

VIVACOM

**Certain historical consolidated financial
information and operating data**

December 2014

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Income statement

(BGN in millions)	For the three months ended				For the three months ended				Year To Date	
	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	2013	2014
	Revenues	195.4	203.6	206.7	206.2	194.4	198.3	208.0	205.3	811.9
Fixed	102.5	100.2	98.3	95.1	92.5	92.5	89.3	87.5	396.0	361.9
Fixed-voice	61.5	58.8	55.8	53.9	50.8	48.8	46.2	44.6	230.0	190.3
Fixed-data	26.1	26.0	25.1	23.9	24.0	23.9	23.8	23.8	101.1	95.5
Fixed, other	14.9	15.3	17.4	17.3	17.8	19.8	19.3	19.1	64.9	76.1
Mobile	92.9	103.5	108.4	111.2	101.8	105.8	118.7	117.7	415.9	444.0
Mobile service	78.6	84.4	85.3	85.7	83.9	89.9	94.2	94.9	334.0	362.9
Pre-paid	5.2	5.8	6.7	5.5	4.8	5.4	6.7	5.3	23.1	22.1
Post-paid	73.4	78.7	78.6	80.2	79.1	84.5	87.5	89.6	310.9	340.8
Mobile, other	14.3	19.0	23.1	25.4	17.9	15.9	24.5	22.8	81.9	81.1
Operating Expenses	(117.8)	(122.8)	(127.9)	(109.4)	(110.3)	(113.0)	(143.9)	(128.8)	(477.9)	(496.0)
Interconnect expense	(16.1)	(17.1)	(11.3)	(11.0)	(9.1)	(9.9)	(10.1)	(10.0)	(55.4)	(39.0)
Other operating expenses	(56.9)	(56.3)	(63.7)	(35.0)	(44.5)	(46.1)	(68.6)	(46.3)	(212.0)	(205.5)
Materials and consumables	(27.6)	(32.3)	(35.5)	(41.5)	(30.3)	(29.6)	(39.3)	(41.7)	(136.9)	(140.9)
Staff costs	(17.2)	(17.2)	(17.3)	(22.0)	(26.4)	(27.4)	(26.0)	(30.8)	(73.6)	(110.6)
Depreciation and amortization	(62.9)	(65.1)	(65.4)	(65.6)	(63.7)	(64.1)	(63.8)	(64.2)	(259.0)	(255.8)
Finance expenses, net	(11.8)	(11.5)	(11.3)	(12.0)	(12.7)	(10.2)	(7.3)	(4.5)	(46.6)	(34.7)
Other Gains and Losses, net	1.4	0.0	1.2	2.1	1.3	1.3	3.0	4.0	4.7	9.6
Profit before tax	4.2	4.2	3.3	21.3	9.0	12.2	(4.0)	11.8	33.1	29.1
Income tax expense	(0.5)	(0.7)	(0.4)	(2.3)	(1.1)	(1.1)	0.9	(1.5)	(3.9)	(2.7)
Profit for the period	3.8	3.6	2.9	19.0	8.0	11.1	(3.1)	10.3	29.2	26.3
Adjustments for:										
Income tax expense	0.5	0.7	0.4	2.3	1.1	1.1	(0.9)	1.5	3.9	2.7
Finance expenses, net	11.8	11.5	11.3	12.0	12.7	10.2	7.3	4.5	46.6	34.7
Depreciation and amortization	62.9	65.1	65.4	65.6	63.7	64.1	63.8	64.2	259.0	255.8
EBITDA	79.0	80.8	80.0	98.8	85.4	86.6	67.1	80.5	338.7	319.6
Other gains, net	(1.4)	(0.0)	(1.2)	(2.1)	(1.3)	(1.3)	(3.0)	(4.0)	(4.7)	(9.6)
Adjustments to operating expen	1.9	0.9	10.4	(22.8)	1.7	2.6	26.2	(5.5)	(9.5)	25.0
Asset impairment and write off	1.2	0.9	1.6	(25.7)	0.6	1.0	25.7	(7.9)	(22.0)	19.5
Provisions and penalties	0.3	(0.1)	7.4	0.8	0.5	1.0	0.1	0.7	8.4	2.4
Other exceptional items	0.5	0.2	1.4	2.0	0.5	0.6	0.3	1.7	4.2	3.1
Adjusted EBITDA	79.5	81.7	89.2	74.0	85.7	87.8	90.3	71.0	324.5	334.9

Balance sheet

(BGN in millions)	As at the month ended				As at the month ended			
	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14
Cash and Cash Equivalents	105.3	109.7	133.7	87.3	117.9	41.1	42.8	60.1
Trade receivables	68.7	71.6	71.0	72.8	75.6	223.4	101.3	150.0
Current income tax receivables	0.4	0.4			-	-	-	0.1
Inventories	28.4	39.5	41.3	37.3	41.8	44.4	35.2	34.7
Investments	0.1	0.1		0.1	0.8	0.0	9.2	0.3
Other current assets	14.7	20.5	15.5	11.1	20.9	16.9	13.2	9.5
Assets classified as held for sale	2.1	1.8	1.8	1.5	1.5	1.5	1.5	1.9
Total current assets	219.8	243.6	263.4	210.2	258.5	327.3	203.1	256.4
Goodwill	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Property, Plant and Equipment	866.6	847.9	830.3	853.4	826.9	802.1	785.8	812.3
Intangible Assets	274.5	261.9	246.8	252.2	240.5	227.3	215.5	215.4
Investments	0.3	7.5	8.0	45.0	45.7	6.2	19.1	0.4
Trade receivables - non-current	5.4	6.8	8.3	10.1	11.0	11.1	104.0	84.4
Other non-current assets	1.4	1.4	1.4	1.6	1.7	1.7	1.8	2.0
Deferred tax assets	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Total non-current assets, net	1 150.3	1 127.5	1 096.8	1 164.4	1 127.7	1 050.5	1 128.1	1 116.5
TOTAL ASSETS	1 370.1	1 371.2	1 360.2	1 374.5	1 386.2	1 377.8	1 331.2	1 373.0
Dividends Payable	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade payables	83.1	78.1	68.4	92.7	74.2	61.2	69.5	121.2
Other payables	28.7	24.7	26.3	25.5	34.6	42.4	33.5	31.5
Deferred income/revenue	18.4	18.6	19.3	18.9	19.1	19.6	20.1	20.3
Current income tax liabilities	0.4	0.5	1.3	0.0	2.0	2.9	4.5	0.0
Provisions for other liabilities and charges	7.0	5.6	7.0	10.2	8.8	7.2	5.8	5.5
Borrowings	42.5	53.9	44.0	11.0	23.5	11.8	24.9	12.5
Total current liabilities	180.0	181.5	166.2	158.3	162.2	145.2	158.3	191.1
Borrowings	849.7	838.2	839.7	841.6	841.6	841.6	792.7	792.5
Deferred Tax Liability, Net	17.5	17.8	17.3	18.7	17.8	17.9	15.4	15.1
Retirement benefit obligations	1.0	1.0	1.0	2.0	2.0	2.1	2.1	3.1
Provisions for other liabilities and charges	8.8	9.0	9.1	8.7	8.8	8.9	9.1	8.7
Trade payables	4.4	4.3	4.2	4.1	4.0	3.9	3.8	3.7
Deferred income/revenue	1.2	1.2	1.2	1.4	1.4	1.3	1.3	1.3
Total non-current liabilities	882.7	871.6	872.6	876.4	875.5	875.7	824.5	824.4
Share Capital	288.8	288.8	288.8	288.8	288.8	288.8	288.8	288.8
Reserves	37.4	44.4	44.7	44.3	45.0	42.4	37.0	36.2
Retained earnings/(Accumulated loss)	(18.8)	(15.1)	(12.1)	6.8	14.7	25.8	22.8	32.5
Total equity	307.4	318.1	321.4	339.8	348.5	357.0	348.5	357.5
TOTAL LIABILITIES AND EQUITY	1 370.1	1 371.2	1 360.2	1 374.5	1 386.2	1 377.8	1 331.2	1 373.0

Cash flow

	For the three months ended*				For the three months ended				Year To Date	
(BGN in millions)	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	2013	2014
Operating Activities:										
Profit before tax from continuing activities	4.2	4.2	3.3	21.3	9.0	12.2	(4.0)	11.8	33.1	29.1
Adjustments for:										
Depreciation and amortization	62.9	65.1	65.4	65.6	63.7	64.1	63.8	64.2	259.0	255.8
Gain on sale of non-current assets	(1.4)	(0.0)	(1.1)	(2.1)	(1.3)	(1.3)	(3.0)	(4.0)	(4.7)	(9.6)
Impairment loss and write off of non-current asset	1.0	0.7	1.5	(26.5)	0.5	0.9	0.9	(8.3)	(23.3)	(6.0)
Interest expense, net	11.7	11.5	11.3	12.1	12.6	12.6	13.1	11.3	46.6	49.7
Impairment loss on trade receivables	3.3	2.5	2.1	0.6	2.2	2.1	24.1	2.7	8.6	31.0
Impairment loss and write off of current asset	0.2	0.2	0.1	1.5	0.4	0.1	0.2	1.2	2.0	1.9
Income from investment operations	-	(0.0)	-	(0.3)	-	(2.6)	(6.0)	(7.2)	(0.3)	(15.7)
Loss/(gain) from operations with cash flow hedges	0.0	0.0	(0.0)	(0.0)	(0.0)	0.0	0.0	0.0	0.0	0.0
Loss/(gain) from provisions	0.7	(0.2)	1.1	5.0	1.3	1.7	(1.4)	1.4	6.7	3.1
Changes in:										
- inventories	3.6	(11.3)	(1.8)	2.5	(4.9)	(2.6)	9.1	(0.7)	(7.0)	0.9
- trade and other receivables	(2.4)	(9.3)	(3.9)	(5.2)	(7.1)	(151.1)	5.3	4.4	(20.8)	(148.4)
- other current and non-current assets	(0.5)	(5.8)	4.9	4.3	(10.0)	4.0	3.7	3.3	2.8	1.1
- trade and other payables	6.8	(5.7)	(6.7)	5.7	5.4	(4.9)	(3.2)	15.3	0.0	12.5
- provisions and employee benefits	(0.8)	(0.9)	(0.7)	0.1	(1.9)	(3.0)	(1.1)	(1.3)	(2.2)	(7.3)
- deferred income/revenue	0.3	0.3	0.6	(0.2)	0.2	0.5	0.4	0.2	1.0	1.3
Cash generated from operations	89.7	51.3	76.1	84.4	70.1	(67.3)	101.9	94.4	301.5	199.2
Interest received	0.1	1.2	1.3	1.4	1.0	1.3	1.2	0.2	4.0	3.8
Interest paid	(12.8)	(12.2)	(11.9)	(33.5)	(1.0)	(25.6)	(0.6)	(26.3)	(70.4)	(53.5)
Income tax paid	-	(0.2)	0.4	(2.2)	(0.0)	(0.1)	(0.0)	(6.2)	(2.1)	(6.3)
Net cash from operating activities	77.0	40.2	65.8	50.1	70.1	(91.6)	102.5	62.1	233.1	143.1
Cash flows from investing activities:										
Proceeds from sales of property, plant and equipment	9.5	1.2	0.4	1.6	1.8	1.7	2.5	4.2	12.6	10.1
Acquisition of property, plant, equipment and intangible assets	(43.9)	(36.5)	(33.3)	(36.9)	(40.0)	(26.9)	(31.1)	(46.8)	(150.6)	(144.8)
Acquisition of investments	-	0.0	-	(37.2)	0.0	0.0	(28.1)	(0.2)	(37.2)	(28.3)
Cash deposits with maturity greater than three months	0.0	(0.0)	(0.1)	-	(0.1)	(0.0)	(0.3)	0.0	(0.1)	(0.4)
Dividends received	-	0.1	-	0.3	-	0.1	-	0.2	0.4	0.3
Sale of investments	-	0.0	-	-	-	40.5	6.0	-	0.0	46.4
Net cash (used in) investing activities	(34.4)	(35.3)	(33.0)	(72.1)	(38.3)	15.4	(51.1)	(42.6)	(174.9)	(116.7)
Cash flows from financing activities:										
Proceeds from new borrowings	-	-	-	850.8	-	78.2	9.8	9.8	850.8	97.8
Repayment of borrowings	-	(0.3)	(8.8)	(875.0)	-	(78.2)	(58.7)	(9.8)	(884.2)	(146.7)
Dividends paid	-	(0.0)	-	-	-	-	-	-	(0.0)	-
Payment of finance lease liabilities	(1.2)	(0.0)	(0.0)	(0.0)	(1.2)	(0.6)	(0.8)	(2.3)	(1.3)	(4.9)
Net cash used in financing activities	(1.2)	(0.4)	(8.8)	(24.3)	(1.2)	(0.6)	(49.7)	(2.3)	(34.7)	(53.8)
Net increase/(decrease) in cash	41	4	24	(46)	31	(77)	1.6	17.2	23.5	(27.4)
Effect of exchange rate fluctuations on cash held	0.0	(0.0)	(0.1)	(0.0)	(0.0)	0.0	0.1	0.0	(0.1)	0.1
Cash and cash equivalents at beginning of period	63.9	105.3	109.7	133.7	87.3	117.9	41.1	42.8	63.9	87.3
Cash and cash equivalents at end of period	105.3	109.7	133.7	87.3	117.9	41.1	42.8	60.1	87.3	60

*Restated

Capex

(BGN in millions)	For the three months ended				For the three months ended				Year To Date	
	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	2013	2014
Network	21.8	23.3	20.7	47.9	13.2	15.3	22.5	56.2	113.7	107.1
IT	0.7	1.9	1.8	6.9	2.8	2.5	2.0	5.9	11.4	13.3
Commercial and other	10.6	7.4	9.6	11.8	8.4	8.6	10.4	20.6	39.5	48.0
<i>incl. CPE</i>	7.1	3.7	5.2	6.7	4.9	4.2	5.9	6.0	22.7	21.0
Licenses	-	-	-	-	-	-	-	-	-	-
Total capital expenditure	33.2	32.7	32.1	66.7	24.4	26.3	34.9	82.7	164.6	168.4
<i>% of Revenue, excl. licenses</i>	17.0%	16.0%	15.5%	32.3%	12.5%	13.3%	16.8%	40.3%	20.3%	20.9%

Net debt

(BGN in millions)	As at the month ended				As at the month ended			
	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14
	Syndicated loan	890.8	890.7	882.3	-	-	-	-
Bonds	-	-	-	769.0	782.8	771.7	785.5	773.4
Revolving credit	-	-	-	68.6	68.5	68.5	19.6	19.6
Trade credits	-	-	-	11.8	10.8	10.2	9.5	10.5
Financial lease	1.4	1.4	1.4	3.2	3.0	3.0	3.1	1.5
Total borrowings	892.2	892.1	883.7	852.6	865.0	853.4	817.6	805.0
Total cash and cash equivalents	(105.3)	(109.7)	(133.7)	(87.3)	(117.9)	(41.1)	(42.8)	(60.1)
Net debt	786.9	782.4	750.0	765.2	747.2	812.3	774.8	744.9

KPIs

	For the three months ended				For the three months ended				For the year ended	
	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	2013	2014
Fixed voice										
Subscribers at period end (in thousands)	1 423	1 392	1 358	1 325	1 290	1 256	1 227	1 195	1 325	1 195
ARPU (BGN)	12.6	12.4	12.0	12.4	12.3	12.1	11.9	11.8	12.4	12.0
AMOU (minutes)	118	108	102	112	113	106	99	109	110	107
Fixed broadband										
Subscribers at period end (in thousands)	323	321	323	327	329	335	346	356	327	356
% FTTx at period end	13	15	18	22	25	28	32	35	22	35
ARPU (BGN)	12.3	12.0	11.8	11.7	11.5	11.3	11.0	10.9	11.9	11.2
FTTx homes passed (in thousands)	455	512	570	680	737	780	831	883	680	883
Mobile										
Subscribers at period end (in thousands)	2 355	2 429	2 524	2 556	2 594	2 677	2 809	2 853	2 556	2 853
% post paid at period end	83	82	82	84	85	85	84	85	84	85
Blended ARPU (BGN)	11.2	11.8	11.5	11.2	10.9	11.4	11.4	11.2	11.4	11.2
Post-paid ARPU (BGN)	12.6	13.3	12.9	12.8	12.1	12.6	12.7	12.5	12.9	12.5
Pre-paid ARPU (BGN)	4.3	4.7	5.1	4.0	3.9	4.5	5.1	4.0	4.5	4.4
% Mobile data revenue*	17	17	18	19	21	21	23	23	19	22
AMOU (minutes)	133	138	139	137	136	143	143	143	137	141

* % Mobile data revenue represents revenue from messaging and data vs. mobile service revenue