

Market

The communications market offers vast possibilities for expansion of economies, as can be seen by the extraordinary growth achieved in the telecommunications market on global level (from \$123 billion in 2004 to \$282 billion by 2010).

On this scale, the Macedonian telecommunications market is relatively small, although very dynamic – there are 3 mobile operators in a country with population of 2 million. Cosmofon entered the market in 2003 as a second mobile operator, bringing competition on the market for the first time.

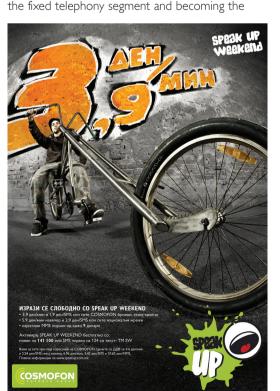
Today, Cosmofon continues to hold its position as one of the most powerful business entities in the country and a key figure in the development of the local economy.

After the commercial launch in June 2003, Cosmofon exceeded the initial projections in a very short period of time, which further encouraged the company to proceed with its objectives in a skilful and highly professional manner.

Achievements

From the very beginning, the vision of Cosmofon was to enhance the quality of life by rendering mobile telephony available to everyone, via a customer-oriented strategy and competitive offers; by addressing different market needs through unique, high-quality products, advanced services and novelties Cosmofon established itself as a leader of the technological development on the local telecommunications market. Company efforts were acknowledged in 2004, when Cosmofon won the regional award "Investor of the Year" for largest Greenfield investment, awarded by the SEE Regional Roundtable for

Investment Promotion (RRT) and OECD. Cosmofon justified the image of technological leader and innovator by ending the monopoly in





first company to introduce 3G services on the market in 2008.

Cosmofon provides much more than voice and data services – company's primary focus is to continuously design and introduce tailor-made, integrated products and total telecommunication solutions in all customer segments.

In a demanding and competitive market, excellence in product quality and a versatile service portfolio ensures that Cosmofon is able to distinguish itself and rise above the rest.

History

Cosmofon was founded in November 2001 by the Hellenic Telecommunications Organization (OTE S.A.) - one of the leading operators in Greece and one of the largest telecommunications players at the European stage. The company commenced commercial operations on June 12 2003, thereat promoting its corporate logo and slogan "A better world to share".



At the celebration of its 4th birthday, on June 17, 2007, Cosmofon presented its new corporate identity as member of COSMOTE Group, the leading mobile operator in Greece and the largest mobile operator in the Balkans. The new corporate brand was communicated through a campaign launched under the slogan "Express yourself". During the first four years, Cosmofon expanded its network to cover more than 99% of the population, introduced a wide range of high quality, affordable and unique products and services, and consolidated a strong nationwide retail distribution network.

On May 14, 2008, an agreement was signed between the Greek Government and Deutsche Telekom and as of November 5, 2008, each holds 25% plus one share of OTE's share capital.

Inclusive with December 2008, Cosmofon has 230 roaming partners in 110 countries and offers GPRS roaming with 55 operators in 33 countries. Today, Cosmofon employs 326 people, and

continuously aspires to recruit talented people by

assigning the best professionals to crucial projects that pose a greater challenge, and above all to create values for the employees and customers.

Product

Based on in-depth knowledge and understanding of the market and its demands, throughout the years Cosmofon developed an extensive portfolio of innovative products and offers for its customers.

Cosmofon offers a variety of services in all customer segments, designed to meet specific communication needs.

In June 2006, careful market research and understanding of its



trends led to introduction of a new prepaid product called SPEAK UP, a communication offer especially designed for young people, but also suitable for all who wanted to benefit from its unique characteristics. The launch of Frog - an independent, simple and low-cost prepaid brand followed, targeting budget users as well as people interested in basic mobile communication.

In line with its objective of becoming an allinclusive telecom provider that offers total communication solutions, with the launch of ALLO landline services Cosmofon entered a new market segment in 2008, expanding its commercial operations into the field of fixed telephony with a simple and affordable fixed line offer for all. Cosmofon provides landline services through its extensive GSM network across the country, currently at 99.8% population coverage, thus making fixed telephony accessible to all customers, wherever they may live.

Cosmofon was the first and only operator on the market to offer solutions such as broadband mobile internet and video calling, following the introduction of 3G services in September 2008. Through implementation of HSDPA technology, Cosmofon's 3G mobile broadband services provide fast and easy internet access with downlink speeds of up to 3.6 Mbps.

Via the use of WiMAX technology, Cosmofon also provides wireless broadband data communication with high speed data transfer over large distances. With this technology, Cosmofon is able to offer fixed internet and telephony and custom-made communication solutions.

Recent Developments

In 2008 Cosmofon introduced 3 completely new technologies on the market: fixed telephony via GSM network (FixGSM), 3G and WiMAX.

In June, ALLO fixed telephony was launched as the first serious competitive product in this segment.



In August 2008, 6 months after winning the tender, Cosmofon launched its offer of 3G services for the first time on the telecommunications market. In a short period of time, Cosmofon achieved great 3G coverage of over 60% of the population.

With the implementation of WiMAX, GSM fixed telephony and 3G services Cosmofon became the only provider of total communications solution and further established itself as a technological leader on the market.

Promotion

Cosmofon took a fresh marketing approach with its advertising, resulting in some of the most successful and creative ads in the region. The communication style is in line with Cosmofon as a brand – creative, fun, with lots of humor, simple but effective, creating an emotional bond with the consumers.

The company followed its vision and this did not remain unnoticed – in 2006 Cosmofon's campaign "Submarine" won the silver medal at the Moscow International Advertising Festival "Coloribus", whereas in 2008 the "Nuns" campaign won the silver medal at "Epica", the largest European advertising awards competition, among over 700



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other companies.

During the years, Cosmofon created a strong bond with its consumers and the community, firmly believing that corporate entities should be a vital part of the society, with active engagement in the community in which they operate. In line with its corporate philosophy, Cosmofon constantly strives to uphold high ethical standards and contribute to the society by helping the sensitive social groups, hence its continuous support of diverse cultural, social and philanthropic activities, in the spirit of care for a better society.

In the scope of its CSR activities, Cosmofon extends its support in many areas of cultural interest, such as theater and film, urban music concerts, jazz festivals, extreme sports, etc. Some examples include the exclusive sponsorship of the famous Skopje Jazz Festival under the motto "Share Jazz" and the sponsorship of the most visited ski center in Macedonia - Mavrovo.

The exclusive sponsorship of the most famous Macedonian pop singer Toshe Proeski, which lasted for 5 very successful years, paved the way for celebrity sponsorships in the country. These are some of the reasons why people are proud to work in a company such as Cosmofon – creativity and fresh approach, emotional bond with the consumers and social responsibility. Cosmofon has remained true to itself throughout the years.

Brand Values

Cosmofon's unique philosophy defines the way of conducting business, its role in the society and its own vision of the future. The approach and way of thinking have made Cosmofon a reliable partner, a socially responsible subject and innovation leader on the market. The strategy of Cosmofon is to invest in new technologies in all telecommunication segments, thus providing real

value for its customers and addressing their different communication needs. Developing the company into an innovation leader and provider of total communications solution was challenging, but accomplished in a fair and principled manner.

The Cosmofon brand is structured upon several values, representing Cosmofon's personal attitude, the relationship with its customers and the emotional values originating from that interaction.

Cosmofon incorporates brand values which define the company as independent, trustworthy, friendly and close to its customers. Cosmofon sets its own principles, values individuality and freedom of choice and aspires to provide unique communication experiences to its customers. Cosmofon listens and improves, quickly adapting to the growing customer needs, always striving to deliver quality as its primary goal.

www.cosmofon.com.mk

THINGS YOU DIDN'T KNOW ABOUT ...

Cosmofon

- In 2004, Cosmofon was awarded with the regional award "Investor of the Year" for the largest Greenfield investment by the SEE Regional Roundtable for Investment Promotion (RRT) and OECD.
- In only a month after its launch, the fixed telephony "ALLO" achieved 65% brand awareness.
- In just 6 months, Cosmofon introduced 3 new technologies on the market: Fix GSM, 3G and WiMAX.
- The first call in the network of Cosmofon was initiated on May 16, 2003, on the eve of the World Telecommunications Day.