



Current Report (18/2019)
Orange Polska S.A., Warsaw, Poland
28 October, 2019

Pursuant to Article 17(1) of the Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, the Management Board of Orange Polska S.A. hereby provides selected financial and operating data related to the activities of the Orange Polska Capital Group (“the Group”, “Orange Polska”) for 3Q and 9M 2019.

Disclosures on performance measures, including adjustments, are presented in the Note 2 to Condensed IFRS Quarterly Consolidated Financial Statements of the Orange Polska Group for the 3 months ended 30 September 2019 (available at <http://orange-ir.pl/results-center/results/2019>).

In 3Q 2019 Orange Polska reports solid commercial performance and 22% year-on-year EBITDAaL growth. Full-year plans reiterated

key figures (PLN million)	3Q 2019 (IFRS16)	3Q 2018 comparable basis (IFRS16)	Change	3Q 2018 reported (IAS17)	9M 2019 (IFRS16)	9M 2018 comparable basis (IFRS16)	Change	9M 2018 reported (IAS17)
revenue	2,870	2,752	+4.3%	2,755	8,407	8,164	+3.0%	8,171
EBITDAaL*	946	773	+22.4%	n/a	2,299	2,123	+8.3%	n/a
EBITDAaL margin*	33.0%	28.1%	+4.9p.p.	n/a	27.3%	26.0%	+1.3p.p.	n/a
operating income	362	n/a	n/a**	175	571	n/a	n/a**	281
net income	224	n/a	n/a**	91	277	n/a	n/a**	25
capex*	421	468	-10.0%	498	1,440	1,347	+6.9%	1,437
organic cash flow*	419	278	+51%	283	403	84	+380%	102

* EBITDAaL (EBITDA after Leases) is management’s new principal financial indicator of operating performance using IFRS16 figures. Since the adoption of IFRS16, EBITDA is considered less representative of operating performance because it excludes operating expenses due to leases. Operating income is considered less representative of operating performance owing to the impact of changes in asset lives. At the same time, to preserve consistency, certain other alternative performance measures (capex, organic cash flow and net debt) were slightly amended. Unaudited figures were provided for 2018 for comparative purposes including estimation of EBITDAaL. More information is presented in the Note 2 to the financial statements for 9M 2019.

**Year-on-year evolution of operating income and net income is not comparable because of the changes in accounting standards. Starting from 2019 Orange Polska applied a new accounting standard IFRS16 without restatement of comparative periods. Data for 9M and 3Q 2018 were prepared under previous accounting standard IAS17.

KPI ('000)	3Q 2019	3Q 2018	Change
convergent customers (B2C)	1,331	1,178	+13.0%
mobile accesses (SIM cards)	15,140	14,614	+3.6%
post-paid	10,128	9,853	+2.8%
pre-paid	5,012	4,761	+5.3%
fixed broadband accesses (retail)	2,589	2,530	+2.3%
o/w fibre	473	324	+46.0%
fixed voice lines (retail)	3,186	3,480	-8.4%

3Q 2019 highlights:

- EBITDAaL (EBITDA after Leases) up 22.4% year-on-year mainly reflecting:
 - 4.3% revenue growth driven by convergence and IT&IS
 - Strong results of business transformation: indirect costs down 5% year-on-year (excluding gains on sale of assets)
 - PLN 212 million gain on sale of Nowogrodzka/Barbary real estate complex
- EBITDAaL excluding gains on disposal of assets up 7.1% year-on-year (up 1.2% year-on-year for 9 months)
- Full-year guidance for growth of revenues and EBITDAaL reiterated
- Revenue up 4.3% year-on-year, reflecting:
 - Strong growth rate of convergence, IT/IS (incl. first time consolidation of BlueSoft) and equipment revenues
 - Better trend in mobile-only revenues
 - Ongoing pressure on legacy areas
- Solid commercial performance in convergence, fibre and post-paid mobile:
 - 13% year-on-year growth of B2C convergent customers, +24k net adds in 3Q
 - 46% year-on-year growth of fibre customers, +39k net adds in 3Q (adoption rate at 11.9%)
 - 2.8% year-on-year growth of post-paid mobile, +88k net adds in 3Q
- Capex at PLN 421 million, -10% year-on-year, reflecting different phasing of investments through the year
- 4 million households connectable with fibre at the end of September (191k added in 3Q)
- Organic Cash Flow at PLN 419 million includes proceeds from sale of Nowogrodzka/Barbary real estate complex

Commenting on 3Q 2019 performance, Jean-François Fallacher, Chief Executive Officer, said:

“We are pleased with our commercial results in the third quarter, especially in fibre and mobile. Net fibre customer additions of 39,000 gave us the best quarterly result so far in 2019, and the second highest ever. The fibre service adoption rate is almost at 12% and keeps on increasing every quarter. We achieved these results despite the fact that the fixed market continues to be very competitive, which indicates to us that customers recognise the superiority of fibre. Our fibre network footprint reached almost 4 million households at the end of September – close to 30% of the country’s households.

In mobile post-paid, customer net additions were the highest in many quarters. This results from good volumes of new sales and further improvement in churn, which fell to a record low level. We are satisfied with the first results of the ‘more for more’ commercial actions we introduced in the second quarter, which are key to long-term value creation at Orange Polska. In the third quarter we followed up with value-accretive offer changes in pre-paid.

Looking forward to the Christmas peak commercial season, we are preparing plenty of attractive offers for our customers while preserving focus on our strategic priorities. We are also working on detailed plan for 2020 with focus on value creation strategy, business transformation, fibre rollout and 5G.”

Financial Review

Revenues up by 4.3% year-on-year driven by convergence, IT/IS and equipment

Revenues totalled PLN 2,870 million in 3Q, up 4.3% or PLN 118 million year-on-year. There were five main factors influencing the revenue trend.

Firstly, high growth of revenues from convergent services (19% year-on-year) driven by customer growth and upsell of new services. Secondly, revenues from mobile-only and fixed broadband-only services decline (4.9% year-on-year, an improvement over 6.1% decline in 1H) mainly as a result of migration to convergence and market competition. However combined revenues of these three categories were up 1.4% year-on-year in 3Q.

Thirdly, revenues from IT and integration services grew 62% year-on-year, thanks to a combination of continued strong organic growth (27% year-on-year) and the first time consolidation of newly acquired subsidiary BlueSoft (a contribution of PLN 48 million for the period of June-September). Fourthly, revenues from equipment sales advanced by 7% year-on-year reflecting our commercial push on handset sales. Finally, overall revenue trend continues to reflect ongoing pressure on legacy fixed telephony services.

Commercial performance reflects focus on value

Our commercial activity is focused on delivering a package of mobile and fixed services, which we define as convergence. It is our competitive edge, it increases customer loyalty and allows us to upsell more services, winning a higher share of household media and telecom budgets.

In 3Q our B2C convergent customer base increased by 24,000 and 13% year-on-year. At the end of September, 61% of our B2C broadband customers were convergent versus 55% a year ago. In B2C mobile handset customer base, penetration of convergence increased to 49% versus 44% at the end of September 2018. The total number of services used by B2C convergent customers approached 5.5 million, which implies that on average every customer uses more than four services. ARPO from convergent customers amounted to PLN 103.4 and slightly increased, both year-on-year and quarter-on-quarter.

Total fixed broadband customer base increased in 3Q by 7,000 and 2% year-on-year. The share of high-speed broadband customers increased to 38% from 32% a year ago. It is driven by growth of fibre customer base which expanded 46% year-on-year, adding 39,000 in 3Q. This result was the best of all quarters in 2019 and the second best ever. Our non-convergent broadband customer base continues to shrink as a result of migration to convergence but also due to churn. ARPO from broadband only services was down 2% year-on-year mainly because of decreasing number of customers with TV service who migrate to convergence.

Total post-paid customer base increased by 88,000 in 3Q, which was highest quarterly result in the last 2 years. In handset offers, net customer additions of 61,000 reflected good new sales volumes and successful churn management. In 3Q post-paid churn ratio stood at record low of 2.4%. ARPO from mobile-only handset offers was down 5% year-on-year, an improvement over 7% year-on-year decline in 1H 2019.

In fixed voice, the net loss of lines was 73,000 with key trends broadly unchanged. The number of VoIP services is growing, as they are part of the Orange Love package. Excluding VoIP services, the loss of lines is stable and continues to reflect structural negative market trends.

EBITDAaL up 22% year-on-year fuelled by record high gains on sale of assets, strong cost optimisations and good direct margin

EBITDAaL for 3Q 2019 came in at PLN 946 million and was up 22.4% year-on-year. The key driver of this robust growth was gain on sale of Nowogrodzka/Barbary real estate complex which generated PLN 212 million. Excluding gains on sale of assets EBITDAaL increased 7% year-on-year. This strong achievement resulted from both good performance of direct margin and further compelling cost optimisations. Direct margin (a difference between revenues and direct costs) was up PLN 3 million year-on-year and was supported by contribution of BlueSoft. Indirect costs (excluding gains on sale of assets) were down 5% year-on-year and reflected mainly further savings in labour, IT&network, advertising & promotion, general costs and CRM subcontracting.

Bottom line reflects strong EBITDAaL

Net profit for 3Q 2019 came in at PLN 224 million. It was mainly a result of strong EBITDAaL performance and lower year-on-year depreciation (that reflected PLN 48 million positive impact of extension of useful life of certain assets). Finance costs were slightly affected by negative FX differences impacting discount expense. The net result in 3Q 2019 is not entirely comparable with 3Q 2018 due to the change in accounting standards.

Organic Cash Flow reflects proceeds from sale of assets and high working capital requirement

Organic cash flow for 3Q 2019 came in at PLN 419 million, an improvement of PLN 141 million versus 3Q 2018. It strongly benefitted from PLN 355 million proceeds from sale of assets (sale of Nowogrodzka/Barbary real estate complex). Excluding this factor organic cash flow was below last year which resulted mainly from higher year-on-year working capital requirement. On the one hand working capital in 3Q 2019 was supported by sale of selected receivables arising from sales of mobile handsets in instalments (PLN 91 million). On the other hand it was affected by different timing of payments for purchased handsets and settlements of roaming discounts. In 3Q 2018 working capital benefitted from PLN 138 million upfront fee from T-Mobile related to the wholesale agreement.

Commenting on 3Q 2019 results, Maciej Nowohoński, Chief Financial Officer, said:

“Our financial performance in 3Q 2019 was strong, underpinning our growth ambitions. Revenue growth accelerated, helped by the first-time consolidation of BlueSoft. As promised, we accelerated optimisation of indirect costs. These savings, combined with solid direct margin, contributed to a strong EBITDAaL growth, even when we exclude record-high gains on sale of

assets. We reiterate our guidance for growth of both revenues and EBITDAaL in 2019, as well as our outlook for capex.”

Reconciliation of operating performance measure to financial statements

Disclosures on performance measures are presented in the Note 2 to Condensed IFRS Quarterly Consolidated Financial Statements of the Orange Polska Group for the 3 months ended 30 September 2019 (available at <http://orange-ir.pl/results-center/results/2019>)

<i>in PLNm</i>	3Q 2019	3Q 2018	9M 2019	9M 2018
	IFRS16	IAS17	IFRS16	IAS17
Operating income	362	175	571	281
Add-back of depreciation, amortisation and impairment of property, plant and equipment and intangible assets	592	617	1 750	1 894
Interest expense on lease liabilities	-13	-1	-35	-3
Estimation of IFRS 16 impact on operating leases for 2018	-	-7*	-	-20*
Depreciation of property, plant and equipment financed by finance lease in 2018	-	-11	-	-29
Adjustment for the impact of employment termination programs	1	-	5	-
Adjustment for costs related to acquisition and integration of new subsidiaries	4	-	7	-
Adjustment for the impact of deconsolidation of subsidiaries	-	-	1	-
EBITDAaL (EBITDA after Leases)	946	773*	2 299	2 123*

* Data constitutes company's best estimate and was provided for comparative purposes

Forward-looking statement

This press release contains forward-looking statements, including, but not limited to, statements regarding anticipated future events and financial performance with respect to our operations. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words like 'believe', 'expect', 'anticipate', 'estimated', 'project', 'plan', 'adjusted' and 'intend' or future or conditional verbs such as 'will,' 'would,' or 'may.' Factors that could cause actual results to differ materially from expected results include, but are not limited to, those set forth in our Registration Statement, as filed with the Polish securities and exchange commission, the competitive environment in which we operate, changes in general economic conditions and changes in the Polish and/or global financial and/or capital markets. Forward-looking statements represent management's views as of the date they are made, and we assume no obligation to update any forward-looking statements for actual events occurring after that date. You are cautioned not to place undue reliance on our forward-looking statements.

Orange Polska's Management Board are pleased to invite you to the Company's 3Q 2019 results presentation.

29th October 2019

Start: 11.00 CET

Venue address:

Orange Polska S.A.
Aleje Jerozolimskie 160,
(Conference room – ground floor)
02-326 Warsaw, Poland

The presentation will also be available via a live webcast <http://infostrefa.tv/orange> and via a live conference call

Time:

11:00 (Warsaw)
10:00 (London)
06:00 (New York)

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Orange Polska Group Consolidated

Disclosures on performance measures are presented in the Note 2 to Condensed IFRS Quarterly Consolidated Financial Statements of the Orange Polska Group for the 3 months ended 30 September 2019 (available at <http://orange-ir.pl/results-center/results/2019>)

amounts in PLN millions	2018										2019		
	1Q	1Q	2Q	2Q	3Q	3Q	4Q	4Q	FY	FY	1Q	2Q	3Q
	reported (IAS17)	comparable basis (IFRS16)*	reported (IAS17)	comparable basis (IFRS16)*	reported (IAS17)	comparable basis (IFRS16)*	reported (IAS17)	comparable basis (IFRS16)*	reported (IAS17)	comparable basis (IFRS16)*	IFRS16	IFRS16	IFRS16
Income statement													
Revenues													
Mobile services only	688	686	682	680	690	687	676	673	2,736	2,726	640	646	660
Fixed services only	627	629	628	620	610	602	596	590	2,461	2,441	569	552	540
Narrowband	287	285	275	274	265	263	257	255	1,084	1,077	244	233	224
Broadband	232	232	233	232	230	229	226	225	921	918	219	213	211
B2B Network Solutions	108	112	120	114	115	110	113	110	456	446	106	106	105
Convergent services B2C	291	291	316	316	336	336	353	353	1,296	1,296	369	384	399
Equipment sales	351	351	307	307	336	336	410	409	1,404	1,403	367	352	359
IT and integration services	112	112	134	144	127	138	216	225	589	619	147	163	224
Wholesale	579	579	571	572	576	576	582	582	2,308	2,309	560	568	585
Mobile wholesale	312	312	329	329	332	332	334	334	1,307	1,307	310	324	323
Fixed wholesale	188	188	176	176	176	176	176	176	716	716	177	169	186
Other	79	79	66	66	68	68	72	72	285	285	73	75	76
Other revenues	62	60	68	65	80	77	97	91	307	293	126	94	103
Total revenues	2,710	2,708	2,706	2,704	2,755	2,752	2,930	2,923	11,101	11,087	2,778	2,759	2,870
Labour expenses**	(432)	(431)	(397)	(395)	(370)	(368)	(383)	(383)	(1,582)	(1,577)	(403)	(377)	(361)
External purchases	(1,549)	(1,491)	(1,529)	(1,470)	(1,582)	(1,518)	(1,789)	(1,721)	(6,449)	(6,200)	(1,570)	(1,555)	(1,590)
- Interconnect expenses	(448)	(447)	(471)	(471)	(470)	(469)	(460)	(460)	(1,849)	(1,847)	(446)	(461)	(478)
- Network and IT expenses	(148)	(146)	(152)	(157)	(148)	(150)	(160)	(162)	(608)	(615)	(148)	(152)	(142)
- Commercial expenses	(578)	(578)	(551)	(551)	(562)	(561)	(743)	(743)	(2,434)	(2,433)	(583)	(578)	(589)
- Other external purchases	(375)	(320)	(355)	(291)	(402)	(338)	(426)	(356)	(1,558)	(1,305)	(393)	(364)	(381)
Other operating incomes & expenses	(51)	(46)	(33)	(31)	(58)	(56)	(77)	(70)	(219)	(203)	(54)	(55)	(62)
Impairment of receivables and contract assets	(23)	(23)	(41)	(41)	(46)	(46)	(52)	(52)	(162)	(162)	(32)	(27)	(39)
Gains on disposal of assets***	19	19	3	3	93	93	77	77	192	192	5	44	218
Amortization and impairment of right-of-use assets		(67)		(66)		(70)		(74)		(277)	(71)	(67)	(77)
Interest expense on lease liabilities		(10)		(13)		(14)		(14)		(51)	(10)	(12)	(13)
Adjusted EBITDA	674		709		792		706		2,881				
EBITDAaL (EBITDA after Leases)	659	659	691	691	773	773	686	686	2,809	2,809	643	710	946
% of revenues	24.9%	24.3%	26.2%	25.6%	28.7%	28.1%	24.1%	23.5%	26.0%	25.3%	23.1%	25.7%	33.0%
Depreciation, amortisation and impairment of property, plant and equipment and intangibles assets	(641)		(636)		(617)		(647)		(2,541)		(583)	(575)	(592)
Add-back of interest expense on lease liabilities											10	12	13
Adjustment for the impact of employment termination programs**	0		0		0		5		5		2	(6)	(1)
Adjustment for the costs related to acquisition and integration of new subsidiaries											0	(3)	(4)
Adjustment for the impact of deconsolidation of subsidiaries***											(1)	0	0
Operating income / (loss)	33		73		175		64		345		71	138	362
% of revenues	1.2%		2.7%		6.4%		2.2%		3.1%		2.6%	5.0%	12.6%
Finance costs, net	(86)		(87)		(61)		(71)		(305)		(74)	(68)	(88)
- Interest expense on lease liabilities											(10)	(12)	(13)
- Other Interest expenses, net (excl. Interest expense on lease liabilities)	(62)		(54)		(54)		(52)		(222)		(50)	(45)	(55)
- Discounting expense	(24)		(33)		(7)		(19)		(83)		(14)	(11)	(20)
Income tax	3		(2)		(23)		(8)		(30)		1	(15)	(50)
Consolidated net income / (loss)	(50)		(16)		91		(15)		10		(2)	55	224

*2018 comparable basis includes the following effects resulting from developments in 2019:

(1) In 2019 we made certain changes in grouping of revenue categories between IT & integration services and other lines to better reflect business performance. 2018 figures were adjusted for comparability.

(2) Impact of deconsolidation of subsidiaries

(3) Introduction of EBITDAaL as new measure of operating profitability under IFRS16 resulting in changes in certain cost categories

** Labour expenses exclude adjustment due to employment termination program and some costs related to acquisition and integration of new subsidiaries

*** Gains on disposal of assets exclude impact of deconsolidation of subsidiaries

Orange Polska Group key performance indicators

Key operational performance indicators

Customer base (in thousands)	2018				2019		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Convergent customers	1,376	1,436	1,483	1,547	1,592	1,628	1,656
o/w B2C	1,090	1,137	1,178	1,236	1,276	1,307	1,331
o/w B2B	287	298	304	311	316	321	325
Fixed telephony accesses							
PSTN	2,738	2,623	2,527	2,426	2,322	2,228	2,140
VoIP	875	918	953	981	1,006	1,031	1,046
Total retail main lines	3,613	3,541	3,480	3,407	3,328	3,259	3,186
o/w B2C convergent	678	718	755	755	778	800	807
o/w B2C PSTN convergent	110	104	100	54	44	38	31
o/w B2C VoIP convergent	568	614	655	701	734	762	776
Fixed broadband access							
ADSL	1,278	1,238	1,200	1,149	1,098	1,056	1,017
VHBB (VDSL+Fibre)	724	767	807	869	921	961	998
o/w VDSL	476	481	484	503	522	527	525
o/w Fibre	248	286	324	366	399	434	473
Wireless for fixed	475	502	522	542	557	565	574
Retail broadband - total	2,477	2,506	2,530	2,560	2,576	2,582	2,589
o/w B2C convergent	1,090	1,137	1,178	1,236	1,276	1,307	1,331
TV client base							
IPTV	359	386	410	435	455	476	495
DTH (TV over Satellite)	515	514	511	508	503	496	484
TV client base - total	875	900	921	943	958	972	979
o/w B2C convergent	597	641	680	725	758	788	802
Mobile accesses							
Post-paid							
Mobile Handset	7,310	7,358	7,416	7,498	7,553	7,611	7,672
Mobile Broadband	1,164	1,104	1,052	989	934	895	865
M2M	1,273	1,328	1,385	1,436	1,483	1,534	1,591
Total postpaid	9,747	9,790	9,853	9,922	9,970	10,040	10,128
o/w B2C convergent	2,085	2,183	2,259	2,369	2,434	2,486	2,528
Total pre-paid	4,621	4,694	4,761	4,883	4,867	4,924	5,012
Total	14,368	14,484	14,614	14,805	14,837	14,964	15,140
Wholesale customers							
WLR	507	487	467	437	408	381	354
Bitstream access	165	156	151	144	137	133	129
LLU	87	83	80	76	73	69	66

Quarterly ARPO in PLN per month	2018				2019		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Convergent services B2C	100.8	102.4	103.0	101.9	101.4	101.9	103.4
Fixed services only - voice	36.6	36.4	36.2	36.5	36.3	36.2	36.2
Fixed services only - broadband	56.5	56.6	56.4	56.0	55.5	54.9	55.2
Mobile services only	21.9	21.7	21.7	20.9	20.0	20.1	20.3
Postpaid excl M2M	29.1	28.7	29.0	27.7	26.9	27.0	27.1
Mobile Handset	31.0	30.5	30.5	29.5	28.6	28.7	28.9
Mobile Broadband	19.0	18.3	17.7	17.0	16.4	15.9	15.4
Prepaid	11.9	12.3	12.6	12.2	11.4	11.6	12.1
Mobile wholesale (convergent + mono)	7.2	7.6	7.6	7.6	7.1	7.5	7.4

Other mobile operating statistics	2018				2019		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Number of smartphones (thousands)	6,886	7,006	7,223	7,447	7,521	7,658	7,778
AUPU (in minutes)							
post-paid	353.9	349.7	344.6	353.3	357.9	356.6	349.5
pre-paid	162.0	166.3	164.1	163.6	161.9	163.0	158.8
blended	285.8	284.7	279.9	284.7	286.5	285.8	279.3
Quarterly mobile customer churn rate (%)							
post-paid	3.1	2.7	2.8	2.8	2.8	2.5	2.4
pre-paid	14.6	11.3	10.4	8.9	10.8	10.2	10.7
SAC post-paid (PLN)	75.2	79.9	95.8	116.1	82.4	76.8	69.2
SRC post-paid (PLN)	39.7	29.5	35.8	45.8	43.9	56.2	51.1
Employment structure of Group as reported							
Active full time equivalents (end of period)							
Orange Polska	14,372	13,730	13,492	13,197	13,077	12,429	12,219
50% of Networks	348	345	347	348	355	353	351
Total	14,720	14,075	13,839	13,545	13,432	12,782	12,570

Terms used:

ARPO – average revenue per offer

Average Usage per User (AUPU) – The average monthly total usage of minutes divided by the average number of SIM cards (excluding M2M) in a given period.

Churn rate – the number of customers who disconnect from a network divided by the weighted average number of customers in a given period.

Convergent services – Revenues from B2C convergent offers (excluding equipment sales). A convergent offer is defined as an offer combining at least a broadband access (xDSL, FTTx, cable or wireless for fixed) and a mobile voice contract (excluding MVNOs) with a financial benefit. Convergent services revenues do not include incoming and visitor roaming revenues.

Convergent services B2C ARPO – The average monthly revenues from convergent services generated by retail customers (B2C) divided by the **average** number of B2C convergent customers in a given period.

Fixed broadband-only services – Revenues from fixed broadband offers (excluding B2C convergent offers and equipment sales), including TV and VoIP services.

Fixed broadband-only services ARPO – The average monthly revenues from fixed broadband only services divided by the average number of accesses in a given period.

Household connectable with fibre - an apartment in multi-family building or a single family house within the reach of our fibre to the home service that allows to provide service with a speed of at least 100Mb/s

Mobile-only services – Revenues from mobile offers (excluding consumer market convergent offers) and Machine to Machine (M2M) connectivity. Mobile-only services revenues do not include equipment sales and incoming and visitor roaming revenues.

Mobile-only services ARPO – The average monthly retail revenues from mobile only services excluding M2M connectivity, divided by the average number of SIM cards (excluding M2M) in a given period.

Mobile-only broadband ARPO – The average monthly retail revenues from SIM cards dedicated to mobile broadband access (excluding B2C convergent offers and equipment sales) divided by the average number of these SIM cards in a given period.

Mobile-only handset ARPO – The average monthly retail revenues from SIM cards dedicated to mobile handset access (excluding B2C convergent offers and equipment sales) divided by the average number of these SIM cards in a given period.

Subscriber Acquisition Cost (SAC) – Customer acquisition costs divided by the number of gross customers added during the respective period. Customer acquisition costs comprise commissions paid to distributors and net subsidies resulting from the sale of the handset.

Subscriber Retention Cost (SRC) – Customer retention costs divided by the number of customers retained during the respective period. Customer retention costs comprise commissions paid to distributors and net subsidies resulting from the sale of the handset.