

Financial Data

The company's social capital is 984 193 950 Moldovan Lei, which is roughly \$49.4 million. The state owns 100% from the total number of 98 419 395 shares.

Economic look, USD

(Average exchange rate for USD:

2014 – 14.0388 / 2015 – 18.8161 / 2016 – 19.9238)

Own equity: on 31.12.2016 – 217 112 304 on 31.12.2015 – 229 109 251 on 31.12.2014 – 303 150 728	Current Assets: on 31.12.2016 – 24 839 016 on 31.12.2015 – 23 908 710 on 31.12.2014 – 24 839 016 <i>including receivables:</i> on 31.12.2016 – 11 872 994 on 31.12.2015 – 14 241 467 on 31.12.2014 – 20 536 719
Revenue: on 31.12.2016 – 112 120 007 on 31.12.2015 – 120 264 600 on 31.12.2014 – 150 854 264	Long term Debts: on 31.12.2016 – 15 340 943 on 31.12.2015 – 19 319 838 on 31.12.2014 – 28 409 548
Gross profit: on 31.12.2016 – 20 134 525 on 31.12.2015 – 27 177 611 on 31.12.2014 – 26 223 182	Current Debts: on 31.12.2016 – 74 997 761 on 31.12.2015 – 67 552 706 on 31.12.2014 – 75 274 581
Long term Assets: on 31.12.2016 – 282 570 584 on 31.12.2015 – 292 073 085 on 31.12.2014 – 364 028 946	TOTAL DEBTS: on 31.12.2016 – 90 338 704 on 31.12.2015 – 86 872 544 on 31.12.2014 – 103 684 129



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Profiles of the companies
designated for privatisation
by the government of the
Republic of Moldova in 2017



Moldtelecom also owns 100% of shares of a network operator Unité that provides mobile telephony and internet services in 3G standard, covering the whole country.



The company has a nationwide network of 102 retail stores selling telephone and computer devices. From this, 46 of the stores belong to the company, while 56 belong to the company's partners.

The main companies' milestones are:

- April 1, 1993**
Foundation of the company
- 1998**
Moldtelecom starts offering Internet services via dial-up
- 2004**
Moldtelecom launches MaxDSL, an internet service via ADSL
- March 1, 2007**
Moldtelecom starts offering Mobile services under the brand of Unité
- 2008**
Moldtelecom launches MaxFiber, an internet service via FTTx, utilizing mainly FTTB connection method. The service is available in all cities and regional centers
- 2009**
Moldtelecom starts offering IPTV services to its internet subscribers. The service is paired with internet (*Internet + IPTV*) and is provided through MaxDSL or MaxFiber networks
- April 1, 2010**
Moldtelecom launches 3G telephony
- October 22, 2014**
Unité launches LTE 4G+ network with the frequency 1800 MHz

OPERATOR NAȚIONAL MOLDTELECOM

Moldtelecom is a national telecommunications operator in Republic of Moldova. Created on April 1, 1993, as part of the national telecommunications restructuring, Moldtelecom was a state company. On January 5, 1999, Moldtelecom was reorganized and became a joint-stock company with the state being the unique stockholder. The company provides fixed and mobile telephony, fixed and mobile Internet services as well as IPTV services. The services are provided on the whole territory of the Republic of Moldova, besides the Transnistrian region. The company is one of the biggest contributors to the state budget and an important national employer, having around 3.2 thousand of employees.

www.moldtelecom.md

Presently the company provides its services to 63% of the population of Moldova.

The company has 34 branches on the territory of Moldova with the total space of 153 270 square meters. The related land surface is 51 hectares.

Market position

In 2016 Moldtelecom showed a growth in the number of users for the most of the areas it provides services. Thus, the number of the mobile users grew up by 6.3%, landline broadband internet – by 4.6% and multichannel IPTV services – by 12%. The only decrease was registered for the number of the fixed telephony users (–2.7%).

Fixed telephony

Moldtelecom is an absolute leader of the market of fixed telephony, having 1.04 million users, which is 88.3% of the total number of users in Moldova.

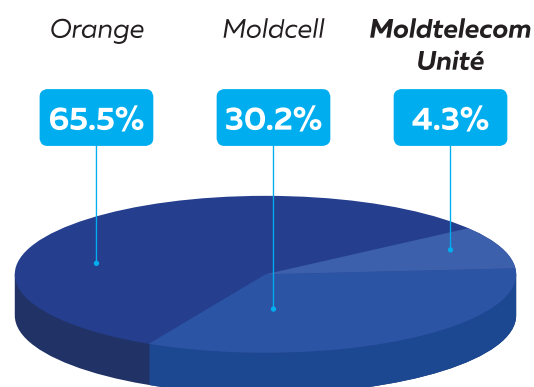
The market share of Moldtelecom was 96.2% in 2016, with the total annual sales of \$42.4 million for the provided fixed telephony services.

The Average monthly revenue per user (ARPU) was \$3.33 USD for Moldtelecom, while the competitors' average performance was \$0.99.

Mobile voice services

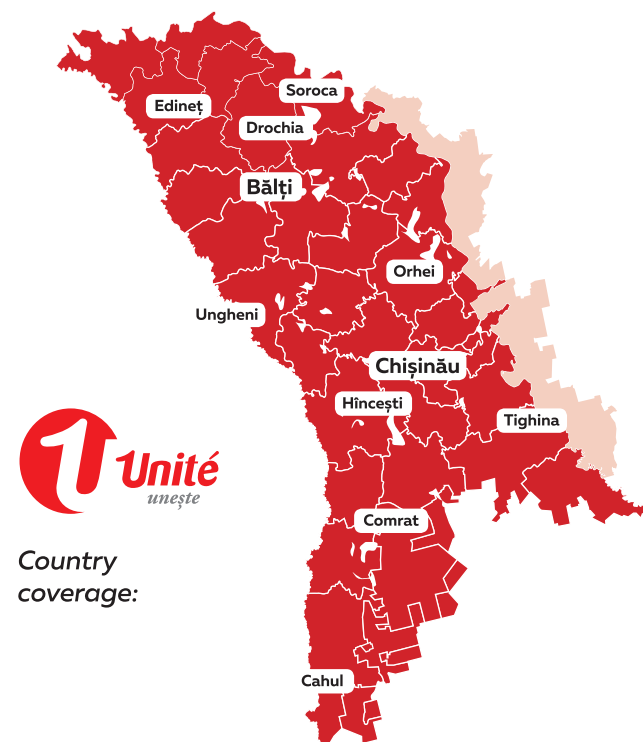
The total market size of the mobile voice services in Moldova was \$172.7 million, with 6.2 billion of minutes sold and 4.43 million of users (from which 3.37 million are active users). The mobile telephony penetration rate in Moldova is 124.7%.

The market share of Moldtelecom/Unité was 4.3% and the shares of the main players on the markets look the following way:



Moldtelecom/Unité had 350 thousand users of mobile voice services in 2016, which is 7.9% of the total number.

The Average monthly revenue per user (ARPU) for Moldtelecom users was \$4.04, which is slightly higher than the country average of \$3.97.



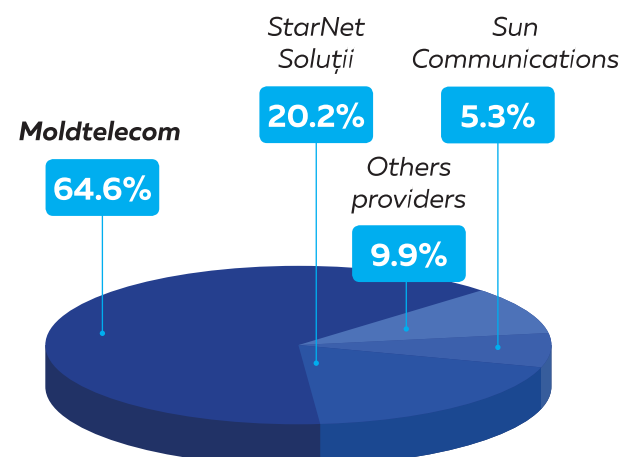
Presently, Moldtetelecom/Unité uses three types of the cellular telephony networks:

- CDMA2000 1x RTT, EV-DO 450 MHz,
- 3G UMTS WCDMA 2100 MHz și 900 MHz,
- 4G LTE OFDMA 1800 MHz.

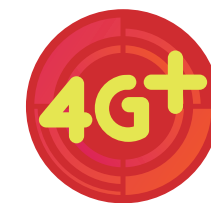
Landline internet services

Moldtelecom is the leading provider of the landline internet services with the total sales of \$35.8 million in 2016 and the market share of 64.6%.

The other operators have the following market shares:



The total number of the landline broadband internet services users in Moldova is 557.4 thousand, from which 56.5% use fiber optic connection. The number of Moldtelecom clients is 366.6 thousand of users.

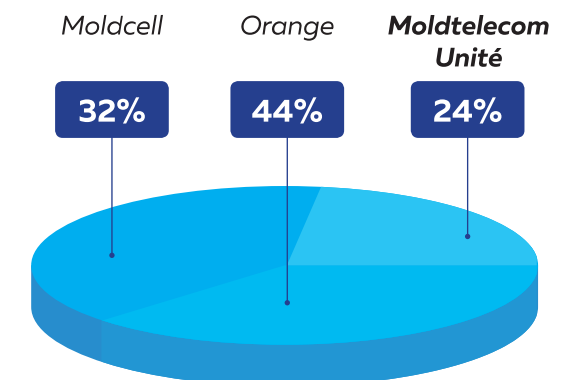


Mobile internet

The total market size of the mobile internet services in Moldova was approximately \$34 million, from which the share of Moldtelecom was 24%.

The Average monthly revenue per user (ARPU) for Moldtelecom was \$4.5 comparing to the country average of \$3.9.

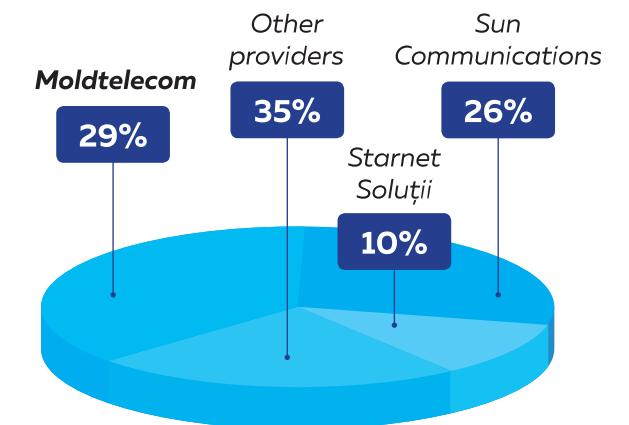
Market shares of mobile internet services providers in 2016:



Multichannel TV services

The market size of the paid TV services in Moldova was equal to \$8 million. The market share of Moldtelecom was 29%, with the number of users 22% from total.

Market shares of multichannel TV services providers in 2016:



Licences of Moldtelecom

1. **Nr. 020446 from 29.06.2006** – cellular mobile services CDMA – 15 years;

2. **Nr. 065190 from 09.12.2008** – Using radio frequency channels in order to provide 3G mobile services – 15 years;

3. **Nr. 000238 from 25.07.2014** – Using radio frequencies in the 1800 MHz frequency band for the provision of public communications networks and services terrestrial mobile electronic – 15 years;

4. **Nr. 000237 from 25.07.2014** – Using radio frequencies in the 900 MHz band for the provision of public communications networks and services terrestrial mobile electronic – 15 years.

