



# Earnings

## Announcement

### 3Q17



Table 1.

3Q17 Highlights	3Q16	3Q17	3Q17 / 3Q16	9M16	9M17	9M17 / 9M16
<b>Financial Highlights</b>						
Operating Revenues	381.0	393.1	3.2%	1,124.1	1,162.5	3.4%
Telco Revenues	360.4	374.0	3.8%	1,070.9	1,105.8	3.3%
EBITDA	145.2	151.2	4.1%	431.8	451.6	4.6%
EBITDA Margin	38.1%	38.5%	0.3pp	38.4%	38.8%	0.4pp
Net Income Before Associates & Non-Controlling Interests	25.9	27.5	6.2%	86.5	90.8	5.0%
Net Income	27.5	33.6	22.4%	78.4	105.5	34.5%
EBITDA - Total CAPEX	48.7	60.5	24.3%	139.1	188.0	35.1%
Total Free Cash-Flow Before Dividends, Financial Investments and Own Shares Acquisition	24.3	33.9	39.5%	48.2	136.0	182.3%
<b>Operational Highlights (EoP)</b>						
Homes Passed	3,741.4	4,065.9	8.7%	3,741.4	4,065.9	8.7%
Total RGUs	8,941.5	9,365.7	4.7%	8,941.5	9,365.7	4.7%
Mobile	4,395.6	4,643.7	5.6%	4,395.6	4,643.7	5.6%
Pay TV	1,586.1	1,615.7	1.9%	1,586.1	1,615.7	1.9%
Fixed Voice	1,692.1	1,752.9	3.6%	1,692.1	1,752.9	3.6%
Broadband	1,236.8	1,320.6	6.8%	1,236.8	1,320.6	6.8%
Convergent RGUs	3,272.9	3,631.5	11.0%	3,272.9	3,631.5	11.0%
Convergent Customers	661.2	718.5	8.7%	661.2	718.5	8.7%
Convergent Customers as % of Fixed Access Customers	45.1%	47.3%	2.2pp	45.1%	47.3%	2.2pp
Residential ARPU / Unique Subscriber With Fixed Access (Euros)	42.8	44.6	4.1%	43.2	44.5	3.0%
<b>Operational Highlights (Net Adds)</b>						
Homes Passed	40.4	278.7	n.a.	141.3	302.0	113.6%
Total RGUs	195.0	111.4	(42.9%)	476.6	288.9	(39.4%)
Mobile	125.3	94.6	(24.5%)	272.6	188.0	(31.0%)
Pay TV	11.8	2.4	(79.6%)	42.3	15.1	(64.3%)
Fixed Voice	27.1	1.8	(93.3%)	68.8	28.2	(59.0%)
Broadband	30.4	12.6	(58.6%)	92.1	56.0	(39.2%)
Convergent RGUs	117.3	45.6	(61.1%)	419.2	244.3	(41.7%)
Convergent Customers	17.2	7.7	(55.3%)	70.4	38.3	(45.5%)

- Revenue growth of 3.2% in 3Q17 with Telco revenues accelerating to 3.8%;
- OPEX growing less than revenues, by 2.6% in 3Q17, supporting EBITDA growth of 4.1% yoy to 151.2 million euros;
- EBITDA – CAPEX growth of 24.3% yoy to 60.5 million euros, with YtD growth of 35.1% to 188 million euros, 16.2% of Revenues;
- FCF yoy increase of 9.6 million euros in 3Q17 and of 88 million euros in 9M17;
- Growth in all key operating metrics, with RGUs growing 4.7% yoy to 9.37 million services;
- Positive Pay TV net adds in 3Q17 of 2.4 thousand, despite impact to date of market-wide regulatory intervention on price-increase communication;
- Strong quarter for mobile net adds with 94.6 thousand new customers taking NOS services;
- Continued growth of convergent penetration to 47.3% of fixed base compared with 45.1% in 3Q16;
- Residential ARPU growth of 4.1% to 44.6 euros;
- Weaker quarter for cinema and audiovisuals due to fewer blockbuster movies and lower share of distribution.

## Operational Review

In 3Q17 NOS continued to see growth in all key operating metrics.

Convergence is a maturing trend with 47.3% of fixed subscribers already taking household communication and entertainment services in bundled offers. The most recent market share data reported by the regulator for the end of 2Q17 shows that NOS ranks #1 with a 40% market share of bundled packages.

ARPU growth is led by a combination of increased RGUs sold per account, increased proportion of higher value accounts in the customer mix and an improved pricing environment. In 3Q17, Residential ARPU increased by 4.1% yoy to 44.6 euros.

Pay TV subscriptions are the core measure of residential growth as the basis for upselling all other services. In 3Q17, NOS grew the level of pay TV subscriptions by 2.4 thousand resulting from a combination of an additional 5.5 thousand new fixed access customers and a decline in the satellite base of 3.1 thousand in the quarter. The net growth in the pay TV base in 3Q17 was achieved despite the impact to date of the market wide remedies imposed by the regulator regarding price increase communication procedures. In addition, DTH customers have been posting negative quarterly trends in net adds primarily due to the increasing coverage of NGN fixed networks in Portugal with the main operators expanding their respective footprints.

Penetration of fixed broadband and voice is still growing. By the end of 3Q17, NOS had 1.321 million fixed broadband and 1.753 million fixed voice subscribers, representing respectively 77.4% and 87.0% of the fixed access base.

On the B2B front NOS is focusing efforts primarily on capturing a greater share of wallet within existing large and medium corporate accounts and expanding sale of new business, namely by implementing IT and data management related services with full service solutions for the various subsegments. The operational model in B2B sub segments has been revisited to guarantee that NOS is present in the most margin relevant stages of the customer relationship, becoming a producer rather than a pure reseller of services where relevant. NOS is well positioned to capture value from innovative services developing technological solutions supported by leading network assets and service platforms and strong institutional partnerships when appropriate. Continuous and open product and service innovation and excellence in service delivery are the foundations upon which NOS differentiates itself in the market. In the smaller business segment where NOS has a comparatively larger market share than in the large Corporate space, the key priority is to defend revenue and margin potential and progressively capture natural share of gross adds. In 3Q17, NOS increased total B2B RGUs by 6.6 thousand with ARPU per RGU remaining stable at 15.7 euros.

### Investing to secure long term competitiveness

Fixed and mobile traffic continues to grow exponentially, for NOS and for the market in general. Year to date, fixed and mobile data traffic has increased by 28% and 32% for NOS, clear indication of the increasing demands placed on the network.

To meet the challenges of continued growth in traffic and guarantee service quality, a number of major network development projects are currently underway across both the mobile and fixed infrastructure.

In 3Q17 NOS initiated a mobile network overhaul replacing all the active elements of the network with the latest generation of radio equipment, introducing Single RAN architecture to optimize spectrum utilization and network efficiency, increasing capacity by almost three times and enhancing coverage.

The project will be implemented over the next 5 years, with the lion's share of the investment set to occur in 2018 and 2019.

On the fixed network front, by the end of 1Q18, NOS will have completed the Docsis 3.1 upgrade of its HFC network, allowing for provision of 1Gbps speeds across the entire footprint. At the time of this report almost 50% of the HFC footprint was already upgraded, enabling NOS to launch a premium 1Gbps quad play offer.

With the objective of extending fixed coverage further under economically viable terms and progressively increasing penetration of FttH, at the end of September, NOS reached an agreement with Vodafone Portugal to develop and share FttH infrastructure nationwide, enabling both operators to extend their commercial offers over the shared network as from the beginning of 2018. The agreement encompasses reciprocal sharing of dark fibre in around 2.6 million homes, with each operator sharing an equivalent value in terms of investment. The partnership also applies to mobile infrastructure, with a minimum of 200 mobile towers to be shared. With this agreement both companies retain the freedom to develop their respective commercial offers and technological solutions, whilst guaranteeing complete independence and confidentiality of customer relationship and information management.

By the end of 2018, NOS' next generation fixed network will cover 4.4 million homes, representing a more than 10% increase in addressable market and will be able to provide Gigabit services to 100% of its footprint with the upgrade to Docsis 3.1. NOS' coverage also includes wholesale access to 280 thousand households from DST, a regional fibre operator. By the end of 2022, approximately 70% of NOS' fixed network will be covered with FttH.

A measure of NOS' successful track record in network expansion is that of the new households covered since 2014 average gross penetration now stands at 25%.

### **Differentiation through innovation and entertainment**

NOS is positioned as the leading entertainment and communications provider in Portugal. With its nationwide NGN network, the most advanced multi-device TV and video platform, "UMA" and access to the largest chain of movie theatres in Portugal, NOS boasts the most exciting entertainment and communications experience in the market. The starting level convergent package includes 176 channels over the UMA platform, 100 Mbps of broadband speed and unlimited broadband and voice traffic, 1 mobile SIM card with 500MB of data included for a 56.99 euro monthly fee plus access to the NOS on demand video library NPlay. Each new SIM card is charged at 11.90 euros and residential customers may go up to a limit of 4 cards. NOS' mobile data solution within converged bundles offers customers the ability to share the total monthly data allowance amongst all SIMs within the family account. At the top end of the range, reflecting a "more for more" approach, and leveraging the increased network capabilities with the Docsis 3.1 upgrade, for an additional 17 euros a month, broadband speeds increase to 1Gbps and the mobile data allowance per SIM increases to 10 GB per month. The UMA TV and online video interface is continuously evolving with new content and features targeting upsell to higher end packages at more premium pricing. During the last months, NOS launched a number of new features for the platform, one of the most significant of which being the inclusion of YouTube over the integrated UMA TV, computer and smartphone platforms.

## Cinema and Audiovisuals

3Q17 was a weaker quarter for the Cinema and Audiovisuals division. NOS' Cinema ticket sales posted a yoy decrease of 5.8% to 2.509 million tickets in 3Q17, reflecting the negative performance of the market as a whole which declined by 4.9%<sup>[1]</sup>, due to fewer blockbuster box office hits during the second half of the year. Average revenue per ticket remained stable yoy at 4.7 euros in 3Q17.

Table 2.

Operating Indicators ('000)	3Q16	2Q17	3Q17	3Q17 / 3Q16	3Q17 / 2Q17	9M16	9M17	9M17 / 9M16
Cinema <sup>(1)</sup>								
Revenue per Ticket (Euros)	4.7	4.7	4.7	(0.1%)	(0.4%)	4.7	4.7	0.3%
Tickets Sold	2,663.4	2,446.3	2,509.1	(5.8%)	2.6%	6,779.2	7,251.7	7.0%
Screens (units)	215	215	215	0.0%	0.0%	215	215	0.0%

<sup>(1)</sup> Portuguese Operations

The most successful films exhibited in 3Q17 were "Despicable Me 3", "Baywatch", "The Emoji Movie", "Cars 3" and "Spider-Man: Homecoming".

NOS' gross box-office revenues decreased by 5.8% in 3Q17, which compares with a 4.3% yoy decline for the market as a whole. NOS continues to maintain its leading market position, with a market share of 63.7% in terms of gross revenues in 3Q17. Cinema Exhibition revenues declined by 5.3% yoy in 3Q17 to 16.4 million euros.

Revenues in the Audiovisuals division decreased by 11.4% yoy to 17.3 million euros in 3Q17 driven primarily by the weaker yoy performance in Cinema Distribution and despite a slight improvement in Homevideo and VoD. Of the top 10 cinema box-office hits in 3Q17, NOS distributed 7, "Despicable Me 3", "Baywatch", "Cars 3", "Anabelle 2: Creation", "The Hitman's Bodyguard", "Dunkirk", and "It", therefore maintaining its leadership position.

<sup>[1]</sup> Source: ICA – Portuguese Institute For Cinema and Audiovisuals

# Consolidated Financial Statements

The following Consolidated Financial Statements have been subject to limited review.

## Consolidated Income Statement

Table 3.

Profit and Loss Statement (Millions of Euros)	3Q16	2Q17	3Q17	3Q17 / 3Q16	3Q17 / 2Q17	9M16	9M17	9M17 / 9M16
Operating Revenues	381.0	388.4	393.1	3.2%	1.2%	1,124.1	1,162.5	3.4%
Telco	360.4	368.8	374.0	3.8%	1.4%	1,070.9	1,105.8	3.3%
Consumer Revenues	223.4	232.7	236.4	5.8%	1.6%	668.1	700.9	4.9%
Business and Wholesale Revenues	104.2	111.8	109.1	4.7%	(2.4%)	310.1	322.5	4.0%
Equipment Sales	14.3	10.5	15.3	7.3%	45.5%	37.4	36.6	(2.0%)
Others and Eliminations	18.6	13.8	13.2	(28.7%)	(4.3%)	55.4	45.7	(17.4%)
Audiovisuals	19.6	19.1	17.3	(11.4%)	(9.4%)	52.6	54.3	3.2%
Cinema <sup>(1)</sup>	17.3	16.2	16.4	(5.3%)	1.4%	44.7	47.9	7.3%
Others and Eliminations	(16.3)	(15.8)	(14.6)	(10.2%)	(7.2%)	(44.0)	(45.5)	3.4%
Operating Costs Excluding D&A	(235.7)	(231.6)	(241.9)	2.6%	4.4%	(692.3)	(710.9)	2.7%
W&S	(23.0)	(20.7)	(23.2)	0.9%	12.1%	(68.7)	(66.1)	(3.8%)
Direct Costs	(115.7)	(126.3)	(118.9)	2.7%	(5.9%)	(334.9)	(359.0)	7.2%
Commercial Costs <sup>(2)</sup>	(29.1)	(20.7)	(25.8)	(11.3%)	24.8%	(73.5)	(66.5)	(9.5%)
Other Operating Costs	(68.0)	(64.0)	(74.0)	8.9%	15.7%	(215.3)	(219.4)	1.9%
EBITDA	145.2	156.7	151.2	4.1%	(3.5%)	431.8	451.6	4.6%
EBITDA Margin	38.1%	40.4%	38.5%	0.3pp	(1.9pp)	38.4%	38.8%	0.4pp
Telco	131.4	144.4	138.4	5.3%	(4.2%)	394.8	414.0	4.8%
EBITDA Margin	36.5%	39.1%	37.0%	0.5pp	(2.1pp)	36.9%	37.4%	0.6pp
Cinema Exhibition and Audiovisuals	13.8	12.4	12.8	(7.1%)	3.8%	36.9	37.6	1.8%
EBITDA Margin	43.2%	39.9%	42.8%	(0.4pp)	2.9pp	42.5%	41.4%	(1.1pp)
Depreciation and Amortization	(98.7)	(103.4)	(103.7)	5.1%	0.2%	(292.5)	(310.4)	6.1%
(Other Expenses) / Income	(5.5)	(4.5)	(3.8)	(30.0%)	(14.7%)	(11.5)	(11.7)	1.8%
Operating Profit (EBIT) <sup>(3)</sup>	41.1	48.8	43.7	6.4%	(10.4%)	127.8	129.4	1.3%
Share of results of associates and joint ventures	1.4	3.6	6.0	n.a.	66.0%	(8.2)	15.0	n.a.
(Financial Expenses) / Income	(6.5)	(5.2)	(6.5)	(1.1%)	23.9%	(18.8)	(18.3)	(2.5%)
Income Before Income Taxes	35.9	47.2	43.2	20.3%	(8.4%)	100.7	126.1	25.2%
Income Taxes	(8.6)	(6.4)	(9.7)	12.9%	52.7%	(22.5)	(20.4)	(9.5%)
Net Income Before Associates & Non-Controlling Interests	25.9	37.2	27.5	6.2%	(26.0%)	86.5	90.8	5.0%
Income From Continued Operations	27.3	40.8	33.5	22.7%	(17.9%)	78.2	105.8	35.2%
o.w. Attributable to Non-Controlling Interests	0.2	(0.4)	0.1	(33.5%)	n.a.	0.2	(0.3)	n.a.
Net Income	27.5	40.4	33.6	22.4%	(16.7%)	78.4	105.5	34.5%

(1) Includes operations in Mozambique.

(2) Commercial costs include commissions, marketing and publicity expenses and costs of equipment sold.

(3) EBIT = Income Before Financials and Income Taxes.

## Revenues

Consolidated Revenues grew by 3.2% yoy to 393.1 million euros reflecting an acceleration yoy in the telecom business and deceleration of revenues from the cinema and audiovisuals business.

Table 4.

Operating Revenues (YoY Change)	1Q17	2Q17	3Q17	9M17
Operating Revenues	2.9%	4.2%	3.2%	3.4%
Telco	2.9%	3.1%	3.8%	3.3%
Consumer Revenues	3.6%	5.3%	5.8%	4.9%
Business and Wholesale Revenues	1.3%	5.9%	4.7%	4.0%
Equipment Sales	(14.6%)	0.6%	7.3%	(2.0%)
Others and Eliminations	17.8%	(34.0%)	(28.7%)	(17.4%)
Audiovisuals	10.6%	13.1%	(11.4%)	3.2%
Cinema <sup>(1)</sup>	(2.1%)	38.6%	(5.3%)	7.3%
Others and Eliminations	7.6%	15.4%	(10.2%)	3.4%

Continued growth in RGUs associated with higher ARPU are driving an acceleration in yoy revenue growth in the Telecom operation with revenues growing by 3.8% yoy to 374 million euros, compared with 2.9% in 1Q17 and 3.1% in 2Q17.

Within the Consumer segment, Residential revenues grew by 5.6% yoy led by slightly higher growth of customer revenues. Revenues from the personal segment posted growth of 7.1% yoy, driven by equivalent growth in customer and operator revenues on the back of higher stand-alone mobile RGUs and an increase in average ARPU of almost 5%. Higher yoy operator revenues result from the fact that with NOS' larger subscriber base and increased market share, more calls are being terminated on the NOS network than in previous years. This is also true for converged mobile customers however operator revenues in converged ARPU weigh less than in stand-alone mobile ARPU.

Business revenues ex-wholesale increased by 4.3% yoy as a result of customer revenue growth driven primarily by higher ARPU per account and still some RGU growth, albeit slower than in the past. Revenues in the wholesale segment grew by 5.5% yoy benefiting from some recovery in mass calling services and increased volume of roaming in revenues generated from the "Roam Like at Home" (RLAH) European directive implemented in mid-June 2017. Roaming revenues year-to-date to the EU declined by 7% with a decrease in roaming out partially offset by strong growth of roaming in despite the lower tariffs.

Equipment sales increased by 7.3% yoy driven by stronger commercial activity and gross adds in the quarter. The remaining revenue aggregate in the telecom segment, "others and eliminations" posted a yoy decline of 28.7% to 13.2 million euros, reflecting a similar yoy trend to the previous quarter. This aggregate contains mostly revenues received from advertising revenue share on TV channels, sale of TV channels and a number of other telecom related revenues.

Cinemas posted a yoy deceleration in revenues of 5.3% as a result of the weaker movie line-up in comparison with 3Q16 and as explained in the Cinema and Audiovisuals segment above. The decline was extensive to the market in general which posted a decline in total box office sales of 4.3%, according to monthly data published by the audiovisuals and cinema institute – ICA. The Audiovisuals division posted a more marked decline in revenues as a result of both the decline in box-office sales affecting movie distribution revenues, a small reduction in share of movie distribution in the quarter and lower sales of premium movie channels to Portuguese speaking African markets.

## OPEX

Table 5.

Operating Costs (YoY Change)	1Q17	2Q17	3Q17	9M17
Operating Costs Excluding D&A	2.1%	3.3%	2.6%	2.7%
W&S	(6.9%)	(5.5%)	0.9%	(3.8%)
Direct Costs	4.6%	14.4%	2.7%	7.2%
Commercial Costs <sup>(2)</sup>	(22.2%)	10.5%	(11.3%)	(9.5%)
Other Operating Costs	9.8%	(12.6%)	8.9%	1.9%

Growth of 2.6% in Consolidated OPEX to 241.9 million euros was below that of Operating Revenues, translating into EBITDA expansion of 4.1% during the quarter.

Direct costs are those that weigh the most in the cost structure, approximately 30% as a proportion of Operating Revenues. This aggregate is composed mostly of programming and royalty costs, interconnection and telecom capacity related costs and is closely tied to the level of commercial activity. The well flagged yoy increase in premium sports costs was less significant in 3Q17 than in previous quarters with the most relevant impacts already having passed through the accounts. Further yoy increases will persist, as agreed in the terms of the long term contracts signed, although are set to be less material than in recent quarters. Excluding football sports content, direct costs posted a marginal decline of 0.2%, demonstrating improvement in operating leverage as a result of increased scale and the drive for a more efficient cost structure.

The yoy saving achieved in commercial costs of 11.3% was due to a combination of lower advertising spend in the telco division and lower cost of goods sold than in 3Q16 impacted by a lower level of stock depreciation yoy. The variation in other operating costs combines a number of changes including an increase in regulatory fees paid to Anacom, higher operating provisions in the quarter and savings in a number of supplies and external services related costs.

EBIT grew by 6.4% yoy to 43.7 million euros reflecting the expansion in Consolidated EBITDA of 4.1% due to revenues growing at a faster pace than costs. Telco EBITDA margin in particular reflected a strong trend accelerating yoy growth to 5.3% compared with growth in revenues of 3.8%, taking margin to 37% as a proportion of telco revenues, compared with 36.5% in 3Q16. Although higher yoy, quarterly Depreciation and Amortization has remained relatively stable throughout the year.



Net Income posted a 22.4% increase to 33.6 million euros in 3Q17 led by the strong EBIT performance, and significantly improved share of results of associates and joint ventures to 6 million euros in the quarter mainly due to the improved financial contribution of Sport TV resulting from the revised distribution model implemented during 2H16 and the improved performance at ZAP.

Financial charges of 6.5 million euros reflect a combination of lower interest costs due to the decline in average cost of debt from 2.2% in 3Q16 to 1.9% in 3Q17, a saving mitigated by a lower level of interest received on outstanding client debt.

The increase in Tax provision in 3Q17 of 12.9% to 9.7 million euros, was a consequence essentially of the higher level of Earnings before Income Tax.

## CAPEX

Table 6.

CAPEX (Millions of Euros)	3Q16	2Q17	3Q17	3Q17 / 3Q16	3Q17 / 2Q17	9M16	9M17	9M17 / 9M16
Telco	87.0	77.6	84.2	(3.3%)	8.5%	264.7	239.5	(9.5%)
o.w. Technical CAPEX	42.5	42.4	47.1	11.0%	11.2%	130.3	125.5	(3.7%)
% of Telco Revenues	11.8%	11.5%	12.6%	0.8pp	1.1pp	12.2%	11.4%	(0.8pp)
Baseline Telco	30.0	35.9	27.8	(7.5%)	(22.6%)	92.5	90.5	(2.1%)
Network Expansion / Substitution and Integration Projects and Others	12.4	6.5	19.4	55.5%	198.0%	37.8	35.0	(7.5%)
o.w. Customer Related CAPEX	44.6	35.2	37.0	(16.9%)	5.2%	134.4	114.0	(15.2%)
% of Telco Revenues	12.4%	9.5%	9.9%	(2.5pp)	0.4pp	12.6%	10.3%	(0.2pp)
Audiovisuals and Cinema Exhibition	9.5	8.1	6.6	(30.9%)	(18.6%)	27.9	24.1	(13.8%)
Total Group CAPEX	96.6	85.7	90.8	(6.0%)	5.9%	292.6	263.6	(9.9%)
% of Total Group Revenues	25.3%	22.1%	23.1%	(2.3pp)	1.0pp	26.0%	22.7%	(0.1pp)

Total Telecom CAPEX fell by 3.3% yoy to 84.2 million euros, representing 22.5% of telecom sales. Of this amount, Technical CAPEX started to pick up quarter over quarter reaching 47.1 million euros in 3Q17, 12.6% of telco revenues as expected with the launch in 2H17 of the major network projects discussed earlier in this report. Technical CAPEX will continue to increase quarter on quarter, albeit remaining within the guidance range of 12-13% of full year telco revenues. Within technical CAPEX, baseline CAPEX amounted to 27.8 million euros, 7.4% of telecom revenues, similar to levels of previous quarters. Customer related CAPEX posted a material decline of 16.9% yoy to 37 million euros in 3Q17 reflecting the anticipated slowdown in RGU growth and customer acquisition.

Total Group CAPEX was 90.8 million euros in 3Q17, 23.1% of Consolidated Revenues. Audiovisuals and Cinema CAPEX declined to 6.6 million euros from 9.5 million euros in 3Q16 due primarily to the weaker quarter in terms of movie distribution and sale of premium movie channels.

## Cash Flow

Table 7.

Cash Flow (Millions of Euros)	3Q16	2Q17	3Q17	3Q17 / 3Q16	3Q17 / 2Q17	9M16	9M17	9M17 / 9M16
EBITDA	145.2	156.7	151.2	4.1%	(3.5%)	431.8	451.6	4.6%
Total CAPEX	(96.6)	(85.7)	(90.8)	(6.0%)	5.9%	(292.6)	(263.6)	(9.9%)
EBITDA - Total CAPEX	48.7	71.1	60.5	24.3%	(14.9%)	139.1	188.0	35.1%
% of Revenues	12.8%	18.3%	15.4%	2.6pp	(2.9pp)	12.4%	16.2%	3.8pp
Non-Cash Items Included in EBITDA - CAPEX and Change in Working Capital	(0.9)	(13.2)	(4.5)	n.a.	(66.1%)	(39.7)	(25.3)	(36.2%)
Operating Cash Flow	47.7	57.9	56.0	17.3%	(3.3%)	99.4	162.7	63.6%
Long Term Contracts	(4.7)	(3.8)	(4.6)	(3.1%)	21.4%	(13.0)	(11.3)	(13.2%)
Cash Restructuring Payments	(6.0)	(5.9)	(2.5)	(59.1%)	(58.5%)	(11.8)	(13.7)	16.6%
Interest Paid	(5.9)	(4.9)	(6.3)	7.4%	27.2%	(15.5)	(17.9)	15.5%
Income Taxes Paid	(9.5)	(0.0)	(9.4)	(1.2%)	n.a.	(14.9)	(9.7)	(34.7%)
Disposals	2.9	0.7	0.6	(78.9%)	(14.1%)	3.7	25.9	n.a.
Other Cash Movements	(0.2)	0.0	(0.0)	(100.0%)	(100.0%)	0.2	0.0	(100.0%)
Total Free Cash-Flow Before Dividends, Financial Investments and Own Shares Acquisition	24.3	43.9	33.9	39.5%	(22.8%)	48.2	136.0	182.3%
Acquisition of Own Shares	0.0	0.0	0.0	n.a.	n.a.	(20.7)	0.0	(100.0%)
Dividends	0.0	(102.6)	0.0	n.a.	(100.0%)	(82.1)	(102.6)	25.0%
Free Cash Flow	24.3	(58.7)	33.9	39.5%	n.a.	(54.6)	33.3	n.a.
Debt Variation Through Financial Leasing, Accruals & Deferrals & Others	(2.4)	(2.2)	0.5	n.a.	n.a.	(11.2)	(0.9)	(92.4%)
Change in Net Financial Debt	(21.9)	60.9	(34.4)	56.9%	n.a.	65.9	(32.5)	n.a.

FCF growth continues to accelerate yoy reflecting NOS' strong cash generation momentum and potential for attractive growth in shareholder remuneration.

In 3Q17, EBITDA-CAPEX grew by 24.3% yoy to 60.5 million euros and Operating Cash Flow increased by 17.3% to 56 million euros. Accumulated for 9M17, Operating Free Cash Flow amounted to 162.7 million euros, up 63.6% yoy.

Of the main cash movements below OCF, in 3Q17, NOS paid cash taxes of 9.4 million euros, similar to the level paid in 3Q16 and, for 9M17, cash tax paid was 9.7 million euros, down from 14.9 million euros in 9M16. Interest payments increased by 7.4% yoy to 6.3 million euros in 3Q17 reflecting the decline of financing interest costs from lower average cost of debt, which was offset by the lower yoy level of client default interest payments. Restructuring payments reduced quite significantly in 3Q17 to 2.5 million euros in the quarter, compared with 6 million euros in 3Q16 and 5.9 million euros in 2Q17.

Total FCF before dividends, financial investments and own share acquisitions increased 39.5% in 3Q17 to 33.9 million euros translating into an 8.6% margin as a percentage of total revenues compared with 6.4% in 3Q16.

## Consolidated Balance Sheet

Table 8.

Balance Sheet (Millions of Euros)	2016	2Q17	3Q17
Non-current Assets	2,453.0	2,425.8	2,418.5
Current Assets	529.6	496.3	526.5
Total Assets	2,982.6	2,922.1	2,945.0
Total Shareholders' Equity	1,053.1	1,025.8	1,060.2
Non-current Liabilities	1,168.7	1,210.5	1,137.2
Current Liabilities	760.8	685.8	747.7
Total Liabilities	1,929.5	1,896.3	1,884.9
Total Liabilities and Shareholders' Equity	2,982.6	2,922.1	2,945.0

## Capital Structure

At the end of 9M17, Net Financial Debt stood at 1,079.8 million euros.

Total financial debt was 1,081.8 million euros, which was offset with a cash and short-term investment position on the balance sheet of 2.0 million euros. At the end of 9M17, NOS also had 210 million euros of unissued commercial paper programmes. The all-in average cost of NOS' Net Financial Debt stood at 1.9% for 3Q17, down from 2.2% in 3Q16 and from 2.1% in 2Q17. For 9M17, the all-in average cost of NOS' Net Financial Debt amounted to 2.1%.

During the 9M17 NOS executed two financing deals to refinance existing lines:

- In March, a new commercial paper program with a maximum amount of 75M Euros and maturing in 2021, with Banco Millennium bcp; and
- In June, a new commercial paper program with a maximum amount of 100M Euros, 50% of which amortized in 2021, and the remaining in 2023, with Banco Santander Totta.

Net Financial Gearing was 50.5% at the end of 9M17 and Net Financial Debt / EBITDA (last 4 quarters) now stands at 1.9x. The average maturity of NOS' Net Financial Debt at the end of 9M17 was 3 years.

Taking into account the loans issued at a fixed rate, the interest rate hedging operations in place, and the negative interest rate environment, as at 30 September 2017, the proportion of NOS' issued debt paying interest at a fixed rate is approximately 73%.

Table 9.

Net Financial Debt (Millions of Euros)	2016	2Q17	3Q17	3Q17 / 2016
Short Term	213.9	153.6	193.3	(9.6%)
Bank and Other Loans	196.4	138.7	177.5	(9.6%)
Financial Leases	17.5	15.0	15.8	(9.8%)
Medium and Long Term	900.7	962.6	888.5	(1.4%)
Bank and Other Loans	871.8	939.4	869.9	(0.2%)
Financial Leases	28.9	23.2	18.7	(35.5%)
Total Debt	1,114.6	1,116.3	1,081.8	(2.9%)
Cash and Short Term Investments	2.3	2.0	2.0	(14.0%)
Net Financial Debt	1,112.3	1,114.2	1,079.8	(2.9%)
Net Financial Gearing <sup>(1)</sup>	51.4%	52.1%	50.5%	(0.9pp)
Net Financial Debt / EBITDA	2.0x	2.0x	1.9x	n.a.

<sup>(1)</sup> Net Financial Gearing = Net Financial Debt / (Net Financial Debt + Total Shareholders' Equity).

# Appendix I

Table 10.

Operating Indicators ('000)	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17
<b>Telco <sup>(1)</sup></b>							
<b>Aggregate Indicators</b>							
Homes Passed	3,632.8	3,701.0	3,741.4	3,763.9	3,772.3	3,787.2	4,065.9
Total RGUs	8,595.1	8,746.4	8,941.5	9,076.8	9,155.2	9,254.3	9,365.7
Mobile	4,173.0	4,270.3	4,395.6	4,455.7	4,487.1	4,549.1	4,643.7
Pre-Paid	2,055.3	2,048.3	2,089.3	2,071.3	2,034.2	2,027.3	2,070.5
Post-Paid	2,117.8	2,222.0	2,306.3	2,384.4	2,452.8	2,521.8	2,573.2
ARPU / Mobile Subscriber (Euros)	8.5	8.5	8.8	8.4	8.4	8.6	8.9
Pay TV	1,561.5	1,574.4	1,586.1	1,600.6	1,608.4	1,613.3	1,615.7
Fixed Access <sup>(2)</sup>	1,229.7	1,240.0	1,250.8	1,265.6	1,276.2	1,282.4	1,287.8
DTH	331.8	334.4	335.4	335.0	332.3	331.0	327.9
Fixed Voice	1,647.9	1,665.0	1,692.1	1,724.7	1,738.0	1,751.1	1,752.9
Broadband	1,182.5	1,206.4	1,236.8	1,264.6	1,289.5	1,308.0	1,320.6
Others and Data	30.2	30.4	30.8	31.2	32.2	32.7	32.8
3,4&5P Subscribers (Fixed Access)	995.8	1,018.2	1,040.3	1,061.8	1,083.3	1,096.3	1,108.4
% 3,4&5P (Fixed Access)	81.0%	82.1%	83.2%	83.9%	84.9%	85.5%	86.1%
Convergent RGUs	2,988.0	3,155.6	3,272.9	3,387.2	3,509.0	3,585.9	3,631.5
Convergent Customers	614.8	644.0	661.2	680.2	697.8	710.8	718.5
Fixed Convergent Customers as % of Fixed Access Customers	42.8%	44.4%	45.1%	45.8%	46.5%	47.1%	47.3%
% Convergent Customers	39.4%	40.9%	41.7%	42.5%	43.4%	44.1%	44.5%
IRIS & UMA Subscribers	899.6	927.3	955.1	982.6	1,007.4	1,024.6	1,040.2
IRIS & UMA as % of 3,4&5P Subscribers (Fixed Access)	90.3%	91.1%	91.8%	92.5%	93.0%	93.5%	93.8%
<b>Net Adds</b>							
Homes Passed	32.7	68.2	40.4	22.5	8.3	14.9	278.7
Total RGUs	130.3	151.3	195.0	135.3	78.4	99.1	111.4
Mobile	50.0	97.3	125.3	60.0	31.4	62.0	94.6
Pre-Paid	(20.3)	(6.9)	41.0	(18.0)	(37.0)	(7.0)	43.2
Post-Paid	70.2	104.2	84.4	78.1	68.4	69.0	51.4
Pay TV	17.7	12.9	11.8	14.5	7.8	4.9	2.4
Fixed Access	14.3	10.3	10.7	14.8	10.6	6.2	5.5
DTH	3.4	2.5	1.0	(0.4)	(2.7)	(1.3)	(3.1)
Fixed Voice	24.6	17.0	27.1	32.6	13.3	13.1	1.8
Broadband	37.7	23.9	30.4	27.8	24.9	18.5	12.6
Others and Data	0.3	0.2	0.4	0.4	1.0	0.6	0.0
3,4&5P Subscribers (Fixed Access)	27.3	22.5	22.1	21.5	21.4	13.1	12.1
Convergent RGUs	134.3	167.5	117.3	114.3	121.8	76.9	45.6
Convergent Customers	23.9	29.2	17.2	19.0	17.6	13.0	7.7
IRIS & UMA Subscribers	34.5	27.7	27.8	27.5	24.8	17.2	15.6

<sup>(1)</sup> Portuguese Operations

<sup>(2)</sup> Fixed Access Subscribers include customers served by the HFC, FTTH and ULL networks and indirect access customers.

Table 11.

Operating Indicators ('000)	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17
<b>Telco <sup>(1)</sup></b>							
<b>Indicators per Segment</b>							
<b>Consumer</b>							
Total RGUs	7,285.8	7,400.6	7,560.0	7,658.9	7,724.7	7,801.2	7,906.0
Pay TV	1,448.8	1,458.1	1,466.3	1,478.3	1,483.6	1,487.1	1,489.6
Fixed Access	1,144.9	1,152.1	1,160.0	1,172.0	1,180.1	1,185.0	1,189.5
DTH	303.9	306.0	306.2	306.3	303.5	302.1	300.2
IRIS & UMA Subscribers	859.0	883.3	908.6	933.3	955.7	970.7	984.6
Broadband	1,072.5	1,093.3	1,119.3	1,143.5	1,167.1	1,182.9	1,194.6
Fixed Voice	1,354.6	1,365.6	1,381.4	1,393.3	1,402.0	1,408.6	1,410.5
Mobile	3,409.9	3,483.7	3,593.0	3,643.8	3,671.8	3,722.6	3,811.3
% 1P (Fixed Access)	6.9%	6.4%	5.7%	5.4%	5.1%	4.8%	4.6%
% 2P (Fixed Access)	12.8%	12.0%	11.8%	11.2%	10.6%	10.1%	9.9%
% 3,4&5P (Fixed Access)	80.3%	81.5%	82.5%	83.5%	84.4%	85.0%	85.5%
ARPU / Unique Subscriber With Fixed Access (Euros)	43.7	43.1	42.8	43.5	44.5	44.4	44.6
<b>Net Adds</b>							
Total RGUs	105.3	114.8	159.3	98.9	65.8	76.5	104.9
Pay TV	13.3	9.2	8.2	12.0	5.3	3.5	2.5
Fixed Access	10.6	7.2	8.0	11.9	8.1	4.9	4.5
DTH	2.7	2.1	0.2	0.1	(2.8)	(1.4)	(2.0)
IRIS & UMA Subscribers	30.6	24.3	25.3	24.8	22.4	15.0	13.9
Broadband	33.3	20.8	26.0	24.2	23.6	15.7	11.7
Fixed Voice	17.7	11.0	15.8	11.9	8.8	6.6	1.9
Mobile	41.0	73.8	109.3	50.8	28.1	50.7	88.7
<b>Business</b>							
Total RGUs	1,309.3	1,345.8	1,381.5	1,417.9	1,430.5	1,453.1	1,459.7
Pay TV	112.7	116.3	119.9	122.3	124.8	126.2	126.1
IRIS & UMA Subscribers	40.6	44.1	46.6	49.2	51.7	53.8	55.6
Broadband	140.2	143.5	148.3	152.3	154.6	157.9	158.7
Fixed Voice	293.3	299.4	310.7	331.4	335.9	342.5	342.4
Mobile	763.1	786.6	802.7	811.9	815.2	826.5	832.4
ARPU per RGU (Euros)	16.8	16.4	16.0	15.8	15.7	15.7	15.7
<b>Net Adds</b>							
Total RGUs	25.0	36.5	35.7	36.4	12.7	22.6	6.6
Pay TV	4.4	3.6	3.6	2.4	2.5	1.4	(0.1)
IRIS & UMA Subscribers	4.0	3.5	2.5	2.7	2.4	2.1	1.8
Broadband	4.7	3.3	4.8	4.0	2.3	3.3	0.9
Fixed Voice	6.9	6.1	11.3	20.7	4.5	6.6	(0.1)
Mobile	9.0	23.5	16.1	9.2	3.3	11.3	5.9
<b>Cinema <sup>(1)</sup></b>							
Revenue per Ticket (Euros)	4.8	4.7	4.7	4.8	4.8	4.7	4.7
Tickets Sold	2,400.3	1,715.6	2,663.4	2,317.6	2,296.4	2,446.3	2,509.1
Screens (units)	215	215	215	215	215	215	215

(1) Portuguese Operations

# Appendix II

Table 12.

Profit and Loss Statement (Millions of Euros)	1Q16	2Q16	3Q16	4Q16	2016	1Q17	2Q17	3Q17
Operating Revenues	370.3	372.8	381.0	390.9	1,515.0	381.0	388.4	393.1
Telco	352.5	357.9	360.4	371.6	1,442.5	362.9	368.8	374.0
Consumer Revenues	223.7	220.9	223.4	226.8	894.8	231.8	232.7	236.4
Business and Wholesale Revenues	100.3	105.6	104.2	104.9	415.0	101.6	111.8	109.1
Equipment Sales	12.7	10.5	14.3	16.3	53.7	10.8	10.5	15.3
Others and Eliminations	15.9	20.9	18.6	23.6	79.0	18.7	13.8	13.2
Audiovisuals	16.1	16.9	19.6	19.0	71.6	17.8	19.1	17.3
Cinema <sup>(1)</sup>	15.7	11.7	17.3	15.5	60.2	15.3	16.2	16.4
Others and Eliminations	(14.0)	(13.7)	(16.3)	(15.3)	(59.3)	(15.1)	(15.8)	(14.6)
Operating Costs Excluding D&A	(232.4)	(224.2)	(235.7)	(265.9)	(958.2)	(237.4)	(231.6)	(241.9)
W&S	(23.8)	(21.9)	(23.0)	(24.4)	(93.1)	(22.2)	(20.7)	(23.2)
Direct Costs	(108.8)	(110.4)	(115.7)	(122.9)	(457.8)	(113.8)	(126.3)	(118.9)
Commercial Costs <sup>(2)</sup>	(25.6)	(18.7)	(29.1)	(31.2)	(104.6)	(20.0)	(20.7)	(25.8)
Other Operating Costs	(74.1)	(73.2)	(68.0)	(87.5)	(302.7)	(81.4)	(64.0)	(74.0)
EBITDA	137.9	148.7	145.2	125.0	556.7	143.6	156.7	151.2
EBITDA Margin	37.2%	39.9%	38.1%	32.0%	36.7%	37.7%	40.4%	38.5%
Telco	125.8	137.6	131.4	111.8	506.7	131.2	144.4	138.4
EBITDA Margin	35.7%	38.4%	36.5%	30.1%	35.1%	36.2%	39.1%	37.0%
Cinema Exhibition and Audiovisuals	12.1	11.1	13.8	13.1	50.1	12.4	12.4	12.8
EBITDA Margin	41.5%	42.8%	43.2%	42.9%	42.6%	41.5%	39.9%	42.8%
Depreciation and Amortization	(95.3)	(98.5)	(98.7)	(99.1)	(391.6)	(103.3)	(103.4)	(103.7)
(Other Expenses) / Income	(2.4)	(3.6)	(5.5)	(10.9)	(22.4)	(3.4)	(4.5)	(3.8)
Operating Profit (EBIT) <sup>(3)</sup>	40.2	46.5	41.1	15.0	142.8	37.0	48.8	43.7
Share of results of associates and joint ventures	(6.4)	(3.3)	1.4	2.3	(5.9)	5.3	3.6	6.0
(Financial Expenses) / Income	(5.4)	(6.9)	(6.5)	(5.8)	(24.6)	(6.6)	(5.2)	(6.5)
Income Before Income Taxes	28.4	36.4	35.9	11.5	112.2	35.7	47.2	43.2
Income Taxes	(4.0)	(9.9)	(8.6)	0.3	(22.2)	(4.3)	(6.4)	(9.7)
Net Income Before Associates & Non-Controlling Interests	30.8	29.7	25.9	9.5	95.9	26.1	37.2	27.5
Income From Continued Operations	24.5	26.5	27.3	11.8	90.0	31.4	40.8	33.5
o.w. Attributable to Non-Controlling Interests	(0.0)	0.0	0.2	0.2	0.4	0.0	(0.4)	0.1
Net Income	24.4	26.5	27.5	12.0	90.4	31.4	40.4	33.6

(1) Includes operations in Mozambique.

(2) Commercial costs include commissions, marketing and publicity expenses and costs of equipment sold.

(3) EBIT = Income Before Financials and Income Taxes.

Table 13.

CAPEX (Millions of Euros)	1Q16	2Q16	3Q16	4Q16	2016	1Q17	2Q17	3Q17
Telco	84.9	92.7	87.0	91.6	356.3	77.7	77.6	84.2
o.w. Technical CAPEX	42.0	45.8	42.5	41.3	171.6	36.0	42.4	47.1
% of Telco Revenues	11.9%	12.8%	11.8%	11.1%	11.9%	9.9%	11.5%	12.6%
Baseline Telco	27.6	34.9	30.0	28.3	120.8	26.8	35.9	27.8
Network Expansion / Substitution and Integration Projects and Others	14.4	11.0	12.4	13.0	50.8	9.1	6.5	19.4
o.w. Customer Related CAPEX	42.9	46.9	44.6	50.3	184.7	41.7	35.2	37.0
% of Telco Revenues	12.2%	13.1%	12.4%	13.5%	12.8%	11.5%	9.5%	9.9%
Audiovisuals and Cinema Exhibition	10.2	8.2	9.5	8.4	36.4	9.4	8.1	6.6
Total Group CAPEX	95.1	101.0	96.6	100.0	392.7	87.1	85.7	90.8
% of Total Group Revenues	25.7%	27.1%	25.3%	25.6%	25.9%	22.9%	22.1%	23.1%

Table 14.

Cash Flow (Millions of Euros)	1Q16	2Q16	3Q16	4Q16	2016	1Q17	2Q17	3Q17
EBITDA	137.9	148.7	145.2	125.0	556.7	143.6	156.7	151.2
Total CAPEX	(95.1)	(101.0)	(96.6)	(100.0)	(392.7)	(87.1)	(85.7)	(90.8)
EBITDA - Total CAPEX	42.8	47.7	48.7	24.9	164.1	56.5	71.1	60.5
% of Revenues	11.6%	12.8%	12.8%	6.4%	10.8%	14.8%	18.3%	15.4%
Non-Cash Items Included in EBITDA - CAPEX and Change in Working Capital	(19.8)	(18.9)	(0.9)	(2.4)	(42.1)	(7.7)	(13.2)	(4.5)
Operating Cash Flow	22.9	28.8	47.7	22.5	122.0	48.8	57.9	56.0
Long Term Contracts	(3.8)	(4.4)	(4.7)	(4.1)	(17.1)	(2.9)	(3.8)	(4.6)
Cash Restructuring Payments	(3.4)	(2.3)	(6.0)	(4.1)	(15.8)	(5.3)	(5.9)	(2.5)
Interest Paid	(5.5)	(4.2)	(5.9)	(3.4)	(18.9)	(6.7)	(4.9)	(6.3)
Income Taxes Paid	(0.9)	(4.5)	(9.5)	(6.3)	(21.1)	(0.3)	(0.0)	(9.4)
Disposals	0.4	0.4	2.9	1.3	5.0	24.6	0.7	0.6
Other Cash Movements	0.0	0.4	(0.2)	(0.2)	0.0	(0.0)	0.0	(0.0)
Total Free Cash-Flow Before Dividends, Financial Investments and Own Shares Acquisition	9.7	14.1	24.3	5.9	54.1	58.2	43.9	33.9
Acquisition of Own Shares	(7.3)	(13.3)	0.0	0.0	(20.7)	0.0	0.0	0.0
Dividends	0.0	(82.1)	0.0	0.0	(82.1)	0.0	(102.6)	0.0
Free Cash Flow	2.4	(81.3)	24.3	5.9	(48.7)	58.2	(58.7)	33.9
Debt Variation Through Financial Leasing, Accruals & Deferrals & Others	(1.7)	(7.2)	(2.4)	(4.0)	(15.2)	0.8	(2.2)	0.5
Change in Net Financial Debt	(0.7)	88.5	(21.9)	(1.9)	63.9	(59.0)	60.9	(34.4)



Table 15.

Net Financial Debt (Millions of Euros)	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17
Short Term	144.4	71.9	116.3	213.9	156.3	153.6	193.3
Bank and Other Loans	123.9	52.8	98.5	196.4	139.0	138.7	177.5
Financial Leases	20.5	19.1	17.8	17.5	17.3	15.0	15.8
Medium and Long Term	905.1	1,065.6	999.4	900.7	898.9	962.6	888.5
Bank and Other Loans	873.1	1,033.2	968.7	871.8	872.2	939.4	869.9
Financial Leases	32.1	32.4	30.7	28.9	26.6	23.2	18.7
Total Debt	1,049.5	1,137.5	1,115.8	1,114.6	1,055.1	1,116.3	1,081.8
Cash and Short Term Investments	1.8	1.3	1.5	2.3	1.8	2.0	2.0
Net Financial Debt	1,047.7	1,136.2	1,114.2	1,112.3	1,053.3	1,114.2	1,079.8
Net Financial Gearing <sup>(1)</sup>	49.2%	52.9%	51.7%	51.4%	49.2%	52.1%	50.5%
Net Financial Debt / EBITDA	1.9x	2.1x	2.0x	2.0x	1.9x	2.0x	1.9x

<sup>(1)</sup> Net Financial Gearing = Net Financial Debt / (Net Financial Debt + Total Shareholders' Equity).

Table 16.

Financial Indicators YoY Change	1Q16	2Q16	3Q16	4Q16	2016	1Q17	2Q17	3Q17	9M17
Operating Revenues	7.6%	4.8%	3.5%	3.8%	4.9%	2.9%	4.2%	3.2%	3.4%
Telco	7.6%	5.8%	3.7%	3.6%	5.1%	2.9%	3.1%	3.8%	3.3%
Consumer Revenues	6.8%	4.0%	3.9%	4.4%	4.8%	3.6%	5.3%	5.8%	4.9%
Business and Wholesale Revenues	8.8%	3.0%	0.3%	0.7%	3.0%	1.3%	5.9%	4.7%	4.0%
Equipment Sales	52.0%	6.7%	8.3%	(2.5%)	11.8%	(14.6%)	0.6%	7.3%	(2.0%)
Others and Eliminations	(10.9%)	55.0%	20.3%	14.6%	17.3%	17.8%	(34.0%)	(28.7%)	(17.4%)
Audiovisuals	(3.2%)	(6.3%)	7.7%	3.2%	0.5%	10.6%	13.1%	(11.4%)	3.2%
Cinema	13.8%	(9.2%)	2.3%	4.1%	2.9%	(2.1%)	38.6%	(5.3%)	7.3%
Others and Eliminations	0.0%	2.1%	10.9%	(2.3%)	2.7%	7.6%	15.4%	(10.2%)	3.4%
Operating Costs Excluding D&A	7.5%	3.1%	5.0%	5.0%	5.2%	2.1%	3.3%	2.6%	2.7%
W&S	10.3%	7.9%	(1.8%)	2.5%	4.5%	(6.9%)	(5.5%)	0.9%	(3.8%)
Direct Costs	7.5%	(0.3%)	7.4%	5.0%	4.8%	4.6%	14.4%	2.7%	7.2%
Commercial Costs	20.8%	(2.3%)	3.1%	5.5%	6.6%	(22.2%)	10.5%	(11.3%)	(9.5%)
Other Operating Costs	2.8%	8.8%	4.5%	5.6%	5.4%	9.8%	(12.6%)	8.9%	1.9%
EBITDA	7.8%	7.3%	1.2%	1.4%	4.4%	4.2%	5.4%	4.1%	4.6%
EBITDA Margin	0.1pp	1.0pp	(0.9pp)	(0.8pp)	(0.2pp)	0.5pp	0.5pp	0.3pp	0.4pp
Telco	7.6%	6.6%	1.3%	1.8%	4.4%	4.3%	4.9%	5.3%	4.8%
EBITDA Margin	0.0pp	0.3pp	(0.9pp)	(0.5pp)	(0.3pp)	0.5pp	0.7pp	0.5pp	0.6pp
Cinema Exhibition and Audiovisuals	9.2%	17.0%	0.9%	(1.7%)	5.3%	2.8%	11.8%	(7.1%)	1.8%
EBITDA Margin	1.0pp	7.7pp	(2.0pp)	(1.5pp)	1.1pp	0.0pp	(2.9pp)	(0.4pp)	(1.1pp)
Operating Profit (EBIT)	17.6%	9.7%	(16.7%)	(28.2%)	(2.7%)	(7.9%)	4.8%	6.4%	1.3%
CAPEX	0.8%	(1.4%)	(1.4%)	(12.0%)	(3.8%)	(8.4%)	(15.1%)	(6.0%)	(9.9%)
EBITDA - CAPEX	27.3%	32.0%	6.9%	160.6%	31.4%	32.0%	49.0%	24.3%	35.1%
Freeing Cash Flow	163.7%	n.a.	(20.2%)	(12.1%)	24.4%	112.9%	101.2%	17.3%	63.6%
Free Cash Flow Before Dividends	n.a.	n.a.	(54.2%)	(55.5%)	30.5%	n.a.	210.9%	39.5%	182.3%
Free Cash Flow	n.a.	(8.6%)	(50.4%)	(39.2%)	25.5%	n.a.	(27.8%)	39.5%	n.a.

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