



# Hellas Group 3rd Quarter 2008 Results

November 20, 2008



# Forward looking statement



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## 3Q08 Performance Highlights



Consistent Strategy Geared towards Maximizing Returns



3Q08 Operating and Financial Performance Review



Q & A

# 3Q08 Group performance highlights

## Existing fundamentals resulting in ongoing profitability growth

- **Group yet again secures key operating results despite slowing market growth**
  - 14% y-o-y increase in the group's reported mobile customer base in 3Q08
  - WIND Hellas' contract ARPU is diluted on the back of the steep interconnection tariff decline despite the continuous usage increase, with blended ARPU declining mainly due to prepaid uptake
  - Steady decrease in WIND Hellas' postpaid churn to 22.2% in 3Q08 from 23.8% in 3Q07
  - Tellas gains momentum in LLU site rollout (129 in Oct 08 vs 79 in Dec07) while double-play net additions started to pick up (17k in 3Q08 vs 5k in 3Q07)
- **Group<sup>1</sup> financial profile continues to show progress**
  - €1,284.5 mn LTM 3Q08 Group total revenues, flat y-o-y
  - €447.6 mn LTM 3Q08 Group adjusted EBITDA with margin continuing its upward trend (+ 1 p.p. to 34.8%)
- **Organic EBITDA growth and focus on CAPEX efficiency safeguards strong cash-flow generation**
  - LTM 3Q08 EBITDA<sup>2</sup>-Capex of €271.3 mn
- **The completion of the merger of Tellas and WIND Hellas enhances the profile of the Group as an Integrated Operator and reinforces its growth outlook**
  - Merger process between Tellas and WIND Hellas will further amplify synergies between the two companies
  - The merger will enable the Company to receive governmental subsidies and materialize significant tax savings as early as in 2009

**Strong profitability outlook**

<sup>1</sup> Group financials fully consolidate Tellas' financials

<sup>2</sup> Adjusted EBITDA for certain non-recurring or non-cash items

Pro forma unaudited Group financials for in accordance with IFRS

▶ 3Q08 Performance Highlights

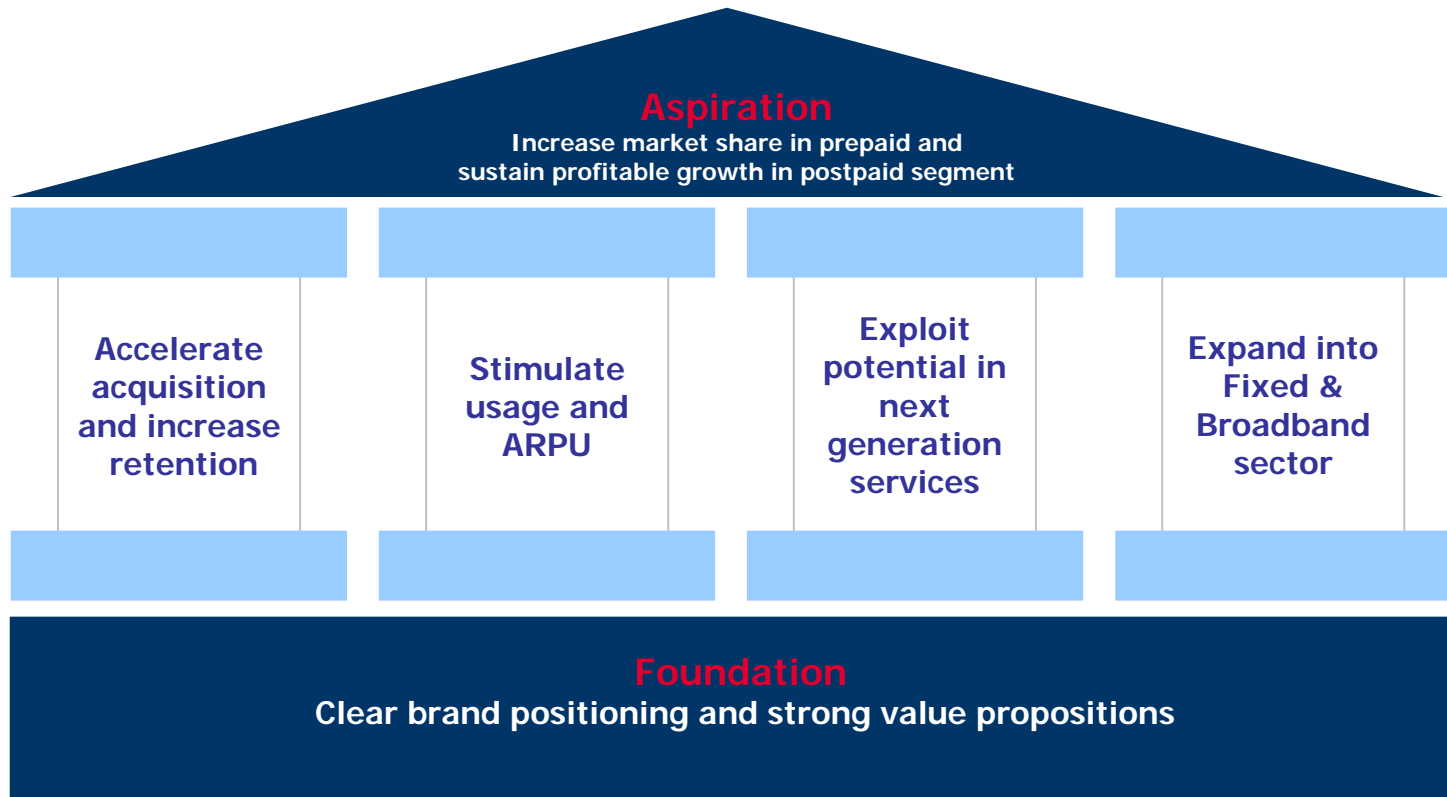
▶ Consistent Strategy Geared towards Maximizing Returns

▶ 3Q08 Operating and Financial Performance Review

▶ Q & A

# Consistent strategy geared towards maximizing returns

## Pillars of strategic growth



# Focused strategy

## Accelerate acquisition and increase retention

Accelerate acquisition and increase retention

Strategy

- Differentiate with innovative tariffs and promotions in postpaid and prepaid, and counter-attack our competitors' major launches
- Accelerate WIND shop expansion and renovate stores to improve customer experience
- Focus retention investment on proactive upgrades on high value customers and increase penetration in loyalty schemes

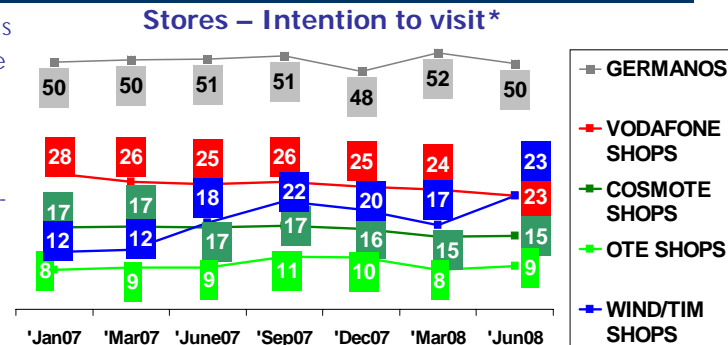
### Healthy customer growth and steady reduction in churn

- EoP customer base increased by 14% y-o-y in 3Q08
- Launched promotional offer in Hybrid plans that combine prepaid & postpaid features, offering double airtime for 1 month to all new activations; furthered SIM-only
- Prepaid multi-brand strategy: WIND F2G enhanced its position as the most integrated prepaid pack by offering an 'all-inclusive' community bundle covering on-brand & fixed voice, videocalls and SMS. Q offered 2c/SMS towards on-net & international and MoMad provided recharge incentives: free sms to all networks and double airtime
- Proactive upgrade program towards high value customers along with loyalty programs already yield tangible results
- WIND Hellas' contract churn further drops to 22.2% in 3Q08

Achievements to date

### Reinforced own network of WIND stores

- New and existing WIND stores as well as other channels continue to outperform expectations
- 400 shops, completely redesigned to improve image and customer experience, fully-incorporated Tellas products
- Developed Business Center to support POS focus on SME/SOHO



# Focused strategy

## Stimulate usage and ARPU

### Stimulate usage and ARPU

#### Strategy

- Drive F2M substitution via tariffs and add-ons with embedded minutes towards fixed destinations
- Increase ARPU via new postpaid pricing schemes (Flexy, Automatic, Sim-only & Hybrid plans)
- Accelerate migrations to higher ARPU-yielding tariffs via targeted campaigns

#### Achievements to date

#### Solid traffic uptake

- Targeted campaigns to migrate postpaid customers to higher ARPU tariffs
- Encouraged prepaid customers to migrate to Hybrid and SIM only plans
- Targeted prepaid BTL campaigns in order to accelerate Non Stop activations & minimize double SIM usage and churn
- Further increase of total outgoing traffic (+11.2% vs LTM 3Q07 & +9.3% vs 3Q07)
- Usage increase did not fully compensate regulatory pressure and the significant prepaid customer uptake seen in the last quarters.

#### Outgoing Traffic (mil, mins)



# Focused strategy, delivery on track

## Exploit potential in next generation services (VAS)

Exploit potential in next generation VAS

### Strategy

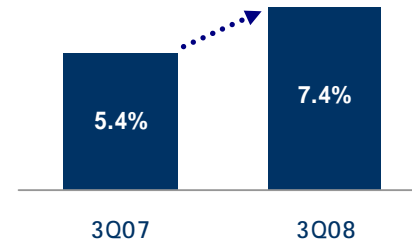
- Focus on increasing penetration of Data Services & ARPU within the subscriber base
- Expand customized 3G multimedia terminals base
- Advance Wind Plus offer with internet centric features

### Achievements to date

- Sustained growth with +22% increase YoY in quarterly revenues. Reposition ADSM prepaid offer and further boost laptop offers. Drive Mobile Advertising growth
- WAP browsing revenues of Q3 grew by 40% YoY, while unique monthly users averaged 500K
- Over 1.5mn WIND customized multimedia handsets in customer base, with 350K active 3G terminals stimulating VAS ARPU & network savings

### Extracting value from high-return VAS and Mobile Broadband uptake

VAS ARPU / Blended ARPU  
(outgoing, excl. p2p SMS)



# Focused strategy, delivery on track

Expand into Fixed & Broadband sector to accelerate company growth



## Expand into Fixed & Broadband sector

### Strategy

- Accelerate growth by taking advantage of the double digit penetration growth in broadband market
- Capitalize on synergies with Wind and build an integrated telecom operator profile
- Enhance loyalty of Wind postpaid customer base

### Achievements to date

#### Revenue generation and market share gains

- Clear strategic focus on double play products supported by recent launches (starting with double play unlimited in Mar 2008 and ADSL double play with laptop)
- All of the above highly contribute in changing the product mix from “voice” dominant towards a broadband operator and enhance brand attributes related to innovation and technologically advanced
- Greater activation of Wind stores and maximization of synergies seen by the increasing contribution of stores in sales mix. More than 30% of Tellas' direct customers net additions were generated through WIND stores in Q3 2008
- Product synergies with Wind are already in place with the “WIND 3in1” offer (offering 5% discount on the mobile monthly bill to all customers that combine WIND mobile with Tellas fixed telephone & ADSL)



▶ 3Q08 Performance Highlights

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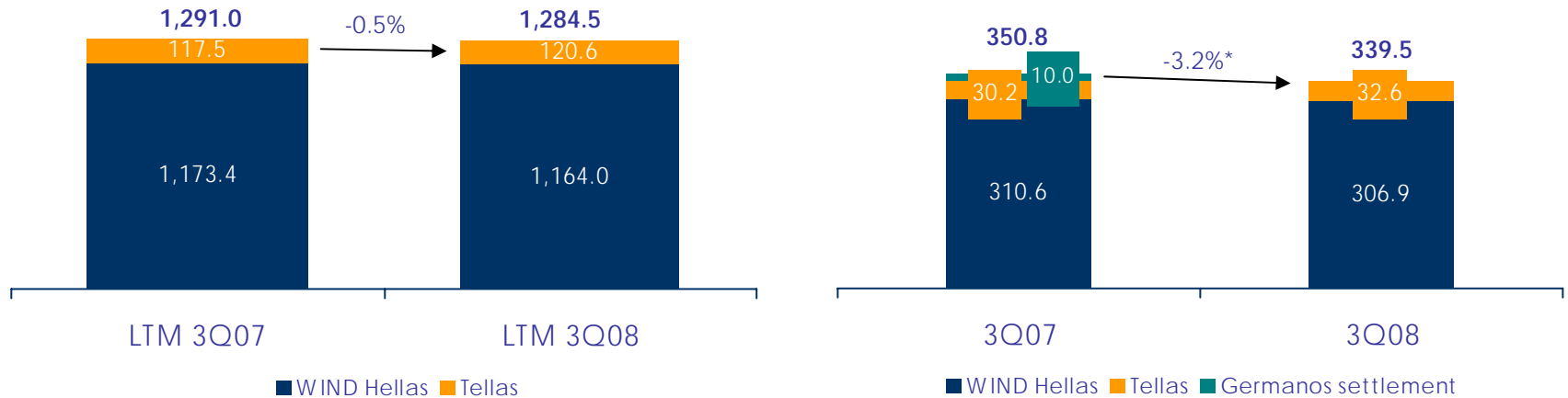
▶ Q & A

# Group financial performance

## Continue delivering profitability growth

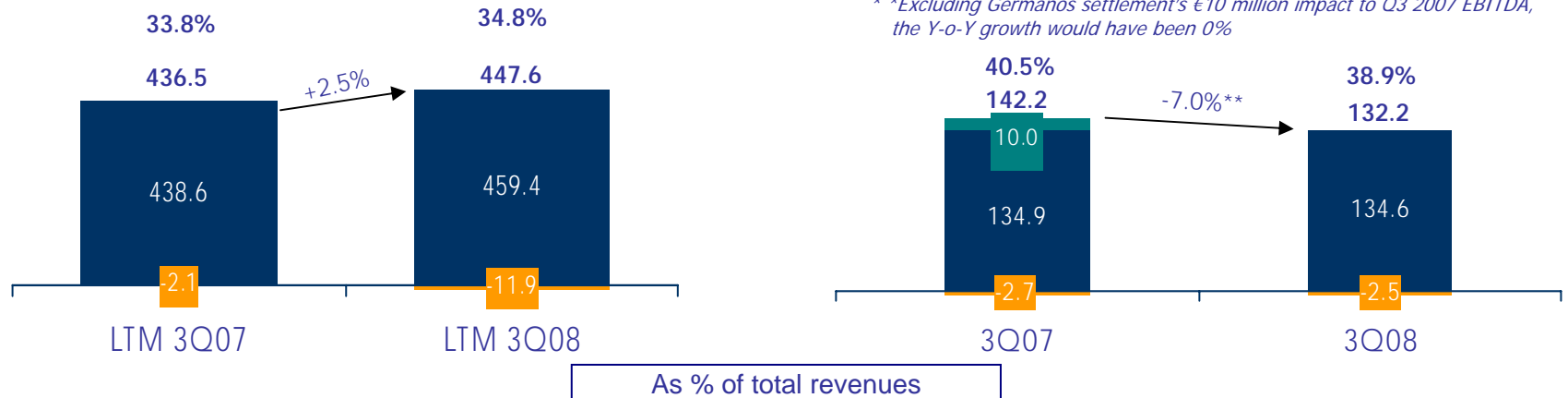


### Group total revenues<sup>1</sup> (EUR, million)



\* Excluding Germanos settlement's €10 million impact to Q3 2007 Revenues, the Y-o-Y growth would have been -0.4%

### Group adjusted EBITDA<sup>2</sup> (EUR, million)



\*\* Excluding Germanos settlement's €10 million impact to Q3 2007 EBITDA, the Y-o-Y growth would have been 0%

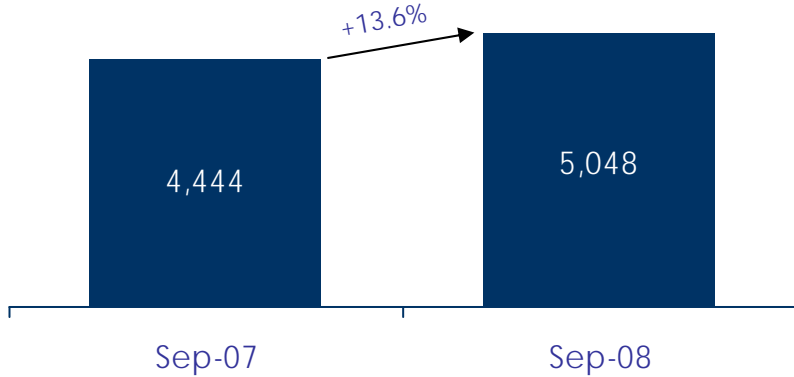
1. Pro forma unaudited financials for Hellas II excluding Tellas (hereafter WIND Hellas) in accordance with IFRS. Tellas Pro forma (excluding WIND Hellas) unaudited financials in accordance with IFRS. Group financials fully consolidate Tellas' financials (intercompany transactions are eliminated)

2. Adjusted EBITDA for certain non-recurring or non-cash items.

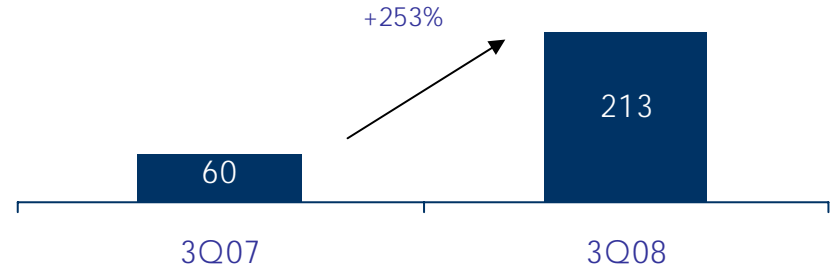
# Mobile - Key revenue drivers performance

## Strong customer uptake puts pressure on ARPU

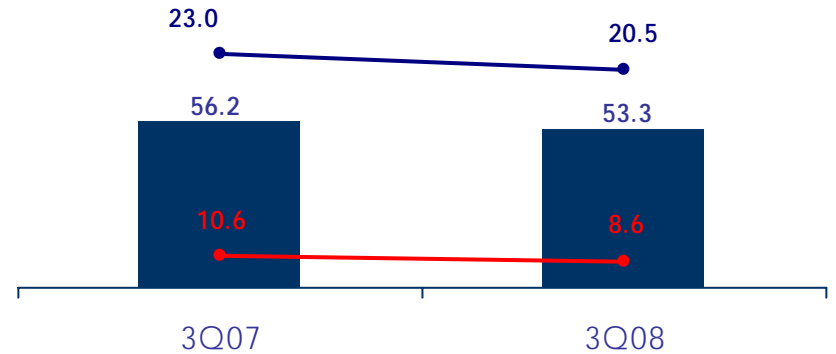
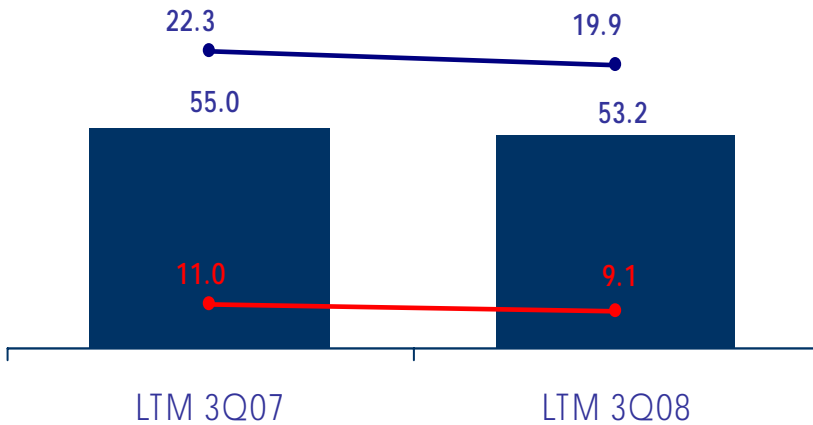
**Subscriber base (EOP, 000's)**



**Net Additions ( 000's)**



**ARPU<sup>1</sup> (EUR)**

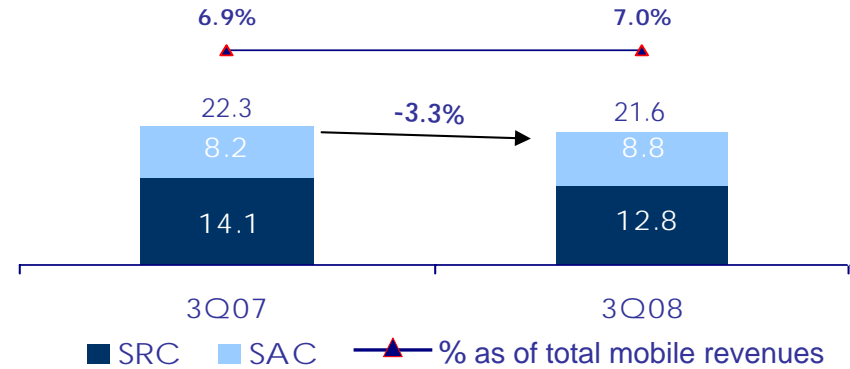
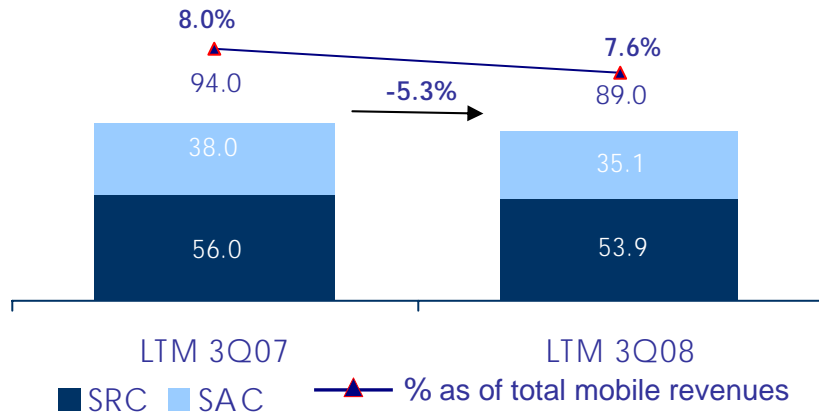


Contract
  Blended
  PrePaid

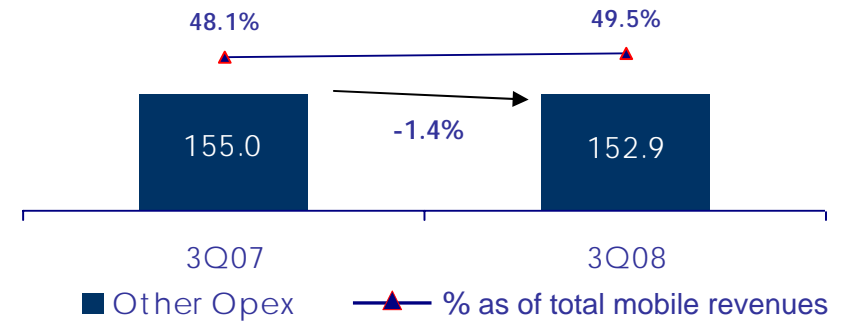
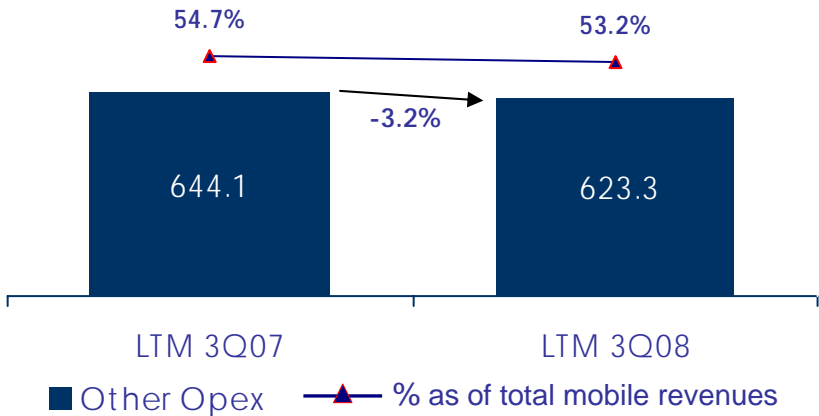
# Mobile -Operating expenses performance

Constrained SAC/SRC & other opex efficiencies further supports EBITDA

## Acquisition & Retention expenses (EUR, million)



## Other operating expenses<sup>1</sup> (EUR, million)



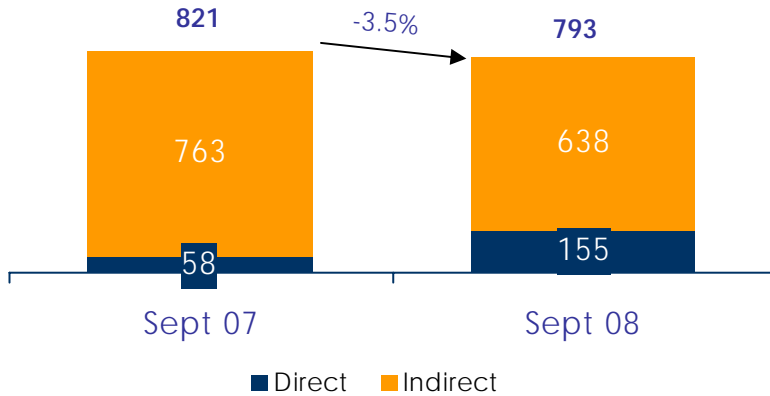
<sup>1</sup> Adjusted for certain non-recurring or non-cash items

Pro forma unaudited financials for WIND Hellas in accordance with IFRS

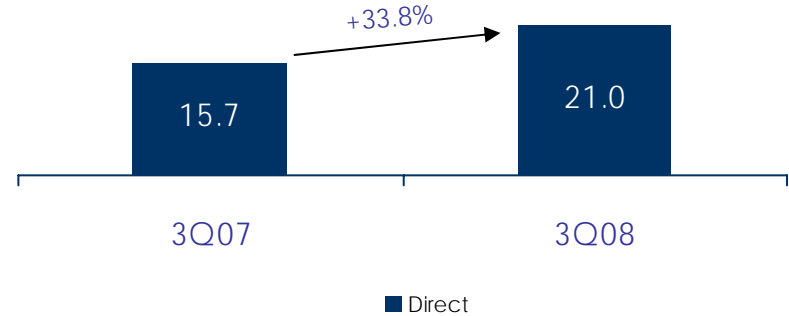
# Fixed (Tellas) - Key revenue drivers performance

## Strong direct customer uptake

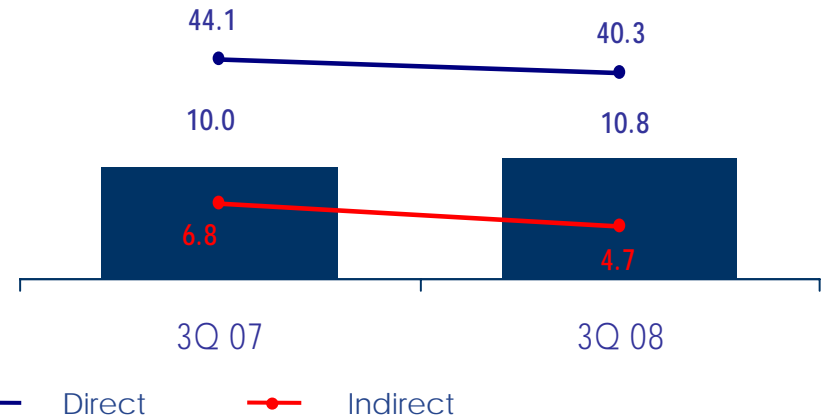
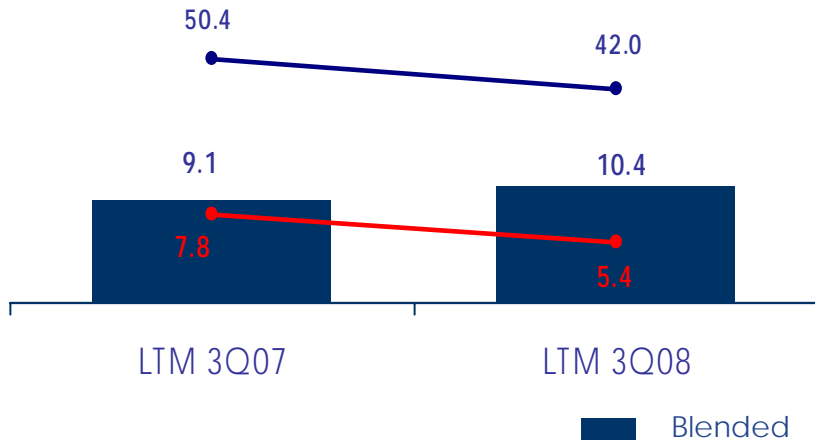
### Subscriber base (EOP, 000's)



### Direct Net Additions ( 000's)



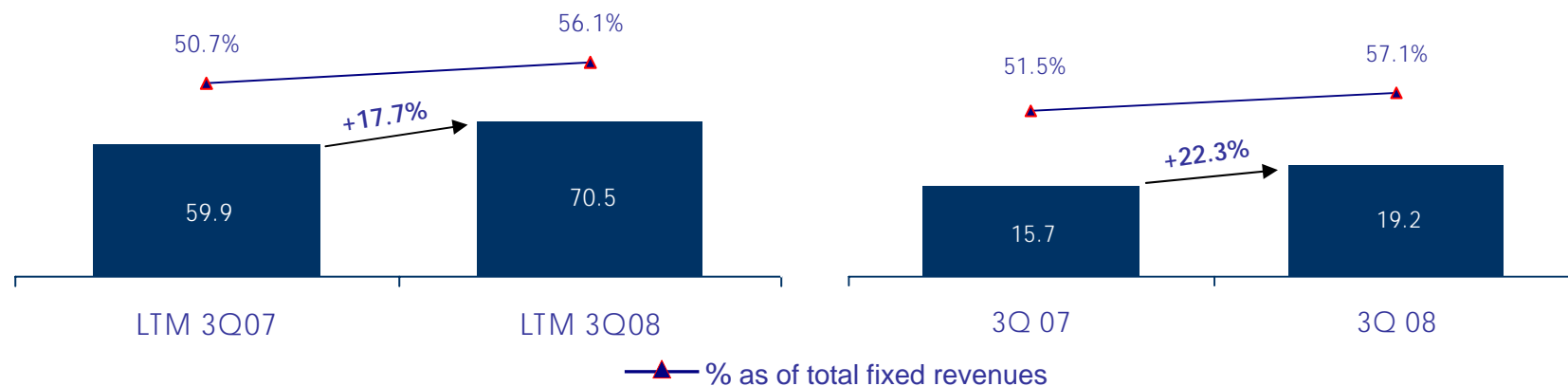
### ARPU (EUR)



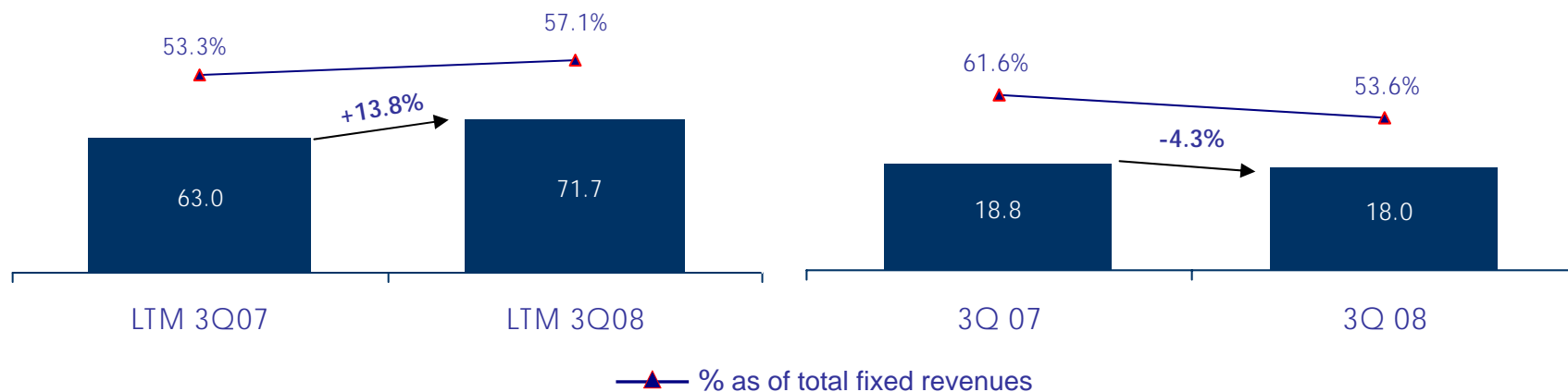
# Fixed (Tellas) - Operating expenses performance

Opex expansion on the back of rapid LLU customer uptake

## Variable Costs (EUR, million)



## Operating expenses<sup>1</sup> (EUR, million)



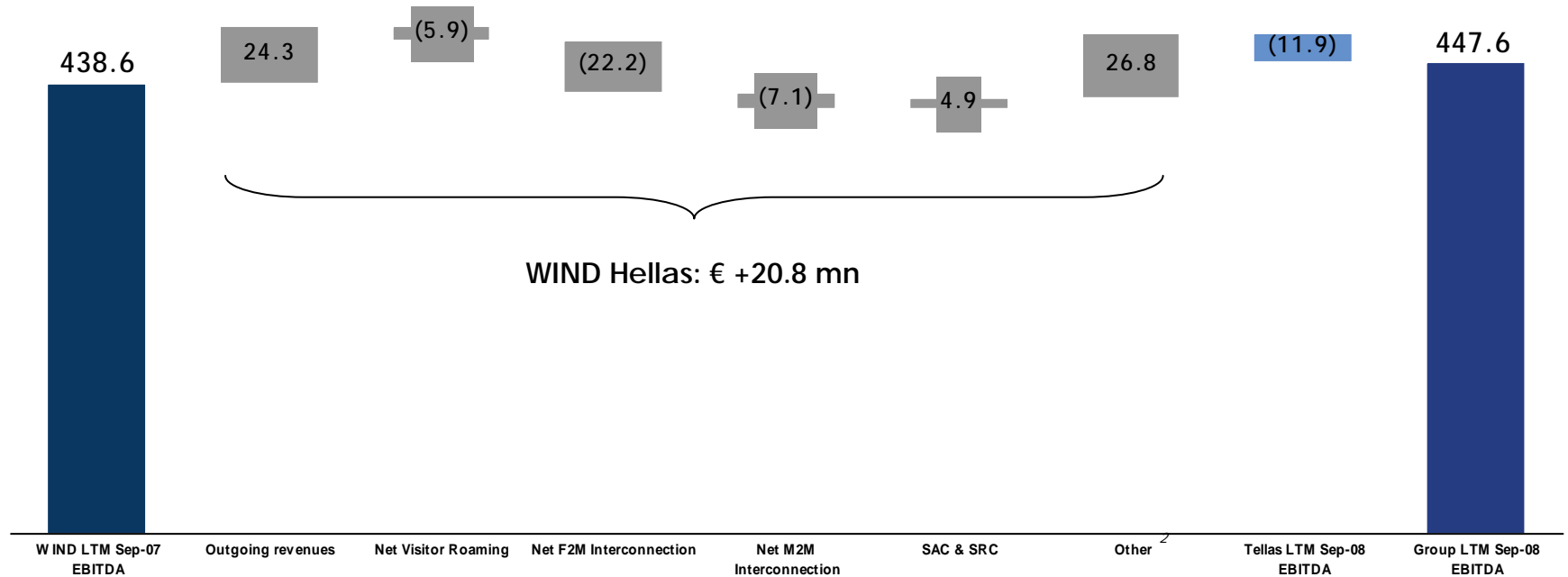
<sup>1</sup> Adjusted for certain non-recurring or non-cash items

Pro forma unaudited financials for Tellas in accordance with IFRS

# Group adjusted EBITDA<sup>1</sup> bridge Sep-07 to Sep-08

## Continuous profitability expansion

(in €mn)



- Current 2008 EBITDA Guidance is unchanged: 2008 Group EBITDA to reach €440 million
- Group CAPEX for FY 2008 is estimated to amount less than €200 million

<sup>1</sup> Adjusted EBITDA for certain non-recurring or non-cash items

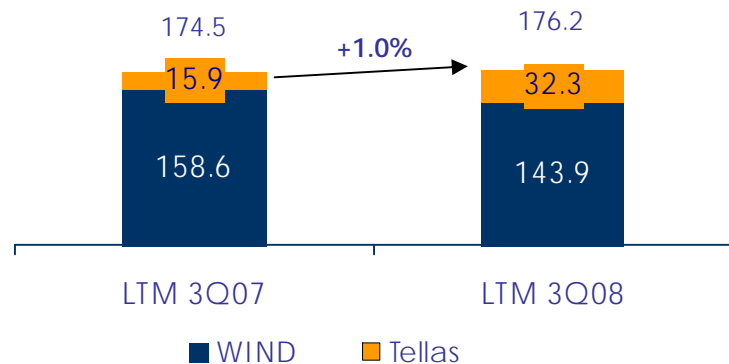
<sup>2</sup> Mostly due to Vodafone roaming & OPEX savings

Pro forma unaudited consolidated financials for WIND Hellas and Tellas in accordance with IFRS

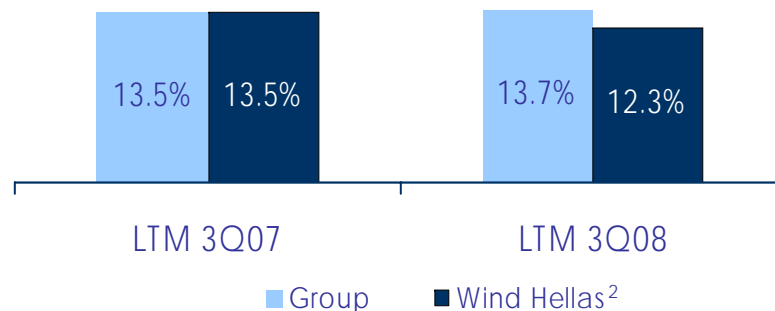
# Group Cash flow generation

Margin performance and CAPEX containment sustain robust cash flow generation

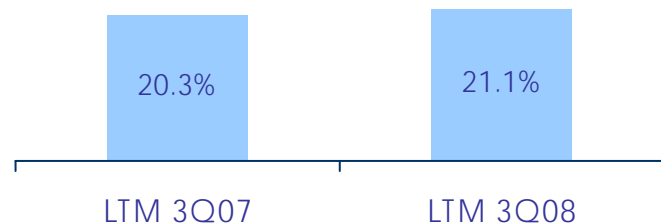
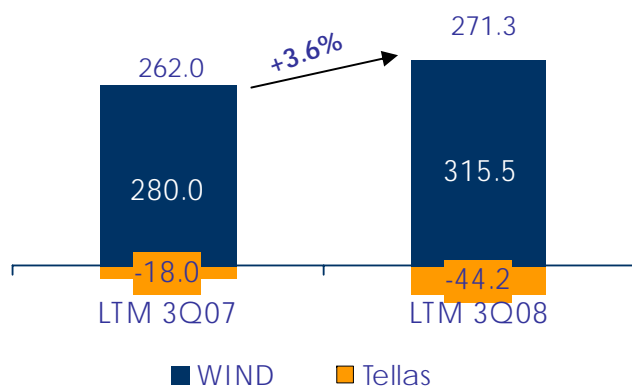
## Capex (EUR, million)



## Capex as % of total revenues



## EBITDA<sup>1</sup> – Capex (EUR, million)



(EBITDA - Capex) as % of total revenues

<sup>1</sup> Adjusted EBITDA for certain non-recurring or non-cash items  
 Pro forma unaudited financials for WIND Hellas and Tellas in accordance with IFRS  
<sup>2</sup> Wind Hellas Capex over stand alone total revenues before intra-group eliminations

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