



PRESS RELEASE

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Telekom Romania reports performance indicators for Q4 2018

Telekom Romania group announces key performance indicators in the fourth quarter of 2018, ended December 31, 2018, as reported today by OTE Group.

Total revenues from Romania were down 9.0% yoy to EUR 242.2 mil. in Q4'18. Revenues from Retail Fixed services were down 15.7%, or 14.0% excluding the IFRS 15 impact. The main contributor to this drop was fixed voice revenues where a combination of lower fixed telephony subscriber base paired with voice ARPU deterioration led to a negative performance.

Total revenues from FMC services increased by 9.1% as the number of FMC subscribers rose 44% year-on-year, to 726,000 customers.

The Internet TV (IPTV) segment continued the upward trend, with customers up by 13% compared to the same quarter last year. In the same time, there was a 28% increase in customers using premium TV content/sports packages yoy, which shows a favorable response of the customers to Telekom's improved TV options.

At the end of Q4 2018 Telekom Romania reported 1.14 million broadband subscribers (including FMC), down by 3.1% compared to the same quarter last year. Voice users (including FMC) reached 2.14 million at the end of the fourth quarter of this year, up by 2.1% as compared to Q4 2017.

Higher revenues from Wholesale Services primarily reflect the increase in international transit traffic business.

Telekom Romania Mobile's customer base totaled 4.6mn at the end of Q4'18, down 2.5% from the year-earlier level, due to the deactivation of inactive customers. Of the total customer base, 34% were postpaid. In postpaid, business customers number increased by 9%.

Combined adjusted EBITDA in Romania decreased by 39.5% to EUR 24.7 mil. in Q4'18, affected by one-off receivable provisions.

The Group's Romanian operations took decisive steps in the fourth quarter to return to healthy financial and operating conditions. Management believes that following the significant one-off Bad Debt provisions charged, in mobile operations, during the year to account for billing issues following a change in systems, together with cost restructuring and CAPEX initiatives underway, it is well positioned to stabilize its operations going forward.

For more information about Telekom Romania, please visit www.telekom.ro

TELEKOM ROMANIA

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