

**ORANGE POLSKA Q1 2015  
RESULTS CONFERENCE CALL  
April 28, 2015, 11:00 AM CET  
Chairperson: Leszek Iwaszko**

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Operator [1]  
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Good morning, ladies and gentlemen. Thank you for standing by. Welcome to the Orange Polska first-quarter 2015 results conference call on April 28. (Operator Instructions). I will now hand the conference over to Mr. Leszek Iwaszko. Please go ahead, sir.

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Leszek Iwaszko, Orange Polska SA - Head of IR [2]  
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Welcome to Orange Polska results conference for the first quarter 2015.

My name is Leszek Iwaszko. I'm the Head of Investor Relations. Today we are joined by management of Orange Polska, starting with Bruno Duthoit, Chief Executive Officer; Maciej Nowohonski, CFO; Mariusz Gaca, who is responsible for the business market; Piotr Muszynski, Chief Operating Officer; and Jacek Kowalski, who is responsible for HR.

Our results have been published yesterday after market close, and they're available on our IR website, [www.orange-IR.pl](http://www.orange-IR.pl).

Now I hand the floor to Bruno Duthoit to start the presentation.

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Bruno Duthoit, Orange Polska SA - CEO [3]  
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Thank you, Leszek. Good morning, ladies and gentlemen.

The agenda for today is as follows. I will begin with highlights of the first quarter. Then Mariusz Gaca will present some of our new commercial actions. Maciej Nowohonski will follow with the financial review. Finally, I will conclude the presentation with a few takeaways before opening the Q&A session.

One point. As the spectrum auction is still ongoing, you will understand that we'll not be answering questions with regard to this process, in particular regarding prices, due to its sensitive nature.

Let's start with Q1 financial highlights on slide 5. Our financial results in the first quarter were solid. Revenue decline was limited to 1.7%, which was less than in H2 of 2014. Our restated EBITDA margin improved year on year, with support of growing cost savings and lower labor costs. Cash generation was in line with our full-year guidance.

On the next page, we present highlights of our commercial activity. Our commercial results were mostly satisfactory, but in a few areas they were below our ambitions. In postpaid mobile, we continued to generate healthy growth in the number of customers.

If you follow market news, you notice that our mobile number portability statistics were somewhat below Q4. That was due to B2B segment, which suffered from increased competition, mainly in key accounts. However, we were still ahead of two out of three other mobile operators.

Mobile broadband progressed very well. We have now more than 900,000 LTE users, almost 50% more than at the end of December 2014. And LTE traffic is growing very fast.

In fixed services, strong market appetite for fast broadband has continued. We added 33,000 customers in Q1, almost as much as in seasonally best Q4. However, our ADSL base lost more lines due to competition from mobile Internet. We will address this issue in Q2 and in H2.

Finally, our new product, Orange Finanse, made further good progress. We had 90,000 customers at the end of March, and a few days ago we exceeded 100,000.

On slide 7, we comment on our main operational developments. Operational developments were focused on further investment in mobile broadband and in the fiber project. In Q1, we increased 4G coverage by 11 percentage points to more than 70%, and we plan to grow it further in Q2 to meet appetite for mobile Internet, along with increasing smartphone penetration.

In terms of our fiber project, as we said in February, it will only be warming up in early part of the year. In Q1, we increased our coverage by around 30,000 households. The plan assumes much higher progress in H2.

Let's move on to slide 8. You have noticed that the layout of our presentation has changed. Those of you who are based in Poland have probably seen the new visualization of Orange brand in the media. Within the third year of our current strategy, we have decided to give it another push by refreshing our brand and introducing a new approach to customers to support our ambitions.

Our new main marketing guideline is now "it's all about what matters to you", which in a more simple way comes down to two words, "listening and responding". This means that we put the customer even more in the center of everything we do. Change in the communication will be accompanied by improvement in customer service and sales channels, both traditional and online.

Why do we do it? This new identity of Orange brand comes as an answer to change in customer demand and needs in a more digital world that is changing faster than ever. We are confident that this will improve perception of Orange, boost its awareness, positively influence customer experience, and as a consequence, leverage into our marketing and sales efforts.

Let's look at some examples of our new commercial offers that already include this new approach. I will ask Mariusz to present it.

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Mariusz Gaca, Orange Polska SA - Deputy CEO [4]

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Thank you, Bruno. Good morning, everyone.

Let's start with residential market on page 9. On the slide, you see two flagship examples of new offers, but there will be a lot more.

Firstly, new approach to convergence. We initiated our convergence strategy about three years ago by launching Orange Open. It proved successful, but it's now time for the refresh. Based on the most frequently chosen options by customers, we have come up with three packages with easy to remember names, and addressing needs of households. Of course, for those customers who prefer different sets of services, all options that have existed earlier are also available based on a pick and mix solution.

Secondly, we have launched fixed broadband access based on mobile technology, both LTE and 3G. This product will be mainly addressed to those customers who are not within the reach of our fast broadband options and who are the most exposed for substitution from mobile technology. Data allowance that is available on LTE is at the moment the highest on the market and is enough for even above average home usage.

And finally, for all our broadband customers, we have introduced at no additional cost a CyberShield, an innovative safety solution. This is our answer for growing scale of cyber threat. We are convinced that it will be our competitive advantage that will be also highly appreciated by our customers.

On page 10, we present our refreshed proposal for SOHO and SME customers. We have close to 1m customers in small and medium enterprises and SOHO segments, and we are the market leader there. Based on surveys we conducted among them, we have learned better their needs and responded with new, simplified mobile tariff plans to better feed their expectations.

Customers broadly need unlimited voice offers, data allowance, access to the wide range of smartphones, which by the way have become primary tools for use of the Internet, and the insurance related to those smartphones. Our new tariffs take all these needs into account and vary from a basic economic option to all-in containing rich roaming packages, and three out of four could be also a part of Orange Open proposition.

For the first time, each and every plan contains data allowance, and additionally there is a set of benefits offered to our long-term customers during their retention process. This is to demonstrate our appreciation to their loyalty. It is the first application of our new approach of listening and responding, that is designed to strengthen our position among B2B customers.

Thank you very much. I now give the floor to Maciej Nowohonski for the financial review.

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Maciej Nowohonski, Orange Polska SA - CFO [5]

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Thank you, Mariusz. Good morning, everybody.

Let's start the financial review with analysis on slide 12. As you can see on the slide, revenue decline for the second consecutive quarter has been below 2% and the regulatory impact is now very limited. Decline in Q1 is a bit higher than in Q4, mainly due to ICT revenues in Q4.

Mobile revenues performed equally well, while the decline in fixed services was lower due to slightly better performance in narrowband and enterprise solutions. Details are visible on the slide.

Looking forward, please note that as we launched instalment offers in Q2 2014, Q1 of this year is the last quarter in which we see strong year-on-year impact in equipment revenues. So please have it in mind while preparing revenue expectations for the quarters ahead.

Let's look at mobile revenues in more detail on the next slide. In mobile category we underline blended ARPU, which more and more contributes to improved service revenue performance. In Q1 blended ARPU was down only 5%, compared to more than 6% in Q4 and around 9% in Q1 2014.

This trend is supported by incoming revenues. Our wholesale ARPU was up 28% in Q1 as a result of growing voice usage and increased share in off net traffic. Unlimited offers still grow in popularity.

Retail ARPU also performs slightly better. It was down 9% in Q1, versus 10% in Q4 and 11% in Q3 last year, as a result of some stabilization in B2C segment, notably prepaid. ARPU dynamics has improved, but we are not content with commercial achievements. The market environment remains highly competitive.

Let's turn to fixed broadband on slide 14. High-speed broadband offers sell very well, which gives us confidence in our fiber access network project. In Q1 we gained 33,000 new customers of high-speed Internet, almost as much as in seasonally best Q4. Part of that take-up comes from migration from our low-speed base. It is also supported by our more competitive offers on the regulated zones, where we clearly have improved.

However, our ADSL base, mainly in regulated areas, is under pressure from mobile Internet on LTE technology, which still provides good customer experience and is actively promoted by mobile operators. We hope that the new offers presented earlier by Mariusz and other initiatives that are being prepared will help to reverse the trend.

On the next slide, we take a look at fixed voice. The picture of our fixed voice business has not changed much over the quarter. Customer erosion was slightly higher, but that was fully offset by lower ARPU erosion. We have managed to return to around 5% contraction in ARPU. Churn increase affects us on mass market, while it remains stable in B2B.

That concludes review of our topline. Let's now look at restated EBITDA on page 16.

Q1 restated EBITDA amounted to PLN960m and was broadly flat versus the previous year. Corresponding margin improved by 1 percentage point to 32.8%.

EBITDA was supported mainly by two factors, cost optimization program which delivered 17% year-on-year higher savings, PLN69m, and secondly by lower labor costs due to recognition of PLN58m credit related to curtailment of certain benefits for retirees of the Group. These positives were mostly offset by higher cost of commercial activity due to bigger share of handset in sales acts, increased costs of ICT activity in line with higher revenues and higher interconnect cost.

Looking ahead, please note that since we plan strong commercial activity in the current quarter, our EBITDA may be lower in Q2.

Let's now look at net income. Net income amounted to PLN171m in Q1, down versus PLN271m a year ago. Please remember that in Q1 of last year we recognized PLN191m gain on sale of Wirtualna Polska.

This year, the bottom line benefited from two factors. First, much lower financial costs, mainly as a result of debt refinancing and lower UMTS license discount expense due to favorable ForEx movement, and also lower depreciation following the extension of economic life of certain assets.

On slide 18, we review our cash flow generation. Organic cash flow amounted to PLN152m in Q1 and was on a comparable level with last year. Despite lower revenues, net cash from operating activities before income tax and working capital was flat, mainly thanks to lower financial costs.

Cash CapEx was slightly down. This positive effect was offset by PLN64m higher year-on-year working capital requirement as a consequence of instalment offers.

For the avoidance of doubt, these calculations do not include LTE auction deposit, which is excluded from our guidance.

Let's conclude financial review taking a quick look at our net debt. In the first quarter, our net debt increased immaterially due to payment of LTE auction deposit. Our debt ratios are unchanged at stable and low level. As we said in February, our cost of debt is now down to 4%.

Ladies and gentlemen, thank you for your attention. This concludes the financial review, and I hand the floor back to Bruno for conclusion.

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Bruno Duthoit, Orange Polska SA - CEO [6]

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Thank you, Maciej.

We delivered solid financial performance in Q1 and commercial results that reflected a challenging market environment, especially in fixed broadband and B2B mobile. In Q2, our marketing approach will be very proactive. You saw a few examples of our new offers at the beginning of the presentation, and there will be more.

We count on good momentum, connected with new visualization of our brand and the new way of customer communication. We'll be intensively introducing improvement to customer service and sales channels. As a result, our commercial expenses will likely increase in Q2 in order to support customer acquisitions.

Finally, we'll continue with our fiber project, but the major progress in this area will be more visible only in the H2. At the same time, we remain committed as ever to our cost discipline in order to defend profitability and secure the cash flow guidance.

Thank you very much for your attention. This concludes the presentation. We are now open to questions. Thank you.

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Questions and Answers

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Leszek Iwaszko, Orange Polska SA - Head of IR [1]

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As usually, we start with the questions from the floor, if there are any.

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Jakub Krawczyk, Raffeisen Centrobank - Analyst [2]  
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Hi. Jakub Krawczyk from Raffeisen Centrobank. I have a question about the refinancing exercise. I believe this was conducted in May 2014 initially, correct? But the effective interest rate is substantially better now than at the end of 4Q. Is it just a question of new financing facilities which came with lower rates or was it a question of floating rates, or can you just elaborate on -- because I think most of us seem to have underestimated the beneficial impact of this refinancing in the quarter?

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Maciej Nowohonski, Orange Polska SA - CFO [3]  
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So, if I can take this question, first of all, the nominal rate for the financial cost was at 4% still since May of 2014. What you may refer to is probably the cash flow impact, which is a little bit different.

In 2014 we have seen, I would say, accumulation of payments. First of all, we have paid the old bonds, and we started to pay the new financing, the interest on the new financing, which is done by annual basis vis-a-vis once a year previously. So there was accumulation of payments which you probably refer to. 4% is nominally active for us since May 2014.

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Jakub Krawczyk, Raffeisen Centrobank - Analyst [4]  
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Okay. That's pretty clear. Thank you. And about the economic life of these assets, which has been extended, the depreciation, can you just elaborate on what kind of assets and whether this is something we can expect in the future to continue at this pace?

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Maciej Nowohonski, Orange Polska SA - CFO [5]  
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First of all, you should be aware that we are doing the review of our economic useful life of our assets on a yearly basis, so this is an ongoing exercise which is done every year. And we carefully observe what is the real and the technical usability of those assets which are being reviewed.

And for those categories that we have tracked in December last year, we have decided to extend their useful life, because in fact in reality they are working for us much longer in terms of years than we have assumed in the past. And that relates to certain IT systems which we are using longer than expected, and that also relates to certain network equipment which was used much longer and delivers longer the respective payback.

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Jakub Krawczyk, Raffeisen Centrobank - Analyst [6]  
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Okay. Thank you. So I guess every quarter we're going to need to have a think about this, because it's not going to be directly projectable, I guess.

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Maciej Nowohonski, Orange Polska SA - CFO [7]  
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I think contrary to that, because we are doing it once a year, and the effect of the impact on the depreciation is pretty much equal in each quarter.

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Jakub Krawczyk, Raffeisen Centrobank - Analyst [8]  
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So can you just give me an idea of some of these IT systems, what kind of -- how many years would this be?

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Maciej Nowohonski, Orange Polska SA - CFO [9]  
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It is normally an extension by one to two years, and effectively you can basically assume that the effect of around PLN30m in Q1 is to be extrapolated to the coming quarters as well.

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Jakub Krawczyk, Raffeisen Centrobank - Analyst [10]

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Thank you.

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Leszek Iwaszko, Orange Polska SA - Head of IR [11]

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Are there any questions from the floor? If not, then I suggest we switch to our teleconference listeners. Operator?

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Operator [12]

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(Operator Instructions).

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Leszek Iwaszko, Orange Polska SA - Head of IR [13]

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Okay. I understand our presentation was so clear there are no questions. So unless we have some follow up from the floor?

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Operator [14]

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I do have actually one question over the phone.

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Leszek Iwaszko, Orange Polska SA - Head of IR [15]

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Okay, please.

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Operator [16]

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Vibhor Kumar, Citigroup.

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Vibhor Kumar, Citigroup - Analyst [17]

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Yes. Hi. Thank you so much for the opportunity. I just have one question on the CapEx. It looked like the CapEx is down year on year quite a bit, and given that you had fiber CapEx coming up as well on that, I'm just wondering what led to the lower CapEx in this quarter. Thank you.

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Maciej Nowohonski, Orange Polska SA - CFO [18]

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If I understand correctly the question -- Maciej Nowohonski speaking -- the question was about the phasing of CapEx and lower effective CapEx in Q1 this year versus Q1 last year. I answer to this question.

So basically you should take into account the fact that last year in Q1 we still have been continuing the rollout of our 3G network, so this year the CapEx dedicated to the mobile network is considerably lower. And we have some upside related to the FTTH project which is ongoing and we have started that in Q1. So, overall envelope is slightly lower due to mobile, and part of that is compensated with the higher FTTH CapEx.

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Vibhor Kumar, Citigroup - Analyst [19]

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Okay. Thank you so much.  
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Operator [20]  
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Vera Sutedja, Erste Bank.  
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Vera Sutedja, Erste Bank - Analyst [21]  
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Yes. Thank you. I have a question regarding the mobile equipment sales, please. How much is this from PLN138m mobile equipment sales coming from the accounting of handset equipment installment?  
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Maciej Nowohonski, Orange Polska SA - CFO [22]  
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Maciej Nowohonski answering the question. Majority of that is related to the revenue on handsets from equipment. So that's majority of that, Vera, installments.  
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Vera Sutedja, Erste Bank - Analyst [23]  
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So can we assume similar number to 3Q, 4Q? I think it's between PLN90m to PLN100m, was it, something like that?  
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Maciej Nowohonski, Orange Polska SA - CFO [24]  
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Well, it's not excluded. Everything depends on the demand from our customers for that given offer. It's going quite well, so it's not excluded that you should at least in Q2 assume the figure similar or even slightly higher than in Q1.  
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Vera Sutedja, Erste Bank - Analyst [25]  
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Understand. Thank you.  
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Operator [26]  
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(Operator Instructions). Vyacheslav Degtyarev, Goldman Sachs.  
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Vyacheslav Degtyarev, Goldman Sachs - Analyst [27]  
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Yes. Thank you very much for the presentation. I have a question regarding the spectrum auction. Can you please elaborate a bit on the status of the auction? Do you see competition for the spectrum as rational? Is the [effort] for the spectrum ahead or below your initial expectations? Thank you.  
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Bruno Duthoit, Orange Polska SA - CEO [28]  
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Bruno Duthoit speaking. I explained at the beginning of the presentation today, due to the fact that auction is ongoing, we cannot comment on the current process and on the level of pricing today. You will understand, I think, because it's very sensitive information versus our competitors.  
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Vyacheslav Degtyarev, Goldman Sachs - Analyst [29]  
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Okay. Thank you.

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Operator [30]

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Jakub Dubaniewicz, New Street Research.

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Jakub Dubaniewicz, New Street Research - Analyst [31]

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Hi. Thank you for taking the question. Last quarter you have mentioned that you have already moved 40% of your B2B mobile customer base to new tariffs. I was wondering whether you could update that number.

And also, what sort of back book repricing effect do you expect from your new tariffs which are about to be launched in the SOHO and SME segment? Thank you.

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Mariusz Gaca, Orange Polska SA - Deputy CEO [32]

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Mariusz Gaca speaking. Thank you for your question. Yes, indeed, last quarter it was 40%. Now we are reaching 50%. It's precisely reaching 49% at the end of Q1. So we see the acceleration of the trend, because end of Q3 it was 35%. So 35%, 40%, now it's 50%. This is the dynamics of unlimited offers among B2B customers. It was your first question.

And your second question, as I understand, was about the potential repricing effect on new tariffs. So the way we construct new tariffs is rather going into the direction of adding more features or more abundant features, especially when it comes to data allowance, and also some other features that you can probably easily and quickly find in our offer, and not to touch the price by itself. So effectively this is more for less.

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Jakub Dubaniewicz, New Street Research - Analyst [33]

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Okay. Very clear. Thank you very much.

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Operator [34]

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(Operator Instructions). Dalibor Vavruska, Citi.

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Dalibor Vavruska, Citigroup - Analyst [35]

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Hello. Good morning, everyone. Just a quick question on the underlying trends in the business. I think you had some good trends in ICT and perhaps a stabilization of some of the ARPUs in fixed line voice. But I think if you look at the subscriber trends, as you also pointed out in the press release, some of these trends were perhaps less good than you wanted and now you came with this commercial initiative, trying to reverse some of these trends.

I'm just wondering, how much of this is just a response to the market and how much is really strategic? Talking about, from what I remember, 650,000 fiber lines that you want, the growth in the fiber lines wasn't that great and the CapEx wasn't that high in the first quarter. Are you saying that you will build some real competitive edges, or is it more like a response strategy to the market that you think is tough at the moment?

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Bruno Duthoit, Orange Polska SA - CEO [36]

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Dalibor, I understand you talk about the fixed LTE offer, the new fixed LTE offer, because it's not (multiple speakers).

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Dalibor Vavruska, Citigroup - Analyst [37]



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I'm thinking about fixed and mobile. I think in both -- in fixed and mobile, I think the subscriber additions and the underlying revenue trends are perhaps challenging, right? So I'm just wondering if you're trying to build some competitive edges where you say Orange has the best network in, I don't know, 4G or best fiber network and build your strategy around that, or whether you're just responding to the trend that is in the market and then you're losing customers to LTE so you're coming with an LTE offer, for example. But my question is whether you want to build market leadership in some areas, and if so, which areas it is, and then how you go about that.

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Bruno Duthoit, Orange Polska SA - CEO [38]  
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But we are already the market leader globally. If you talk about the mobile plus fixed offer, what we -- on the fixed side, and particularly fixed broadband, we want to continue to develop and to increase in fact our leadership based on the fiber to the home program which is ongoing. As we explained, and you will remember we elaborated the figure, this year the plan is to build up to 650,000 households and to continue in the further year, depending on the success -- commercial success we'll have this year.

On mobile side, we are already the leader globally on postpaid, and we are in a very good place in mobile broadband. If you take the mobile broadband prepaid plus postpaid, we are number one. And the new offer will probably -- by that you are talking the new offer we launched in fact yesterday, mobile broadband for B2C segment, are in fact designed to increase our penetration.

We had very results in Q1. We want to continue. This new portfolio is a bit more simple, like it was before, both for SIMO and terminal. It's a bit more generous as well and it's very focused on LTE, and particularly with the unlimited LTE feature.

And among these portfolios, the top packages, which are the most generous with 50 or 70 gigabyte bundle, they are particularly designed, let's say, to react and to give an offer to our customers who want for different reasons to leave our fixed broadband offer in rural areas when there is a speed which is probable 10 meg. In some cases, they have interest to come to a mobile broadband offer. In this case, it is so-called fixed LTE.

It's not a strategic move. It's just extension of portfolio, optimisation of portfolio, to react to that initial market. The strategy is, as you've explained, we are leader on fixed broadband; we want to continue to develop leadership in long term. We are already globally leader on mobile and we are -- particularly, we are focusing on improvement of coverage of 4G. And as I explained, we increased a lot the number of LTE customers and we have very strong plan, particularly in Q2, to boost these customer numbers, LTE particularly.

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Dalibor Vavruska, Citigroup - Analyst [39]  
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I'm really sorry. Maybe I just asked -- that's very useful. I just maybe asked the question slightly in the wrong way. I was more talking about technological leadership that should allow you to grab substantial share of the net additions and the overall growth on the market rather than the total subscribers.

I'm just wondering -- for example, your fiber project was very interesting. If you invest -- if you have 600,000 lines, fiber lines, it would make a lot of difference, I assume, to the overall business prospect. I'm just wondering if it's still on track, as to when you may want to have this kind of coverage, because if you look at the homes passed on fiber, the growth in the first quarter doesn't suggest that it's going to be such a big boost. I'm wondering if you're going to get -- in the following quarter, if you are going to get hundreds of thousands of lines each quarter to meet your target, for example.

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Bruno Duthoit, Orange Polska SA - CEO [40]  
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Okay. Dalibor, concerning the fiber to the home project, we are totally on track. We already explained last year that Q1 will not be very strong because it is winter, it is the beginning, the ramp up of the plan. You will see in Q2, and particularly in H2, a very big increase, let's say, of net adds on fiber to the home connectable house; that is clear.

And concerning leadership, as well in mobile, as you know, we have already today the best coverage in 3G, it is clear. Globally, together, let's say after the merge and the swap of network with T-mobile, we have the biggest coverage; we have more than 10,000 base stations. And it is, I think, already reflected in the acquisition of our customers.

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Dalibor Vavruska, Citigroup - Analyst [41]

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Thank you very much.

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Operator [42]

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(Operator Instructions). There are no further questions coming in on the phone line at this time.

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Leszek Iwaszko, Orange Polska SA - Head of IR [43]

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Thank you. Are there any follow-up questions from the floor? Yes, there is one.

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Krzysztof Stepień, KBC TFI - Analyst [44]

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Krzysztof Stepień, KBC TFI. I would like to better understand the idea of new tariffs. Is it aimed to better defend your market share or to more aggressively gather clients?

And the second one, concerning financial services, what is profitability and what's your expectation for the rest of the year concerning the number of clients?

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Mariusz Gaca, Orange Polska SA - Deputy CEO [45]

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(Inaudible). I'll take the question on the offers. I'll start from B2B. So obviously this is the offer that is available for newly acquired customers and for the retention, and that offer is going gradually to replace the existing ones, especially when it comes to non-tailor made offers, because tailor made offers will still exist for the larger segments of the market.

But the idea here is that there are four simple tariff plans. You can probably, as we research on customers, find your profile among those tariffs. One is very economic, the other one is unlimited domestically, the other one adds on top roaming and the fourth one gives you almost everything you need within the smartphone, including the subsidy.

So with that tariff plan -- and by the way, by including data allowance, we are just in the game of fully bundled or full functionality of the packages, and that's a change -- quality change to the previous offers that we had. If you compare our offer in the horizon of other players in the market, you probably will see that this is quite attractive offer.

And as I mentioned before, this is not our purpose to decrease the price by 20%. This is more to add more functionalities or more value within the package. And I would lie to you if I said that this is only retention offer or only acquisition offer. This is the offer that is supposed to bring net adds, so the growth of the base. That's about the B2B offer, the B2B mobile offer, the first one at least that we have in the year to date.

When it goes to B2C offers, this is more the way of thinking about how to package offers attractively for the customers in order to capture more RGUs than today. Those examples that I've shown to you a couple of quarters ago, it's just the example of two of them, but still the pick and mix solution exists, but the idea here is more to go into the household instead of individual approach. So the idea is that more RGUs you have with Orange, the better deal you have with Orange.

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Maciej Nowohonski, Orange Polska SA - CFO [46]

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Maciej Nowohonski answering your second question about Orange Finanse. So first of all, let's remember that this offer fits perfectly to our convergent portfolio, and the main objective of a convergent offer is to make sure that the churn ratios are going down because the customers are more satisfied with the total bundle than from the single product perspective. So Orange Finanse is fitting perfectly to that concept.

Then in terms of the business model, I would like to recall you that this is very much a model based on the variable elements. So when there are adds, there are costs and there are revenues, so there are not too many fixed costs behind that. It's in fact negligible from the perspective of the Group. And then profitability pattern today, it's too early to expect profitability this year.

In terms of the volume trends, we do not particularly comment the next quarters, but we hope to continue the trends that we have today. And the biggest effort in the months and quarters to come will be to make sure that those customers are extending the portfolio of the financial services that they are using from just current account to additional services which are available in this offer, and this offer is also a fully-fledged banking service.

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Leszek Iwaszko, Orange Polska SA - Head of IR [47]  
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If there are no more questions, then that concludes our presentations. Thank you very much for your attention and presence, and we will be reporting Q2 results in July.

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Disclaimer  
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In conference calls, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE COMPANY'S CONFERENCE CALL AND WHILE EFFORTS ARE MADE TO PROVIDE AN ACCURATE TRANSCRIPTION, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES IMAGINATION ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS. CLIENTS ARE ADVISED TO REVIEW THE COMPANY'S CONFERENCE CALL ITSELF AND THE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.