



Q1 2010 results

17 May 2010



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Operating results



Summary

- Very good sales results – gross sale* of 135 ths.
- DTH subscriber base of 3,239,755
- Improved package mix within Family Package drives ARPU up by over 4%
- 29 ths. of MVNO users (over 60% in post-paid) and 5 ths. of Internet subscribers
- Further enrichment of programming offer (5 new channels including 3 HD channels: Nat Geo Wild HD, FilmBox HD and Fox Life HD)
- Very good financial results supported by stronger zloty
- Finalization of mPunkt acquisition

Note:

Gross sale minus those customers who resigned contract for DTH services via APSs



Awards

- 🌐 *Eagle of Rzeczpospolita* in the category of service and infrastructure companies for the most efficient company in the commercial sector from List 500 of Rzeczpospolita (Polish daily)
- 🌐 Ranked second of Euromoney's *Best Managed Companies in Central & Eastern Europe* in the category of *Most convincing and coherent strategy* in Poland
- 🌐 Ranked second of Newsweek's *100 most valuable companies in Poland* in media category
- 🌐 *Virtual Telephone* in category *Solution of the Year - Broadband Internet* for solving the problem of the lack of internet access on rural areas.
- 🌐 *Infotel Platinum Laur* for implementation of modern technology solutions, contributing to popularization the digital television in Poland
- 🌐 *Crystal Aerial of World of Media* in Internet category on X Conference of Telecommunications and Media World



Finalisation of mPunkt acquisition



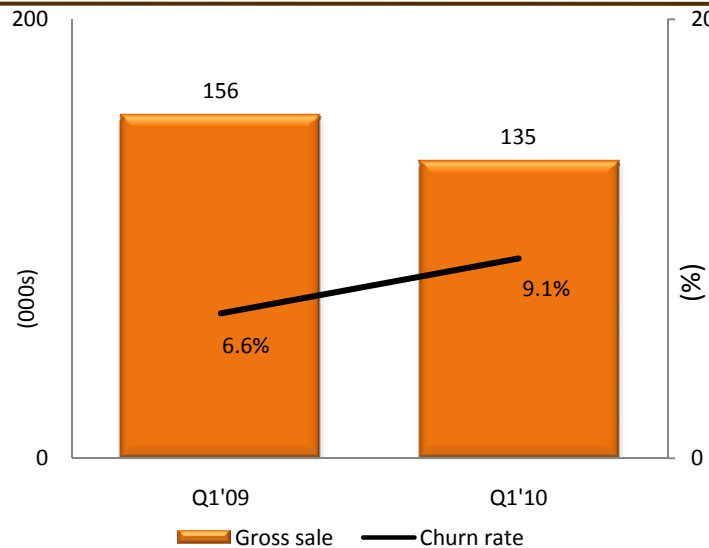
- Finalisation of purchase of 94% shares in mPunkt Holdings Ltd. for PLN 51m in May 2010
- Agreement with Polkomtel extended till end of May 2010 for a number of points of sale;
- In Q2 2010 all points of sale will distribute our products



Very good gross sale

- Gross sale of 135 ths. (excluding internal churn)
- Churn rate higher due to:
 - change in terms and conditions,
 - Aggressive competitive environment
 - impact of internal churn resulting from Q4'09 sale and
 - increased number of customers beyond initial contract period (Mini Package)
- We expect churn rate to stabilize in the second half of 2010

Gross sale and churn rate (blended)

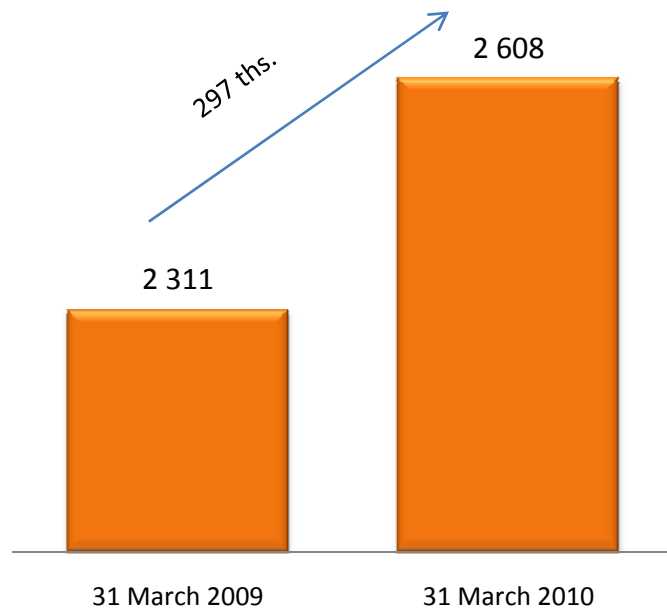




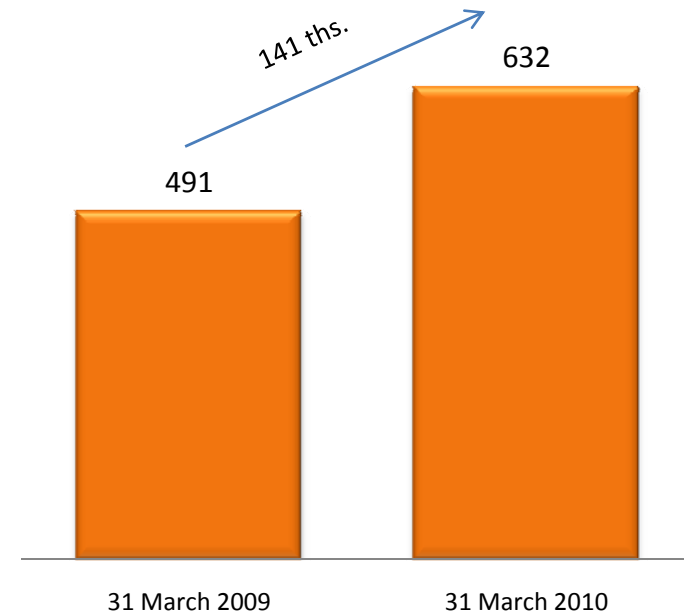
Further dynamic growth of our DTH subscriber base

Our subscriber base grew by 438 ths. to 3,239,755 subscribers as at 31 March 2010

Subscribers— Family Package/Premium



Subscribers — Mini/Mini Max Packages



Annualized churn rate (%)

Note:

7.7%

10.4%

0.8%

3.7%

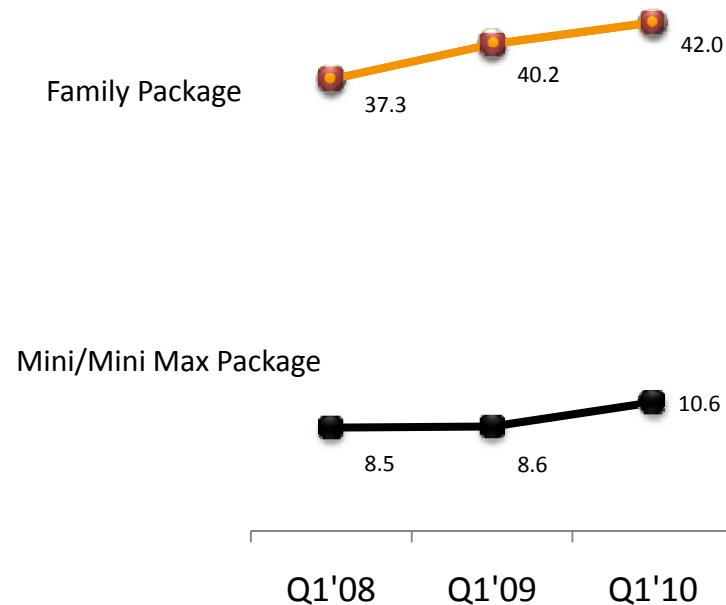
Churn rate calculated as the ratio of the number of canceled contracts in the 12 months preceding the balance sheet date less the number of customers who have entered into a contract for the provision of satellite pay television services with us once again in a period of not more than 12 months, and the average number of contracts in that period



Dynamic increase in ARPU drives our revenues up

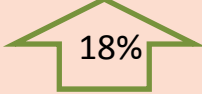
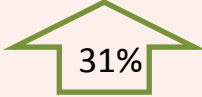


Family Package ARPU up by over 4% over Q1'09 to PLN 42.0 from PLN 40.2 ;
Mini Package ARPU up by 23% over Q1'09 to PLN 10.6 from PLN 8.6;

ARPU (PLN)





Impressive financial results

PLN m	Q1'10	Change
Revenues (PLN m)	375	 18%
EBITDA (PLN m)	123	 31%
EBITDA margin	32.9%	 2.5pp
Net income (PLN m)	86	 19%

Source: Interim condensed consolidated financial statements for the 3 month period ended 31 March 2010 and internal analysis

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Financial results



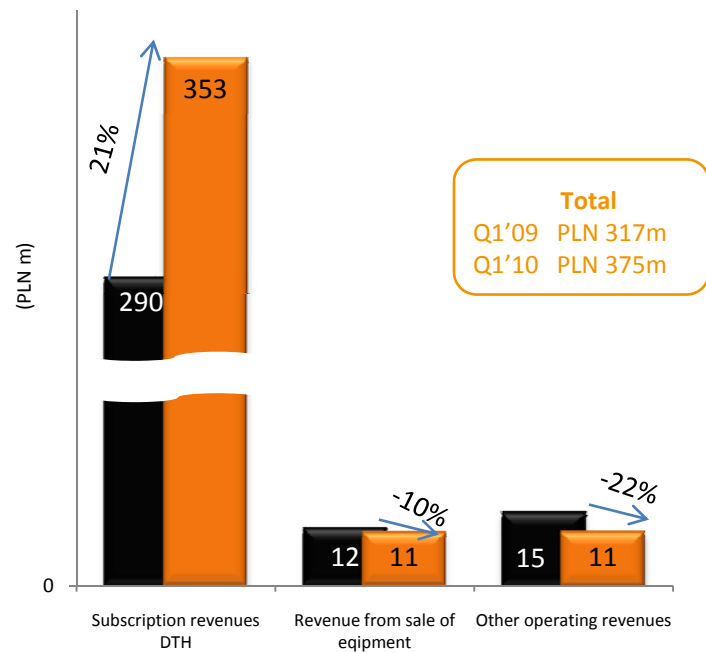
Q1'10 financial results

	Q1'10	Q1'09	Change PLN/%	Reasons
Revenues (PLN m)	375	317	18%	<ul style="list-style-type: none"> • 17% increase in average number of subscribers • 3% increase in ARPU
Costs (PLN m)	268	232	16%	<ul style="list-style-type: none"> • 17% increase in average number of subscribers • appreciation of Zloty • enrichment of programming offer • increase in acquisition, customer care and retention costs as a result of higher subscriber base, increased number of subscribers beyond initial period and mailing costs related to new terms and conditions
EBITDA (PLN m) <i>margin%</i>	123 32.9%	94 30.4%	31% 2.5 pp	
Net income (PLN m) <i>margin%</i>	86 23.0%	73 23.6%	19% -0.6 pp	

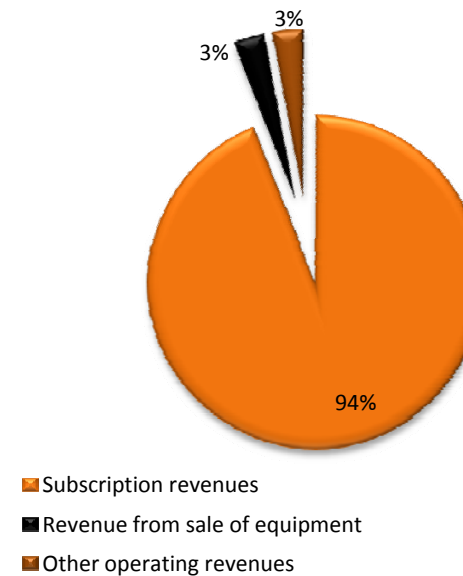


Q1'10 18% increase in revenues resulting from increase in subscription revenues

Revenues Q1'10 vs. Q1'09



Q1'10 revenues breakdown (%)



■ Q1'09 ■ Q1'10



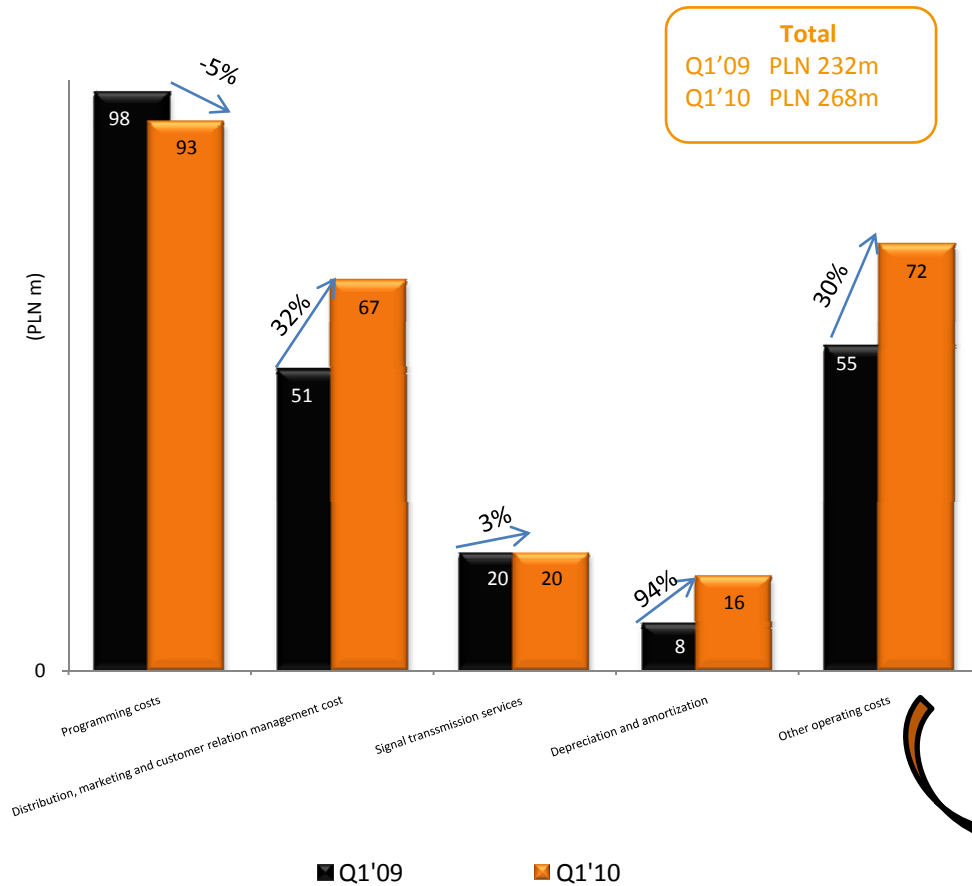
(PLN m)	Q1'09	Q1'10	Change
Other operating revenues, including:	15	11	-22%
Revenues from sales of signal transmission services	1	1	60%
Telecommunication revenues	1	3	>100%
Other operating revenues	13	7	-45%

Source: Interim condensed consolidated financial statements for the 3 month period ended 31 March 2010.

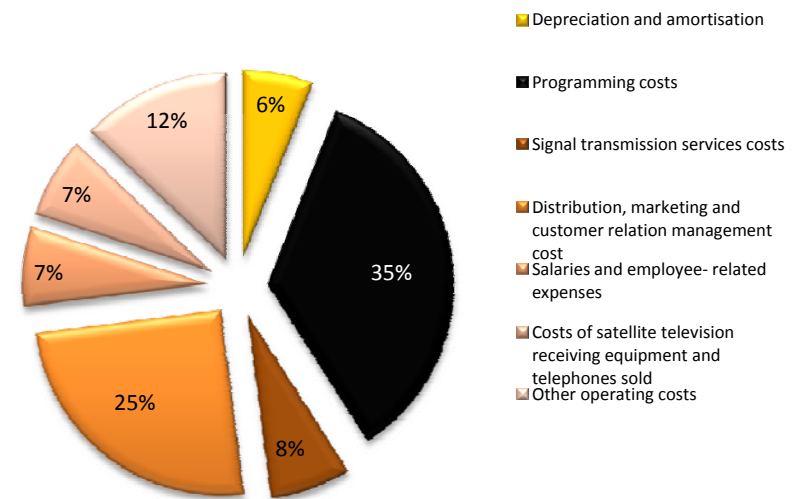


Q1'10 Operating costs under control

Operating costs Q1'10 vs. Q1'09



Q1'10 Operating costs breakdown (%)



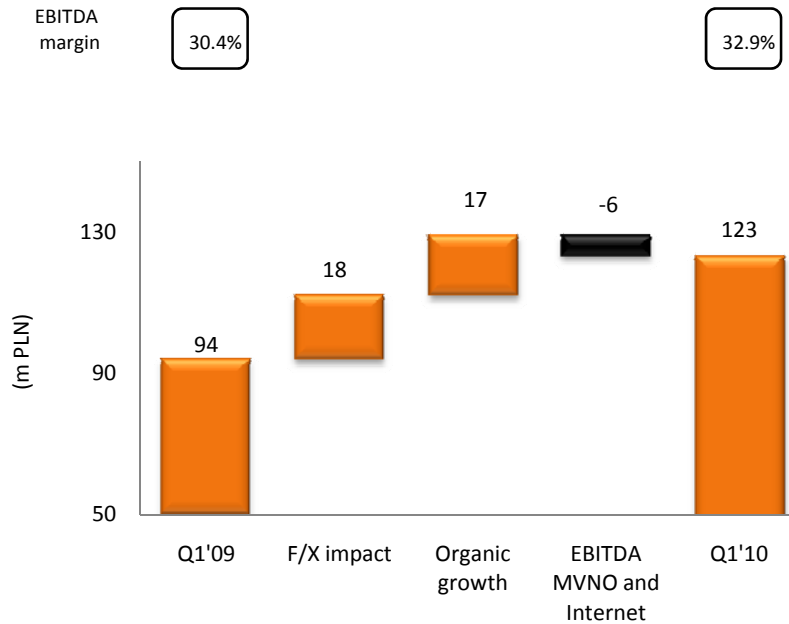
(PLN m)	Q1'09	Q1'10	Change
Other operating costs, including:	55	72	30%
Salaries and employee- related expenses	15	18	16%
Cost of goods sold	18	18	1%
Bad debt provision and the cost of receivables written off	5	11	>100%
Cost of SMART and SIM cards provided	4	6	66%
Other operating costs	13	19	40%



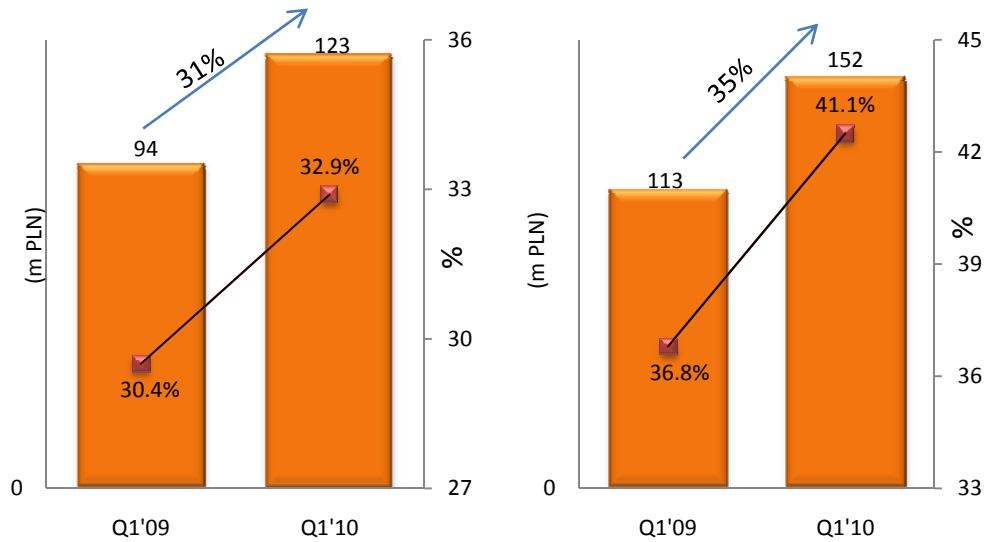
Dynamic increase of EBITDA

- EBITDA up by 31% to PLN 123m and EBITDA margin of 32.9%
- DTH EBITDA margin of 41.1%

EBITDA and EBITDA margin



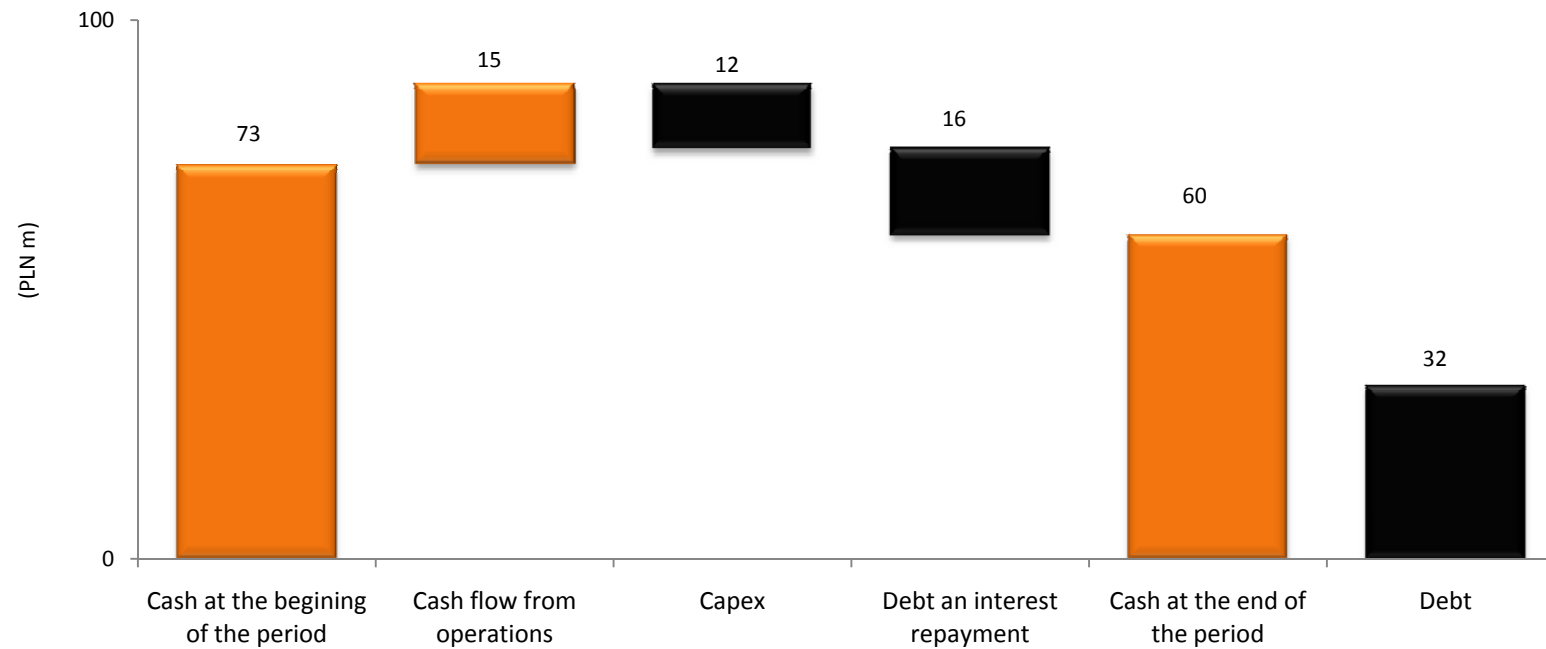
DTH EBITDA and EBITDA margin





Cash flow in Q1'10

Net cash flow, cash position and debt – Q1'10



Source: Interim condensed consolidated financial statements for the 3 month period ended 31 March 2010.



Events to come

- Launch of multi-pay offer in Q2 2010, as previously announced
- In April 2010 we started production of HD set-top boxes, which shall have a positive impact on our operating costs - ultimately we will buy only DVRs
- We are close to sign agreements with 2 Hollywood studios which will improve our very good sale of VoD services
- Companies that we cooperate in terms of Internet access services infrastructure will be further developing the network to cover 75% of our customers in 2012
- We work on fixed line telephony to be launched in the second half of 2010, but the decision on launch was not taken yet



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