

Current Report (14/2019)
Orange Polska S.A., Warsaw, Poland
29 August, 2019

Orange Polska sells Nowogrodzka/Barbary real estate property complex for around PLN 350 million. The transaction creates significant value for the Company and confirms the success of its strategy.

Pursuant to Art. 17 clause 1 of the Regulations (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 (hereinafter “MAR Regulations”), The Management Board of Orange Polska S.A. (“Orange Polska” or “the Company”) hereby announces that on 29 August 2019, Orange Polska concluded an agreement to sell a real estate property in a premium location in Warsaw on Nowogrodzka and Św. Barbary Street (“the Complex”) to Hockley sp. z o.o. with registered seat in Warsaw for EUR 81 million (an equivalent of around PLN 350 million).

Orange Polska sells Nowogrodzka/Barbary real estate property complex for around PLN 350 million. The transaction creates significant value for Orange Polska and confirms again the success of the turnaround strategy announced in 2017. The Company reallocates capital from real estate into its core telecom business areas.

Orange Polska will lease back the portion of the Complex until 2026, in order to allow sufficient time for migration of the network equipment located in the Complex. The investment required for this infrastructure migration will be implemented gradually ending 2026.

Proceeds from the sale will support Orange Polska’s cash generation of in 3Q 2019. The Company will inform about expected impact of this transaction on its financial statements as soon as possible. This impact will take into consideration accounting for lease back in line with IFRS 16 standard.

In 2018 and 2019 so far, the Company has sold properties worth more than PLN 650 million. The estimated market value of properties suitable for sale in future exceeds PLN 1 billion.

Moreover, the Company informs that on 29 July 2019, pursuant to article 17 clause 4 of the MAR Regulations, it decided to delay disclosure to the public of the inside information. In the view of the Management Board the ongoing negotiations regarding sale of real estate property on Nowogrodzka and Barbary street in Warsaw constituted from 29 July 2019 inside information within the meaning of Article 7 of the MAR Regulations, however immediate disclosure to the public of this information could prejudice the legitimate interests of Orange Polska.

