



TELEWIZJA INTERNET TELEFON

Results for the third quarter and 9 months of 2010

15 November 2010

Disclaimer



This presentation includes 'forward-looking statements'. All statements other than statements of historical facts included in this presentation, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our products and services) are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. These forward-looking statements speak only as at the date of this presentation. We expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. We caution you that forward-looking statements are not guarantees of future performance and that our actual financial position, business strategy, plans and objectives of management for future operations may differ materially from those made in or suggested by the forward-looking statements contained in this presentation. In addition, even if our financial position, business strategy, plans and objectives of management for future operations are consistent with the forward-looking statements contained in this presentation, those results or developments may not be indicative of results or developments in future periods. We do not undertake any obligation to review or to confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise after the date of this presentation.

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Operating results

Summary



- DTH subscriber base increased by 361 ths. (y-o-y) to 3,277,936 subscribers
- 60 ths. of MVNO users (90% in post-paid) and 15 ths. of Internet subscribers
- Family Package ARPU increased (y-o-y) by 4% in Q3'10 to PLN 41.9 and by 5% in 9M'10 to PLN 42.0, Mini Package ARPU increased by 19% to PLN 11.1 in Q3'10 and by 23% to PLN 10.9 in 9M'10
- Very good financial results

Main events



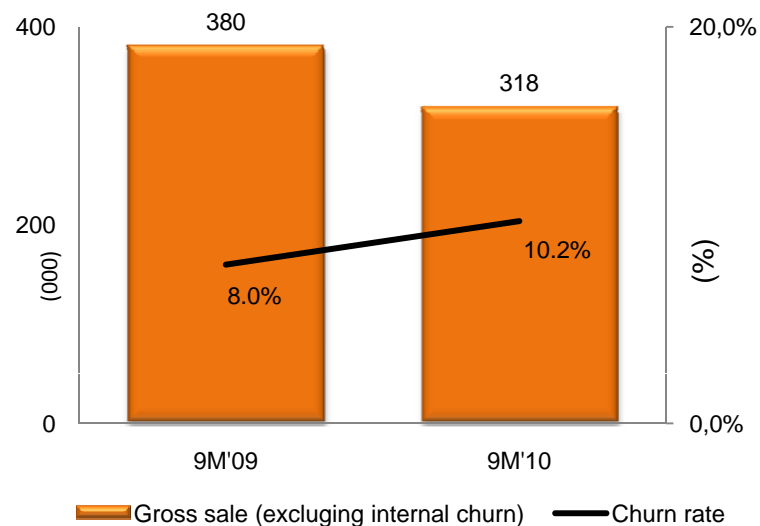
- Increased basic data package of Internet transfer as a part of Multi-play up to 4 GB
- Launch of DVR HD set-top box with exchangeable hard disk
- Launch of Internet modems permitting 28.8 Mbit/s data transfer speed
- Launch of new programming offer
- Further enrichment of our VOD programming offer

Gross sale in line with our plan



- Gross sale of 119 ths. in Q3'10
- Gross sale of 318 ths. in 9M'10
- Churn rate higher compared to 9M'09 due to:
 - Change in terms and conditions
 - Aggressive competitive environment on DTH market
 - Impact of internal churn resulting from Q4'09 sale and
 - Increased number of customers beyond initial contract period (Mini Package)
- Churn rate is stabilized compared to Q2'10

Gross sale and churn rate (blended)

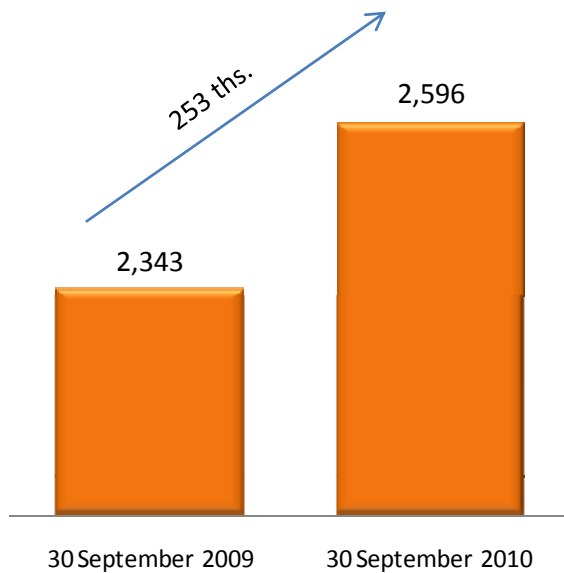


Dynamic increase in DTH subscriber base

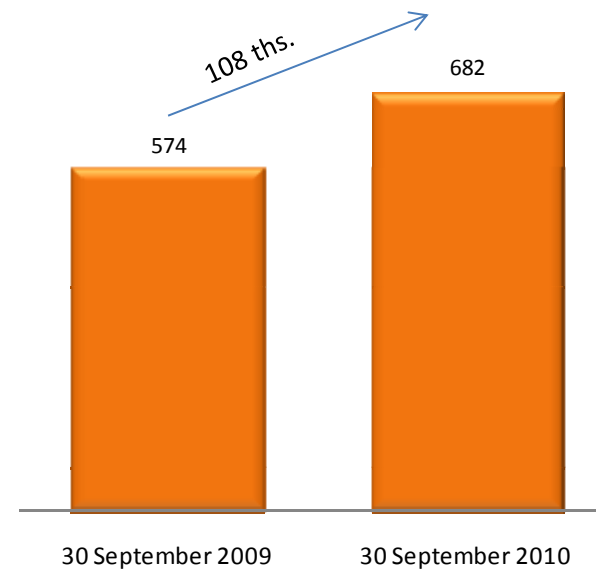


Our subscriber base grew by 361 ths. to 3,277,936 subscribers as at 30 September 2010

Subscribers — Family Package/Premium



Subscribers — Mini/Mini Max Packages



Annualized churn rate (%)

| | | | | |
|-------|------|-------|------|------|
| Note: | 9.2% | 11.6% | 2.2% | 4.3% |
|-------|------|-------|------|------|

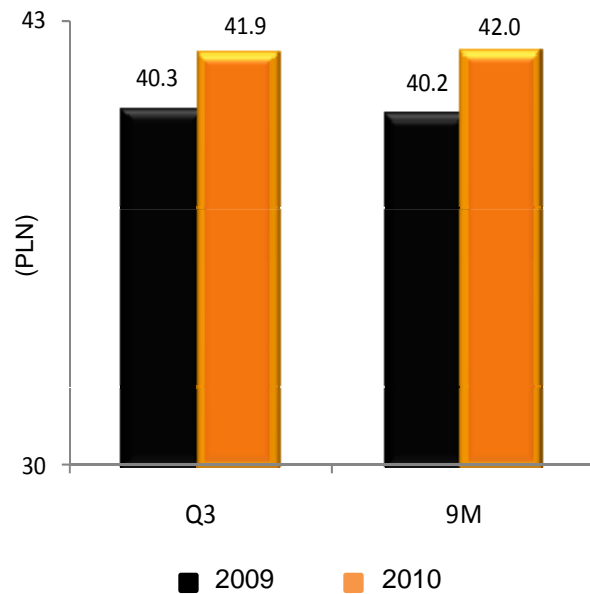
Churn rate calculated as the ratio of the number of canceled contracts in the 12 months preceding the balance sheet date less the number of customers who have entered into a contract for the provision of satellite pay television services with us once again in a period of not more than 12 months, and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

Stable increase in ARPU drives our revenue up

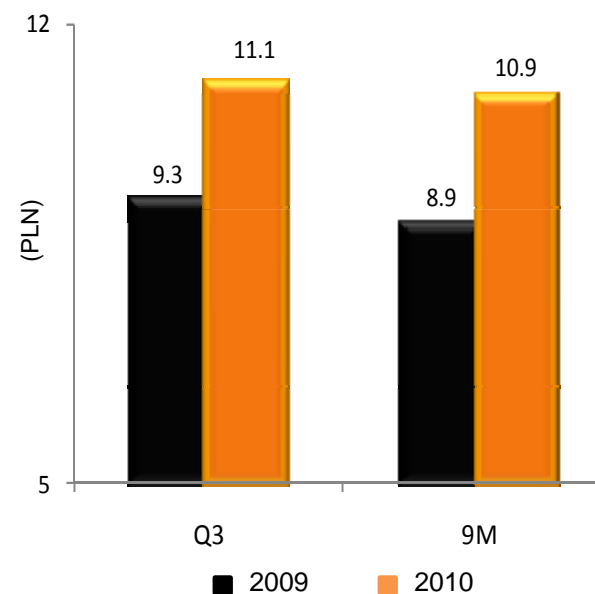


- Family Package ARPU increased by 4% (y-o-y) in Q3'10 to PLN 41.9 and by 5% in 9M'10 to PLN 42.0
- Mini Package ARPU increased by 19% to PLN 11.1 in Q3'10 and by 23% to PLN 10.9 in 9M'10

Family/Premium Package ARPU

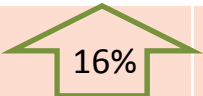
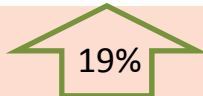
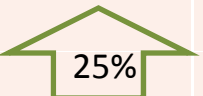
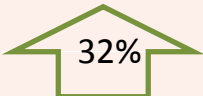
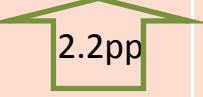





Mini/Mini Max Package ARPU



Very good financial results



| | Q3' 10 | Change | 9M' 10 | Change |
|--------------------|--------|---|--------|---|
| Revenues (PLN m) | 366 |  16% | 1,118 |  19% |
| EBITDA (PLN m) | 104 |  25% | 335 |  32% |
| EBITDA margin | 28.5% |  2.2pp | 30.3% |  3.0pp |
| Net income (PLN m) | 68 |  14% | 222 |  17% |

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 9 month period ended 30 September 2010 and internal analysis

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Financial results

Q3'10 financial results



| | Q3'10 | Q3'09 | Change % | Reasons |
|---|---------------------|--------------------|-----------------------|---|
| Revenues (PLN m) | 366 | 315 | 16% | <ul style="list-style-type: none"> • 13% increase in average number of subscribers • 3.5% increase in blended ARPU • an increase in telecommunication revenues • disposal of next points of sale of M.Punkt Holdings Ltd. to Polkomtel |
| Costs (PLN m) | 284 | 243 | 17% | <ul style="list-style-type: none"> • 12% increase in cost excluding consolidation of M.Punkt • 13% increase in average number of subscribers • an increase in depreciation and amortization • an increase in programming costs • an increase in acquisition, customer care and retention costs as a result of higher subscriber base, • consolidation with M.Punkt Holdings Ltd. |
| EBITDA (PLN m) <i>margin%</i> | 104 28.5% | 83 26.3% | 25% 2.2 pp | |
| Net income (PLN m) <i>margin%</i> | 68 18.8% | 60 19.2% | 14% -0.4 pp | |

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Source: Interim condensed consolidated financial statements for the 3 and 9 month period ended 30 September 2010 and internal analysis

9M'10 financial results



| | 9M'10 | 9M'09 | Change % | Reasons |
|---|---------------------|---------------------|-----------------------|--|
| Revenues (PLN m) | 1,118 | 940 | 19% | <ul style="list-style-type: none"> • 15% increase in average number of subscribers • 3.8% increase in blended ARPU • an increase in telecommunication revenues • disposal of points of sale of M.Punkt Holdings Ltd. to Polkomtel |
| Costs (PLN m) | 840 | 715 | 17% | <ul style="list-style-type: none"> • 14% increase in cost excluding consolidation of M.Punkt • 15% increase in average number of subscribers • an increase in depreciation and amortization • an increase in costs of infrastructure rental and network maintenance • an increase in acquisition, customer care and retention costs • an increase in programming costs • consolidation with M.Punkt Holdings Ltd. • positive effect of strengthening of PLN vs. USD and EUR |
| EBITDA (PLN m) <i>margin%</i> | 335 30.3% | 254 27.3% | 32% 3.0 pp | |
| Net income (PLN m) <i>margin%</i> | 222 20.0% | 189 20.3% | 17% -0.3 pp | |

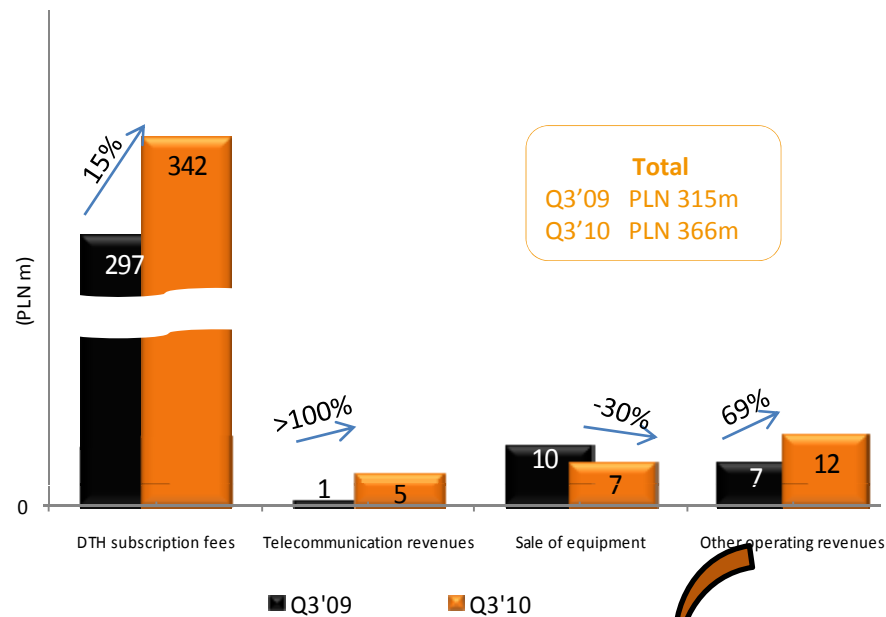
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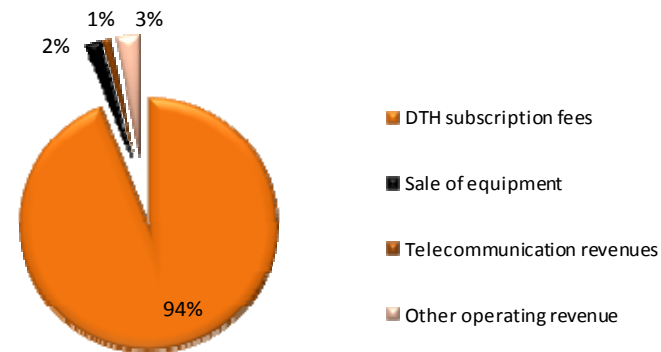
Q3'10: 16% increase in revenues resulting from an increase in subscription revenues



Revenues Q3'10 vs. Q3'09



Q3'10 revenues breakdown (%)



| (PLN m) | Q3'09 | Q3'10 | Change |
|---|----------|-----------|------------|
| Other operating revenues, including: | 7 | 12 | 69% |
| Revenues from sales of signal transmission services | 1 | 1 | 38% |
| Other operating revenues | 6 | 11 | 73% |

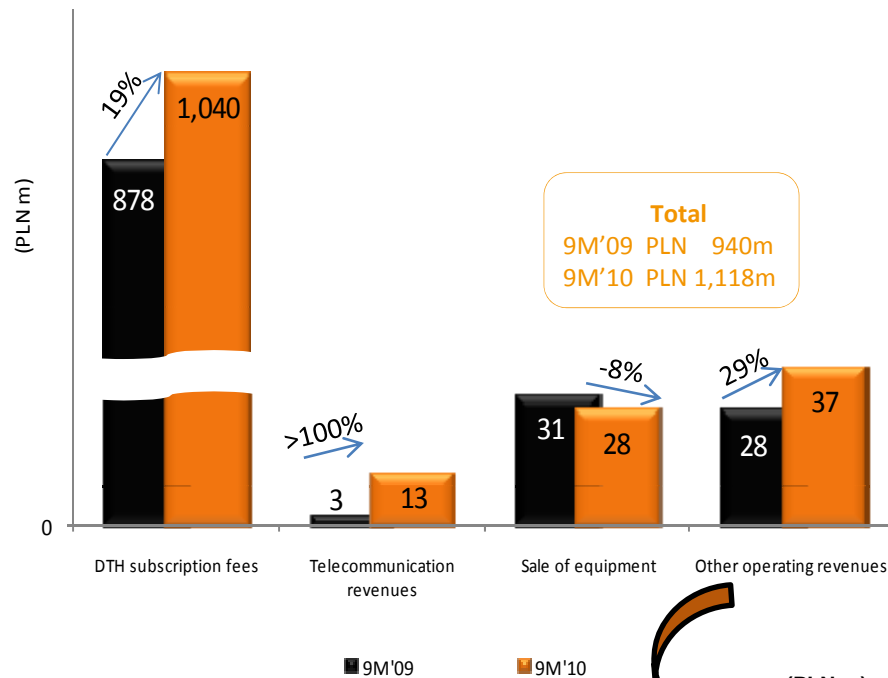
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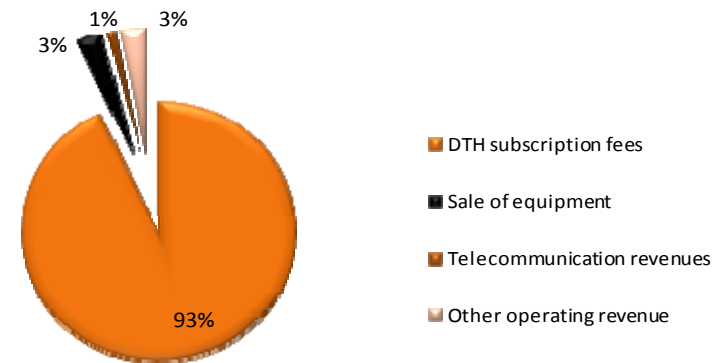
9M'10: 19% increase in revenues resulting from an increase in subscription revenues



Revenues w 9M'10 vs. 9M'09



9M'10 revenues breakdown (%)



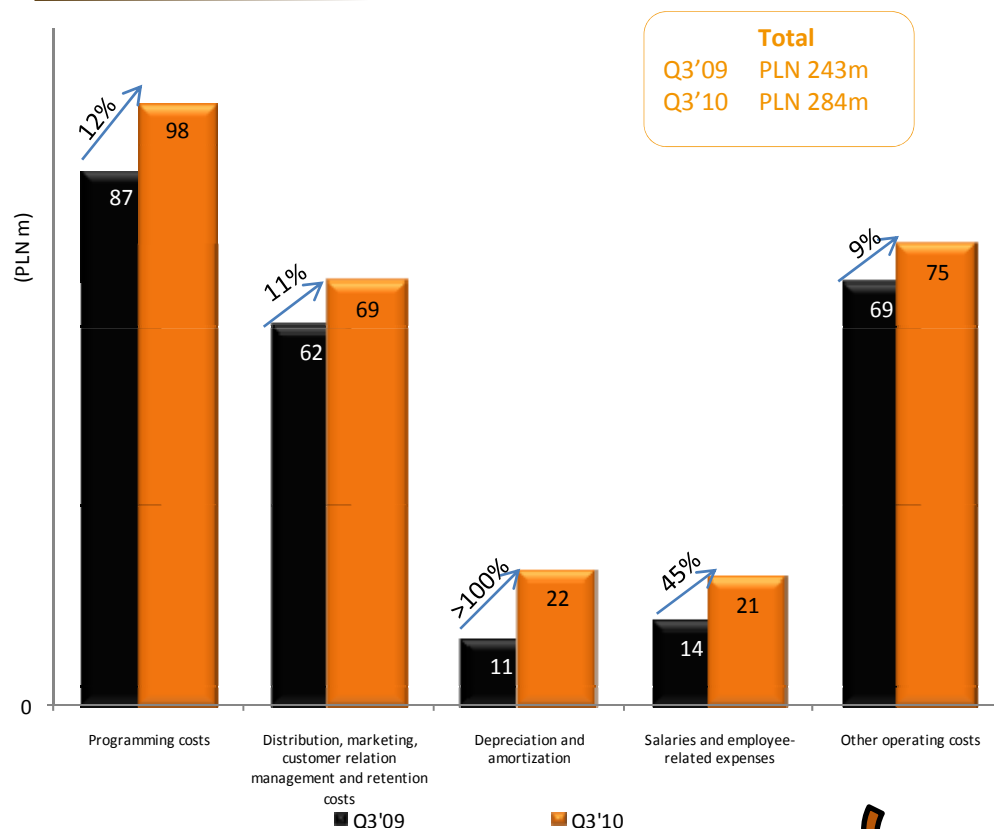
| (PLN m) | 9M'09 | 9M'10 | Change |
|--|-----------|-----------|------------|
| Other operating revenues, including: | 28 | 37 | 29% |
| Revenues from sales of signal transmission services | 2 | 3 | 53% |
| Contractual remedy covering the costs of encryption card and digital satellite reception equipment replacement | 8 | - | >-100% |
| Other operating revenues | 18 | 34 | 82% |

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

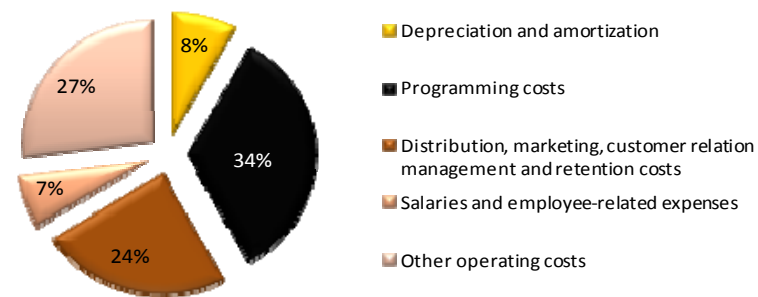
Q3'10: Operating costs under control



Operating costs Q3'10 vs. Q3'09



Q3'10 Operating costs breakdown (%)



| (PLN m) | Q3'09 | Q3'10 | Change |
|--|-----------|-----------|-----------|
| Other operating costs, including: | 69 | 75 | 9% |
| Transmission costs | 22 | 21 | -5% |
| Cost of equipment sold | 25 | 10 | -61% |
| Bad debt provision and cost of receivables written off | 2 | 6 | >100% |
| Costs of infrastructure rental and network maintenance | 0 | 9 | >100% |
| Other operating costs | 20 | 29 | 45% |

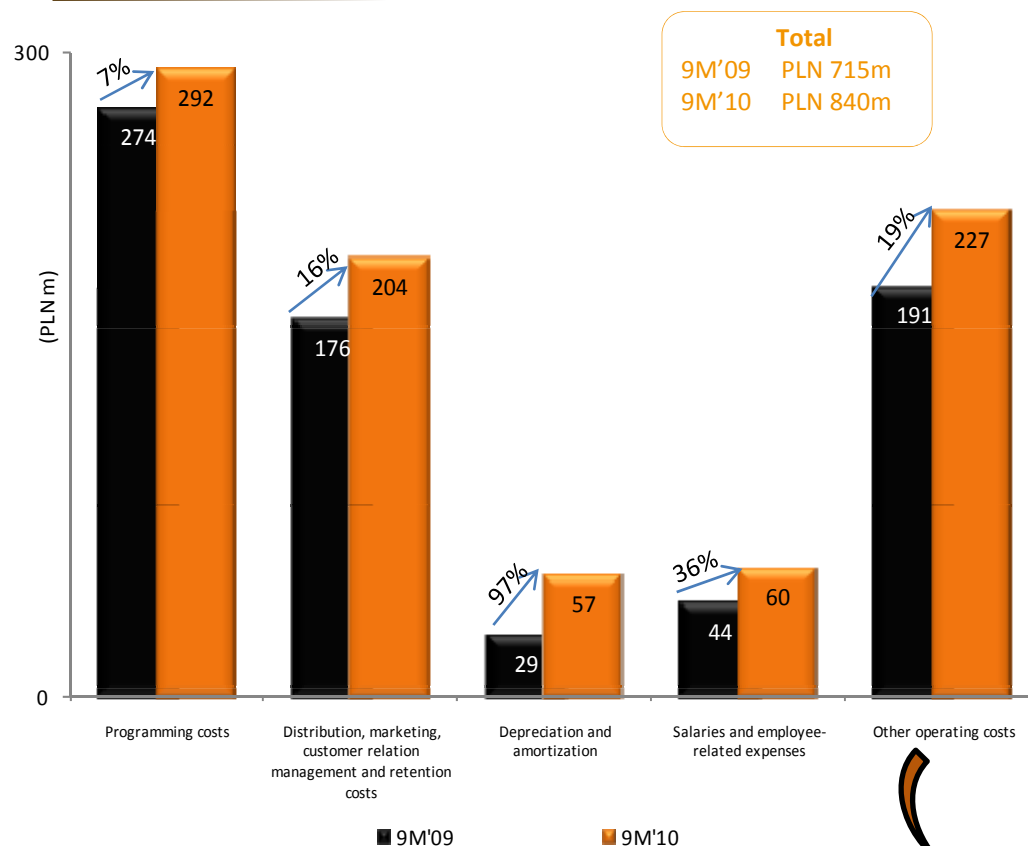
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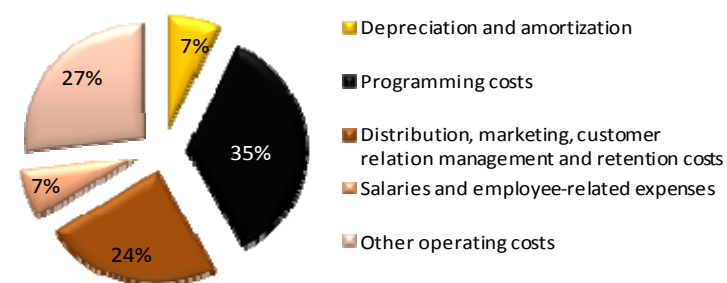
9M'10: Operating costs increase slower than revenues



Operating costs 9M'10 vs. 9M'09



9M'10 Operating costs breakdown (%)



| (PLN m) | 9M'09 | 9M'10 | Change |
|--|------------|------------|------------|
| Other operating costs, including: | 191 | 227 | 19% |
| Transmission costs | 63 | 62 | -1% |
| Cost of equipment sold | 60 | 42 | -31% |
| Bad debt provision and cost of receivables written off | 16 | 28 | 73% |
| Costs of infrastructure rental and network maintenance | 1 | 24 | >100% |
| Other operating costs | 51 | 71 | 40% |

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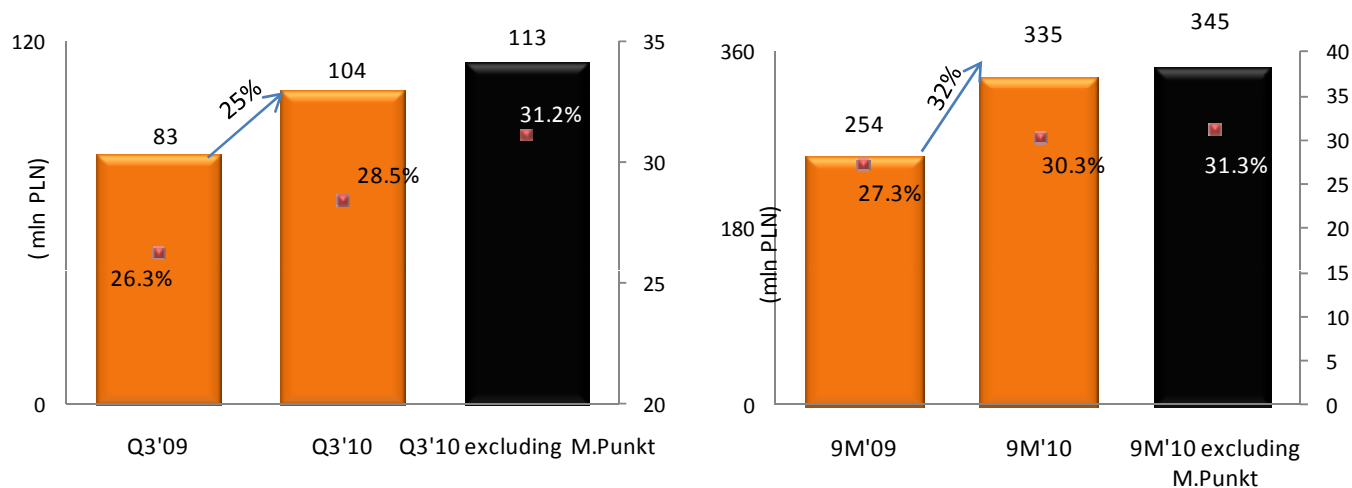
Source: Interim condensed consolidated financial statements for the 3 and 9 month period ended 30 September 2010 and internal analysis

Dynamic increase of EBITDA



- EBITDA up by 25% to PLN 104m in Q3'10 compared to Q3'09 and EBITDA margin up to 28.5% (31.2% excluding M.Punkt)
- EBITDA up by 32% to PLN 335m in 9M'10 compared to 9M'09 and EBITDA margin up to 30.3% (31.3% excluding M.Punkt)

EBITDA and EBITDA margin



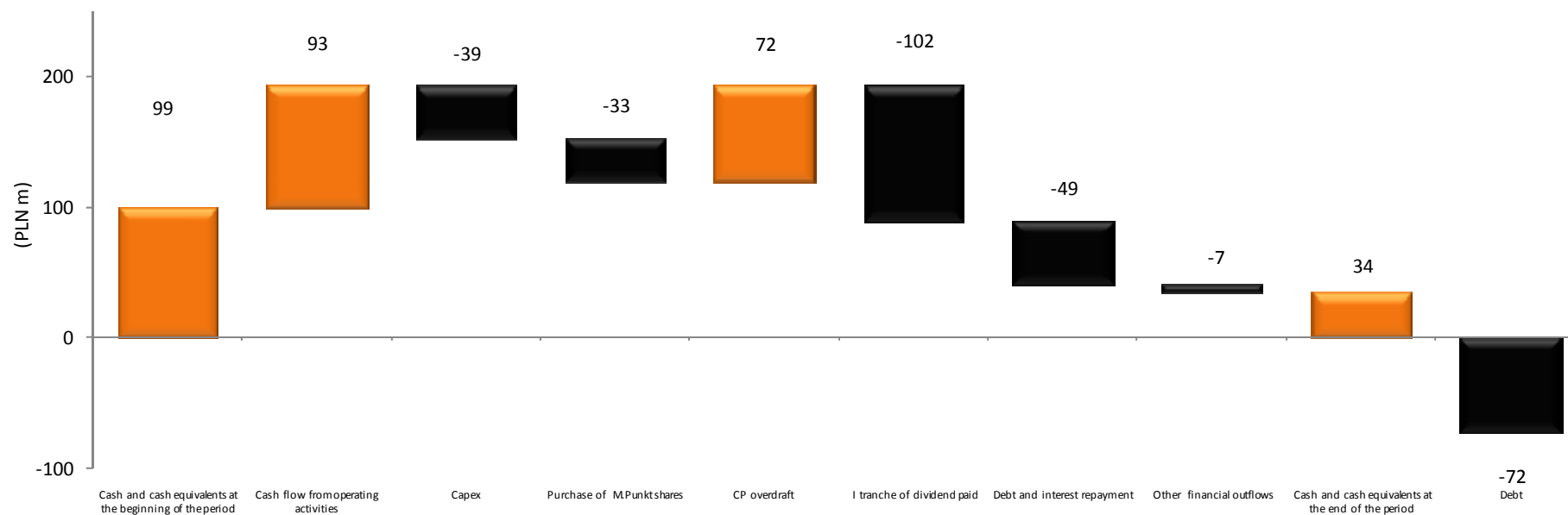
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Cash flow in 9M'10



Net cash flow, cash position and debt – 9M'10



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

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