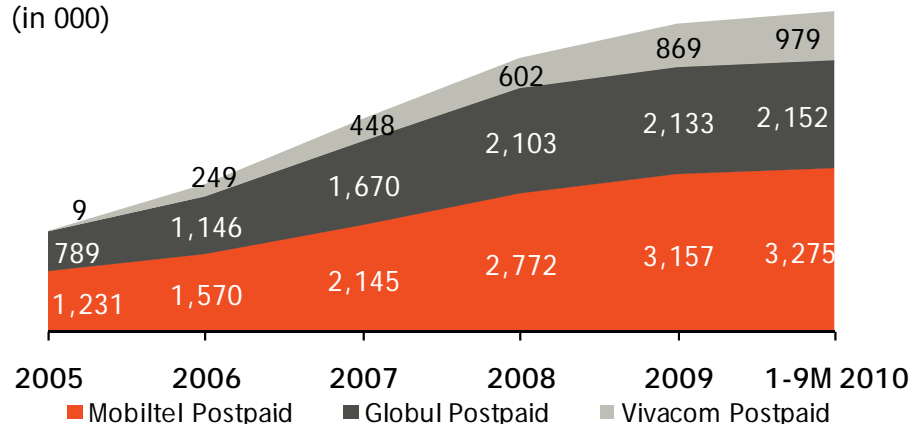
(in %)



- > Mobitel maintains market share of 50%
- > Overall difference to Globul steady at more than 1.4 mn subscribers
- > Strong postpaid market share of 51% with 65% market share with business customers
- > Vivacom is the main postpaid competitor despite difference of approximately 2.2 mn subscribers

Development Post-Paid Subscribers

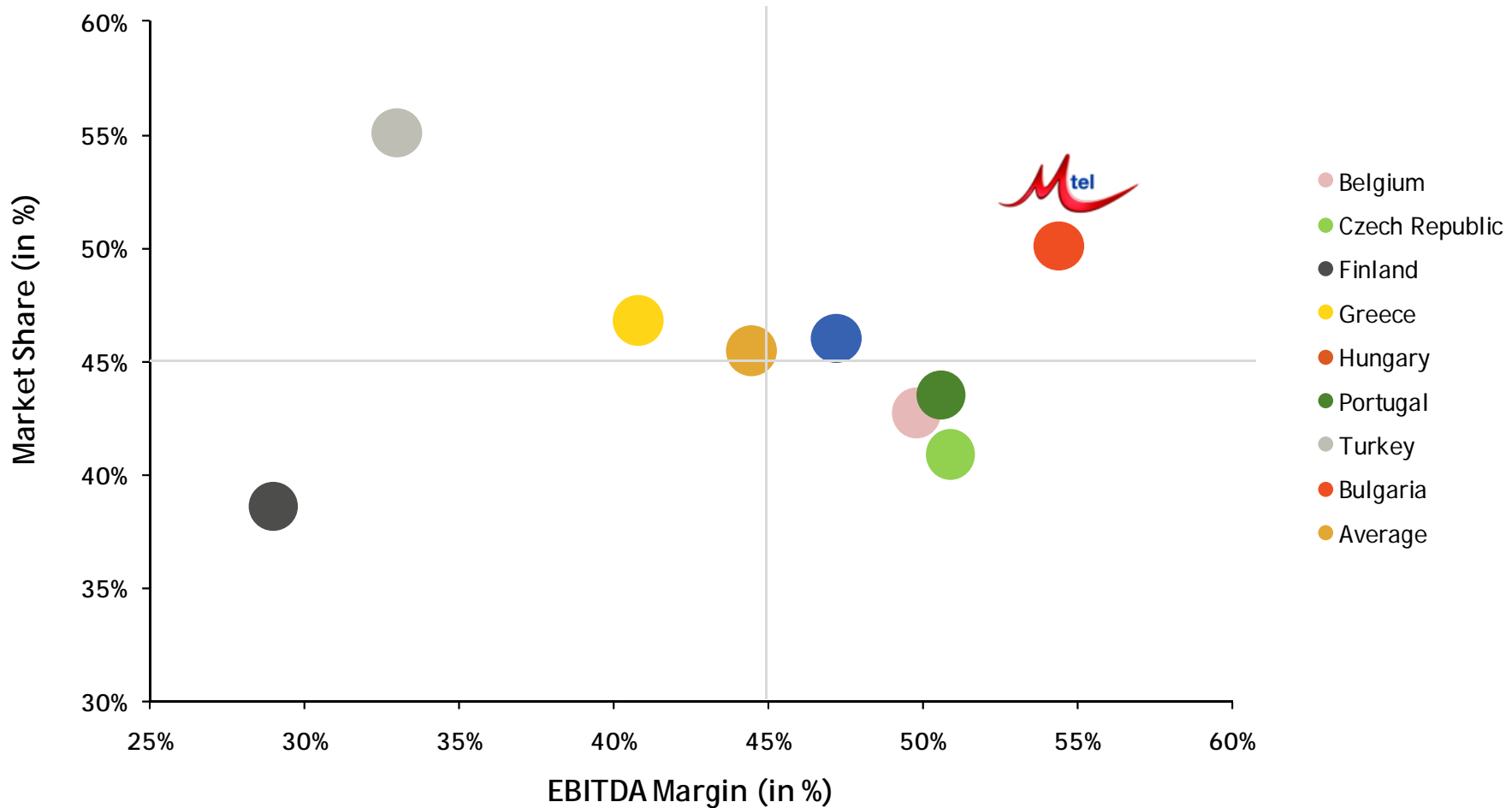
(in 000)



High Market Share Ensures Healthy EBITDA Margin

Overview Market Share and EBITDA Margin

(Countries with 3 operators, as of Q2 2010)



Growth Potential Driven by Data and Bundle Products

- > First on the market to launch several smartphone models
- > Combined with customized data tariffs
- > 2011 year end smartphone sales to reach 15% to 20% of total handset sales



- > 71% increase in smartphone sales (Jan-Oct, 2010 YoY)

- > Wide portfolio of netbook models targeted at each market segment
- > Combined with customized data tariffs
- > 2011 year end around 210,000 broadband subscribers estimated



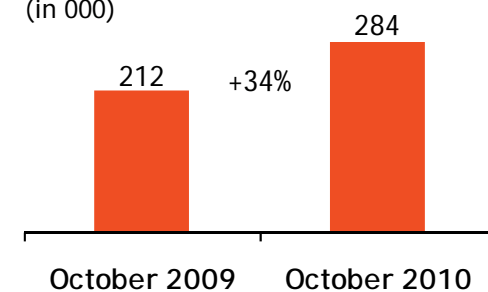
- > Almost 100% increase in netbook sales (Jan-Oct, 2010 YoY)

- > Competitive fixed voice offers
- > Launch of bundled offers for both residential and business customers
- > 2011 year end around 150,000 box subscribers estimated

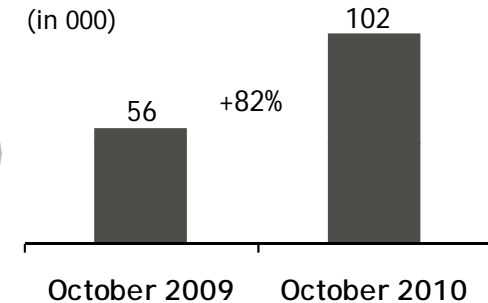


- > 200% increase in box solutions (Jan-Oct, 2010 YoY)

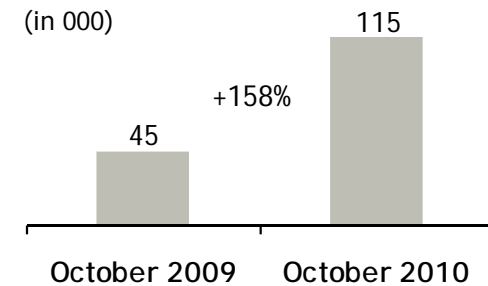
Smartphone Subscribers (in 000)



Mobile Broadband Subscribers (in 000)

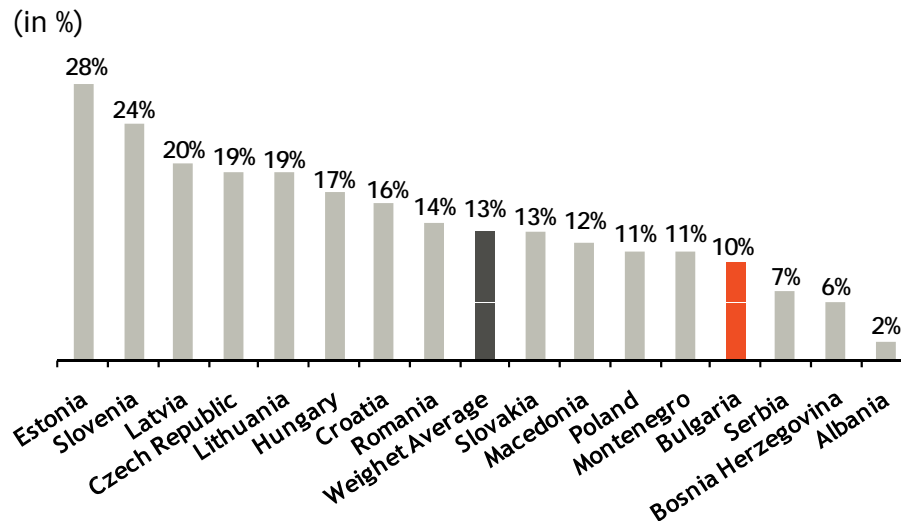


Box and CVPN Subscribers (in 000)

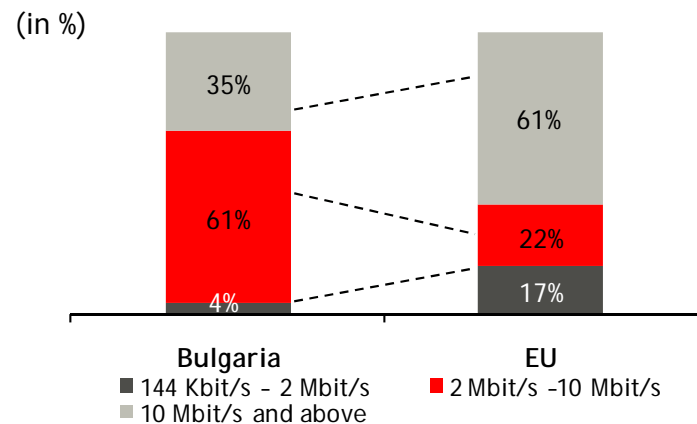


Underdeveloped Fixed Broadband Market Highlights Growth Opportunities in Bulgaria

Fixed Broadband Penetration (SEE)



Fixed Broadband Data Speed (EU)



- > Low fixed broadband penetration of 10% versus 24.8% EU average in 2009
- > Highest average data rates in EU with more 10 Mbit/s for 61% of total subscribers
- > 30 Mbit/s data rate is the most commonly offered tariff in Bulgaria
- > Absence of viable DSL wholesale offering and low entry barriers have led to fragmented broadband market
- > Incumbent Vivacom and cable operator Eurocom/CableTel are largest operators
- > High current pay-TV penetration of 72% expected to lead to high IPTV penetration
- > Total revenues of fixed broadband market estimated to grow from EUR 140 mn in 2009 to EUR 260 mn in 2019

Mobilitel to Participate in Growth Potential with Planned Acquisitions

Acquisitions of Megalan and Spectrum Net Orbitel

Household coverage:
17% nationwide, 50% in Sofia

85,400 broadband
subscribers

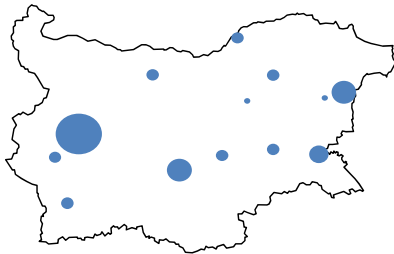
Market share:
9% nationwide, 24% in Sofia

- ✓ > Term sheet signed on September 15, 2010
- ✓ > Convergent product bundles launched on October 18, 2010
- ✓ > Approval by Competition Protection Commission in December 1, 2010
 - > Closing of both deals targeted for January 2011
 - > Financial consolidation in Q1 2011 expected

Roll-Out Strategy For Fixed Line Broadband

Broadband coverage

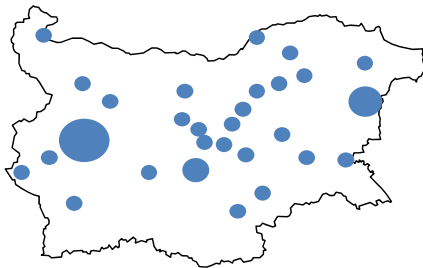
Short-term



Objectives

- > Position Mobilitel as FMC player to participate in growth
- > Build on successful launch of FMC offers in Q4 2010

Mid-term



- > To reach targeted coverage, market share and portfolio by extending acquired fixed network
- > Position Mobilitel as innovative, high quality and fully integrated service provider
- > Coverage:
 - > 50% household coverage (85% coverage in top 10 cities)
 - > 404,000 broadband subscribers (market share: 22% nationwide)

Outlook and Long Term Trends

Trends

Macroeconomic environment

- > The government foresees fiscal deficit to be around 2.5% of GDP (BGN 1.96 bn) in 2011. The estimate is based on an optimistic forecast for GDP growth of 3.6% in 2011 and fiscal revenue improvement
- > Slow recovery of private consumption expected over the next couple of years

Telecom market development

- > Key market drivers:
 - > Convergent products
 - > Smartphones
 - > M2M
- > Ownership structures of Vivacom to be clarified and finalized

Regulatory interventions

- > Expecting further decrease in national and international interconnection fees

MobilTel Strategy

- > Maintain stable market share and EBITDA margin
- > Focus on postpaid market and achieve ARPU uplift through broadband products, entertainment services, smart phones
- > Establish solid market presence and network coverage in the biggest cities
- > Position MobilTel as a full telecom service provider through additional innovative and convergent products as well as superior customer service
- > Harmonize product and service portfolio as well as the network roll-out and technology of acquired companies

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Vipnet - Croatia

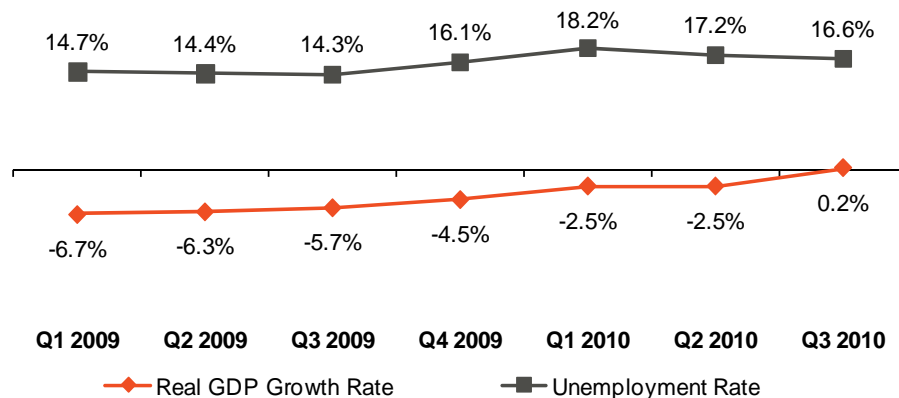
Croatian Economic Environment Remains Challenging

Overview of Macroeconomic Indicators*

Key Macroeconomic Indicators	2007	2008	2009
GDP per capita (EUR)	9,656	10,683	10,245
GDP growth (constant prices, yoy in %)	5.5	2.4	-5.8
Private Consumption, real (yoy in %)	6.2	0.9	-8.5
Unemployment rate (Registered, %)	14.8	13.2	14.9
Inflation (average, in %)**	2.9	6.1	2.4
Gross external debt (% of GDP)	76.9	85.1	98.3
Fiscal deficit (% of GDP)	-2.0	-1.4	-3.9

Real GDP Growth Rate and Unemployment*

(in %)



- > EU accession talks completion expected in 2011
- > Estimated further widening of fiscal deficit
- > Stable exchange rate, average HRK/EUR of 7.32 in October 2010
- > After GDP declined 2.5% in Q2 2010, first estimated result for Q3 2010 +0.2%
- > Higher GDP decline prevented by positive impact of tourist season (+3.2% in tourists arrivals Q1-Q3 2010 vs. Q1-Q3 2009)
- > Unemployment rate - further increase to 17.8% in October 2010
- > Retail trade turnover increased by 1.5% in October 2010 vs. October 2009

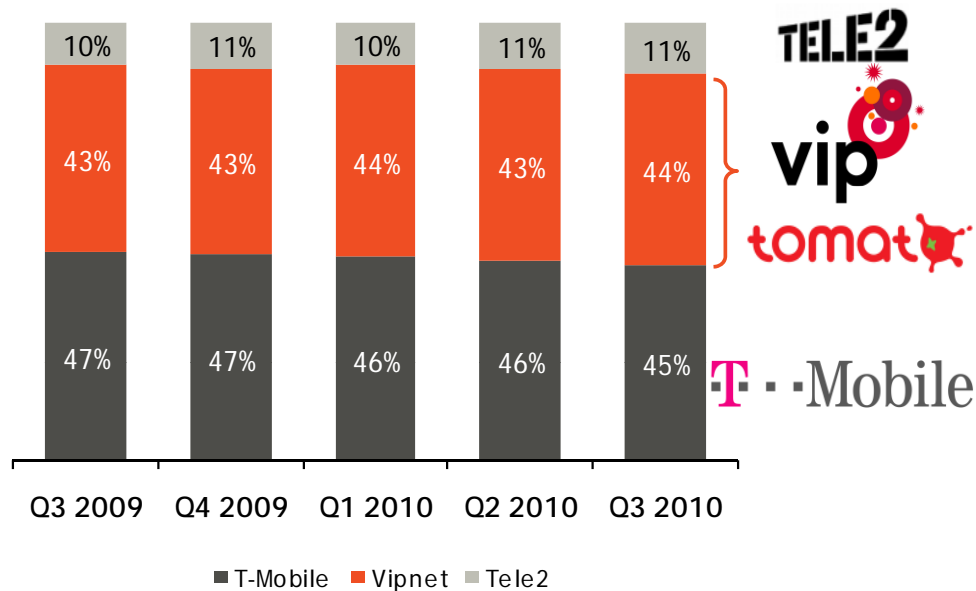
* Source: Croatian National Bank, Central Bureau of Statistics, Ministry of Finance

** Consumer Price Index

Smart Execution of Dual - Brand Strategy Proves Successful in Economic Downturn

Market Share

(in %)

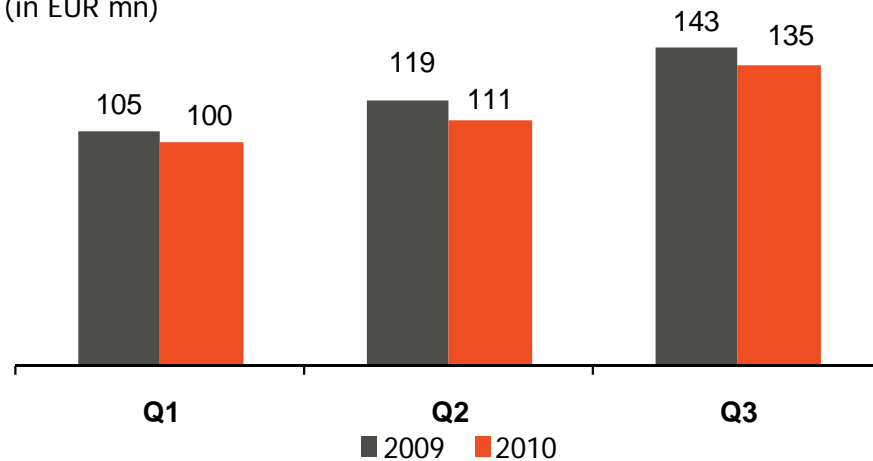


- > In Q3 2010 market penetration grew 2.8 pp and reached 140.6%
- > Vipnet holds 43.6% of market share and closes the gap to T-Mobile by 3.0 pp in 2010
- > Dual brand strategy proven to be best fit in the environment of economic downturn ensuring Vipnet's overall stable market share development
- > In highly competitive environment of 4 brands T-Mobile launches 5th brand "bonbon"

Strict Cost Management Mitigates Revenue Pressure, Significant Impact of Mobile Tax

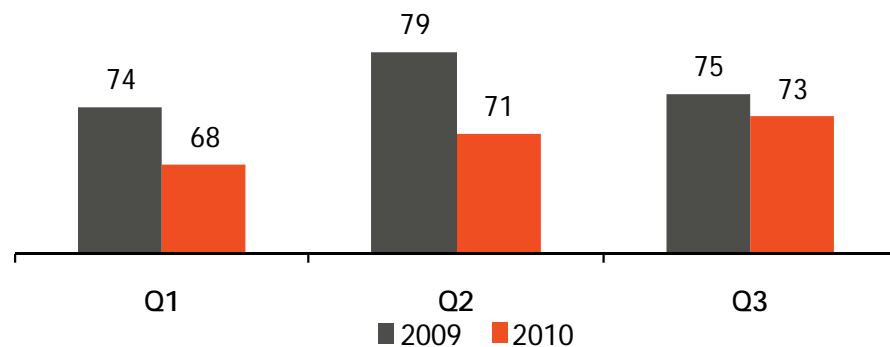
Revenue Development

(in EUR mn)



OPEX Excluding Mobile Tax*

(in EUR mn)



* Introduced in Q3 2009 as 6% of certain revenue positions

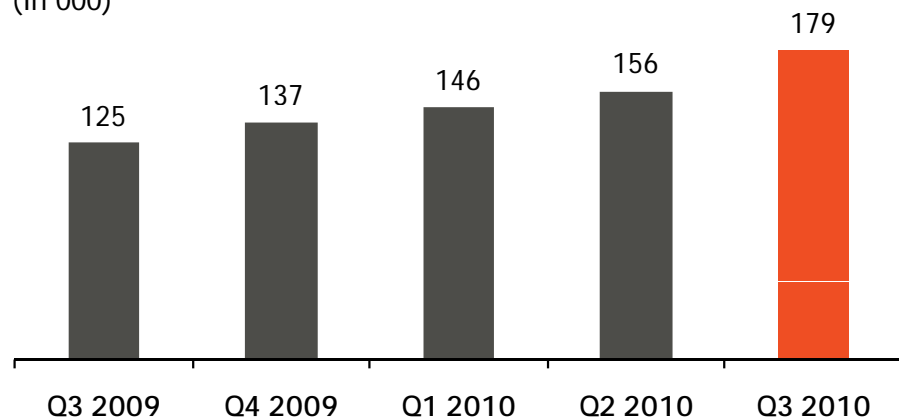
- > Revenues are still impacted by economic environment
- > OPEX excluding mobile tax decreased by 6.6% in Q3 2010 compared to 2009 partially compensating the impact of revenue decline on profitability
- > Expected core business growth in future will not fully compensate for the decrease in visitor roaming and interconnection

	2008	2009	1-9M 2010
EBITDA comparable margin	38.2%	35.8%	35.5%
EBITDA comparable margin excluding mobile tax	38.2%	37.4%	39.0%

Market Leader in Mobile Broadband

Mobile Broadband Subscribers

(in 000)

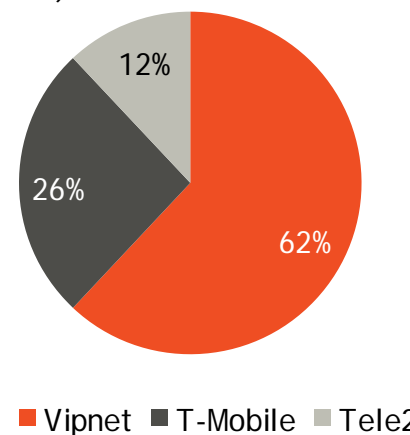


- > Vipnet is leader with 62% of mobile broadband market share
- > YoY growth of customer base by 43% to approximately 179,000 customers
- > 15% mobile broadband revenue growth in Q3 2010 versus Q3 2009

Data traffic has been doubling for the past years and is expected to continue to grow at this pace

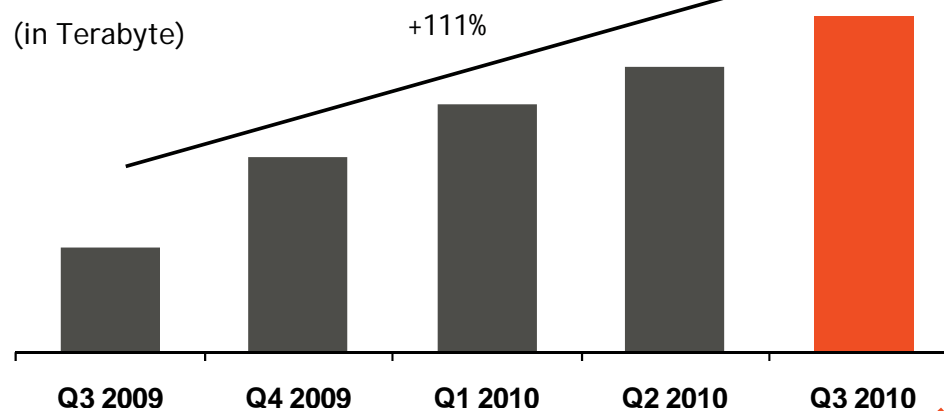
Market Share Mobile Broadband

(as of Q3 2010, in %)



Data Traffic Trend

(in Terabyte)



Quality & Innovation - Core Strengths of Vipnet

Technology Development

HSPA+ evolution

- > Speed of 42 Mbit/s with dual-carrier during transition period prior to LTE introduction

Long term evolution ready

- > Testing LTE technology supporting speeds of 100-150 Mbit/s in download
- > Estimated for 2012-2013

Best Network in Terms of Voice Communication and Fast Internet Use

- > P3 Certificate supports best network claim in 2010

HD Voice - Implementation of WB AMR Codec*

- > Vipnet first on Croatian market with the introduction of HD sound technology



* Wide-band Adaptive Multi-Rate

Fixed and Mobile Convergent Offer for Business Customers

> Following success with large business customers, the Vip ADSL fixed line bundle was launched for small and medium sized business customers in October 2010

> Integrated service lead to high speed internet, fixed line and mobile tariffs



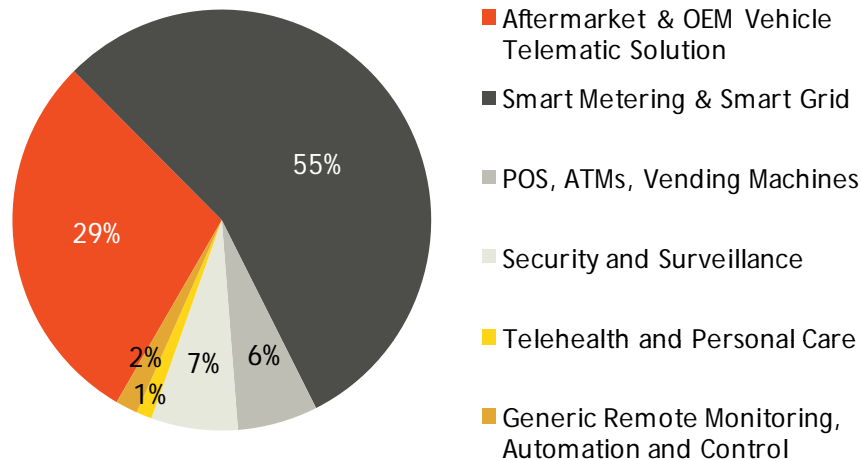
> Designed to take portion of converged market potential dominated by competitor T-HT (recently integrated T-Com & T-Mobile)

> ADSL is offered via wholesale, enabled by new rule imposed by Regulatory Authority

Machine 2 Machine - Vipnet Already Gained Substantial Share in High Potential Growth Market

M2M Total Market Value by Service

(Estimation for 2011)



Vipnet

- > Vipnet typical usage: 5-10 MB per active user of dedicated M2M tariffs

M2M Market in Croatia

- > M2M market in Croatia has been exhibiting strong growth in 2009 and 2010
- > M2M market in Croatia is estimated to grow up to 1.7 mn SIM cards by 2015 with highest share of smart metering*
- > Potential: POS readers, security, electricity meters, water meters, gas, district heating, fleet management and asset tracking
- > Big tenders of infrastructure companies will have highest impact on the market

* Internal Vipnet estimation, EU market development based (report by Berg Insight)

Machine 2 Machine As A New Revenue Stream

Vipnet's approach to M2M

2 Streams

Partner & Innovations

Mobilizing selected 3rd party solutions: application software, supply of devices, M2M tariff & support

Bulk SIM Provider

Generic use of SIMs in variety of devices and applications

Solutions

- > Vip car surveillance
- > Vip sales surveillance
- > Vip boat surveillance

- > Dedicated M2M tariffs
- > Bulk M2M SIM platform of TA Group in development

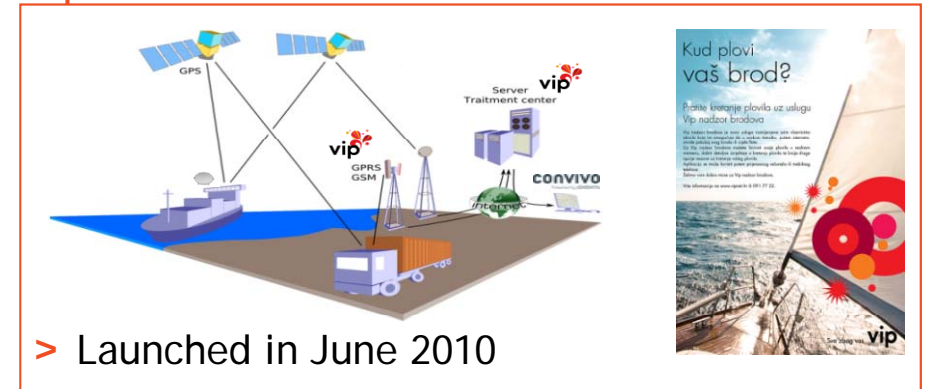
- > Deeper integration along the value chain

Partner & Innovations - Solutions

Vip Car Surveillance



Vip Boat Surveillance



> Launched in June 2010

- > Over 600 companies
- > 20% non Vipnet customers
- > ARPU above Vipnet average
- > Unit installed in the vehicle locating over GPS satellites and communicating via GPRS network
- > Unlimited number of vehicles can be tracked
- > Targeted at industries with high number of vehicles, sensitive shipments and deliveries

Vip Sales Surveillance

- > Support to sales success via remote synchronisation of sales personell acheivement with back office

Application snapshot:



Future Trends and Vipnet's Strategy

Future Trends & Customer Demand

Cost awareness from customers

Highly competitive environment

Increase of data usage, smartphones

Fixed to mobile convergence

M2M services

Vipnet

Dual brand strategy - best fit to challenging economic environment

Strict cost management to maintain financial flexibility

Efficient and high quality network supporting high data transfer speeds and optimized for smartphone signalling

Convergent communication solutions for business customers via wholesale ADSL

Development of innovative services, deeper positioning along the value chain

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velcom - Belarus

Belarusian Economic Environment: Fast Economic Rebound After Downturn in 2009

Overview Key Economic Indicators Belarus






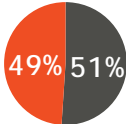


	2010 est	2009	2008	2007
Population	9,480	9,493	9,690	9,714
GDP Growth Rate (%)*	7.2%	0.2%	10.2%	8.6%
Inflation Rate (%)	7.3%	10.1%	13.3%	12.2%
Gross External Debt, PE, EUR mn*	21,155	15,382	10,834	8,484
Trade Balance (goods), EUR mn	-3,465	-1,249	-1,445	-844
Unemployment Rate (%)	0.9%	0.9%	0.8%	1.0%
Devaluation to EUR (%)	1.3%	33.4%	14.2%	17.5%
Devaluation to USD (%)	4.8%	30.1%	2.3%	0.5%

- > Signs of fast economic rebound after the 2009 downturn give grounds for expectations of higher GDP growth in 2011
- > Unemployment rate stays on very low level while foreign debt is significantly increasing and according to latest IMF forecast can reach 52% GDP by year end
- > USD peg was ended in 2009 and BYR is now pegged to a EUR/USD/RUB basket

* GDP growth rate - recent IMF forecast for Belarus (as of October 2010) defined in BYR in real terms (constant prices);

Gross external debt - according to IMF forecast of gross external debt to be 52% of GDP (current prices), converted into EUR

Liberalized Mobile Market with Fixed Line State Monopoly

				
Ownership structure				
Segment	Mobile	Mobile	Mobile	Fixed line
Subscribers Q3 2010	4.2 mn	4.6 mn	1.2 mn	~ 4.0 mn*
Market share Q3 2010	42%	46%	12%	100%** - Voice 58% - Internet broadband
Employees Q3 2010	1,750	~1,800	500	25,000
Mobile revenue share Q3 2010	48%	47%	5%	

* Households

** Monopolist in fixed line voice business

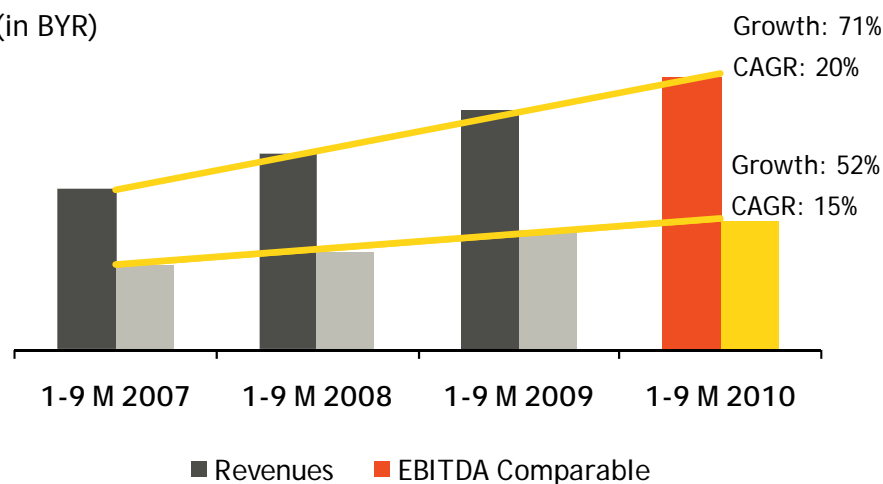
■ State

■ Private shareholders

Highlights and Key Challenges of Velcom

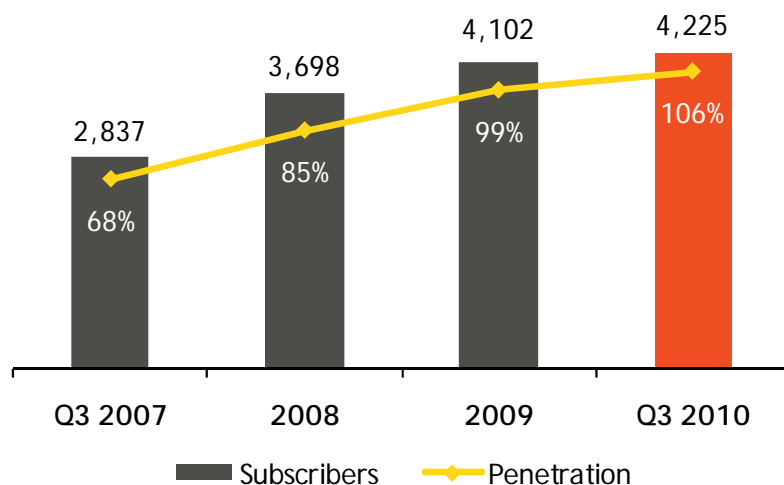
Revenues and EBITDA Growth

(in BYR)



Subscribers Development and Penetration

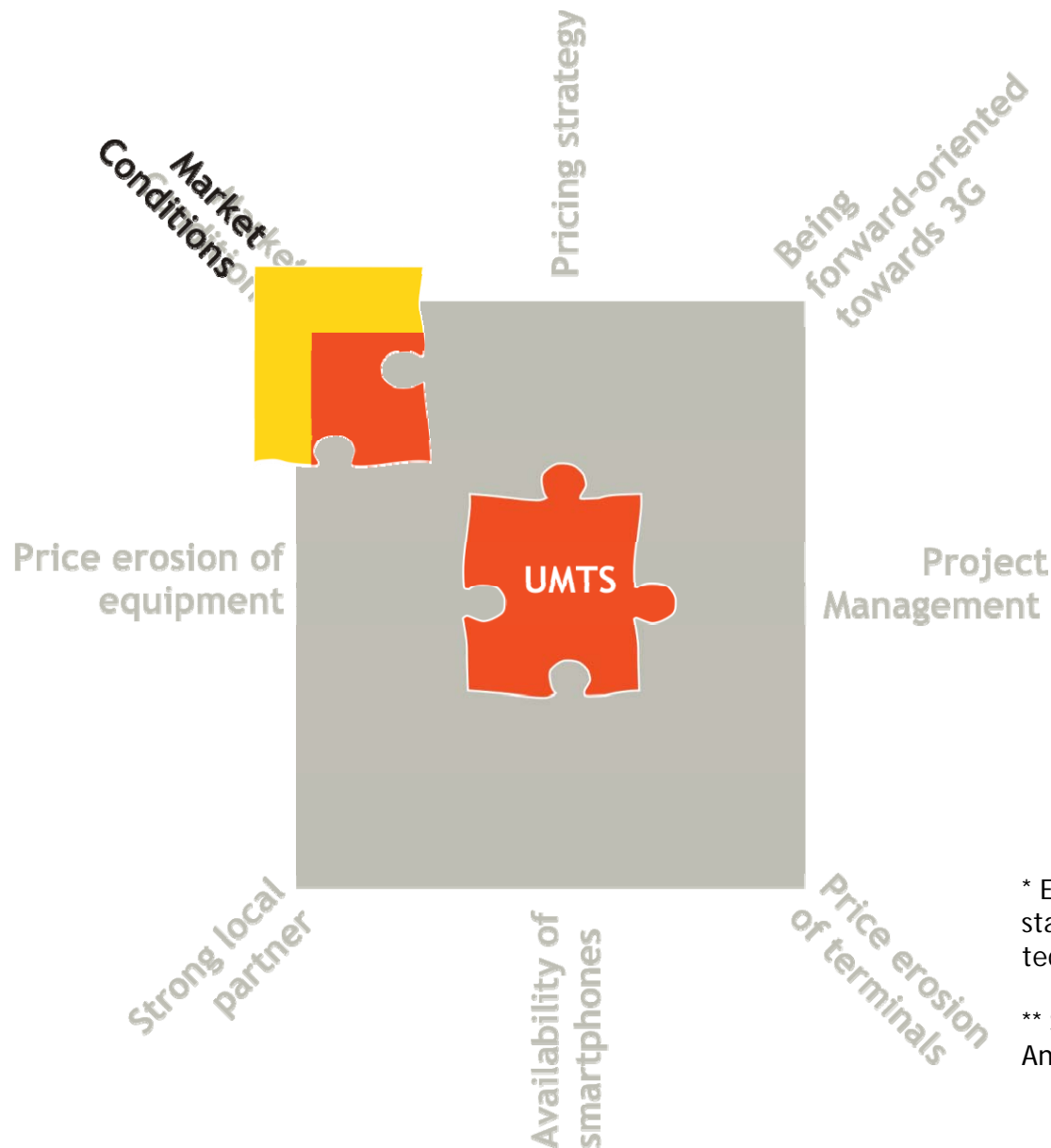
(in 000, %)



- > 49% subscriber base growth in the last three years
- > Growth supported by mobile broadband in 2010
- > Competitive pressure from the third operator led to a slight decrease of the market share to 42%
- > Despite the competitive environment, ARPU remained stable on a local currency basis over the last 3 years
- > Acquisition by Telekom Austria Group completed in October 2010
- > No progress in Beltelecom demonopolization

UMTS Launch

3G Development Based on Favorable Market Conditions

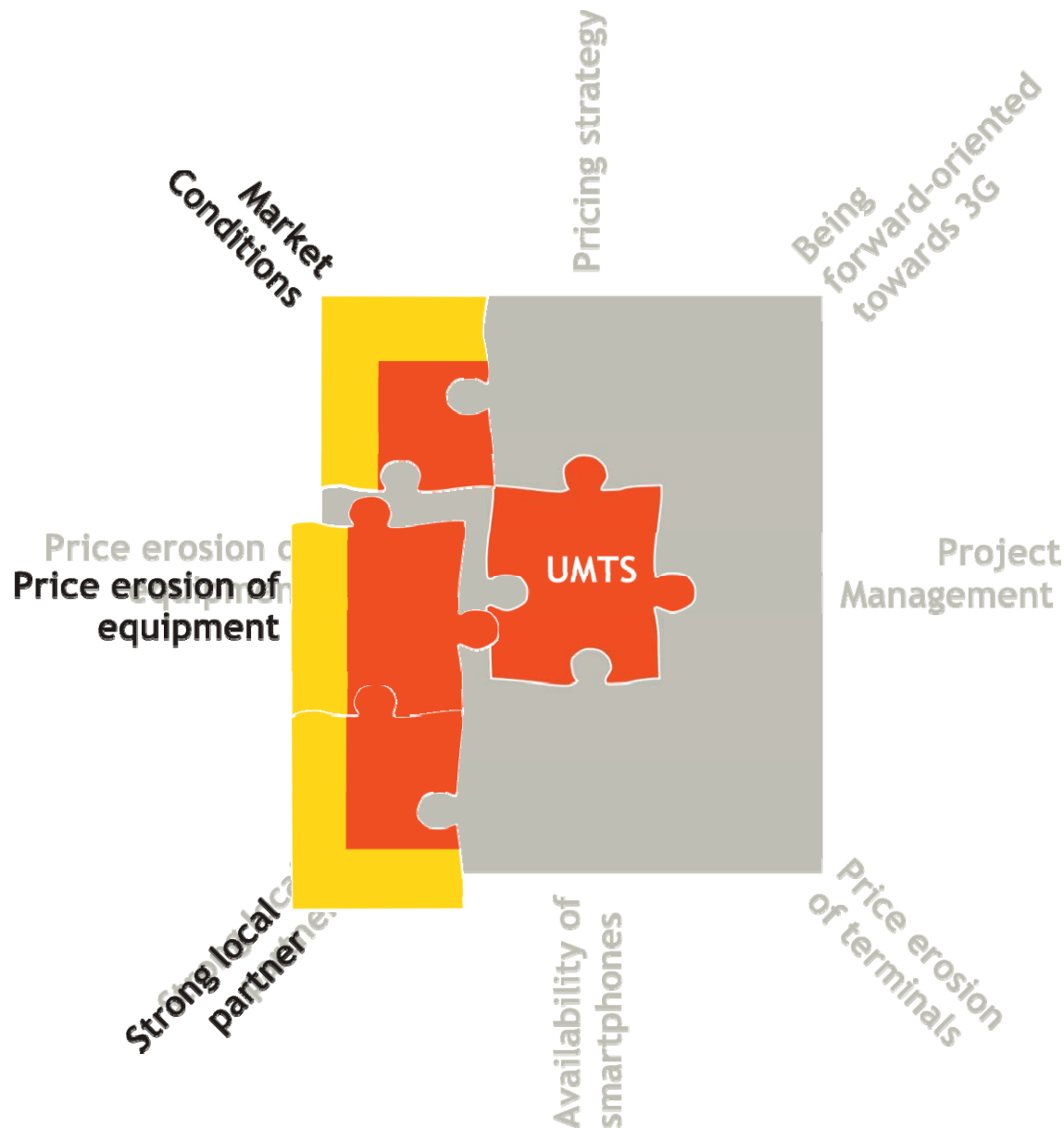


- > Since 2009 the market has shown strong demand for high speed and high quality broadband driven by smartphones as well as low broadband penetration
- > May 2009 - launch of first mobile broadband service using EV-DO* technology jointly with BelCel
- > 4.2 times increase of sold smartphones** in 2010 versus 2009

* EV-DO (Evolution-Data Optimized) is a 3G telecommunications standard for the wireless transmission of data based on CDMA technology

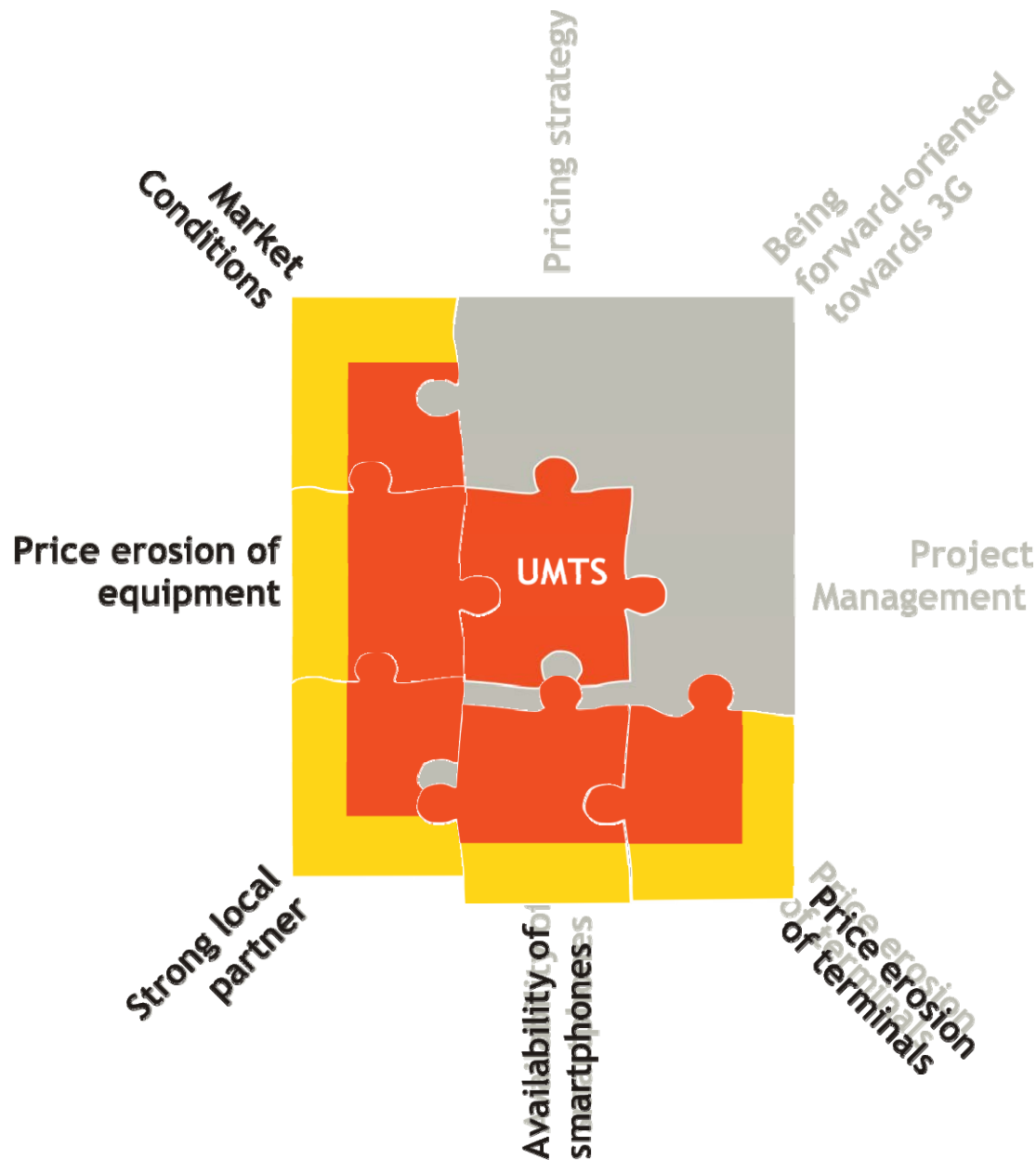
** Smartphone is a handset defined by operating system (Symbian, Android, iOS, Windows Mobile, Bada, Blackberry, Palm OS, Maemo)

Late Adoption and Strong Partner Support Value-Oriented 3G Roll Out



- > Late adoption provides:
 - > Reasonable conditions for UMTS license
 - > CAPEX savings of approximately 85% versus early adopters
 - > Immediate access to HSPA+ technology (above 20 Mbit/sec)
- > Besides technical roadmap and pricing, local presence and know-how was decisive for vendor selection

Significant Improvement in Supply of Data Card and Handsets

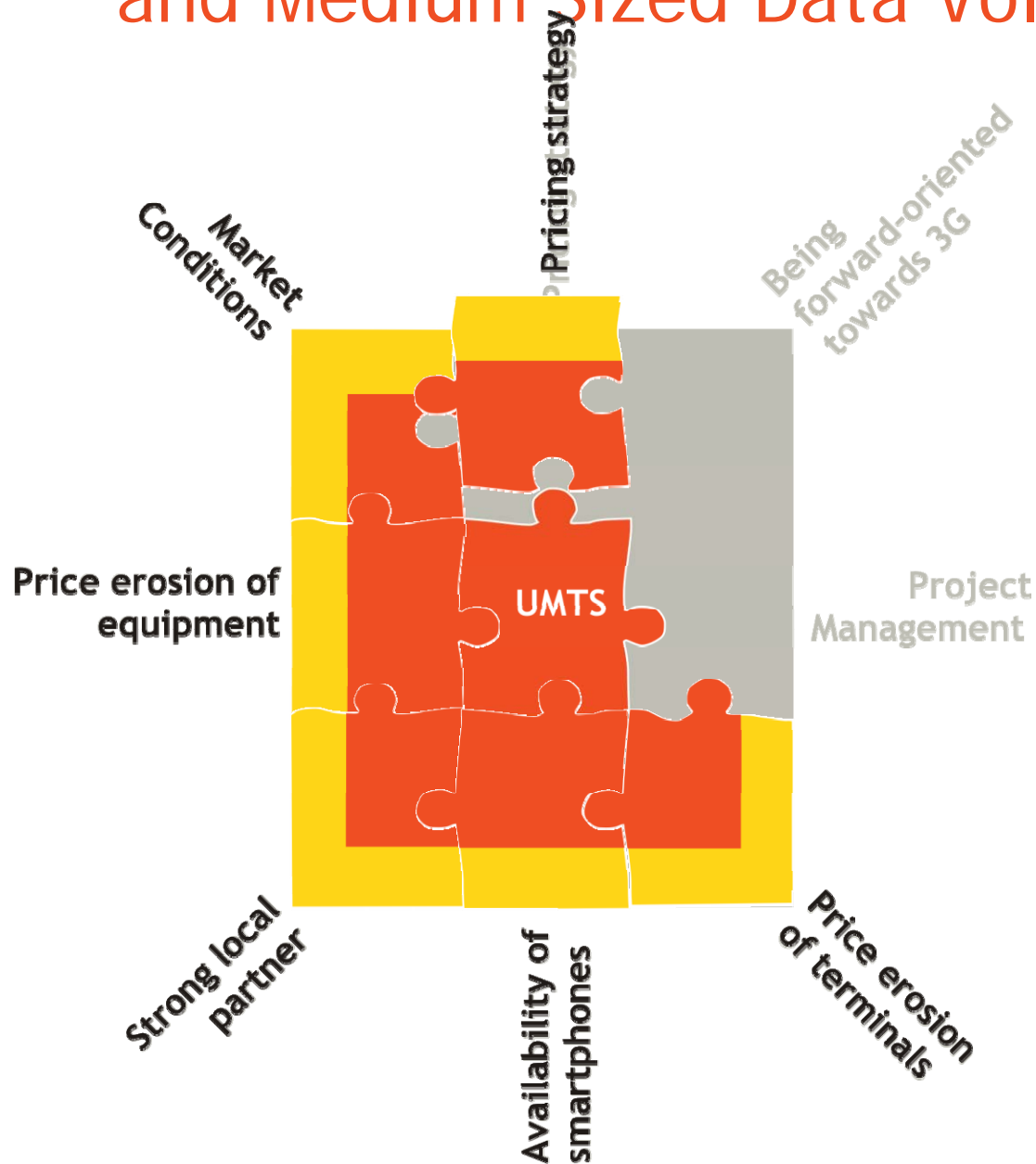


- > Wide range of smartphones and data cards available



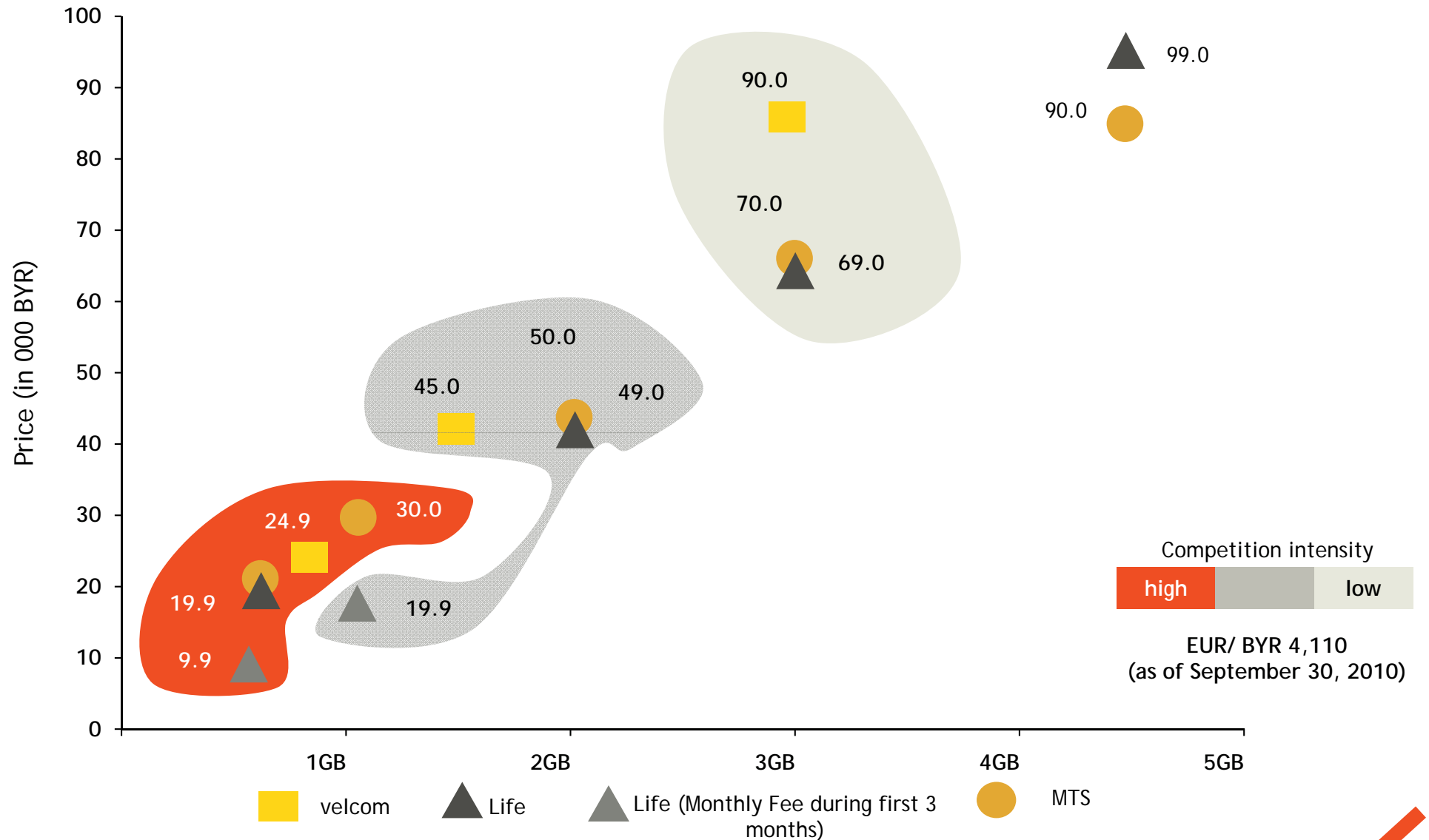
- > In 2009 velcom stepped into hardware sales
- > Official market revenue share of equipment sold is estimated to reach 34.6% by the end of 2010 (vs 32.9% in 2009 and 8.8% in 2007)
- > Providing payment by installment allows smartphone sales at a margin
- > Price erosion of 3G data cards enabled velcom to provide modems free of charge against contract binding

Pricing Strategy Focuses on High Quality Service and Medium Sized Data Volumes

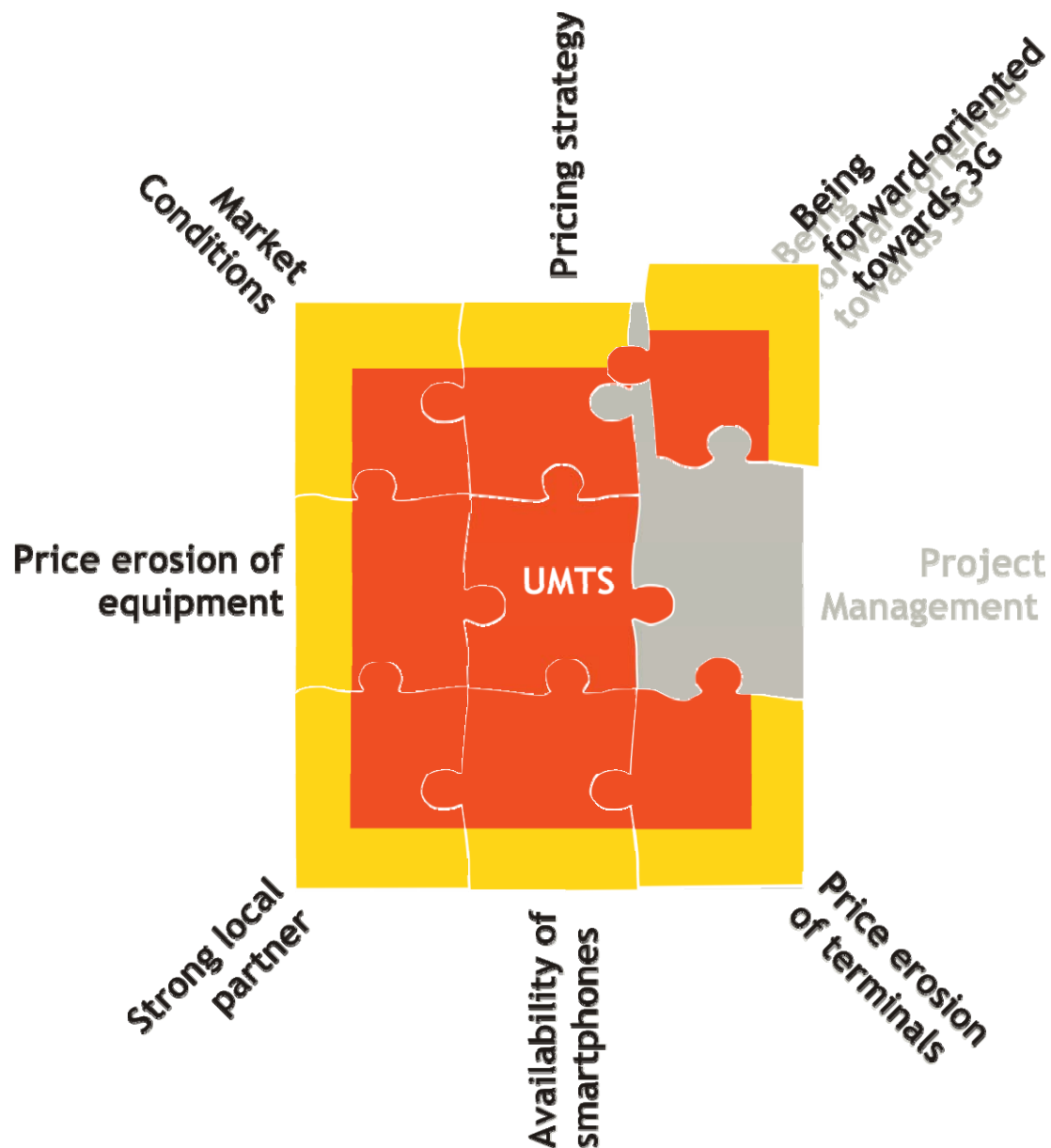


- > HSPA+ technology is in operation at all 3G | 3G+ base stations which provide data transmission at the greatest possible speed of up to 21.6 Mbit/s
- > Biggest bundle offered includes 3GB but the main focus is on 750 MB
- > 23% of broadband net adds were for small screen use in Q3

Overview of Prices and Competition

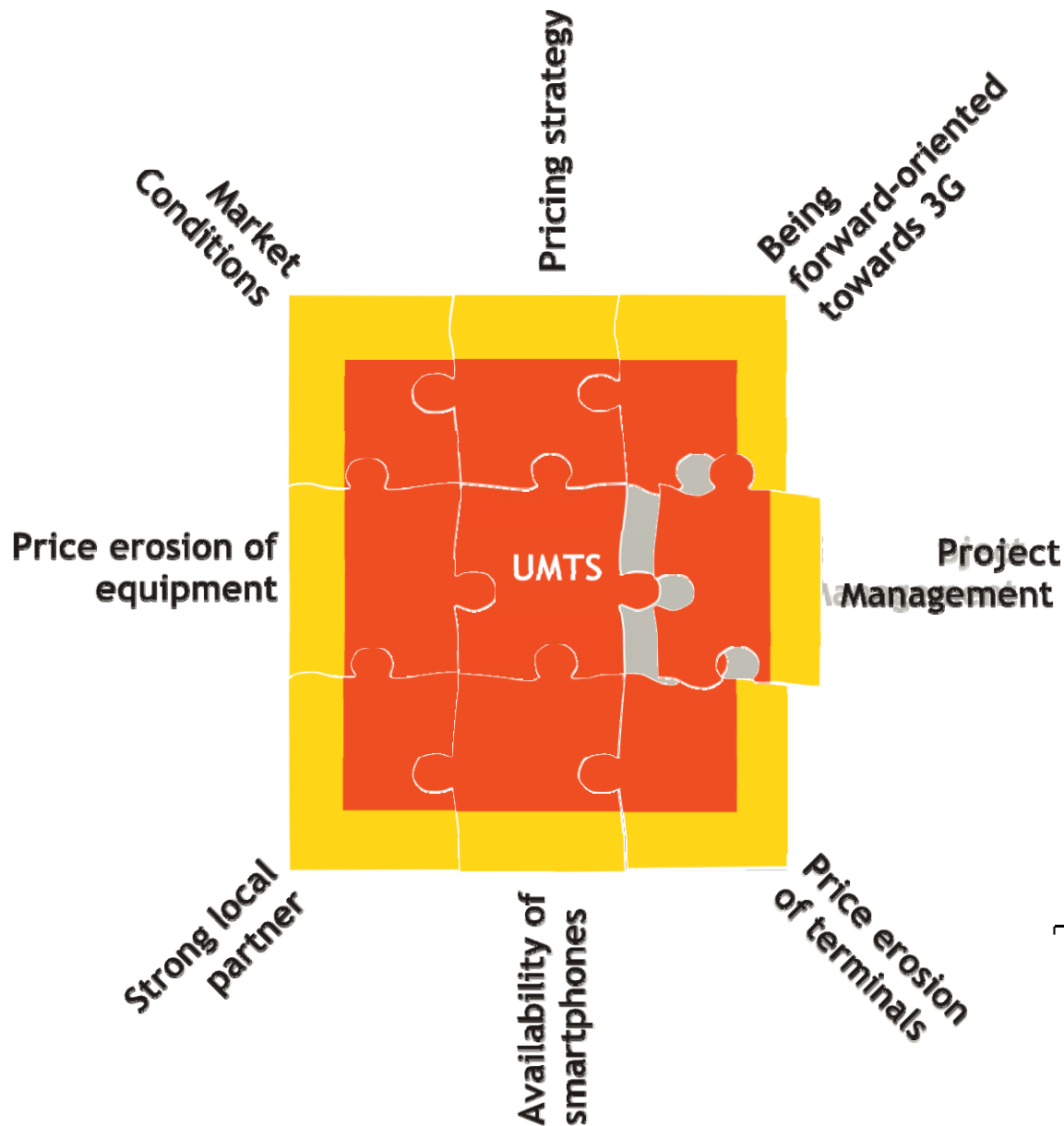


All Preparatory Work Finalized Ahead of Award of License



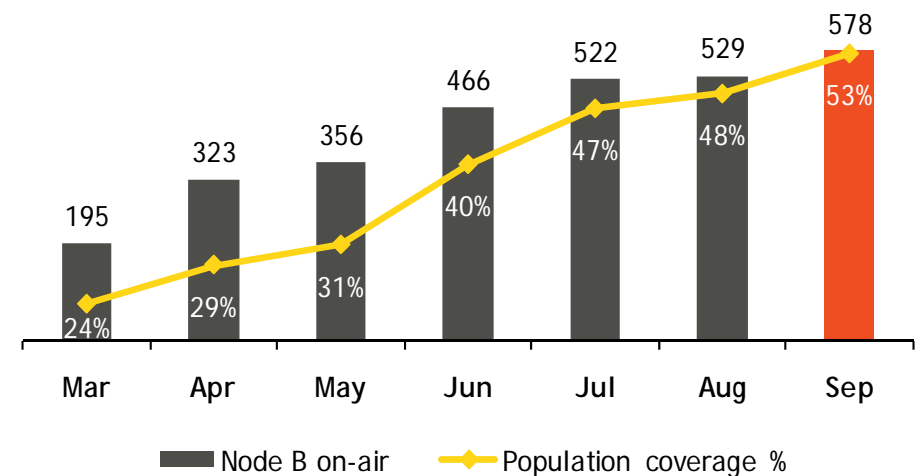
- > Core network upgraded to R4 architecture in 2008-2009
- > Significant upgrade of transport and fiber optical network in 2009
 - > 19/08/2009 - velcom applies for UMTS frequencies
 - > 17/12/2009 - contract with Nokia Siemens Networks signed, equipment ordered
 - > 30/12/2009 - UMTS frequencies granted to velcom and MTS
 - > 12/01/2010 - first equipment delivered
 - > 17/03/2010 - 3G commercial launch

Efficient Project Management Allows for 3G Product Launch Ahead of Competition



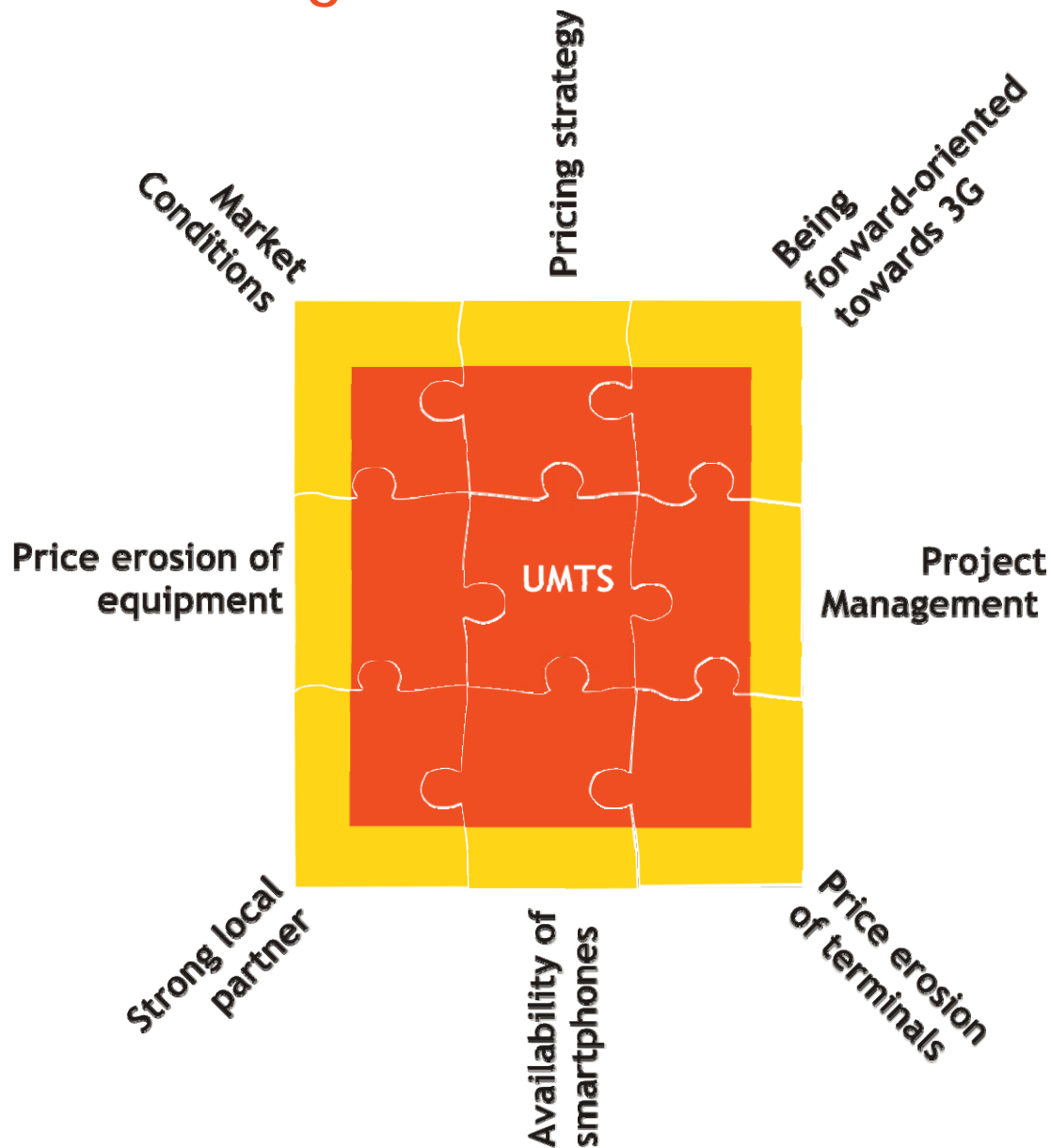
- > Network roll out in less than 2 months after receiving the license
- > March 2010 - 3G launch with 140 NodeBs (100 in Minsk, 40 in Gomel, second largest city in Belarus)

NodeB* on Air vs. Coverage



*NodeB = Base station UMTS Network

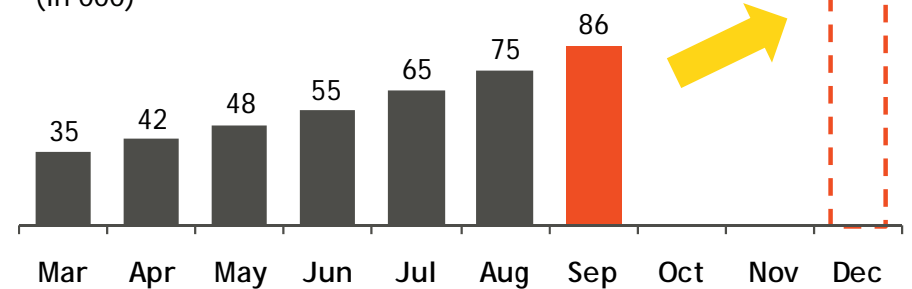
velcom 3G Launch Within 8 Months Proved to be Among the Most Successful in Europe



- > Leading position in terms of population coverage to be achieved within Q4 2010, despite 5 months delay in obtaining the license
- > 718 NodeBs on air (end of November)
- > Total number of broadband customers expected to reach 135k by end of 2010
- > Intensified sharing for covering towns below 30k inhabitants is envisioned

Broadband Customers

(in 000)



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Additional Markets

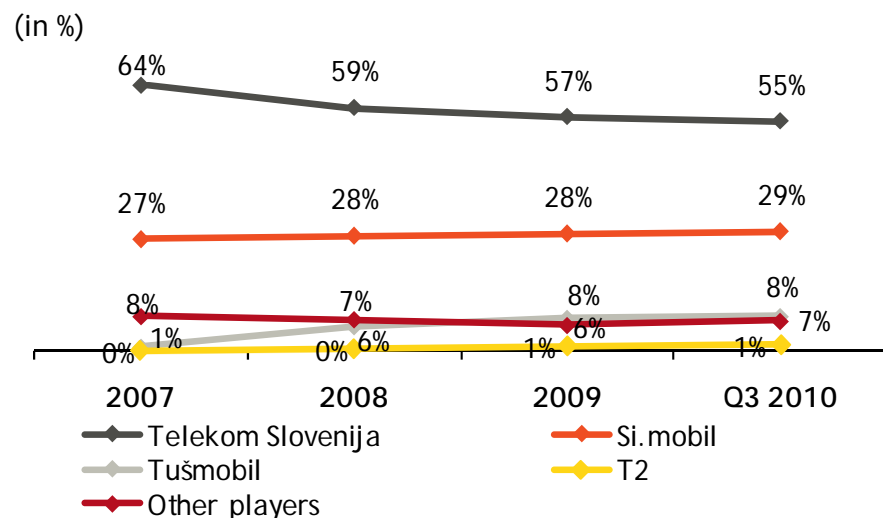
Si.mobil - Slovenia

High Number of Mobile Operators Shapes Competitive Environment

Market Overview

	Brand Strategy	Product Offering	Technology
Telekom Slovenije	Multi brand	Convergent	Fixed Line, xDSL, FTTH, GSM, UMTS
Si.mobil	Multi brand	Mobile	GSM, EDGE, UMTS
T2	Single brand	Convergent	VDSL, FTTH, UMTS
Tusmobil	Single brand	Convergent	xDSL, GSM, UMTS

Market Shares

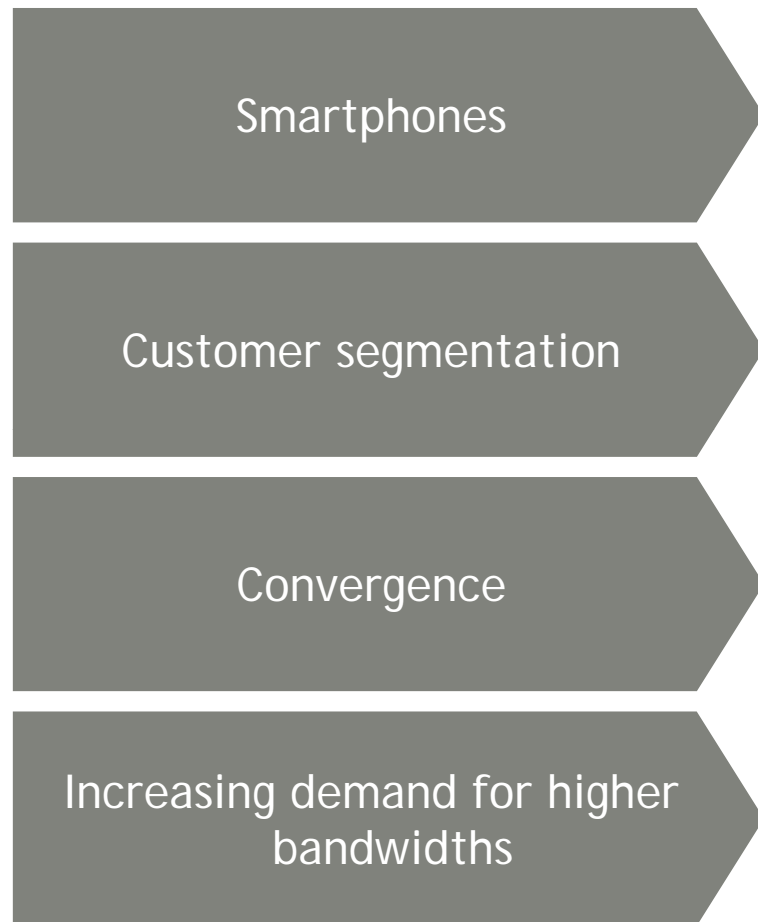


Market Drivers

- > Highly competitive market with 4 operators for 2.0 mn inhabitants
 - > Additionally, 2 MVNOs are operative
- > Total market postpaid share at 68%
- > Low mobile broadband penetration of (2.3%)
- > State owned Telekom Slovenije is currently merging fixed and mobile operations
- > Increasing importance of convergent product bundles. Telekom Slovenije, TUŠ & T2 offer quadruple play

Slovenian market will be driven by Data Growth and Fixed-Mobile Convergence

Future Trends



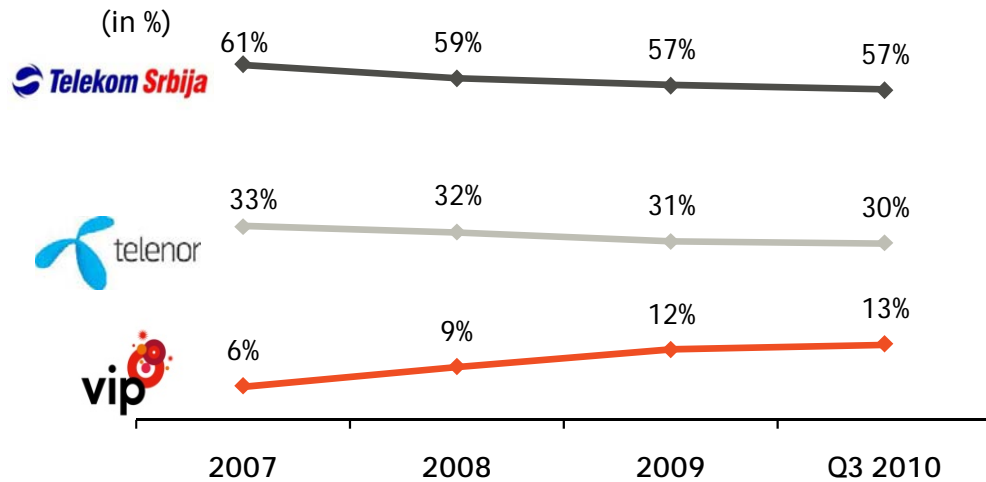
Si.mobil Positioning

- > Further development of tariff portfolio via add-on options for mobile broadband
- > Application challenge
- > Strengthening of youth brand Ortho
- > Focus on micro/small business segment by offering tailored services
- > Development of convergent services for business segment via wholesale
- > Expected launch in Q3 2011
- > Improve capacity and indoor coverage
- > Reach HSPA+ coverage of 30% by 2011

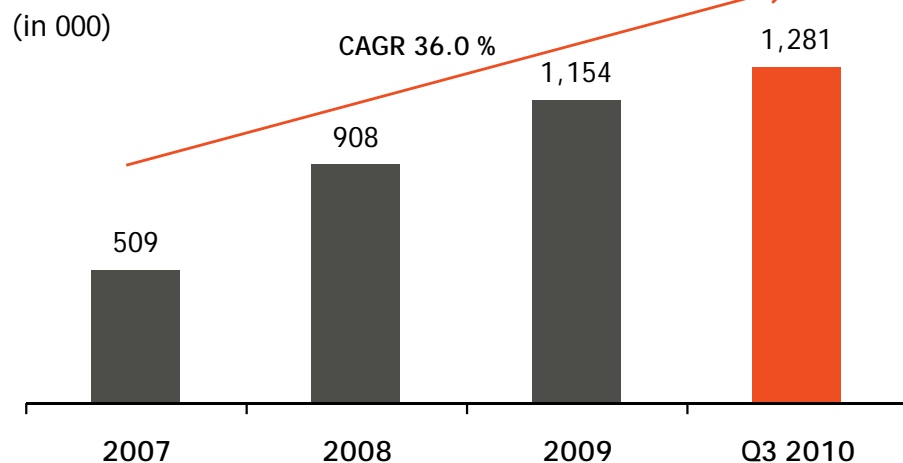
Vip mobile – Republic of Serbia

Focus on Postpaid Segment and Smartphones Positions Vip mobile and Drives EBITDA Growth

Market Shares



Mobile Subscribers

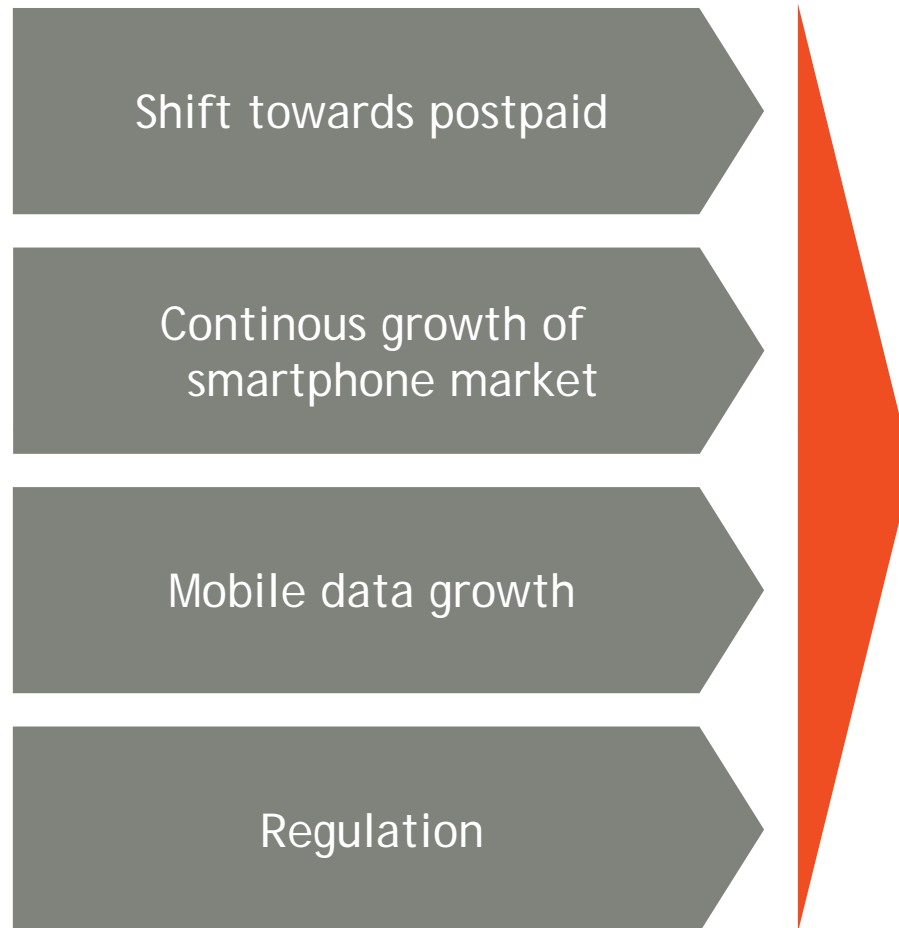


Market Drivers

- > Mobile dominated market - driven by all-in packages
- > Prepaid share of 65% of total market
- > Postpaid growth largely driven by smartphone users
- > Comparatively high subsidies underlines level of competition
- > Increasing trend towards smartphones mainly driven by positioning of Vip mobile
- > Strong growth of data volumes due to
 - > Expansion of 3G coverage
 - > Smartphones
- > Data to become key focus of tariff plans

EBITDA Break Even in 2010 - Future Growth Driven by Smartphones and Mobile Data

Future Trends



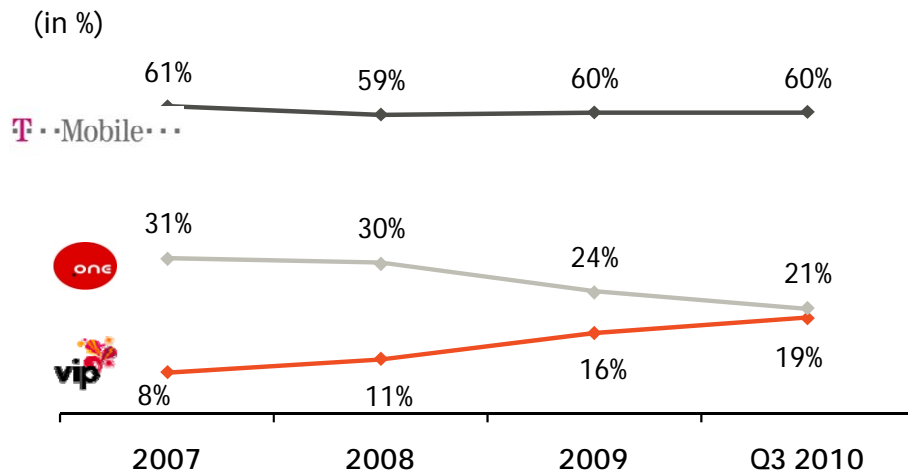
Vip mobile Positioning

- > Optimal position due to focus on smartphone market
- > Focus on innovations, customer relationship and service
- > Maintain leadership position in smartphone market
- > Leverage on partnership with Vodafone
- > Development of data products and services
- > Application challenge
- > Abolishment of 10% mobile tax expected for January 2011
- > Mobile number portability will become available by Q2 2011

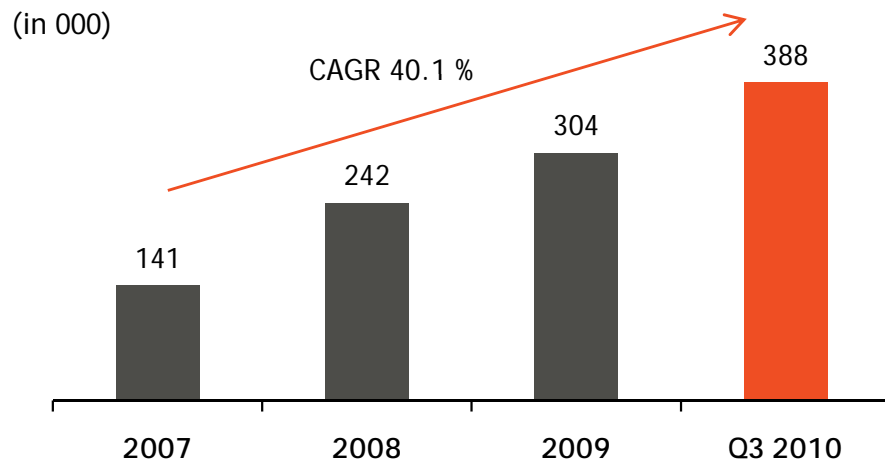
Vip operator – Republic of Macedonia

Mobile-Only Proposition Remains Most Suitable Strategy for Macedonian Market

Market Share



Mobile Subscribers



Market Drivers

- > Package tariffs drive pre-paid segment
- > Smartphone penetration at early stage - offers strong growth potential
- > Vip operator's subscriber base has reached critical mass for market's focus on on-net community
- > Mobile-only proposition expected to remain major driving factor for foreseeable future
- > Recently established 3G national roaming allows to capitalize on expected growth of mobile broadband

Milestone Reached with EBITDA Break-even in Q3 2010

Vip operator Today

- > Consistently positioned as price leader
- > Dynamic and youthful operator with commitment to superior customer service
- > Quality and potential of subscriber base grows as contract share increases to 1/3
- > Revenue growth of 68% compared to last year
- > National roaming with no.1 operator provides coverage and 3G
- > Shared resources of TAG reinforce cost leadership
- > EBITDA break-even in Q3 2010

Brand claim:

More for you



Future Trends

Shape customer behavior via smartphones

Stimulate usage and ARPU through up and cross-selling and innovation

Increase stickiness of customers and protect subscriber base

Thank you!