

O2 Czech Republic increased its 2015 profit by 45% and met its targets

26 January 2016

- revenue reached CZK 37,385 million, same as in 2014, while telecommunication revenue across Europe continue falling
- mobile data, O2 TV and Slovakia were the key growth drivers
- operating expenses were reduced by 19%
- EBITDA went up 25% to CZK 10,142 million and net profit up by 45% to CZK 5,077 million
- O2 successfully and under favourable conditions refinanced its debt
- the Board of Directors intends to propose dividend for 2015 of CZK 16 per share

O2 today announced its operating and financial results for the **full 2015 year**. Consolidated figures include the results of subsidiaries, including O2 Slovakia. The results for the whole reporting period exclude the results of Česká telekomunikační infrastruktura (CETIN). In addition the company presented its financial outlook and targets.

“The 2015 was breakthrough for our company. We were the first globally to voluntary spin off fixed and mobile infrastructure. And seven months of independent operation confirmed correctness of assumptions and benefits we identified in our analyses”, says Tomáš Budník, Chief Executive Officer and the Chairman of the Board of Directors of O2 Czech Republic “We significantly improved and simplified our digital television O2 TV, launched brand new sport channel and offered this service to all households in the Czech Republic”, he adds.

“Our strategy works, after seven years we stopped revenue decline and increased our profitability by more than 40%. We continue transforming new O2, which requires higher capex in 2015 and 2016. Yet, we generated by 31% more free cash flow in 2015”, adds Tomáš Kouřil, company’s Chief Financial Officer and Vice-Chairman of the Board of Directors and continues “We plan to distribute attractive dividend, for 2015 we intend to propose a dividend of CZK 16 per share. In January we will restart the share buy-back as an alternative form of the shareholder remuneration”.

Company's total **consolidated operating revenue** for 2015 stabilised year-on-year at **CZK 37.385 billion**. **EBITDA** increased by 24.7% year-on-year to CZK 10.142 billion. **Net profit** reached **CZK 5.077 billion**, marking a 44.5% increase. Yet, the company met its targets for EBITDA and net profit. **Mobile data, O2 TV** and **O2 Slovakia** continue to remain the key growth areas.

Operating overview

As of the end of 2015, mobile services provided by O2 were used by a total of 4.896 million customers. The number of **contract customers** reached **3.237 million**, representing two thirds of the mobile customer base. The segment of **prepaid services** recorded a 6.5 % decrease to **1.659 million** customers. The average revenue per customer reached CZK 287 in 2015, while it increased to CZK 290 in the fourth quarter. Growing quality of the customer base was the key driver for this growth.

Also number of smartphones continued to grow year-on-year. At the end of the year the proportion of smartphones within the O2 network rose year-on-year to **48.5%**. In 2015, O2 sold over 300 thousand smartphones supported **LTE** technology and at the end of 2015 LTE devices represented almost 40% of smartphones base. LTE smartphones with USIM card, which supports the new technology, currently uses more than half million of O2 customers.

Along with growing accessibility of broadband mobile internet and growing interest in new technologies demand for the mobile internet continues to grow. At the end of the December, number of small screens reached already **1.6 million**, up by 17% year-on-year. Mobile data traffic increased by 64 % year-on-year.

The 2015 was breakthrough largely for digital television **O2 TV**. The company launched its own sport channel O2 Sport, introduced new **tariff portfolio**, including option to use O2 TV on up to four mobile devices for free and brought the customers so called **multidimension**. Thanks to O2 Sport channel and features like choice from any of simultaneously played matches, the choice of camera angles, or the opportunity to watch any program or a movie up to 30 hours after they were broadcast, the O2 TV subscription level reached 202 thousand, up by 10 % year-on-year. Since December, O2 has been offering new set-top-box which enables O2 TV service for all households in the Czech Republic on internet from any provider. The **O2 TV** mobile application, which enables the watching of TV channels on portable devices, has been downloaded as many as close to **600,000 times**.

The number of fixed internet customers reached **795,000** at the end of 2015. Of the total number of customers 55%, in total 438,000, already use VDSL technology. During the whole 2015, O2 continued improving its fixed broadband services. Up to 500,000 households were enabled to get VDSL internet service with the speed 20 Mbit/s or higher. Installation of new remote DSLAMs and other technological modifications done in autumn helped to expand the accessibility of VDSL technology.

Financial overview

Total consolidated operating revenue reached **CZK 37.385 billion** in 2015, flat compared to 2014. **Fixed business operating revenue** decreased by 4.0% year-on-year to CZK 11.670 billion, while in the third quarter revenue improved by 4.5% year-on-year. O2 TV and ICT remain the main growth area. **Mobile operating revenue** increased by 0.2% to CZK 19.216 billion in 2015, of which mobile data revenue improved by 9.5% year-on-year. While mobile revenue in corporate segment continued to decline due to competitive pressures, revenue in contract **residential segment grew through the whole year**. Higher quality of customer base (higher average spend) and substantial data revenue growth were the key drivers.

EBITDA increased year-on-year by **24.8%** to **CZK 10.142 billion**. The **EBITDA margin** reached a solid 27.1%, posting a year-on-year increase of 5.4 percentage points.

O2 Slovakia continues to deliver positive financial performance and remains one of the growth areas of the group. **Revenues** in O2 Slovakia reached **EUR 245.0 million** in 2015, marking a year-on-year increase of 9.3%. EBITDA increased year-on-year by 22.7% to **EUR 86.6 million**. The total number of customers in Slovakia reached 1.809 million, representing a year-on-year increase of 7.4%.

2015 dividend

The Board of Directors of O2 Czech Republic considers submitting a proposal to shareholders at the General Meeting for **2015 dividend** of **CZK 16 per share**.

KEY FINANCIAL AND OPERATING INDICATORS

Financial indicators for the Group

Financial indicators	FX 2015	FY 2014 (pro forma)	Year-on-year change
Operating revenue	CZK 37.385bn	CZK 37.406bn	- 0.1%
Total costs	CZK 27.502bn	CZK 29.008bn	-5.5%
- of which operating costs	CZK 8.089bn	CZK 10.038bn	-19.4%
EBITDA	CZK 10.142bn	CZK 8.133bn	+24.7%
EBITDA margin	27.1%	21.7%	+ 5.4 p.p.

Operating indicators – Czech Republic

Number of mobile service customers	Q4 2015	Q4 2014	Year-on-year change
Contract customers	3.237m	3.294m	-1.7%
Prepaid customers	1.659m	1.775m	- 6.5%
Total	4.896m	5.069m	- 3.4%
ARPU	CZK 287	CZK 287	+0.3%

Number of fixed service customers	Q4 2015	Q4 2014	Year-on-year change
O2 TV	202k	184k	+9.6%
O2 TV application (number of downloads)	592k	240k	+ 247.0%
xDSL	795k	794k	+0.2%
VDSL	438k	382k	+14.6%
Fixed voice lines	840k	928k	-9.5%

Smartphones	Q4 2015	Q4 2014	Year-on-year change
Smartphone penetration within the O2 network	48.5%	39.8%	+8.7 p.p.

In this section we present and comment in detail on the unaudited consolidated financial results of O2 Czech Republic a. s. for January to December 2015 prepared according to International Financial Reporting Standards. These results fully include the results of O2 Slovakia and other subsidiaries and exclude results of Česká telekomunikační infrastruktura, a.s. (CETIN). Figures for 2014 are based on pro-forma basis.

Consolidated Financial Results

Consolidated operating revenue reached CZK 37,385 million in 2015, flat year-on-year. In the fourth quarter operating revenue went up by 0.6% to CZK 9,679 million. This performance has been helped by the stable spend trend thanks to Company's focus on customer value, growing mobile data revenue, growing revenue in fixed segment driven by O2 TV and ICT, strong mobile hardware sales and continuous revenue growth in Slovakia.

Fixed operating revenue in the Czech Republic reached CZK 11,670 million in 2015, down by 4.0% year-on-year, while in the fourth quarter they improved 4.5% year-on-year reaching CZK 3,113 million on the back of double digit growth of O2 TV and ICT revenue, which remain the key growth areas in the fixed segment.

Mobile operating revenue in the Czech Republic were CZK 19,216 million in 2015, reporting a 0.2% year-on-year growth, while in the fourth quarter alone they were by 1.3% lower year-on-year reaching CZK 4,872 million. This performance has been impacted largely by intense competitive pressures with decline in traditional voice and messaging revenue, which were more than offset by uptake in data and hardware revenue.

Revenue in Slovakia reached EUR 245.0 million in 2015, growing by 9.3% year-on-year (+3.1% to EUR 65.5 million in the fourth quarter), while revenue growth denominated in CZK currency was 8.2% year-on-year to CZK 6,683 million (+1.2% to CZK 1,774 million in the fourth quarter).

The Group has continued in its effort to deliver efficiencies in both commercial and non-commercial areas of its operations via simplification of its operating and commercial model. **Total consolidated expenses**¹ went down by 5.2% year-on-year to CZK 27,502 million (+0.5% to CZK 7,168 million in the fourth quarter), of which operating expenses declined by 19.4% year-on-year in 2015 (-9.5% in the fourth quarter) helped by simplified operating model and vendor contracts renegotiation. Personnel expenses (excluding restructuring costs) increased by 2.0% year-on-year largely due to headcount growth due to acquisition of O2 IT Services, set up a branch company in Slovakia and insourcing in the Czech Republic as well as in Slovakia. As a result of insourcing combined related operating expenses were stable year-on-year. The total Group headcount² reached 3,908 personnel at the end of 2015. At the same time, costs of sales increased by 2.3% year-on-year in 2015 due to higher hardware costs and higher ICT sub-deliveries in line with growing revenue.

Earnings before interest, depreciation and amortization (EBITDA) increased by 24.7% year-on-year to CZK 10,142 million in 2015, while in the fourth quarter it reached CZK 2,625 million, up by 12.4% year-on-year. This performance has been driven by stable revenue, focus on efficiency agenda, growing profitability in Slovakia and lower base in 1Q 2014. **EBITDA margin** reached solid 27.1% in 2015 and 3Q 2015, up by 5.4 p.p. year-on-year (+2.8 p.p. in the fourth quarter).

Depreciation and amortization charges went up by 4.7% year-on-year reaching CZK 3,520 million. **Consolidated net income** increased by 44.5% year-on-year to CZK 5,077 million in 2015, largely due to growing EBITDA which more than offset higher depreciation and amortisation, higher net financial expenses and higher income tax charge. In the fourth quarter, the net profit reached CZK 1,350 million, up by 33.2% year-on-year.

Consolidated CapEx reached CZK 3,291 million in 2015, down by 65.3% year-on-year. On fully comparable basis³ CapEx increased by 81.3% year-on-year to CZK 2,859 million (+126.1% to CZK 1,058 million in the fourth quarter). Higher CapEx was driven largely by non-recurring investments related to IT transformation (upgrade, consolidation and implementation of IT and systems) aiming at simplification of systems and processes. The Company also invested into the upgrade of network management, control and administration and into

¹ Costs of sales and operating expenses

² Including all Group subsidiaries

³ Excluding acquisition costs of LTE spectrum in both Czech Republic and Slovakia in 1Q 2014 (CZK 3,925 mil.), O2 brand capitalization in 4Q 2014 (CZK 3,925 mil.) and GSM license renewal costs in 4Q 2015 (CZK 432 mil.)

billing systems upgrade. In addition investments were directed into acquisition of exclusive sport rights and construction of new O2 Sport channel including own studio. In Slovakia the Group invested into deployment and capacity increase of 3G and 4G networks, acquisition of 3.4 and 3.7 GHz spectrums and upgrade of billing systems. Thus, the Group CapEx (excl. GSM license renewal costs) to group revenue reached 7.6% in 2015.

The consolidated free cash flow⁴ reached CZK 5,759 million in 2015, up by 18.9% year-on-year (-10.8% to CZK 1,795 in the fourth quarter).

The consolidated financial debt amounted to CZK 3 billion at the end of 2015. During fourth quarter the Company entered into Loan Facility Agreements in the total amount of up to CZK 12 billion for 5 years. These facilities were used for refinancing of the current debt of CZK 7 billion (of which CZK 4 billion were refinanced only in January 2016) and for general corporate purposes, including financing of the share buy-back. At the same time, **cash and cash equivalents** reached CZK 1,970 million. Thus, **net debt**⁵ to **EBITDA** thus reached 0.10 as at the end of 2015.

CZ Mobile Business Overview

The Company continued in its strategy to focus on value proposition to its residential customers through its FREE tariffs to maintain high quality and loyalty of its customers. In business contract base, the Company continues focusing on maintaining its leading position by addressing the needs of its business customers with the commitment to be the innovation leader in the Czech mobile market. This strategy is positively reflected in stabilization of average revenue per customer (ARPU), which improved by 0.9% year-on-year in the fourth quarter, and lower churn (-0.1 percentage point).

The demand for mobile data continued to grow largely thanks to improved proposition in the Company's tariffs with extended data package and simplification data package recharge in data limit exhaustion. Total mobile data traffic increased by as much as 64% year-on-year in 2015. The growth has been also supported by the Company's ongoing support of smartphone sales via instalment model, while keeping the best price guarantee proposition for the bestselling smartphones. As a result, **data revenue**⁶ went up by 9.5% year-on-

⁴ 2014 excluding settlement of liabilities with former majority shareholder; 2015 excluding positive funding with CETIN through working capital (CZK ~1 billion) and GSM license renewal payment in 4Q (CZK 432 million)

⁵ Gross debt less cash

⁶ Excluding SMS and MMS

year in 2015 (+13.2% in the fourth quarter). **Small screen base**⁷ grew by 16.5% year-on-year to 1,571 thousand at the end of December 2015. **Smartphone penetration**⁸ grew further, reaching 48.5% at the end of 2015, up by 8.7 percentage points year-on-year. In full 2015, smartphones accounted for 81% of all new phones sales (84% in the fourth quarter) and 97% of them were **LTE smartphones (100% in the fourth quarter)**. At the end of December 2015, LTE smartphones accounted to 38% of all smartphones in O2 network. Number of LTE customers⁹ reached 463 thousand as of 31 December 2015.

The total **mobile customer base** reached 4,896 thousand at the end of December 2015. The number of **contract customers** declined 1.7% year-on-year, reaching 3,237 thousand. The number of **prepaid customers** reached 1,659 thousand at the end of 2015. The share of contract customers in total mobile customer base reached 66.1% at the end of 2015, up by 1.1 p.p. year-on-year. The lower mobile customer base is a result of the Company's focus on its quality over the quantity.

The blended monthly average **churn rate** went down by 0.2 percentage point year-on-year reaching all times low level of 1.9% in 2015 (-0.1 p.p. to 1.8% in the fourth quarter). Contract churn was at 1.1% in 2015 (1.0% in the fourth quarter). Monthly average churn rate in prepaid was 3.5% and 3.2% in 2015 and the fourth quarter respectively, representing a 0.4 percentage point decline year-on-year.

Total mobile ARPU was CZK 287 in 2015, up by 0.3% year-on-year, as voice and SMS market price pressures have been compensated by growing quality of the customer base and higher data revenue. In the fourth quarter, total ARPU improved by 0.9% year-on-year reaching CZK 290. **Contract ARPU** year-on-year decline stopped declining in the second half and in the fourth quarter it improved by 1.0% year-on-year to CZK 377 (-0.6% to CZK 376 in full 2015). **Prepaid ARPU** declined by 2.1% year-on-year to CZK 119 in 2015.

Total **mobile operating revenue** in the Czech Republic were CZK 19,216 million in 2015, representing year-on-year growth of 0.2% (CZK 4,872 million in the fourth quarter, -1.3% year-on-year). At the same time, **mobile gross service revenue** went down by 1.4% and 1.8% year-on-year in 2015 and the fourth quarter respectively. Continuous competitive pressures mainly in business segment led to lower voice and messaging revenue, while higher revenue in residential segment,

⁷ Customer base using mobile internet in handsets

⁸ Smartphones as % of total handsets base

⁹ Customer with LTE smartphone and LTE SIM

higher data revenue and mobile hardware remained key growth drivers. **Mobile originated voice revenue** declined by 6.7% year-on-year to CZK 9,286 million in 2015, while **messaging (SMS & MMS) revenue** were 11.0% lower due to lower effective per unit price and lower number of sent SMS. **Data revenue** increased by 9.5% year-on-year to CZK 4,363 million in 2015, accelerating the growth to 13.2% in the fourth quarter (+11.3% in the third quarter). **Terminated revenue** (interconnection) went up by 6.5% year-on-year to CZK 2,245 million, largely helped by higher incoming voice and SMS traffic. **Hardware revenue** went up by 29.9% driven by higher sales (+8.4%) in line with Company's strategy to become one of the leading mobile hardware sellers in the market.

CZ Fixed Business Overview

In the highly competitive and declining market the Company reported solid commercial and financial performance in all key areas. This has been helped by continuous growth of VDSL and O2 TV customers. Continuous migration of the existing ADSL customers to the VDSL service, and O2 TV with added features such as multiscreen access (O2 TV mobile application) including replay of up to 30 hours of any channel, simplification of O2 TV tariff portfolio, launch of own O2 Sport channel with exclusive content and new set-top-box, which enables O2 TV service to all households in the Czech Republic with an internet connection from any provider, are helping the Company to decelerate fixed broadband ARPU dilution, increase O2 TV ARPU and stabilize churn at low level.

The total number of **fixed voice lines** declined by 9.5% year-on-year reaching 840 thousand at the end of December 2015. The decline pace decelerated to 88 thousand net losses in 2015 compared to 125 thousand in 2014.

The number of **xDSL accesses** reached 795 thousand at the end of 2015, up by 0.2% year-on-year. The share of the high speed VDSL accesses kept growing to 55%. In respect of VDSL, 438 thousand customers (+14.6% year-on-year) have already subscribed for the upgraded service. The total number of **O2 TV customers** reached 202 thousand at the year end, up 9.6% year-on-year thanks to continuous popularity of the new O2 TV features, exclusive content and launch of own O2 Sport channel in August 2015. In the fourth quarter, number of O2 TV subscribers increased by 9 thousand resulting in 20 thousand new customers in 2015. O2 TV is thus the fastest growing service in Pay TV market in 2015. Application O2 TV, which enables watching the channels on up to 4 devices, recorded close to 600 thousand downloads.

Total **fixed operating revenue** reached CZK 11,670 million in 2015, down by 4.0% year-on-year. However, in the fourth quarter revenue improved by 4.5% to CZK 3,113 million fuelled by O2 TV and ICT revenue growth and slow down of other revenue categories decline. **Revenue from voice services** continued in trend and fell by 14.7% year-on-year to CZK 2,894 million (-13.2% in the fourth quarter), due to continuing fixed voice line losses. **Internet & broadband revenue (incl.**

O2 TV) declined by 1.9% year-on-year to CZK 4,951 million, while in the fourth quarter the negative trend turnaround and the revenue increased by 1.7%. The 2015 full year decline has been driven by 3.5% reduction of xDSL ARPU, not fully compensated by year-on-year growth in xDSL and O2 TV customer base. **Revenue from O2 TV** recorded a **34.1% year-on-year growth in 2015**, accelerating the growth to 67.2% in the fourth quarter. **Total ICT revenue** went up by 14.0% year-on-year to CZK 1,960million (+48.9% in the fourth quarter) largely helped by several projects for the public administration.

Slovakia

O2 Slovakia continues to be one of the Group's key growth drivers, which represented close to 20% of the consolidated revenue and almost 25% of EBITDA in 2015. O2 Slovakia managed to keep solid commercial and financial performance despite the strong competition. **Total number of customers** reached 1,809 thousand at the year end, posting a 7.4% year-on-year growth. The customer base increased by 125 thousand in 2015, of which by 36 thousand in the fourth quarter. This growth has been driven mainly by uptake of **contract customers**. Their number grew by 13.2% year-on-year reaching 971 thousand at the end of December 2015 (+35 thousand in the fourth quarter), while the **number of prepaid customers** increased by 1.4% year-on-year reaching 838 thousand. Share of contract customers in Slovakia reached 53.7% of the total customer base at the end of 2015, up by 2.7 percentage point year-on-year. O2 Slovakia recorded increasing demand for its smartphone proposition. This is reflected in growing smartphone penetration, which reached 49.5% at the end of December 2015, up by 6.5 percentage points year-on-year.

In terms of financial performance, the **total operating revenue** of O2 Slovakia in grew 9.3% year-on-year reaching EUR 245.0 million (CZK 6,683 million) in 2015 (+3.1% to EUR 65.5 million, CZK 1,774 million, in the fourth quarter), fuelled by customer growth, improving customer mix, refreshed portfolio of mobile phones leading to 58% growth in hardware revenue and higher data revenue (+15.1%). At the same time, **EBITDA** of O2 Slovakia went up by 22.7% year-on-year to EUR 86.6 million, CZK 2,364 million (+18.0% to EUR 22.9 million, CZK 619 million,

in the fourth quarter), resulting in growing EBITDA margin of 35.4% in 2015, up by 3.9 percentage point year-on-year (34.9% in the fourth quarter). **Total ARPU** in Slovakia reached EUR 9.5 in 2015 and the fourth quarter, while **contract ARPU** was at EUR 12.9 in 2015 and the fourth quarter and **prepaid ARPU** at EUR 5.8 (EUR 5.9 in the fourth quarter).

Attachment:

The consolidated balance sheet and income statement of O2 Czech Republic prepared in accordance with International Financial Reporting Standards.

Contacts

Investor Relations
O2 Czech Republic a.s.
investor_relations@o2.cz
t +420 271 462 076

About O2 Czech Republic

O2 is the largest provider of telecommunications services in the Czech market. Currently it operates almost eight million mobile and fixed lines, which ranks it to one of the leading provider of fully convergent services in Europe. To its mobile customers O2 offers state-of-the-art HSPA+ and LTE technologies. For customers, O2 brand does not mean just telecommunications. O2 is capable to meet also the most demanding requests also in ICT area and provide them housing, hosting and cloud services in data centres with total area 7,300 square metres. These data centres are the only ones in the Czech Republic and Central Europe to have TIER III certification. The company is also, with its O2 TV, the largest IP TV provider in the Czech Republic.

All amounts in CZK million

CONSOLIDATED INCOME STATEMENT	Jan – Dec 2015	Jan – Dec 2014 (pro-forma)
Operating revenue	37,385	37,406
Non-operating revenue	96	74
Revenue	37,481	37,480
Internal expenses capitalized in fixed assets	217	201
Cost of sales	(19,413)	(18,970)
Operating expenses	(8 089)	(1, 038)
Other operating income/(expenses)	(54)	(539)
EBITDA	10,142	8,133
EBITDA margin	27.1 %	21.7 %
Depreciation and amortization	(3,520)	(3,362)
Impairment reversal/(loss)	(27)	(174)
Operating Income	6,595	4,597
Net financial income (expense)	(167)	(101)
Results attributed to joint venture	10	8
Income before tax	6,438	4,505
Income tax	(1,361)	(990)
Net Income	5,077	3,515

All amounts in CZK million

CONSOLIDATED INCOME STATEMENT	Oct – Dec 2015	Oct – Dec 2014 (pro-forma)
Operating revenue	9,679	9,618
Non-operating revenue	23	41
Revenue	9,702	9,659
Internal expenses capitalized in fixed assets	57	46
Cost of sales	(5,111)	(4,858)
Operating expenses	(2,058)	(2,274)
Other operating income/(expenses)	35	(237)
EBITDA	2,625	2,335
EBITDA margin	27.1 %	24.3 %
Depreciation and amortization	(846)	(869)
Impairment reversal/(loss)	(24)	(135)
Operating Income	1,754	1,332
Net financial income (expense)	(31)	(33)
Results attributed to joint venture	2	4
Income before tax	1,725	1 302
Income tax	(375)	(288)
Net Income	1,350	1,014

All amounts in CZK million

CONSOLIDATED BALANCE SHEET	31.12.2015	31.12.2014¹⁰
Non-current assets	21,399	63,370
- Intangible assets	16,147	26,276
- Property, plant and equipment and investment property	4,638	36,200
- Long-term financial assets and other non-current assets	291	581
- Deferred tax assets	323	313
Current assets	8,993	10,920
- Inventories	722	470
- Trade and other receivables	6,177	7,170
- Current tax receivable	-	-
- Short-term financial investments	-	24
- Cash and cash equivalents	1,970	3,256
Total assets	30,268	74,290
Equity	18,344	54,153
Non-current Liabilities	3,146	5,557
- Long-term financial debt	2,970	3,000
- Deferred tax liabilities	60	2,151
- Non-current provisions for liabilities and charges	22	251
- Non-current other liabilities	94	155
Current Liabilities	8,778	14,580
- Short-term financial debt	11	4,004
- Trade and Other payables	8,391	10,134
- Current income tax payable	245	299
- Provisions for liabilities and charges	131	143
Total Equity and Liabilities	30,268	74,290

¹⁰ Including CETIN