

SUSTAINABILITY REPORT 2015

VIVACOM 2015 SUSTAINABILITY REPORT

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“A successful business is more than a goal in itself – it is a guarantee for the sustainable development of society”

Atanas Dobrev
Chief Executive Officer, BTC EAD



Higher quality reliable internet contributes to better access to information and more citizen participation.

Eva Paunova
Member of the European Parliament

Dear reader,

It is my pleasure to present to you the second Sustainability Report of BTC EAD. This report outlines the activities of the company in 2015. The most important trend in consumer behavior was the growth of the mobile internet and the slowdown in voice services. The use of mobile internet is no longer a luxury. In 2015 the availability of smartphones and the decline in the price per MB converted mobile internet into a mass market proposition. This trend set a new tone for the telecom market and is driving a transformation in revenue structure as well as leading to a number of significant changes within the industry.

In order to transform ourselves from voice driven into a data driven company and keeping in mind our vision for sustainable development we decided to change our radio network. We chose a solution and a supplier in a way that we can guarantee reliable and efficient infrastructure not only for the introduction of 4G in 2016, but also for subsequent innovations.

Our visionary approach allowed us to become the first telecom operator in Bulgaria to receive a third frequency in the range of UMTS 2100MHz. Despite historically being the country's third mobile operator, we are leading the development of this market and proactively increased our mobile data capacity in order to meet the growing needs of users for reliable and high-speed data connections.

Changing consumer behavior in 2015 will affect the entire telecom business model. Telecom operators need to become better at offering high value added services for customer segments that are less price-sensitive. We aim to provide premium customer service and therefore are developing and will continue to develop unique services and content to our private and business customers.

We aim to facilitate communication both at an individual and societal level. We provide the opportunity for individuals to choose plans

corresponding to their needs through smart solutions for the urban environment, health, education and other key areas.

Despite changes in our operating environment, as well as the consolidation of the market in the past year, we continued to be driven by our company values – effective, inspired, innovative, honest, dynamic and responsible. We build our business sustainably relying on organic growth. It is through this model that we have managed to win every single customer who has chosen to rely on the VIVACOM brand.

Our employees are the foundation of VIVACOM's success. It is in large part due to their professionalism and commitment that VIVACOM has achieved a leading position in the Bulgarian telecom sector.

Beyond economic and market indicators, our people managed to establish VIVACOM as a leader in another area – that of dedication and human nobility. Of those involved in the company, 42% contributed to our monthly internal charity initiative VIVA Help – a scheme for collecting funds for employees with health problems. Similar initiatives and the way they unite people around a worthy cause remind us that successful business is more than a goal in itself – it is also a guarantee for the sustainable development of society.

In the coming year, we will continue to develop our business and establish the foundations for revolutionary improvements in customer service. We are confident in our success and I want to thank everyone whose efforts have contributed to this success and to all partners that are working with us.

Atanas Dobrev
Chief Executive Officer,
BTC EAD

1. What is your concept of sustainable development?

Sustainable jobs and growth are generated by proactive initiatives underlined by innovative thinking and successful entrepreneurship. We are faced with strong global competition and multiple challenges that call into question the effectiveness of the existing economic model. To ensure future development and flexibility to change, we must change the instruments and policies we have in place currently.

2. The telecom industry is amongst the fastest developing sectors globally, recognized for its contributors to economic development, modernization and social welfare. What is the role of public institutions in ensuring a sustainable environment for the development of the telecom industry?

The European Commission (EC) and national governments have an enormous responsibility for creating framework conditions that enable Europe to restore and develop its competitiveness. Part of such new legislation is “Directive 2014/61/EC on measures to reduce the cost of deploying high-speed electronic communications networks.” It aims to reduce the funds needed and to optimize processes related to the development of high-speed internet and ensure better conditions for the utilization of existing infrastructure, as well as for the building of new infrastructure. I hope that all responsible institutions in Bulgaria realize the importance of the Directive and transpose it adequately into Bulgarian legislation. In recent years the European Commission has been working to ensure consumer choice in addition to more accessible user prices particularly for roaming usage, as well as higher standards of

service. We also have a more effective regulatory framework for electronic communications that promote competition and protect consumer rights. The EC also supports the development of wireless technologies such as 3G and LTE through its special policy on the radio frequency spectrum. We are also starting to introduce a new regulatory framework, which, I trust, will be even more effective.

In order to have a competitive global economy we need an innovative, consumer-oriented and unified digital market based on skills and knowledge.

3. What are the main impacts of VIVACOM's business, in your view? How can a telecom company contribute to economic development in the short and long term?

VIVACOM can contribute mostly through the development of new technologies and making them accessible to a larger number of users. Easier access to broadband internet, for example, amounts to better terms for e-trade, helps access to information, citizen participation and e-governance. More usage of internet could help correct factors that traditional policy cannot affect. For example, internet access in remote locations enables long-distance, web-based work, medical consultations and other services that contribute to better quality of life.

It is important to secure a better environment for small and medium business development. Wider access to faster, high-quality internet creates opportunities for more startups to scale up their growth, taking advantage of wider e-traffic without the need for presence in the big city. Faster and more reliable internet service means higher rates of internet usage, more access to data and more citizen engagement and participation.

About the Report

In front of you is the second edition of the Sustainability Report of Bulgarian Telecommunications Company EAD ("VIVACOM", "The Company"). After launching the first such report in 2015, a testament to the transparency of our business and our long-term commitment to both business and society, we now aim to affirm the results we have achieved. We received a lot of positive feedback from both internal and external stakeholders, listed in this report, as well as from important partners, with whom we continue to forge lasting relationships. Their high level of appreciation for our work continues to motivate us to pursue the path of openness in both our communication style and actions. The current Sustainability Report covers all company activities and provides objective data about the progress and achievements of VIVACOM for 2015 on individual and consolidated bases. The quantitative data reflects the performance period between January 1, 2015 and December 31, 2015, unless stated otherwise (G4-17). We both report on goals set in the previous such report and define goals and priorities for 2016. Our goals and priorities will be updated annually in order

for the company to constantly improve towards sustainability.

We acknowledge that the acquisition halfway through 2015 of NURTS Bulgaria EAD and its subsidiary NURTS Digital EAD ("The NURTS Group" or "NURTS") has had a significant impact on our business. Data regarding NURTS' business activities is presented in a separate section of this report (G4-17).

This Report has been prepared in accordance with the "Core" option of the Global Reporting Initiative guidelines – G4, reflecting VIVACOM's performance with regard to economic, social and environmental impacts, as well as business governance. All reported data has been duly reviewed, analyzed and consolidated, and fully corresponds with our official reports.

The second VIVACOM Sustainability Report was prepared in partnership with densktatt – a Bulgarian consultancy specialized in the subject matter – and has successfully passed the Materiality Disclosure Service of GRI. It has not been subject to third-party verification.

For more information on this Report, please contact:

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OUR COMPANY

EFFECTIVE
INSPIRING
INNOVATIVE
HONEST
DYNAMIC
RESPONSIBLE

The company has already been functioning for more than 136 years. Today, VIVACOM is the operator that offers the widest range of telecommunication solutions on the Bulgarian market.

2.1. Who we are

The Bulgarian Telecommunications Company has every good reason to see itself as a historical telecom, with more than one hundred and thirty years of business history in the country. Created at the dawn of the mass communication era – in the days of postal services, telegraph and telephone – today our company offers cutting-edge technology for communication solutions that help people stay connected. The company operates under the VIVACOM brand, which has become synonymous with high quality and trustworthy telecom service in both mobile and fixed-line provision, in high-speed mobile internet, and high quality digital television services to both residential and business customers.

We possess a rich portfolio of mobile devices in all price ranges, as well as a variety of family package options. In recent years, we introduced the trend of packaging different telecom products and their marketing with a single provider, which helps our customer save both time and money. It is these solutions that make us the operator of choice for Bulgarian households. In 2015, VIVACOM expanded its business by acquiring 100% of NURTS Bulgaria EAD, a sole proprietor of NURTS Digital EAD. The NURTS Group is the country's leading provider of digital TV and radio content, satellite broadcasting and colocation services.

BTC EAD Head Office address: 115 I, Tsarigradsko chaussee blvd, 1874 Sofia.

240 shops

53 alternative points of service

5,919 employees

4.8 million telecom services

BGN **822.6** million of revenue from telecom services*

Market: **Bulgaria**

*VIVACOM revenues on individual basis

- 1879 ✓ The Pleven Post, Telegraph, Telephone and Radio Station is founded
- 1981 ✓ The state company Bulgarian Post and Telegraph Services is formed
- 1992 ✓ The state company is renamed Bulgarian Telecommunications Company (BTC)
- 2002 ✓ BTC begins marketing fixed internet services (ADSL)
- 2004 ✓ BTC is privatized
- 2005 ✓ BTC obtains license for a third GSM operator and starts offering mobile services under the Vivatel brand
- 2007 ✓ The first internet business plan is developed
- 2008 ✓ The first business plan including mobile voice and internet services is launched
- 2009 ✓ Vivatel and BTC merge and market all telecom services under the VIVACOM brand.
- 2010 ✓
 - Satellite TV services
 - The first packaged service options on the Bulgarian market
- 2011 ✓ VIVACOM began its FTTx roll out
- 2012 ✓ IPTV, or interactive TV – a completely novel service is launched, allowing the customer to rewind, pause and archive content, as well as introducing other services that benefit customers
- 2015 ✓
 - Market launch of an innovative content view service for a variety of platforms, including smartphone and tablet – TV GO
 - VIVACOM starts the upgrade of its network for the next generation of mobile internet services - 4G
 - In July, BTC EAD acquires sole ownership of NURTS Group

2.2. Our organizational structure

The Bulgarian Telecommunications Company is a Sole Owner Joint Stock Company governed by two management bodies – a Supervisory Board (SB) and a Managing Board (MB) with various functions and levels of control over the business.

The Supervisory Board represents stock owners vis-à-vis the Managing Board. The Members of the Supervisory Board are selected by the sole proprietor of the stock for a five-year term and can be re-elected. The Supervisory Board can approve business transactions reported by the Managing Board as per the statutes of the organization and the existing legislation.

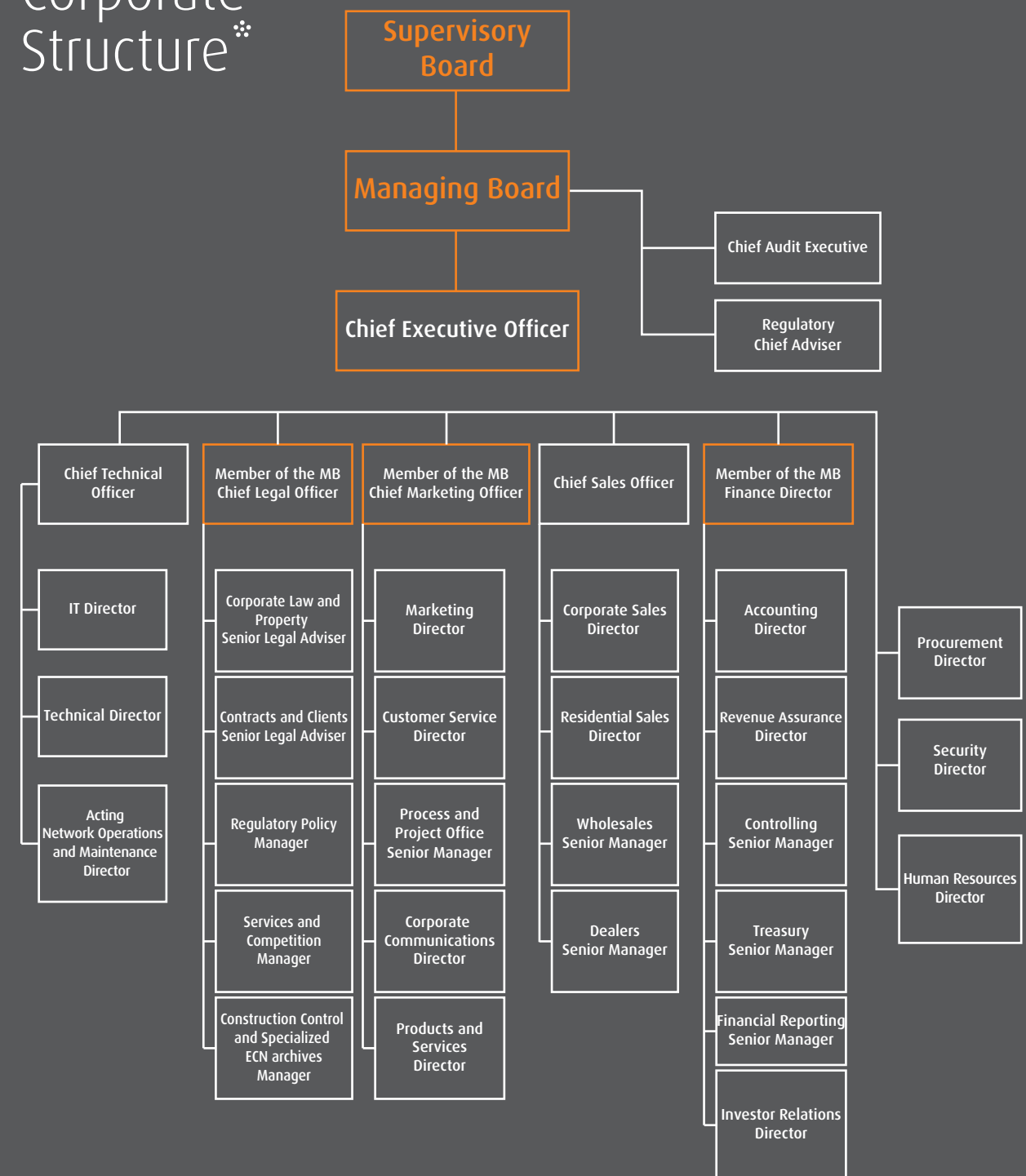
The Managing Board manages the business of the company. Its members are elected by the Supervisory Board for five-year terms and can be re-elected. The Managing Board is responsible for appointing a Chief accountant and Finance Director, selects the type of accounting to be kept, approves staff support programs, prepares and presents to the Supervisory Board an annual finance report, as well as proposing a profit sharing scheme, taking decisions on the management of assets of strategic importance to the company, etc. Following a Supervisory Board approval, the Managing Board takes approval decisions on strategic and operating plans, the budget and business plans of the company. The Managing Board reports to the Supervisory Board and to the sole proprietor.

Ownership chart



| G4 - 17 |

VIVACOM Corporate Structure



2.3. NURTS

The NURTS Group is the leading provider of radio and television broadcasting and signal transmission services in Bulgaria. The NURTS Group owns and operates a network of nearly 700 radio and television stations throughout the country. NURTS has invested and successfully completed technical digitalization of terrestrial radio and television broadcasts complying with requirements for broadcasting digital terrestrial signal.

With more than 50 years of experience in telecommunications, NURTS became a separate division within the structure of VIVACOM in 1992. Following changes in the operational structure in the period 2010–2011, VIVACOM sold the specialized unit of NURTS. In July 2015, after regulatory approval, VIVACOM reacquired sole control of The NURTS Group. For the period from the date of acquisition to the end of 2015, the NURTS Group generated total revenue of BGN 28 million, without taking into account the effect of

intra-group eliminations (BGN 24 million net).

The main activities of NURTS include the construction, operation and maintenance of public electronic communication networks, facilities for information systems and the provision of electronic communication services. The main areas of activity include:

DVB-T broadcast

NURTS provides broadcasting of television programs with 96.2% population coverage. Key customers include First Digital (BNT), bTV, Nova TV and Bulgaria on Air.

Colocation

NURTS provides deployment of customer equipment to nearly 600 strategically located company sites across the country. Key customers include VIVACOM, Mobiltel, Telenor, state structures, cable and internet operators and others.

Radio broadcasting

NURTS provides radio broadcasting with national coverage from nearly 100 sites across the country. Key customers include Bulgarian National Radio, Darik radio, Communicorp, Focus, BSS and others.

Satellite services

NURTS provides satellite transmission and broadcasting of radio and TV channels via satellites from 40° west up to 90° east. Key partners of NURTS are Intelsat and Eutelsat. Key customers include Fox International Channels, VIVACOM, bTV, Bulgarian National Radio, Mobiltel and others.

Microwave transmission

NURTS provides signal transmission with national coverage of radio and television programs through a modern digital IP network. The network is mainly used for the transmission of DVB-T programs, programs of the Bulgarian National Radio and the transmission of private television and radio operators.

NURTS' activities are associated with significant environmental and social aspects. Among these are the environmental impacts of energy and resources use, generation of waste and emissions, as well as employee engagement and training, job creation and more. The scope and relevance of these activities within the system of VIVACOM and their importance for stakeholders will be analyzed and reflected in the next reporting period (G4-17). This report provides the basis by presenting some quantitative data on key topics relevant to the operations of NURTS. Financial data for the NURTS Group, consolidated with financial indicators of VIVACOM, is presented at the end of the report table "Key performance indicators."

Goal 2016: Integrate NURTS' business processes into VIVACOM's systems



2.4. Mission, vision and values

Mission

Our mission is to provide high-quality telecom services to our customers and the best customer service on the market. Our focus is the customer!

Vision

Our vision is to be the preferred telecom service provider in Bulgaria. We achieve excellent results today and make the right decisions for the future.

Values

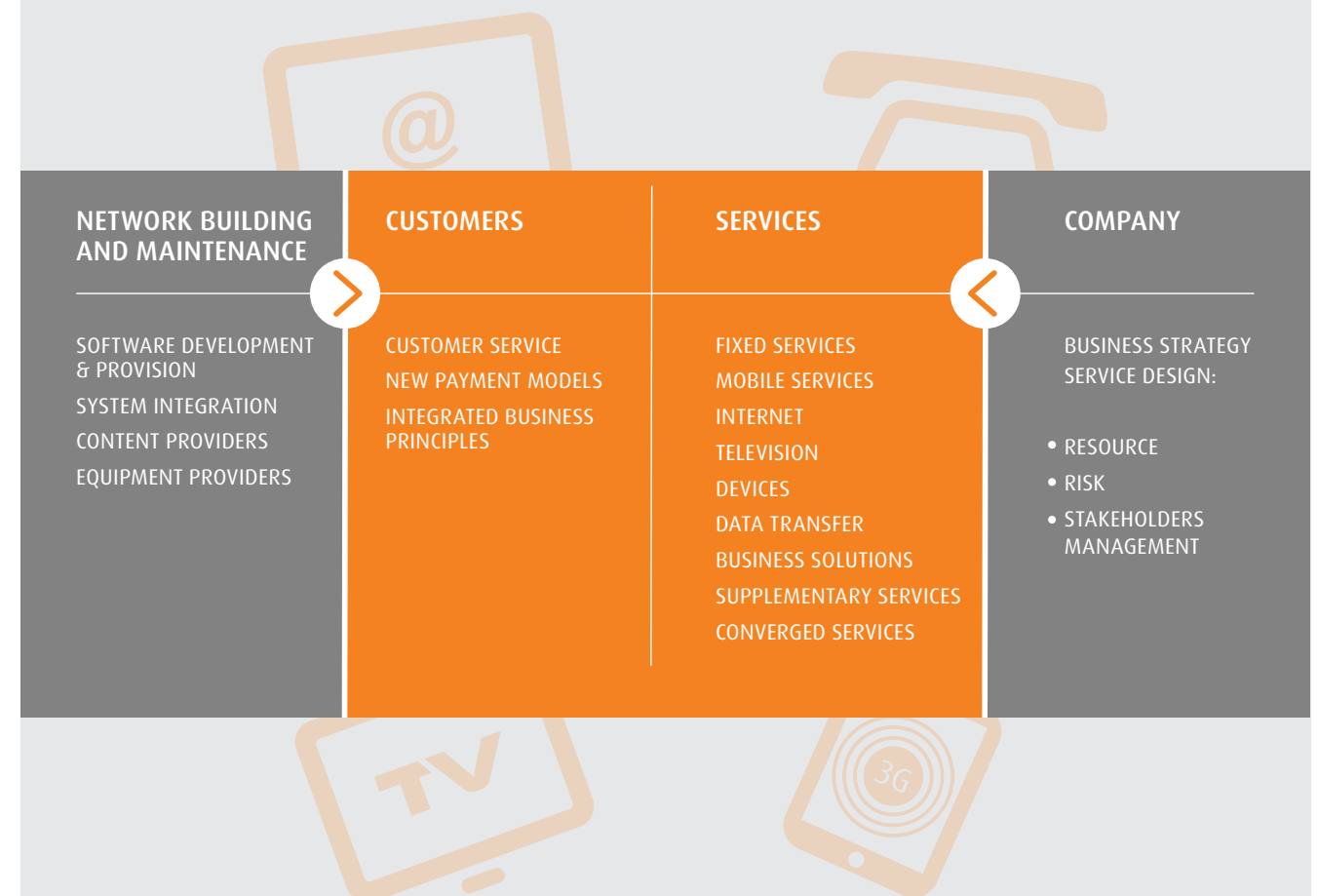
In VIVACOM we firmly believe that the company's values are not just "wishful thinking" concepts that every company should have. On the one hand, they express the strategic vision of the management for the future development of the company. On the other hand, these values are associated with the daily commitment of every employee to their work and their relationships with partners, colleagues and customers. They are the essence of the company and this is why, going forward in the report, we have chosen to present VIVACOM through the perspective of these values.

In following pages you will find out:

- why we believe the good network infrastructure and coverage coupled with the rich portfolio of products and services help us to effectively gain new customers;
- how employees are inspired every day by and for their work;
- which our most innovative projects are;
- how we communicate openly and honestly with all company stakeholders;
- how dynamic the telecom market is and how we respond to its demands;
- what it means to be a responsible corporate citizen.

EFFECTIVE Effective
INSPIRING Inspiring
INNOVATIVE Innovative
HONEST Honest
DYNAMIC Dynamic
RESPONSIBLE Responsible

VALUE CREATION CHAIN



2.5. Materiality issues and our business

Sustainability plays an important role in the strategic management of VIVACOM's development and prosperity in the long run.

We continue to see rapid technological transformations and innovative business solutions that support the telecom industry in its constant progress. This change is enabled by the constant interaction with our customers, whose requirements and interests are ever growing, suppliers who give us insights into the newest product developments and partners with whom we engage in meaningful business activities. Our business success depends on being able to adapt and respond quickly enough in order to not only to exceed the expectations of our customers, but also to support them in understanding their needs. Stakeholders are increasingly demanding more transparency, development that stays true to core principles and values, more information on the business practices of the company and its cooperation with suppliers, the reporting of non-financial indicators and the upholding of public commitments.

Our understanding of sustainable development is that VIVACOM needs to add value for all of our stakeholders. We are continuously seeking the best solutions for the optimization of our business processes – providing customers with flexible and personalized services, reducing our resource use, fostering an environment of professional development and teamwork and supporting communities in tackling challenging issues.

Defining materiality topics and stakeholder engagement

Materiality assessment aims to understand our company's most relevant issues and align them accordingly with our business strategy, our priorities and our key performance indicators.

(G4-18) In creating this report, we are guided by G4 principles for materiality, stakeholder inclusiveness, completeness and context, as well as G4-suggested materiality topics for the

telecom industry. This approach allows us to be focused and prioritize those topics that are of most importance for both us and our stakeholders.

(G4-18, G4-25, G4-26) In 2015, we performed our second materiality assessment using a simplified methodology. We did so due to the fact that there were no significant changes in the business and social environment in which we operate during the reporting period. As part of the reporting process, a workshop with company representatives from different departments was held, as well as a series of interviews with company directors. Each issue was carefully defined and weighed with regard to its relevance to our value chain, as well as the expectations of our key stakeholders. As a result of this process, we established that the topics of energy consumption and carbon emissions, employee engagement and satisfaction, as well as cooperation with other operators, have become more important to our company in contrast to solely achieving profitability and efficiency. We used the findings of this assessment to update our materiality and stakeholder matrix, which sets a basis for recalibrating our business strategy according to key material issues development. For validating the assessment, key external stakeholders were consulted, based on the initial materiality issues identified. As a final step, material aspects were reviewed and approved by company management.

(G4-17, G4-23) Regarding company activities, we found that there have been some major differences associated with the acquisition of NURTS, described in the corresponding section of this report. As NURTS was acquired in the middle of 2015, it was decided that the inclusion of its activities and associated materiality issues would be postponed until our next report.

Each material aspect is presented in an updated matrix and a table according to G4 principles, including management approaches boundary as well as qualitative information on each aspect.

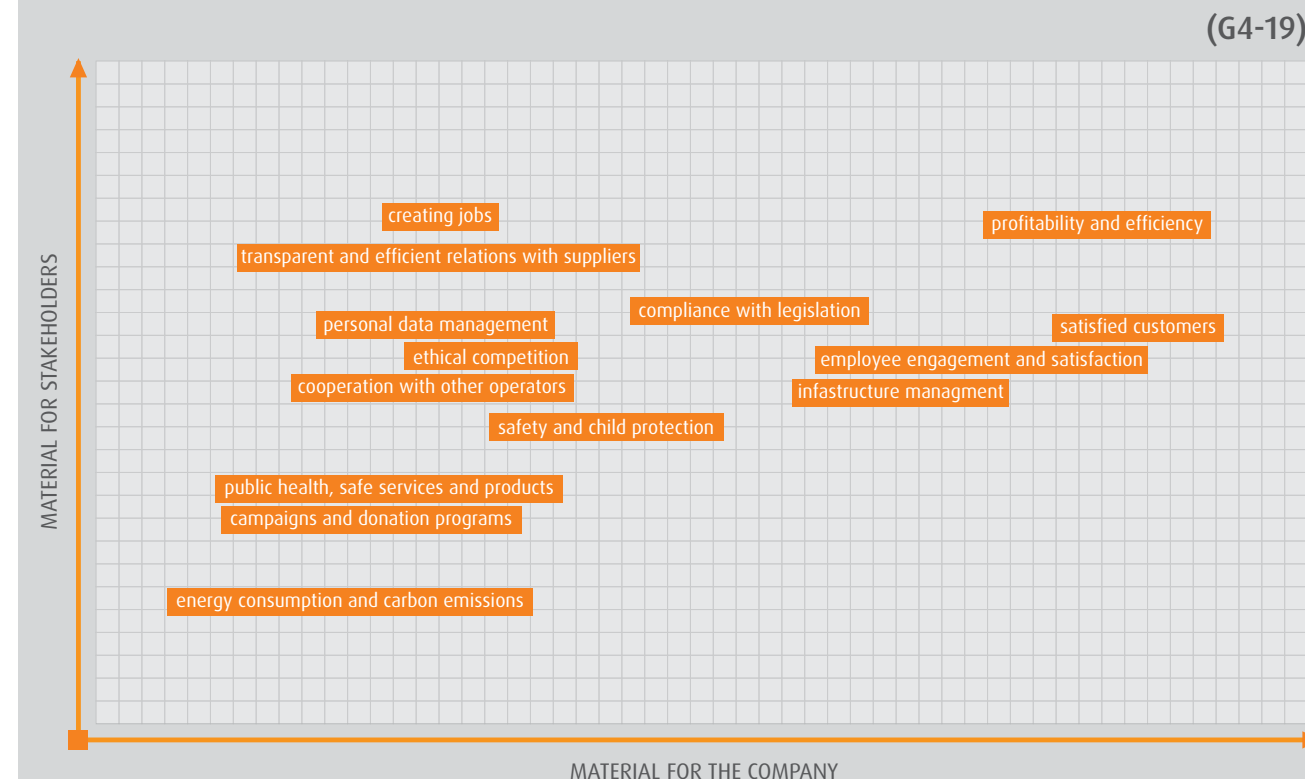


Figure 1 VIVACOM Materiality matrix



Table 1. Material aspects, boundaries and management approach **G4-19, G4-20, G4-21**

Material aspect and boundary (B)	Management approach
Employee engagement and satisfaction Equal opportunities for all employees, retention and development of the employees, health and safety at work B: internal	We provide a safe working environment, surpassing legal requirements and in compliance with international standards for health and safety. We ensure the career development of our employees through various programs. We provide opportunities to share, save and build knowledge in our teams by organizing specialized training. We regularly evaluate the performance of our employees to encourage their development with adequate rewards. We support not only our team but also the families of our employees.
Safety and child protection Management of the products offered to families, in terms of the potential risks these products may entail for children B: external	We invest in understanding parent concerns about product risks to children. We offer specialized products and services for children and parents.
Satisfied customers Access to telecom services and products; reliable and quality services; new products and services (e.g. M2M) B: external	We ensure transparency and adequate information when offering our services. We maintain regular communication with our customers. We offer the latest products and services (e.g. IPTV, converged services). We maintain and manage innovative systems for network and data management. We facilitate communication with customers by providing direct contact with our technical department for key customers.
Profitability and efficiency Financial stability and efficiency of business processes B: internal	We follow an ongoing successful market challenger strategy. We offer services and operate a business model that differentiate us from the competition (e.g. integrated IT systems).
Energy consumption and carbon emissions Carbon emissions from energy consumption and refrigerants, energy efficiency B: internal and external	Introduced and certified system for environmental management. Introducing energy-saving technologies in our network. We offer products and services that lead to energy savings for our customers.
Ethical competition Anti-corruption, combat gray economy practices, ethical business B: internal and external	We have a Code of Ethics in place. We participate in professional associations.
Public health, safe services and products Electromagnetic emissions, safety certified products B: external	We optimize the management of the impact of our activities and inform society about the effects of EMR. We adhere to European legal requirements for product safety (CE).

Table 1. Material aspects, boundaries and management approach **G4-19, G4-20, G4-21**

Material aspect and boundary (B)	Management approach
Infrastructure management Loss of infrastructure B: internal	We have undertaken the replacement of the old (copper-based network) with a fiber optic one. We implement modern Single Radio Access Network (SRAN). We upgrade our core and transmission infrastructure.
Campaigns and donation programs Sponsorship of campaigns, donations B: external	We have identified key areas of impact of our business such as education and culture and we contribute to them via a special VIVACOM fund. We participate in social initiatives aimed at helping people affected by natural disasters. Our employees support volunteering for various social causes.
Transparent and efficient relations with suppliers Criteria for supplier selection, tender procedures B: external	We have put in place and follow a supply/procurement policy code.
Job creation Providing job opportunities, especially for young people B: internal and external	Through the expansion of our business and the provision of services in remote areas, we work with more suppliers and provide employment in areas where it is difficult to find a job.
Compliance with legislation B: internal and external	We keep ourselves informed about recent legislative changes. We regularly pass audits and inspections by third parties.
Cooperation with other operators Sharing Network B: internal and external	Regular meetings with operators. Memberships in organizations representing the interests of the industry.
Personal data management Storage and loss of personal data B: external	We protect customer data following clear rules and the legislation. Implemented and certified information management system.

In order to improve our business performance, we strive to push the boundaries of our responsibility and include in our business management and decision making the clearly defined needs and interests of our key stakeholders.

Table 2. Stakeholder engagement

Stakeholders group G4-24	Engagement approach & frequency G4-26	Material topics G4-27	Actions taken and planned G4-27
Corporate and private customers	Net Promoter Score; daily contact while shopping/servicing; contact phone and e-mail for customers; VIVACOM website Monthly and quarterly surveys; daily contact with customers	Reliable and quality services; new products and services; access to products and services for everyone; child safety; personal data management; efficiency of the business processes	Daily efforts in improving the customer service in our shops and customer service departments; training for employees; business process optimization, implementing a knowledge management system
Employees	Daily dialogue; various training sessions and seminars; performance evaluation and development of employees; bonus schemes; code of ethics; maintaining corporate culture and positive atmosphere of the working environment Annual performance evaluation; monthly / quarterly evaluations	Terms of payment and working conditions; professional development opportunities; health and safety; internal information on the development of the company and its processes; retention	Sustainability report to engage with employees; new acquisitions; improving bonus systems in regards to business needs
Suppliers and business partners	Daily dialogue; auctions; trade negotiations; regular meetings	Terms of participation in tender procedures; quality of supplies (products and services); improvement of business processes; optimization of decision-making; transparency and effectiveness of the relations with suppliers; compliance with legislation; corporate responsibility	Increasing the number of electronic auctions; optimal use of savings opportunities; cost optimization of the vehicle fleet; supply policy; sustainability report in order to increase transparency
Shareholders	Annual financial report; financial statements every quarter	Profitability and efficiency; ethical competition; resource efficiency; campaigns and donation programs; compliance with legislation	Sustainability report in order to present the business activities in their completeness
Media	Press releases; workshops with media; participation in forums, VIVACOM website	Access to products and services for everyone; customer service; responsible marketing; corporate responsibility; safe internet and mobile content; ethical competition; strategic information about future directions of development and plans for social presence	Sustainability report in order to present the business activities in their completeness
Investors	Annual financial report; financial statements every quarter, daily dialogue, press releases, conferences participation	Profitability and efficiency; long-term development vision; corporate governance; innovation and quality of products and services	Sustainability report in order to present the business activities in their completeness

EFFECTIVE

VIVACOM Values

Our success is the success of our customers. We provide practical and affordable solutions and achieve the best results.

3. Effective

- **99.92%** coverage of our 3G network
- Portfolio of **147** smart devices
- **54** different products and services promotions
- Fiber optic infrastructure to nearly **1,034,000** households in 20 cities
- The only telecom with an increasing share in mobile service revenues – **27%** at the end of 2015
- VIVACOM is the number one telecom operator in terms of total revenue for the last three years – **BGN 848 million** for 2015



3.1. Coverage and network

VIVACOM is a leader in the provision of modern telecom services that meet the highest professional standards. VIVACOM is fully integrated telecom operator that provides converged solutions via copper, optical, satellite infrastructure, mobile network and terrestrial nationwide. The company maintains its own Network Operations Center in Bulgaria, as well as the country's largest Real-Time Data Storage and Disaster Recovery Center. We have own satellite station, which enables content delivery in remote points of the Earth.

In response to our customers' expectations for increased network capacity and stability, we continuously invest in our network infrastructure. We help people connect regardless of time and location, through our fixed and mobile networks – fixed landlines and high availability solutions, second (2G) and third (3G) generation mobile technologies.

2015 was marked with significant investments in architecture and network modernization which resulted in better connectivity and coverage. 2015 was also marked by challenges in providing reliable service. We faced some connectivity problems as a result of extreme weather events. For these reasons, we opted to improve the stability of our network by:

- Organizing service equipment (e.g. router, data centers) in geographical locations to maintain the information flow required to run a stable network and provide continuous service
- Deploying network backup solutions (e.g. diesel generators, parallel equipment)
- Expanding our fiber optic network by including 5 additional cities and reaching 1,034,000 households
- Modernizing our cooling systems at main locations
- Acquiring and activating new UMTS frequencies
- Optimizing our business process framework (eTOM), specifically for documentation flow
- Reducing the travel time of technical network support teams

Our 2G mobile network covers 99.99% and our 3G mobile network covers 99.92% of Bulgaria's population, 71.56% of it with a speed of up to 42 Mbps.

Goals 2015:

- Network improvements – increasing the population coverage with 42 Mbps functionality to 69.5% – **achieved**
- Reduction of travel time of the technical network support teams – **achieved**

Goals 2016:

- Launching our 4G LTE network
- Deployment of fixed and mobile network backup solutions
- Increasing availability time for high priority base station sites
- Upgrading IPTV service and channels capacity
- Integration of NURTS in the company network

3.2. Products and services

If until recently customers across the board rated access to more diverse telecom services as most important, today they value the opportunity to pick and choose features and personalize plan options. VIVACOM supports a diverse price range in its portfolio, starting from basic landline plans through mobile voice and data, fixed internet and TV. To maximize customer benefit, we offer the option of crossovers between our basic packages, which always ensures a more favorable end price. In addition, our 2015 strategy focuses on offering add-on options to primary plans or the so-called "bolt-ons." These are the best way for users to supplement the subscription plans with what would be most useful for them for a particular month. This option also includes convenient month-by-month payment for all our services –

mobile data and voice minutes, additional roaming time and data, international calling, landlines, special TV channels – sports, film, etc. Finally, these supplementations are also available as part of users' full-term plans. At the heart of these new options is our mission to offer new content for customers and to add value to existing services .

In 2015 VIVACOM upgraded two of its most popular business lines – mobile phone and mobile internet services. In September, we launched the products "SMART Plans" for private customers and "i-Traffic" for both private and business customers. In October, we released our much anticipated new business line "SmartPRO". These enable users to pay the best price per minute for volumes actually needed and used per month.

IN 2015 VIVACOM LAUNCHED



54 different products and services promotions



11 brand new services



89 smartphone models, 68 of which brand new



58 tablet models, 16 of which brand new



26 pricing plans for private and business customers



17 different bundle options for private customers and 7 bundle options for business customers



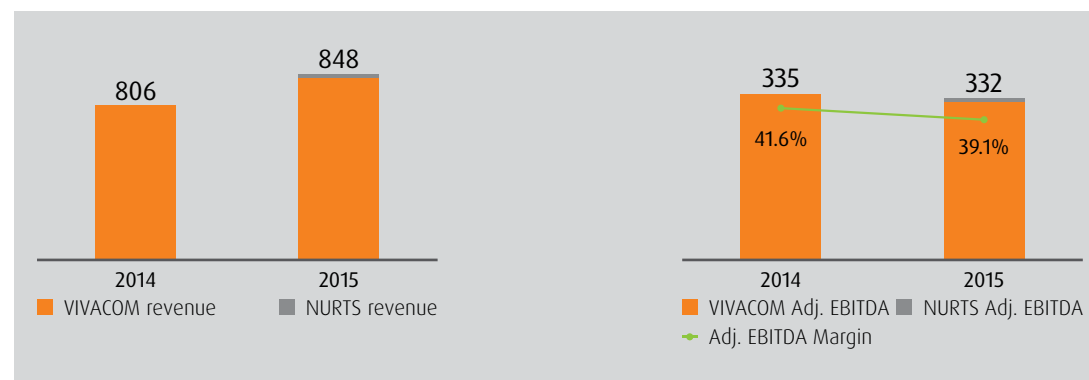
5 different internet tariff options depending on the type of connectivity for both private and business customers



3 types of basic TV packages for private and business customers with an option to add additional channels

3.3. Financial results

Financial performance indicators



We are the leading telecommunications operator in Bulgaria, based on total revenue, for a third consecutive year. We are a fully integrated operator that provides mobile and fixed telephony, fixed broadband and pay-TV services nationwide to both residential and business customers. For the year ending December 31, 2015, we generated total revenue of BGN 848 million and had an adjusted EBITDA of BGN 332 million.

In 2015, total revenue grew by 5.2% (compared to a growth of 0.7% in 2014), while adjusted EBITDA continued to maintain high levels with a margin at 39.1%. The increase in our total revenues was primarily attributable to the growth of our mobile, fixed broadband and pay-TV subscriber base as well as due to the growth in mobile data usage.

The acquisition of NURTS business, which has been fully consolidated as of July 1, 2015, has contributed to the overall revenues and adjusted EBITDA with BGN 24 million¹ and BGN 8 million¹ respectively. At a comparable basis, excluding NURTS net effect, total revenue growth would have been 2.3%, while adjusted EBITDA would have decreased by 3.4% compared to last year's numbers.

We believe that our well-diversified and resilient business model, which offers mobile voice and data transmission, fixed telephony, fixed broadband and pay-TV services within a wide variety of tariff plans with service bundling options, reinforces the stability of our revenue and adjusted EBITDA. Despite the highly competitive environment in the telecom market, VIVACOM keeps its leading position thanks to the strength of our customer value proposition, our strong brand and the breadth of our product and service offerings which cater to a broad set of customer demographics and usage profiles.

¹Net of eliminations

Non-financial performance indicators

Mobile



We are currently the third largest mobile operator in Bulgaria, based on number of subscribers, with 3,024 thousand subscribers as of December 31, 2015, an increase of 6.0% from 2,853 thousand subscribers as of December 31, 2014. Our revenue market share on the mobile market has reached 27% for the year ending on December 31, 2015².

We attribute this growth over the periods under review to a number of factors, including our superior network quality, bundled service offerings, cross-selling and up-selling to existing customers.

Fixed voice



We are the incumbent fixed voice operator in Bulgaria with a leading market share of 69% by revenue and 65% by subscribers as of December 31, 2015³. Our total fixed telephony subscribers decreased by 12.0% to 1,051 thousand as of December 31, 2015, from 1,195 thousand as of December 31,

2014. The decrease in fixed telephony subscribers was primarily due to the strong price competition surrounding fixed telephony services, where such services are being offered as a low-price addition to our competitors' mobile, fixed broadband and pay-TV services, as well as the ongoing fixed-to-mobile substitution.

²Source: company data, Telekom Austria reports, Telenor reports

³Source: Analysys Mason's Telecoms Market Matrix and European Core Forecasts

Non-financial performance indicators

Fixed broadband



We are the second largest fixed broadband operator with 24% subscriber market share as of December 31, 2015⁴. Our total fixed broadband subscribers increased by 9.5% to 390 thousand as of December 31, 2015, from 356 thousand as of December 31, 2014. The growth was due to the increase in FTTx connections and is driven by the growing demand for reliable high-speed internet.

Our ongoing fiber optic network build-out enables us to benefit from the well-established trend of shifting to high-speed broadband technologies. In 2015, we achieved significant progress in the fiber optic network expansion, with over 1 million homes covered nationwide as of December 31, 2015.

Pay-TV



Our market share on the pay-TV segment is growing, but still represents a small percentage of total revenues. VIVACOM is positioned as the third largest pay-TV provider and the largest IPTV operator, following MobilTel's acquisition of Blizoo. As of December 31, 2015, our pay-TV subscribers increased by 14.8% to 369 thousand, from 322 thousand as of December 31, 2014. This was

mainly due to the increased demand for high-quality services with superior user experience and rich content to suit customer preferences.

Detailed information on financial and non-financial performance indicators, as well as on risk management, can be found in the public reports available on our corporate website.

Investor Relations

We believe that regular contact with investors and engaging them in an open dialogue is crucial to sustaining a good relationship. Transparent, reliable and timely information about the company helps investors to gain a greater understanding of the company's business, its governance, financial results and prospects.

For VIVACOM, Investor Relations is not just one-way communication. It is as much about sharing company business direction to the investment community as it is about incorporating their views and feedback. Reflecting the nature of these relations and driven by the long-term responsibility and commitment of our company, we maintain a continuous dialogue with all key investors.

Transparent communication with investors is of particular importance in articulating VIVACOM's

current status and potential in ways that will enable them to come to a fair valuation. Through our engagement with investors we understand what information could be beneficial for them and we share our strategy for managing materiality topics across the shared-value chain.

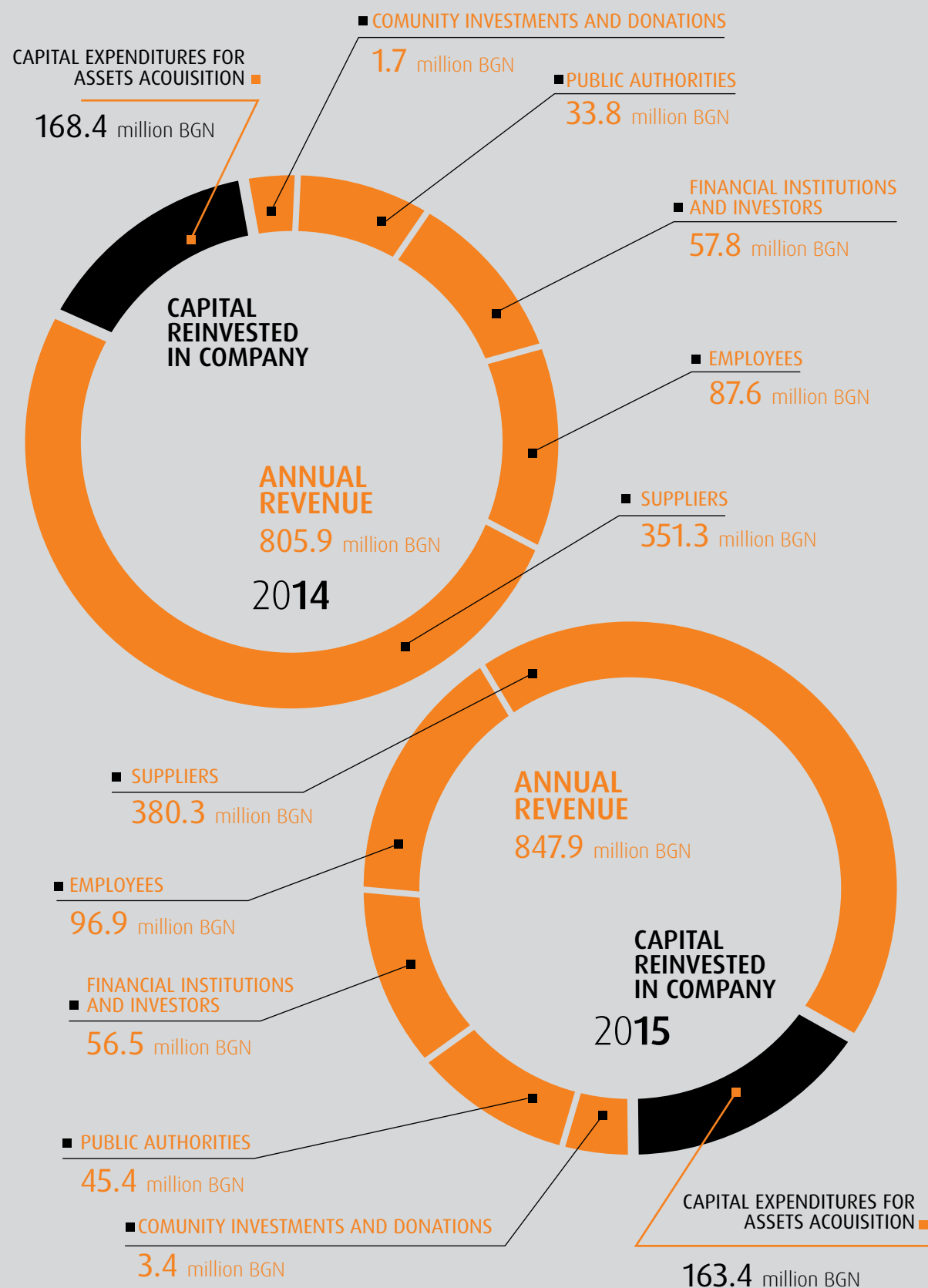
We reach out to investors through events, meetings and conference calls and one-to-one meetings to keep them informed and to be fully transparent. VIVACOM also constantly updates its website, which contains information about the financial calendar, financial reports and presentations, key performance indicators, latest news, sustainability information and other relevant data. We aim to respond to investors' questions and inquiries sent by e-mail within 24 hours.

Shared-value model

We firmly believe that sustainable business development largely depends on the fair distribution of the generated value between the groups of stakeholders. The shared-value model is based on our understanding that as a leader in the telecom market we create value for our

employees, shareholders, investors and suppliers as well as to society as a whole. We are confident that our core competences and expertise enables us to work in a way that addresses public needs, while supporting social causes and generating benefits for the business.

⁴Source: Analysys Mason's Telecoms Market Matrix and European Core Forecasts



3.4. Procurement – our policy for selection and work with suppliers

In order to sustain good business results, VIVACOM interacts on a daily basis with suppliers in different business fields, sizes and countries. The goal of our telecom is to sustain long-term supplier partnerships guided by the technical and functional specificities of our procurement needs.

In order to achieve full transparency and adherence to all procurement procedures, VIVACOM is an equal opportunity business. We select suppliers through tender procedures that set non-generic technical requirements, deadlines and evaluation criteria that are distributed to all interested parties and applied equally.

A key aspect of our procurement process is the optimization of supplier selection time and the refining of the selection procedure. Delays at these stages often lead to financial losses for both suppliers and VIVACOM. At the end of 2014, our company adopted an electronic supplier management system. This system is one of the most effective ways of supply expenditures reduction. Electronic procurement streamlines the supply chain process and ensures traceability and transparency at all stages of the supplier selection process.

In addition to positively impacting the company's financials, this platform's adoption has a direct impact on the environment. It has led to considerable savings of paper used by suppliers in their tender documents and contracts in contrast to the old practice of printing several hard copies of technical proposals, certificates and other requisite documents.

In 2015 VIVACOM completed the largest tender in its history for SRAN equipment and maintenance supplier including for future 4G integration. Today, Huawei is the winning bidder and an exclusive VIVACOM partner.

The set of criteria for each supply tender is published on the company's website.

Goals 2015

- Strict tracking of the annual budget and optimal utilization of cost-cutting opportunities through renegotiating of key supplier contracts – **achieved**.
- Reuse of equipment in order to optimize expenditures on supplies costing BGN 10 million and above – **90% achieved**.
- Increase of web-based procurement processes to reach 50% of the total annual procurement tenders – **achieved at 40%**.

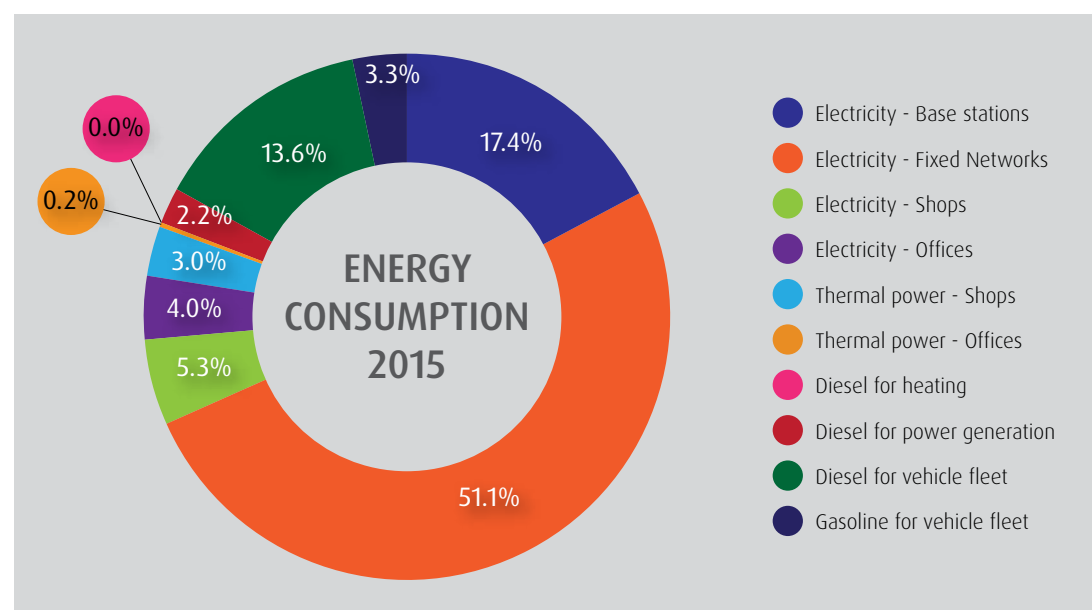
Goals 2016

- Minimize the volume of printed documentation (particularly additional copies of supply orders).
- Introduce a 100% electronic approval process (instead of paper copy-based) in all commercial documentation (contracts and annexes included).
- Increase the number of web-based procurement processes to reach 50% of the total annual procurement tenders.

3.5. Energy and resource efficiency

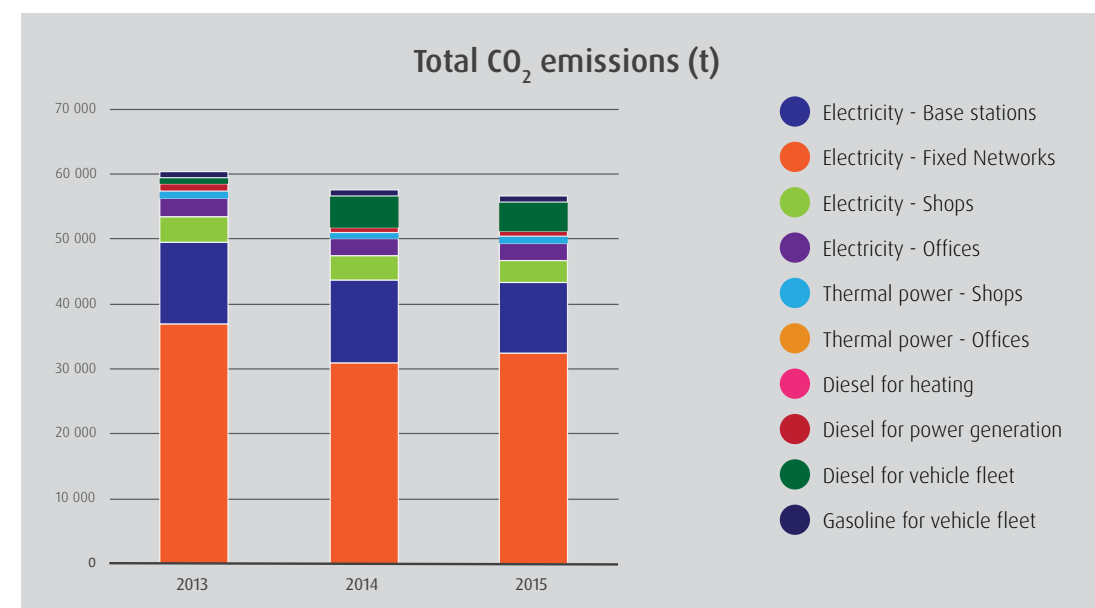
The extensive development of 3G networks and the growth of data traffic inevitably lead to increased energy consumption, making efficiency a key factor for competitiveness of telecoms. In 2015, VIVACOM consumed 124 GWh of energy in the form of electricity, thermal power and fuels. The main energy consumers were fixed and mobile networks (69%), followed by the company car pool (16%). In comparison to 2014,

there is an overall 2% increase in energy use, due to the acquisition of the Plana Satellite Station in December, 2014 and the installation of several large diesel generators at key sites for energy security reasons. On the other hand, despite growing traffic, a 10% decrease in electricity consumption was achieved for mobile networks.



In 2015, VIVACOM's energy consumption generated 56.5 thousand tons of carbon emissions (direct and indirect), which marked a decrease of 2% on an annual basis. To a great extent, this was due

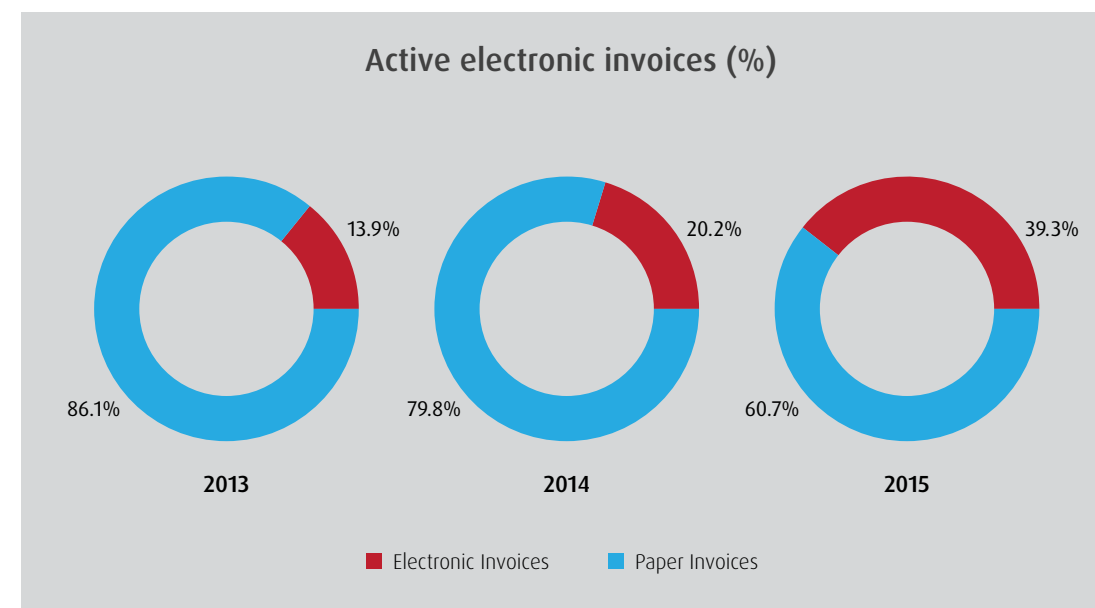
to the general greening of the country's energy mix. As a result of data quality and completeness checks, changes in data detail on diesel for power generation are introduced for 2014 (G4-22).



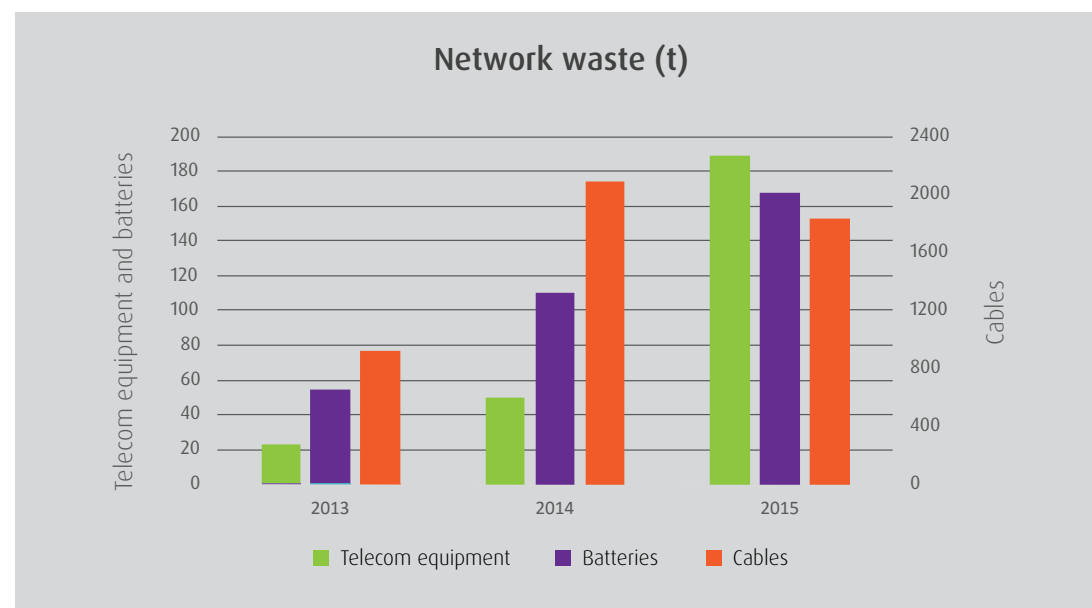
The consumption of electricity in the mobile network is being limited mainly by DTX and Power Control features that are enabled in 100% of the network. Another large consumer of electricity is cooling. Apart from the standard technical solution such as free-cooling systems, we have experimented with allowing for higher operating temperatures for telecom equipment and placing only the batteries in a cooler container. At the

moment there are only 18 base stations powered by diesel generators, while two are using photovoltaic panels in combination with a diesel generator and batteries.

The number of subscribers that have opted out of receiving a paper invoice has risen by 86% in comparison to 2014.



The maintenance and continual upgrade of the fixed and mobile networks require the ongoing replacement of equipment.



The great increase in the amount of telecom equipment and batteries for recycling in 2015 was a result of our network modernization activities.

Goals 2015:

- Improve our environmental management system and environmental impact data – **partially achieved**

Goals 2016:

- Integrate NURTS into our environmental management system
- Maintain the same level of total energy consumption by the mobile and fixed network together
- Improve our environmental management system and environmental impact data

INSPIRING

VIVACOM Values

We have the courage to do things in a new way, with a positive and professional attitude. Challenges stimulate and motivate us.

4. Inspiring

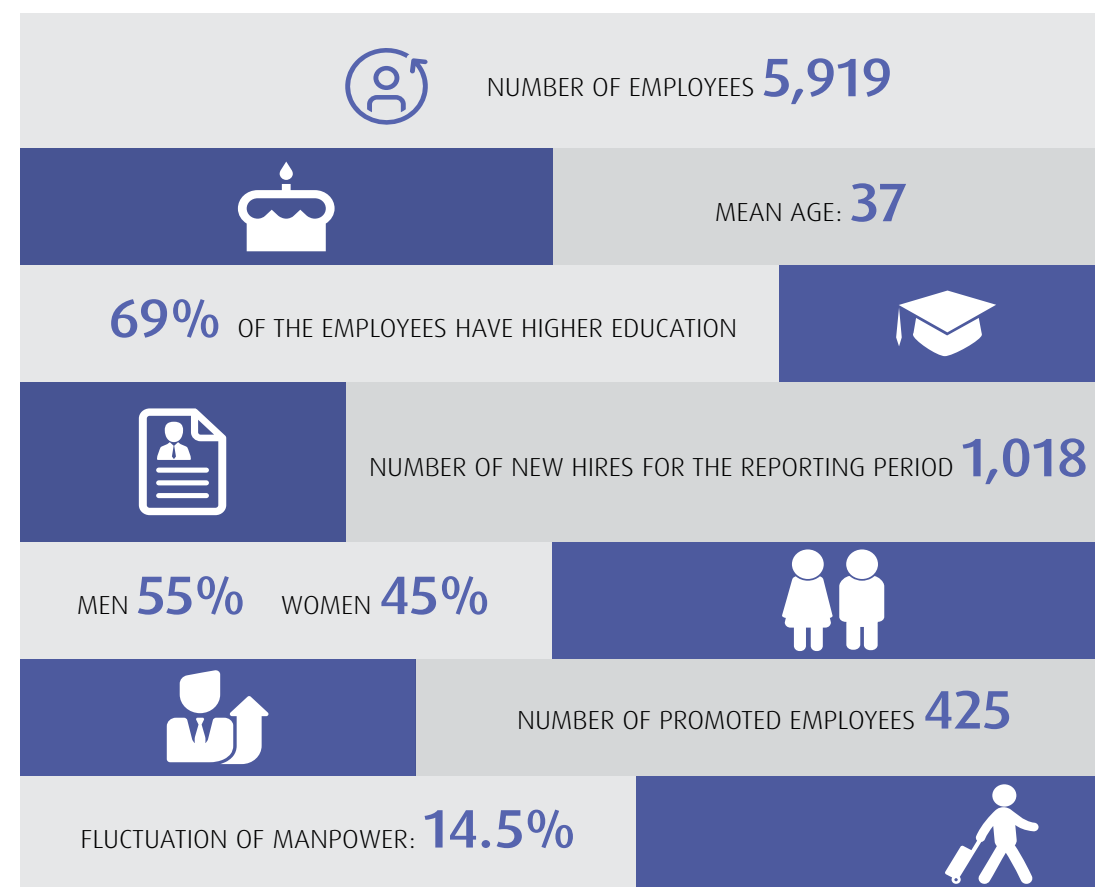
- Over **3,250** participants in running competitions, supported by VIVACOM
- **47%** of interns are employed permanently
- **425** employees are promoted to a higher position with more responsibilities
- **3,327** trained employees
- Over BGN **2 million** is invested in employees' training



4.1. Employees

The success of any company is entirely connected to the success of its employees. Their professionalism and commitment are a key factor for the development of VIVACOM. Their inspiration is what moves the company forward and

contributes to its development and strong position on the market. Therefore, VIVACOM invests in their employees, considering them to be our most valuable capital.




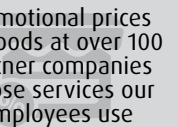




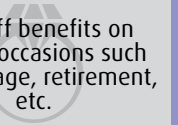

4.2. Personnel recruitment, development and retention

VIVACOM is one of the largest employers in Bulgaria with staff working at various locations throughout the country. For this reason, in 2015 the company opened more than 1,000 positions for hiring, but due to the demographic crisis and the shortage of young people in the smaller cities of Bulgaria, job applications dropped by nearly 20%.

The company has 5,919 employees, of which over 100 are programmers and software architects. Over 700 employees are engineers. Our recruitment of new staff for technical positions is aimed at identifying personnel with good IT administration, software programming, mobile networks, infrastructure development and maintenance backgrounds. Within the company, we hire most frequently in the sales and customer service departments.

		2013	2014	2015
Total employees	Number	3,541	5,875	5,919
Employees on collective labor agreements	%	40	61	62

Social benefits

 Additional health insurance for staff and their families	 Promotional prices on goods at over 100 partner companies whose services our employees use	 A quarterly newsletter with attractive promotions on goods and services, games, and award opportunities	 Telecom services at preferential prices
 Food vouchers	 Securing or a replacement of a device of choice with data and calling plan included	 One-off benefits on special occasions such as marriage, retirement, etc.	 Personal counselling for employees

VIVA People

Achieving a balance between personal life and professional development in everyday life is becoming an increasing challenge for us all. In order to enhance the quality of life of its employees, VIVACOM created the VIVA People program that offers a number of sport and recreation opportunities for staff and their families. The company has also formed internal football, basketball, running, tennis, volleyball and

cycling teams that take part in local competitions and philanthropic sports initiatives throughout the year.

The VIVA People program has a cultural aspect as well, offering theater and music performance tickets to staff and organizing performances and entertainment for employees' children at big national holidays.

Think and Drive

In the summer of 2015, VIVACOM held an internal awareness raising campaign for drivers and all those who participate in street traffic – Think and Drive.

The goals of the campaign were to:

1. Enhance staff driving culture through a refresher course on basic traffic rules

2. Teach drivers to take responsibility for their actions on the road and to keep human lives safe

The campaign involved 1,350 employees and lasted 4 weeks. The campaign messages for safe driving are still displayed at VIVACOM's headquarters. In 2016 Think and Drive continues in partnership with the "Citizens" group.

Professional development opportunities

VIVACOM provides diverse professional development opportunities for its staff. Employees have the option of either being promoted to a higher position or of taking jobs with increasing lateral responsibilities. In 2015, 425 employees were promoted or given positions with increasing responsibilities.


The company also has special programs for rewarding, training and providing additional growth opportunities to outstanding employees. Examples are:

 Top sales people These are the most successful sales people who work with VIVACOM's largest strategic customers. In 2016, five newly selected staff are going to join the club of the most successful sales people, whose total number is now 27.	 Sales experts This is our largest program and encompasses 300 of the most successful staff throughout VIVACOM's national sales network..
 Key employees Those most qualified experts and managers who have achieved a skill level critical to the telecom business.	

Performance evaluation

As part of its overall human resource policy, VIVACOM does regular employee evaluation depending on their job profile. This procedure ensures equitable and competitive pay rates that are adjusted for a successful meeting of annual performance goals, skills applied and job responsibilities. Different departments have

their own incentivization schemes with bonuses correlated with the nature of the work. In the commercial, customer service and maintenance departments, there are three-monthly bonus programs. Employees who are subject to annual evaluations get bonuses based on their annual performance evaluations and their skill levels.

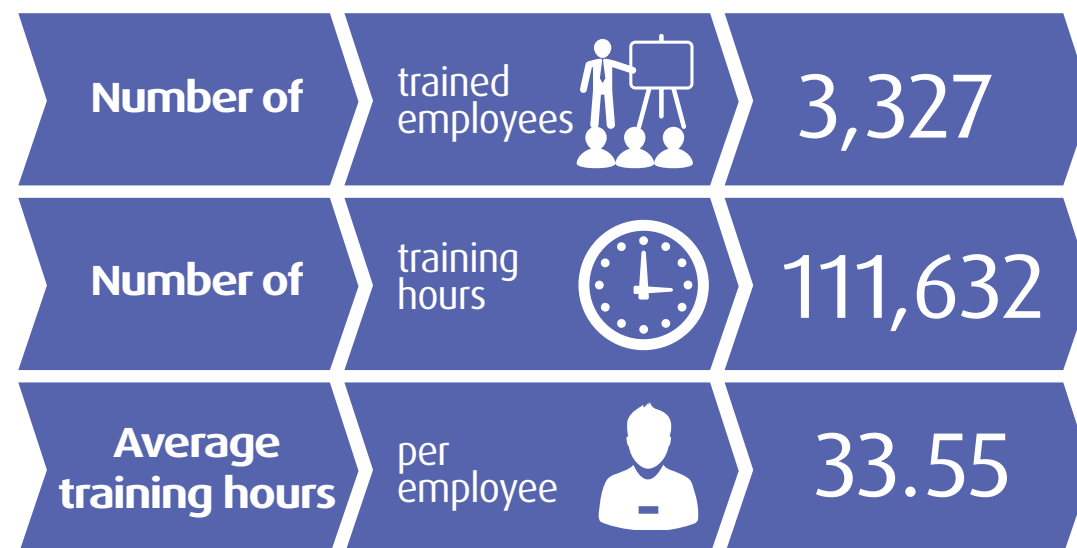
	1/3 of employees go through annual performance reviews
	1,383 employees' results are evaluated on a monthly basis reviews
	2,147 employees' results are evaluated on a quarterly basis

4.3. Training

In 2015, VIVACOM invested over BGN 2 million in training and development, securing knowledge and skill that connects staff to the goals of the company as well as to its long term vision.

VIVACOM strives to encourage employee growth and the retention of high-potential employees. To this aim, the company provides training programs

suited to individual employee profiles – for recent hires, managers, sales staff, etc. The further result is the significant improvement of our training programs. The company also uses cutting-edge training practices such as e-learning and online webinars.



4.4. Head start for young specialists

Internship programs

VIVACOM's summer internship program is one of the largest internship programs in Bulgaria. In the summer of 2015 it marked its 12th edition in which 109 interns joined key VIVACOM departments for 3 or 4 months. The interns get trained and join real-life projects and work on cases which give them valuable experience in an actual corporate setting. In 2015, 45 interns (41% of all who participated) were hired to join VIVACOM's team. The company also has a year-round internship program which enrolled 27 students.

Technical Academy

"Technical Academy" started in 2010 in partnership with the Technical University of Sofia's Telecommunications Department. The goal of the program is to provide annually-updated, practically-oriented courses that are outside students' curriculum and apply their theoretical knowledge.

In 2015, 30 junior and senior students of Telecommunications, Computer Technologies and Electronics became part of the program and worked with 16 VIVACOM experts on different cases. The course themes are technical, relating to project management, products and services development, legal framework and industry regulations.

Goals 2015:

- Utilization of new channels for hiring, evaluating and personal profile testing of all promoted managers. - [achieved](#)
- Formulation of SMART goals for at least 90% of all employees. - [achieved](#)
- Structure bonus schemes to fit business needs - [achieved](#)
- Employee benefits –personal counselling, work phone mobile tariff adjustment, additional shopping vouchers - [achieved](#)
- Increasing the number of new hires from interns who take part in academic partnership programs - [achieved](#)
- Partnership agreement with at least one additional educational institution - [achieved](#)

Goals 2016

- Raise the level of employee engagement by 3%
- Reduce the hiring time on recruitment procedures by 5%
- Reduce staff departures by 15%
- Introduce new manager evaluation process
- Launch new expert recognition programs:
 - Corporate experts program
 - Corporate Sales Experts
 - Customer Service Experts
- Launch new development programs:
 - Shop Managers Academy – for attraction and retention of shop managers
 - Mentoring in the departments that build and maintain the network
- Increase the number of employees who have access to e-learning training

Cooperation with educational institutions:

Technical University of Sofia
The Software University
Technical University of Gabrovo
The College of Telecommunications and Post
Sofia University "Kliment Ohridski"
Higher School of Insurance and Finance
"D. A. Tsenov" Academy of Economics – Svishtov
Higher School of Transport "Todor Kableshkov"
New Bulgarian University
Technical School for Electrotechnics and Electronics
"Konstantin Fotinov" – Burgas

4.5. Running

It is paramount to VIVACOM to sustain socially responsible business lines that respond to the needs of society and that have a positive impact on social development. In 2015, VIVACOM laid the groundwork of a new trend in its social responsibility work through its support for organizations and initiatives in the area of running for health. As running has become very popular in recent years, the growing public interest in the subject prompted our company to invest in promotional and development initiatives.

Early in the year, VIVACOM became a partner of the famous Bulgarian mountain running and orientation champion Kiril Nikolov "Dizl". Kiril impressed Bulgaria with his drive for success and persistence he managed to improve his own record on the Kom-Emine trail.

Throughout the year VIVACOM was a dedicated partner to highly respected sports support

organizations such as Sports Club Runner, 5km Run and Ultramarathons Society. Owing to these partnerships, a number of initiatives took place:

- "Begach" running club's Sofia Morning Run which gathered approximately 600 participants
- The 5km Run – a Saturday event, which brings together an average of 300 participants every week
- A team running event organized twice every month, with an average of 100 participants per event
- The Ultramarathons Society's Persenk Ultramarathon, with approximately 250 participants
- The Sofia marathon, with more than 2,000 participants

In 2015, a team of runners from the company was formed – the VIVACOM Running Team, which took part in 8 big competitions throughout the year.

4.6. FC Levski

In Bulgaria, football is the focal sport that gathers the most supporters for both professional and free time practice. VIVACOM has a longstanding tradition in partnering with football clubs and youth teams. In 2015 VIVACOM built on these initiatives by sponsoring PFC Levski Sofia – one of the legendary Bulgarian sports clubs with over a hundred years of history and numerous prizes

and achievements. PFC Levski both preserves the country's sporting traditions and fosters continuity between generations through its youth club. We believe that the partnership between VIVACOM and Levski will not only enhance the quality of Bulgarian football, but will also bring back its joy to fans and family viewers.

INNOVATIVE

VIVACOM Values

We create new opportunities.
We turn technology into innovative solutions that make our lives easier and more exciting.

5. Innovative

- **TV GO** – an innovative application for viewing TV content on the go, on a mobile platform
- **Wi-Fi connectivity** in transport vehicles
- Overhauling of overall technological equipment and preparation for **4G**
- Launching of an educational video platform, **VIVA History**, with more than 150 video films



5.1. Innovative products and services

In 2015, VIVACOM launched one of the most innovative services in both its portfolio and across the market – the mobile TV application TV GO. The application was developed in conjunction with Huawei and was financed by an EU Operating Program “Development of the Competitiveness of the Bulgarian Economy 2007-2013” under its track “Enterprise Innovations.”

TV GO enables users of VIVACOM TV to view content on-the-go on their mobile device. Irrespective of their location, TV subscribers of the telecom can enjoy their favorite films, TV shows and channels on a smartphone, tablet or PC. Unlike other such platforms on the market, the application enables customers of VIVACOM’s interactive TV to utilize additional options such as pausing, forwarding and rewinding within two hours of the content stream, and archiving. The most innovative and unique aspect of TV GO is the option to transfer content from one screen to another (such as from a mobile device to a TV) with only one touch of the display, the so-called swipe option.

Along with services used by customers directly, VIVACOM achieved successful innovations, partnering with companies in different areas. Such is our partnership with Toyota Balkans Ltd., official importer and distributor of Toyota and Lexus products in Bulgaria, which provides Wi-Fi internet connectivity that is free of charge for one year for all customers of the aforementioned brands in Bulgaria. This is possible owing to the reliable infrastructure of the telecom which allows for quick internet access even when the user is on

the move. This innovative car solution was entirely conceived by parent company’s headquarters but was entirely conceived and implemented in Bulgaria, which makes our country a leader in this area.

Telemedicine is another area to which VIVACOM significantly contributes. An innovative technological solution for electronic patient files and medical imaging, in which our company is a partner, creates a direct positive impact on people’s health and quality of life. This allows for the electronic aggregation and storage of the entire range of patient health records in an institution – from clinical tests to diagnoses, treatments, etc., making this information easily accessible even remotely through a purpose-made tablet application. In addition to greatly enabling the work of medical professionals, this innovation is a serious step toward an integrated e-health system that will greatly enhance the state of practice in the healthcare branch.

Another important area of social development in which both government and business are investing is environmentally friendly transport. VIVACOM is a technological partner to Burgas municipality, delivering an overall solution for a bicycle rental scheme within the city. Our company has built and maintains a telecom platform that manages the whole stream of data related to the bicycle rental cycle, including payment via smartphone messaging and location tracking. This management system enables the municipality to run the scheme more effectively.

5.2. Innovative partnerships with suppliers

In order to be able to offer innovative services to its corporate customers and end users, VIVACOM invests in the continuous improvement of its technology and infrastructure. Huawei is one of our largest suppliers and in 2015 won our tender for 4G equipment procurement. The implementation of this milestone project positioned Huawei as a strategic partner for our company. Also, the collaboration between the two companies in the IT area is of paramount importance, as Huawei is an important partner in our infrastructure modernization.

One of the pilot projects in which the companies worked together had a focus on healthcare, where we expect not only business results, but chiefly also a large societal impact – more widespread and convenient access to modern medical solutions thanks to new technologies.

In order to maintain the competence levels of its employees, needed for the development and implementation of innovations, the two companies organize a number of conferences and new technology workshops, as well as technical exchanges.

Marin Tanchev, Account Director in Huawei:

"VIVACOM is an independent operator, which allows the company to be highly flexible and focused on the specifics of the local market. This enables VIVACOM to be highly future oriented which is likely the reason for its leadership in the market. The VIVACOM team is markedly professional and well skilled, in addition to being committed to finding the best solutions and services to customers."

5.3. VIVA History

In 2015, on National Awakening Day, VIVACOM launched a free of charge video platform with historical content – www.vivahistory.bg. The platform is the result of a year-long effort of the young people from the NGO "Bulgarian history", supported by VIVACOM. The video platform contains over 150 films, to be followed by another 100 pieces by the end of 2016. Each film is 5-8 minutes long, aiming for interesting and accessible portrayals of historic personalities, events and facts. In addition, the platform contains

educational quizzes for site visitors to test their knowledge of history. Another notable part of the platform is its specialized children's section. The content includes animated educational materials, suitable even for the youngest viewers. The opportunities enabled by modern technological innovations allow us and "Bulgarian history" to set for ourselves the ambitious task of expanding VIVA History in such a way, so that in the future the platform becomes a complete historical video encyclopedia.



5.4. Media partnerships

A key part of the VIVACOM strategy for the Bulgarian market is built on honest and open relationships with all stakeholders and with media in particular. Beyond their mission to inform society, journalists are public opinion makers who set trends and lead people through the ocean of data they must wade through every day.

With its large degree of innovation and interesting facts, the telecom sector is an attractive subject matter for journalists. As our business requires a high degree of technical understanding, VIVACOM provides a full range of information to stakeholders about our products and additional explanations where necessary, organizing special events for our largest-scale projects. One of our main areas of work with media representatives is in helping reporters understand the world of technological innovations. Europe-wide, there are two big expos that gather telecom and user innovations in one place. One of the good practices is to support journalists to register for the best forums and visit the biggest special events, so they can acquire technical knowledge in the sector.

Samuil Ognyanov, editor of the Business Section of "24 Hours Daily": "Attendance at the mobile congress in Barcelona enables us journalists to see first-hand the newest technological trends and to hear directly from leaders in the sector of software and hardware about what we can expect in the future. It would be hard to find a more authentic source of information."

Svetlin Jelev, Editor-in-Chief of the tech site

Kaldata.com: "My attendance at the largest technological expos such as IFA allowed me to not only relish the newest technology I saw, but also made my knowledge more vivid, and thus the information that I pass on to readers considerably more authentic."

In addition to enabling the work of journalists specialized in the technology sector, in 2015 VIVACOM established a partnership with the Association of European journalists in Bulgaria. The organization was founded in 2010 in order to promote a solid and sustainable media environment in Bulgaria. Their team develops a number of initiatives specialized in expanding the technical competencies of reporters, and it is such a project that VIVACOM supported. VIVACOM's partnership made possible the educational conference "Journalism 2.0 – Myths and Opportunities in Social Media." The event was hosted at the VIVACOM Art Hall and gathered Bulgarian and international lecturers, 150 journalists and received over 1,000 viewings online.

Maria Cheresheva, deputy chairman of AEJ-Bulgaria: "As an organization that supports quality and ethical journalism in Bulgaria, our key goal is to promote knowledge of the latest technology trends in media circles. To make the 'Journalism 2.0 – Myths and Opportunities in Social Media' conference happen, we looked for a partner who understands technologies and understands the challenges facing the new media environment. We are thankful that we found VIVACOM's support".

HONEST

VIVACOM Values

We communicate clearly and openly. We share our experience and knowledge. We say what we do and we do what we say.

6. Honest

- In **90%** of all cases, customers who call Customer Service receive all the information and assistance they need
- Different feedback channels show a decrease in customer dissatisfaction by **10%** compared to 2014
- We reached a service level of **89%** in 2015, compared to **78%** in 2014



6.1. Customer relations

With the largest service portfolio on the Bulgarian market, VIVACOM strives to meet the diverse and evolving needs of its customers. Customer service continues to be the core of what we do. We aim to improve self-service adoption by customers to reduce costs and improve customer experience. With 570 experts, divided in six specialized teams, in 2015 we improved our service delivery by:

- Initiating the My VIVA portal, which provides fast access to all procedures and documents to do with customer service
- Introducing “electronic billing” by e-mail for our customers
- Optimizing the outline of monthly bills, in order to make them easier for customers to read and analyze
- Improving our internal systems, such as enhancing the process for receiving electronic bills

These initiatives, plus technological advancements in our network, regular training, motivation and support for call center employees enabled us to improve our operational efficiency:

KPI Call Center Front Office	2014	2015
Abandonment rate (ABR) Percentage of calls offered that were abandoned in the CSR* queue before speaking with a CSR*	10%	5%
Service level (SL) Percentage of calls offered that are answered by CSR* within 30 seconds	78%	89%
Average waiting time (AWT) The average waiting time for a call in the CSR* queue before being served	20 sec	11 sec

* Customer Service Representative

In addition, we know that we have improved because we track success through customer feedback and the external evaluation of customer service (Secret Customer). However, in 2015, work was not completed on introducing new communication channel with customers and upgrading the VIVAONLINE customer service platform. These goals are perceived as key to delivering high-quality service, marking them as targets for the following year.

Goals 2015:

- Introduction of a knowledge management system – **achieved**
- Introduction of a new communication channel with customers – CHAT channel – **postponed to 2016**
- Optimization of the monthly bill layout in an effort to make it easier to read and analyze – **achieved**

- Optimization of the process for requesting and receiving electronic bills – **achieved**
- Additional enhancements in the VIVAONLINE customer service platform with a simplified account activation process, navigation optimization, an option for online bill payment and online service activation function – **postponed to 2016**

Goals 2016:

- Introduce CHAT – a new communication channel with customers
- Increase the number of customers who use “bill” by e-mail
- Enhance the VIVAONLINE customer self-service platform by simplifying the process of account activation, menu reorganization, adding an option for online bill payment and online service activation function

6.2. Collaboration with sector organizations

In 2015, VIVACOM chaired the General Assembly of the European Telecommunications Network Operators (ETNO, www.etno.eu). The Association has 34 regular members, among which are the biggest operators – Orange, Deutsche Telecom, Telecom Italia, Telefonica, KPN, Turk Telecom and Telenor. The concluding session of the VIVACOM Chairmanship was the 49th annual assembly of ETNO, which took place in Sofia in November 2015. This Sofia Forum will go down in history as the forum at which British Telecom returned as a regular ETNO member. Discussions about the future of an EU Digital Single Market at the meetings enjoyed the participation of Ms. Eva Paunova – European Parliament Member, Mr. Anthony Whelan – The European Commission’s DG Connect Director, Mr. Grozdan Karadjov – Chairman of the Transport and Communications Commission of the Bulgarian Parliament and Mr. Valery Borissov – Deputy Minister of Transport, IT and Communications.

Another key debate theme was the “Development of broadband internet access.” The discussion framework gave shape to some key tendencies and needs in the larger telecom sector in the coming years:

- Broadband internet access provision across all of Europe
- A more advanced and sustainable network infrastructure and the introduction of LTE (4G)
- The relaxation of existing cumbersome administrative procedures in order to stimulate the development of high speed networks and the attraction of investment thereto

6.3. Process and project management

VIVACOM’s process and project management department manages business support systems that enable smooth business operations aimed at customers. As a telecom, the use of such systems is critical for us because it helps the business units of VIVACOM to gain customer insight, introduce new revenue-generating services and enhance business performance.

The process and project management team consists of 10 people, whose main responsibilities are to facilitate the implementation of required changes across functions without impacting customer satisfaction and automate business processes in order to constrain costs. Their success depends on close relationships with other departments and respecting the company’s internal procedures.

In 2014, a system to automate business protocols and streamline processes was launched. This allows us to be flexible in market offerings, adjust to customer demand in a short period of time and thus gain a competitive advantage.

VIVACOM’s process optimization project was initiated in 2015, and aims to revise all customer service processes, minimize errors and integrate with quality management systems. The documentation volume was significantly reduced and definitions with a common understanding were announced.

Department’s success is measured by the company success. Our fully engaged and committed team managed to deliver high quality results.

Goal 2016

- Increase the efficiency by an end-to-end implementation by a Product Lifecycle Management process in the company



6.4. Corporate culture – code of ethics

VIVACOM is responsible for its activities to all stakeholders: shareholders, customers, employees, suppliers, partners, competitors and society as a whole. In order to promote our commitment for working to the highest ethical standards, more than 5 years ago the company introduced a code of ethics that provides a framework and guidelines for compliance with ethical norms and principles in our daily activities.

Every year, VIVACOM carries out an internal campaign whose aim is to remind employees of their responsibilities and their commitment to defending the principles for which the company stands. The code of ethics applies to all VIVACOM employees and determines the relationships between:

- Employees and customers, shareholders, suppliers and competitors
- Peer employees and between employee and his/her line manager
- Employees and the company
- Employees and applicable rules and regulations
- Employees and society as a whole



DYNAMIC

VIVACOM Values

We anticipate our customer needs and are committed to delivering on them. We achieve results quickly and in high quality within competitive environment.

7. Dynamic

- VIVACOM is the **leading operator** in 2015 based on revenue
- We are the leading supplier of **IPTV**
- With our **3,024** thousand mobile users, we are the only company with a growing revenue share in this market segment
- 56%** of our customers would recommend VIVACOM services, according to national market research

7.1. Market – VIVACOM's positioning

The telecom market in Bulgaria is highly competitive and this is particularly valid for the mobile and fixed broadband internet segments. VIVACOM is a provider of converged services and integrated telecom solutions for residential and business customers, which means that users can receive all services from a single provider.

VIVACOM operates on the Bulgarian market only but competes with subsidiaries of global telecom groups. This situation offers both advantages and disadvantages and we try to build on the former – we are fast in decision-making, we know the details of our market and we are more efficient. Additionally, we grow organically – we increase the value of our services and customer base due to our work, not through acquisition of other businesses, which allows us to plan, integrate and provide uniform quality to all customers.

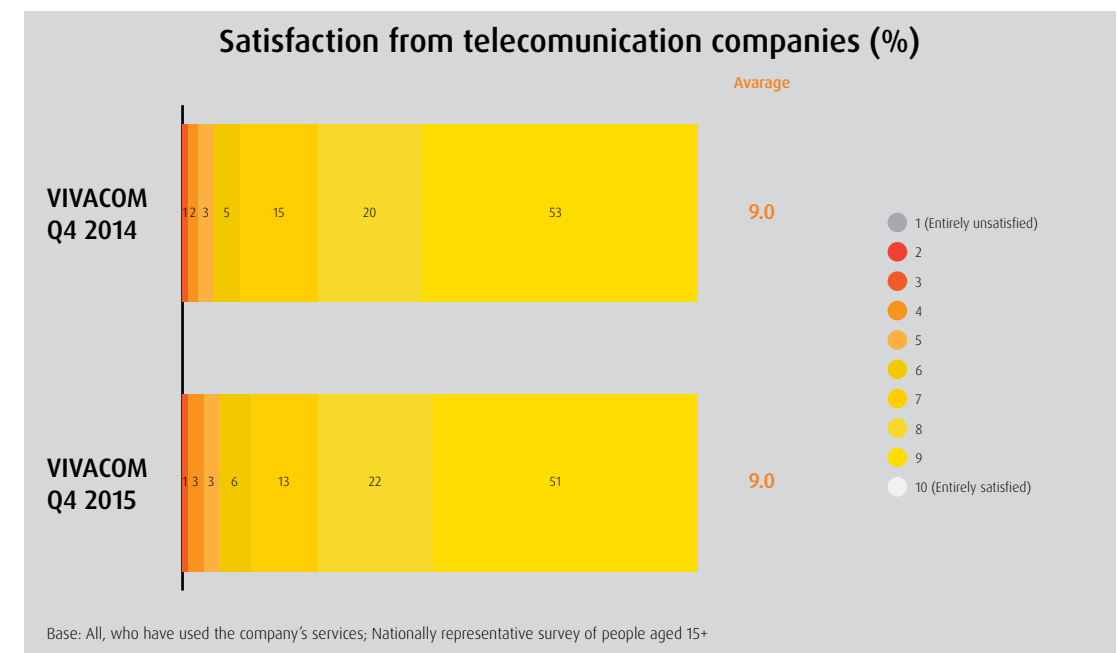
The most significant event on the market in 2015 was the takeover of Blizoo by Mtel, strengthening the position of our biggest competitor in the fixed internet and TV segment. Nevertheless, VIVACOM was positioned third in the overall television segment ranking and first among the IPTV operators, due to our best available technology for TV content.

Revenues from telecom services in Bulgaria have been stagnant in recent years – the market is practically saturated. At the same time, the high-tech industry requires significant ongoing investment in order to keep pace with global developments. Data has become a bigger driver of our business than voice. In the next few years, we will concentrate on more intensive development – maintaining the highest quality of service with the lowest possible technical and customer service costs. In 2015, this development resulted in the high number of promotions we offered to our customers.

7.2. Market research

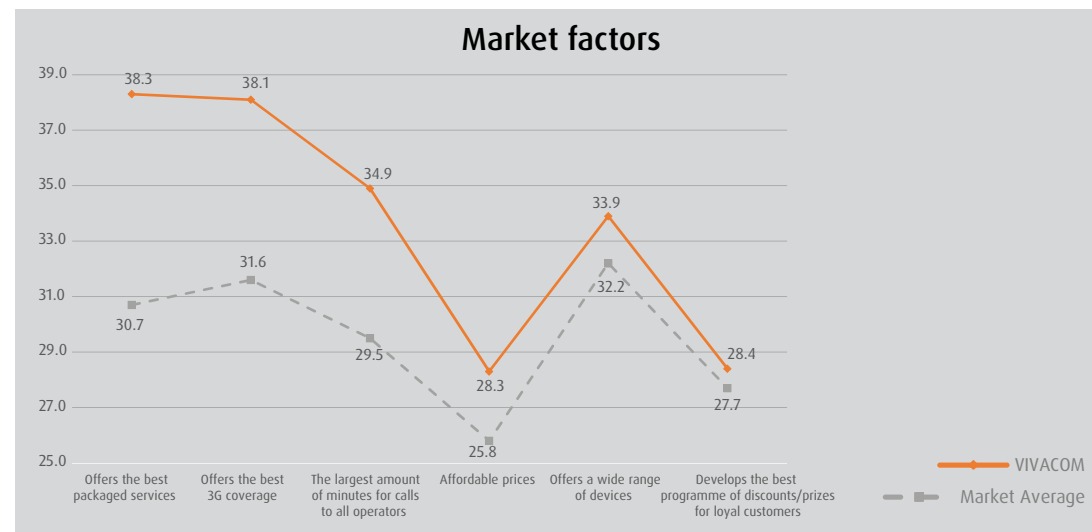
We aim to support customers in making informed decisions by providing a customized service to meet their specific needs and interests. Thus, understanding customer attitudes and expectations is important to VIVACOM. To this end, we use various qualitative and quantitative market research methods, measuring several key metrics:

We have the highest score in customer satisfaction!



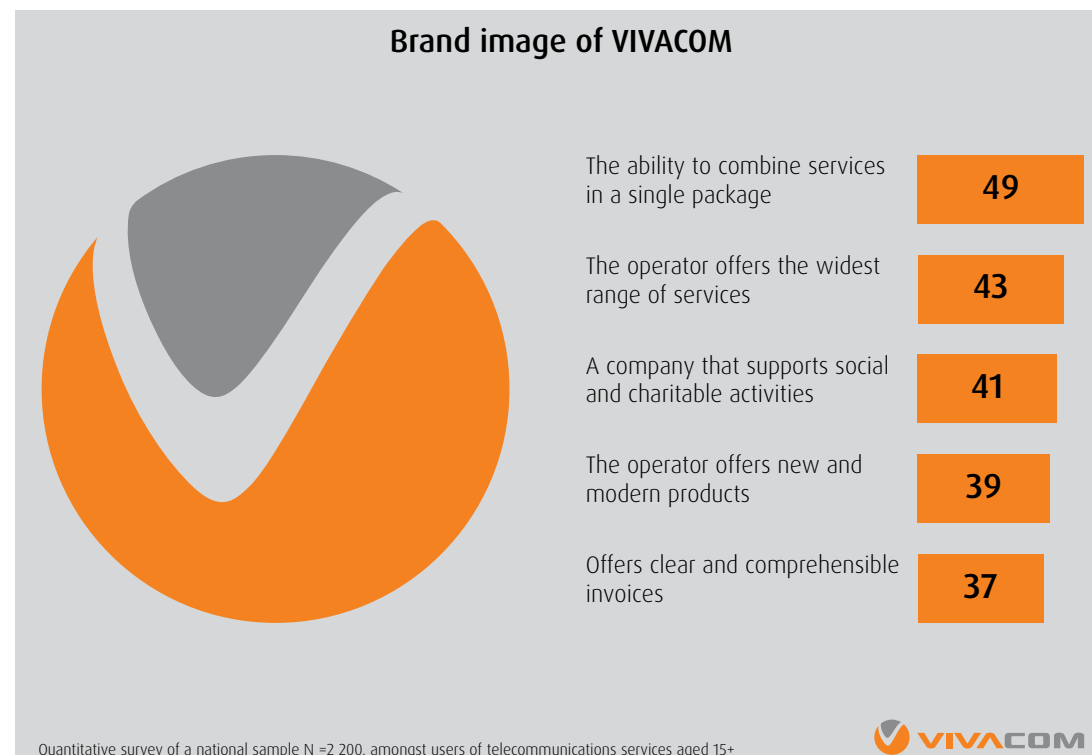
Positioning of the VIVACOM brand

There is an increase in the Net Promoter Score, an indicator measuring customers' willingness to promote our services to others.



Customers associate the brand VIVACOM with 5 key factors:

- The ability to combine services in one package
- The offering of new products, services and technologies
- The offering of a wide range of services
- The supporting of campaigns and donation programs
- The provision of clear and understandable bills



7.3. Dynamic solutions for our corporate customers

VIVACOM is the fastest developing telecom in Bulgaria, which to a large extent is due to the hundreds of corporate customers we have. We respond to their business needs with high-quality, reliable tech solutions and deliver upon every expectation they have.

A large part of our corporate customer base has enjoyed a long-term relationship with us. One such customer is one of the largest business groups in the Bulgarian economy – the Geotechmin Group. The company is active in various business areas – infrastructure building, civil construction and mining. The Group has been a VIVACOM customer since 2010, following a telecom service supply tender call for all Bulgarian telecoms. Geotechmin has taken advantage of all the options in our portfolio – fixed and mobile voice and internet service, satellite and digital TV. What the company values most in their business with us, however, is the connection of different companies through the VIVACOM MAN network, data backup provisions for all type of services and data storage carried out in the Disaster Recovery Center. Thus, in the event of a technical breakdown Geotechmin group businesses could continue their work free of interruptions. The products we offer help secure reliable operations for all Geotechmin business. Over the years, VIVACOM has secured a number

of other strategic solutions that respond well to the Geotechmin Group's dynamic business needs. One such service is VIP support through which company executives receive customer support on the spot without delays and without the need for a customer support representative. A special pricing tariff was developed for Geotechmin staff, and, to further maximize customer convenience, we opened VIVACOM outlets at many of the mining company's business locations outside of Sofia.

Proof of the fact that VIVACOM views corporate customers as business partners is the fact that VIVACOM and Geotechmin have joint strategic goals for 2016. The most important of these are:

- The development of Mobile Device Management – a solution that will enable Geotechmin staff to access all internal company systems and applications off-site via their mobile devices
- The joint implementation of an IP phone center service and its marketing to end users

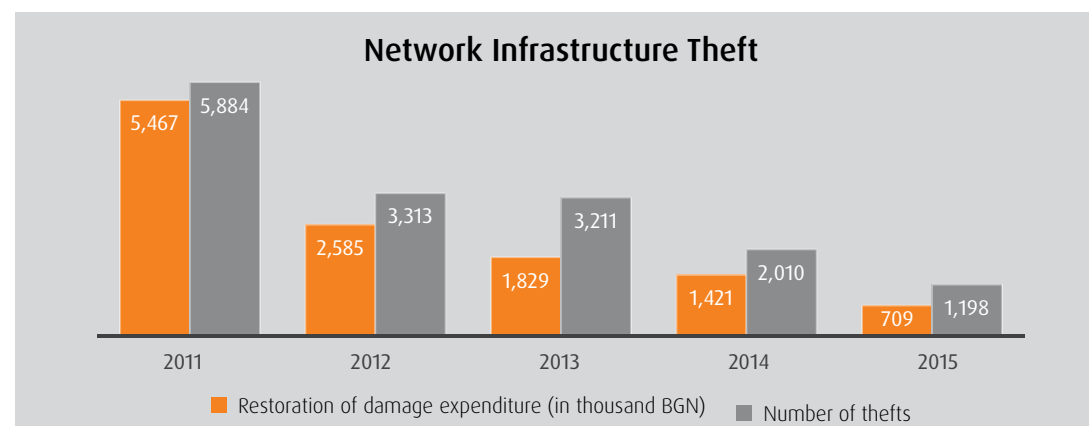
Svetoslav Marinov, ITR Services Manager :

"What is really important to us is the quality of customer service. What sets VIVACOM apart from other excellent international partnerships we have is that we can always rely on the timely and adequate response of their accounts service and their technical support. What is key in our relationship is trust and the correctness of the information shared. We are always clear about what the actual situation is and that helps us manage our own business accordingly."

7.4. Dealing with network infrastructure theft

Network infrastructure and fuel theft are among the main challenges to telecom service providers in Bulgaria. VIVACOM's infrastructure is subject to theft, mainly of copper cables, but also of feeder devices, diesel, generators, batteries, air conditioning units and other site components.

Network infrastructure theft peaked in 2011, when costs to recover damaged infrastructure in the cable network alone rose to BGN 5.5 million a year. Since then, we have systematically invested in purposefully derived solutions to tackle the problem and in 2015, damage decreased to BGN 709,000, followed by a similar decrease in the number of malicious damage of the mobile network.



We have achieved these results due to the installment of 1,500 new access point on the Duct with Security Access Control System, the inclusion of 260 new cable routers to the system for control and protection "Mondis D +" and the provision of technical security for 60 new base stations.

Goals 2015:

- Construction of 1,500 new access points on the Duct network with security – **achieved**
- Inclusion of another 260 cable routes to the Mondis D+ security system – **achieved**
- Provision of another 60 base stations with technical security – **achieved**

Goals 2016:

- Construction of 1,600 new access points on the Duct network with security
- Inclusion of another 600 cable routes to the Mondis D+ security system
- Provision of another 80 base stations with technical security

RESPONSIBLE

VIVACOM Values

We work together and stand by the decisions and actions we take. We are responsible for our results.

8. Responsible

- More than **2,700** employees have undergone preventive health examinations, conducted in 41 cities across the country
- **42%** of employees donate to the charity program VIVA Help
- VIVACOM has established a regional grant that supports local communities worth BGN **50,000**



8.1. Regulation and cooperation with government authorities

VIVACOM is the incumbent operator on the Bulgarian telecommunications market and its position carries responsibilities not applicable to other market players. Our company routinely maintains an open dialogue with regulatory authorities, particularly with the Communications Regulation Commission, the Commission for Consumer Protection, the Commission for Personal Data Protection and the Commission for Protection of Competition with the aim of guaranteeing the best solution for consumers. The provision of services to millions of users is a responsibility

that sets requirements for the quality and variety of services as well as for the strict enforcement of procedures for protecting personal data. The Commission for Protection of Competition has imposed 2 sanctions on VIVACOM, which are pending on appeal.

VIVACOM is the only telecom committed to the delivery of a universal service – providing access to a fixed phone for every citizen in its full print and to a fixed phone at a discount to persons with disabilities.

8.2. Base stations – electromagnetic emissions

Radio waves are used for the transmission of information in a wide range of electronic devices. Radio waves are electromagnetic fields, but in contrast to ionizing radiation, they are insufficiently energetic to cause damage to cells. Thus, it is unlikely that the use of mobile phones leads to increased risk of brain tumors.

Studies over the past years provide inconclusive results regarding the link between adverse health effects and exposure to electromagnetic waves. The World Health Organization has reviewed more than 25,000 publications regarding the health risks of electromagnetic waves and has concluded that there is no firm evidence of a direct link between damages to the human body and the waves emitted by base stations and mobile phones. Other studies such as those conducted by the Swedish Hardell group, and a very large international study called InterPhone suggest that there might be a greater risk for developing specific conditions for people with overly-high phone use. However, results are quite uncertain

and require further research.

Mobile phones are a relatively recent invention. Thus, we cannot be completely sure about the long-term effects of using mobile phones or living near base stations. When human health is concerned, we prefer to approach the issue of electromagnetic radiation with caution.

As we introduce new technologies, we ensure that our network and customer equipment meet all government safety standards. For example, the process of building base stations is controlled in two stages – at the beginning and at the end of the construction process. The construction of a base station takes between 6 to 24 months and involves consultations with 15 different authorities. We also work closely with our suppliers to ensure that the delivered products meet all applicable safety and regulatory requirements.

8.3. Personal data protection management

VIVACOM is a personal data administrator and we apply all technical and organizational requirements strictly in order to protect our customers' personal data. This is done in accordance with the provisions of the Data Protection Ordinance 1 of 30.01.2013 regarding the minimum level of technical and organizational requirements and the

acceptable methods of personal data protection. In this respect the level of protection guaranteed by VIVACOM is "extremely high." For the reported period, VIVACOM has only one enforceable penalty decision, from the Commission for Personal Data Protection, with a minimum sanction under Art. 42 of the Act.

8.4. Health and safety

VIVACOM continuously improves its labor environment and adheres to strict rules in order to secure safe and healthy conditions for its employees. The company has passed the OSHAS 18001:2007 certification "Occupational Health and Safety Systems." In 2015 the certification successfully passed an external audit. In 2015 we did not have any work-related fatalities, while incidents that led to more than 3 working days lost totaled 16 in 2014 and 10 in 2015.

In order to reduce the known risks to worker safety, in 2015 we undertook the following measures:

- **50** employees were trained in first aid with the help of the Bulgarian Red Cross
- **492** employees were trained in electric safety procedures
- **12** employees were trained to work at great heights
- **185** employees were trained in safe off-road driving
- **725** employees were trained to secure a safe and healthy working environment
- **21** safety drills were conducted, 4 of which involved on-the-spot training for fire brigade personnel in a real-life setting
- **2,200** employees were provided with personal safety outfits
- More than **2,700** employees underwent medical prevention tests conducted in 41 cities throughout the country

8.5. Corporate social responsibility

At VIVACOM we believe that adding value to society is a universal responsibility not exclusive to companies and government. Our business success and our contribution to Bulgarian society are interrelated. The values which make us a successful company drive us to create a better future for all.

VIVA Help

In May 2015, VIVACOM started a donors' initiative for payroll giving called VIVA Help. The goal of the scheme is to collect funds to support company employees with serious illnesses whose medical diagnoses, procedures, medications, special aides and transport expenses within Bulgaria and abroad are not covered by the national budget, the health fund or the Bulgarian Committee for international medical aid. Every full-time employee can take advantage of the VIVA Help fund, irrespective of their participation in the scheme. Approximately 2,379 people, or 42% of all employees, contribute to the scheme each month. Over the course of seven months, we collected BGN 108,418, which was matched by an additional BGN 50,000 from

All of VIVACOM's important projects have been gathered in the VIVACOM Fund platform (www.vivacomfund.bg).

the company. To raise awareness of the initiative, we launched a massive internal communication campaign. As part of it, every employee received a personal letter from the Chief Executive Officer. All managers communicated the campaign actively among their teams. The high level of involvement of VIVACOM employees was awarded with the prestigious prize "Golden plate for workplace giving" at the annual "Responsible company - responsible employees" ceremony organized by The Bulgarian Charities Aid Foundation (BCAF) in partnership with the Bulgarian Association of People Management (BAPM) and the Bulgarian Public Relations Society (BPRS).

VIVACOM Regional Grant

The first edition of VIVACOM Regional Grant started in November 2015 in order to help remote communities throughout Bulgaria. The program creates opportunities for financing regional development programs with a social focus throughout Bulgaria, regardless of the subject matter. Leading aspects in the assessment criteria are projected results from the implementation of the program, innovative approaches to problem solving and the degree of involvement of the local communities. Program beneficiaries can be local community centers, schools or non-governmental organizations.

VIVACOM Regional Grant totals BGN 50,000 and gives away up to BGN 5,000 to the first 10 project finalists. The first edition of the program attracted 270 organizations, 87 of which were rural entities. The large numbers of candidates attracted is solid proof of the importance of regional initiatives in favor of small communities. The program was implemented in partnership with the Bulgarian Center for Nonprofit Law. The project submissions were evaluated and ranked by an independent jury.

Memberships:

- AmCham – The American Chamber of Commerce
- TIA – The Telecommunications Industry Association
- BAIT – Bulgarian Association of Information Technologies
- BALCO – Bulgarian Association of Licensed Cable Operators
- BAPM – Bulgarian Association for People Management
- Bulgarian-Scandinavian Chamber of Commerce
- Bulgarian Donors Forum
- DE-CIX Management GmbH
- European Telecommunications Network
- GSM Association
- German-Bulgarian Chamber of Commerce and Industry
- CEING – The Confederation of Employers and Industrialists in Bulgaria
- London Internet Exchange Limited
- RIPE NCC
- TERAPRO – Society for Protection of Legal Content

Certifications and standards:

- ISO 9001:2008 "Quality Management Systems"
- ISO 14001:2004 "Environmental Management Systems"
- BS OHSAS 18001:2007 "Occupational Health and Safety Systems" with scope "Provision of electronic communication services, including fixed and mobile voice, GSM and UMTS standard services, television, internet, data transmission and transfer, provision of transmission environment, colocation and integrated technical solutions"
- ISO/IEC 27001:2013 "Security of Data Management Systems" covering Headquarters, Data Center Hajdushka Poljana and Data Center Kaspichan
- ISO/IEC 20000-1:2011 "Information Services Management Systems" covering "Electronic telecommunications and IT services in line with customers' service catalogue"

9. Key Performance Indicators and GRI Content Index

9.1. GRI G4 CONTENT INDEX, "CORE" OPTION

Indicator	Description	Chapter	Page	Verification
Strategy & Analysis				
G4-1	Statement from the most senior decision-maker of the organization		4	No
Organizational Profile				
G4-3	Name of the organization	About the report	6	No
G3-4	Primary brands, products and/or services	Effective	24	No
G4-5	Location of the organization's headquarters	Our company	8	No
G4-6	Number and names of countries where the organization operates	Our company	8	No
G4-7	Nature of ownership and legal form	Our company	10, 11	No
G4-8	Markets served	Our company	8	No
G4-9	Scale of the reporting organization	Our company, Effective, Inspiring, Key performance indicators	8, 22, 26, 30, 37, 38, 71	No
G4-10	People Management data	Our company, Inspiring, Key performance indicators	13, 37, 71	No
G4-11	Percentage of total employees covered by collective bargaining agreements.	Inspiring, Key performance indicators	38, 71	No
G4-12	Organization's supply chain	Our company	15	No
G4-13	Significant changes during the reporting period regarding size, structure and ownership	Our company	8	No
G4-14	Precautionary approach/principle	Effective	28	No
G4-15	Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or which it endorses	Honest	54	No
G4-16	Memberships of associations	Responsible	67	No

Indicator	Description	Chapter	Page	Verification
Identified Material Aspects and Boundaries				
G4-17	All entities included in the organization's consolidated financial statements or equivalent documents and whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report	About the report, Our company	6, 11, 13, 16	No
G4-18	Process of defining report and the Aspect Boundaries, how the organization has implemented the Reporting Principles for Defining Report Content	Our company	16	No
G4-19	All the Material Aspects identified in the process for defining report content	Our company	17, 18, 19	No
G4-20	Aspect Boundary within the organization for each material Aspect	Our company	18, 19	No
G4-21	Aspect Boundary outside the organization for each material Aspect	Our company	18, 19	No
G4-22	Effect on any restatements of information provided in previous reports, and the reasons for such statements	Effective	32	No
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	Our company	16	No
Stakeholder Engagement				
G4-24	List of stakeholder groups engaged by the organization	Our company	20	No
G4-25	Basis for identification and selection of stakeholders with whom to engage	Our company	16	No
G4-26	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Our company	16, 20	No
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	Our company	20	No
Report Profile				
G4-28	Reporting period	About the report	6	No
G4-29	Date of most recent previous report	About the report	6	No
G4-30	Reporting cycle	About the report	6	No
G4-31	Contact point for questions regarding the report or its contents	About the report	6	No
G4-32	'In accordance' option the organization has chosen, GRI Content Index for the chosen option	About the report	6	No
G4-33	External assurance for the report	About the report	6	No
Governance				
G4-34	Governance structure of the organization	Our company	11	No
Ethics and Integrity				
G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct	Our company	14	No

9.2. Key performance indicators

Key performance indicators	Unit	2013	2014	2015
ECONOMIC				
Total revenue	Thousand BGN	811,879	805,912	847,932
Operating expenses	Thousand BGN	477,906	495,974	585,644
Finance expenses	Thousand BGN	52,642	58,355	56,860
Dividends	Thousand BGN	0	0	0
Share of the budget spent on local suppliers in Bulgaria	%	75%	82%	81%
Salary expenses	Thousand BGN	59,732	87,584	96,941
Fees, taxes, social security liabilities and municipalities	Thousand BGN	32,909	33,756	45,391
Donations and investment in society	Thousand BGN	1,170	1,723	3,390
ELECTRICITY CONSUMPTION				
Total	kWh	95,357,696	94,268,201	142,880,181
Base stations	kWh	21,281,356	24,195,794	21,680,306
Core and fixed networks	kWh	62,642,284	58,004,160	63,816,608
Stores	kWh	6,529,331	6,999,367	6,651,732
Offices (including Corporate Sales)	kWh	4,904,725	5,068,880	4,996,671
incl. NURTS	kWh			45,734,864
HEATING				
Offices	MWh	3,749	3,090	3,793
Stores	MWh	237	177	213
FUELS				
Diesel for heating	liters	4,935	6,604	2,450
incl. NURTS	liters			2,450
Diesel for electricity generation	liters	370,682	280,515	269,167
incl. NURTS	liters			1,430

Key performance indicators	Unit	2013	2014	2015
VEHICLE FLEET				
Diesel-powered vehicles	liters	404,187	1,777,079	1,721,879
incl. NURTS	liters			31,041
Gasoline-powered vehicles	liters	348,916	447,600	462,063
incl. NURTS	liters			7,501
Gas-powered vehicles	liters			74,725
incl. NURTS	liters			74,725
WASTE				
Batteries	tons	54	110	168
Cables	tons	916	2,090	1,834
Telecom equipment	tons	23	50	189
LABOR PRACTICES				
Employees (females)	number	2,155	2,655	2,711
incl. NURTS	number			38
Employees (males)	number	1,386	3,223	3,503
incl. NURTS	number			264
Employees with permanent employment contract	number	3,271	5,579	5,916
Employees with temporary / fixed-term contract	number	270	299	298
Employee turnover	%	17.65	13.21	14.5
Interns employed permanently in the company	number	29	40	45
Fatal incidents	number	0	0	0
Reportable incidents (led to over 3 days absence at work)	number	10	16	10
incl. NURTS	number			0
Cases of discrimination	number	0	0	0
Share of employees undergoing regular performance and development evaluation	%	100	100	100
Employees on collective labor agreements	%	40	61	62
Interns employed permanently in the company (% of the total number of interns)	%	37	34	41.28

Source: Consolidated Financial Statements ; data for NURTS refer to the acquisition period

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