



Results for the second quarter and first half of 2010

26 August 2010

Disclaimer

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Operating results

Summary

- DTH subscriber base increased by 419 ths. (y-o-y) to 3,263,546 subscribers
- 41 ths. of MVNO users (78% in post-paid) and 10 ths. of Internet subscribers
- Family Package ARPU increased (y-o-y) by 5% in Q2'10 and by 4% in H1'10 to PLN 41.9, Mini Package ARPU increased by 23% to PLN 10.9 in Q2'10 and by 22% to PLN 10.7 in H1'10
- Very good financial results

Main events

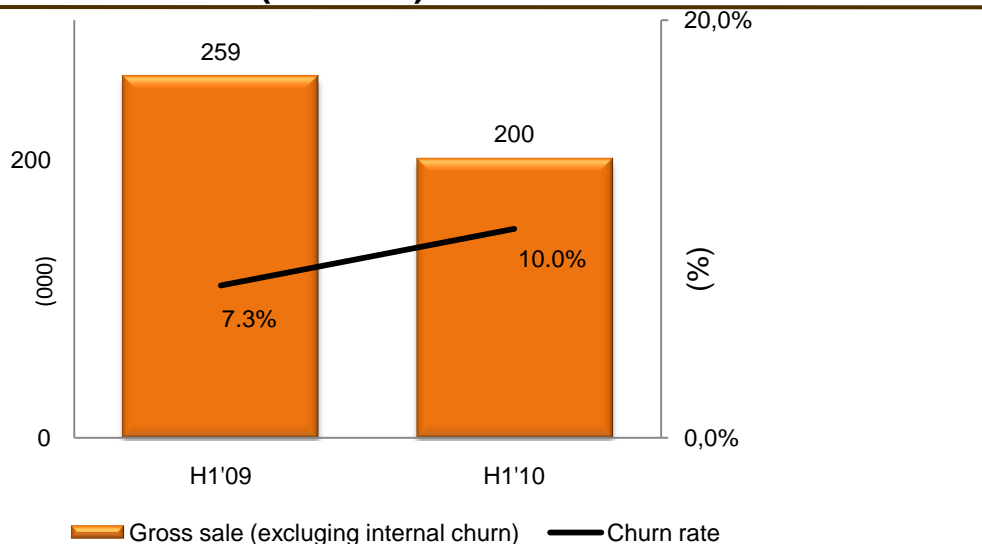


- Launch of multi-play offer (TV, Internet and mobile)
- Further enrichment of our programming offer (4 new channels including 2 HD channels: Fox Life HD i Animal Planet HD)
- Enrichment of VOD offer through new contracts with content suppliers including The Walt Disney Company
- Finalization of process of changing our terms and conditions
- Finalization of acquisition of M.Punkt Holdings Ltd.
- Payment of the first tranche of dividend in the amount of PLN 102m
- *Master of Business in Telecommunication and IT category* awarded by monthly Businessman.pl
- Aneta Jaskólska was appointed by the Supervisory Board to the position of a Member of the Management Board

Gross sale in line with our plan

- Gross sale of 65 ths. (excluding internal churn) in Q2'10
- Gross sale of 200 ths. (excluding internal churn) in H1'10
- 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

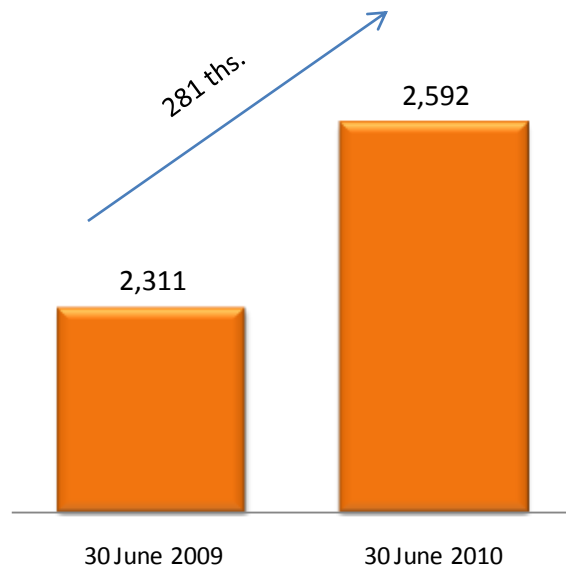
Gross sale and churn rate (blended)



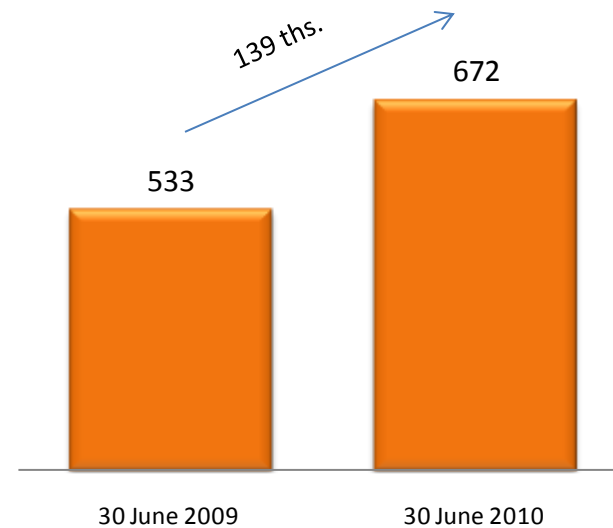
Dynamic increase in DTH subscriber base

Our subscriber base grew by 419 ths. to 3,263,546 subscribers as at 30 June 2010

Subscribers — Family Package/Premium



Subscribers — Mini/Mini Max Packages



Annualized churn rate (%)

Note:

8.4%

11.5%

1.6%

4.1%

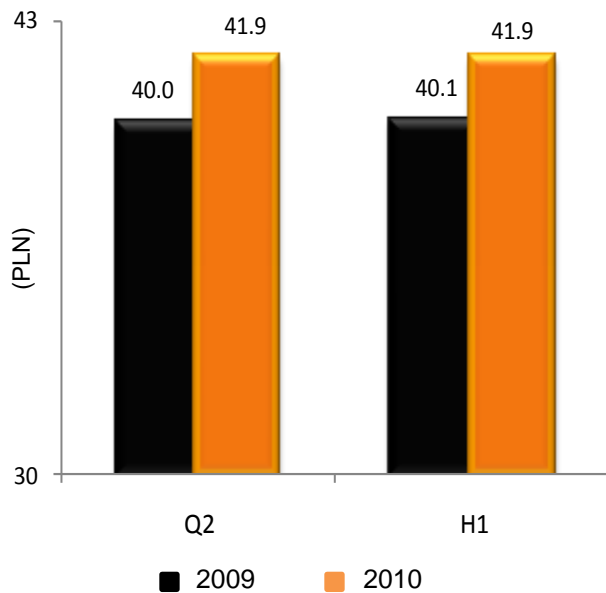
Churn rate calculated as the ratio of the number of canceled contracts in the 12 months preceding the balance sheet date less the number of customers who have entered into a contract for the provision of satellite pay television services with us once again in a period of not more than 12 months, and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

Stable increase in ARPU drives our revenue up

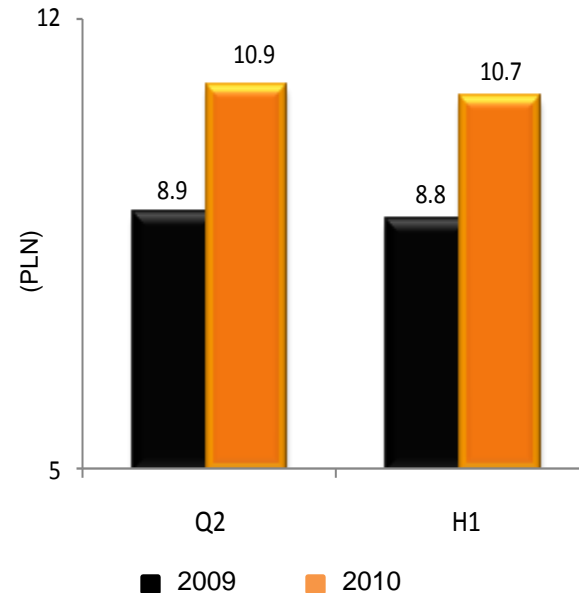


- Family Package ARPU increased by 5% (y-o-y) in Q2'10 and by 4% in H1'10 to PLN 41.9
- Mini Package ARPU increased by 23% to PLN 10.9 in Q2'10 and by 22% to PLN 10.7 in H1'10

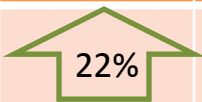







Family/Premium Package ARPU



Mini/Mini Max Package ARPU



Impressive financial results

	Q2' 10	Change	H1' 10	Change
Revenues (PLN m)	377	 22%	752	 20%
EBITDA (PLN m)	109	 40%	232	 35%
EBITDA margin	29.5%	 4.2pp	31.2%	 3.3pp
Net income (PLN m)	67	 19%	153	 19%

Note: Financial results for 2010 includes results of M.Punkt Holdings Ltd., which are not included in financial results for 2009

Source: Interim condensed consolidated financial statements for the 3 and 6 month period ended 30 June 2010 and internal analysis

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Financial results

Q2'10 financial results

	Q2'10	Q2'09	Change %	Reasons
Revenues (PLN m)	377	308	22%	<ul style="list-style-type: none"> • 14% increase in average number of subscribers • 4% increase in ARPU • an increase in telecommunication revenues • sale of M.Punkt Holdings Ltd – one off in other operating revenue
Costs (PLN m)	287	240	20%	<ul style="list-style-type: none"> • 14% increase in average number of subscribers • an 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 • recognition of VoD costs • consolidation with M.Punkt Holdings Ltd.
EBITDA (PLN m) <i>margin%</i>	109 29.5%	78 25.3%	40% 4.2 pp	
Net income (PLN m) <i>margin%</i>	67 18.2%	56 18.3%	19% -0.1 pp	

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H1'10 financial results

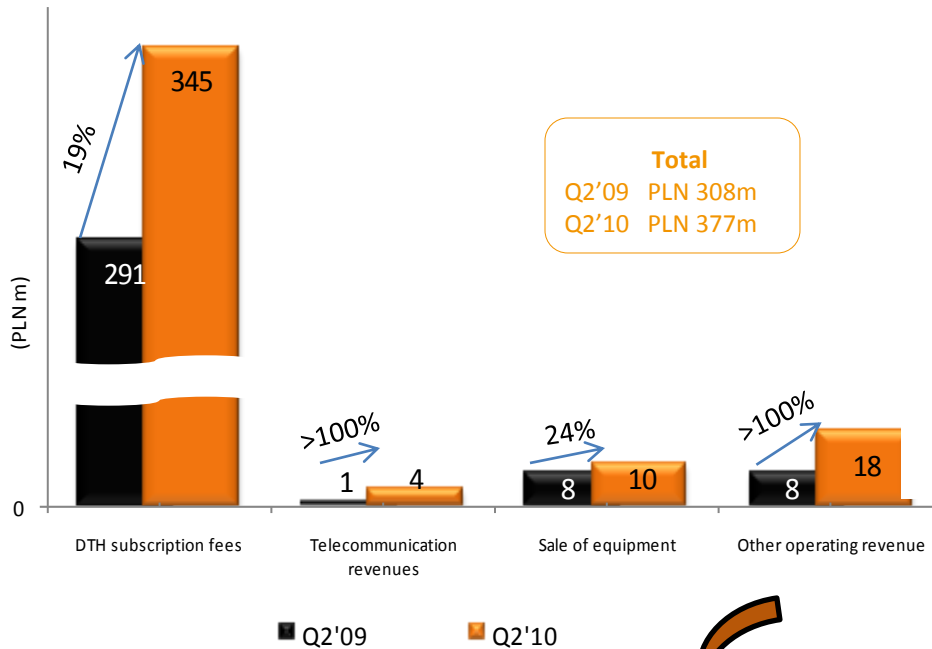
	H1'10	H1'09	Change %	Reasons
Revenues (PLN m)	752	625	20%	<ul style="list-style-type: none"> • 16% increase in average number of subscribers • 4% increase in ARPU • an increase in telecommunication revenues
Costs (PLN m)	555	472	18%	<ul style="list-style-type: none"> • 16% increase in average number of subscribers • appreciation of Zloty • an 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 • recognition of VoD costs
EBITDA (PLN m) <i>margin%</i>	232 31.2%	171 27.9%	35% 3.3 pp	
Net income (PLN m) <i>margin%</i>	153 20.6%	129 20.9%	19% 0.3pp	

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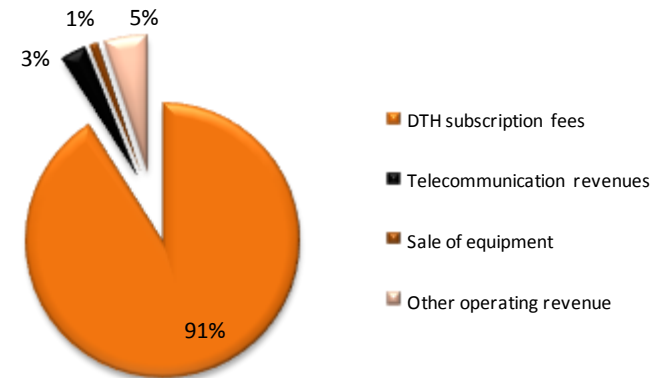
Source: Interim condensed consolidated financial statements for the 3 and 6 month period ended 30 June 2010 and internal analysis

Q2'10: 22% increase in revenues resulting from an increase in subscription revenues

Revenues Q2'10 vs. Q2'09



Q2'10 revenues breakdown (%)



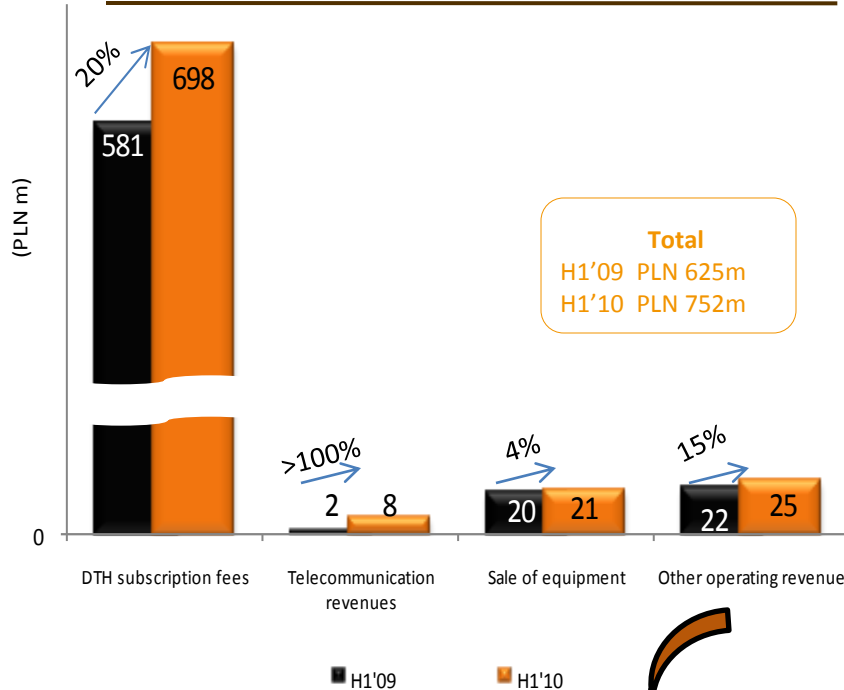
(PLN m)	Q2'09	Q2'10	Change
Other operating revenues, including:	8	18	>100%
Revenues from sales of signal transmission services	1	1	60%
Other operating revenues	7	17	>100%

Note: Financial results for 2010 includes results of M.Punkt Holdings Ltd., which are not included in financial results for 2009

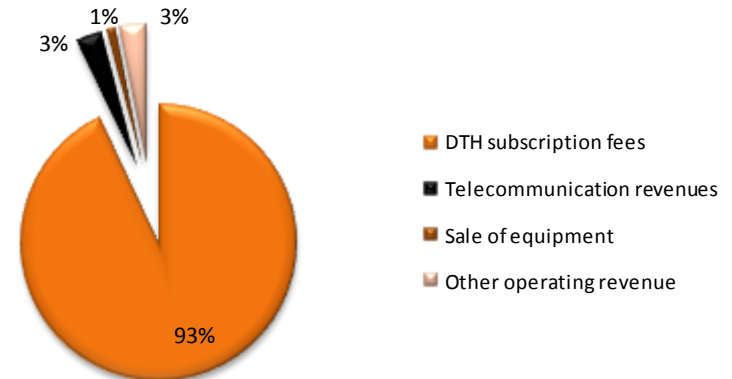
Source: Interim condensed consolidated financial statements for the 3 and 6 month period ended 30 June 2010 and internal analysis

H1'10: 20% increase in revenues resulting from an increase in subscription revenues

Revenues w H1'10 vs. H1'09



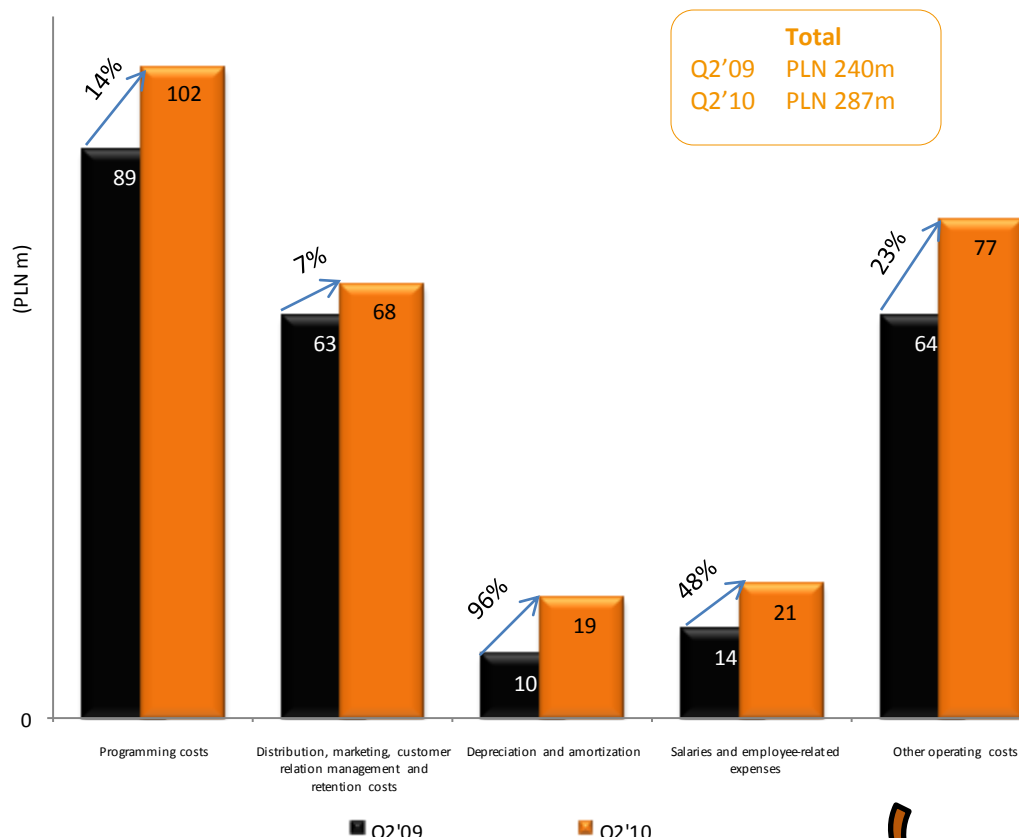
H1'10 revenues breakdown (%)



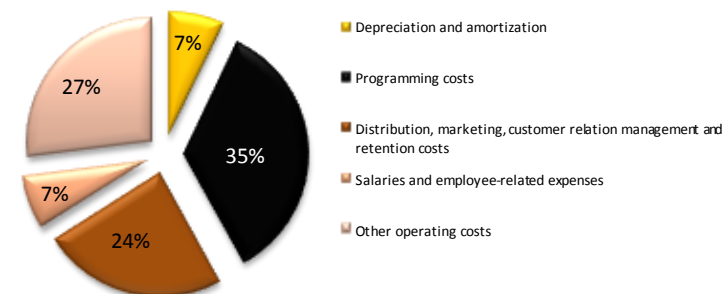
(PLN m)	H1'09	H1'10	Change
Other operating revenues, including:	22	25	15%
Revenues from sales of signal transmission services	1	2	60%
Contractual remedy covering the costs of encryption card and digital satellite reception equipment replacement	8	-	n/a
Other operating revenues	13	23	98%

Q2'10: Operating costs under control

Operating costs Q2'10 vs. Q2'09



Q2'10 Operating costs breakdown (%)



(PLN m)	Q2'09	Q2'10	Change
Other operating costs, including:	64	77	23%
Transmission costs	21	21	-1%
Cost of equipment sold	17	13	-20%
Bad debt provision and cost of receivables written off	9	11	16%
Cost of SMART and SIM cards provided	3	5	92%
Other operating costs	14	26	89%

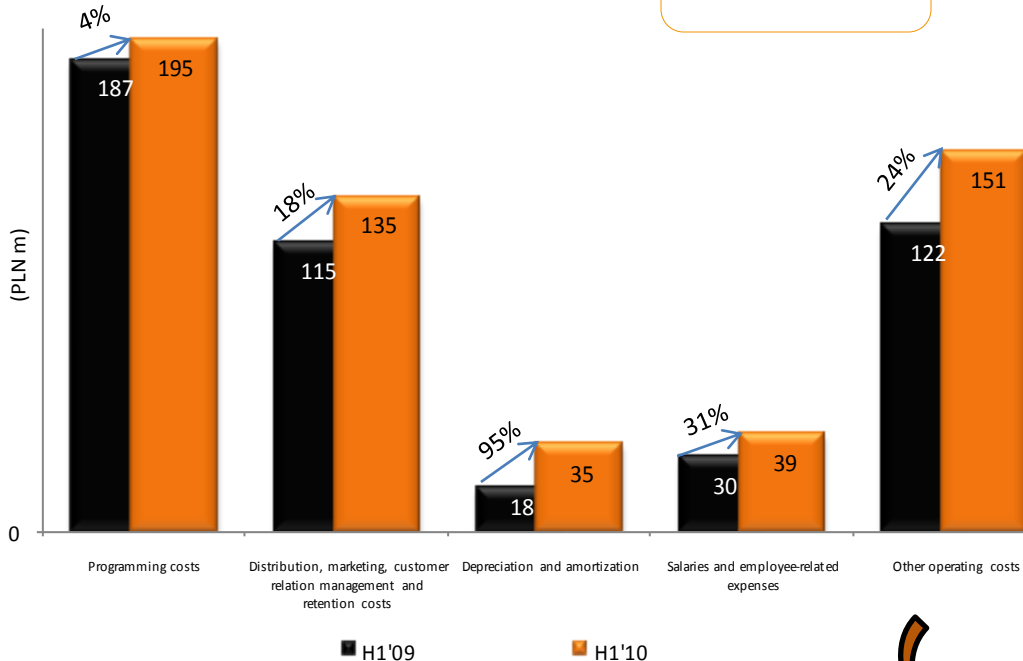
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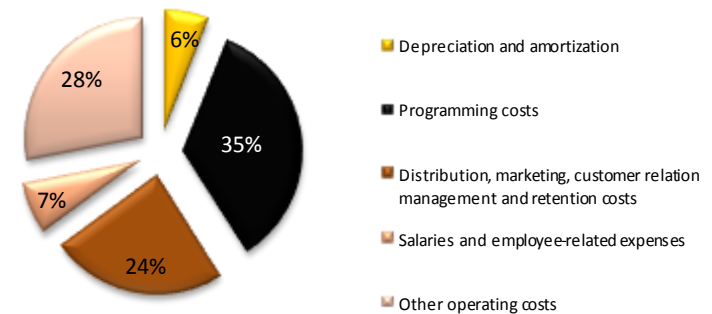
H1'10: Operating costs increased slower than revenues

Operating costs H1'10 vs. H1'09

Total
 H1'09 PLN 472m
 H1'10 PLN 555m



H1'10 Operating costs breakdown (%)



(PLN m)	H1'09	H1'10	Change
Other operating costs, including:	122	151	24%
Transmission costs	41	41	1%
Cost of equipment sold	35	32	-9%
Bad debt provision and cost of receivables written off	14	21	53%
Cost of SMART and SIM cards provided	7	12	77%
Other operating costs	25	45	72%

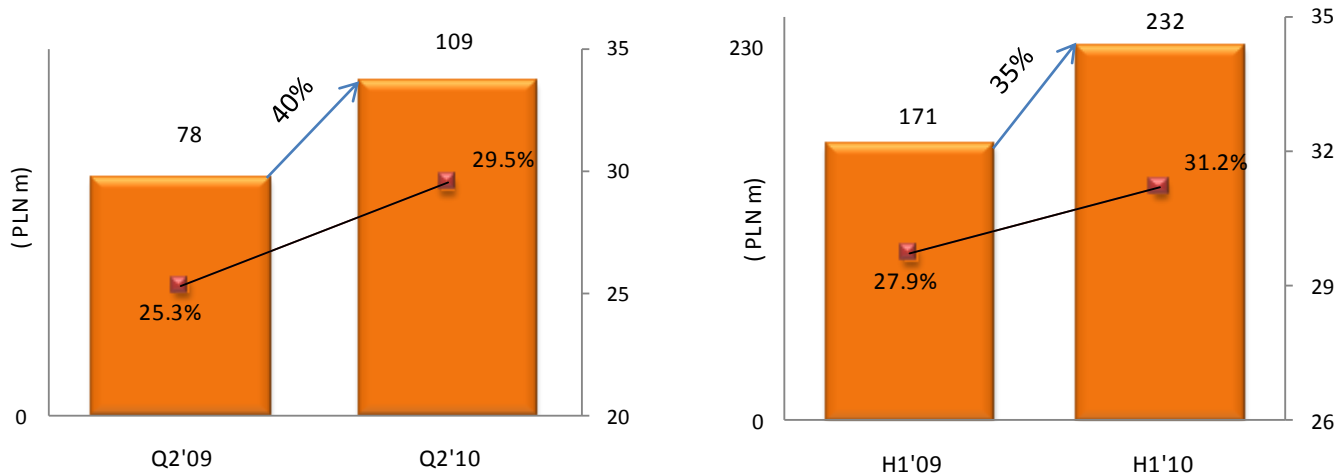
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Dynamic increase of EBITDA

- EBITDA up by 40% to PLN 109m in Q2'10 compared to Q2'09 and EBITDA margin up to 29.5% (29.9% excluding M.Punkt)
- EBITDA up by 35% to PLN 232m in H1'10 compared to H1'09 and EBITDA margin up to 31.2% (31.4% excluding M.Punkt)

EBITDA and EBITDA margin

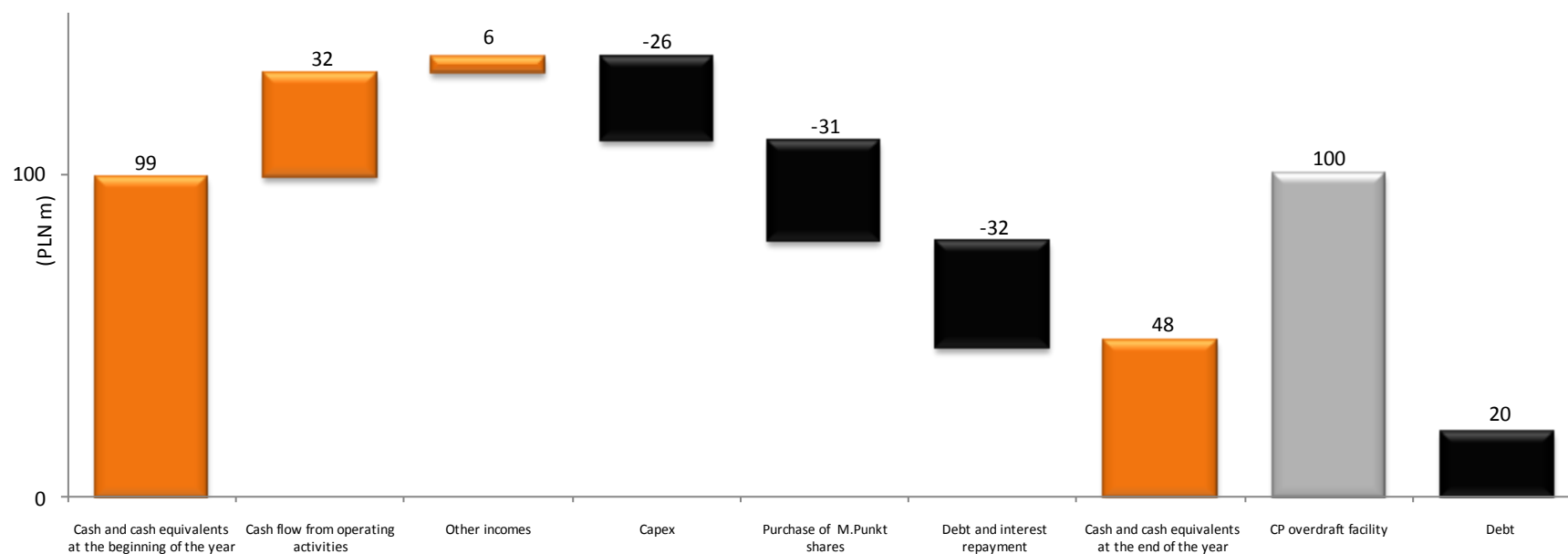


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Cash flow in H1'10

Net cash flow, cash position and debt – H1'10



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Source: Interim condensed consolidated financial statements for the 3 and 6 month period ended 30 June 2010 and internal analysis

Events to come

- Reduction of costs and restructuring of M.Punkt Holdings Ltd. should eliminate its negative impact on our financial results in 2011
- Increased basic data package of Internet transfer as a part of Multi-play up to 3 GB
- Promotion of Mini Max Package for PLN 14.90
- Launch of DVR set-top box with exchangeable hard drive
- Launch of Internet modems permitting data transfer of 28.8 Mbit/s speed

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