

Orange Polska SA - OPL.WA - Earning Conference Call/Presentation on 1Q 2018 Results

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Corporate Participants

- Jean-François Fallacher - Orange Polska S.A. - President of the Management Board and CEO
- Maciej Nowohoński - Orange Polska S.A. - Member of the Management Board & CFO
- Leszek Iwazsko - Orange Polska S.A. - Director of IR Department

Conference Call Participants

- Zbigniew Porczyk - Trigon Dom Maklerski S.A.
- Vera Sutedja - Erste Bank

Presentation

- Operator - -

Ladies and gentlemen, welcome to Orange Polska Conference. I will now hand you over to your host, Leszek Iwazsko, Head of Investor Relations. Sir, please go ahead.

- Leszek Iwazsko - Orange Polska S.A. - Director of IR Department

Hello, good morning, everyone. Welcome to our results conference for the first quarter of 2018. My name's Leszek Iwazsko. I'm Head of Investor Relations. Our speakers for today are Jean-Francois Fallacher, the CEO of Orange Polska; and Maciej Nowohoński, CFO of Orange Polska. I hand the floor to Jean-Francois to begin the presentation. Thank you.

- Jean-François Fallacher - Orange Polska S.A. - President of the Management Board and CEO

Good morning. Good morning, everyone. Welcome on this conference. I would say, as usual, I will start with the highlights of the quarter. Maciej Nowohoński, our CFO, will follow with the financial review, and then I will come back with a few words of conclusion before we give you back the floor for questions.

Let's start immediately by the first page of the presentation, which actually is our Q1 results. This is the usual slide where we present our financial results of the quarter. You will notice that, this time, there is something new, because we are presenting revenues and EBITDA in two sets of figures. This is simply due to the fact that we are reporting now our results under new accounting standard IFRS15, but in order, and that's very important, to be able to compare these quarter one results, this year results, with the previous year. We are providing the details also under the old accounting system. This is why you will find these two sets of figures. When we will discuss today year-on-year evolution, this is as if there were no change of the accounting, so I will actually comment our trends in the IAS18 previous system.

As you can see there, and if you read them, our Q1 results now are in line with our plan. We pursue our value strategy, which is driven obviously by convergence, monetisation, and -- fibre, sorry -- and cost optimizations. You will see there that actually our EBITDA was stable year-on-year, and our profitability slightly improved, so this clearly means that we are

becoming more efficient, and we are, I think, on a good track to deliver our commitment for the full year.

Let's go now to the next page of the presentation, where we are highlighting our commercial activity and showing this commercial activity in the context of value creation. As you can see, since last year, we are more balanced between customer volumes and value they bring. We are much more focused. Our top priorities are clearly convergence and fibre, and we are pushing convergence, as this is something that differentiates us from the competition. And we believe that too is Orange Love, our new convergent product we have launched a year ago. We have established a new market category.

You can see there on these slides that convergence continues to grow strongly. This is translating obviously in an increasing rate of revenue growth for this category. It also, convergence, contributes higher to customer loyalty. You can see on the top right the churn rates that are much less in convergence than they are on pure fixed or pure mobile.

Separately now, we are showing the evolution of customers which are not convergence. Obviously, this category actually is decreasing, and one of the key reasons of this category decreasing is that customers are migrating from pure mobile or pure fixed broadband to convergence, which is obviously something we desire and we promote, actually. They also are decreasing because we have churn, obviously, outside of Orange. We probably can do more there, but I will elaborate in a few moments.

On the right side, we are presenting our key KPIs on fibre and TV net customer additions. For fibre, it was a good quarter. I will comment more in a few moments. And for pay TV, we are doing very well. This is also linked to our fibre good results and to convergence. And as you can see there, we have 100,000 more customers than year ago, and close to 70%, so 68% of these TV customers are now convergent. This is to be compared with 45% a year ago.

Now, how do we measure our value creation, because I was talking about value? You can see that obviously on the graph that is pink, the best indicator that combines the effect of our commercial activity and business is obviously the trend in EBITDA, which you see it's improving. And as you will remember, we aim to stabilize the EBITDA this year in 2018 versus 2017.

And that's the aim of this company, is to achieve that. If we achieve that, it would be that we would break a trend that has been happening in the last decade, so we plan to break this trend of falling EBITDA to stabilize that. As you can see in Q1, we are on the track to achieve that because we are almost stabilizing already the EBITDA in the first quarter.

Now, let me go to the next slide, which is presenting a little bit more in detail what we have just been actually launching on the market. I was just telling you that convergence is doing very well, but that we can do more to improve the performance of non-convergent customers, so pure mobile and pure fixed broadband. This is what we are explaining on this slide. In the last week, actually, we launched changes to our offers to addresses.

In mobile post-paid, we have, as you can see on this chart, on the two right packages at PLN49 and PLN69, we have added unlimited data to these two high tariff plans obviously to encourage our customers to migrate to these more attractive offers and to improve our mix, because, so far, when a customer exceeded the data package, to continue to use their mobile and to use their Internet, they had to buy an additional package. Now, they will be able to continue to use with some speed limitation, but the speed is still very good because it's limited at one megabit per second, so you can really still use your mobile with this kind of speed.

We also introduced more flexibility in combining tariff plans, so you can create now more

easily family offers consisting usually of two or more SIM cards. This is to boost our pure mobile value creation. So far, additional SIM cards were always based on the so-called standard plan for PLN40 that was discounted by PLN20. Now, you can also have cards from these two upper plans at PLN49 and PLN69, also discounted with PLN20, but again, this is in the aim to improve the mix and the value creation for pure mobile.

Now, if we look on the right side of this chart, in pure broadband, we have adjusted the price of mono offers in DSL technology to be more competitive. Obviously, the aim of that is to improve not only sales, but rather retention, because I remind that we have a base -- quite an important base of DSL still, close to one to two million DSL customers, so obviously we want to improve retention and limit churn. And this is for the people that are in areas where we do not yet have fibre. You see that the goal of this move that we recently took was to simplify and unify the entire portfolio across technologies, and in the coming months, actually, the same price scheme, exactly the same price scheme will be applied for wireless, for fixed technology, as the one we have for fixed broadband.

Now, if you allow me zoom on the key priority of this company with convergence, which is fibre, I want to report to you where we are. Deployment goes, as you can see, according to our plan. This is the seventh consecutive quarter where we have added more than 200,000 plugs, 200,000 footprints to the households footprint. We are now present in 100 cities versus 75 in the end of last year, and we are covering more than 2.7 million households. The highest reach is in the city of Lublin, where we are now reaching more than 70% of the households. In Warsaw, we are having now more than 500,000 households, which is roughly 53% of the number of Warsaw households. That's about the footprint extension.

Now, if we look at the monetisation of this investment, it's also growing. You can see that -- you probably have seen that, a few days ago, I communicated that we have now customer base that is exceeding 250,000 fibre customers, so we passed the milestone of 250,000. As you can see on this chart, the adoption rate is slightly above 9%, so it's also growing quarter-after-quarter. Net additions in Q1 were slightly below Q4, but you will always remember that Q4 is the biggest quarter for sales in the year, so I think this is a rather good results in terms of net additions.

And this is, I would say, excluding migration from our technologies. This is the highest ever. And what also we can be quite happy with is that you can see that 86% of these gross additions in Q1 are actually win-back for competition, so these are customers that are acquired from our competitors. So again, fibre is really an offensive weapon for us, and these are facts, actually.

On the right side of this chart, please have a look on the progress we are making in transforming our overall fixed broadband customer base, drivers obviously being fibre and wireless for fixed. But what I think is pretty interesting to see is that, in a year time, we managed to have now only 50% of our total fixed broadband customer base of 2.4 million that is on DSL, and this part of the base is obviously the most, I would say, sensible part of our base. And you see that this part decreased from 65% to 50% in a year, so now half of our base is using very high broadband products, so it's obviously a base that is much less at risk.

That's what I wanted to comment with you. I will pass the floor to Maciej Nowohoński. Maciej?

- Maciej Nowohoński - Orange Polska S.A. - Member of the Management Board & CFO

Thanks, Jean-Francois. Hi, everyone. We will start the financial review on Page 11 of the presentation. Before I start to comment the figures, I owe you some explanation for new way of reporting of the revenue. We've been flagging that already to you mid of March, but it's good to recall that we are changing the revenue reporting, the structure of it, and this is better

reflecting right now our strategy that we have announced in September last year.

So we focus right now on convergence, clearly, and this customer base on convergence is more than one million, so it owes a proper zoom in the revenue section. We are presenting the convergence revenue separately from non-convergent revenue in two categories, in non-convergent, mobile-only, and broadband-only. There are some other smaller changes in the reporting structure that relates, for example, to a separate presentation of the wholesale and IT revenues.

Now, looking at Q1 trend, the trend was mainly influenced by four categories - convergence, mono services, equipment, and wholesale, and I dedicate the next slides to the three first of them. And regarding wholesale, so revenue, as you can see, is up by 13%, and it's supported by national roaming contract that we have signed last year with one of the competitors. That added around PLN25 million in the quarter, and obviously the trend here should continue, so you should expect some additional effects in the quarters to come. We are expecting altogether around PLN110 million full year. Not only national roaming is supporting actually wholesale, because this is also in international transit traffic, which is going well, and above our expectations.

Then, on the next page, we would like to pay your attention to an interesting fact. On the chart on the left, we are presenting year-over-year evolution of the convergence revenues and revenues from non-convergent mobile and broadband categories. We put them together, and we are tracking the performance of those categories, because these are naturally connected elements.

What is important is the combined trend is improving, especially if we adjust for roaming effect, as you can see on the line. The net line is constantly improving. There is a distortion of the roaming, especially in Q3 2017, but then this effect is much more obvious. And this is good. This is good because it is clearly showing that the convergence category is on a good way to one day offset the negative effects coming not only from the fixed line, but also from the mono products.

Then, on the right-hand side, you can see a situation on the equipment sales, and we've been flagging to you already in the past that these equipment sales are not going to grow forever. And last quarter, we have seen just PLN6 year-over-year growth. There is a clear trend. The value of the revenue here is pretty much stable quarter-by-quarter, and this stabilization should be also expected in the quarters to come.

Now, the equipment revenue is stopping to be the reason for the growth of the revenue, and that's clearly something that you should take into account into your models. And second thing, that convergence is actually taking a seat of a powertrain of our revenue evolution. And that is going to be a fact of the revenue uptick in the quarters to come.

On the next page, we are zooming on the convergent revenue. Clearly, convergent category is improving the customer loyalty. Jean-Francois mentioned the upsides that we are seeing already today on the churned rate. The packages are really priced attractively, which means comparatively to the market, and the package itself represents a very good value for the customers who are buying it. And we are encouraging in convergent packages the customers to buy additional products, and we are quite successful. You can see that on the slides, the number of RGU per customer is constantly growing.

We are also working here on the offer improvement, and there are two important elements to mention here. First of all, Jean-Francois mentioned the unlimited data feature in our mobile plans. They should work positively on the mono mobile category itself, but they will work here as well, because the customers are able to basically mix within their convergent bundle new

highly equipped with the data and nicely priced mobile packages. So, that should work definitely positive here.

Second of all, we have the very attractive HBO promotion today with our Orange Love packages, and we have HBO TV channels and HBO GO within the package, so it definitely works already well, and it should continue also for the time of the promotion next two months to bring additional customer base to convergence. So we are having good trends here, and we are even putting more, I would say, wood to the fire to make sure that the heat is on.

Then, interestingly, you can see that Orange Love is really a big success within the last 12 months. We have made this a category in convergence, per se. It went from nothing almost in the convergent packages a year ago to two-thirds. Two-thirds of the customer base right now is Orange Love.

Regarding the ARPO, ARPO has been contracting due to conversion to Orange Love, because this package was cheaper than the package of Orange Open, one of the previous soft bundles that we've been commercializing. Nevertheless, it is priced properly versus the market, but the evolution is expected to soften here considerably. We are not expecting dramatic changes on the ARPO side, looking forward for the convergence, because we have changed the pricing in September 2017. That price has been slightly uplifted, if you recall. And second of all, we are right now enriching the mobile components in the data package, so we are counting that customers will much more often select the PLN49 and the PLN69 mobile components into Orange Love that we are selling.

Now, moving to mobile-only category, and broadband-only category, which is on Slide Number 14, our strong push in convergence is actually visible in decreases of the mono bases, and that is especially true for mobile. And here, migrations to convergence are two times higher than the churn of this category, so actually the base is flowing into convergence. In broadband, we, on top of that, actually face the reality of less competitive ADSL, and that results in a bit stronger outflow of the customers.

So, what is the value stake for Orange in these categories? Number one, this is a limitation of the churn. As much as possible, we want to limit the churn. We are actually doing quite well in mobile mono category. In broadband, we see the potential to improve, and that's actually what we try to do right now when we have introduced a -- new price points for ADSL and VDSL. Jean Francois was vocal on that point.

Then, value stake number two is to improve the mix of the gross-ups. From the market and retention in mobile mono. And here, again, we have introduced this DSL unlimited data packages that I was describing previously for PLN49 and PLN69 that should really positively move the customers from the really basic packages to unlimited packages with the price points of PLN49 and PLN69.

Number three value stake is that mono segments are for us a natural source of the future convergence, and this potential remains really strong for the quarters to come. We hear our -- well, not neglecting that the mono product category will be a little bit dried out in the future also because of the migration to convergence. It's quite natural.

And number four is that handsets are still remaining the important decision point for our customer since here -- we have a stake here which will keep the market attractiveness of our handset pricing, especially for high-end mono offers that we carry a lot. And at the same time, we will be making sure that we do not subsidize excessively. Actually, we would like to continue our policy that's proved so successful in 2017. Here we want to continue.

Now, let's talk about profitability. This is Page Number 15. In the first quarter, we have

delivered stable EBITDA versus last year under IAS18. Obviously, this is a big achievement for the company because this is the first quarter with the stabilization of the profitability since many, many years. And this is in line with our full-line target.

The decrease of the direct margin that you can see on the slide was almost fully compensated by the reduction of indirect costs. Direct margin on the legacy services is decreasing at a stable pace, and here we have a structural trend that we have commented to you many, many times in the past.

Margin on the remaining business lines, which we call "Growth", is also slightly decreasing. There are sub-components within that in which the fixed broadband is a constant improvement category, so here we are adding the base. We are adding the revenue. Then, the stabilization of the equipment sales is visible as well here in the evolution of the mobile category. And then, finally, we have some small effect of the 'roam like at home'. This effect is PLN15 million negative after I just recall you last two quarters of 2017 were altogether close to PLN120 million negative, so there is a considerable positive change of the trends here.

There are two reasons for that. First of all, we have renegotiated down the wholesale rates, and this is also sustainable for the quarters to come. And second of all, we have started to put the charges to those customers who break fair usage policy, and that resulted in some additional revenue, but also a considerably reduced excessive roaming traffic.

Now, the indirect costs, here another quarter of a success. We have been able to reduce the cost base by 5% year-over-year, so it's very much on track with the full-year target that we have here. It's very much on track with a mid-term perspective that we've been showing to you in September 2017. This is something that we would like also to repeat in the quarters to come. We are not hiding it.

The social plan is on track, but we are continuing to optimize all important categories of the resource consumption, including network maintenance, including IT, general expenses, property expenses. Everything is on the table, and everything is subject to careful optimization.

Now, moving further to the net income on the next page, we have bottom line which is lower than last year. This is mainly driven by the fact that the net financial costs are a bit higher than Q1 2017. I would comment that, like that, that Q1 2018 is a normal rate of the net financial costs. Q1 of last year was positively impacted by, I would say, additional benefit, not repeatable. We've been flagging that to you already 12 months ago, so it should not be a surprise to you.

Then, moving to cash flow on Page 17, cash flow generation is better than Q1 2017, but nevertheless it's still negative. It's minus PLN150 million. Here we have seasonally high cash outflows related to Q4 CapEx of the company, and this time, this effect is slightly less than a year ago. That's why we see a PLN100 million upside for the year-over-year evolution. And then, net cash from operating activities is lower than last year. There are two reasons for that. First of all, this is the social plan severance payments that are actually higher and faster than a year ago. And the second reason is that, last year, roaming costs, which are settled in a longer process than other commercial settlements, and the high roaming costs of last year are bringing our high roaming payments in Q1.

This is everything from my side at this stage. Thank you very much for your attention, and I hand the floor back to Jean-Francois.

- Jean-François Fallacher - Orange Polska S.A. - President of the Management Board and CEO

Thank you. A few words of conclusions, actually. I would say, if you have few things to remember for this quarter is that, first, convergence is more and more increasingly offsetting the decline in, I would say, mono service renewal. That's one. We are, as you understood, having introduced new offers to strengthen the value creation in mobile-only and in fixed broadband-only.

Fibre is really on track, with more than 250,000 customers now using fibre in Poland. Last but not least, we have stabilized EBITDA in Q1 2018 versus Q1 2017. Just to share with you an outlook on what keeps us busy currently for this quarter actually, and the next quarters, so we are consequently continuing to implement Orange.one, so we stick to our value approach. We are pushing convergence, again improving performance in mono mobile and mono fixed broadband products.

And obviously, we are continuing our transformation full-speed, which means, one, being very disciplined with our costs, and two, as well, working very hard currently on changing our internal culture at Orange Polska, which we believe is very important for the overall success of the turnaround. So we are really promoting empowerment, and we are aiming, and we want that our employees are identifying themselves more closely with our goals and values.

Obviously, to conclude, we are reiterating our full-year EBITDA guidance, which is a stabilization of our EBITDA obviously in comparable matters, so under the same accounting system than last year. So, again, a reiteration of our full-year guidance for this year.

Thanks very much, open to get your questions now.

- Leszek Iwaszko - Orange Polska S.A. - Director of IR Department

Yes, thank you. We start with the questions from the floor if there are any questions here. Yes Zbyszek.

Question And Answers

- Zbigniew Porczyk - Trigon Dom Maklerski S.A., Research Division - Head of Research

Q. Zbigniew Porczyk, Trigon Brokerage House. I've got a couple of questions, the first one concerning the FTTH. When you look back one or two years ago, and when you see the current customer base evolution, is it above, in line with your expectations, below them? And how do you see the further customer evolution in 2018? Could you provide us with any kind of guidance in that respect?

The second one is about the Roam Like at Home. Given that this first quarter results is a little bit lower than I think that everybody expected, I mean the negative effect, what would you say about the whole year Roam Like at Home impact on your results?

And the third question concerning the sale of assets has been quite significant in first quarter. And what may be the whole-year result in terms of additional cash flow impact from that line? Thanks.

- Jean-François Fallacher - Orange Polska S.A. - President of the Management Board and CEO

A. On the first topic, fibre, I repeat, we are in line with our initial business case developed two years ago, so that's clear. We are not going to provide any guidance in terms of customer numbers, so that as well is something we have stated, I'm stating again. Fibre is now a reality at Orange Polska, not only in terms of footprint, which is very large, to about 2.7 million, but

also again in customer base. And I'll remind that, especially this quarter, 86% of the gross adds are acquisition from competition. So that is on fibre.

On Roam Like At Home, if you recall, actually last quarter we were commenting at this topic last quarters, actually even. We were telling that we would have actions on many fronts to soften the very big impact we had in 2017, so that's obviously what we have been doing and executing. That explains this lower-than-expected by some of the impact in the first quarter, much you can complete. But what I can also tell you is that we've got actually the green light from the regulator to be able to invoice heavy roamers, like actually other operators in the market, so that's something we are going to start very soon, and especially for our prepaid heavy roamer customers, which should allow us to contain the negative effect and reduce drastically the negative effect that we have been seeing in 2017.

The last question now I will leave to Maciej Nowohoński.

- Maciej Nowohoński - Orange Polska S.A. - Member of the Management Board & CFO

A. Thank you, Jean-Francois. I will just recall you that, previously, we've been highlighting that the roaming effect year-over-year could be between PLN60 million to PLN80 million. Right now, we are in the position to probably cool it down to something like PLN40 million to PLN60 million, and we are cautious.

Then, regarding the sale of assets, while it's true Q1 was stronger, but I would say not excessively fantastic for the real estate stakes. Our ambitions are much higher here. We are in the process of the negotiation of many quite tangible transactions, but the timing of the lending for those transactions is, as you can imagine, not so certain because of the negotiations. And while we have good chance to see Q2 being better than Q1, but nothing is for granted here. But we will let you know, obviously, with the results if they are tangible enough earlier than Q2 results, if not with Q2 results.

- Leszek Iwaszko - Orange Polska S.A. - Director of IR Department

A. Anything else from the floor? Nope. Operator, please let's switch to our teleconference listeners.

- Operator - -

A. Thank you. (Operator Instructions.] Vera Sutedja, Erste Bank.

- Vera Sutedja, Erste Bank

Q. My question is related to the EU fine. Can you update us regarding this matter? Where are we at the moment? What is the expectation in terms of timing and possibly the size, as well?

And regarding the organic cash flow, which has improved year-over-year, is this the kind of improvement that we can extrapolate also in the next quarters? If yes, what would be the drivers of that? Thank you.

- Maciej Nowohoński - Orange Polska S.A. - Member of the Management Board & CFO

A. I will maybe answer the section question, and come back to the first one. And regarding the organic cash flow evolution, I guess the cash flow generation in entire 2018 will still be under influence of our heavy investments. And I wouldn't be extrapolating, Vera, simply the Q1 over-performance of our Q1 2017 into full year. I would rather expect the cash flow at a similar level as in 2017 this year.

Then, regarding your first question, EU fine, actually, we have no news versus what we've been telling you for the Q4 results, so in the mid of February. We are still expecting a verdict sometime around end of Q2, beginning of Q3, but the date is not yet set. Just to recall you, the February news was that the Attorney General recommended to the Tribunal that the case should be returned back to the first instance, but there is no guarantee that the Tribunal takes into account this recommendation from the Attorney General. So that's the status.

- Vera Sutedja, Erste Bank

Q. Can we say that it's highly unlikely that the fine will be paid this year?

- Maciej Nowohoński - Orange Polska S.A. - Member of the Management Board & CFO

A. No, it's too early to conclude like that. It's too early.

- Operator - -

A. We have no other audio questions. Mr. [Leszek], back to you.

- Leszek Iwaszko - Orange Polska S.A. - Director of IR Department

A. Thank you. We have a few questions from -- asked by electronic channels. The question is, "Do you consider going back to aggressive mobile client acquisition strategy? Will you be able to keep selling costs at low levels in the coming quarters?" This is the first question.

- Jean-François Fallacher - Orange Polska S.A. - President of the Management Board and CEO

A. The answer is 'No'.

- Leszek Iwaszko - Orange Polska S.A. - Director of IR Department

A. Coming to the second question, "Could you please comment on negotiations with T-Mobile regarding the access to the fibre network?"

- Jean-François Fallacher - Orange Polska S.A. - President of the Management Board and CEO

A. The negotiations are ongoing as we speak, and we are still able to close these negotiations before the end of the second quarter, so end of June.

- Leszek Iwaszko - Orange Polska S.A. - Director of IR Department

A. The third question is about potential deregulation of cable operators, which is currently being discussed by our regulator. "How can that potentially impact our business? What is our attitude towards that potential change?"

- Jean-François Fallacher - Orange Polska S.A. - President of the Management Board and CEO

A. I would answer to this question that -- I mean, this is, of course, something we are following very carefully, but it's really much too early to draw any conclusion simply because the conditions of such potential deregulation are mostly unknown by us and by the market at this stage. So, it's really very much early to draw any conclusion on the impact that this would have on the entire market.

- Leszek Iwaszko - Orange Polska S.A. - Director of IR Department

A. We have one more question. I'll read word-by-word. "We have seen your plans regarding fibre, but I would like to know what your plans are regarding 5G and how you expect the wireless technology to impact your investment plans in general, and how it will impact fibre."

- Jean-François Fallacher - Orange Polska S.A. - President of the Management Board and CEO

A. So, obviously at the horizon of our five-years plan, we are expecting 5G will become a reality in Poland. We are all preparing at Orange for 5G. This year and the year after will be, to our opinion, some years of testing 5G, of having eventually a concrete testbed on the field. We believe that 5G will likely start in 2020 and further on, so that is the plan at this stage.

We believe, as well, that we are quite in a strong position for 5G simply because you all know that 5G will be also synonymous of connecting BTS'es with fibre, and obviously our current fibre investment is putting us, we believe, in a quite strong situation. And I remind that, currently, more than 60% of our mobile sites are connected with fibre. Again, that puts us in a strong situation for the future of 5G deployment.

As concerns the frequencies of 5G, obviously I would say the consensus of the Polish market is that all operators will start in the 3.5GHz, so we need to acquire frequencies in this field. This is not a very expensive spectrum. And concerning the 700 MHz frequencies, we are still expecting to see the feedback from the regulator. You will know that, in Poland, there are issues with the neighbouring countries, amongst which are Russia, which are presenting to free up very fast these 700MHz frequencies. So here, obviously the ball is on the regulator side and on the government side, so the calendar is not very clear yet, and likely not before 2020, 2021, but let's see.

- Leszek Iwaszko - Orange Polska S.A. - Director of IR Department

A. Do we have any follow-ups from the floor? If not, then we conclude today's conference. Thank you very much for your attention, and see you back in July. Thank you.

- Jean-François Fallacher - Orange Polska S.A. - President of the Management Board and CEO

A. Thank you.