

Analyst and investor briefing Q2'2012

- Very good financial results of both business segments, achieved on the relative difficult market conditions
- Revenues went up by **14%** to **PLN 715m**, thanks to the organic growth of our retail business segment and full consolidation of TV Polsat Group
- Negative effect of zloty depreciation affected costs denominated in foreign currencies (**35%** of our OPEX) amounted to **PLN -14m**
- EBITDA amounted to **PLN 270m**, and EBITDA margin was **38%**, and increased by **24%** and **3.2pp** YoY respectively, mainly thanks to effective cost management and realized synergies
- Main negative driver of our financial costs line was non cash losses on valuation of senior notes denominated in EUR in the amount of **PLN -34m**
- Net profit amounted to **PLN 100m**, with an effective tax rate of **12%**
- Number of pay digital television subscribers increased by **81 ths** YoY to **3.553m**, of which **77%** and **23%** accounted for Family and Mini subscribers respectively
- Number of Internet users increased by **57 ths** to **99 ths** YoY
- Family Package ARPU amounted to **PLN 45.9** and Mini Package ARPU to **PLN 13.2**
- Low and stable churn level of **9.2%** maintained
- Audience share of TV Polsat channels in Q2'12 was **20.0%**, and TV advertising market share in Q2'12 stood at **22.5%**
- TV Polsat delivered high EBITDA margin of 36% in 2Q'12, despite weakening advertising market and EURO 2012 effect
- Cash and cash equivalents as of June 30, 2012 amounted to **PLN 310m**
- Company pre-paid part of Term Facility Loan in the amount of **PLN 200m** (Company's report dated August 29, 2012)
- Main bank covenant, net debt/EBITDA stood at **2.52x**

Financial results of Cyfrowy Polsat Capital Group

in PLN million	Q2 2012	YoY change	Market consensus*	Difference
Revenues, incl.:	715.0	14%	714.5	0%
- Retail sales	427.9	11%	n/a	n/a
- Advertising and sponsoring revenue	238.4	15%	n/a	n/a
- Revenue from cable and satellite operator fees	23.6	45%	n/a	n/a
- Sale of equipment	6.2	131%	n/a	n/a
- Other revenues	19.0	9%	n/a	n/a
EBITDA	269.8	24%	263.9	2%
EBITDA margin	37.8%	3.2pp	36.9%	0.9pp
EBIT	213.1	23%	208.4	2%
Net profit	100	43%	100.5	0%
Capex/Revenues (%)	2.6%	1.1pp	n/a	n/a

* Based on estimates prepared by: BDM, Deutsche Bank, DI BRE, Erste, Espirito Santo, IDMSA, ING, Ipopema, KBC, Raiffeisen, Societe Generale, Trigon, UBS, UniCredit

Retail business segment

	Q2		
	2012	2011	Change
Users of our pay TV services			
Number of subscribers at the end of period, of which:	3,553,473	3,472,757	2.3%
Family Package	2,750,888	2,706,080	1.7%
Mini Package	802,585	766,677	4.7%
Churn rate, of which:	9.2%	9.1%	0.1 pp
Family Package	9.5%	10.3%	-0.8 pp
Mini Package	8.1%	6.8%	1.3 pp
Average revenue per user⁽¹⁾ (ARPU) (PLN), of which:	38.8	36.3	6.9%
Family Package (PLN)	45.9	43.2	6.3%
Mini Package (PLN)	13.2	11.6	13.8%
Subscriber average cost (SAC) (PLN)	96.8	110.4	-12.3%
Users of our mobile Internet services at the end of period	99,069	42,522	133.0%
Users of our mobile telephony services at the end of period	141,161	129,736	8.8%

¹ In line with the provisions of IAS 18, starting from the year 2012 the Group recognizes lower revenues from penalties for breaching contracts by the clients due to change of accounting estimates regarding recognition and recoverability of these revenues. This change of estimates does not materially influence the Group's operating results. It causes, however, a slight decrease in ARPU, though not perturbing its stable upward trend.

- Subscriber base of pay TV customers in line with the levels achieved in the Q1'12 thanks to the stable sales level and effective retention programs
- ARPU continues upward trend, which comes mainly from acquiring larger number of premium customers and additional services (i.a. VoD)
- Number of broadband users increased to 99ths., which resulted in significant growth of revenues from telecommunication services

Broadcasting and television production segment

	2Q			1H		
	2012	2011	Change %	2012	2011	Change %
Audience share¹, including:	20.03%	21.15%	-5.30%	20.59%	20.34%	1.23%
POLSAT (main channel)	15.51%	17.00%	-8.76%	16.13%	16.39%	-1.59%
Thematic channels	4.51%	4.15%	8.67%	4.45%	3.95%	12.66%
Advertising market share²	22.5%	23.0%	-2.4%	23.1%	22.3%	3.9%
Television ad market spendings³ (in PLN million)	1,049	1,138	-7.8%	1,904	2,010	-5.2%

¹ NAM, All day 16-49 audience share

² Our estimates based on Starlink data

³ Starlink, air time and sponsoring

- Polsat sustained high 36% EBITDA margin in the Q2'12 despite the negative effect of EURO 2012 and advertising market slow down
- Audience results in Q2'12 significantly influenced by EURO 2012 tournament broadcasted by TVP, nevertheless major impact was only on our main channel
- Despite a decrease in viewership our main channel Polsat was a leader in 16-49, all target group
- Together with increased reach thematic channels increased their viewership by 8.7% YoY
- Advertising market share of TV Polsat Group on a stable 22.5% level