



 **JAPAN TELECOM HOLDINGS CO.,LTD.**

## **FY 2002 Interim Results Presentation**

Period ending 30 September 2002

*12 November 2002*

# Presenters



## **William (Bill) Morrow**

*President, Japan Telecom Holdings Co., Ltd.  
and Japan Telecom Co., Ltd.*

## **Darryl E. Green**

*President, J-Phone Co., Ltd.*

## **John Durkin**

*CFO, J-Phone Co., Ltd. and  
Japan Telecom Holdings Co., Ltd.*

## **Kazuyasu Hakata**

*CFO, Japan Telecom Co., Ltd.*

# Contents

- |             |                            |    |
|-------------|----------------------------|----|
| • Section 1 | Introduction               | 4  |
| • Section 2 | Financials                 | 10 |
| • Section 3 | J-Phone                    | 19 |
| • Section 4 | Japan Telecom (Fixed-line) | 33 |
| • Section 5 | Conclusion                 | 44 |

# Japan Telecom Holdings Introduction



 JAPAN TELECOM HOLDINGS CO.,LTD.

## Introduction

### Section 1

## Consolidated financial highlights

- Improved J-Phone financial performance
  - Increased revenues
  - Improved margin
- Stronger-than-expected Japan Telecom (Fixed-line) cost savings
- Progress with sale of non-core assets

### Consolidated financial summary

*billion yen, except where indicated*

	Interim 2001	Interim 2002	% Change
Operating revenue	849.7	884.8	4.1%
Operating profit	23.4	142.7	508.5%
Ordinary profit	15.0	141.1	836.3%
Net profit/(loss)	(5.1)	43.5	nm
Earnings/(loss) per share ( <i>yen</i> )	(1,624)	13,621	nm
EBITDA (%)	16.8%	30.4%	13.6pp

## Key highlights—Japan Telecom Holdings achievements

- **J-Phone**

- Continued to increase market share
- Moderate decline in ARPU
  - Continued improvement in data ARPU, offset by expected decline in voice
- Leader in camera-enabled handsets
- On track for planned launch of 3G service in December

- **Japan Telecom (Fixed-line)**

- Significant improvement in profitability despite intensive competition in voice sector
- Data revenues at Japan Telecom Co., Ltd. up 36% vs. 1H FY01
- Strong market position and strong growth in IP-VPN services
- Nearly 200,000 ADSL subscribers added in 12 months to 30 September 2002
- Cost reduction initiatives running ahead of schedule

## Key highlights—Market background

### • Mobile market trends

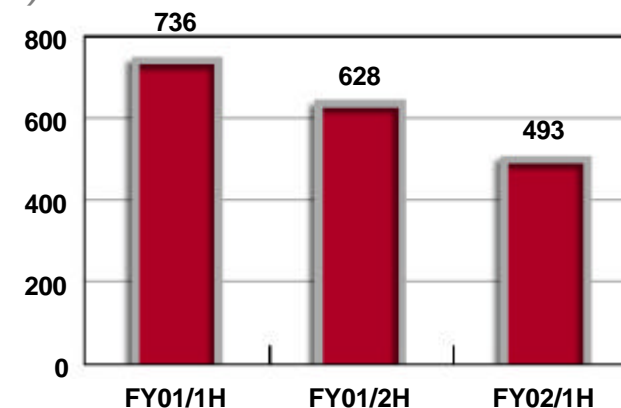
- Expected deceleration in mobile penetration growth
- Increased use of data products
- Strong growth in camera-enabled handsets

### • Fixed-line market trends

- Competitive voice market
- Increased data revenues
- Strong growth in ADSL subscribers (+1.8 million in 1H FY02)
- Myline free registration period has ended
- Interconnection fees down

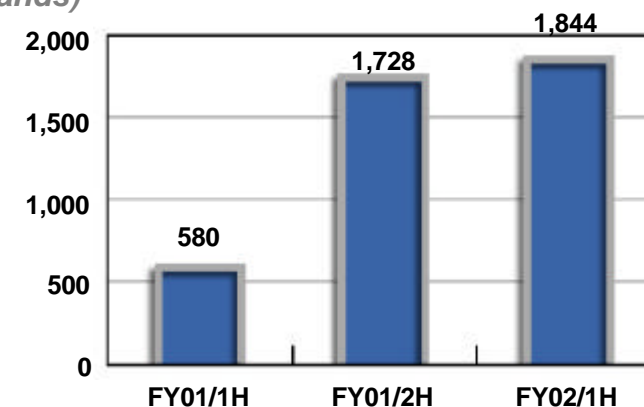
Average monthly net mobile adds<sup>1</sup>

(thousands)



ADSL subscriber net additions<sup>1</sup>

(thousands)



Note: 1. Japanese market data

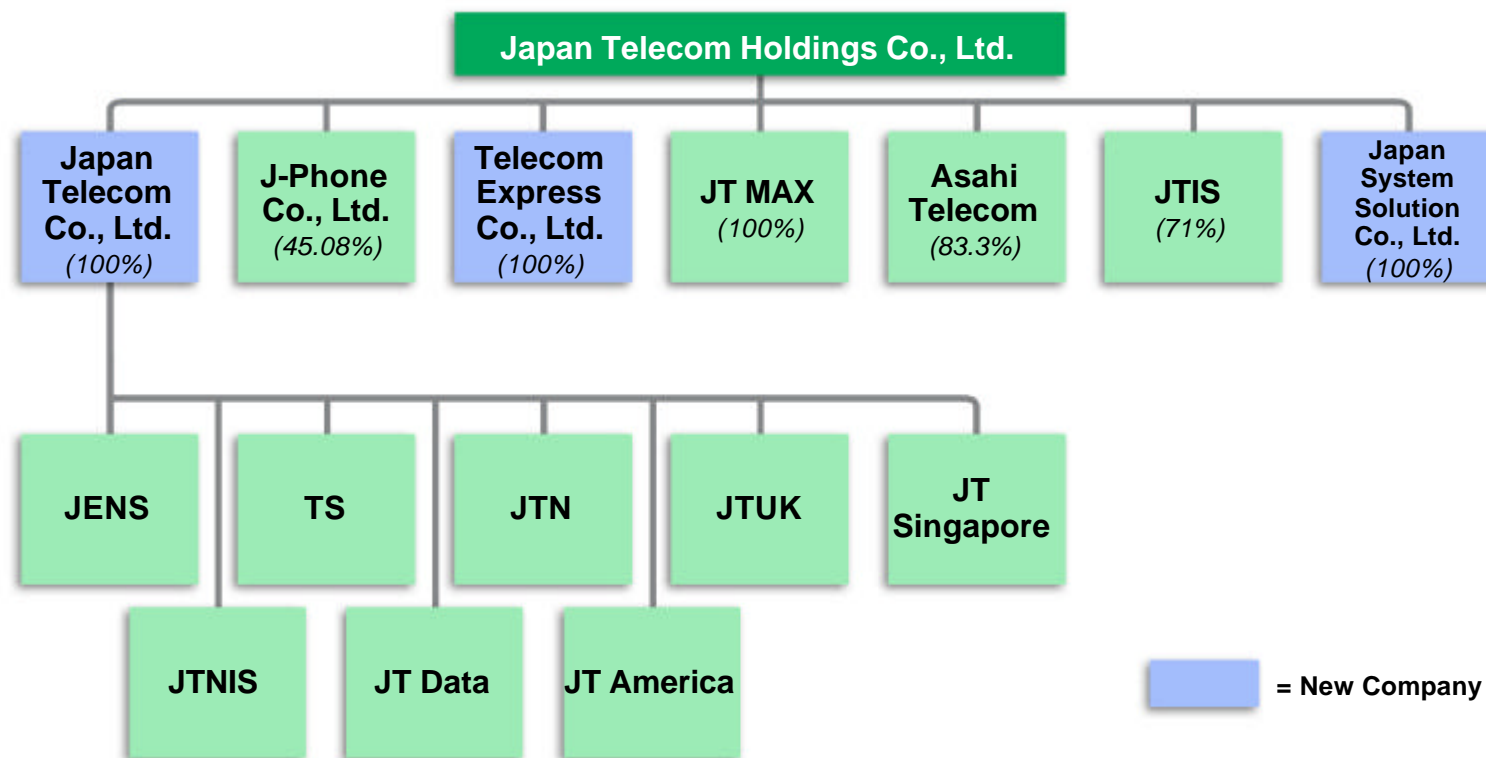
## Objectives of introducing holding company structure

- **Clarify role of fixed-line, mobile and other subsidiary operations**
- **Separation of mobile billing and mobile sales agency businesses (effective 1 July)**
  - Clarify objectives for these businesses
- **Separation of fixed-line business (effective 1 August)**
  - Improved management focus
  - Improve ability to meet customer needs
- **Part of ongoing efforts to rationalize business structure**



# New holding company structure

Current group structure (as at 1 November 2002)



# Financials



 JAPAN TELECOM HOLDINGS CO.,LTD.

## Financials

### Section 2

## Summary

- EBITDA margin improvement of 13.6 pp to 30.4%
- Revenue increased due to increase in service revenue by 9.4%, offset by lower handset, accessory, and other sales (-15%)
- Operating profit increased due to higher revenue, lower customer acquisition incentives, purchasing and operating efficiencies
- Ordinary profit increased due to lower interest expenses, as a result of debt refinancing
- Net profit increased due to operating results
- Cash used to reduce debt by 62 billion yen

# Financial Summary

## Consolidated financial summary

*billion yen, except where indicated*

	Interim 2001	Interim 2002	Change
Revenue	849.7	884.8	4.1%
Operating profit	23.4	142.7	508.5%
Ordinary profit	15.0	141.1	836.3%
Net profit/(loss)	(5.1)	43.5	nm
Operating cash flow	129.8	237.8	108.0
Investment cash flow	(181.9)	(186.7)	-4.8
Financing cash flow	18.9	(61.5)	-80.4
EBITDA	142.4	269.2	89.0%
EBITDA margin (%)	16.8%	30.4%	13.6pp

## Forecast performance

	FY2001	FY2002E 28 May 02	% Change
Revenue	1,704	1,770	3.9%
Ordinary profit	74	183	147.3%
Net profit/(loss)	(65)	48	nm

## Consolidated revenue by segment

- J-Phone growth driven by a growing customer base
- Fixed-line communications growth driven by data services including SOLTERIA, Wide-Ether and ADSL line additions
- Managed service solutions revenue growth also strong

### Consolidated operating revenue breakdown

*billion yen*

	Interim 2001	Interim 2002	% Change
<b>Mobile communications<sup>1</sup></b>	671.7	709.1	5.6%
<b>Fixed-line communications<sup>2</sup></b>	196.9	199.0	1.1%
<b>Other</b>	16.8	8.5	-49.4%
<b>Elimination</b>	(35.7)	(31.9)	-
<b>Operating revenue</b>	<b>849.7</b>	<b>884.8</b>	<b>4.1%</b>

*Notes:*

1. Mobile communications revenue includes all business related to mobile communications, including J-Phone
2. Fixed-line communications revenue includes all business related to fixed-line communications, including Japan Telecom

## Consolidated balance sheet

- Total assets decreased from 1H FY01 mainly due to repayment of debt
- Reduced debt by 5.7% from March 2002 to 977.5 billion yen at the end of September 2002

### Consolidated balance sheet

<i>billion yen, except where indicated</i>	Interim 2001	Fiscal year end 2001	Interim 2002	% Change from fiscal year end 2001
<b>Total assets</b>	2,513.0	1,856.3	1,787.5	-3.7%
<b>Shareholders' equity</b>	522.4	391.3	432.9	10.6%
<b>Shareholders' equity ratio (%)</b>	20.8%	21.1%	24.2%	-
<b>Interest-bearing debt</b>	1,456.0	1,036.6	977.5	-5.7%

## Consolidated cash flow

- Cash from operating activities increased by 108 billion yen vs. 1H FY01
- Capex spend 25.7% decrease to 192.8 billion yen for 1H FY02
- Results of higher operating cash flow and lower capex spend used to reduce debt

### Cash flow statement

*billion yen*

	Interim 2001	Interim 2002	Change
<b>Operating activities</b>	129.8	237.8	108.0
<b>Investment activities</b>	(181.9)	(186.7)	-4.8
<b>Financial activities</b>	18.9	(61.5)	-80.4
<b>Cash balance</b>	437.1	5.3	-431.8
<b>FCF</b>	(142.9)	15.3	158.2

## Non-consolidated financial highlights

- Includes April-July fixed-line results, holding company only from August
- Reflects strong fixed-line operating results from April-July
- Results from August 2002 will reflect only revenues and costs of holding company

### Non-consolidated financial summary

*billion yen, except where indicated*

	Interim 2001	Interim 2002	% Change
Operating revenue	218.7	144.2	-34.0%
Operating profit/(loss)	(14.5)	8.2	nm
Ordinary profit/(loss)	(14.3)	9.5	nm
Net profit	14.5	9.5	-34.2%
Earnings per share ( <i>yen</i> )	4,541	2,988	-34.2%



## Change in non-consolidated

### Changes in composition of non-consolidated segment

April - June	July	August - September
<ul style="list-style-type: none"><li>• <b>Japan Telecom</b><ul style="list-style-type: none"><li>• Fixed-line Business</li><li>• Mobile Billing System</li><li>• Mobile Sales Agency</li></ul></li></ul>	<ul style="list-style-type: none"><li>• <b>Japan Telecom</b><ul style="list-style-type: none"><li>• Fixed-line Business</li></ul></li></ul>	<ul style="list-style-type: none"><li>• <b>Japan Telecom Holdings</b></li></ul>

## Overall efficiency—Capex and operating expense

### J-Phone

- Reduction in total acquisition incentives per gross add and in total
- Improved churn rate
- Utilizing alliance with Vodafone in purchase of handsets and infrastructure

### Japan Telecom

- Substantial reduction of operating costs
- Decreased capex payments over 1H FY01 with further reduction in capex planned for 2H FY02

# J-Phone



## J-Phone Overview

### Section 3

## J-Phone operating highlights

- **Innovative services**
  - Sha-mail, Movie Sha-mail and J-SKY mobile internet lead the market
- **Good revenue growth**
  - Total turnover up 4.6% compared with 1H FY01
  - Service (telecommunications business) revenue up 12.0% compared with 1H FY01
- **Merger and global synergies resulting in strong EBITDA improvement**
- **Data at historic high as % of service revenue**
  - 20.2% in September
  - Driven by success of Sha-mail, Movie Sha-mail, J-SKY web
- **Net gains maintained above cumulative share**
  - Increasingly competitive market
  - Maintaining appropriate market prices – acquisition incentives
- **Improved inventory and purchasing efficiency**
- **Planned 3G launch in December—2G equivalent coverage planned by Sept 2003**
- **Dual branding with Vodafone continues—towards single brand in 2003**

## Change plan—status and update

### Drive and secure the top line

- Growth and share gain
  - Churn management
  - Brand repositioning
  - Build corporate sales
- Market share improved to 18%
  - Lowered to 1.94%
  - Towards single brand in 2003
  - Global roaming service

### Leverage data innovation

- Data ARPU growth
  - Sha-mail and Movie Sha-mail
- Reached 20.2% in Sept 02
  - 6.7m, 766,000 subscribers as at end Sept 02

### Drive value to the bottom line

- Capex discipline
  - Handset value chain rationalization
  - Channel incentives and subsidy rationalization
- ¥300 billion target maintained
  - Clean inventories, purchasing efficiencies
  - Incentive unit price reduced by 10%

### Secure the future

- 2.5G packet network rollout
  - 3G rollout
- 766,000 Movie Sha-mail users as of Sept 02
  - 2G equivalent coverage planned by Sept 03

### Align the organization

- Drive 4-to-1 merger benefits
  - Move to performance vs. seniority based HR system
- EBITDA margin, 30.7%, capex & opex reduced
  - HR programs in place

### Leverage Vodafone

- Value to J-Phone
  - Value to Vodafone
- Leveraging Vodafone relationships with network vendors for 3G
  - Introduced camera-enabled handset in Europe

## J-Phone financial highlights

- Strong profitability growth due to revenue increase, lower acquisition incentives and operating efficiencies
- EBITDA margin at 30.7%
- Capex control, positive working capital improvements and increased EBITDA contributing to improvement in cash flow

### J-Phone financial summary

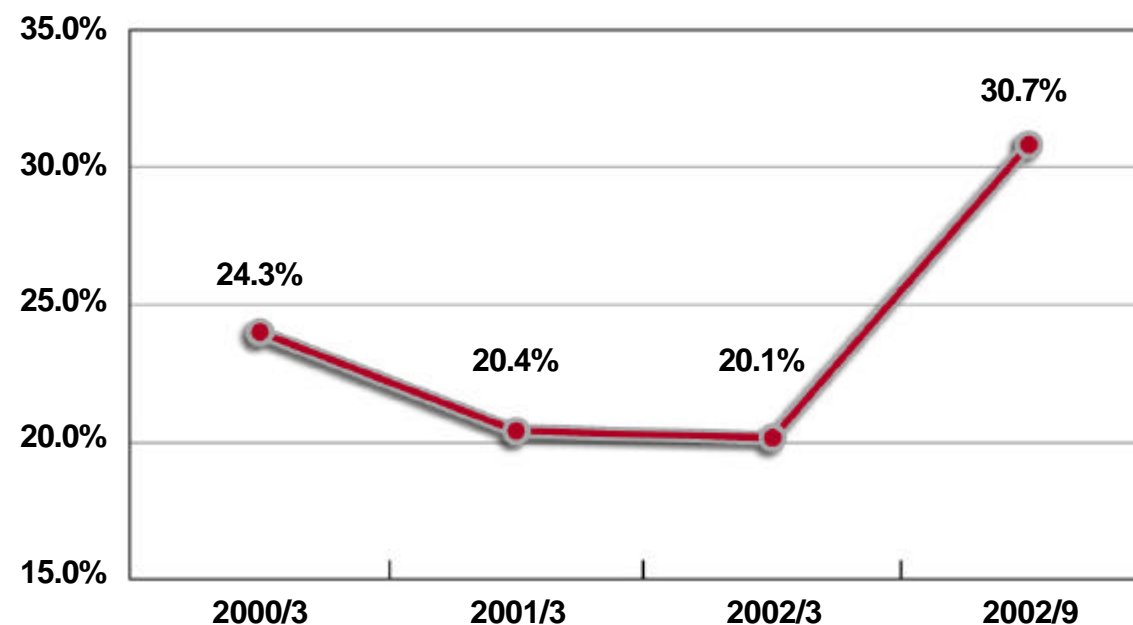
*billion yen, except where indicated*

	Interim 2001 <sup>1</sup>	Interim 2002	% Change
Operating revenue	680.8	711.8	4.6%
Operating profit	43.2	129.8	200.5%
Ordinary profit	38.0	128.0	236.8%
EBITDA	121.4	219.0	80.4%
EBITDA margin (%)	17.8%	30.7%	12.9pp

Note: 1. Pro forma results based on simple aggregation of four J-Phone entities

## EBITDA performance

- EBITDA margin at 30.7%, 10.6pp improvement from FY01

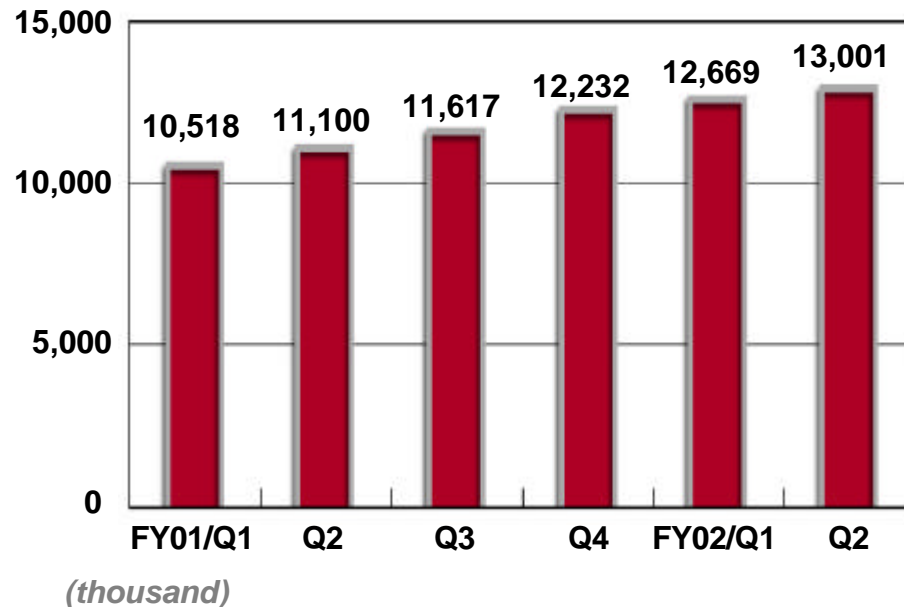


	2000/3	2001/3	2002/3	2002/9(1H)
EBITDA ( <i>billion yen</i> )	214.8	225.7	271.2	219.0
EBITDA margin (%)	24.3%	20.4%	20.1%	30.7%

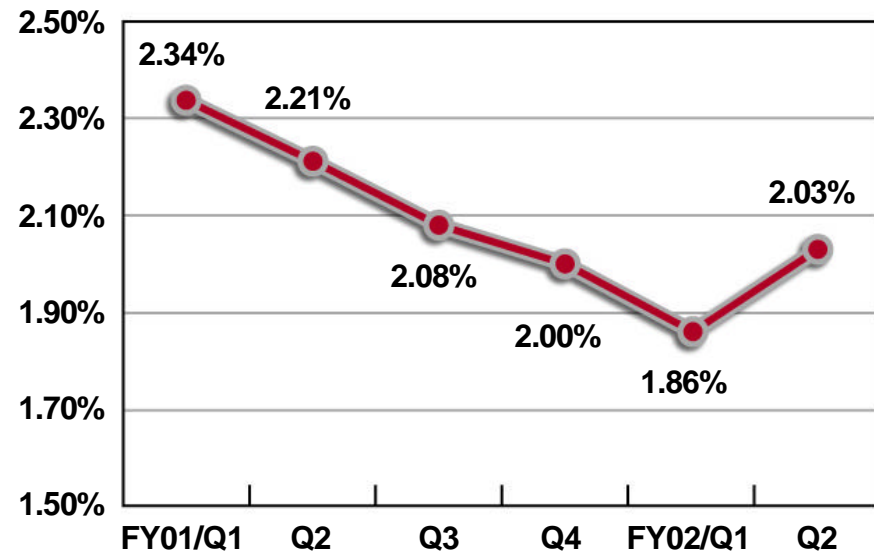
## Customer growth and churn

- Market growth slowdown due to increasing penetration
- J-Phone subscribers exceeded 13 million, up 6.3% from Q4 FY01
- Churn management improved in 1H FY02 due to continued popularity of data services, Sha-mail, positive CRM (customer relationship management) activities

### Customer growth



### Churn

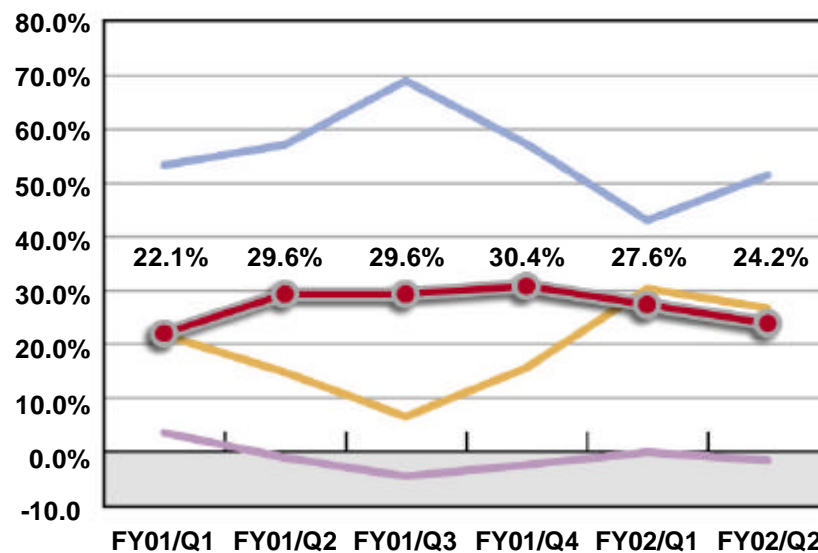




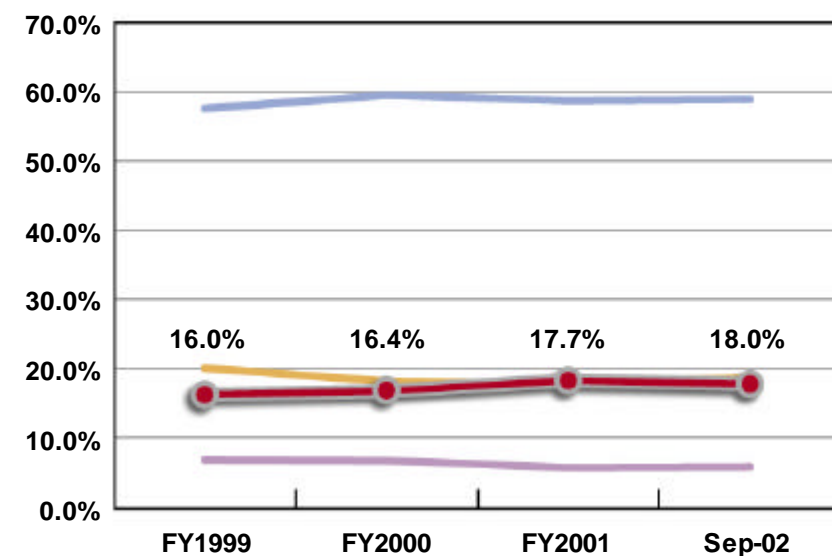
## Market share

- Net gains maintained above cumulative market share in increasingly competitive market

### Net adds



### Total subscribers

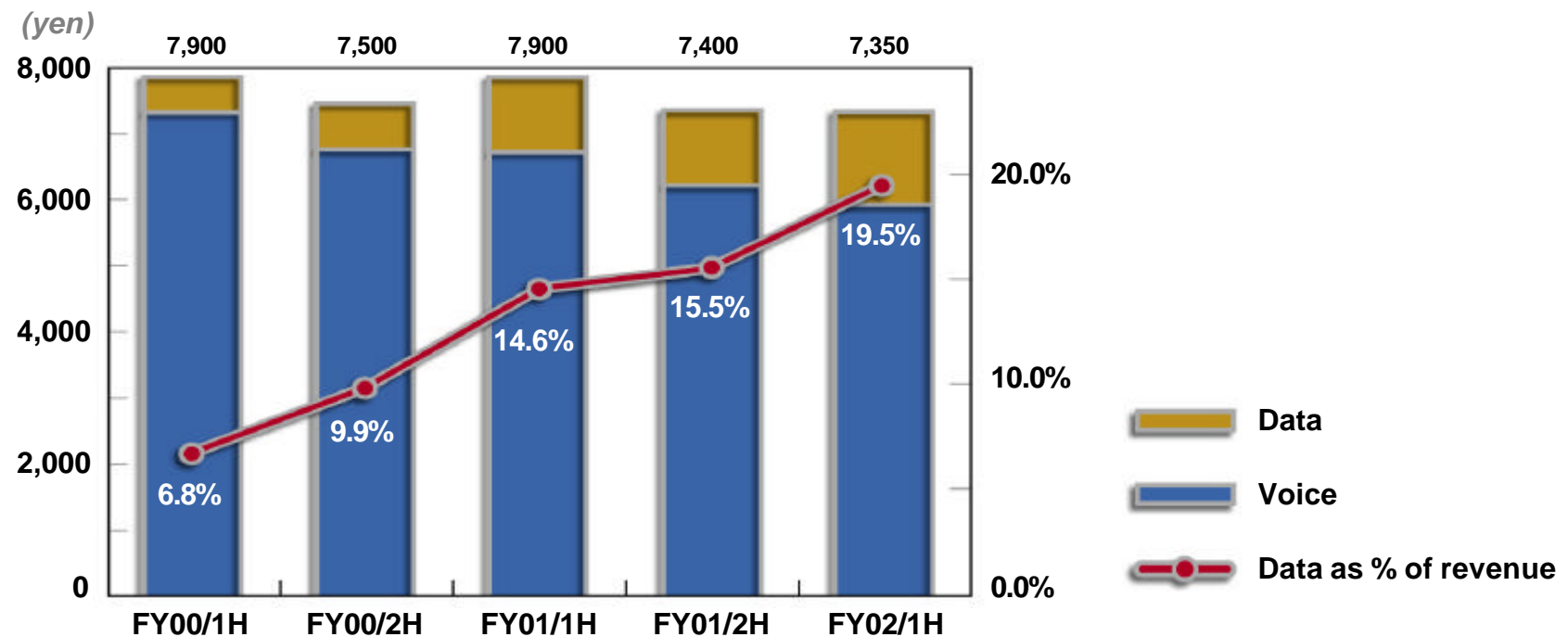


J-Phone NTT DoCoMo au Tuka

## Revenue and ARPU

- Increased data revenue partially offsetting decline in voice revenue
  - Data ARPU growth due to innovative product offerings
  - Expected voice ARPU decline as penetration increases

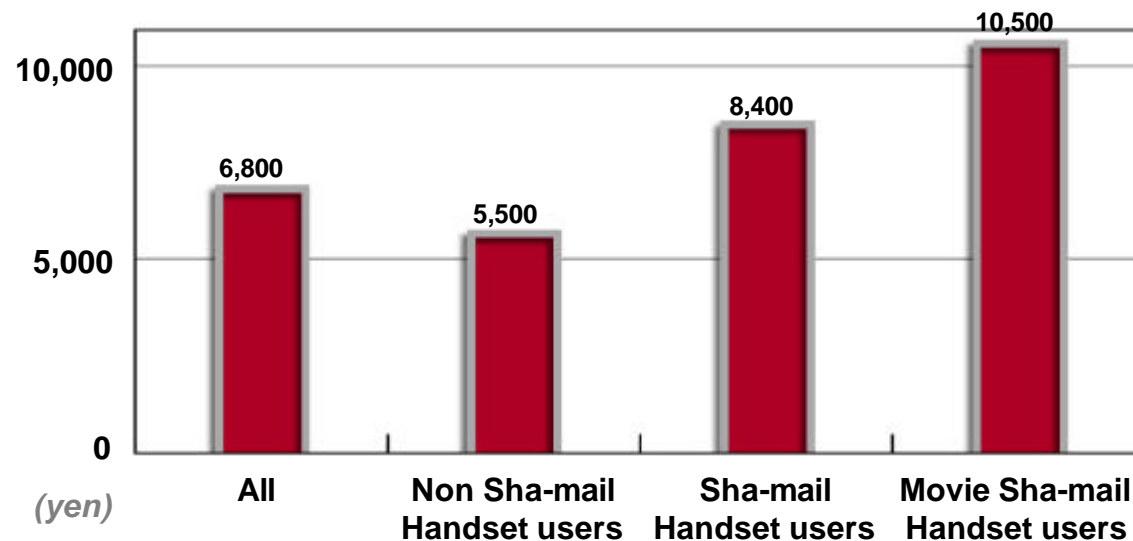
### Total ARPU and data ARPU ratio



## Leverage data innovation

- ARPU from subscribers with Sha-mail- and Movie Sha-mail- enabled handsets higher than average
- Usage of all data products increased, including J-SKY mobile internet
- High function Sha-mail and Movie Sha-mail handsets results in overall higher revenues
  - Sha-mail  $\Leftrightarrow$  J-SKY mobile internet  $\Leftrightarrow$  Contents subscription

**ARPU<sup>1</sup> by user type (Tokyo area, May 2002)**

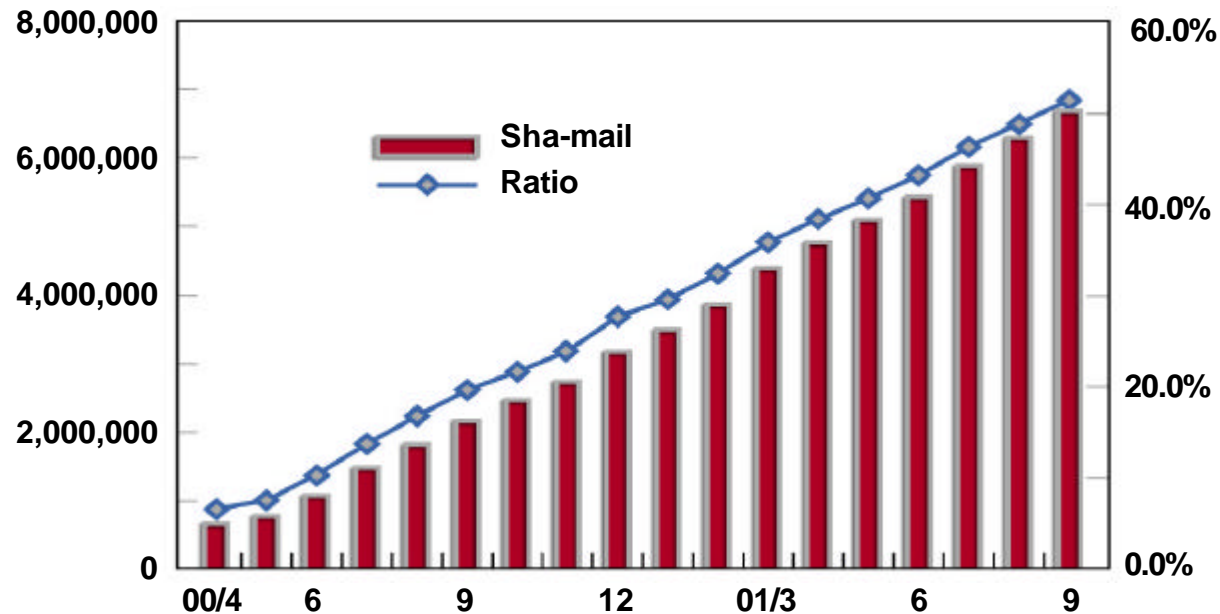


Note: 1. Excludes incoming ARPU

## Sha-mail—market innovation leader

- Sha-mail subscribers now over 7 million in Oct. 2002, 54% of subscriber base
- Ease of use
- Better handsets and greater variety
  - J-SA05: industry's first mirror display, twin TFT color LCD
  - J-T08: world's first QVGA

Number of Sha-mail-enabled handsets and Sha-mail ratio



J-SA05



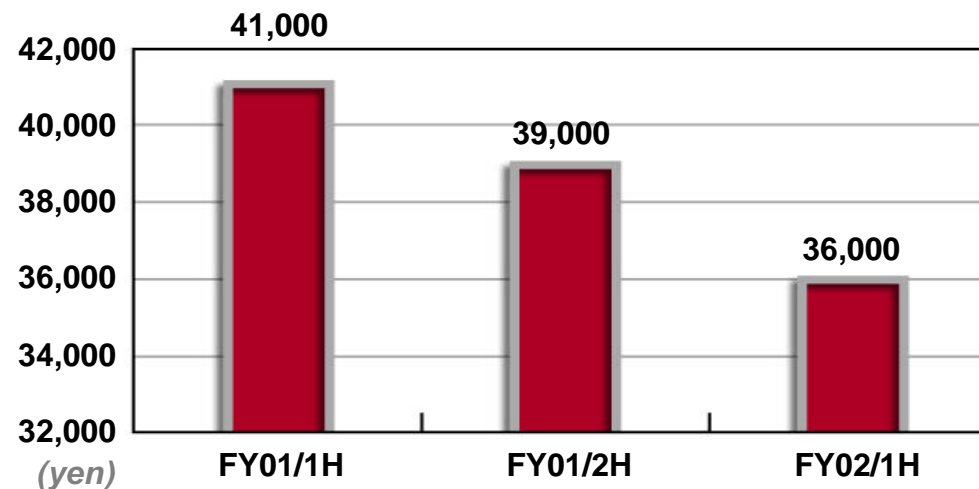
J-T08

J-SH52

## Acquisition incentives and purchasing efficiency

- **Subscriber acquisition incentives reduced from 40,000 yen for FY01 to 36,000 yen for 1H FY02**
- **Inventory days at historic low due to implementation of supply chain and forecasting system**
- **Purchasing efficiencies resulting in lower handset COGS**
  - Lower purchasing price passed on to consumer through lower retail price
  - No net increase in incentives
  - Higher runs of fewer handset models = manufacturer efficiency

**Acquisition incentive per gross add**



## Cost and operating efficiencies

- **Capex discipline - 300 billion yen in FY02**
  - Capex focus on 3G
- **Working capital efficiencies**
  - Lower inventories
  - Efficient balance sheet management
- **Operating cost efficiencies**
  - Network operations, outsourcing, operating expenses reduced
  - Centralisation of key functions
- **Maintaining positive cash flow**
  - Cash used to reduce debt

**3G**

- **Trial services with 1,000 test users in Tokyo from 30 June 2002**
- **Commercial service planned to begin in December 2002 in major urban areas**
- **Rapid deployment of 3G base stations – Project “Big Bang”**
  - Approximately 10,000 base stations – mostly co-located with 2G
  - 2G equivalent coverage planned by September 2003
  - Standardised and efficient deployment
- **Global roaming-enabled handsets**

## Vodafone appeal

- Introduced dual logo in December 2001 ® towards single brand in 2003
- Use of Vodafone brand images and events to raise awareness





# Japan Telecom (Fixed line) Overview



## Japan Telecom (Fixed-line) Overview

### Section 4

# Japan Telecom financial highlights

- Operating revenue improved modestly due to continued growth in data services, better than expected performance in voice revenues and revenue contribution from managed services
- Returned to profitability
- Improved capex efficiency and control
- Improved cash flow
- Lower cost base

## Pro forma<sup>1</sup> financial summary

*billion yen, except where indicated*

	Interim 2001 <sup>2</sup>	Interim 2002 <sup>3</sup>	% Change
<b>Operating revenue</b>	169.5	174.2	2.8%
<b>Operating profit/(loss)</b>	(17.9)	10.8	nm
<b>Ordinary profit/(loss)</b>	(17.7)	12.8	nm
<b>Net profit/(loss)</b>	(17.3)	4.9	nm
<b>EBITDA (%)</b>	7.0%	25.5%	-
<b>Capital expenditure</b>	73.0	53.9	-26.2%

Notes:

1. Core fixed-line business only
2. Pro forma results for current Japan Telecom businesses which were formerly a part of current Japan Telecom Holdings
3. Includes non-audited April – July non-consolidated results of current Japan Telecom Holdings less Telecom Express and Japan System Solution results, plus August – September non-consolidated results of current Japan Telecom

# Japan Telecom operating highlights

- Data growth driven by SOLTERIA (IP-VPN) and Wide-Ether (wide area Ethernet) line additions
- Voice revenue declined as expected due to effects of competition
- Voice ARPU remaining flat overall with increases in the corporate segment
- Growth in ENOC data security and SINET solutions businesses

## Pro forma<sup>1</sup> operating revenue breakdown

*billion yen*

	Interim 2001 <sup>2</sup>	Interim 2002 <sup>3</sup>	% Change
<b>Voice</b>	102.8	95.8	-6.8%
<b>Data</b>	31.4	42.7	36.0%
<b>Leased line</b>	23.3	20.7	-11.2%
<b>Other</b>	11.9	14.8	24.4%
<b>Operating revenue</b>	<b>169.5</b>	<b>174.2</b>	<b>2.8%</b>

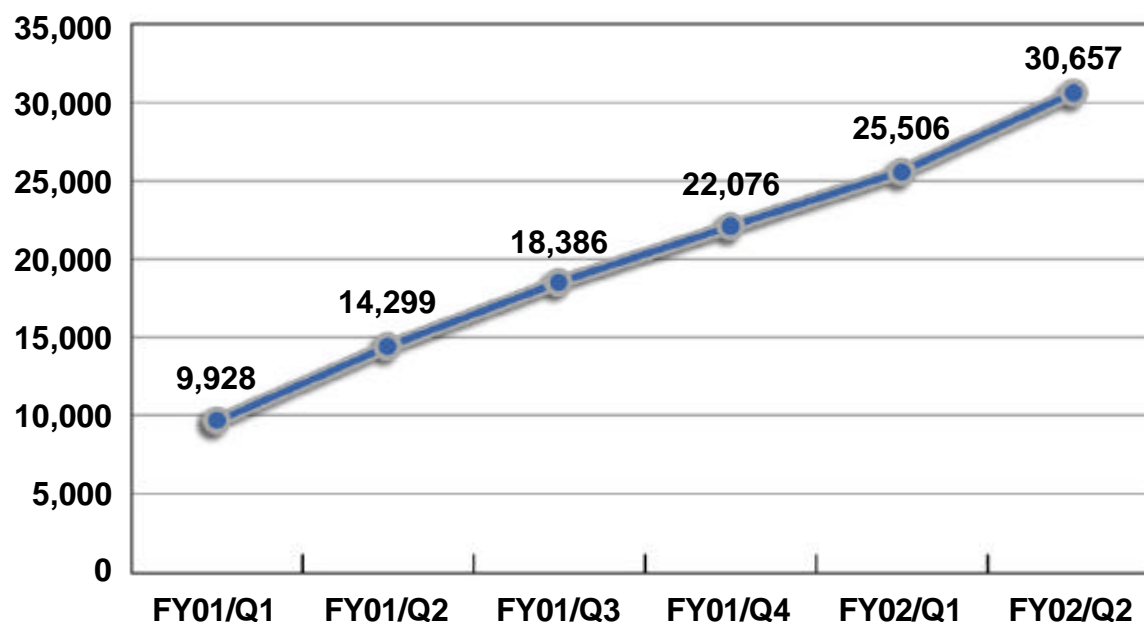
Notes:

1. Core fixed-line business only
2. Pro forma results for current Japan Telecom businesses which were formerly a part of current Japan Telecom Holdings
3. Includes non-audited April – July non-consolidated results of current Japan Telecom Holdings less Telecom Express and Japan System Solution results, plus August – September non-consolidated results of current Japan Telecom

## Enterprise data service : SOLTERIA and Wide-Ether

- Backed by strong demand for IP-VPN in enterprise network system, SOLTERIA showed a 133.5% revenue growth over 1H FY01
- Wide-Ether service launched in October 2001, offering flexible integration of LANs at customers' offices

### Number of access lines: SOLTERIA and Wide-Ether



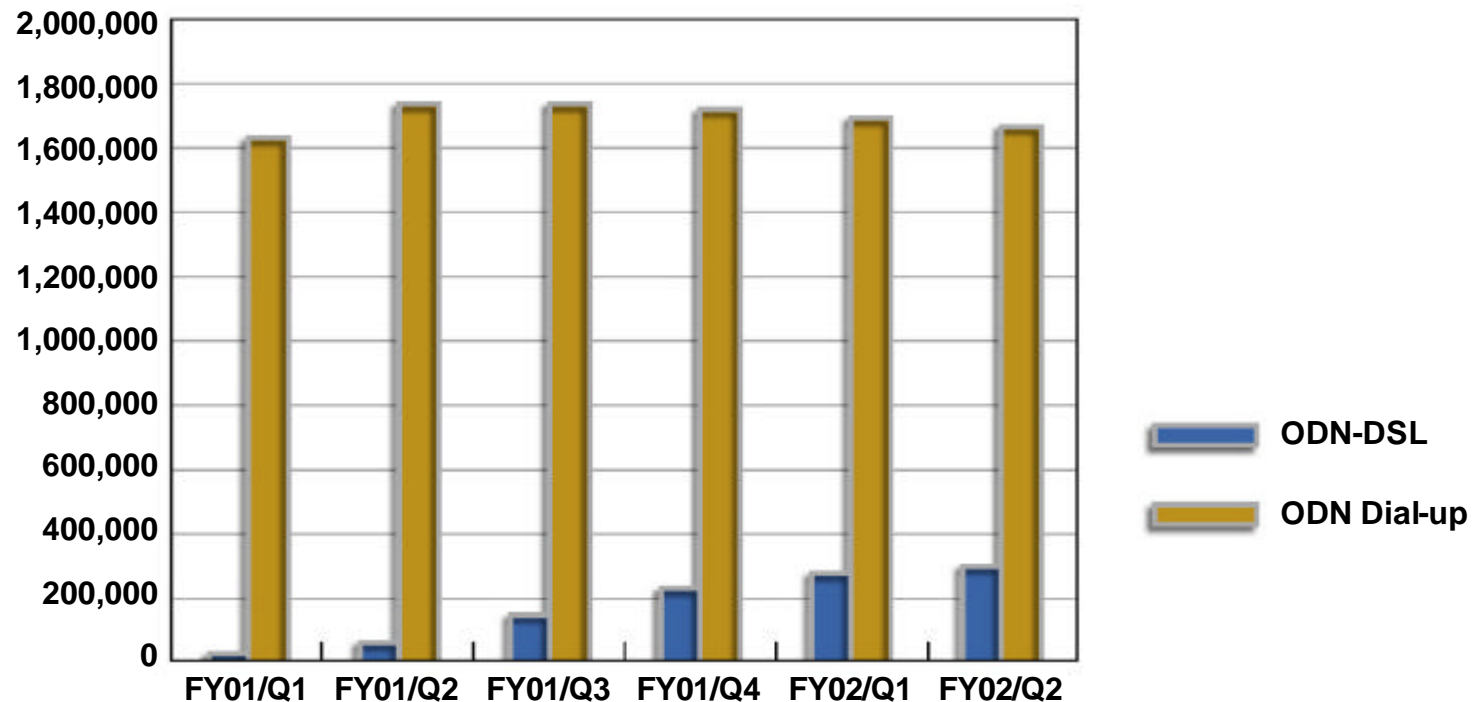
Customers include:



## Consumer data service : ODN Dial-up & ODN-DSL

- ODN-DSL line numbers continued to grow
- ODN dial-up lines dropped modestly as customers upgrade to DSL
- Deal with eAccess offers a profitable solution to intense price competition

Accumulated lines: ODN Dial-up and ODN-DSL

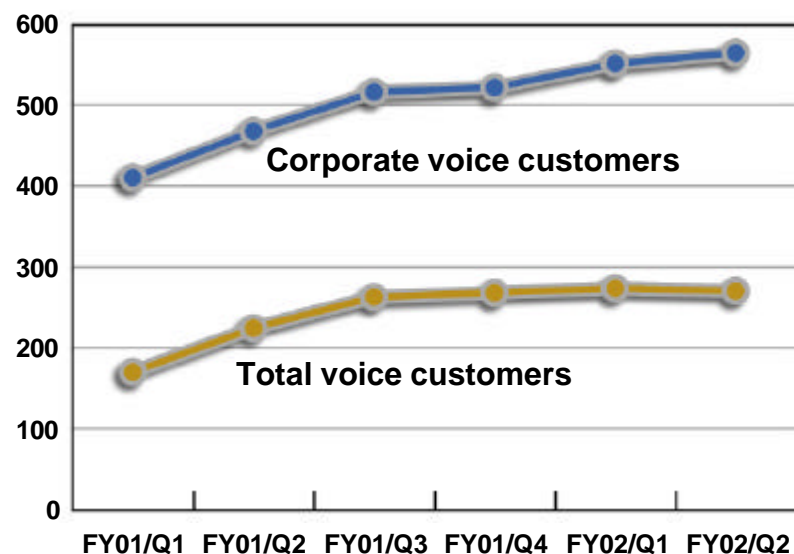


## Voice service

- Traffic (monthly MOU per circuit) for corporate customers has improved, backed by an increase in high-value users
- Total ARPU stable

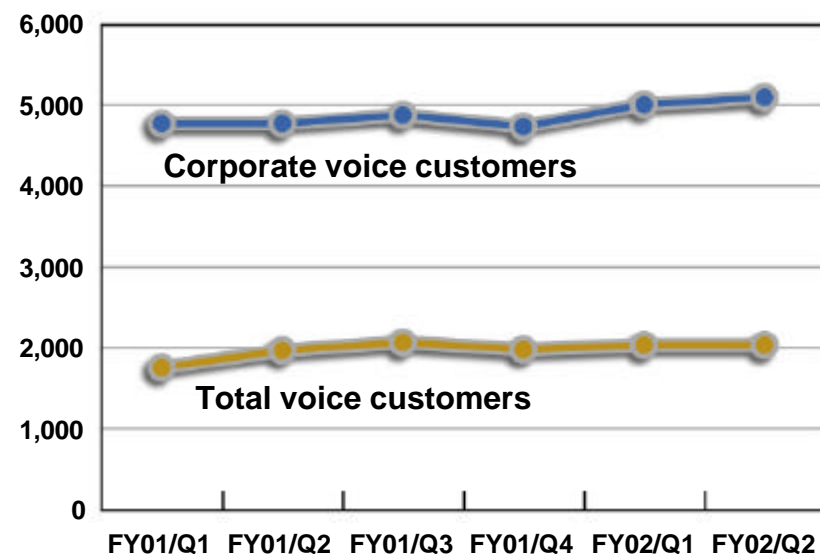
### Traffic monthly MOU/circuit

(minutes)



### ARPU

(yen)



## Japan Telecom—cost savings

- Operating expense reduction initiatives are making progress

Initiative	Efficiency achievement thus far
Drive to the lowest cost base	<ul style="list-style-type: none"><li>• Optimize network 5.4 billion yen</li><li>• Customer service 3.0 billion yen</li><li>• Billing and revenue 1.0 billion yen</li><li>• People efficiency 2.8 billion yen</li></ul>

# Execution, execution, execution

Project V's momentum has brought results well ahead of schedule

## Refocus on core businesses

- >¥20B unnecessary CAPEX cancelled or renegotiated
- Holding company structure implemented 1 August 2002
- ADSL operations sold to eAccess
- Facility construction division sold to Bovis Lend Lease
- Bill printing assets sold to Toppan Forms
- Separation of mobile billing and mobile sales agency

## Grow profits in new core

- Revenue and line growth in targeted areas
- Metro access rollout
- Advertising and promotion re-targeted
- Business partnership with IBM in place to sell managed services
- Redefined product roadmap
- Key customer acquisitions
- Retention programs for loyal customers

## Drive to lowest cost base

- FY02 cost reduction targets embedded in new budget
- Billing system changes from October
- Customer service IVR introduced to call centres
- 60% of FY02 payroll reduction already achieved
- Call center reduction plans underway
- Network re-engineered

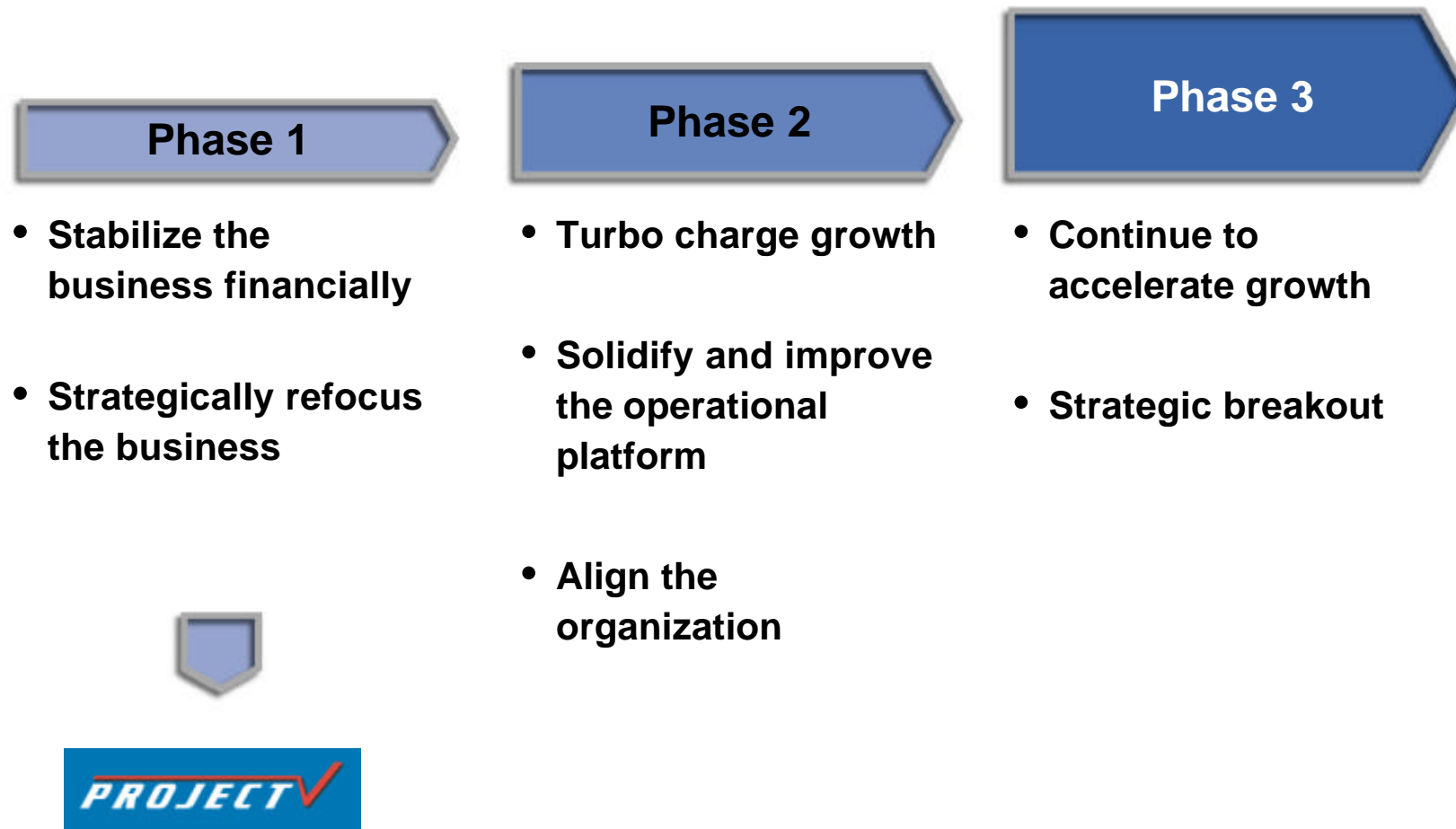
## Align and enable the organization

- New board structure and members
- New first and second reports
- Focused governance structure operational
- Senior management reduced by c. 40%
- New organisation implemented
- Values defined and launched
- Financial and operational drivers, targets and tracking system in place



# Japan Telecom transformation

- Japan Telecom is embarked on a multi-year turnaround



# Turbo charged Project V

To continue momentum, new initiative “2 x 25 + Challenge” launched

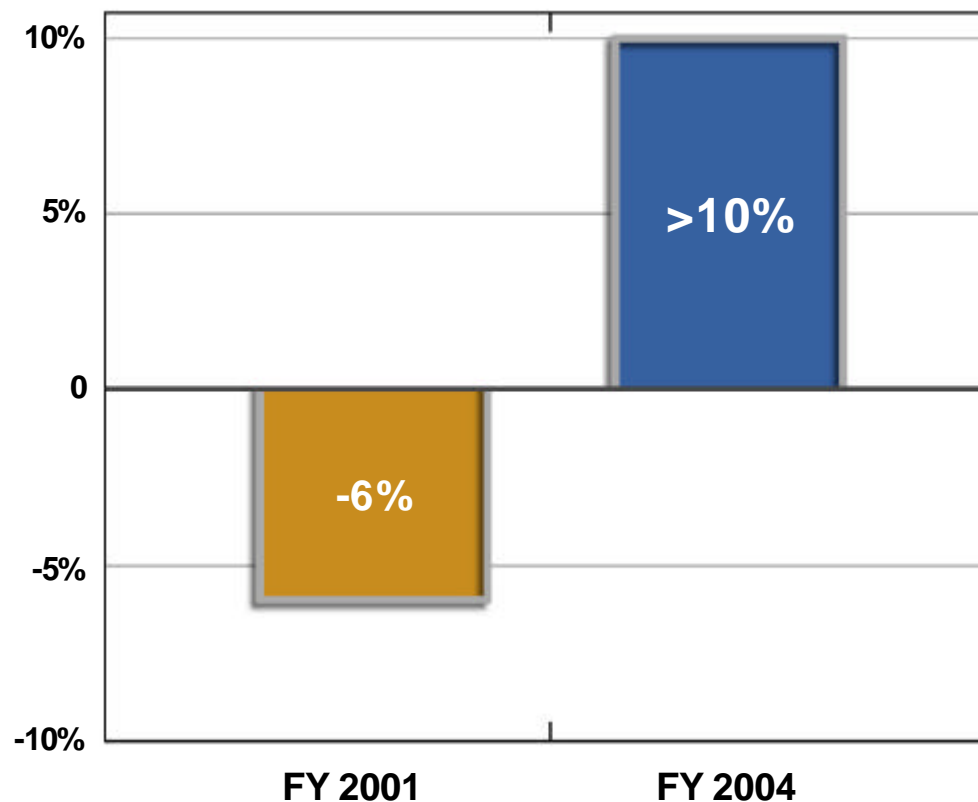
- 2x
  - Enterprise data revenue
  - Consumer data numbers
  - Loyal customer retention
  - Monthly salary as bonus
- 25
  - 25% EBITDA margin
- +/- =
  - Free Cash Flow
- Aiming to meet the “Challenge” by end of fiscal 2003
- All employees involved and engaged
- Initiative underpinned by 8 cross-functional task forces



# Target

## Aggressive financial targets set...

*EBIT margin (%)*



## and have achieved:

Strong double digit annual growth in enterprise data and managed services

Swift return to positive EBIT

## and on track to achieve:

Reduction in planned CAPEX by 30%

Significant, positive cashflow by FY 2004

# Japan Telecom Holdings Conclusion



 JAPAN TELECOM HOLDINGS CO.,LTD.

## Conclusion

### Section 5

## Market outlook and Japan Telecom Holdings outlook

- **Market outlook**

- Mobile subscriber net adds growth likely to continue slowdown
- Data services will continue to become a larger part of mobile and fixed-line revenues
- Shift in business data service from FR/CR to IP-VPN/wide area Ethernet

- **Japan Telecom Holdings outlook**

- Excellent position to capture growth of 3G market
- New data revenue opportunities from 3G
- Utilise strong Japan Telecom market position in IP-VPN/wide area Ethernet to increase data revenues
- Utilise relationship with Vodafone Group and Japan Telecom/J-Phone track record of innovation to continue developing new opportunities in new product markets

## Consolidated and non-consolidated forecast

- **Full-year forecasts revised upwards**
  - Consistent revenue growth performance
  - Continued cost savings and operating efficiencies
  - Interim dividend of 600 yen/share, full year dividend increased to 1,200 yen/share

### Consolidated

*billion yen*

	Revised FY02 forecast (12 November 2002)	Prior FY02 forecast (28 May 2002)
Operating revenue	1,770.0	1,770.0
Ordinary profit	245.0	183.0
Net profit	65.0	48.0

### Non-consolidated

*billion yen*

	Revised FY02 forecast (12 November 2002)	Previously revised FY02 forecast (9 August 2002)
Operating revenue	147.0	155.0
Ordinary profit	9.5	8.0
Net profit	11.5	10.0

Thank you



 JAPAN TELECOM HOLDINGS CO.,LTD.

A member of the Vodafone Group

# Forward-looking Statements

This presentation contains certain forward-looking statements concerning the operations and strategy of JAPAN TELECOM HOLDINGS CO., LTD. (JAPAN TELECOM HOLDINGS, references to which in this disclaimer shall include, as appropriate, JAPAN TELECOM CO., LTD.) and its expectations concerning its financial and operating results, in particular its targets for new customers, cash flow by fiscal 2004, EBIT margin by 2004, reduction in capital expenditures by fiscal 2004, and its fiscal 2002 performance forecasts (including consolidated operating revenue, ordinary profit and net profit, and non-consolidated operating revenue, ordinary profit and net profit), as well as expectations for trends in the Japanese fixed-line and wireless telecommunications markets. This presentation also contains certain forward-looking statements concerning the operations and strategy of J-PHONE Co., Ltd. (J-PHONE) and its expectations concerning its financial and operating results, in particular its expectations for the launch of full commercial 3G services and 3G-area coverage. By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future.

There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to: changes in economic conditions that would adversely affect demand for JAPAN TELECOM HOLDINGS's and J-PHONE's services; greater than anticipated competitive activity; slower customer growth or reduced customer retention; the impact on capital spending from investment in network capacity and the deployment of new technologies, including 3G technology; the possibility that technologies will not perform according to expectations or that vendors' performances will not meet JAPAN TELECOM HOLDINGS's or J-PHONE's requirements; changes in projected growth rates in the telecommunications industry; the accuracy of and any changes in JAPAN TELECOM HOLDINGS's and J-PHONE's projected revenue models; future revenue contributions of data services offered by JAPAN TELECOM HOLDINGS or J-PHONE; JAPAN TELECOM HOLDINGS's and J-PHONE's ability to successfully introduce new services, in particular 3G services, and the delivery and performance of key products; the success of JAPAN TELECOM HOLDINGS in achieving disposals of non-core assets; changes in the regulatory framework in which JAPAN TELECOM HOLDINGS and J-PHONE operate; and the impact of legal or other proceedings involving JAPAN TELECOM HOLDINGS or J-PHONE or other companies in the telecommunications industry.

All written or verbal forward-looking statements attributable to JAPAN TELECOM HOLDINGS and J-PHONE or persons acting on their behalf made in this presentation or subsequent hereto are expressly qualified in their entirety by the factors referred to above.

## The Financial Services and Markets Act 2000

This presentation is being made only to and is directed only at, and is being distributed only to: (a) persons who have professional experience in matters relating to investments falling within Article 19 (1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (the "Order"); or (b) high net worth entities, and other persons to whom it may otherwise lawfully be communicated, falling within Article 49 (1) of the Order (all such persons together being referred to as "relevant persons"). Any person who is not a relevant person should not act or rely on this presentation or any of its contents.

This presentation and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person.