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Alternative 2
Net Surplus will be paid to shareholder

ETHIOPIAN TELECOMMUNICATIONS CORPORATION
FORECASTED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2000/01.....2004/05

IN '000

DESCRIPTION	ACTUAL		ESTIMATE		BUDGET		FORECASTED			
	TENTATIVE	ACTUAL	ACTUAL	ESTIMATE	1993	1994	1995	1996	1997	
	1998/99	1999/00	1999/00	2000/01	2000/01	2001/02	2002/03	2003/04	2004/05	
REVENUE FROM OPERATION										
URBAN TELEPHONE	207,587	248,310	248,310	361,971	468,550	582,263	706,045	839,899		
INTER URBAN TELEPHONE	23,300	21,193	21,193	16,558	14,917	13,286	11,665	8,675		
INTERNATIONAL TELEPHONE	336,581	293,424	293,424	440,650	570,253	712,816	868,339	1,036,823		
-INTERNATIONAL CALLS (OUTGOING)	-	194,166	194,166	297,588	385,114	481,393	586,423	700,207		
-INTERNATIONAL CALLS (INCOMING)	-	99,258	99,258	143,062	185,139	231,423	281,916	336,616		
MOBILE TELEPHONE	16,644	67,921	67,921	102,193	131,579	153,412	175,246	204,631		
INTERNET	11,592	19,443	19,443	49,697	86,607	132,942	169,853	202,051		
TELEGRAPH	6,409	6,380	6,380	7,268	8,231	9,193	10,156	11,219		
TELEX	3,292	2,067	2,067	2,704	1,924	1,279	888	525		
	605,405	658,738	658,738	981,041	1,282,061	1,605,190	1,942,191	2,303,823		
OPERATING EXPENSES										
URBAN TELEPHONE	62,174	71,621	71,621	87,919	112,452	139,743	169,451	201,576		
INTER URBAN TELEPHONE	35,460	38,408	38,408	45,918	57,025	71,282	86,834	103,682		
MOBILE TELEPHONE	-	-	-	19,071	31,579	36,819	42,059	49,112		
INTERNET	-	-	-	4,951	15,589	23,930	30,573	36,369		
TELEGRAPH	3,569	3,425	3,425	5,438	6,173	6,895	7,617	8,414		
TELEX	4,430	4,864	4,864	6,749	4,809	4,909	5,009	5,109		
	105,633	118,318	118,318	170,046	227,627	283,577	341,543	404,262		
GROSS OPERATING SURPLUS	499,772	540,420	540,420	810,995	1,054,433	1,321,613	1,600,648	1,899,561		
OTHER REVENUE	18,687	16,838	16,838	27,762	38,431	48,121	58,228	69,115		
	518,459	557,258	557,258	838,757	1,092,864	1,369,735	1,658,876	1,968,676		
EXPENSES										
ADMINISTRATIVE	79,741	86,724	86,724	137,631	154,690	175,254	197,541	221,609		
INTEREST AND BANK CHARGES	62,736	58,676	58,676	61,484	110,092	169,996	198,193	210,722		
AMORTIZATION OF DEFER. CHARGES	35,727	38,992	38,992	40,942	42,989	45,138	47,395	49,765		
AUDIT FEES	70	75	75	90	100	110	120	120		
PROVISION FOR DOUBTFUL DEBTS	1,742	2,003	2,003	2,035	2,564	3,210	3,884	4,608		
	180,016	186,470	186,470	242,181	310,434	393,708	447,134	486,823		
NET SURPLUS BEFORE TAXATION	338,443	370,788	370,788	596,575	782,430	976,027	1,211,742	1,481,853		
PROVISION FOR TAXATION	119,065	130,477	130,477	209,514	274,748	342,733	425,469	520,261		
NET SURPLUS AFTER TAXATION	219,378	240,311	240,311	387,062	507,682	633,294	786,273	961,592		
TRANSFER TO LEGAL RESERVE	10,969	12,016	12,016	17,593	25,384	31,665	39,314	48,080		
	208,409	228,296	228,296	369,469	482,298	601,629	746,959	913,512		
TRANSFER TO CAPITAL	208,409	187,230	187,230	-	-	-	-	-		
NET SURPLUS PAYABLE	-	41,066	41,066	369,469	482,298	601,629	746,959	913,512		
RATE OF RETURN ON FIXED ASSET	14%	42%	42%	44%	35%	32%	31%	32%		
RETURN ON EQUITY AFTER TAX		13%	13%	21%	27%	32%	39%	46%		

Notes: The budget and forecast have been changed following revisions of traffic and fund requirements in Mobile and Internet Services

ETHIOPIAN TELECOMMUNICATION CORPORATION
CASH FLOW FORECAST
FOR THE YEAR ENDED June 30, 2000/01.....2004/5

Alternative 2
 Net surplus will be paid to shareholder

Description	ESTIMATE 1999/00	BUDGET 1993 2000/01	F O R E C A S T E D					
			1994		1995		1996	
			2001/02	2002/03	2003/04	1997 2004/5		
OPERATING ACTIVITIES								
Net surplus before Tax	370,788	596,575	782,430	976,027	1,211,742	1,481,853		
Add:-								
Depreciation	38,514	55,928	83,809	114,861	142,785	165,813		
Amortization of differed Charge	38,932	40,942	42,989	45,138	47,395	49,765		
Amortization of transponder Lease	2,312	2,313	2,312	2,314	2,312	2,313		
Provision for Doubtful Debts	2,003	2,035	2,564	3,210	3,884	4,608		
Cash inflow Before Re investment in Working Capital	452,509	697,793	914,104	1,141,550	1,408,118	1,704,351		
(increase) or Decrease in Stock	(114,397)	(33,665)	(174,208)	94,761	61,999	(92,700)		
(increase) or Decrease in debtors	(4,504)	117,136	(65,685)	(70,421)	(71,285)	(79,630)		
Increase or (Decrease) in Creditors	128,119	(8,155)	219,092	(134,782)	(56,856)	(37,199)		
Cash inflow From Operation	461,827	773,109	893,303	1,031,109	1,341,975	1,494,822		
TAXATION								
profit Tax Paid	(119,147)	(172,766)	(201,610)	(258,224)	(335,935)	(417,196)		
INVESTING ACTIVITIES								
payment for acquisition of shares	(1,975)	-	-	-	-	-		
Payments for capital works in progress	(141,590)	288,903	(239,289)	60,641	115,633	160,139		
Payments for Acquisition of Fixed Assets	(330,460)	(665,744)	(905,032)	(844,392)	(728,759)	(568,620)		
Net Cash inflow (Outflow) Before Financing	(474,025)	(376,841)	(1,144,321)	(783,751)	(613,126)	(408,481)		
FINANCING								
Interest	(131,345)	223,302	(452,628)	(20,866)	392,915	669,146		
Net surplus payable	-	(41,066)	52,770	64,639	33,333	18,036		
Long Term Loans paid	(117,762)	(99,341)	(369,469)	(482,298)	(601,629)	(746,959)		
Long Term Loan Received	58,110	44,404	(105,201)	(111,241)	(115,986)	(106,808)		
Grants	12,772	64,743	-	-	277,776	150,302		
Gain From Foreign Currency Fluctuation	16,682	2,315	8,557	11,108	13,591	16,284		
Increase or (Decrease) in Cash	(30,198)	(28,945)	26,407	20,866	(392,915)	(669,146)		
Cash Beginning	(161,543)	194,557	(426,221)	(0)	(0)	0		
Cash Ending	493,207	331,664	526,221	100,000	100,000	100,000		
	331,664	526,221	100,000	100,000	100,000	100,000		

Note: The budget and forecast have been changed following the revision of traffic data and fund requirements in Mobile and Internet Services.

ETHIOPIAN TELECOMMUNICATIONS CORPORATION

FORCASTED BALANCE SHEET

As at 30th JUNE 2000/01.....2004/05

In '000

Alternative 2
Net surplus will be paid to shareholder

Description	Actual					FORECAST				
	Tentative 1999/00	ESTIMATED 1999/00	BUDGET 1999/00	1994 2001/02	1995 2002/03	1996 2003/04	1997 2004/05			
ASSETS EMPLOYED										
PLANT IN OPERATION	912,092	1,242,552	1,908,296	2,813,328	3,657,720	4,386,479	4,955,099			
Accumulated Depreciation	483,391	521,905	577,833	661,641	776,502	919,287	1,085,100			
NET PLANT IN OPERATION	428,701	720,647	1,330,463	2,151,687	2,881,217	3,467,192	3,859,999			
CAPITAL WORKS IN PROGRESS	813,057	954,647	665,744	905,032	844,392	728,759	598,520			
INVESTMENTS	29,746	31,721	31,721	31,721	31,721	31,721	31,721			
DEFERRED CHARGES	322,186	296,256	269,145	240,794	211,142	180,122	147,667			
CURRENT ASSET										
Stock	304,446	418,843	452,508	626,716	531,956	469,957	562,656			
Debtors	320,218	322,719	203,548	266,669	333,880	401,280	476,302			
Cash and bank balance	493,207	331,664	526,221	100,000	100,000	100,000	100,000			
CURRENT LIABILITIES										
Creditors	171,755	299,874	291,719	510,811	376,030	319,173	281,974			
Interest payable				52,770	117,409	150,742	168,778			
Long term Loans current Maturity	117,762	99,341	105,201	111,241	115,986	106,808	93,916			
Provisions for Taxation	174,484	185,814	222,561	295,699	370,208	459,743	562,808			
Net surplus payable		41,066	369,469	482,298	601,629	746,959	913,512			
NET CURRENT ASSETS (LIABILITIES)										
	464,001	626,095	988,950	1,452,819	1,581,262	1,783,425	2,020,988			
	553,870	447,131	193,327	(459,435)	(615,426)	(812,189)	(882,030)			
NET ASSETS	2,247,560	2,450,402	2,490,400	2,869,800	3,353,045	3,595,605	3,735,977			
FINANCED BY										
AUTHORIZED CAPITAL (1,473,980,578)										
PAID UP CAPITAL	1,286,750	1,473,980	1,473,980	1,473,980	1,473,980	1,473,980	1,473,980			
GRANTS	177,226	189,998	254,741	254,741	254,741	254,741	254,741			
LEGAL RESERVE	27,972	39,987	57,580	82,964	114,629	153,942	202,022			
FOR/EX FLUCTUATION RESERVE	69,622	86,304	88,619	97,176	108,285	121,876	138,159			
LONG TERM LOAN	685,990	660,133	615,480	960,939	1,401,409	1,591,066	1,667,074			
CURRENT RATIO	2,247,560	2,450,402	2,490,400	2,869,800	3,353,045	3,595,605	3,735,977			
LONG TERM DEBT/EQUITY	2.41	1.71	1.20	0.68	0.61	0.54	0.56			
RECEIVABLE REVENUE %	0.44	0.37	0.33	0.50	0.72	0.79	0.81			
	0.53	0.49	0.21	0.21	0.21	0.21	0.21			

Note: The budget and forecast have been changed following the revision of traffic data and fund requirements in Mobile and Internet Services

ETHIOPIAN TELECOMMUNICATIONS CORPORATION

FORCASTED BALANCE SHEET

As at 30th JUNE 2000/012004/5

Alternative1

Net surplus will be reinvested

In '000

Description	Actual Tentative		ESTIMATED		BUDGET		F O R C E A S T E D				
	1998/99		1992	1999/00	1993		1994	1995	1996	1997	
	1998/99	1999/00	1992	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05		
ASSETS EMPLOYED											
PLANT IN OPERATION	912,092	1,242,552	1,242,552	1,242,552	1,908,296	2,813,328	3,657,720	4,386,479	4,955,099		
Accumulated Depreciation	483,391	521,905	521,905	521,905	577,833	661,641	776,502	919,287	1,085,100		
NET PLANT IN OPERATION	428,701	720,647	720,647	720,647	1,330,463	2,151,687	2,881,217	3,467,192	3,869,999		
CAPITAL WORKS IN PROGRESS	813,057	954,647	954,647	954,647	665,744	905,032	844,392	728,759	568,620		
INVESTMENTS	29,746	31,721	31,721	31,721	31,721	31,721	31,721	31,721	31,721		
DEFERRED CHARGES	322,186	296,256	296,256	296,256	269,145	240,794	211,142	180,122	147,667		
CURRENT ASSET											
Stock	304,446	418,843	418,843	418,843	452,508	626,716	531,956	469,957	562,656		
Debtors	320,218	322,719	322,719	322,719	203,548	266,669	333,880	401,280	476,302		
Cash and bank balance	493,207	331,664	331,664	331,664	567,286	100,000	100,000	498,294	1,184,875		
CURRENT LIABILITIES											
Creditors	171,755	299,874	299,874	299,874	291,719	510,811	376,030	319,173	281,974		
Interest payable						3,506	6,219	6,219	5,598		
Long term Loans current Maturity	117,762	99,341	99,341	99,341	105,201	111,241	115,986	106,808	93,916		
Provisions for Taxation	174,484	185,814	185,814	185,814	222,561	312,942	410,848	514,217	624,980		
NET CURRENT ASSETS (LIABILITIES)											
NET ASSETS											
	653,870	488,197	488,197	488,197	603,861	54,885	56,752	423,112	1,217,366		
	2,247,560	2,491,468	2,491,468	2,491,468	2,900,934	3,384,119	4,025,223	4,830,906	5,835,373		
FINANCED BY											
AUTHORIZED CAPITAL (1,473,980,578)											
PAID UP CAPITAL	1,286,750	1,473,980	1,473,980	1,473,980	1,473,980	1,473,980	1,473,980	1,473,980	1,473,980		
RETAINED EARNINGS		41,066	41,066	41,066	410,534	923,253	1,593,542	2,429,744	3,444,020		
GRANTS	177,226	189,998	189,998	189,998	254,741	254,741	254,741	254,741	254,741		
LEGAL RESERVE	27,972	39,987	39,987	39,987	57,580	84,565	119,844	163,854	217,237		
FOR/EX FLUCTUATION RESERVE	69,622	86,304	86,304	86,304	88,619	97,176	108,285	121,876	138,159		
LONG TERM LOAN	685,990	660,133	660,133	660,133	615,480	550,404	474,831	386,712	307,235		
	2,247,560	2,491,468	2,491,468	2,491,468	2,900,934	3,384,119	4,025,223	4,830,906	5,835,373		
CURRENT RATIO											
	2.41	1.83	1.83	1.83	1.97	1.06	1.06	1.45	2.21		
LONG TERM DEBT/EQUITY											
	0.44	0.37	0.37	0.37	0.33	0.29	0.24	0.19	0.15		
RECEIVABLE REVENUE %											
	0.53	0.49	0.49	0.49	0.21	0.21	0.21	0.21	0.21		

Note: The budget and forecast have been changed following revision of traffic and fund requirements in Mobile and Internet Services.

ETHIOPIAN TELECOMMUNICATION CORPORATION
CASH FLOW FORECAST
FOR THE YEAR ENDED June 30, 2000/01.....2004/5

Alternative 1
 Net surplus will be reinvested

Description	ESTIMATE 1999/00	BUDGET 1993 2000/01	F O R E C A S T E D				
			Y E A R S				
			1994 2001/02	1995 2002/03	1996 2003/04	1997 2004/5	
OPERATING ACTIVITIES							
Net surplus before Tax	370,788	596,575	831,694	1,087,216	1,356,265	1,645,034	
Add:-							
Depreciation	38,514	55,928	83,809	114,861	142,785	165,813	
Amortization of deferred Charge	38,992	40,942	42,989	45,138	47,395	49,765	
Amortization of transponder Lease	2,312	2,312	2,314	2,313	2,313	2,313	
Provision for Doubtful Debts	2,003	2,035	2,564	3,210	3,884	4,608	
Cash Inflow Before Re investment in Working Capital	452,609	697,792	963,370	1,252,739	1,552,642	1,867,532	
(Increase) or Decrease in Stock	(114,397)	(33,665)	(174,208)	94,761	61,999	(92,700)	
(increase) or Decrease in debtors	(4,504)	117,136	(65,685)	(70,421)	(71,285)	(79,630)	
Increase or (Decrease) in Creditors	128,119	(8,155)	219,092	(134,782)	(56,856)	(37,199)	
Cash Inflow From Operation	461,827	773,108	942,569	1,142,297	1,486,499	1,658,003	
TAXATION							
profit Tax Paid	(119,147)	(172,766)	(201,610)	(283,743)	(372,683)	(466,612)	
INVESTING ACTIVITIES							
payment for acquisition of shares	(1,975)	-	-	-	-	-	
Payments for capital works in progress	(141,590)	288,903	(239,289)	60,641	115,633	160,139	
Payments for Acquisition of Fixed Assets	(330,460)	(665,744)	(905,032)	(844,392)	(728,759)	(568,620)	
	(474,025)	(376,841)	(1,144,321)	(783,751)	(613,126)	(408,481)	
Net Cash Inflow (Outflow) Before Financing	(131,345)	223,501	(403,362)	74,804	500,689	782,910	
FINANCING							
Interest	-	-	3,506	2,714	-	(622)	
Net surplus payable	-	-	-	-	-	-	
Long Term Loans paid	(117,762)	(99,341)	(105,201)	(111,241)	(115,986)	(106,808)	
Long Term Loan Received	58,110	44,404	29,214	22,615	-	(5,183)	
Grants	12,772	64,743	-	-	-	-	
Gain From Foreign Currency Fluctuation	16,682	2,315	8,557	11,108	13,591	16,284	
	(30,198)	12,121	(63,924)	(74,804)	(102,395)	(96,329)	
Increase or (Decrease) in Cash	(161,543)	235,622	(467,286)	(0)	398,294	686,581	
Cash Beginning	493,207	331,664	567,286	100,000	100,000	498,294	
Cash Ending	331,664	567,286	100,000	100,000	498,294	1,184,875	

Note: The budget forecast have been changed following the revision of traffic data fund requirements in Mobile and Internet Services.

Alternative 1
Net Surplus will be reinvested

ETHIOPIAN TELECOMMUNICATIONS CORPORATION
FORECASTED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2000/01.....2004/5

IN '000

DESCRIPTION	ACTUAL		ESTIMATE		BUDGET		FORECASTED							
	TENTATIVE		ACTUAL		1993		1994		1995		1996		1997	
	1998/99	1999/00	1999/00	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05					
REVENUE FROM OPERATION														
URBAN TELEPHONE	207,587	248,310	248,310	248,310	361,971	468,550	582,263	706,045	839,899					
INTER URBAN TELEPHONE	23,300	21,193	21,193	21,193	16,558	14,917	13,286	11,665	8,675					
INTERNATIONAL TELEPHONE	336,581	293,424	293,424	293,424	440,650	570,253	712,816	868,339	1,036,823					
-INTERNATIONAL CALLS (OUTGOING)	-	194,166	194,166	194,166	297,588	385,114	481,393	586,423	700,207					
-INTERNATIONAL CALLS (INCOMING)	-	99,258	99,258	99,258	143,062	185,139	231,423	281,916	336,616					
MOBILE TELEPHONE	16,644	67,921	67,921	67,921	102,193	131,579	153,412	175,246	204,631					
INTERNET	11,592	19,443	19,443	19,443	49,697	86,607	132,942	169,853	202,051					
TELEGRAPH	6,409	6,380	6,380	6,380	7,268	8,231	9,193	10,156	11,219					
TELEX	3,292	2,067	2,067	2,067	2,704	1,924	1,279	888	525					
	605,405	658,738	658,738	658,738	981,041	1,282,061	1,605,190	1,942,191	2,303,823					
OPERATING EXPENSES														
URBAN TELEPHONE	62,174	71,621	71,621	71,621	87,919	112,452	139,743	169,451	201,576					
INTER URBAN TELEPHONE	35,460	38,408	38,408	38,408	45,918	57,025	71,282	86,834	103,682					
MOBILE TELEPHONE	-	-	-	-	19,071	31,579	36,819	42,059	49,112					
INTERNET	-	-	-	-	4,951	15,589	23,930	30,573	36,369					
TELEGRAPH	3,569	3,425	3,425	3,425	5,438	6,173	6,895	7,617	8,414					
TELEX	4,430	4,864	4,864	4,864	6,749	4,809	4,909	5,009	5,109					
	105,633	118,318	118,318	118,318	170,046	227,627	283,577	341,543	404,262					
GROSS OPERATING SURPLUS	499,772	540,420	540,420	540,420	810,995	1,054,433	1,321,613	1,600,648	1,899,561					
OTHER REVENUE	18,687	16,838	16,838	16,838	27,762	38,431	48,121	58,228	69,115					
	518,459	557,258	557,258	557,258	838,757	1,092,864	1,369,735	1,658,876	1,968,676					
EXPENSES														
ADMINISTRATIVE	79,741	86,724	86,724	86,724	137,631	154,690	175,254	197,541	221,609					
INTEREST AND BANK CHARGES	62,736	58,676	58,676	58,676	61,484	60,827	58,806	53,671	47,542					
AMORTIZATION OF DEFER. CHARGES	35,727	38,992	38,992	38,992	40,942	42,989	45,138	47,395	49,765					
AUDIT FEES	70	75	75	75	90	100	110	120	120					
PROVISION FOR DOUBTFUL DEBTS	1,742	2,003	2,003	2,003	2,035	2,564	3,210	3,884	4,608					
	180,016	186,470	186,470	186,470	242,181	261,170	282,518	302,611	323,643					
NET SURPLUS BEFORE TAXATION	338,443	370,788	370,788	370,788	596,575	831,694	1,087,216	1,356,265	1,645,034					
PROVISION FOR TAXATION	119,065	130,477	130,477	130,477	209,514	291,990	381,649	476,052	577,374					
NET SURPLUS AFTER TAXATION	219,378	240,311	240,311	240,311	387,062	539,704	705,567	880,213	1,067,659					
TRANSFER TO LEGAL RESERVE	10,969	12,016	12,016	12,016	17,593	26,985	35,278	44,011	53,383					
	208,409	228,296	228,296	228,296	369,469	512,719	670,289	836,202	1,014,276					
TRANSFER TO CAPITAL	208,409	187,230	187,230	187,230	369,469	512,719	670,289	836,202	1,014,276					
	-	41,066	41,066	41,066	369,469	512,719	670,289	836,202	1,014,276					
RETAINED NET SURPLUS, BBF	-	-	-	-	41,066	410,534	923,253	1,593,542	2,429,744					
RETAINED NET SURPLUS, CARRIED FORWARD	-	-	-	-	410,534	923,253	1,593,542	2,429,744	3,444,020					
RATE OF RETURN ON FIXED ASSET	-	42%	42%	42%	44%	34%	30%	29%	30%					
RETURN ON EQUITY AFTER TAX	14%	13%	13%	13%	17%	19%	20%	20%	19%					

Note: The budget and forecast have been changed following revision of traffic and fund requirements in Mobile and Internet Services.