

Orange Polska (TPSA)

new layout of revenues and KPIs

Warsaw,

April 17th, 2013



cautionary statement

- all figures in this presentation are based on IFRS as adopted by the European Union
- figures included in the new reporting layout are unaudited

our business evolves into an increasingly convergent model

increasing convergence

evolution in business assessment and management

offers

- **growing role of convergence** offers in Group's revenues
- services marketed under **one 'Orange' brand**
- one marketing and advertising function for all products

network


- **both PTK and TPSA use 1 core network** to connect their access networks and provide services
- fixed broadband services provided by mobile network based on CDMA

distribution & customer care

- **increasing cross-selling** between fixed and mobile
- **all sales channels offer fixed and mobile services**
- **one customer care** service for both mobile and fixed

management and support functions

- **integrated management, HR, finance, procurement, administration** between fixed and mobile

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- revenue analysis made by product lines
 - monitoring of the number of customers, ARPU, churn based on the product lines
 - focus on Group EBITDA and operating results
 - resource allocation done mainly on the Group level

convergence reflected in recently announced strategy including intended formal merger of TPSA and PTK

disclosure adjusted from 1Q 2013 to allow proper analysis of our performance

- financial statements focused on the results of the Group
- quarterly disclosure will not show financial results between the fixed and mobile segments (only 1 segment reported from 1Q 2013)
- improved split of revenue by product type (nature) for better analysis
- enhanced disclosure of the revenue drivers and KPIs,
 - number of Orange Open customers reported quarterly
 - ARPU reflects the improved revenues split
 - ARPU based on Group turnover (excl. inter-segment revenues), to better reflect revenue generated by a customer to the Group
 - SAC and SRC exclude inter-segment distribution costs
 - SRC reflects average retention cost of the total retentions in line with the common practice

improved revenues split

OLD FORMAT	NEW FORMAT		MAIN DIFFERENCES (PLN mn)					
	PLN mn							
mobile telephony services	6,847	MOBILE SERVICE						
voice traffic revenue	3,817	3,947	voice revenue	+130	①	previously in 'other mobile revenues'		
messaging services and content	1,632	1,677	data, messaging and content	+45	②	M2M revenue previously in 'sales of goods and other'		
interconnection revenue	1,215	1,223	mobile wholesale					
Other	142			-142	①			
		141	MOBILE EQUIPMENT	+141	③	previously in 'sales of goods and other'		
fixed line telephony services	6,593	FIXED SERVICES						
retail revenue	2,861	2,747	fixed narrowband	-114	④	PLN -36mn VoIP packages moved to 'fixed broadband, TV & VoIP'		
wholesale revenue	1,167	1,167	fixed carrier services		⑤	PLN -57mn intelligent networks moved to 'enterprise solutions & networks'		
Payphone revenue	4				⑥	PLN -22mn moved to 'other revenues'		
data services								
data transmission	633	1,093	enterprises solutions & networks	+209	⑦	+PLN 118mn ICT services from 'sales of goods and other'		
leased lines	251						⑤	+PLN 57mn
dial-up	1							
broadband, TV and VoIP revenue	1,539	1,586	fixed broadband, TV & VoIP	+47	④			
radio communications	8							
sales of goods and other	877	566	OTHER REVENUES	-311	②	③	⑥	⑦
TOTAL	14,147	14,147	TOTAL					

changed revenue drivers / KPIs

		2012 OLD KPIs				2012 NEW KPIs				
ARPU	PLN/month	1Q	2Q	3Q	4Q	PLN/month	1Q	2Q	3Q	4Q
	fixed voice	46.8	46.6	46.0	45.8	fixed voice	46.5	46.2	45.5	45.6
	broadband	53.3	54.5	54.9	56.1	broadband	54.5	55.9	56.5	57.8
	mobile	38.3	40.0	38.0	36.8	mobile	39.1	40.9	38.8	37.9
post-paid SAC/SRC	PLN/month	1Q	2Q	3Q	4Q	PLN/month	1Q	2Q	3Q	4Q
	SAC	627.2	544.0	563.4	655.0	SAC	576.7	499.8	506.6	583.8
	SRC	628.8	651.2	599.9	622.0	SRC	438.9	427.1	361.1	388.9

definitions

- **Monthly Mobile ARPU:** ARPU are calculated by dividing the Group revenues from mobile customers (outgoing and incoming) voice and non voice services, including one-time connection and termination fee, visitors roaming, excluding “machine to machine”, by the average number of customers, excluding “machine to machine”.
- **Monthly Broadband ARPU** (xDSL, FTTH, TV, and VoIP): ARPU of broadband services are calculated by dividing the monthly revenues from customers’ broadband services by the average number of accesses.
- **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.



- the changed KPIs and revenue split in both new and old format is available in an Excel file on www.orange-ir.pl
- Orange Polska's Investor Relations will be available to answer any questions with regard to this topic on April 17th, 2013 at 4.00 pm CET at the following telephone number: +48 22 588 88 88, PIN 629650.