



A 3G story that makes sense

ZappTM

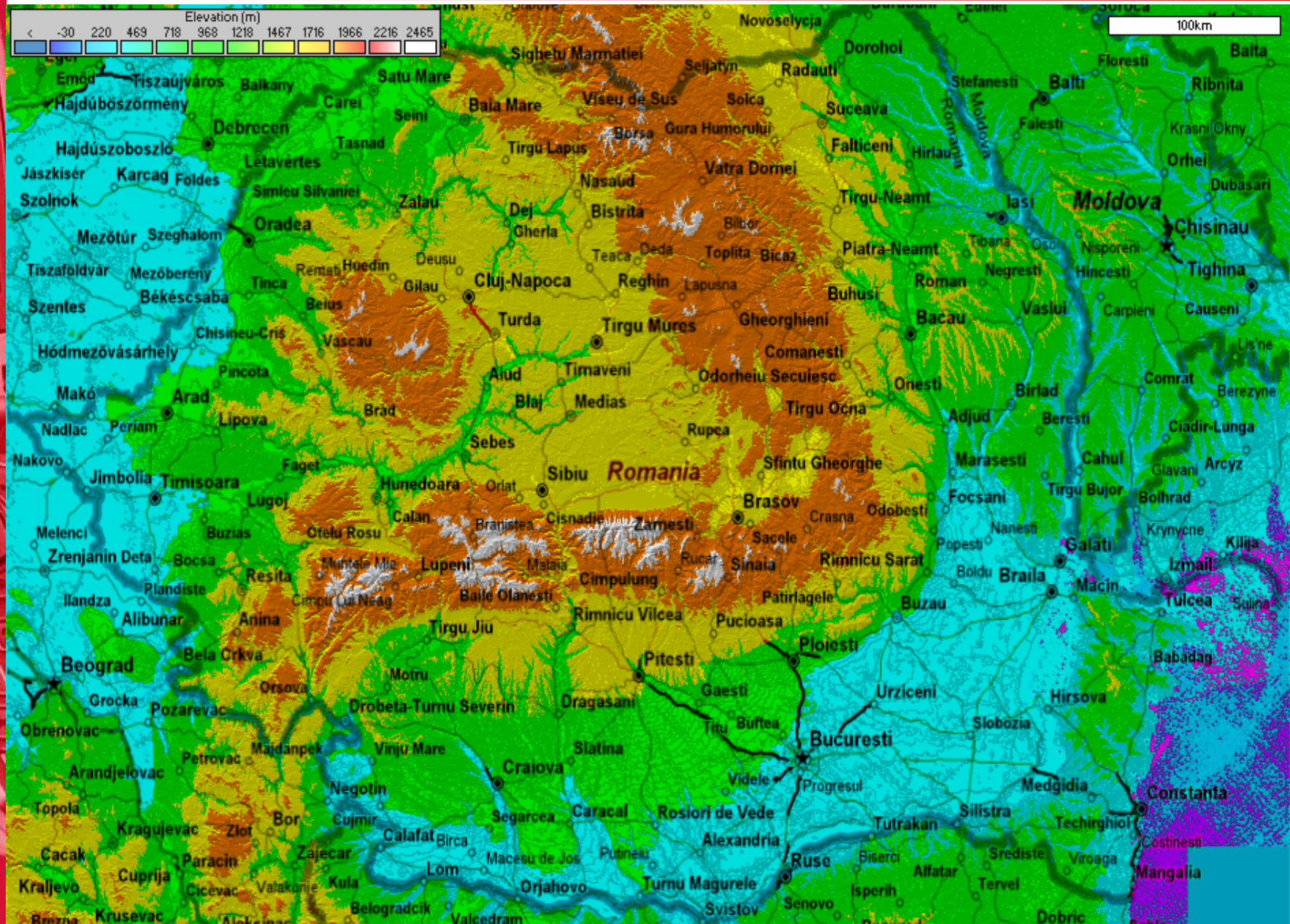
THE NEXT GENERATION NETWORK

22 mln pop / 240k km²



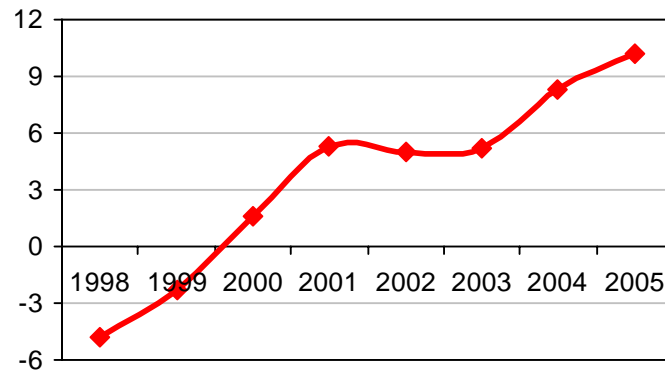


Terrain Map

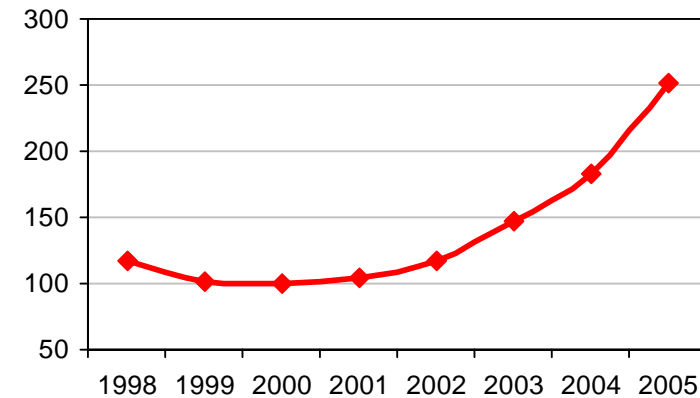


Economics Outlook

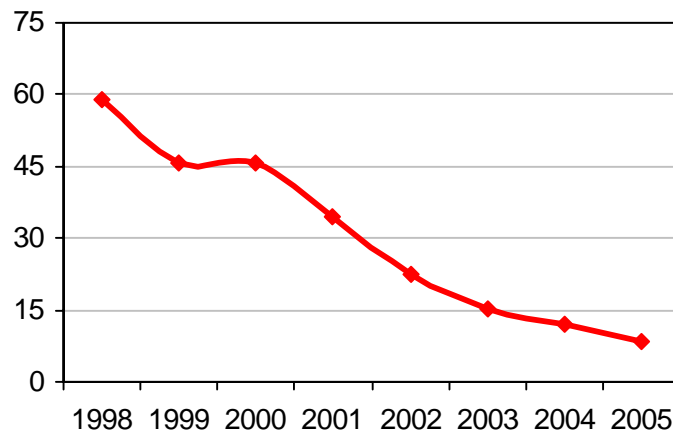
GDP (%)



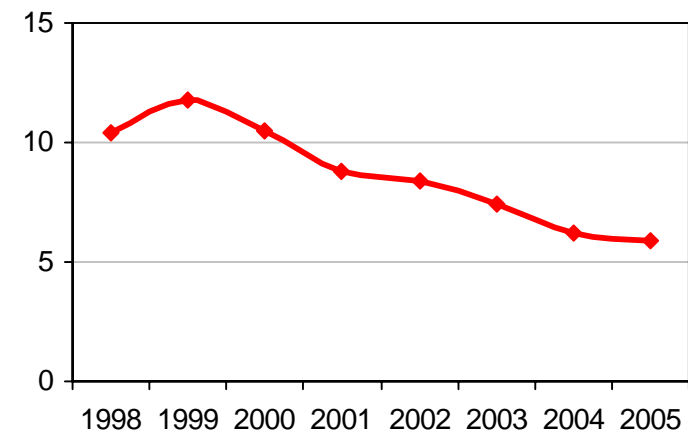
Monthly average net income / capita USD



Inflation Rate (%)



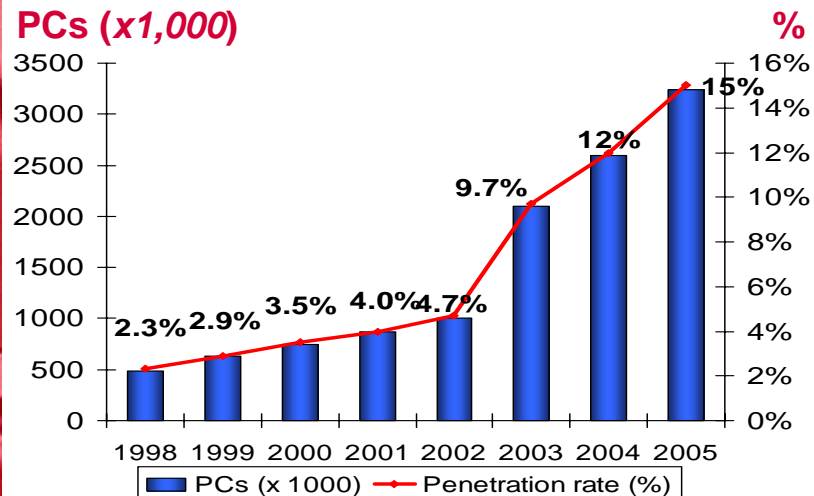
Unemployment rate (%)



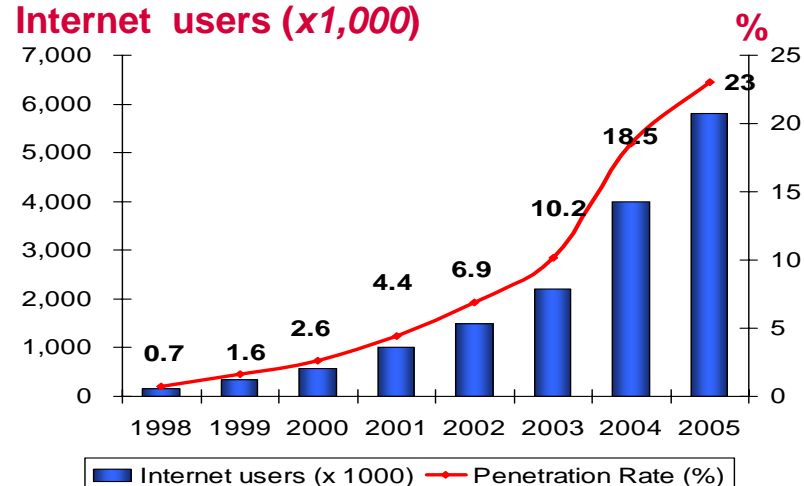
Source: Romanian Yearbook – National Institute of Statistics

Telecommunications Market

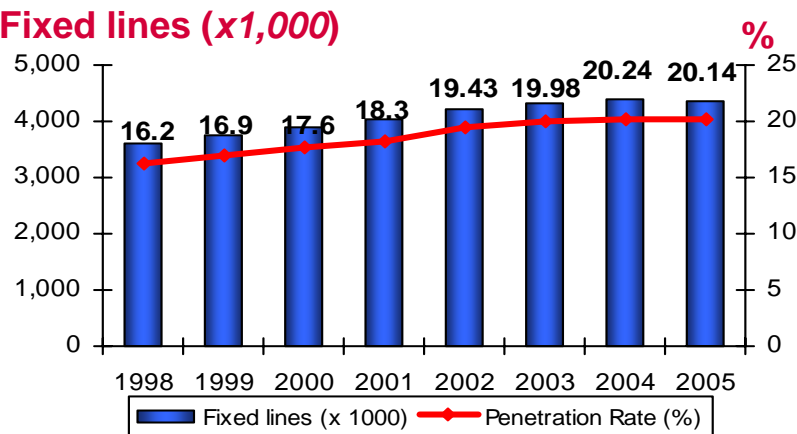
PCs (x1,000)



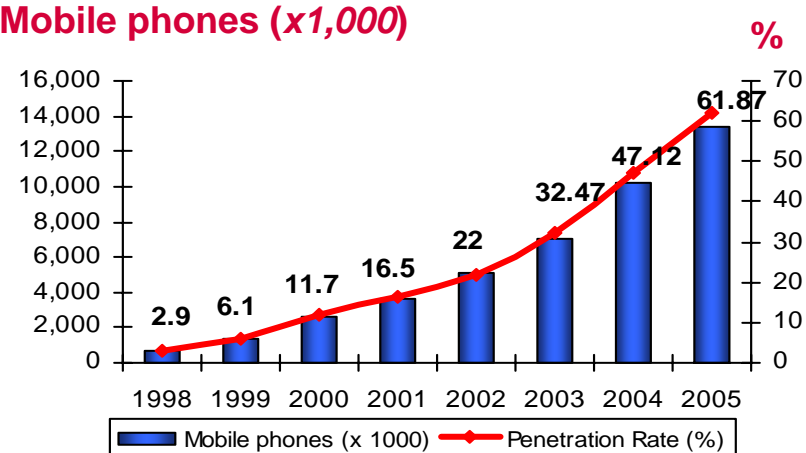
Internet users (x1,000)



Fixed lines (x1,000)



Mobile phones (x1,000)



Source: MCIT, ANRC, EIU Country indicators
*estimates



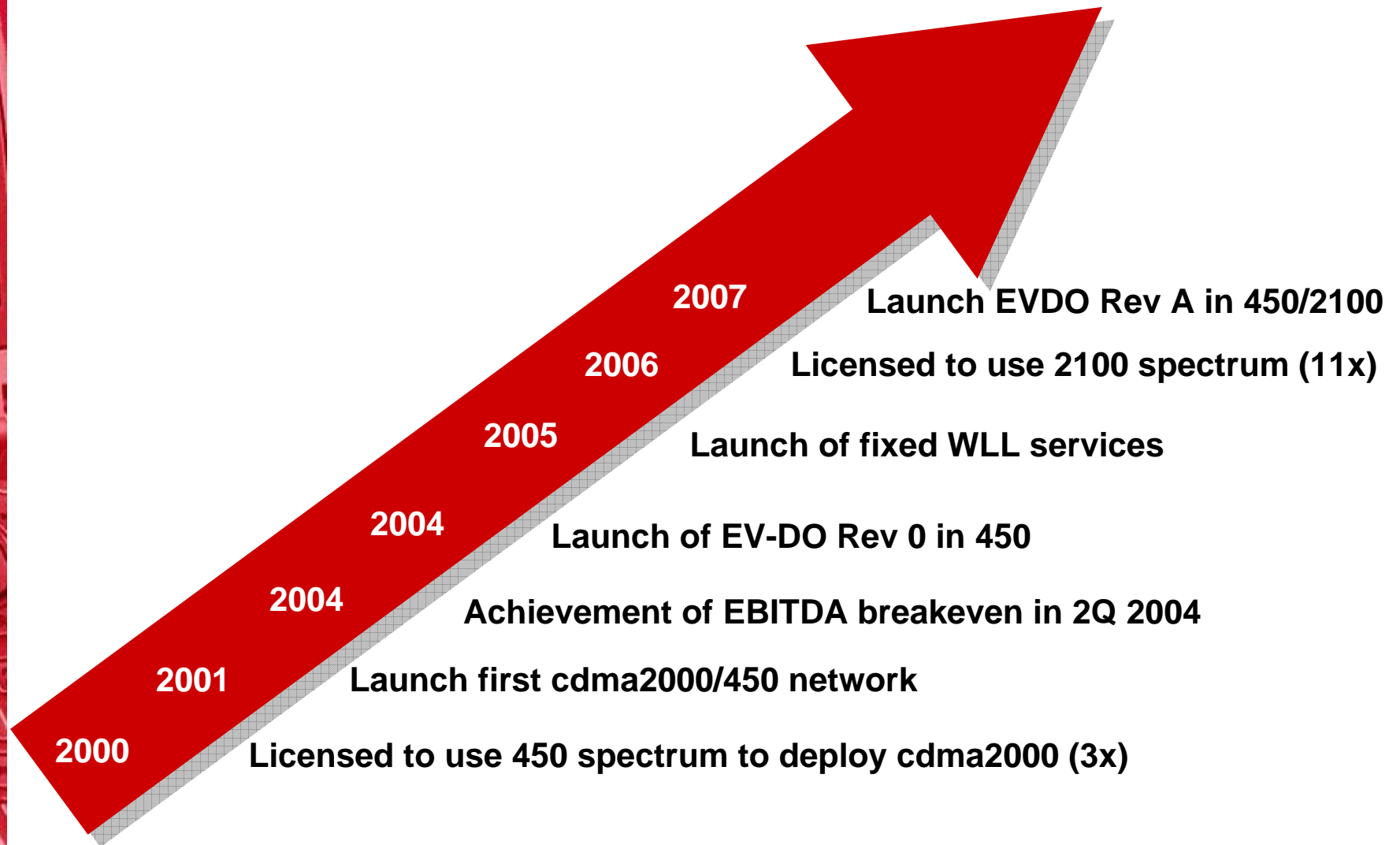
Zapp Overview & Strategy



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Zapp Milestones



Success Factors

As the 4th entrant into the market (competing with Vodafone, Orange and Cosmote national GSM operators), Zapp managed to succeed thanks to its:

- **Technology choice**

- cdma2000 to provide support for both high quality voice and high speed data services with intensive traffic profiles
- Multi band support and smart interoperability with Bluetooth and Wi-Fi devices to enable innovative mobile applications

- **Spectrum choice**

- 450 spectrum to achieve a large & cost-effective coverage
- 2100 spectrum overlay to enable high capacity plant for 3G services

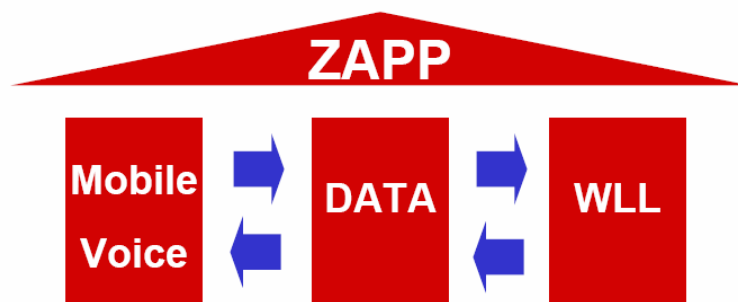
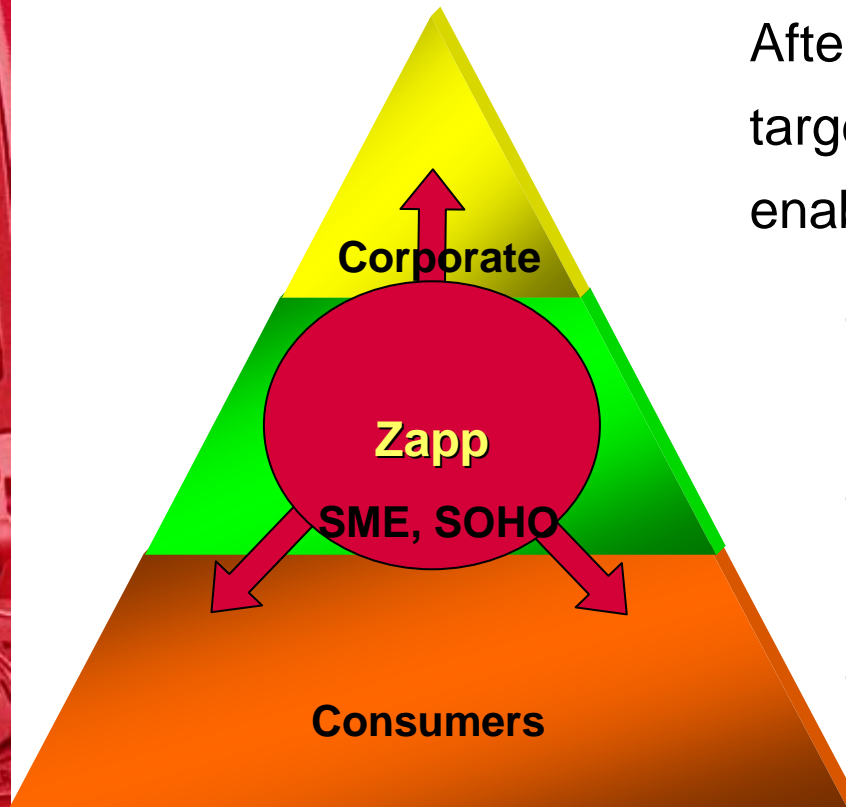
- **Strategy choice**

- Convergent positioning at the account level to provide both urban & rural, mobile & fixed, voice & data services (enabling cross-selling)
- Divergent positioning at the service instance level to enable specialized terminals to be used independently (unlike typical 3G)
- Enabling affordable flat-fee based connectivity to the most valuable content for the end-user (via local peering and content self casting)

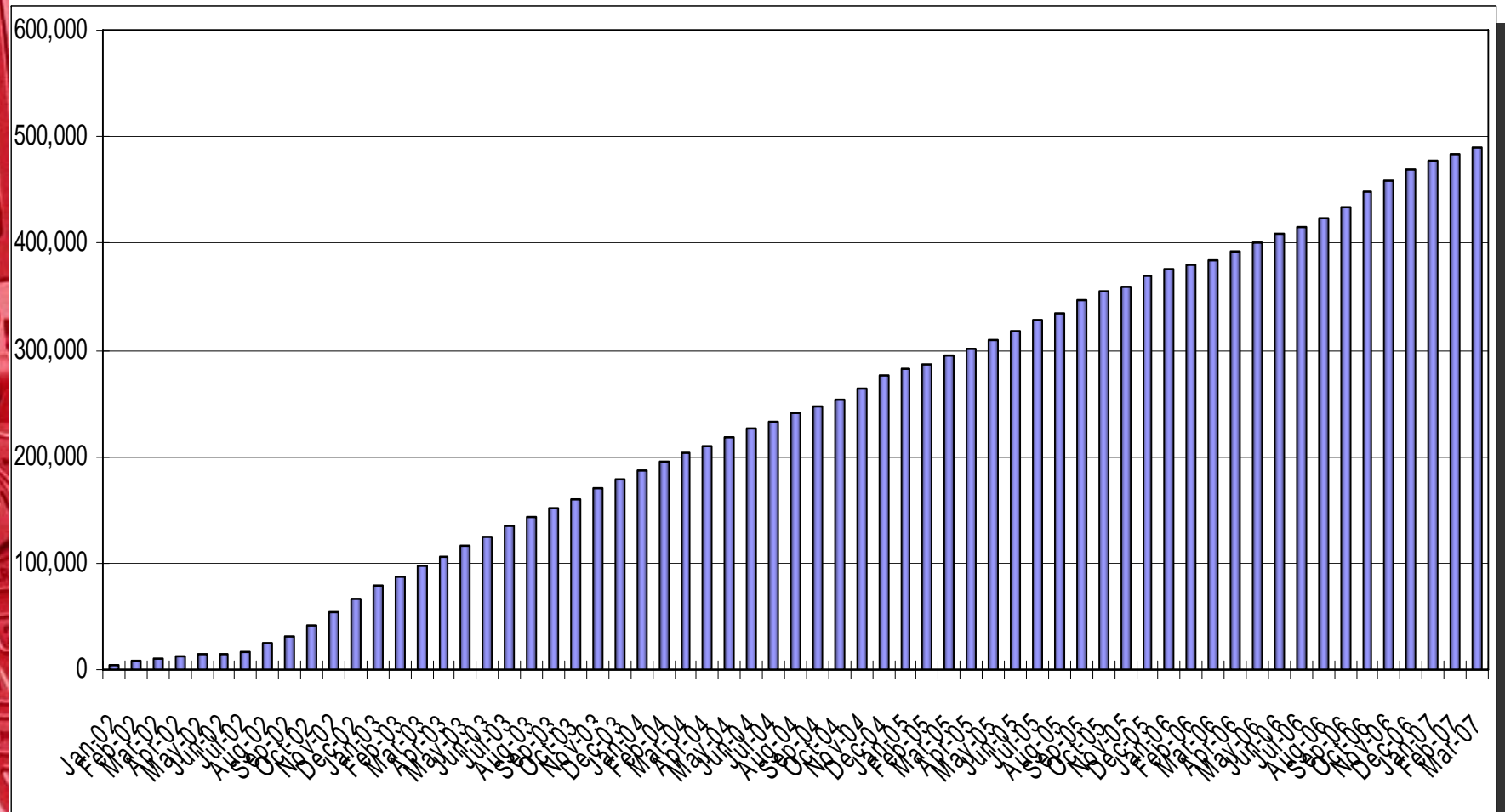
Onward Strategy

After the SME/SOHO initial focus, Zapp targets additional segments and niches enabled by:

- Full nationwide coverage (450) and high capacity urban network (2100)
- Unlimited voice (on-net) and data services offering (flat-fee based)
- New terminals offering and steadily decreasing handset prices
- New mobile data features and applications (Brew, My Casting, VoIP)
- Pre-paid services introduction
- Services convergence



Customers Base



- Mobile Voice and Data



- Fixed Voice and Data



- Broadband data





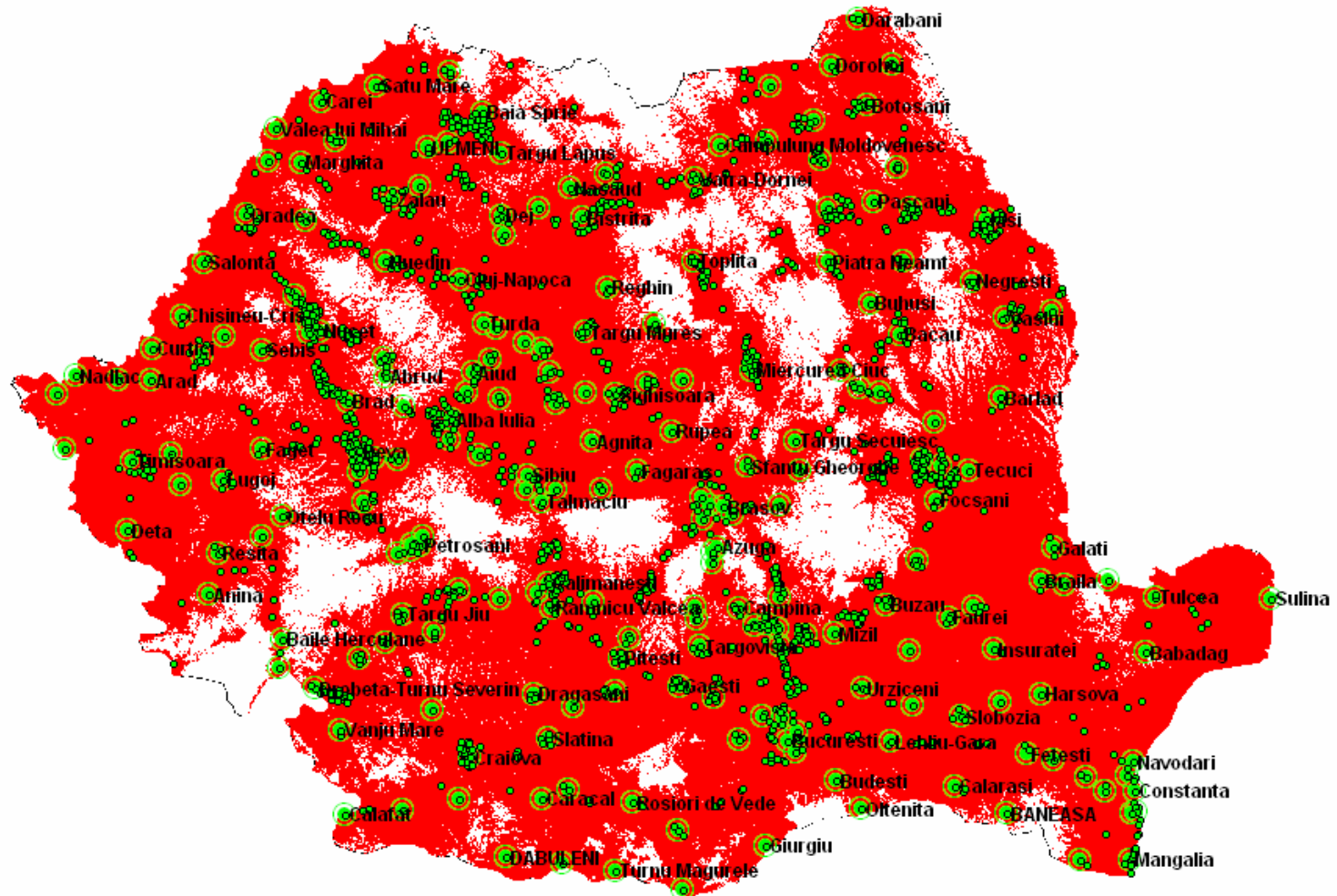
Network

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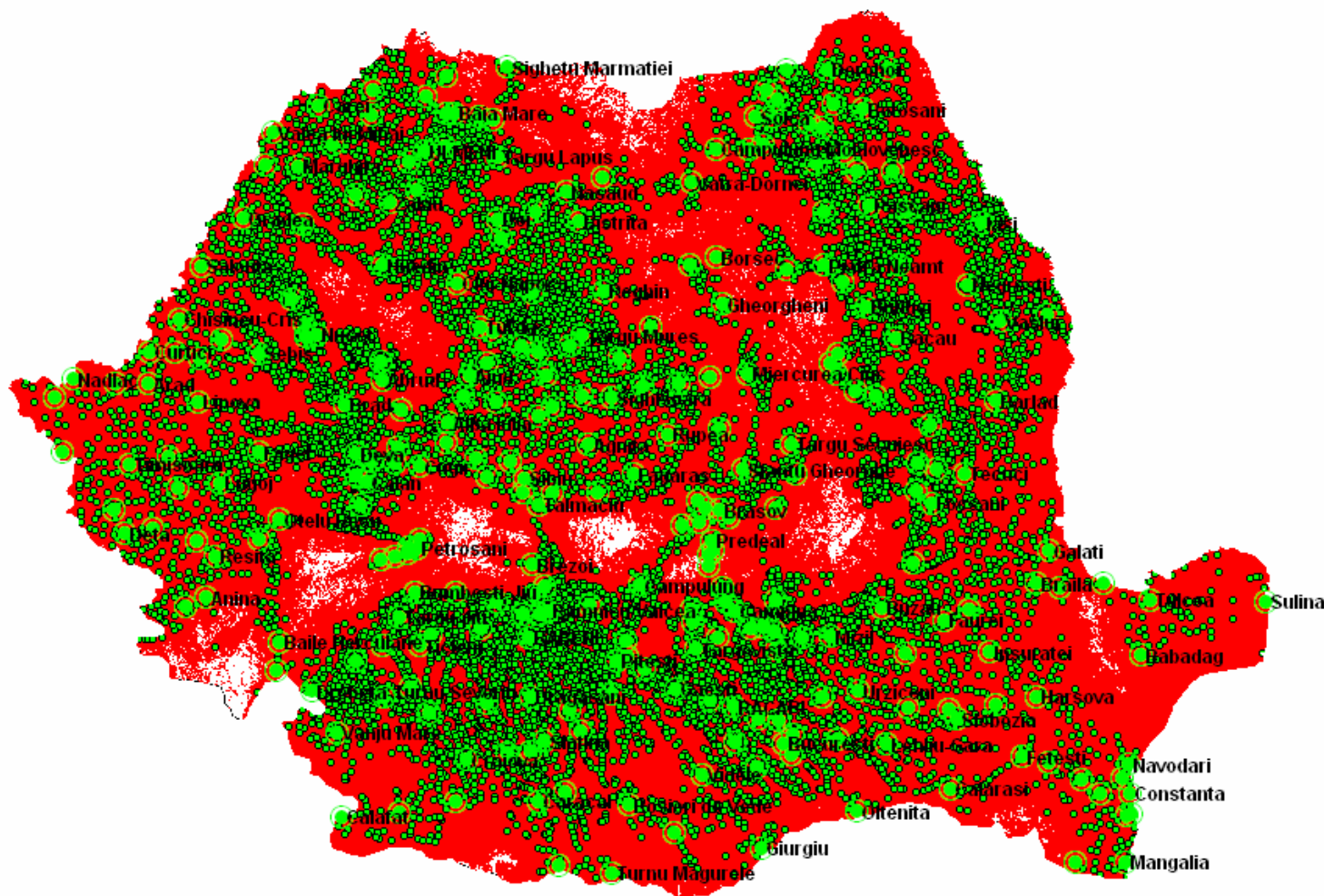
Mobile Services Coverage

Over 1,500 localities covered for the indoor level of service, over 17,000 km of roads covered for the in-car level of service and over 180,000 square km covered for the outdoor level of service by 520 BTS



Fixed Services Coverage

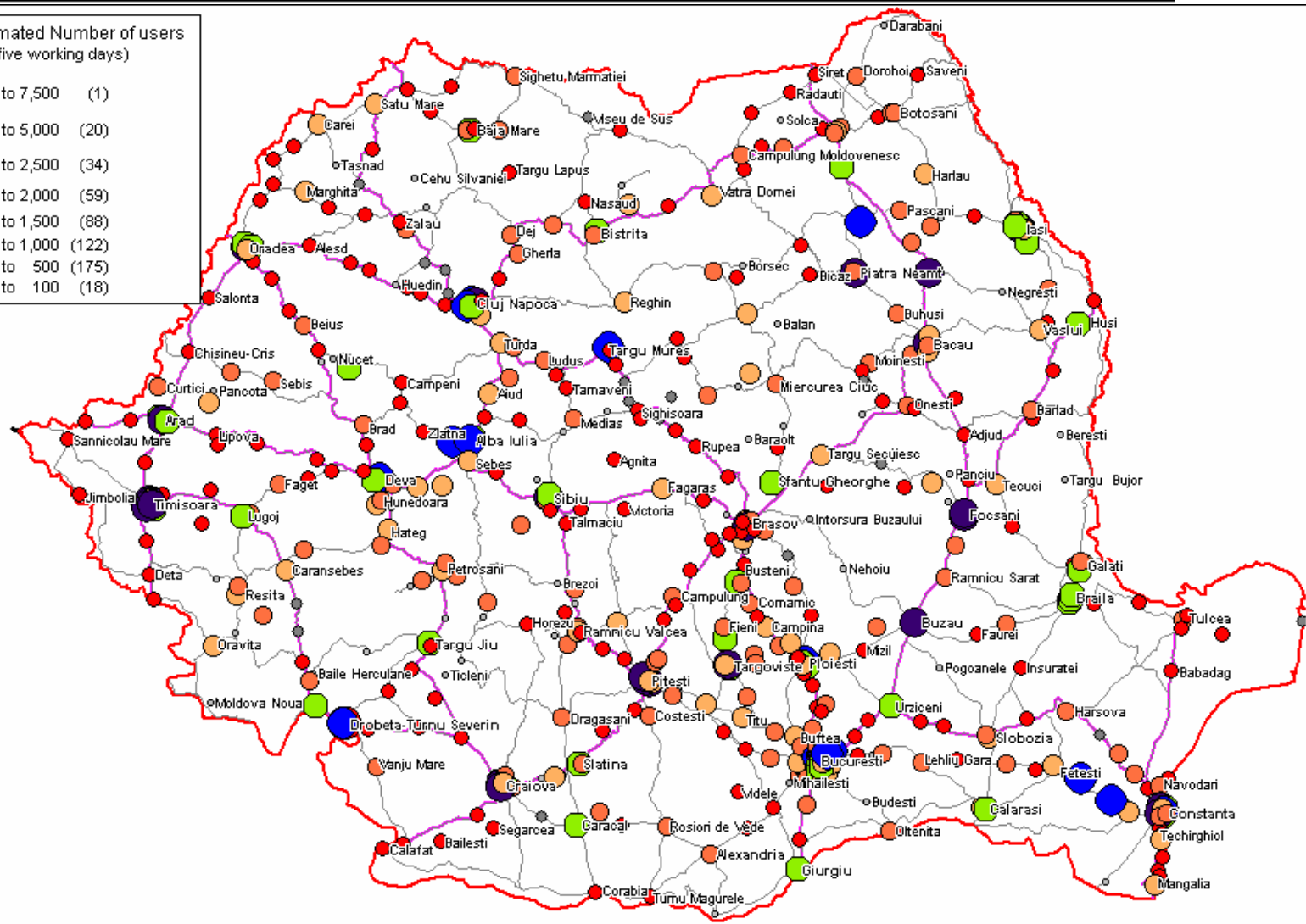
Over 10,000 localities covered with indoor level of service by the same network



Traffic & Performance

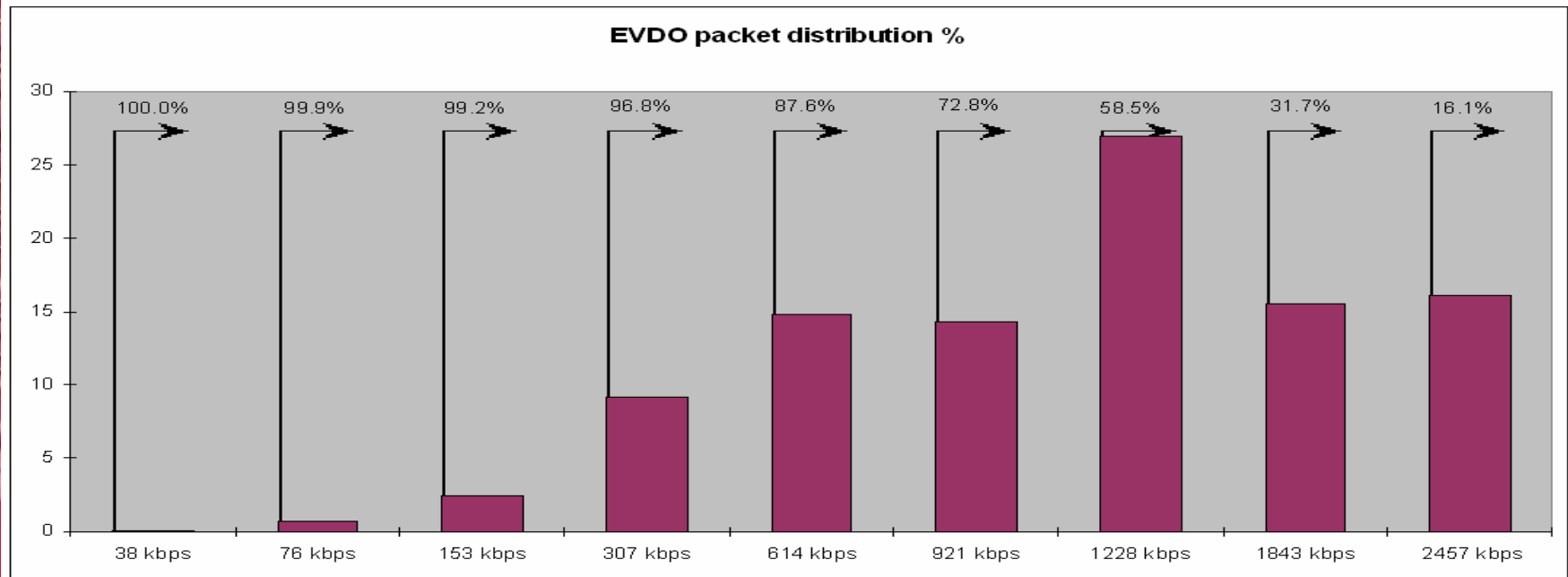
Network Availability	Traffic	Geographical	Time	
	99.955	99.961	99.957	
Network Performance KPI	Call success rate	Handoff Success Rate	Drop Call Rate	Frame Error Rate
	98.57	98.73	0.59	0.81

CDMA Cells By Estimated Number of users
(averaged for five working days)



Usage Profiles

- Average Voice usage/sub/month: 450 MOU (25mErl@BH)
- Average Data usage/1x Limited sub/month: 300 MOU & 40 MB
- Average Data usage/1x Unlimited sub/month: 5600 MOU & 800 MB
- Average Data usage/DO Limited sub/month: 1800 MOU & 600 MB
- Average Data usage/DO Unlimited sub/month: 4800 MOU & 2000 MB
- Average user data speeds: 60-110 kbps (1x) and 500-900 kbps (DO)
- Packets speed distribution below (DO Rev0)





450/2100 Rollout

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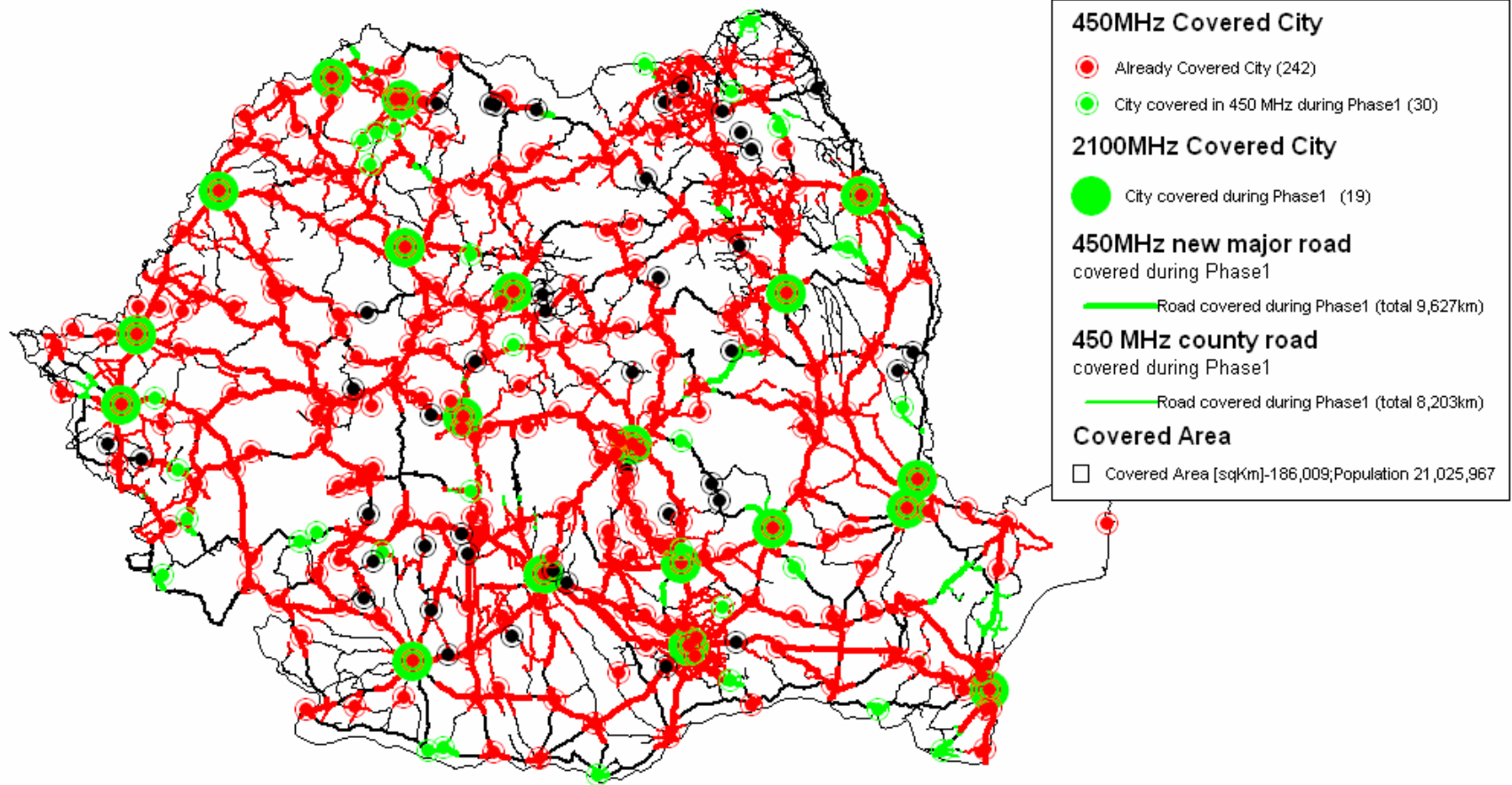
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Dual-band concept

- 450 spectrum (2x4.5MHz) can accommodate up to 3 cdma2000 carriers
- Zapp dedicates 2 carriers for the 1xRTT voice/data services and 1 carrier for the EV-DO broadband services
- 1 single DO carrier is sufficient for the mobile broadband services offering (using Rev0 & RevA technology) but not enough for the mass-market positioning as portable and fixed broadband connectivity solution (as DSL/Cable alternative) without heavy cell-splitting in the urban environments.
- 2100 spectrum (2x15MHz) can accommodate up to 12 additional cdma2000 carriers
- Zapp dedicates 3 carriers for the 1xRTT voice & data services and 9 carriers for the EV-DO broadband services (having the option to deploy 1 UMTS carrier for roaming business opportunity)
- Dual-band antennas, base stations and terminals available from several vendors
- 2100 spectrum allows Zapp network to smoothly evolve towards RevB & RevC in order to protect the leadership positioning in terms of data speeds offering while 450 spectrum will continue to provide/enable the largest broadband coverage footprint
- ***Same urban & rural, voice & data services (no divide) with large coverage & high capacity offered at the same time, by the same network/technology, through the same terminals***

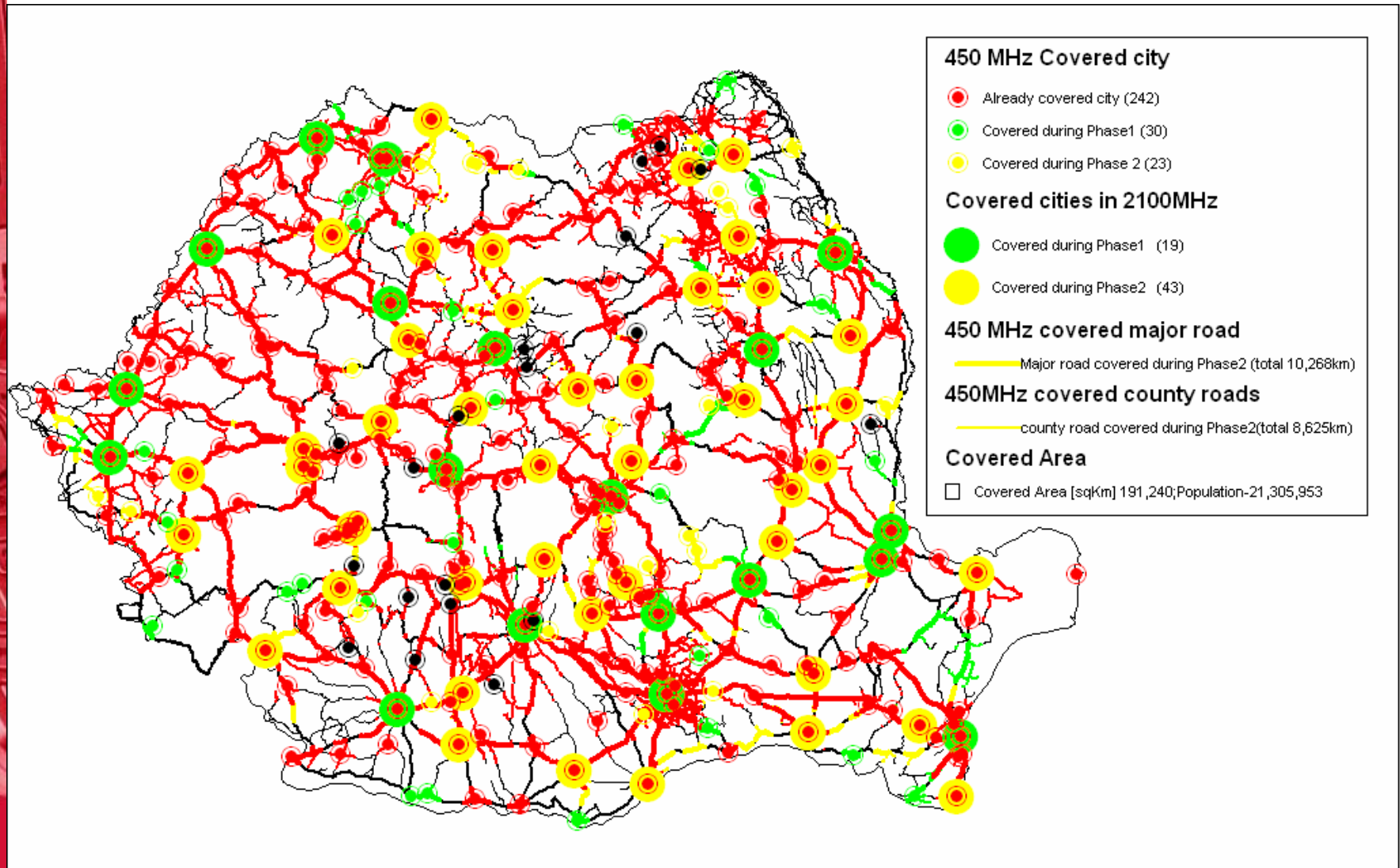
Phase 1: 450/Mobile & 2100/Portable – June 2008

272 cities covered by the 450 network layers (1xRTT & DO Rev0 & DO RevA)
19 cities covered by the 2100 network layers (DO RevA)



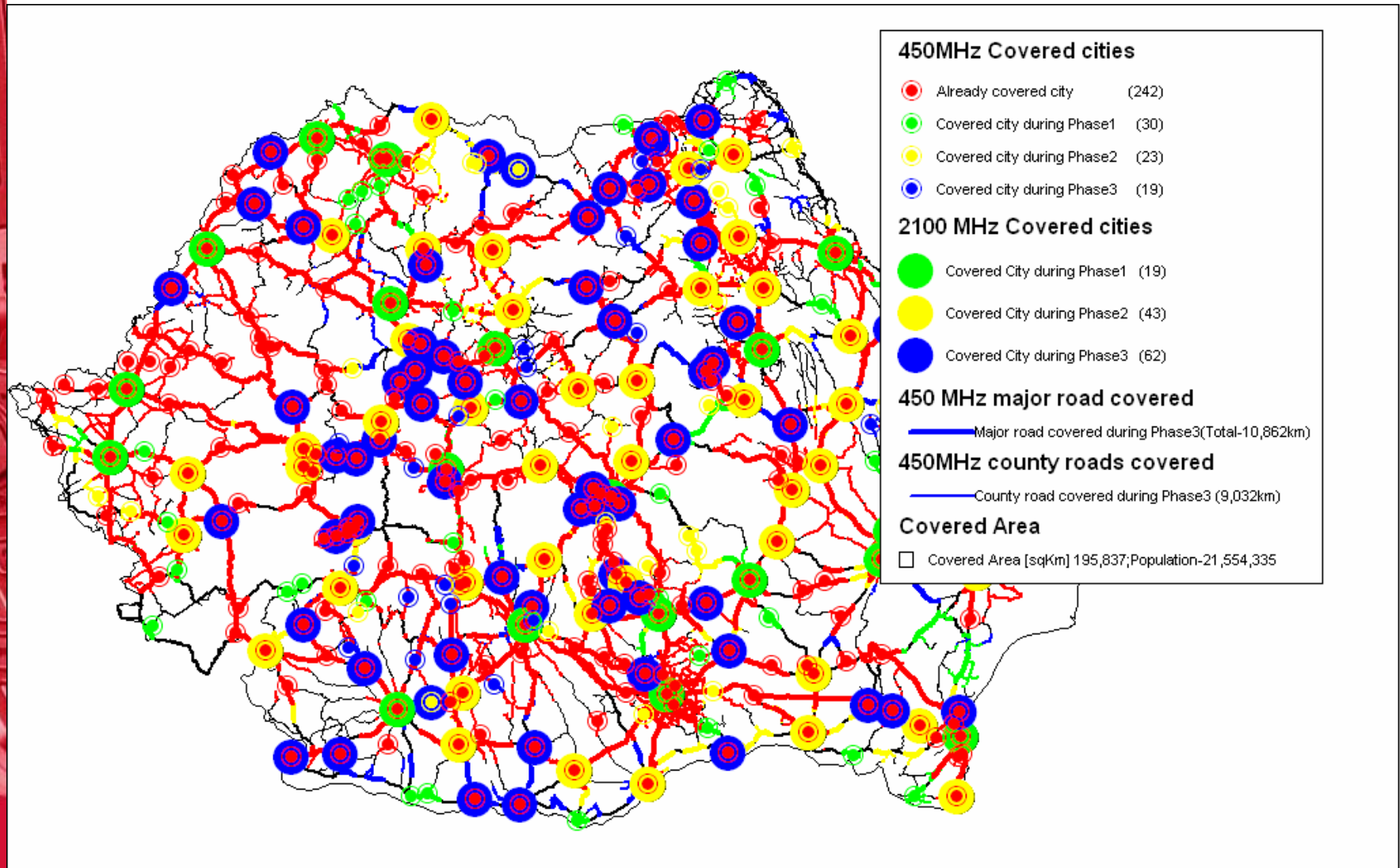
Phase 2: 450/Mobile & 2100/Portable – Dec 2009

295 cities covered by the 450 network layers (1xRTT, DO Rev0 & DO RevA)
62 cities covered by the 2100 network layers (DO RevA & 1xRTT)



Phase 3: 450/Mobile & 2100/Portable – Dec 2011

314 cities covered by the 450 network layers (1xRTT, DO Rev0 & DO RevA)
124 cities covered by the 2100 network layer (DO RevA & 1xRTT)



450/2100 Terminals

- **Phase1:**

- DO RevA USB dual-band modem with manual switch between 450/2100 (MSM6800 based) – Q4 2007

- **Phase2:**

- 1xRTT low-cost dual-band handset with automatic switch/handover between 450/2100 (QSC1100 based) – Q2 2008
- DO RevA USB dual-band modem with automatic switch/handover between 450/2100 (MSM6800 based) – Q4 2008
- 1xRTT & DO RevA dual-band handset/modem with automatic switch/handover between 450/2100 (MSM6800 based) – Q1 2009

Large volume commitments and favorable economies of scale for the DO RevA 450/2100 handsets & modems would be possible based on the high capacity offered by the 2100 spectrum, enabling the mass-market positioning of the DO products.



Applications

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Zapp Brew Apps

eMMail



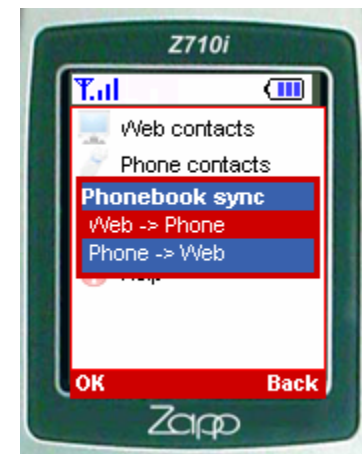
eCare



€xchange

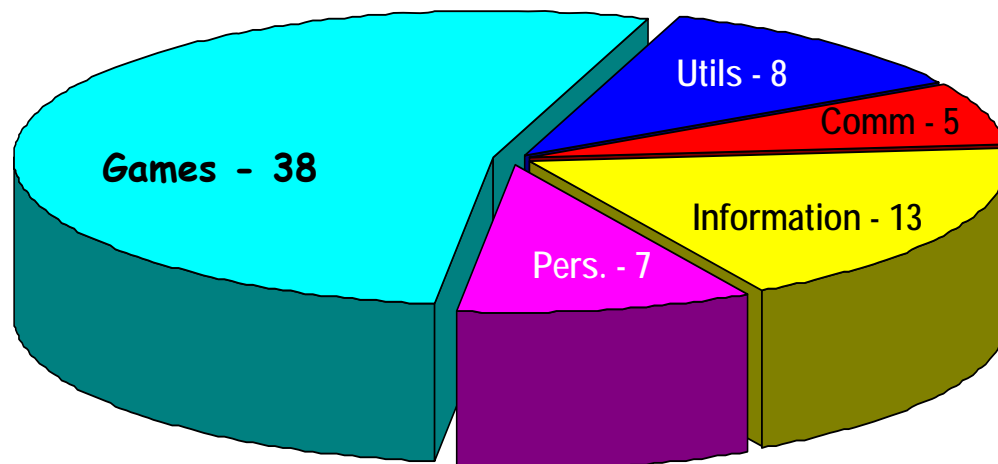
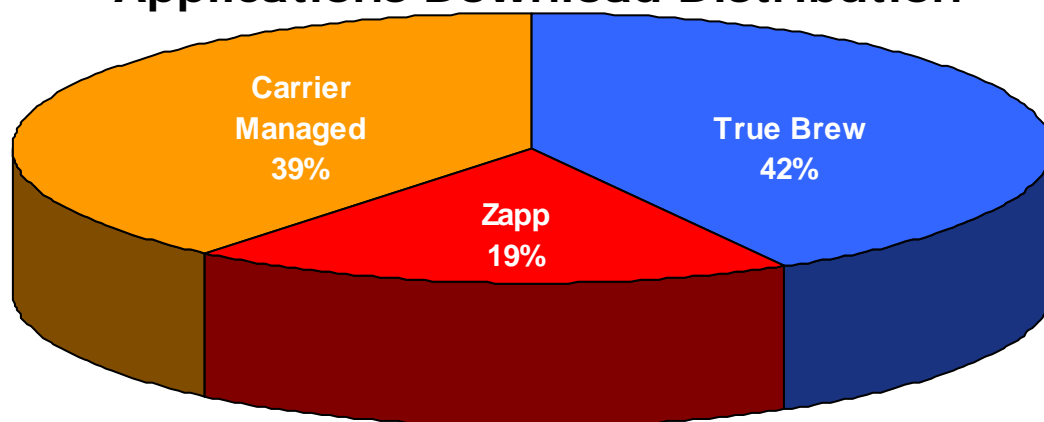


Sync

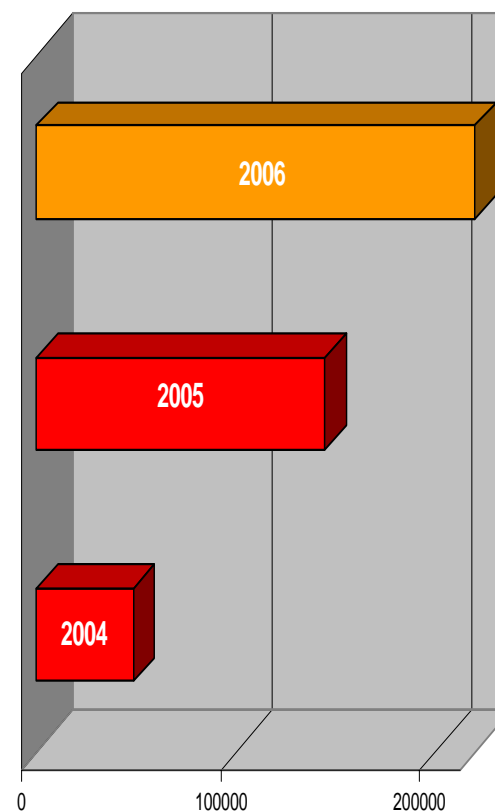


BREW Catalog

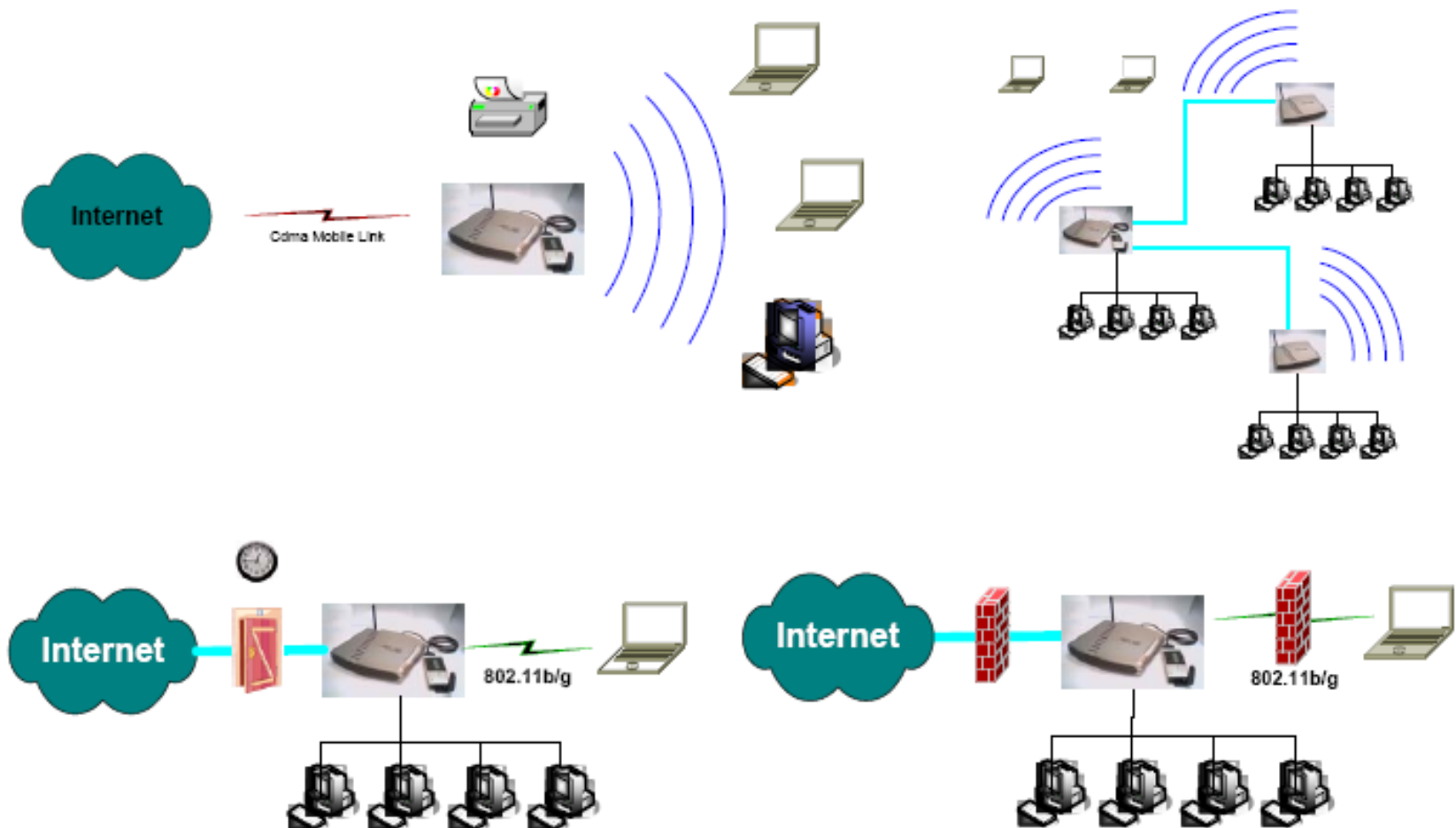
Applications Download Distribution



Download Evolution



Mobile & Fixed Hotspots Backhauling



Low Cost in-building data coverage solution (\$60/unit)
High interoperability based on USB, Ethernet & Wi-Fi interfaces (no drivers required)
Large number of applications based on Linux open source

Personalized Portal Services

Completely customizable portal services with user manageable content and optimized interfaces for PC, PPC/PDA and Mobile browsers (www.zappmobile.ro)

ZAPP Mobile - Windows Internet Explorer

http://www.zappmobile.ro/HTML/screens/user/userpage.jsp

File Edit View Favorites Tools Help

Google Go Orb 2.0 ZAPP Mobile

Settings

Zapp™ "A man never tells you anything until you contradict him." - George Bernard Shaw

Welcome, Victor STAN

ZappMail | Calendar | Configuration | e-Cards | Compliment | eCare | multisMS

News | Sports | Entertainment | Good to know

Latest News

- » 14:00 Neighbourhood Networks Encouraging Internet Piracy In Romania
- » 13:30 Microsoft Planning To Improve The Security Of Office 2003
- » 13:00 Angelina Unveils Directorial Debut
- » 12:30 Nicolas Cage Snaps Up GBP4m House In Bath
- » 12:00 Romanian suspended president confident in returning to presidency
- » 11:30 Iran: U.N. Warns Of More Sanctions
- » 11:00 Russia: Nashi Campaign Continues
- » 10:20 New PC game allows Middle East peace
- » 10:00 Sarkozy, Royal trade insults in TV debate
- » 09:00 Austria to Lower Voting Age to 16

Sign Leo (Jul 24 - Aug 23)

This morning you may be in a bad mood and fail to communicate efficiently. Keep calm and try to sort things out! In the evening you may be invited to a party. You will have the opportunity to meet a person who may later play an important part in your life.

Leo (Jul 24 - Aug 23)

Updated: 2007/05/03

International

- » Iran: U.N. Warns Of More Sanctions
- » Russia: Nashi Campaign Continues
- » Sarkozy, Royal trade insults in TV debate
- » Israeli FM seeks Olmert's resignation
- » Anti-Estonia Protests Escalate in Moscow
- » Colombia cuts drugs haul figure

Updated: 16:28

ZappMail Free

100 MB Inbox space

Free SMS notifications/month

Press Review

- » 05/03/2007 - Estonia and Russia in diplomatic conflict
- » 05/02/2007 - Al-Qaida leader in Iraq, exterminated by his own people
- » 04/30/2007 - Iusenko promises free elections in Ukraine
- » 04/28/2007 - Are visas going to disappear by the end of the year?
- » 04/27/2007 - EP votes for the resignation of the World Bank chief
- » 04/26/2007 - Frattini offering to help Kishinev
- » 04/25/2007 - Russia and the European Union, between war and peace

Weather in - Bucuresti Otopeni

Temperature: 22 C
Humidity: 31 %
Wind direction: Vest
Wind speed: 14 km/h
Pressure: 1013 hPa
Conditions: Cer senin

Bucuresti Otopeni

Updated: 16:23

Sports News

- > Flash
- > Football
- > Formula One
- > Tennis
- > Basket

BNR Exchange

Edit

	03/05/2007	04/05/2007
1 USD	2,4481 LEI	2,4351 LEI
1 EUR	3,3241 LEI	3,3136 LEI
1 GBP	4,8794 LEI	4,8505 LEI
1 CAD	2,2007 LEI	2,1965 LEI

Info Cost

Usage	Units	USD
TOTAL		0.00

Billing period start: 2007/04/15 00:00:00
Updated: 2007/05/03 13:16:03

E-mail quota usage: 703 M (18%)
E-mail quota limit: 3906 M

TV Programme

16:00 Tanar si nelinistit

17:45 Razboiul de acasa

18:15 Doi barbati si jumatate

20:30 Academia de politie

00:00 CSI: Miami

06:30 Emmerdale - Afaceri de familie

Select the channel
PROTV

Select the day
Today

☒ Movies only

Internet | Protected Mode: Off 100%

TV/Video/Music/Photo/Webcam/PVR/Feeds/Files Access

Free Media Center solution to access the entire home/office content and files by streaming to any broadband mobile device with an embedded web browser/media player plug-in (www.orb.com)

Orb 2.0 - Windows Internet Explorer

https://mycast.orb.com/orb/html/index.html

File Edit View Favorites Tools Help

Google Go

Orb 2.0


Home

vstan@zappmobile.ro [Log Out]

Add Channels

Home Open Application Media Examples Orb + New Tab

Photo - Random



IMGPO536

Weather

Bucharest, Romania - Bucharest/Baness, Romania Thursday, May 3

Thursday	Friday	Saturday	Sunday
N/A	12° / 22°	11° / 26°	12° / 28°

Weather data provided by weather.com ©

PC Status

Your PC clock is off by more than 3 minutes, your recording times will not be accurate.

Current IP address: 80.97.177.19
 PC location: Romania
 Your current location: Morocco
 CPU usage: 16 %
 Total memory: 1023 MB
 Memory usage: 571 MB
 Free disk space: C:\: 7.82 GB
 Free disk space: H:\: 83.46 GB
 Free disk space: N:\: 15.77 GB
 Free disk space: T:\: 24.27 GB
 Free disk space: V:\: 8.67 GB
 Total audio files: 12224
 Total photo files: 1633
 Total video files: 1770
 Total document files: 3825

TV / Webcams - Program Guide

Thu May 3 4:00 PM How

- PRIMA TV-DT
- ANTENA 3-DT
- ANTENA 1-DT
- REALITATEA TV-DT
- TVR2-DT
- TVR1-DT

Audio - Random

- Bonus Trax
- In Search of Sunrise 5 CD 02
- In Search of Sunrise-cd2
- In Search of Sunrise-cd1
- Ferice-i, ferice
- Colindăm, Doamne, colindăm

Modules - Stock Quote

Ticker	Last	Change	% Change	Volume
*DUI	13211.88	+75.74	+0.58%	251341904
*XIC	2557.84	0.00	0.00%	0
*NYA	9718.00	0.00	0.00%	0
QCOM	44.27	0.00	0.00%	400

Stock data provided by Yahoo!, Inc. Finance ©

Video - Favorites

- ANTENA 1-DT 2007-
- REALITATEA TV-DT
- TVR1-DT 2007-04-0

Video - Random

- Prison Break 1x02 -
- Supernatural - [1x14
- hoho-jackass2
- The 4400 - 2x11 - Lc

TV / Webcams - Webcams

QuickCam Orbit/Sphere MP

© 2007 Orb Networks, Inc. All rights reserved. Orb 2.0 beta Web 2.0.0208.05 PC 2.00.0885 [Web speed: 642K, Upstream speed: 415K]

Internet | Protected Mode: Off 100%