

VIVACOM

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

March 2017

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Income statement

(BGN in millions)	For the three months ended				For the three months ended				For the three months ended				Year To Date		
	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	2015	2016	2017
Revenues	201.3	203.5	220.0	223.1	211.7	217.9	220.8	224.8	211.1	-	-	-	847.9	875.3	211.1
Fixed	87.8	86.4	84.7	82.2	82.6	82.2	85.0	86.7	86.7	-	-	-	341.1	336.4	86.7
Fixed-voice	42.8	40.5	39.0	37.0	35.7	34.3	34.5	32.7	32.1				159.3	137.1	32.1
Fixed-data	23.9	24.0	23.3	22.3	22.8	23.4	23.1	22.9	22.9				93.5	92.1	22.9
Fixed pay-TV	12.0	12.7	13.1	13.8	14.4	14.6	14.9	15.5	16.4				51.6	59.5	16.4
Fixed, other	9.1	9.1	9.4	9.1	9.7	9.9	12.6	15.6	15.4				36.8	47.7	15.4
Mobile	113.5	117.2	124.5	128.1	120.0	125.9	129.6	132.9	120.7	-	-	-	483.3	508.5	120.7
Mobile service	95.5	99.7	103.8	102.0	100.6	102.2	105.9	103.2	100.6	-	-	-	400.9	411.9	100.6
Pre-paid	4.7	5.2	6.4	4.8	4.1	4.6	6.1	4.5	3.8				21.1	19.2	3.8
Post-paid	90.8	94.5	97.4	97.1	96.5	97.6	99.9	98.7	96.8				379.8	392.7	96.8
Mobile, other	18.0	17.5	20.8	26.2	19.5	23.7	23.7	29.7	20.1				82.4	96.6	20.1
NURTS			13.7	14.5	11.0	11.6	10.6	10.2	9.6				28.2	43.5	9.6
Eliminations			(3.0)	(1.7)	(1.9)	(1.9)	(4.4)	(5.0)	(6.0)				(4.7)	(13.2)	(6.0)
Operating Expenses	(121.0)	(151.3)	(149.2)	(164.2)	(132.8)	(145.0)	(140.2)	(180.4)	(138.0)	-	-	-	(585.6)	(598.4)	(138.0)
Interconnect expense	(10.3)	(11.0)	(12.5)	(12.4)	(13.2)	(14.6)	(17.7)	(16.9)	(16.2)				(46.2)	(62.3)	(16.2)
Other operating expenses	(44.6)	(77.0)	(68.9)	(68.3)	(49.5)	(56.3)	(54.1)	(80.9)	(52.8)				(258.9)	(240.8)	(52.8)
Materials and consumables	(36.0)	(34.2)	(39.0)	(49.6)	(38.2)	(41.9)	(38.3)	(49.3)	(36.1)				(158.9)	(167.5)	(36.1)
Staff costs	(30.1)	(29.0)	(28.8)	(33.8)	(32.0)	(32.2)	(30.2)	(33.4)	(32.9)				(121.7)	(127.8)	(32.9)
Depreciation and amortization	(57.9)	(58.6)	(61.3)	(45.7)	(64.8)	(62.6)	(61.5)	(54.5)	(50.8)				(223.4)	(243.4)	(50.8)
Finance expenses, net	(11.0)	(11.5)	3.6	(12.8)	(12.9)	(13.0)	(14.4)	(12.7)	(12.9)				(31.7)	(53.0)	(12.9)
Other Gains and Losses, net	3.9	2.7	9.6	2.3	1.7	0.6	1.2	1.5	0.3				18.5	5.0	0.3
Profit before tax	15.2	(15.1)	22.7	2.8	2.9	(2.0)	5.9	(21.3)	9.7	-	-	-	25.6	(14.5)	9.7
Income tax expense	(1.6)	(5.3)	(3.4)	1.2	(0.3)	0.2	(0.7)	(4.4)	(0.9)				(9.1)	(5.1)	(0.9)
Profit for the period	13.6	(20.4)	19.3	4.0	2.7	(1.8)	5.2	(25.7)	8.8	-	-	-	16.5	(19.6)	8.8
Adjustments for:															
Income tax expense	1.6	5.3	3.4	(1.2)	0.3	(0.2)	0.7	4.4	0.9	-	-	-	9.1	5.1	0.9
Finance expenses, net	11.0	11.5	(3.6)	12.8	12.9	13.0	14.4	12.7	12.9	-	-	-	31.7	53.0	12.9
Depreciation and amortization	57.9	58.6	61.3	45.7	64.8	62.6	61.5	54.5	50.8	-	-	-	223.4	243.4	50.8
EBITDA	84.1	55.0	80.4	61.2	80.6	73.5	81.8	46.0	73.4	-	-	-	280.8	281.9	73.4
Other gains, net	(3.9)	(2.7)	(9.6)	(2.3)	(1.7)	(0.6)	(1.2)	(1.5)	(0.3)	-	-	-	(18.5)	(5.0)	(0.3)
Adjustments to operating exper	2.8	32.8	19.2	14.6	1.2	4.2	2.6	25.8	4.1	-	-	-	69.4	33.8	4.1
Asset impairment and write off	1.3	27.7	19.0	12.7	1.0	2.5	2.2	24.0	3.3				60.7	29.8	3.3
Provisions and penalties	(0.1)	4.1	(0.0)	0.6	(0.0)	1.4	0.1	0.4	(0.1)				4.7	1.9	(0.1)
Other exceptional items	1.6	1.0	0.1	1.3	0.2	0.2	0.3	1.3	0.9				4.0	2.1	0.9
Adjusted EBITDA	83.1	85.1	90.0	73.6	80.1	77.1	83.2	70.3	77.2	-	-	-	331.7	310.6	77.2
incl. Vivacom	83.1	85.1	85.5	69.9	75.9	72.6	80.5	70.0	74.1				323.6	299.0	74.1
incl. NURTS			1.7	3.6	4.4	4.5	2.7	0.3	3.5				5.3	12.0	3.5
incl. Eliminations			2.8	0.1	(0.2)	(0.1)	(0.1)	0.0	(0.4)				2.8	(0.4)	(0.4)

Balance sheet

(BGN in millions)	As at the month ended				As at the month ended				As at the month ended			
	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17
Cash and Cash Equivalents	60.2	59.0	104.3	89.6	101.9	84.6	91.9	72.3	73.2			
Trade receivables	114.8	158.7	129.0	118.5	106.3	124.1	144.9	150.7	108.6			
Current income tax receivables	0.1	0.1	1.0	1.0	1.0	0.6	-	0.5	0.4			
Inventories	32.5	36.1	33.7	37.1	45.8	44.9	40.0	42.5	41.8			
Investments	1.7	0.8	0.4	0.1	-	0.1	0.1	0.3	0.1			
Other current assets	21.8	18.0	15.8	11.2	23.2	20.0	16.5	11.4	27.5			
Assets classified as held for sale	0.4	0.4	0.4	2.6	0.4	0.2	0.2	0.2	0.7			
Total current assets	231.5	273.1	284.8	260.0	278.5	274.4	293.6	277.9	252.3	-	-	-
Goodwill	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0			
Property, Plant and Equipment	787.7	773.3	821.4	823.7	798.9	794.0	781.4	766.9	758.2			
Investment Property	-	-	-	-	-	-	-	168.2	167.5			
Intangible Assets	203.0	193.4	191.8	198.8	190.6	209.7	198.0	204.1	201.2			
Investments	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	59.1			
Trade receivables - non-current	125.4	76.3	47.1	48.5	50.0	49.1	47.4	36.0	33.6			
Other non-current assets	2.3	2.2	2.1	2.4	2.5	2.4	2.4	2.5	7.2			
Deferred tax assets	0.0	0.0	5.6	9.5	9.4	9.3	9.2	1.5	1.5			
Total non-current assets, net	1 120.9	1 047.7	1 070.3	1 085.4	1 053.9	1 066.9	1 040.9	1 181.7	1 230.3	-	-	-
TOTAL ASSETS	1 352.4	1 320.8	1 355.1	1 345.4	1 332.5	1 341.3	1 334.4	1 459.6	1 482.6	-	-	-
Dividends Payable	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
Trade payables	73.8	84.3	82.6	90.1	68.6	103.0	72.3	77.4	76.1			
Other payables	39.0	33.3	37.4	36.4	40.3	30.5	36.8	41.0	42.3			
Deferred income/revenue	20.6	21.0	21.1	21.0	20.7	21.1	21.7	21.3	21.2			
Current income tax liabilities	2.6	3.6	6.2	0.4	2.3	2.3	3.6	0.0	0.8			
Provisions for other liabilities and charges	4.6	4.0	2.9	3.5	3.3	3.0	2.7	3.9	3.4			
Borrowings	25.3	12.3	25.1	20.2	23.3	10.4	23.3	12.4	24.6			
Total current liabilities	165.8	158.5	175.3	171.5	158.5	170.3	160.5	155.9	168.4	-	-	-
Borrowings	782.7	783.4	783.5	774.0	773.8	774.0	774.2	776.5	778.3			
Deferred Tax Liability, Net	14.3	10.6	8.5	7.7	5.5	3.8	2.1	14.6	14.8			
Retirement benefit obligations	3.2	3.3	3.8	5.2	5.4	5.4	5.5	4.7	4.8			
Provisions for other liabilities and charges	8.8	8.9	9.1	10.0	10.1	10.2	10.4	10.5	10.7			
Trade payables	3.7	3.6	3.5	3.4	3.3	3.2	3.1	3.0	2.9			
Deferred income/revenue	1.5	1.5	1.4	1.5	1.5	1.5	1.7	2.9	2.9			
Total non-current liabilities	814.2	811.3	809.8	801.9	799.5	798.1	797.0	812.3	814.2	-	-	-
Share Capital	288.8	288.8	288.8	288.8	288.8	288.8	288.8	288.8	288.8			
Reserves	37.0	36.1	35.7	35.0	34.6	34.9	33.7	173.6	173.2			
Retained earnings/(Accumulated loss)	46.6	26.2	45.5	48.4	51.0	49.2	54.5	29.1	38.1			
Total equity	372.4	351.1	370.0	372.1	374.4	372.9	377.0	491.5	500.0	-	-	-
TOTAL LIABILITIES AND EQUITY	1 352.4	1 320.8	1 355.1	1 345.4	1 332.5	1 341.3	1 334.4	1 459.6	1 482.6	-	-	-

Cash flow

	For the three months ended				For the three months ended				For the three months ended				Year To Date		
	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	2015	2016	2017
(BGN in millions)															
Operating Activities:															
Profit before tax from continuing activities	15.2	(15.1)	22.7	2.8	2.9	(2.0)	5.9	(21.3)	9.7				25.6	(14.5)	9.7
Adjustments for:															
Depreciation and amortization	57.9	58.6	61.3	45.7	64.8	62.6	61.5	54.5	50.8				223.4	243.4	50.8
Gain on sale of non-current assets	(3.9)	(2.7)	(1.8)	(1.4)	(1.7)	(0.6)	(1.1)	(1.5)	(0.3)				(9.8)	(5.0)	(0.3)
Impairment loss and write off of non-current asset	1.1	2.3	2.3	3.4	1.0	2.3	1.9	2.5	1.3				9.0	7.8	1.3
Interest expense, net	10.8	11.5	13.8	12.7	12.7	12.7	14.1	12.3	12.8				48.8	51.8	12.8
Impairment loss on trade receivables	2.1	27.0	20.5	11.7	2.9	3.9	4.4	26.9	4.8				61.2	38.1	4.8
Impairment loss and write off of current asset	0.1	0.2	0.1	2.1	(0.0)	1.0	0.1	0.8	0.1				2.5	1.9	0.1
Income from investment operations	-	(0.1)	(17.7)	(0.1)	-	-	-	(0.1)	-				(17.8)	(0.1)	-
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)	(0.0)	0.0
Loss/(gain) from bargain purchase	-	-	(7.8)	(1.0)	-	-	-	-	-				(8.8)	-	-
Loss/(gain) from provisions	2.2	1.1	(1.3)	1.5	1.8	1.6	(0.7)	1.6	2.5				3.6	4.3	2.5
Changes in:															
- inventories	2.2	(3.8)	4.7	(4.5)	(8.6)	0.0	4.8	(3.4)	0.7				(1.4)	(7.2)	0.7
- trade and other receivables	(6.8)	(16.7)	(9.0)	(2.8)	9.4	(19.6)	(21.9)	(19.4)	41.1				(35.4)	(51.4)	41.1
- other current and non-current assets	(12.3)	1.8	2.8	3.3	(13.0)	2.6	2.7	4.5	(21.4)				(4.3)	(3.2)	(21.4)
- trade and other payables	(2.9)	(3.0)	1.7	(2.7)	(4.7)	(7.5)	2.0	3.8	(0.9)				(6.8)	(6.5)	(0.9)
- provisions and employee benefits	(2.5)	(1.5)	(1.3)	(0.5)	(0.9)	(1.3)	(1.1)	(0.3)	(1.9)				(5.7)	(3.7)	(1.9)
- deferred income/revenue	0.5	0.4	0.0	(0.0)	(0.3)	0.4	0.8	0.8	(0.2)				0.9	1.7	(0.2)
Cash generated from operations	63.8	60.0	91.0	70.2	66.1	56.1	73.4	61.8	99.1	-	-	-	285.0	257.4	99.1
Interest received	0.0	(0.0)	0.0	0.0	0.0	0.1	0.1	0.0	0.2				0.1	0.2	0.2
Interest paid	(0.3)	(26.1)	(0.2)	(26.3)	(0.2)	(26.1)	(1.9)	(26.1)	(0.2)				(52.8)	(54.3)	(0.2)
Income tax paid	(0.0)	(7.9)	(0.8)	(8.2)	(0.4)	(1.1)	(0.2)	(3.8)	(0.0)				(17.0)	(5.4)	(0.0)
Net cash from operating activities	63.5	26.0	90.1	35.7	65.6	29.0	71.5	31.9	99.1	-	-	-	215.3	197.8	99.1
Cash flows from investing activities:															
Proceeds from sales of property, plant and equipment	5.1	3.2	2.4	1.8	4.1	1.5	1.0	1.3	1.0				12.5	8.0	1.0
Acquisition of property, plant, equipment and intangible assets	(57.7)	(29.2)	(47.4)	(50.4)	(46.3)	(47.0)	(64.4)	(52.1)	(40.0)				(184.7)	(209.8)	(40.0)
Acquisition of investments	-	-	1.1	-	-	-	-	-	(58.7)				1.1	-	(58.7)
Cash deposits with maturity greater than three months	(0.2)	(0.2)	0.1	(0.2)	(0.0)	(0.0)	0.1	0.1	0.1				(0.6)	0.1	0.1
Dividends received	-	-	-	-	0.1	-	-	-	0.1				-	0.1	0.1
Sale of investments	-	-	-	-	-	-	-	-	-				-	-	-
Net cash (used in) investing activities	(52.8)	(26.2)	(43.7)	(48.9)	(42.2)	(45.5)	(63.4)	(50.6)	(97.5)	-	-	-	(171.6)	(201.7)	(97.5)
Cash flows from financing activities:															
Proceeds from new borrowings	9.8	9.8	9.8	9.8	-	-	-	-	-				39.1	-	-
Redemption of borrowings	(19.6)	(9.8)	(9.8)	(9.8)	(9.8)	-	-	-	-				(48.9)	(9.8)	-
Dividends paid	-	-	-	-	-	-	-	-	-				-	-	-
Payment of finance lease liabilities	(0.9)	(1.0)	(1.0)	(2.4)	(1.1)	(0.8)	(0.8)	(0.8)	(0.8)				(5.4)	(3.4)	(0.8)
Net cash used in financing activities	(10.7)	(1.0)	(1.0)	(2.4)	(10.9)	(0.8)	(0.8)	(0.8)	(0.8)	-	-	-	(15.2)	(13.2)	(0.8)
Net increase/(decrease) in cash	(0.0)	(1.2)	45.3	(15.6)	13	(17)	7	(20)	1	-	-	-	28.5	(17.1)	0.9
Effect of exchange rate fluctuations on cash held	0.1	(0.0)	(0.0)	0.9	(0.2)	0.0	(0.0)	0.0	(0.0)				0.9	(0.2)	(0.0)
Cash and cash equivalents at beginning of period	60.1	60.2	59.0	104.3	89.6	101.9	84.6	91.9	72.3	73.2	73.2	73.2	60.1	89.6	72.3
Cash and cash equivalents at end of period	60.2	59.0	104.3	89.6	101.9	84.6	91.9	72.3	73.2	73.2	73.2	73.2	89.6	72.3	73.2
<i>incl. NURTS</i>			1.7	3.8	1.8	3.3	3.5	5.3							
KPIs															
Change in net working capital	(21.7)	(22.7)	(1.1)	(7.2)	(18.2)	(25.4)	(12.7)	(14.0)	17.4	-	-	-	(52.7)	(70.3)	17.4
Other CF items	(29.1)	8.1	5.3	14.1	(5.8)	37.8	(20.8)	15.7	(52.6)	-	-	-	(1.7)	26.8	(52.6)
Pre-tax FCF	11.2	34.1	47.2	21.5	24.0	10.6	10.0	11.0	1.5	-	-	-	114.0	55.6	1.5

Capex

(BGN in millions)	For the three months ended				For the three months ended				For the three months ended				Year To Date		
	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	2015	2016	2017
Network	10.8	25.4	34.0	43.4	22.9	57.4	29.8	39.9	30.4				113.5	150.0	30.4
IT	2.5	3.0	1.4	5.1	1.0	1.9	1.9	9.0	1.7				12.1	13.7	1.7
Commercial and other	7.7	8.1	7.0	10.3	8.1	7.3	8.0	11.2	8.4				33.0	34.6	8.4
<i>incl. CPE</i>	3.9	3.6	2.6	3.9	3.7	2.8	3.0	3.7	3.2				14.0	13.2	3.2
Licenses	-	-	4.4	-	-	12.1	-	-					4.4	12.1	-
Total capital expenditure	21.0	36.4	46.7	58.7	32.1	78.7	39.6	60.0	40.5	-	-	-	162.9	210.4	40.5
<i>% of Revenue, excl. licenses</i>	10.4%	17.9%	20.2%	27.9%	15.8%	32.0%	18.5%	27.3%	19.5%	-	-	-	19.2%	23.5%	19.5%
NURTS			0.2	0.2	0.0	0.2	0.6	0.8	0.1				0.4	1.6	0.1
<i>% of Revenue</i>	-	-	1.8%	1.2%	0.4%	1.5%	5.6%	8.0%	0.9%	-	-	-	1.5%	3.7%	0.9%
Eliminations							(0.6)	0.1					-	(0.5)	-
Total Consolidated Capex	21.0	36.4	47.0	58.9	32.1	78.9	39.6	60.9	40.5	-	-	-	163.4	211.6	40.5
<i>% of Revenue consolidated, excl. licenses</i>	10.4%	17.9%	19.4%	26.4%	15.2%	30.6%	18.0%	27.1%	19.2%	-	-	-	18.7%	22.8%	19.2%

Net debt

(BGN in millions)	As at the month ended				As at the month ended				As at the month ended			
	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17
Syndicated loan	-	-	-	-	-	-	-	-	794.8			
Bonds	787.2	775.1	789.0	777.0	790.9	778.9	792.8	780.8	-			
Revolving credit	9.8	9.8	9.8	9.8	-	-	-	-	-			
Trade credits	9.6	8.6	7.6	6.6	5.9	5.1	4.3	3.5	2.6			
Financial lease	1.5	2.2	2.3	0.7	0.4	0.4	0.4	4.5	5.5			
Total borrowings	808.0	795.7	808.7	794.1	797.1	784.4	797.5	788.8	802.9	-	-	-
Total cash and cash equivalents	(60.2)	(59.0)	(104.3)	(89.6)	(101.9)	(84.6)	(91.9)	(72.3)	(73.2)	(73.2)	(73.2)	(73.2)
Net debt	747.8	736.7	704.4	704.6	695.3	699.8	705.7	716.5	729.7	(73.2)	(73.2)	(73.2)

KPIs

	For the three months ended				For the three months ended				For the three months ended				For the year ended		
	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	2015	2016	2017
Fixed voice															
Subscribers at period end (in thousands)	1 162	1 124	1 088	1 051	1 017	987	957	926	894				1 051	926	894
ARPU (BGN)	11.6	11.5	11.4	11.2	11.1	10.9	10.8	10.6	10.4				12.0	11.4	10.4
AMOU (minutes)	112	102	96	105	108	98	92	101	103				104	100	103
Fixed broadband															
Subscribers at period end (in thousands)	362	370	377	390	400	411	422	437	444				390	437	444
% FTTx at period end	38	40	42	44	46	48	49	51	52				44	51	52
ARPU (BGN)	10.8	10.8	10.6	10.4	10.2	10.1	10.1	9.8	9.5				10.7	10.1	9.5
FTTx homes passed (in thousands)	902	964	1 005	1 034	1 047	1 062	1 074	1 087	1 095				1 034	1 087	1 095
Fixed pay-TV															
Subscribers at period end (in thousands)	333	337	352	369	379	390	404	410	416				322	410	416
% IPTV at period end	34	35	36	38	39	40	41	42	43				38	42	43
ARPU (BGN)	12.2	12.6	12.7	12.8	12.9	12.6	12.5	12.6	13.0				12.6	12.7	13.0
Mobile															
Subscribers at period end (in thousands)	2 896	2 957	3 020	3 024	3 011	3 063	3 139	3 133	3 088				3 024	3 133	3 088
% post paid at period end	85	85	85	87	87	86	85	87	89				87	87	89
Blended ARPU (BGN)	11.1	11.4	11.5	11.3	11.1	11.2	11.4	11.0	10.8				11.4	11.2	10.8
Post-paid ARPU (BGN)	12.4	12.7	12.8	12.5	12.3	12.3	12.5	12.2	11.8				12.6	12.3	11.8
Pre-paid ARPU (BGN)	3.7	4.0	4.6	3.8	3.5	3.9	4.5	3.5	3.4				4.1	3.9	3.4
% Mobile data revenue*	26	26	27	28	31	31	32	33	34				27	32	34
AMOU (minutes)	146	156	159	164	169	179	184	192	200				156	181	200

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