

**Overview**

The Bulgarian communications market was fully liberalized on January 1, 2003. As a result, there are more than fifteen licensed carrier operators already, with several building their own optic network throughout the country. A secondary outcome of the liberalization of the market is the diversity of low cost means of communication. Bulgaria has more than 3 operators competing together to provide fixed line international connectivity as of the beginning of 2005.

**History & Geography****Major Developments**

- Regulations

According to the 2004 Regular Report of the European Commission on Bulgaria's progress towards accession Bulgaria has reached a reasonable degree of alignment with the telecommunications *acquis*.

The telecommunications market was opened in January 2003, but further steps need to be taken to ensure effective liberalisation according to the Commission. The entry of new players to the market has been hindered by late availability of implementing measures. The delay in approving a Reference Interconnection Offer (RIO) hampered the interconnection of operators with the incumbent (Bulgarian Telecommunications Company) and the participation of licensed operators in the fixed telecommunications service market. Due to this lack of interconnection, carrier selection has not been implemented, although it is envisaged through existing legislation. Only in July 2004, the incumbent operator (Bulgarian Telecommunications Company) signed an interconnection agreement.

The 65% privatisation of the incumbent operator has a generally positive effect on inward investment. The expansion of the mobile sector has continued and the quality of service has improved.

Negotiations on Telecommunications and information technologies chapter have been provisionally closed. Bulgaria has been granted a transitional arrangement until December 31, 2008 as regards the implementation of number portability as required by Directive 98/61/EC. Bulgaria meets the majority of the commitments and requirements arising from accession negotiations for chapter Telecommunications.

\* The term *acquis* (or sometimes *acquis communautaire*), deriving from French, is used in European Union law to refer to the total body of EU law accumulated so far

Following the EU requirements, Bulgarian legislation sets forth as liberal regime, related to IT services, as possible. Currently the Internet market is not formally regulated and does not require licensing or registration, which has led to a dynamic expansion of Internet service providers and great reduction of prices. Although it is not typical for the regulation of IT sector a licensing regime is provided for producers of CDs that reproduce objects protected by copyright (including software). The terms and procedure for licensing are laid down in Regulation of the Council of Ministers № 87/1996 on control over the usage of copyright and related rights objects and licensing of the producers of compact-discs and matrixes. Competent authorities under Regulation 87/1996 are the Minister of Culture, Minister of Economy and Energy and Minister of Interior. The licensing procedure is performed before the Ministry of Economy. The Minister of Culture is authorized to license the game and computer rooms and to prescribe to their owners to purchase legal software products.

The Electronic Document and Electronic Signature Act (EDESA), adopted in March 2001, follows the principles of The EU Directive 1999/93/EC on a Community Framework for Electronic Signatures. The law envisages the application of e-signatures not only in the area of private obligations and contracts, but also in the public sector (state administration) and in the field of administrative law. Following the need for maximum security in the use of e-signatures and the EU legislation requirements, the EDESA introduces a registration regime for certification service providers. The latter, according to the law, are entities authorized to issue electronic signature certificates, maintain a public electronic registry for them, and provide access to third parties to the published certificates. The registration procedure is performed before the Communications Regulation Commission, which is the state authority to regulate and control the provision of certification services.

Rapid development of IT and demand for Internet related software and services raised the necessity for encouragement of the electronic commerce and for regulation of the information society. The draft law for the electronic commerce, approved on a first reading by the Parliament in 2005, follows the main principles of the EU legislation in the field. Most of the provisions are supplementary which corresponds with the legislation in the whole IT sector. The Draft shall settle the obligations of the information providers related with e-services. The latter shall be obligated to provide access to the general terms and the full content of the e-contracts. There are specific rules about the moment when the transaction is considered to be made and the moment when the confirmation

has been received. Specific chapter in the draft defines the applicable law in case of providing services on the territory of Bulgaria by foreign providers.

The development of IT sector depends on the level of telecommunication services. The necessity of a major act that regulates the related matter led to adoption of the Telecommunications Act (Prom. SG 88/ 7.10.2003). The law defines the terms "telecommunication" and "telecommunication activity" and specifies the regimes for operation of the telecommunication operators. The law aims at liberalizing of the telecommunication services, setting up the free market therefore and preventing the unfair competition. It provides for an equal treatment of the operators.

According to the Telecommunications Act the telecommunication operators perform their activities on the basis of three different regimes. Criteria for the application of these regimes are provided following the overall objective to gradually remove the regulatory barriers for implementation of the telecommunication activities. The general legal framework for issuance of licenses for telecommunication activities follows the European Union regulatory framework outlined by the Council Directive 97/13/EC of 10 April 1997. Activities on performing telecommunication services are realized after issuance of an individual license, general license or free depending on whether limited resources are used by the operator.

Individual licenses are required for the performance of several telecommunication activities explicitly listed in the law. The individual licenses are personal and are issued by the Communications Regulation Commission (CRC) with or without tender or competition. With few exceptions they could not be transferred to third parties within a certain period after their issuance (three years if the license has been issued with a tender or a competition and one year in the other cases). After the expiration of this period the licenses could be transferred following a prior consent of the Communications Regulation Commission. The term of validity of the individual licenses is twenty years with a possibility for extension with the total duration not exceeding thirty-five years. State fees are collected for issuance of individual licenses depending on the type of the telecommunication activity.

The general licenses determine the requirements under which any person or operator could carry out telecommunications activity. The scope of application of this regime is also explicitly determined by the law and state fees are collected for the registration.

The free regime applies for all the cases beyond the scope of application of neither the individual licensing nor the registration under general license.

- Markets

According to the law the telecommunication services prices are freely determined by the telecommunication operators according to the demand and offer on the home market and providing equality of the users. The prices of the services provided by the operators who have established dominating position on the market as well as prices of the services for which it is established that they are provided by abusing the dominating position or unfair competition in the context of Bulgarian protection of competition legislation are regulated by the CRC. The regulation is performed through determining the price limits, rules and principles for price formation and specific prices for a period of six months to one year.

Bulgarian MobilTel, part of Telekom Austria group, launched commercially high-speed third generation mobile services in the capital Sofia in March 2006. MobilTel plans to expand the coverage of its 3G network to the Black Sea cities of Varna and Burgas by the summer of 2006.

MobilTel paid BGN 78 mln to the Bulgarian state in May 2005 for a 20-year Universal Mobile Telecommunications System (UMTS) licence with a 25 MHz frequency band.

MobilTel's UMTS network in Sofia is also fully available for High Speed Downlink Packet Access (HSDPA) packet-based data services, which allow for data transmission of up to 14.4 Mbps. HSDPA terminals, however, are still not commercially available, but are expected to come on the market later in 2006.

MobilTel is the fifth cell phone operator in the world to deploy a HSDPA network, after Cingular in the United States, Manx Telecom on the Isle of Man, Mobilkom in Austria and Wataniya Telecom in Kuwait.

Greek-owned Globul and Bulgaria's dominant fixed-line operator BTC, which paid BGN 42 mln each for UMTS licenses with a 15 MHz frequency band, have not set dates for the launch of their own 3G services yet.

Bulgaria's Commission for Protection of Competition allowed in January 2006 Hungarian telecommunications firm Magyar Telekom to buy full control of Bulgarian telecoms and Internet service provider Orbitel, clearing the way for the finalisation of the deal.

Magyar Telekom, formerly known as Matav, agreed in November 2005 to buy Orbitel for EUR 8.0 mln. The acquisition will be made through Viabridge Telecommunications holding Ltd., a Malta-registered wholly owned subsidiary of Magyar Telekom.

MobilTel JSC announced in December 2005 that it has agreed to buy a freed a point-to-multipoint WiMAX licence. The price of the licence is BGN 6.122 mln (EUR 3.1 mln).he point-to-multipoint technology is planned to complement EDGE and UMTS services. The company plans to offer point-to-multipoint services, including high speed internet, data,

voice and video services mainly for business customers in urban areas by the third quarter of 2006.

WiMAX technology provides high-throughput broadband connections over long distances. Bulgaria's dominant fixed-line operator BTC and telecom firms Orbitel and Nexcom won in October 2005 three separate 10-year nationwide licences to provide point-to-multipoint wireless broadband services, reaching an unexpectedly high price of BGN 6.172 mln each. Three other companies, including MobilTel, gave up bidding at lower prices.

Bulgarian Telecommunications Company launched its wireless unit Vivatel commercial in November 2005. Vivatel will aim at a domestic market share of 20-25% by 2008. Vivatel has invested around BGN 400 mln into building its mobile network.

A total 45.06% of the national telecommunications network has gone digital by December 2005. Digitization in 27 cities tops 67% at the end of 2005 and Bulgarian Telecommunications Company plans to complete digitization by the end of 2006.

MobilTel signed a partnership agreement with Vodafone in February 2006. Under this agreement MobilTel will be able to offer Vodafone's global products and services to their customers. MobilTel and Vodafone will co-brand these special products and services. Apart from roaming MobilTel will also take part in joint product development, marketing and global account management and benefit from procurement synergies.

GloBul obtained a UMTS mobile licence in 2005 and is expected to launch 3G services in 2006. It also has a licence to establish and run a fixed-line telecom network. The company selected Swedish telecoms equipment maker Ericsson and China's Huawei Technologies to supply the equipment for its UMTS network. Huawei will supply the base stations - radio network controllers (RNC) and Node Bs - and Ericsson will supply the network management equipment.

In August 2005, Cosmote completed the acquisition of 100% of the shares of GloBul (Cosmobulgaria Mobile EAD) from OTE. GloBul operated under the management of Cosmote since 2003 following an agreement made with OTE and OTE International Investments Ltd.

## Leading Companies

Telekom Austria announced in March 2006 that its Bulgarian wireless phone unit, MobilTel, has helped the group boost its 2005 net profit by 83.5% to EUR 417.1 mln, as group revenue rose 7.9%. Group financials showed strong increase driven primarily by the contribution from MobilTel. The consolidated revenue of Telekom Austria, which acquired MobilTel for some EUR 1.6 bln in July 2005, rose to EUR 4.377 bln in 2005.

MobilTel's revenues grew by 8.8% to EUR 135.1 mln in the fourth quarter of 2005 compared to the same period last year, primarily as a result of higher traffic, monthly rental, equipment and interconnection revenues. Traffic revenues increased, as a result of a higher number of subscribers and a higher usage volume. The increase of monthly rental revenues is driven by a higher contract subscriber base. A higher number of handsets sold in the fourth quarter of 2005 led to higher equipment revenues. Interconnection revenues rose, as more minutes were terminated on MobilTel's network. MobilTel's operating income decreased by 22.3% to EUR 44.7 mln in the last quarter of 2005 mainly due to higher depreciation and amortization charges. The rise in amortization charges is primarily due to the allocation of EUR 509 mln of the purchase price to the fair value of the acquired subscriber base which is amortized over a period of 7 years. This led to a quarterly negative impact of EUR 18.2 mln. MobilTel increased its capital expenditures for tangible assets by 29.1% to EUR 35.5 mln in the fourth quarter of 2005 compared to EUR 27.5 mln in the fourth quarter of 2004. This increase

is primarily due to higher network investments for GSM and UMTS and higher spending for buildings.

The company's adjusted EBITDA (earnings before interest, tax, depreciation and amortisation) stood at EUR 154.6 mln for 2005.

MobilTel had 3,594,200 subscribers at the end of 2005, up from around three million subscribers 2004. The previous owner of MobilTel was a consortium of Austrian and international financial investors.

Bulgaria's dominant fixed-line operator BTC announced in March 2006 that it swung into a consolidated net loss of BGN 66.2 mln (EUR 33.8 mln) in the fourth quarter of 2005, from a net profit of BGN 70.5 mln in the same period of 2004. The Bulgarian Telecommunications Company (BTC) provided no consolidated income statement for the full year 2005.

BTC had a consolidated net profit of BGN 110.8 mln for 2005, sharply down from BGN 253.2 mln in 2004, the company's balance sheet showed.

Bulgarian telecommunications company GloBul swung to a profit for the first time in 2005 - BGN 51 mln (EUR 26.1 mln). The mobile operator posted a BGN 16 mln (EUR 8.2 mln) loss in 2004. GloBul pre-tax revenues for 2005 stood at BGN 183 mln (EUR 93.6 mln) against BGN 89 mln (EUR 45.5 mln) in 2004. The 61% rise in revenues can be attributed to monthly fee revenue, call charge revenue, SMS and data transfer revenue and a 43% revenue from interconnection.

GloBul registered BGN 536 mln (EUR 274.1 mln) worth of operational revenues in 2005, up 54% from 2004.

By end-2005 its network covered 97% of Bulgaria's territory and 99.6% of the country's population.

By the end of 2006 GloBul will change its name. It will adopt the name of its parent company Cosmote. Currently the company holds about 40% share of the Bulgarian market.

<b>Most Dinamic ICT Companies in the Telecommunications Industry</b>							
Company	Sales revenue for 2005 (BGN)	Average annual increase of sales revenue (2003-2005)	Number of employees	Average annual increase in sales revenue per employee (2003-2005)	Investments	Average annual increase of investments (2003-2005)	Index
<b>Communications</b>							
Nexcom	6 929 439,91	8,35%	200	-19,67%	6 579 000,00	595,60%	0,92
BTNet	194 000,00	73,36%	10	22,91%	231 600,00	238,66%	0,76
Net Is and Net is Sat	9 610 000,00	20,97%	103	9,65%	475 000,00	198,59%	0,45
Eurocom	21 597 000,00	23,98%	438	21,72%	169 333 000,00	45,85%	0,26
Netera	5 105 440,00	25,69%	64	2,17%	1 433 464,00	69,72%	0,21
SpectrumNet	11 607 000,00	15,73%	115	-12,00%	944 044,85	101,57%	0,16
Orbitel	230 000 000,00	26,82%	147	10,91%	1 500 000,00	-12,50%	0,12
TPN	5 470 000,00	13,72%	25	-9,20%	563 000,00	-12,26%	-0,02
<b>Vendors</b>							
Intracom Bulgaria	26 927 876,46	51,77%	90	11,81%	683 589,19	165,86%	0,51
Telelink Bulgaria	60 000 000,00	75,72%	352	3,57%	624 677,00	-19,72%	0,24

The average annual increase of sales revenue per employee is the most important element in index calculation and investments have the lowest importance.

## Employment

<b>Average Annual Number of Contract Employees</b>			
	<b>2004</b>	<b>2003</b>	<b>2002</b>
Transport, warehousing and telecommunications	157,340	159,742	162,152
Total for the country	2,106,008	2,079,932	1,926,790
Share in total number of contract employees	7,47%	7,68%	8,42%
Source: Bulgarian National Statistical Institute			

<b>Average Annual Wage (BGN)</b>			
	<b>2004</b>	<b>2003</b>	<b>2002</b>
Transport, warehousing and telecommunications	4,486	4,108	3,715
Average annual wage for the country	3,618	3,280	3,091
% share	123,99%	125,24%	120,19%

Mobitel had 2,447 full time employees at the end of December 2005 compared to 2,312 at the end of December 2004.

As of January 2006 Bulgarian Telecommunications Company (BTC) currently employs about 5,000 workers less than the envisaged in the telecom's privatisation contract for the first year after BTC's sell-off to Vienna-registered Viva Ventures. The average number of employees for June 12, 2004 to June 11, 2005 was 18,500. Under BTC's obligations as stated in the February 20, 2004 sell-off agreement the average number of employees should have been 24,000 for 2004-2005, 22,000 for 2005-2006, and 20,000 for 2006-2007. Over 7,300 employees left the company voluntarily or signed civil or commercial contracts with the telecom, 494 were included in programme for further training and retraining, three employees left voluntarily to launch their own business enterprises, and 11 left or were dismissed for health problems.

Cosmo Bulgaria Mobile employs 750 people as of December 2005.

## Supply

1. Wired telecommunications
2. Wireless telecommunications
3. Cellular telecommunications
4. Internet providing
5. Digital subscriber lines
6. Leased lines
7. Wireless LANs
8. Broadband infrastructure
9. WAP/wireless/3G services
10. Data transmission services

<b>Structure of the Telecommunications Market in Bulgaria</b>		
	2004	2003
Wired telecommunications	35,00%	40,00%
Leased lines	5,80%	6,30%
Internet Providers	2,80%	2,70%
Fixed Satellite Networks	0,50%	0,20%
Mobile Services	49,20%	44,50%
Data Transmission	1,70%	0,40%
Cable Broadcasting	4,80%	5,80%
Paging, telex and radio broadcastin	0,10%	0,20%

Source: Bulgarian Communications Regulation Commission

<b>Operator</b>	<b>Mobilitel</b>			<b>Globul</b>		
	31.12.2004	31.12.2003	31.12.2002	31.12.2004	31.12.2003	31.12.2002
Land Coverage	99,10%	96,00%	80,00%	85,00%	77,00%	42,00%
Population Coverage	99,40%	99,00%	92,00%	98,00%	95,00%	78,00%

Source: Bulgarian Communications Regulation Commission

Data from the Bulgarian Communications Regulation Commission show that total income of internet providers stood at BGN 71 mln in 2004, which is an increase of 21% compared to 2003.

Domestic market of mobile services reached 49.2% in 2004, raised its revenue by 25% and had a 65% penetration rate in 2004. however it is still below EU countries level. Mobile services markets in the EU countries even exceed 100%, due to the fact, that some customers own two or more mobile phones.

Data transmission and leased lines sector grew by 27% in 2004 compared to 2003.

#### Demand conditions

<b>Market Share of Mobile Operators</b>					
<b>Operator</b>	2005	2004	2003	2002	2001
Mobilitel	57,60%	65%	68%	72%	79%
Globul	39%	34%	29%	23%	9%
Mobikom	-	1%	3%	5%	12%
Vivatel	<5%	-	-	-	-

Source: Bulgarian Communications Regulation Commission

Mobikom customers decreased by 33% in 2004 and the company has e 1% market share as of December 2004.

During the fourth quarter of 2005 GloBul added 237,455 net new additions, bringing the total number of customers to 2,393,717 at the end of 2005, 47.3% higher than a year ago. Pre-paid customers were 1,604,428 or 67% and post-paid customers were 789,289 or 37% of the total number of subscribers.

With 3.59 mln subscribers at the end of the fourth quarter of 2005 05 Mobilitel increased its subscriber base by 18.4% compared to 3.03 mln in 2004. Mobilitel recorded a strong christmas business and added 261,300 new customers to its customer base in the fourth quarter of 2005 compared to 21,400 for the last quarter of 2004. Although Mobilitel has managed to increase its contract subscriber base to 1,231,200 from 1,067,800 in the previous year, Mobilitel 's market share decreased to 57.6% from 64.4% by the end of 2004 as a result of new subscriber additions by the competitor Globul and the entrance of Vivatel.

Bulgarian Telecommunications Company customers using wired telecommunications services decreased by 3% in 2004 compared to 2003 and by 5% compared to 2002. Customers of mobile services were 4,729,731 in 2004, an increase of 35% compared to 2003. BTC customers made calls at a total time of 5.5 bln minutes in 2004. Bulgarians prefer using wired telecommunication services due to the lower average price per minute compared to mobile operators.

BTC had 3,176,159 customers in 2004, of which 2,770,213 use wired telecommunication services, 398,004 were subscribed to other telecommunication services and 7,942 internet subscribers. Digital subscribers of fixed telecommunication services grew by 260,891 and business customers increased by about 5,500 in 2004.

Public telephones were 6,398 in 2004. Their number reached 20,698 after the Bulgarian Telecommunications Company aquired Mobikom and Bulfon in 2005.

BTK's wireless unit Vivatel plans to reach a 10% domestic market share by the end of 2006.

Bulgarian Telecommunications Company subscription prices for telephone services				
Type of service	Monthly subscription price (BGN)		Digital and KCT subscribers	Analogue subscribers
	Direct line	Party line		
Standard plan	10,5	10	The subscription plan includes 40 minutes for local calls	The subscription plan includes 20 pulses
Plan Minimum	6,5		The subscription plan includes 30 minutes for local calls	The subscription plan includes 15 pulses
Low user plan	3,1		The subscription plan includes 20 min for local calls	The subscription plan includes 10 pulses
Handicapped plan	1,5		The subscription plan includes 160 minutes for local calls	The subscription plan includes 60 pulses
ISDN (2B+D)	15		-	-
Subscription plans At Home				
Type	Monthly subscription price (BGN)	Included minutes for local calls	Included minutes for long distance calls	
BTC 12	12	50	30	
BTC 15	15	70	50	
BTC 20	20	120	80	
BTC 12 City	12	100	-	
BTC 15 City	15	150	-	
BTC 20 City	20	250	-	
Source: Bulgarian Telecommunications Company				

## Investments

Cosmo Bulgaria Mobile investment in Bulgaria

- Cosmo Bulgaria purchased the second GSM license in December 2000 for USD 135 mln
- the company made investments worth USD 538 mln from 2000 to 2003
- the company made investments worth USD 174 mln in 2003 of which USD 1,3 mln in expanding its commercial network
- the company invested BGN 248 mln (EUR 126.8 mln) in 2005 and the total amount of investments since it was set up exceeded BGN 1.1 bln (EUR 563 mln).
- Cosmo Bulgaria invested BGN 32 mln in the last two months of 2005 for new equipment and capacity

On July 12, 2005, Telekom Austria acquired 100% of Mobiltel for a cash consideration of EUR 905.5 mln and assumed EUR 504.9 mln of Mobiltel's debt. The total amount of consideration includes EUR 70.4 mln of debt incurred for the acquisition of a UMTS licence and costs related to the acquisition. Additional EUR 280.2 mln compensation were paid in the fourth quarter of 2005 as a deferred consideration, contingent upon achievement of certain financial and operating metrics by Mobiltel.

Bulgarian communications provider Telelink registered a subsidiary in Romania in 2005. The company plans to install more than 250 basic stations worth EUR 600 mln in 2006.

Telelink launched a project for triple play service together with the Bulgarian Telecommunications Company which will help start the convergence of fixed-line and mobile services by the end of 2006.

- The privatization sale of a 65 per cent stake in the Bulgarian Telecommunications Company (BTC) was formally finalized in June 2004 as the buyer, Vienna-registered Viva Ventures GmbH, remitted the price of EUR 280 mln. The remaining 35% of BTC's capital remain state-owned. Under the contract the investor is obliged to invest EUR 400 mln within five years after the signing of the deal. At end-December 2004, the investments totalled EUR 14 mln. The Post Privatisation Control Agency should make an overall assessment of the meeting of BTC's 2005 privatisation obligations by March 31, 2006
- The state traded 35% of the shares of the Bulgarian Telecommunications Company on the Bulgarian Stock Exchange in January 2005
- Investment fund Novator Telecom Bulgaria, owned by the Icelandic tycoon Thor Bjorgolfsson, signed an option deal in January 2006 with U.S. investment fund Advent Central and Eastern Europe II over the acquisition of Advent's special purpose vehicle Viva Ventures, which controls 65% in Bulgarian Telecommunications Company. Novator could execute the option after a restriction period envisaged in BTC's 2004 sell-off contract expires, or earlier in case Bulgaria's Post Privatisation Agency gives its permission. Advent's put option may be executed after July 1, 2008

## Associated industries & factors

The Communications Regulation Commission (CRC) is headed by five members, one of them appointed by the Council of Ministers, three by the Parliament and one by the President.

The legal framework for the Information and Communication Technology sector in Bulgaria is outlined by the country's expected entry in the EU in 2007 and its participation in WTO since 2002. As a participant in WTO's Information Technology Agreement Bulgaria has removed major tariff barriers to information technology products apart from VAT on imports and domestic products, which is levied in accordance to the VAT Act (adopted in 1998) at the standard VAT rate of 20%. Zero rate of VAT however applies to export of software. Although Bulgaria is not yet a member of the EU, the VAT legislation in many aspects follows the provisions of the Sixth Council Directive 77/388/EEC on the common system of VAT and the uniform basis for its assessment.

Sales of Germanos Telecom Bulgaria, a unit of Greek electronics retailer Germanos, rose by 37% to EUR 56 mln in 2005. The company said in a statement that earnings before interest, taxes, depreciation and amortisation (EBITDA) came in at EUR 4.2 mln and earnings before tax (EBT) were EUR 4.1 mln, but gave no comparative figures.

Germanos runs 74 stores in 39 cities across Bulgaria. It offers retail services to Bulgaria's dominant fixed-line telecom operator BTC and to the country's second-largest cell phone operator GloBul.

Germanos Telecom Bulgaria will invest EUR 2.0 mln in 2006 in expanding its network by at least 15 outlets and renovation of stores.

## Projections & expectations

Austrian communication technology solutions company Kapsch CarrierCom AG, part of the Kapsch Group announced in March 2006 it would open an office in Sofia in April, as part of its ongoing expansion in southeastern Europe.

Kapsch CarrierCom will also set a Bulgarian subsidiary company, to be named Kapsch Bulgaria

Kapsch CarrierCom AG opened offices in the Croatian capital Zagreb and in Slovenia's capital Ljubljana in 2005.

Kapsch CarrierCom AG is the Kapsch Group's system innovator of communication technology solutions for operators of fixed-, mobile- and data networks of all sizes. Kapsch CarrierCom covers all fields: from analysis, consulting, design, development, integration, installation and training up to maintenance and operation of complete networks.

Bulgarian telecoms company Vestitel BG, owned by gas retailer Overgas, plans to attract 90,000 subscribers in the country by 2008. Vestitel BG will invest BGN 154 mln (EUR 79 mln), own funds and attracted capital, in telecommunications infrastructure along the gas distribution network of Overgas. The telecommunications company will offer high-speed Internet access, digital TV and high quality telephone services through a nationwide fibre-optic network.

Vestitel BG hopes to achieve a 10% market share on the fixed-line telecommunications market and a 60% share on the broadband services market by 2015.

The company signed a EUR 25 mln contract for equipment supply with Chinese ZTE Corporation in November 2005.

Bulgarian telecom services and Internet provider Nexcom plans to start offering point-to-multipoint (PMP) wireless broadband services in capital Sofia and ten big Bulgarian cities in the second quarter of 2006. The company will use funds provided by its parent company, U.S. Nexcom Telecommunications, to build the network.

Private equity firm Mid Europa Partners, previously known as EMP Europe, is in talks with Bulgarian TV, Internet and telecoms services provider CableTel about entering the Bulgarian cable TV market through an acquisition or a joint venture

CableTel, which claims around 11% of the Bulgarian cable TV market, has said it aims to consolidate part of the fragmented cable business in Bulgaria, which is home entertainment services, telecommunication and Internet services. The company has already bought a couple of small local cable TV operators.

Mid Europa Partners is among the leading private equity firms in Central and Eastern Europe with investments in cable TV, fixed and mobile telephony and other infrastructure related industries. The company has invested around EUR 415 mln in the region over the period 2000-2005. It currently advises and manages funds with committed capital of about USD 1.3 bln.

Mid Europa Partners announced in January 2006 it has closed a EUR 650 mln buyout fund targeting central Europe - the largest fund ever raised for the region. The company continues to focus on buy-outs, particularly in the telecommunications, media and technology sector, which represented 60% of its previous fund.

## Industry references

### Periodicals & online databases

Mobile Communications – magazine, 12 issues per year

<http://telecom.start.bg>

[www.pressboard.info](http://www.pressboard.info)

### Trade associations

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E-mail: [kmanev@bpo.bg](mailto:kmanev@bpo.bg)  
URL: [www.bpo.bg](http://www.bpo.bg)

InvestBulgaria Agency  
31 Aksakov Str.,  
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Tel: +359 2 985 55 00  
Fax: +359 2 980 13 20  
E-mail: [iba@investbg.government.bg](mailto:iba@investbg.government.bg)  
URL: [www.investbg.government.bg](http://www.investbg.government.bg)

#### Fairs & exhibitions

BAIT expo – October 31, 2006 – November 05, 2006  
Organiser:  
Organiser  
Bulgarreklama Agency Ltd.  
147 Tzarigradsko Chaussee Blvd  
1784 Sofia, Bulgaria  
Tel: +359 2 965 52 20  
Fax: +359 2 965 5231  
E-mail: [bul-reklama@bulgarreklama.com](mailto:bul-reklama@bulgarreklama.com)  
URL: [www.bulgarreklama.com](http://www.bulgarreklama.com)

Commission for Protection of Competition  
18 Vitosha Blvd.  
1000 Sofia, Bulgaria  
Tel: +359 2 988 40 70  
Fax: +359 2 980 73 15  
E-mail: [cpcadmin@cpc.bg](mailto:cpcadmin@cpc.bg)  
url: [www.cpc.bg](http://www.cpc.bg)

General Tax Directorate  
Public Relations Dept  
52 Dondukov Blvd.  
Sofia 1000, Bulgaria  
Tel: +359 2 985 930 65  
E-mail: [gdd@taxadmin.government.bg](mailto:gdd@taxadmin.government.bg)  
URL: [www.taxadmin.minfin.bg](http://www.taxadmin.minfin.bg)

General Labour Inspectorate – Executive Agency  
11, Dr G.M.Dimitrov Blvd., 172 Str.  
1797 Sofia, Bulgaria  
Totiu Mladenov – Executive Director  
Tel/Fax: +359 2 987 47 17  
Tel: +359 2 933 24 69  
E-mail: [mladenov@mlsp.government.bg](mailto:mladenov@mlsp.government.bg)  
URL: [git1.mlsp.government.bg](http://git1.mlsp.government.bg)

Post Privatisation Control Agency  
52A G. M. Dimtirov Blvd.  
1040 Sofia, Bulgaria  
Tel: +359 2 970 16 00  
Fax: +359 2 97 016 80  
E-mail: [pr@ppc.government.bg](mailto:pr@ppc.government.bg)  
URL: <http://ppc.government.bg>

Infotech, PC World – September 25, 2006 – September 30, 2006  
Organiser:  
International Fair - Plovdiv  
37 Tzar Boris III Obedinitel Blvd.  
4003 Plovdiv, Bulgaria  
Tel: +359 32 903 600  
Fax: +359 32 902 432  
E-mail: [fairinfo@fair.bg](mailto:fairinfo@fair.bg)  
URL: [www.fair-plovdiv.com](http://www.fair-plovdiv.com)

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