

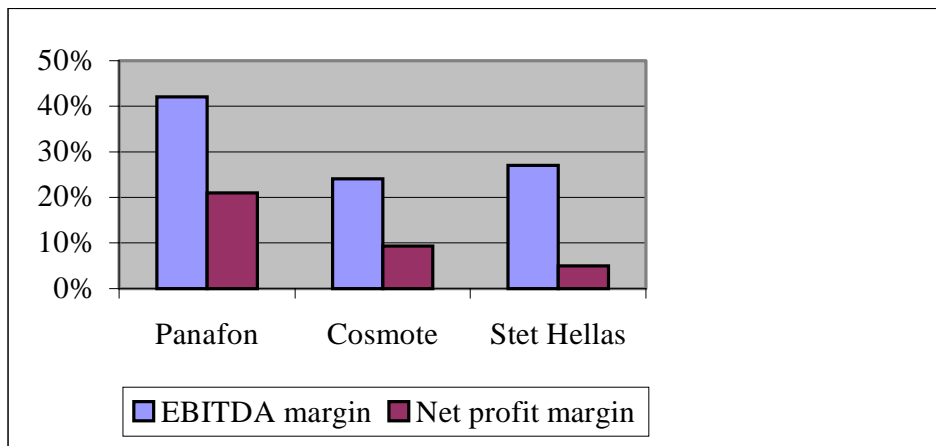


Greek mobile telecommunications market: a rapidly growing sector

The Greek telecommunications market is one of the most dynamic and profitable in Europe. The market capitalisation of the Greek telecommunication industry is valued at EURO 4.3 billion with the mobile telecommunications market being valued at EURO 1.5 billion. There are currently three mobile telecom operators: Panafon-Vodafone, CosmOTE, and STET Hellas.

Attractive valuation multiples: The Greek Telecommunications sector earnings for 2001 are forecast to grow at 16%, with the sector trading at a PE multiple of 17.6 in 2000. The European Telecommunications sector earnings for 2001 are expected to grow at 18.2% while trading at a PE of 38. This translates into a favourable PEG ratio of 0.95 for the Greek Telecommunications sector as compared to a PEG ratio of 2.1 for the sample of European operators (source: Schroder Salomon Smith Barney). The EBITDA and net profit margins of the Greek mobile telecommunication operators for 2000 are illustrated below.

Figure 1: EBITDA and net profit margins, 2000

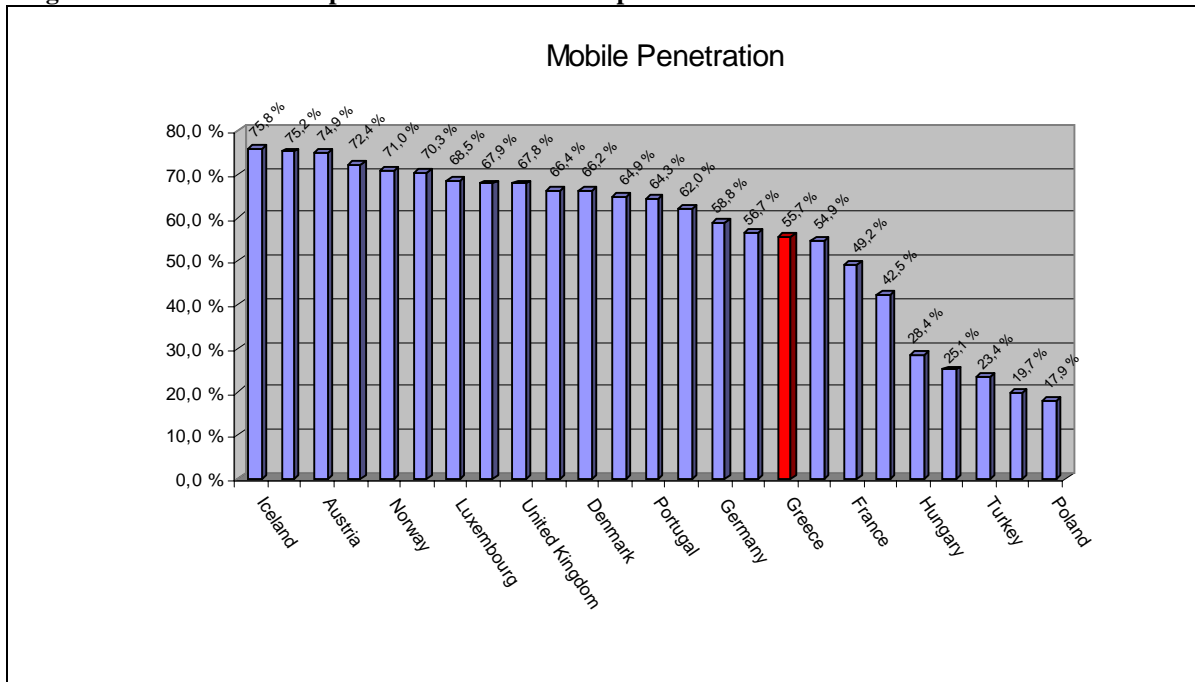


Source: Intersec estimates, 2000

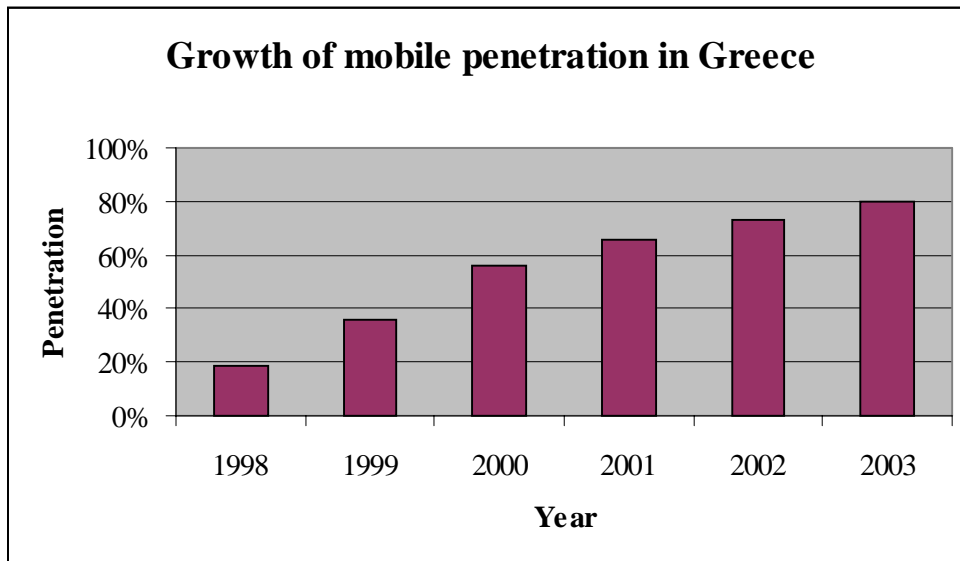
Fast growing penetration ratio: The mobile penetration ratio in Greece was 56% at the end of 2000 showing an increase of 51% from the end of 1999. This ratio is forecast to reach 66% by the end of 2001 and exceed 80% by 2004. The figures below provide current mobile penetration rates in Europe and Greece and forecasted penetration rates for Greece.



Figures 2a and 2b: Mobile penetration rates in Europe and Greece



Source: EMC in UK



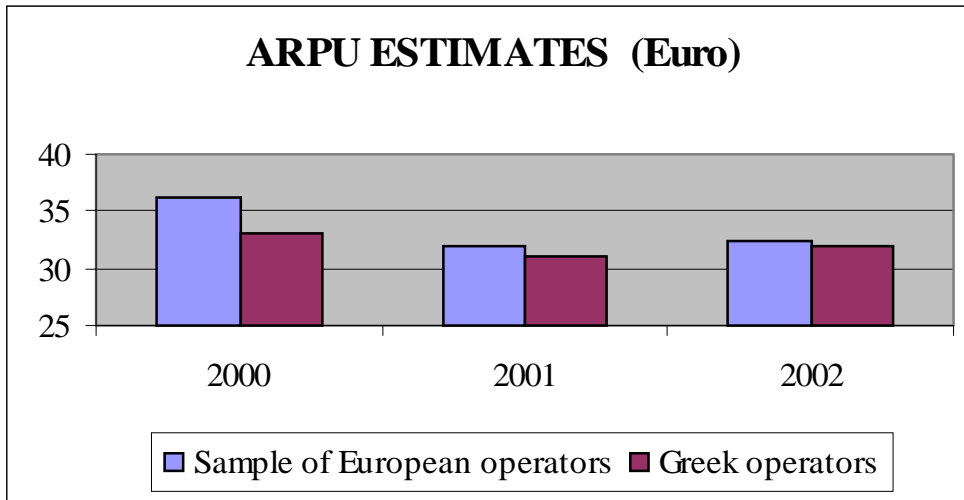
Source: Merrill Lynch, September/November 2000

Average mobile spend: The ARPU rate (Average Revenue Per User – monthly) of the Greek Mobile Telecommunications providers compares favourably with the average ARPU taken from a sample of European telecommunication operators.¹ This figure is even more impressive when standardized by the respective countries GDP per capita. A lower GDP per capita (estimated at approximately 65% of the European average) has not deterred the Greek consumer from spending significantly on mobile telecommunications.

¹ Vodafone, TIM, Sonera, Bouygues, Europ'tan, Libertel, Telecel, Mobistar, Sonae.com, Telefonica Moviles.



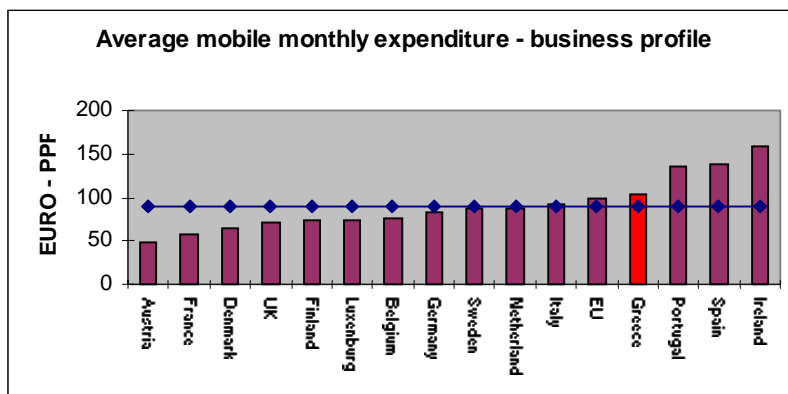
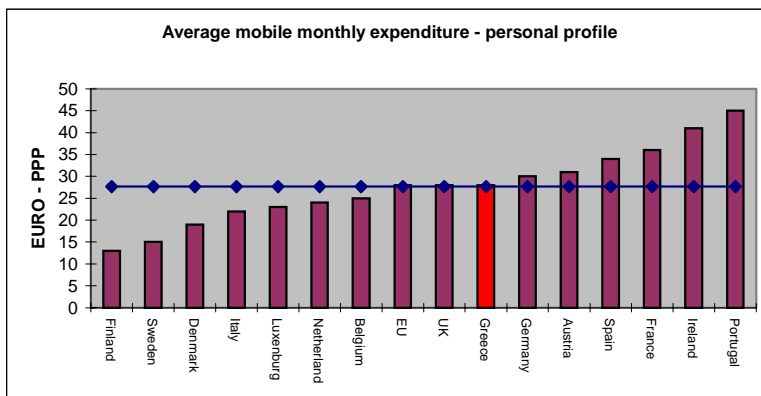
Figure 3: Comparative ARPU estimates; Greek vs sample of EU operators



Source: Schroder Salomon Smith Barney

The two charts below depict the average mobile monthly expenditure for both personal and business profile for European countries for **August 2000** (at PPP exchange rates) and reflect the relatively high spend in Greece amidst the peak of the touristic period.

Figures 4a and 4b: Average monthly expenditure (August 2000) - personal and business profile – EU, Greece



Source: European Telecommunications Services Observatory



Other characteristics:

Other differentiating characteristics of the Greek market include:

- Greek subscribers change their cellular handsets three times more often than European counterparts – (source Intersec).
- Greece has significant SMS penetration rates (eg SMS comprised 8% of CosmOTE's¹ revenue after 8 months of operation, average SMS per month were 25/customer for Stet² in the 2nd quarter of 2000);
- Roaming contributes a significant percentage of the mobile operators revenue stream.
- Greece's annual tourist arrivals exceed 10 million and are forecast to grow further; tourists are expected to have significantly higher demand for information and location based services compared to the average mobile user.

Supervision by independent body

The National Telecommunications and Post Commission (EETT) is the independent regulator of the telecommunications market and is tasked with liberalization of the industry and to oversee the telecommunications business contracts and practices.

¹ Source: Schroder Salomon Smith Barney, "Greek Value", 29 January 2001

² Source: Stet Hellas 2000 first half results