



Equity story

2016 results

Investor Presentation

March 2017

Cyfrowy Polsat S.A. Capital Group



1. Polsat Group: unique composition of media and telco assets

A horizontal bar with a gradient from orange on the left to green on the right, positioned below the section header.

Unique market strategy based on complementary business pillars



own content production and broadcasting

1st Polish private TV broadcaster with strong local identity

- established 1992
- ca. 25% audience share

24 popular TV channels, 14 in HD standard

- full range of entertainment for every family member
- sports, news, entertainment, movies, hobbies

diversified distribution of TV channels

- 4 free-to-air, 20 sold to other cab/sat



3.5m households provided with 4.8m pay-TV services

- subscriptions ranging from PLN 20-100, contract-based model
- addressing also most price-sensitive customers

initial value-for-money positioning allows for incremental value creation currently

- main competitors focused on high-end market or big-city customers

very strong brand perception

- NPS of +28 clearly outperforms peer providers
- far the highest (97%) brand awareness among pay-TV providers

biggest Polish pay-TV platform

top quality mobile network operator

technologically leading mobile operator on a well-balanced 4 MNO market

- most-advanced LTE network, continuously 1 step ahead of peers

9.7m mobile telephony services provided, 69% contracted

2.0m mobile internet services provided, 89% contracted

enjoying competitive advantage through control of key frequencies

30% of <1GHz coverage bands
40% of 1.8GHz capacity bands



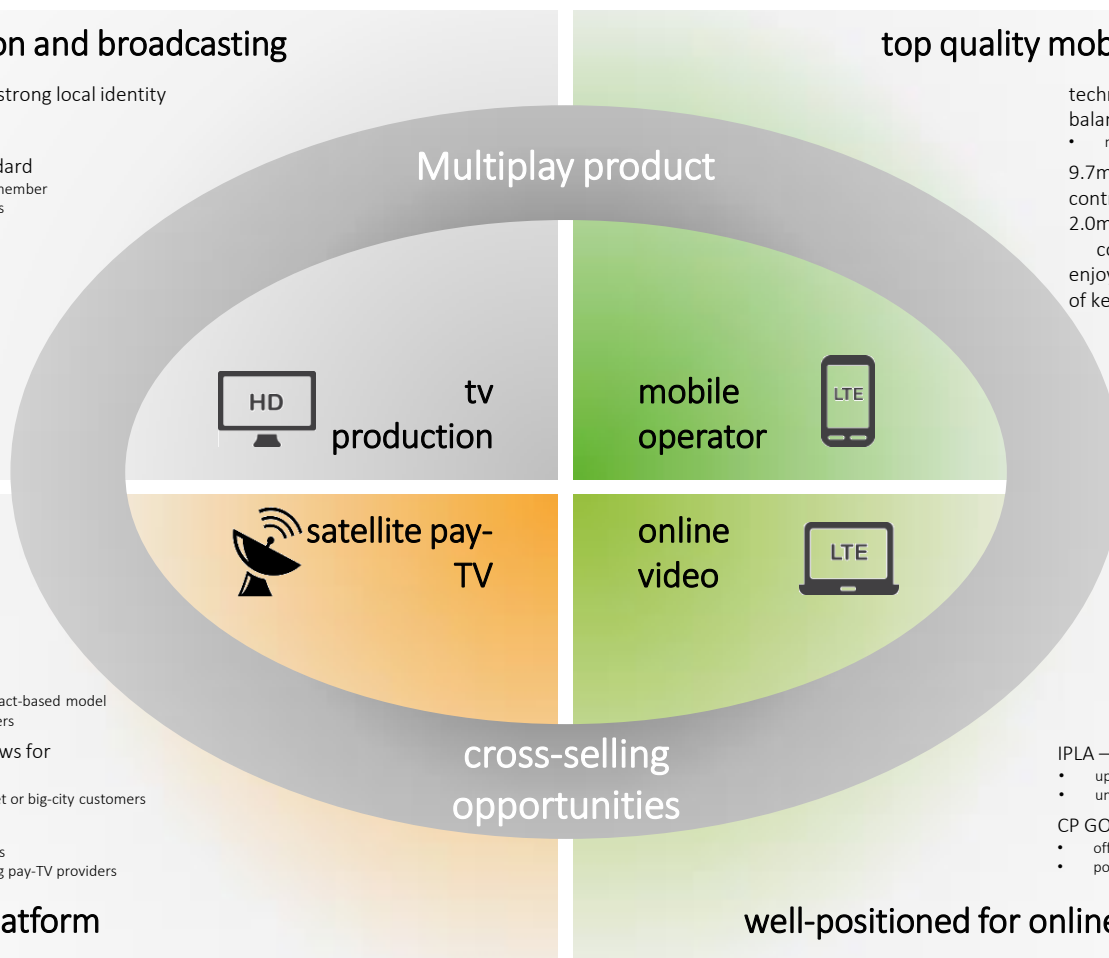
IPLA – the leading Polish online video platform

- up to 3.8 million unique viewers monthly
- unique local content as a key differentiator vs global OTT players

CP GO – expanding DTH offer onto online channels

- offered to all own DTH customers for an incremental monthly fee
- potentially to be offered to other customers

well-positioned for online video opportunities



With just finalized 10-year visionary project aimed at creating the biggest Polish TMT group



Note: (1) currently Aero2

Full control over key assets in each value chain



broadcasting

- ad sales and brokerage house
- loyal viewers
- diversified distribution
- well-established brand
- unique local content
- TV production studios
- broadcasting licenses



pay-TV & Internet

- multiplay offer based on own products
- contracted customers
- well-established brand
- own and commissioned exclusive sales channels
- customer equipment factory
- satellite broadcasting infrastructure



mobile & Internet

- multiplay offer based on own products
- contracted customers
- well-established brand
- own and commissioned exclusive sales channels
- countrywide mobile infrastructure
- unique portfolio of frequencies



online video

- potential for upsell to pay-TV and mobile customers
- delivery through fix and mobile technologies
- key local content on exclusivity basis
- internally developed online platform



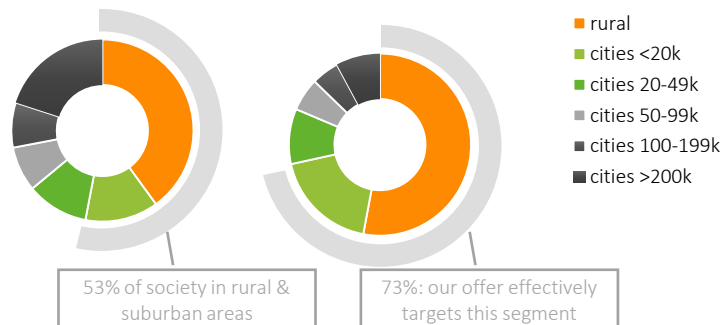
Successfully addressing market segments with a growth potential



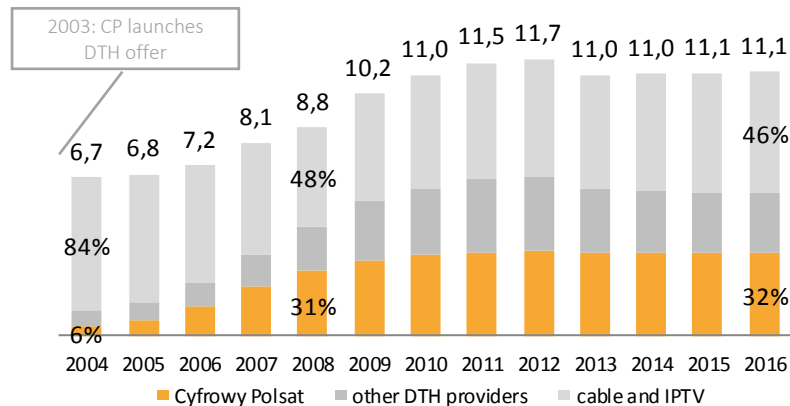
Poland: a largely scattered country

geolocalization
of the Polish society...

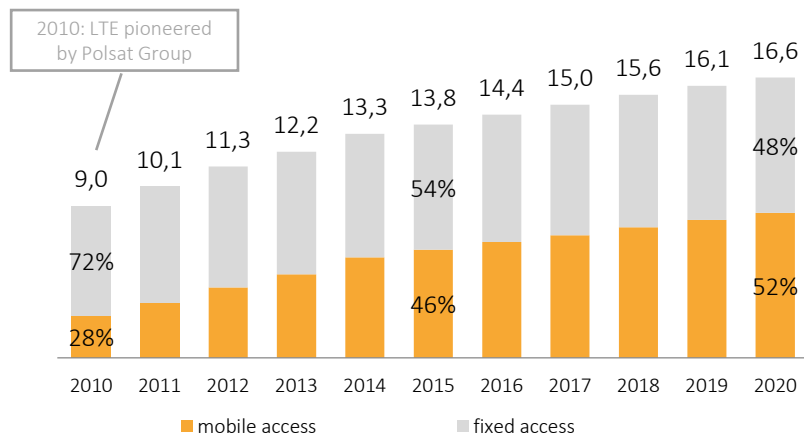
...and our
multiplay customers



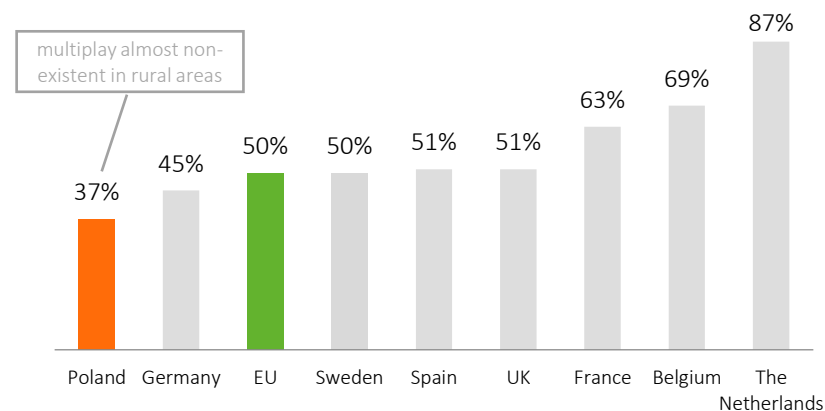
focus on rural customers was a bull's-eye hit



LTE successfully competes with fixed access



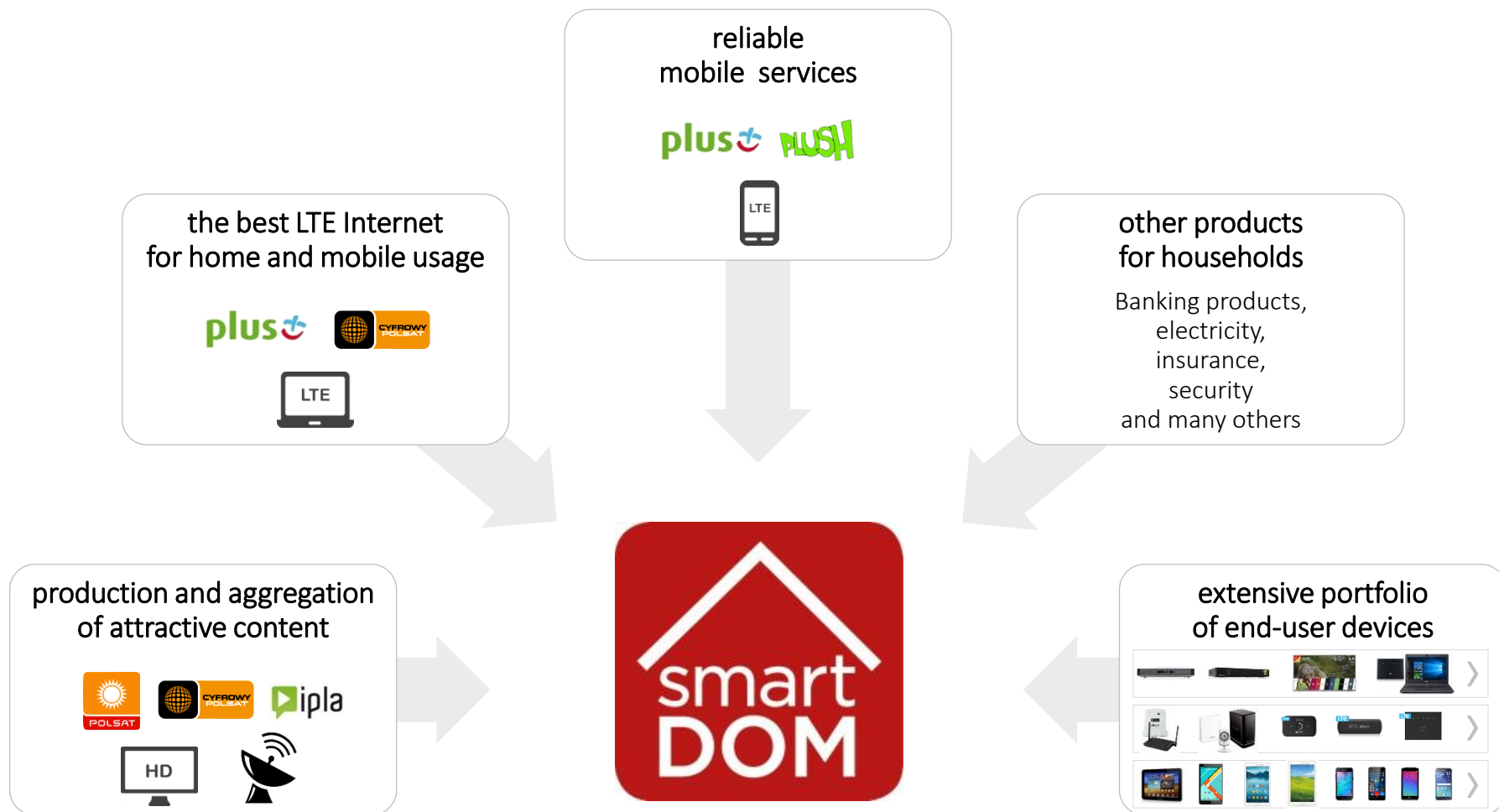
underdeveloped Polish multiplay market



Source: PMR, company's data, operator's reports, UKE based on E-Communications and the Digital Single Market, Special Eurobarometr 438, European Commission, May 2016



SmartDOM is our key proposition for the underdeveloped Polish multiplay market



Unique convergent offer, based on own products and infrastructure



							
Key content		X	—	—	—	—	X
Smartphones		—	—	X	X	X	X
In-Home	TV	X	X	—	X	soft launch initiated	X
	Broadband	3 rd party product re-sale	X	X	X	X	X
	Voice	3 rd party product re-sale	MVNO (limited scale)	X	X	X	X
Out-of-Home	TV	X	—	—	X	soft launch initiated	X
	Broadband	3 rd party product re-sale	MVNO (limited scale)	X	X	X	X
	Voice	3 rd party product re-sale	MVNO (limited scale)	X	X	X	X

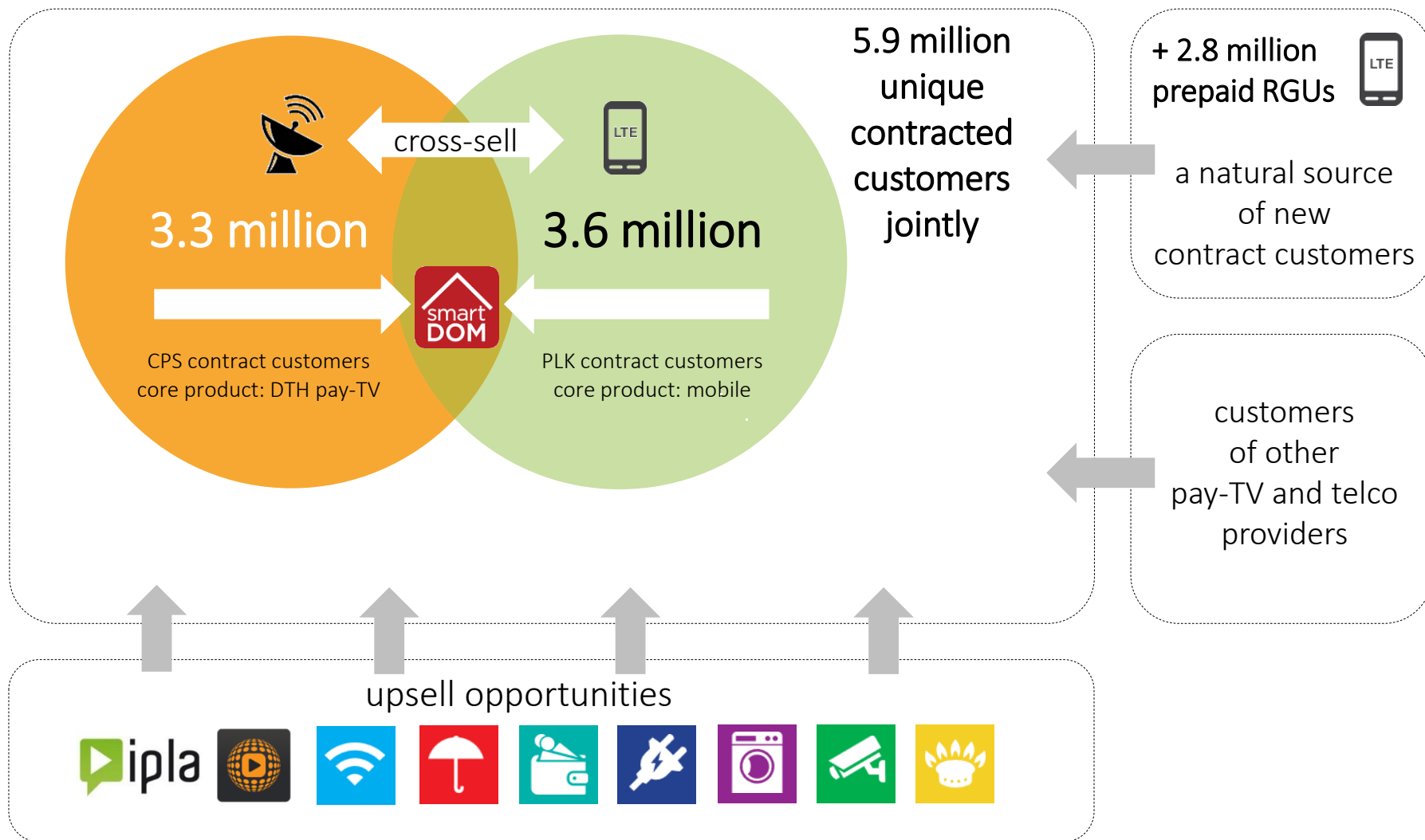
Source: Operator's websites; products and services provided with its own infrastructure, or using MVNO model



2. Merging two customer bases provides us with the opportunity



Our market strategy naturally focuses on our own customer bases



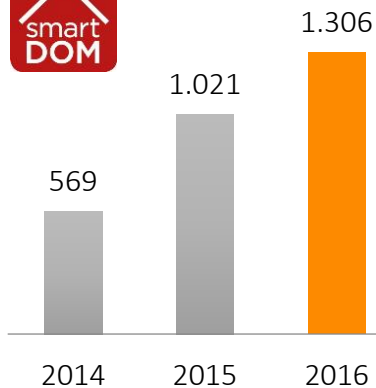
Source: company's data



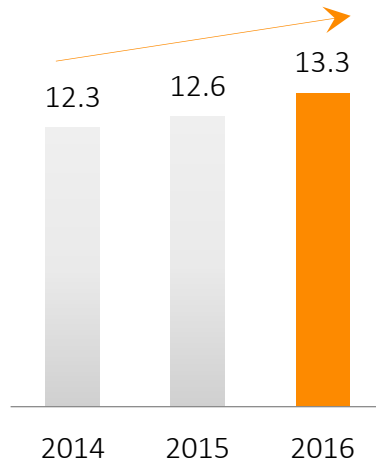
The strategy results in ARPU growth and strong customer loyalty



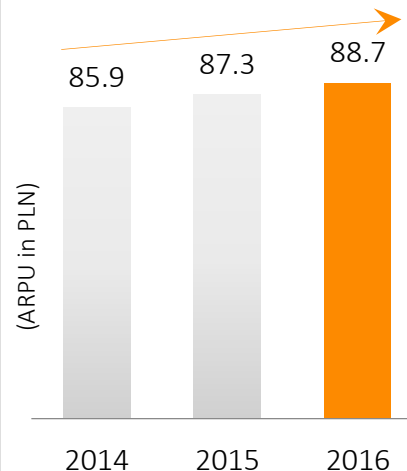
Constantly growing base of multiplay clients



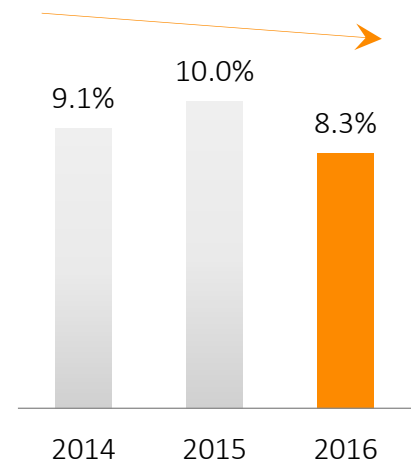
Total number of contracted RGUs



ARPU per contracted customer



Churn



Source: company's data



Diversified portfolio of well-established local brands allows for broader market targeting



broadcasting

- established 1992
- valued for rich content proposition in FTA and cab/sat markets
- targeted at 16-49 audience group where achieves ca. 25% viewership results
- initially positioned as mass consumer entertainment TV



pay-TV & Internet

- established 2003
- brand awareness:
 - spontaneous: 85%
 - supported: 97%
- NPS at +28, clearly outperforming peers
- valued for professionalism, value-for-money proposition and broad offer
- targeted at households: a provider of full range of entertainment for each family member



mobile & Internet

- established 1996
- brand awareness:
 - spontaneous: 86%
 - supported: 98%
- NPS at +26, strong results vs peers
- valued for high quality, technological advancement and LTE pioneering
- targeted at individuals & B2B
- recently repositioned: stronger focus on technological excellence and requirements of individuals




online video

- established 2008
- valued for rich content proposition available on any portable and media devices
- relatively young brand, created independently of the remaining brands of the Group
- targeted at younger generation, more familiar with online video distribution



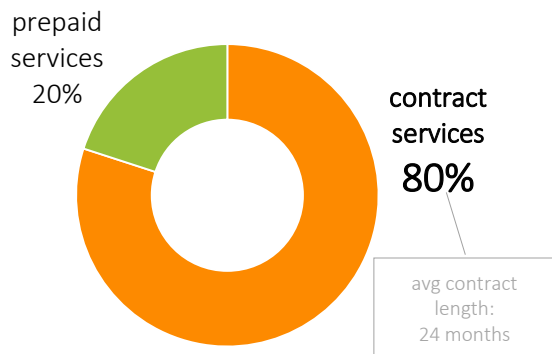
3. Resilient business model with strong cash generation



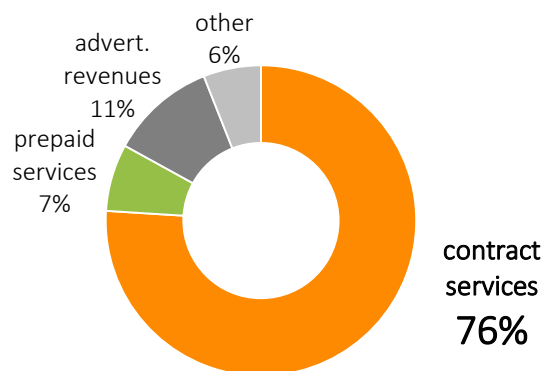
Focus on contracted services and customer loyalty provides stable and resilient business model



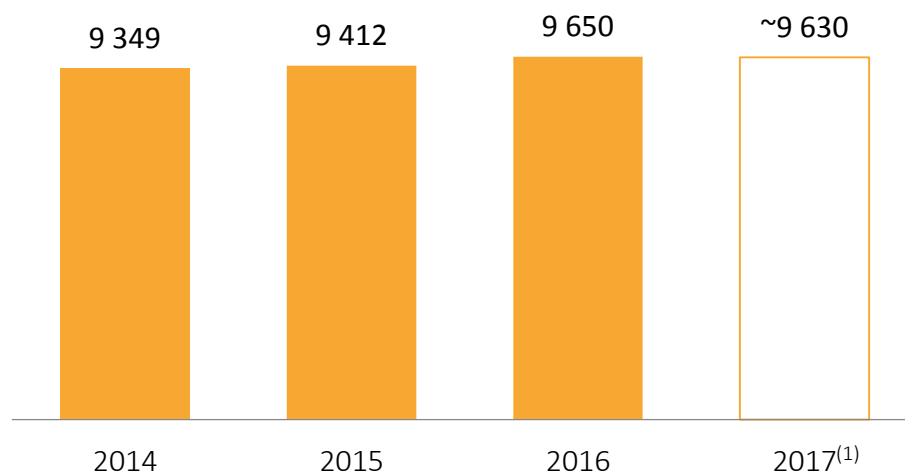
RGU structure



revenue decomposition



total revenue pro forma for Midas acquisition

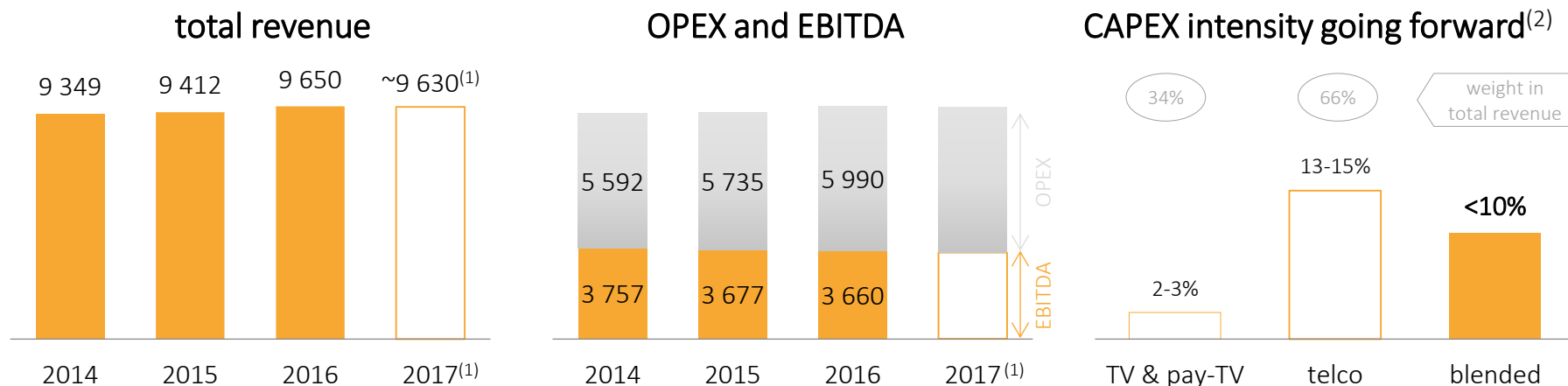


Source: company's data; from 2017 onwards – market consensus

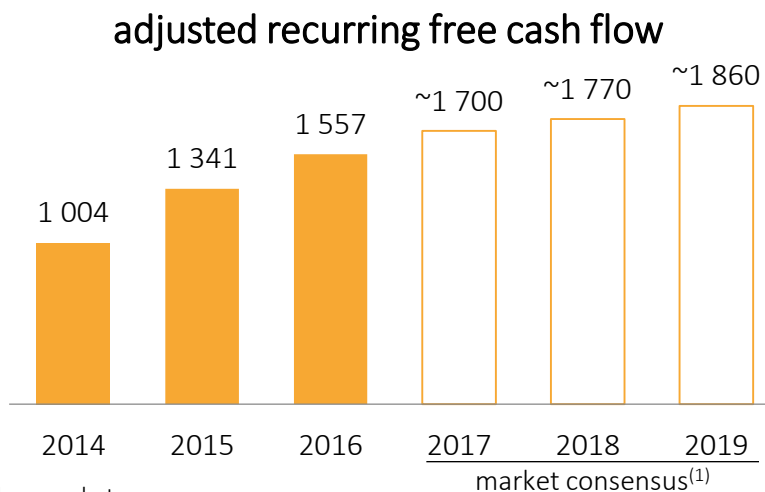
Note: (1) Company compiled market consensus



Stable revenue combined with low CAPEX needs and OPEX under control results in strong FCF



+ continued deleveraging and successful refinancing



Source: company's data; from 2017 onwards – market consensus

Note: (1) Company compiled market consensus

(2) Applicable for 2017-18.

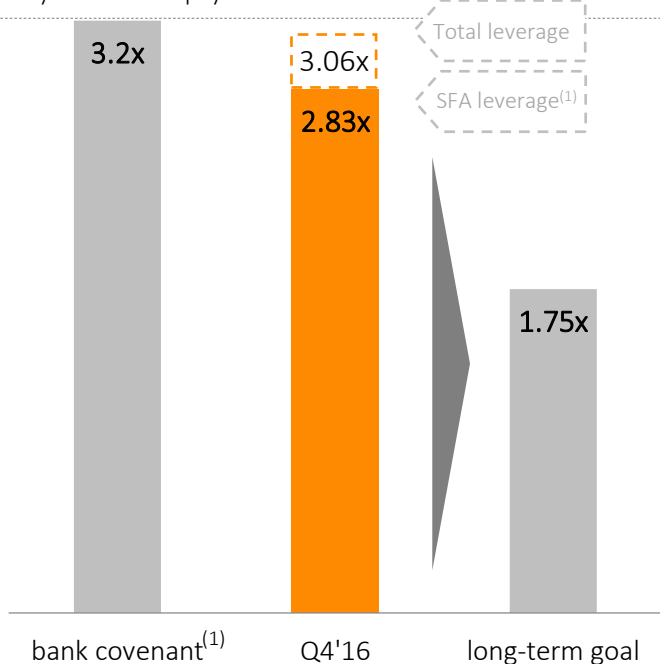


Strong financials allow for aligning deleveraging with dividends since 2017 onwards

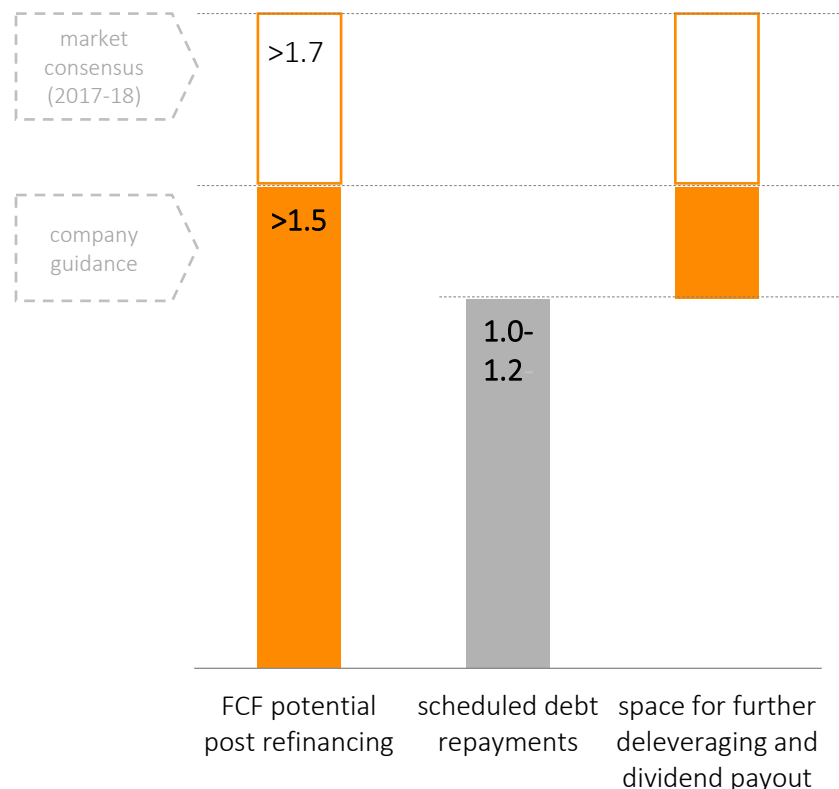


Deleveraging remains our priority...

possibility of dividend payout



...but profit sharing is in sight



Source: company's data

Note: (1) Net leverage according to SFA definition, ie. excluding PIK and Zero-Coupon Notes.



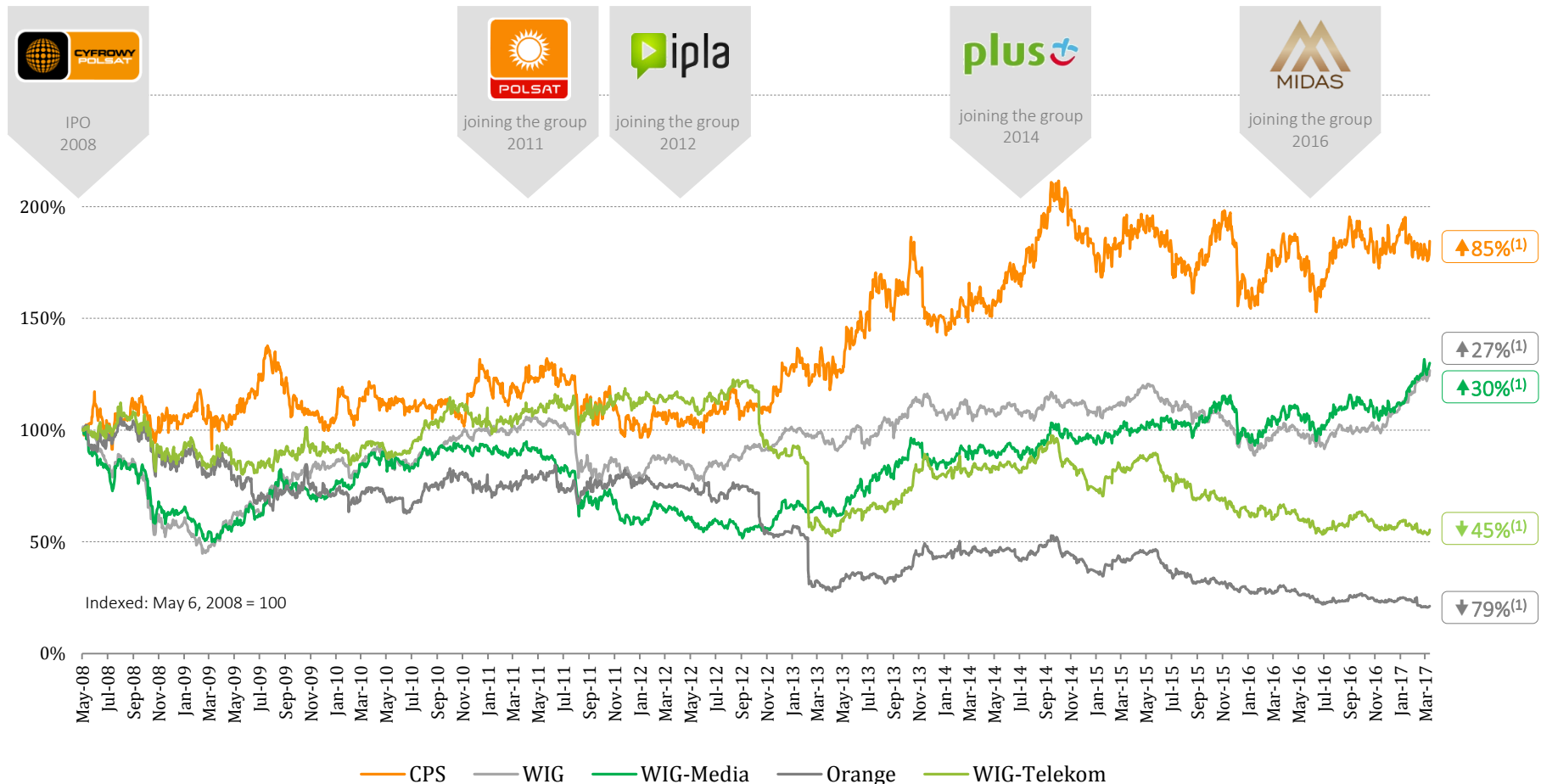
4. Strong track record

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Our strategic investments impacted positively value of Polsat Group



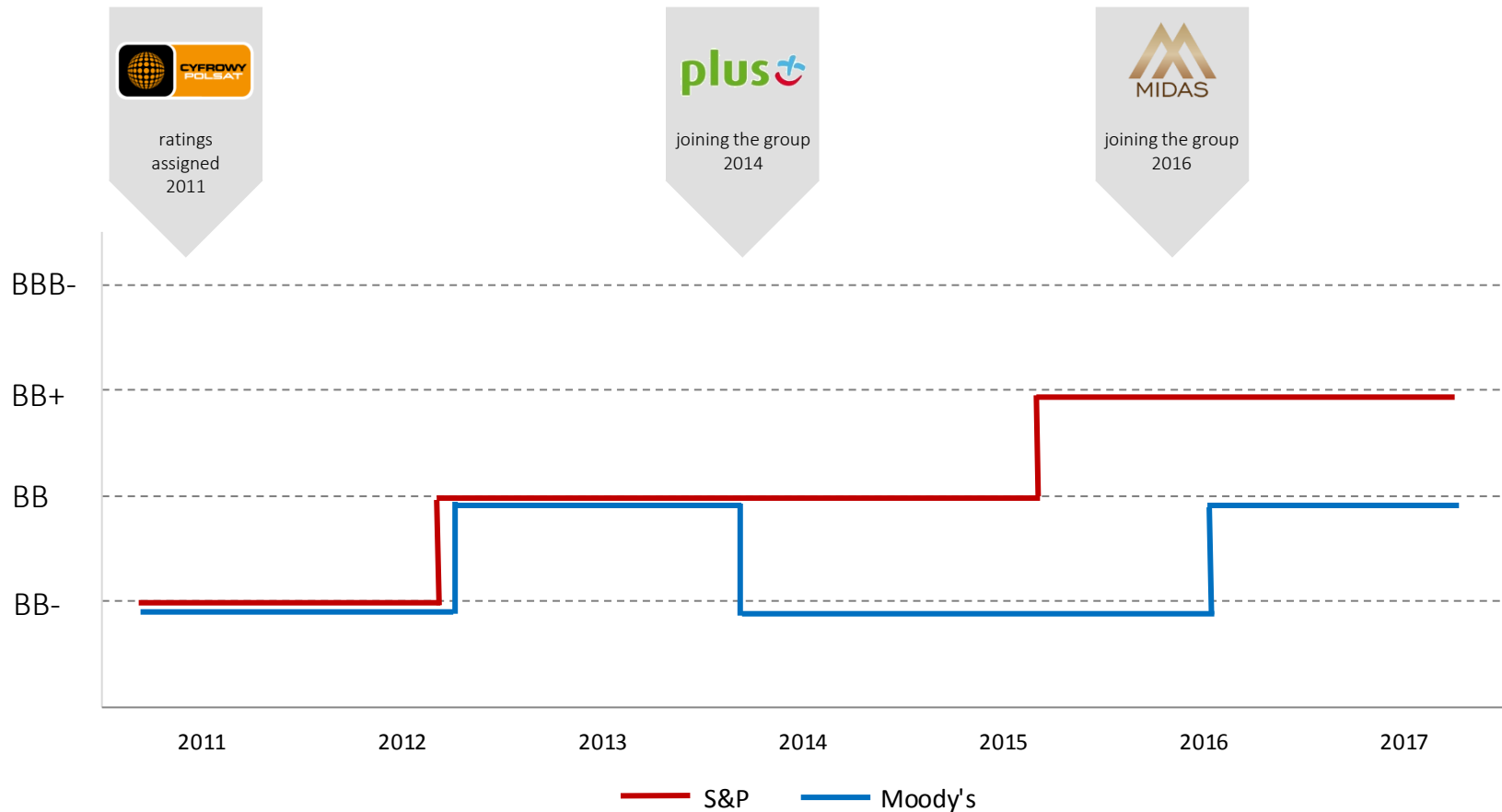
CPS stock performance since IPO compared to WSE indexes



Note: ⁽¹⁾ Growth between May 6, 2008 and March 16, 2017



Comfort of our debtholders is equally important for us



We are focused on communicating transparently



Open dialogue with investors and brokers

18 brokers actively covering Polsat Group



2014-16 avg variance of the previews consensus vs actuals:

- revenue: 0.7%
- EBITDA: 1.9%

Management Board and IR team welcoming interactions with investors

Our IR activity in numbers:

- ca. 15 national & international roadshows per annum
- ca. 250 meetings with investors per annum
- regularly visiting London, NY, Boston, Paris, Frankfurt, Prague, Stockholm, etc.
- quarterly result calls conducted in English

Our communication was frequently awarded



Listed Company of the Year
Top Investor Relations

EUROMONEY

Best Managed Companies in
Central & Eastern Europe 2015

CEE Capital Markets Awards

"Distinguishing top public companies listed in Central Eastern Europe"

Best IR dept of a listed
company – Poland



5. Appendix



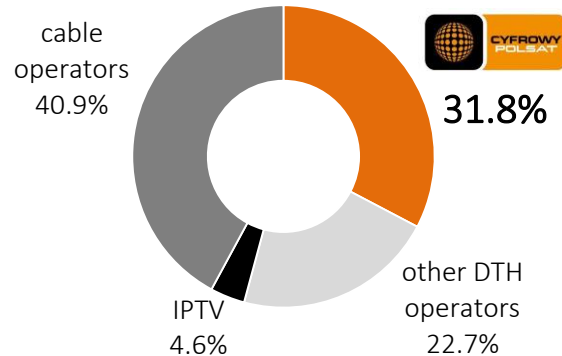
Current market position on individual markets



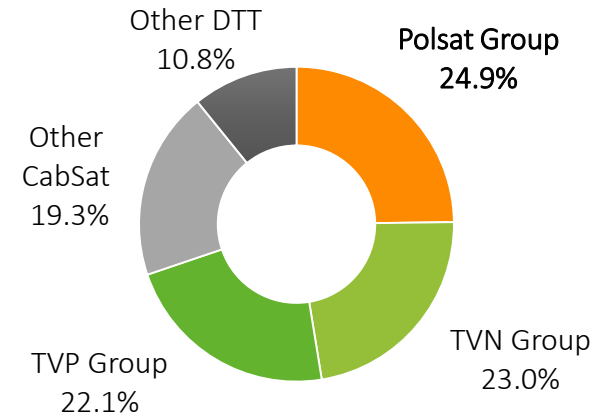
Competitive environment

Pay-TV market in Poland

% share in the total number of paying subscribers⁽¹⁾

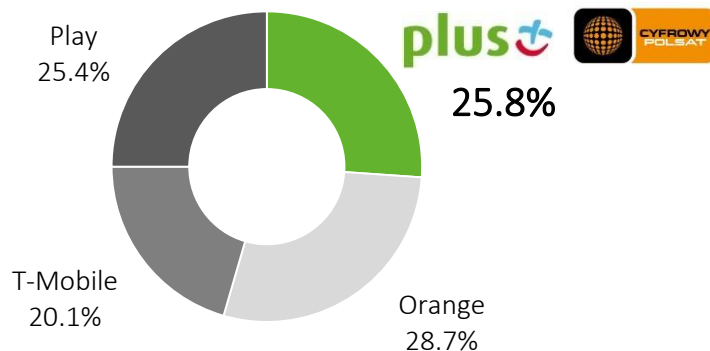


Audience share

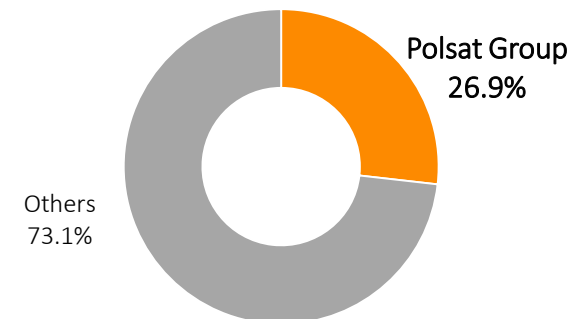


Mobile market in Poland

share of contracted SIM cards⁽²⁾



TV ad market share



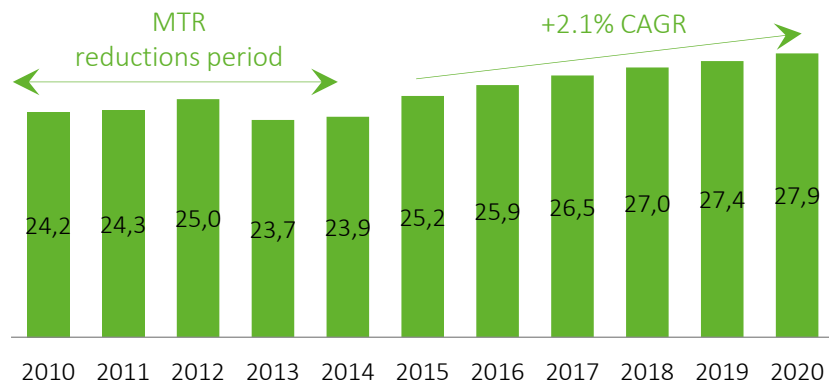
Source: NAM, All 16-49, all day, SHR%, 2016; Starcom, airtime and sponsoring, 2016; TV Polsat internal

Note: (1) As of 2016, based on own estimates, sector data and PMR estimates

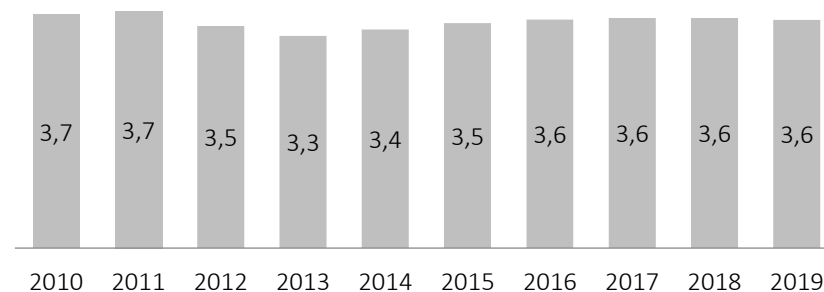
(2) As of 2016, own estimates based on data published by other operators

Market development and forecasts

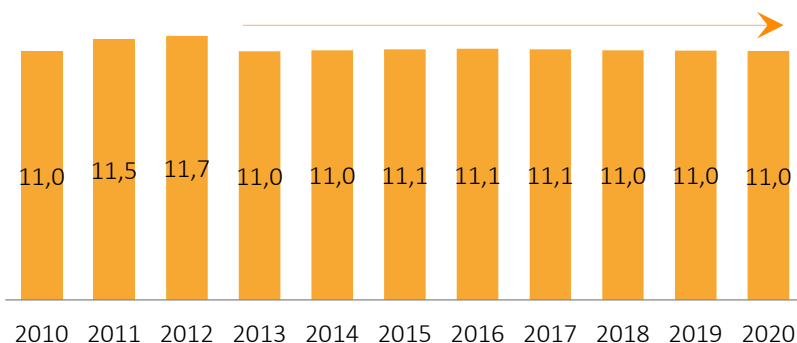
Total Polish mobile market value (PLNbn)



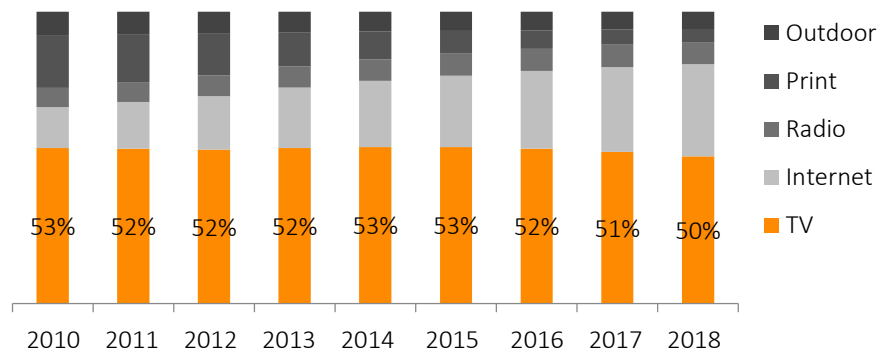
Total Polish tv ad market value (PLNm)



Total number of pay-TV customers in Poland (million)




Polish ad market structure



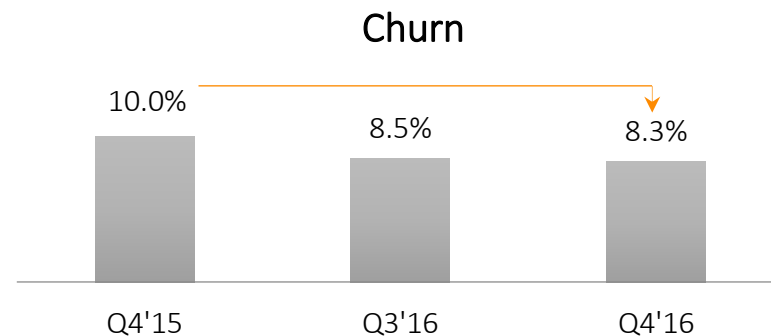
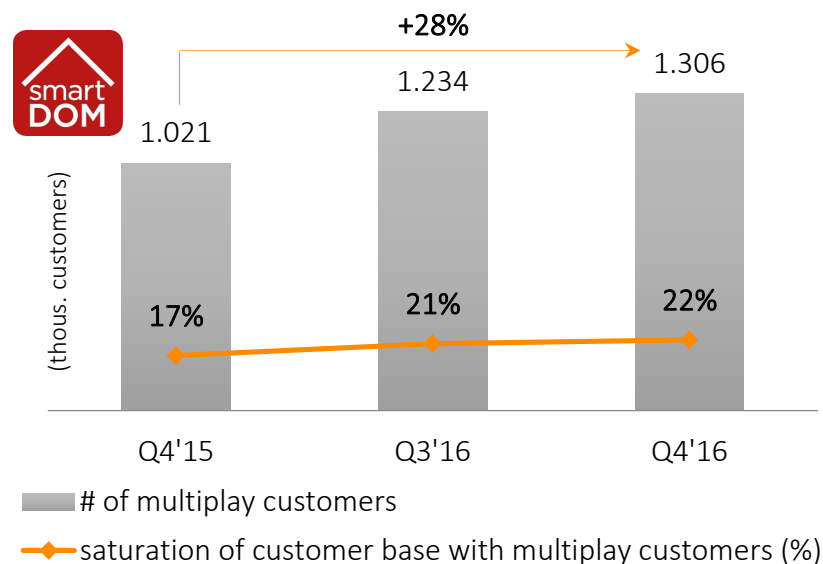
Source: PMR; ZenithOptimedia, "Advertising Expenditure Forecasts – December 2016"

Long-term business performance trends



Success of the multiplay strategy

- Dynamic growth in the number of customers of the multiplay offer by 285K YoY
- As many as 22% of our contract customers already use the multiplay offer, which is positively reflected in reported churn (the lowest over the past 3 years)



Quarterly RGU growth of individual product lines



Mobile telephony

our aspirations: to stabilize the base



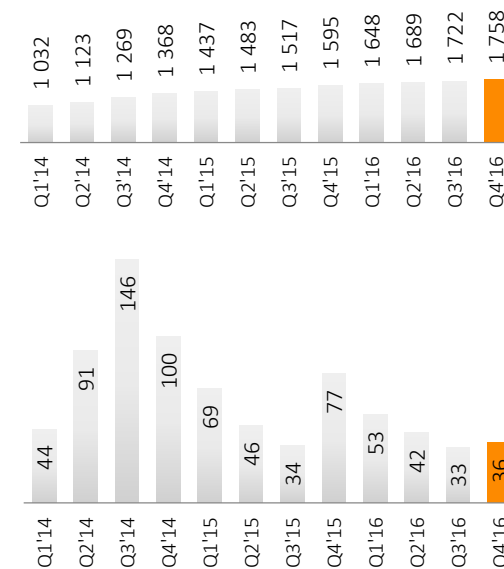
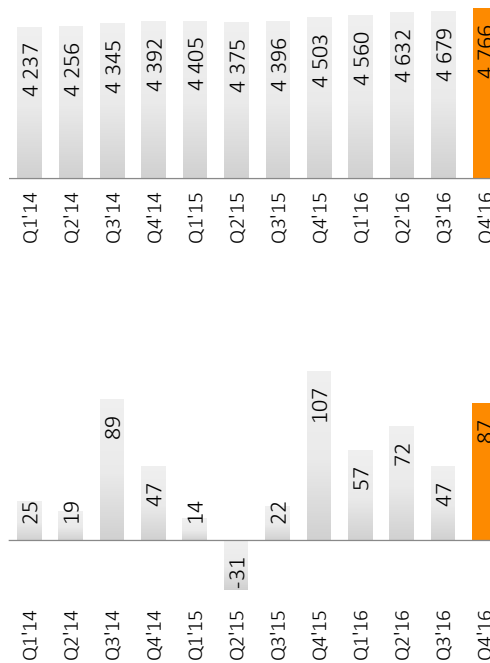
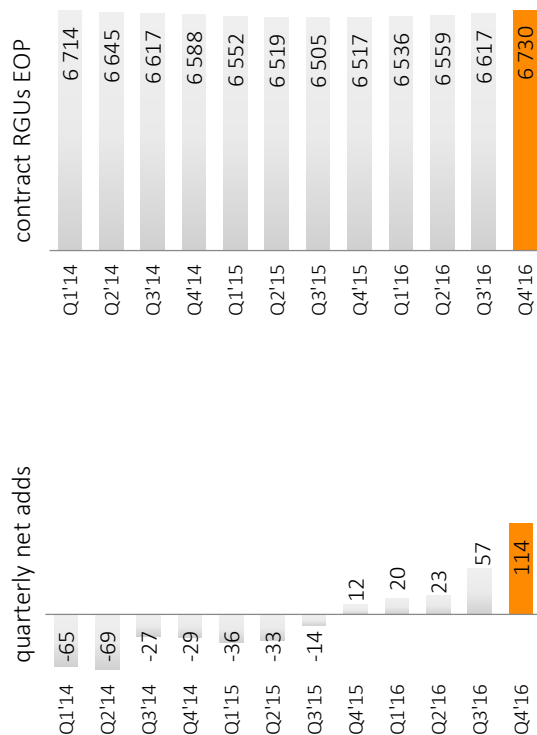
Pay-TV

to sustain organic growth



Internet

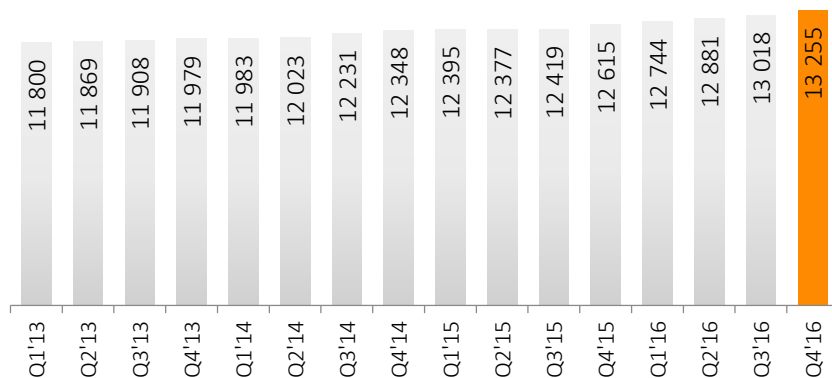
to grow fast based on our competitive advantages



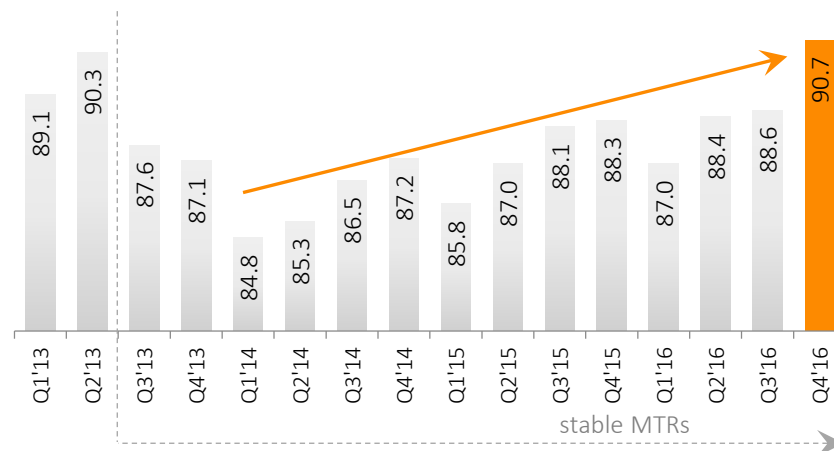
Multiplay supports the continuous growth of the number of services and ARPU



Contract RGUs EOP



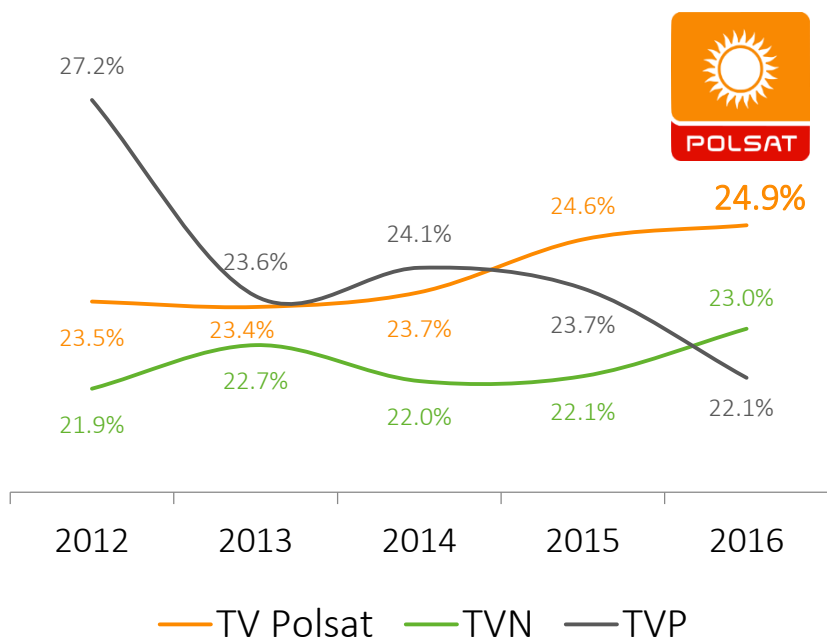
Contract ARPU (PLN)



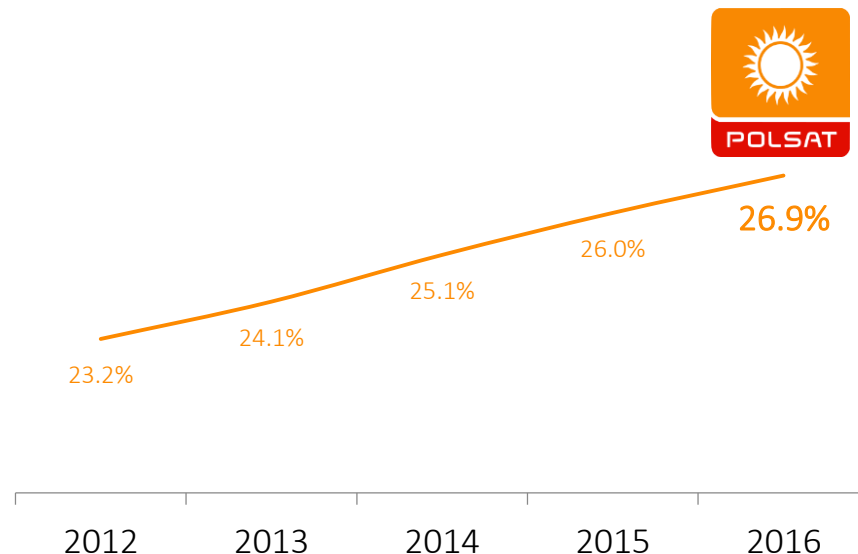
Long term market position of TV Polsat



Audience shares



TV ad market shares



Source: audience share: NAM, All 16-49, all day, SHR% ; ad market share: revenue from advertising and sponsoring of TV Polsat Group according to Starcom's definition; internal analysis



Current operational performance

a. Broadcasting and TV production

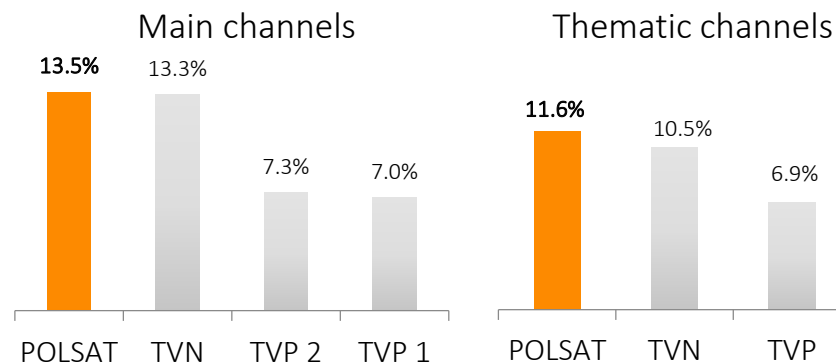
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Viewership of our channels in Q4'16

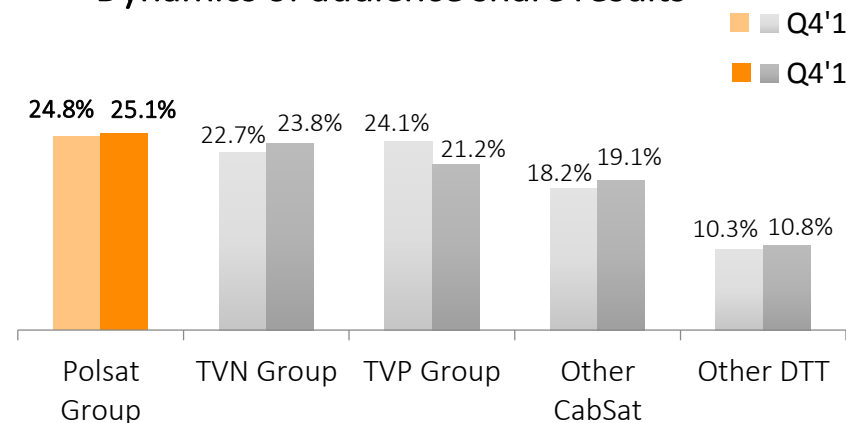


- Polsat Group and the main channel POLSAT are invariably viewership leaders in the commercial group

Audience shares



Dynamics of audience share results



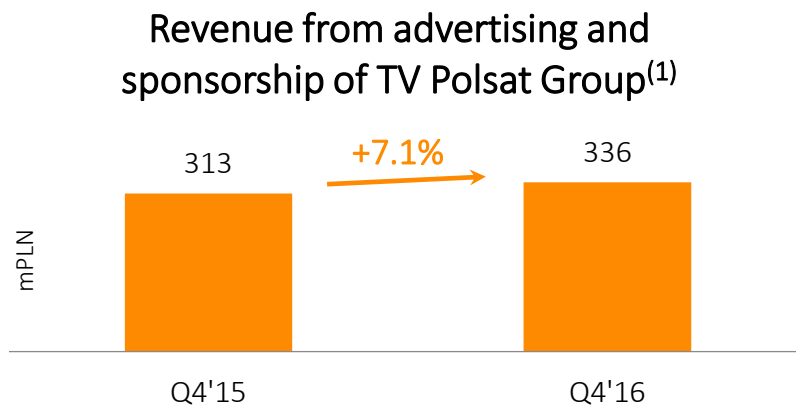
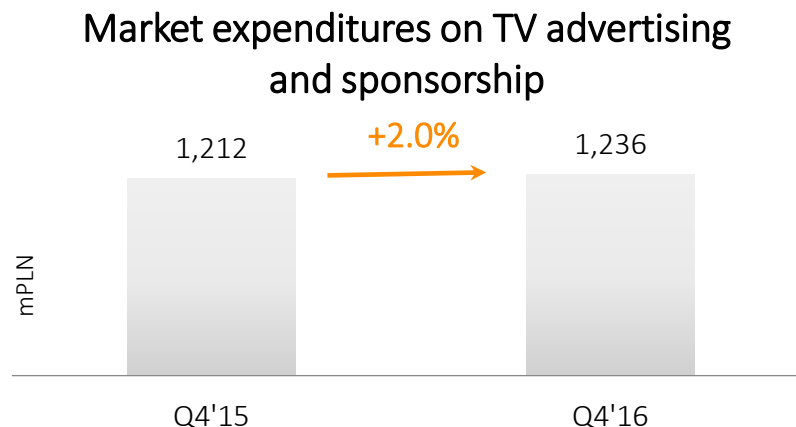
Source: NAM, All 16-49, all day, SHR%; internal analysis



Position on the advertising market in Q4'16



- TV advertising and sponsorship market increased by 2.0% YoY in Q4'16
- Revenue from TV advertising and sponsorship of TV Polsat Group grew faster than the market
- Our share in the TV advertising and sponsoring market increased to 27.2%



Source: Starcom airtime and sponsorship; TV Polsat; internal analysis

Note: (1) Revenue from advertising and sponsorship of TV Polsat Group according to Starcom's definition



Current operational performance

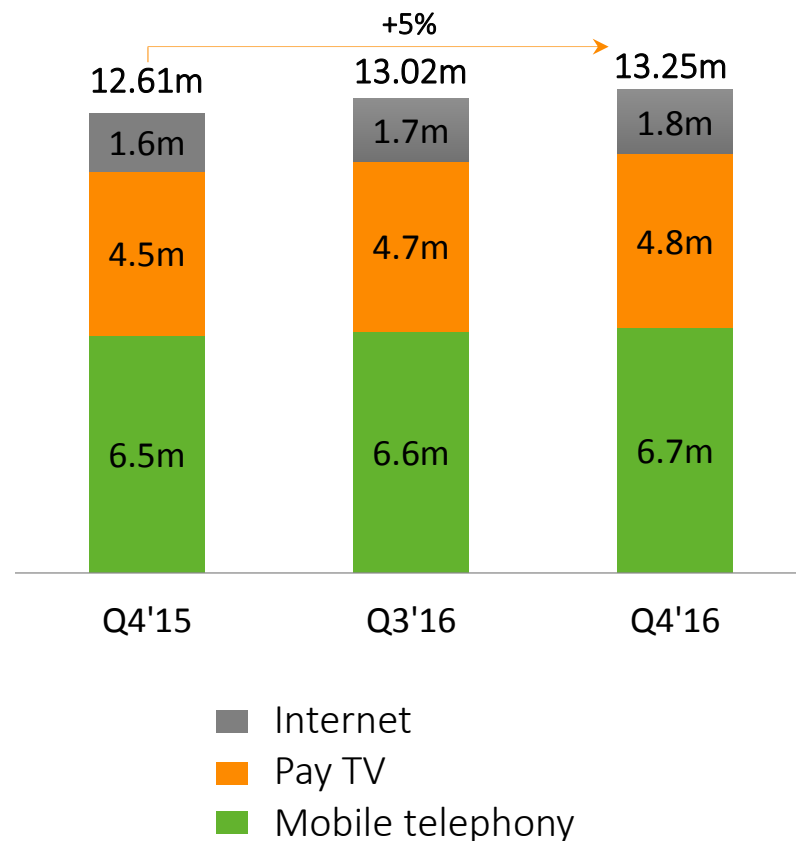
b. Services to individual and
business customers



Contract services – historically strong quarter

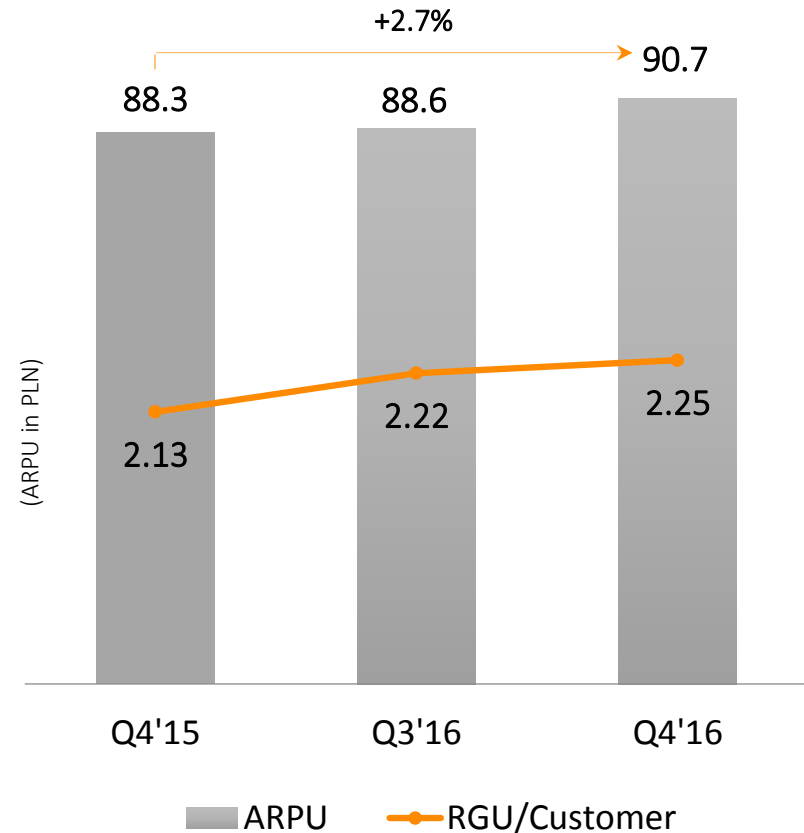


- Strong growth in the number of contract services by 640K YoY
- 214K YoY of additional mobile telephony RGUs mainly due to the favorable effect of our multiplay strategy, supported in recent months by intensified migration of customers from the prepaid segment
- Pay TV RGUs increased by 263K YoY (the effect of multiroom and OTT)
- Further growth in Internet access RGUs by 163K YoY



Effective building of ARPU

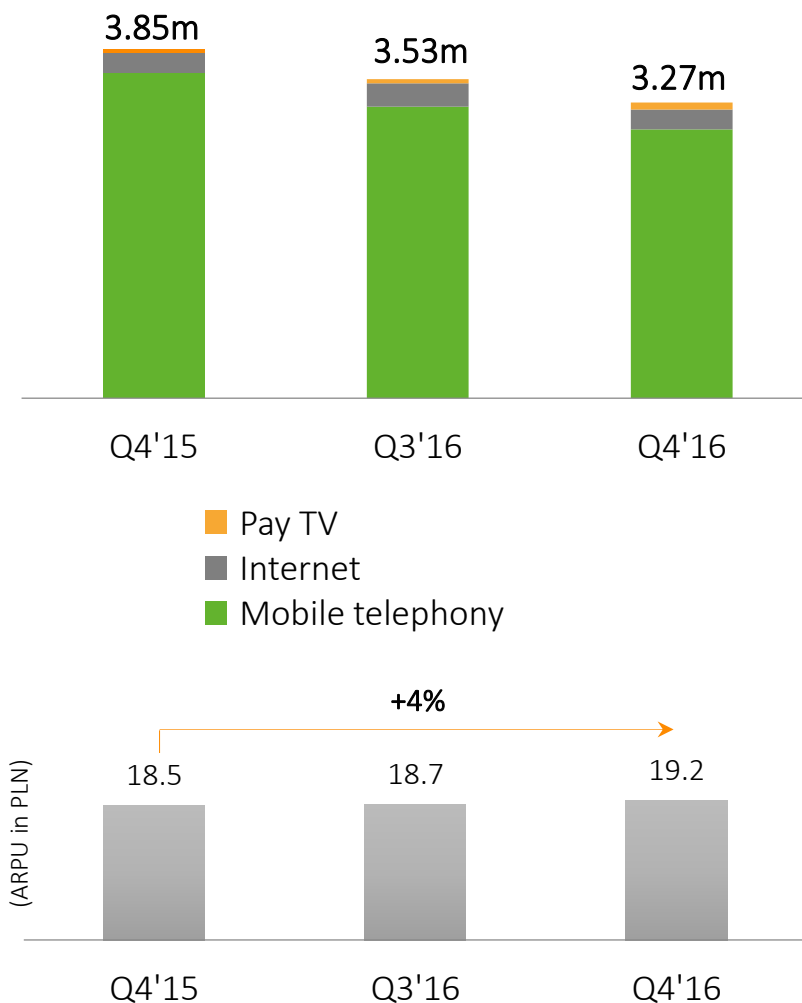
- High growth rate of ARPU in Q4'16
- nearly 3% and PLN 2.4 YoY on a highly competitive market
- Successful product up-selling reflected in the growth of saturation of RGUs per customer



Statutory duty of SIM card registration is reflected in the performance of the prepaid segment



- Intensified migration of prepaid customers to contract offers, combined with a rapid decrease in sales of new SIM cards on the entire prepaid market
- At the beginning of February and March 2017, respectively, we had already over 2.7m and more than 2.8m registered prepaid SIM cards⁽¹⁾
- The effects of mandatory registration of prepaid cards will be fully reflected in the RGU base in Q1'17

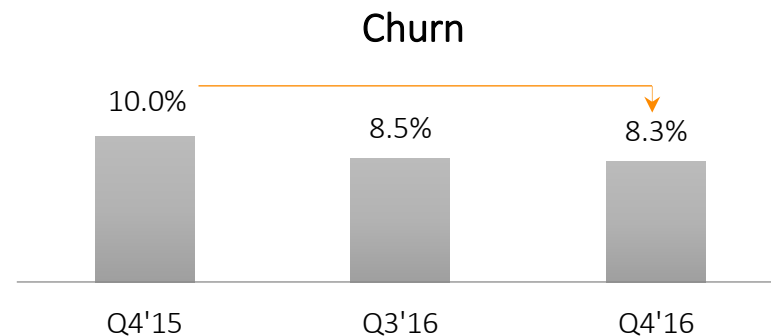
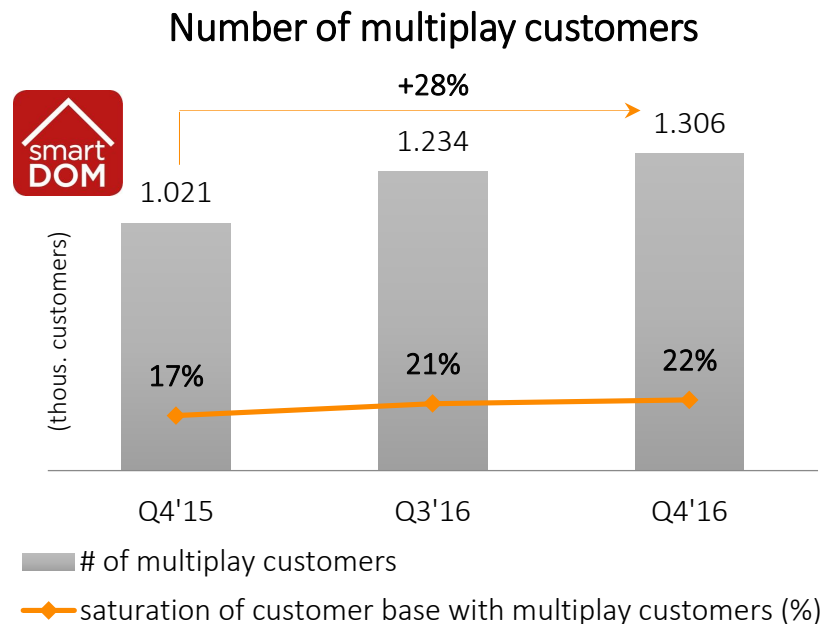


Note: (1) according to the 90-day usage definition



Multiplay strategy is effective

- Dynamic growth in the number of customers of the multiplay offer by 285K YoY
- As many as 22% of our contract customers already use the multiplay offer, which is positively reflected in reported churn (the lowest over the past 3 years)



Historical pro-forma financial performance

Full year consolidation of Midas Group results



Historical pro-forma results



mPLN	2014	2015	2016
Revenue	9,349	9,412	9,650
Operating costs ⁽¹⁾	5,597	5,771	5,999
EBITDA	3,757	3,677	3,660
EBITDA margin	40.2%	39.1%	37.9%
CAPEX (excl. frequencies)	690	811	596
CAPEX/revenue	7.4%	8.6%	6.2%
FCF	1,004	1,341	1,557

Source: pro forma, Cyfrowy Polsat, Metelem, Aero2 (previously Midas), consolidated financial statements and internal analysis, unaudited

Note: (1) Costs exclude depreciation, amortization, impairment and liquidation

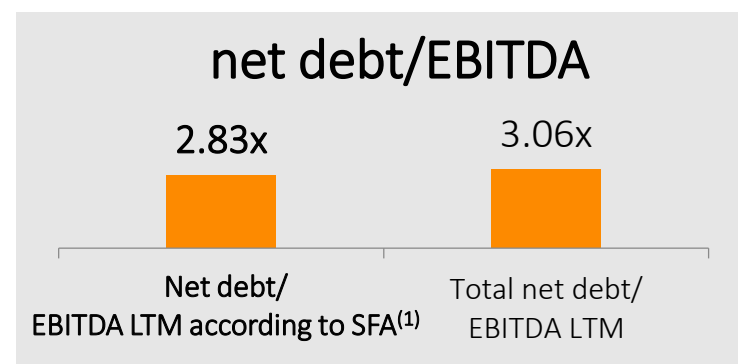
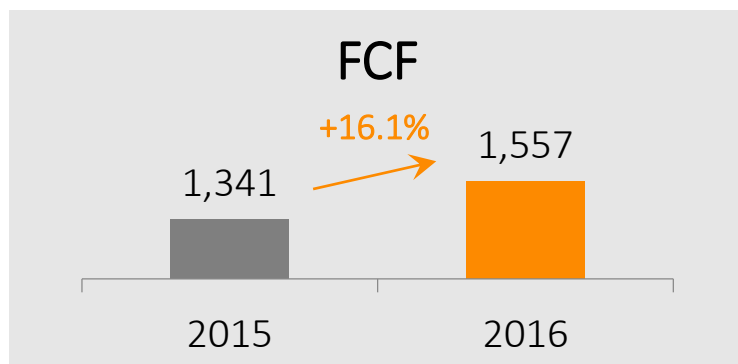
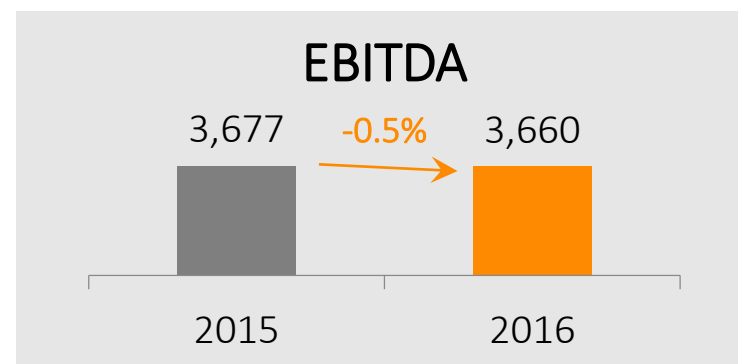
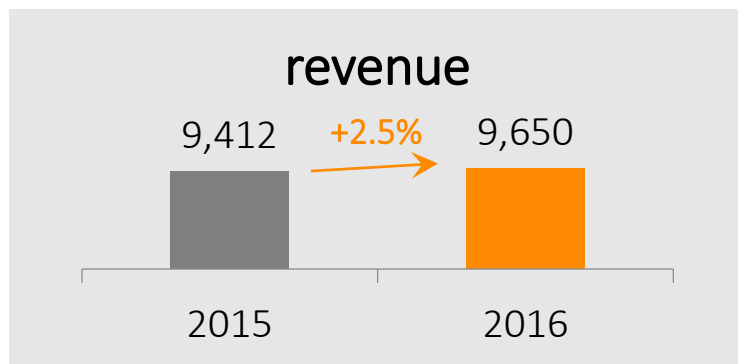


2016 Pro-forma financial results

Full quarterly consolidation of Aero2 Group results
(previously Midas Group)



Pro-forma results of the Group in 2016

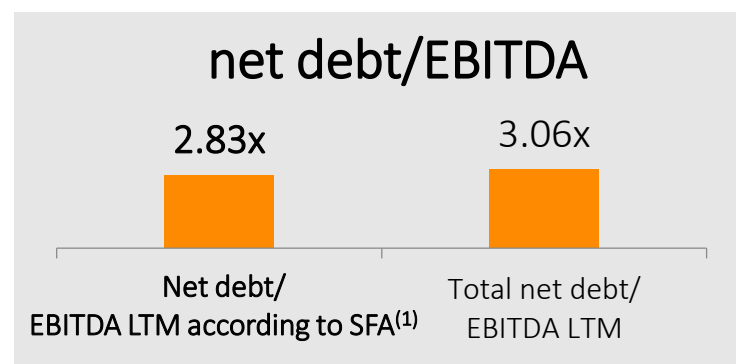
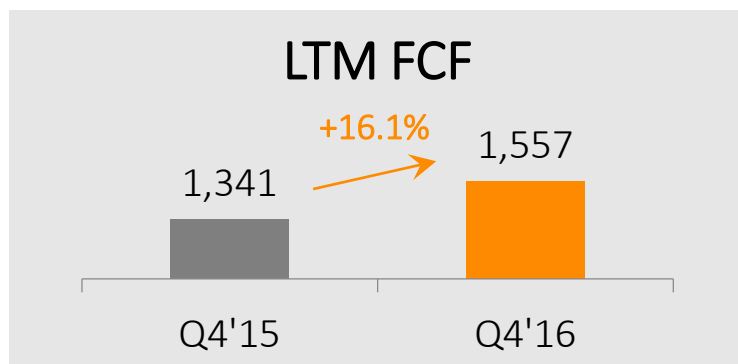
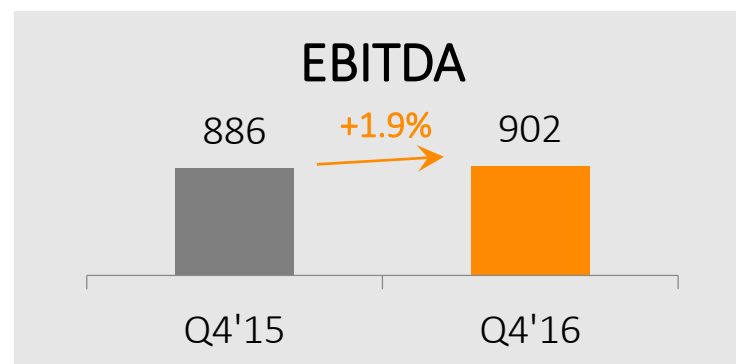
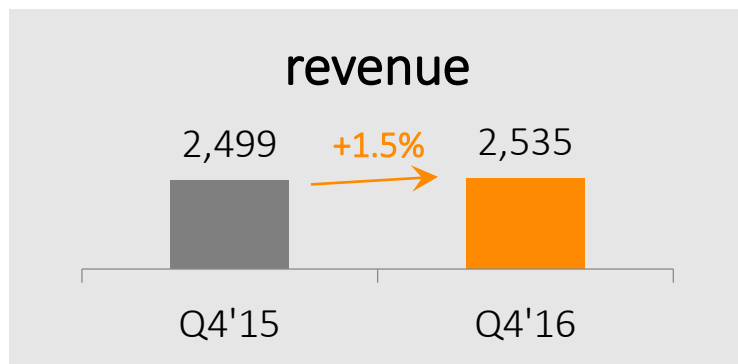


Source: Pro-forma, Cyfrowy Polsat, TV Polsat, Metelem, Aero2 (previously Midas), consolidated financial statements and internal analysis

Note: (1) Net leverage according to SFA definition, i.e., excluding non-cash serviced debt



Pro-forma results of the Group in 4Q'16



Source: Pro-forma, Cyfrowy Polsat, TV Polsat, Metelem, Aero2 (previously Midas), consolidated financial statements and internal analysis

Note: (1) Net leverage according to SFA definition, i.e., excluding non-cash serviced debt



Pro-forma results of the segment of services to individual and business customers



mPLN	Q4'16	YoY change	2016	YoY change
Revenue	2,178	1%	8,396	1%
Operating costs ⁽¹⁾	1,427	2%	5,309	4%
EBITDA	749	-2%	3,096	-4%
EBITDA margin	34.4%	-0.8pp	36.9%	-2.1pp

Source: Pro-forma, Cyfrowy Polsat, TV Polsat, Metelem, Aero2 (previously Midas), consolidated financial statements and internal analysis

Note: (1) Costs exclude depreciation, amortization, impairment and liquidation



Results of the broadcasting and TV production segment



mPLN	Q4'16	YoY change	2016	YoY change
Revenue	414	7%	1,484	14%
Operating costs ⁽¹⁾	258	-1%	920	8%
EBITDA	154	23%	563	27%
EBITDA margin	37.1%	4.8pp	38.0%	3.7pp

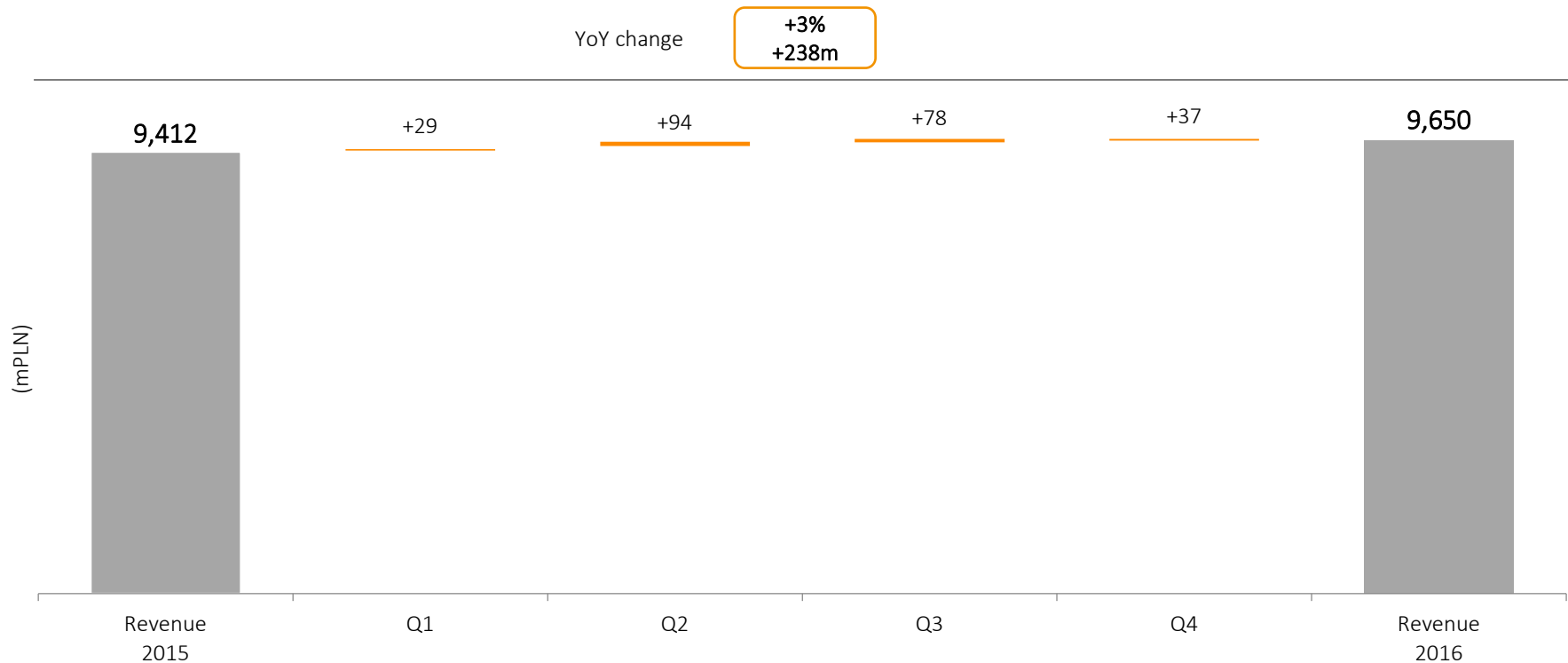
Source: Pro-forma, Cyfrowy Polsat, TV Polsat, Metelem, Aero2 (previously Midas), consolidated financial statements and internal analysis

Note: (1) Costs exclude depreciation, amortization, impairment and liquidation



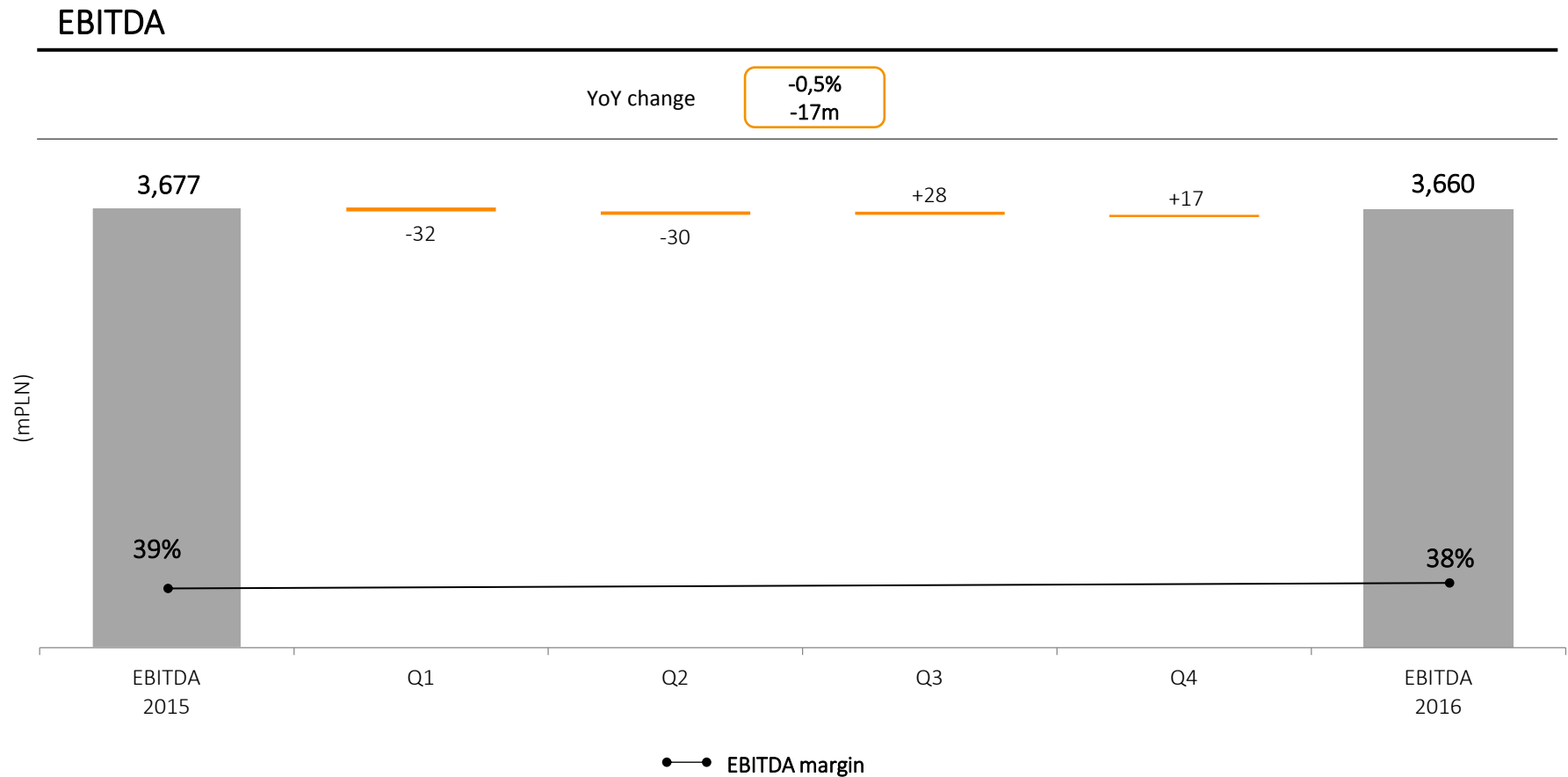
Stable growth of pro-forma revenue

Revenue



Source: Pro-forma, Cyfrowy Polsat, TV Polsat, Metelem, Aero2 (previously Midas), consolidated financial statements and internal analysis

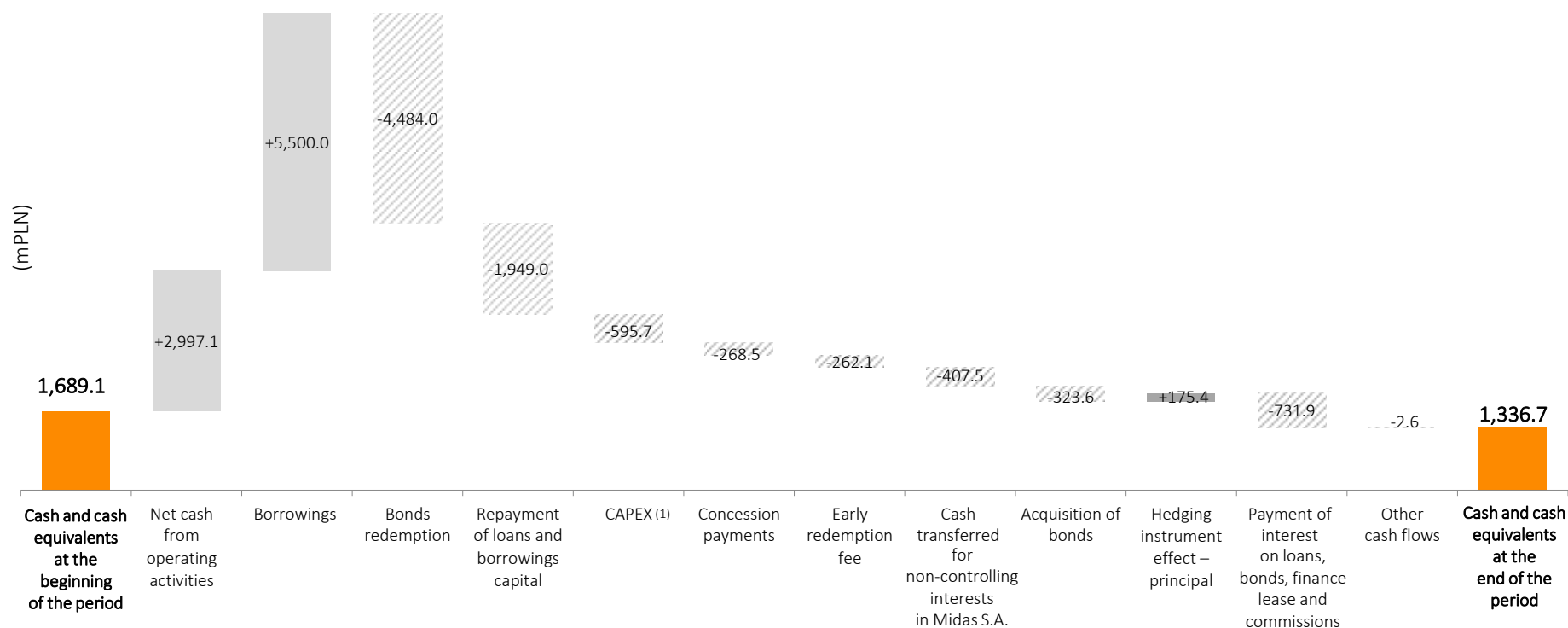
Stable pro-forma EBITDA on a highly competitive market



Source: Pro-forma, Cyfrowy Polsat, TV Polsat, Metelem, Aero2 (previously Midas), consolidated financial statements and internal analysis



Pro-forma cash flow statement in 2016



Source: Pro-forma, Cyfrowy Polsat, TV Polsat, Metelem, Aero2 (previously Midas), consolidated financial statements and internal analysis

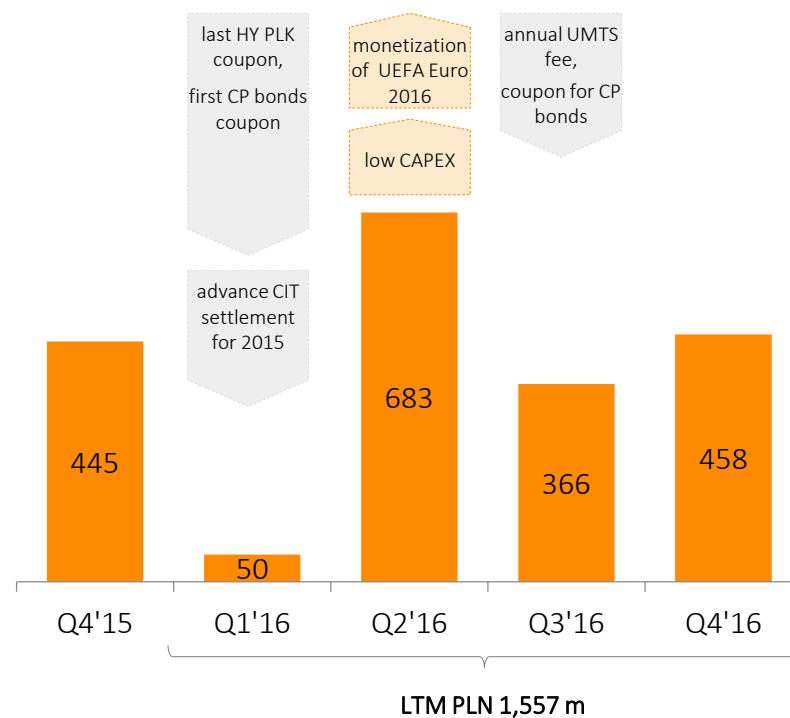
Note: (1) excluding expenditures on set-top-boxes leased to customers



Pro-forma FCF above expectations

mPLN	Q4'16	2016
Net cash from operating activities	744	2,885
Net cash used in investing activities	135	-1,003
Payment of interest on loans, borrowings and bonds ⁽¹⁾	-98	-730
FCF after interest	781	1,152
Acquisition of entities (including cash)		144
Repayment of Midas bonds	-324	
FCF of Midas Group in January-February 2016		105
One-off payment for the purchase of the 2.6 GHz band		156
Adjusted FCF after interest	458	1,557

Adjusted FCF after interest⁽²⁾



Source: Pro-forma, Cyfrowy Polsat, TV Polsat, Metelem, Aero2 (previously Midas), consolidated financial statements and internal analysis

Note: (1) Includes the impact of the instruments IRS / CIRS / forward

(2) FCF results for 2015 have been adjusted backwards by taking into account the FCF results of Midas Group

The Group's debt as at 31 December 2016



mPLN	Carrying amount as at 31 December 2016
Combined Term Facility	10,573
Revolving Facility Loan	-
Series A Notes	1,018
Zero-coupon Litenite Notes	860
Leasing and other	26
Gross debt	12,477
Cash and cash equivalents ¹	(1,337)
Net debt	11,140
EBITDA LTM	3,641
Net debt / EBITDA LTM according to SFA²	2.83
Total net debt / EBITDA LTM	3.06

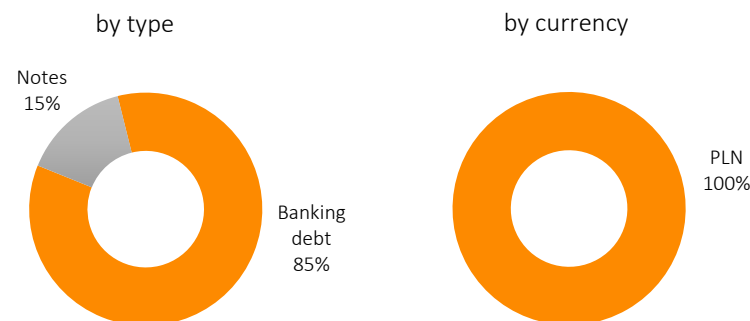
¹ This position comprises cash and cash equivalents, including restricted cash

² Net leverage according to SFA definition, i.e. excluding non-cash serviced debt

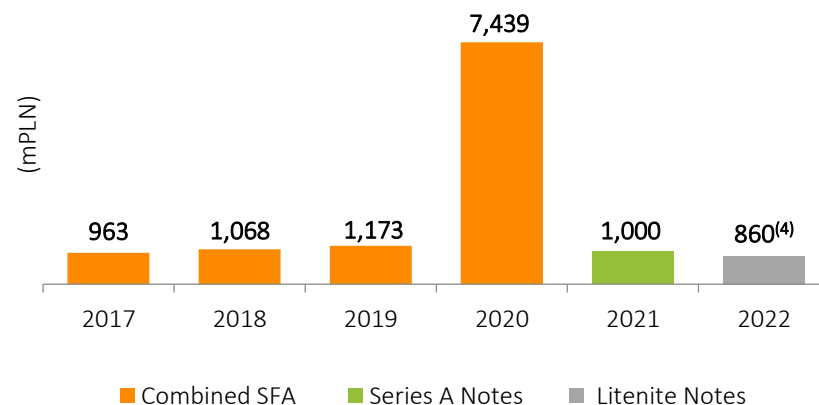
³ Nominal value of the indebtedness as at 31 December 2016 (excluding the Revolving Facility Loan)

⁴ Liabilities related to the Litenite Notes as at 31 December 2016

Our debt structure²



Our debt maturing profile³



Source: Consolidated financial statements for the year ended 31 December 2016 and internal analysis

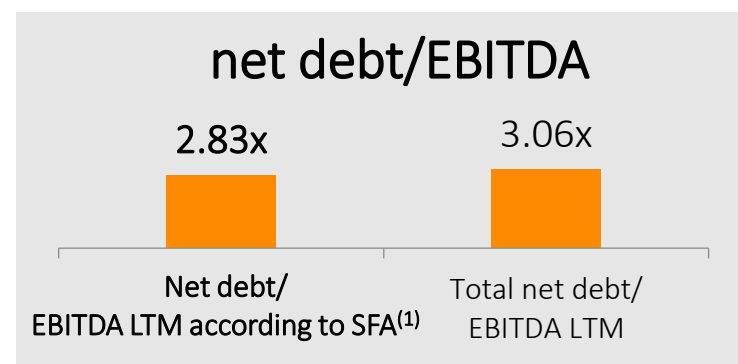
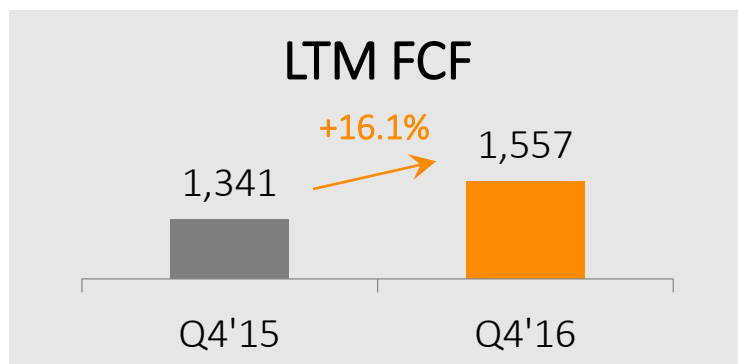
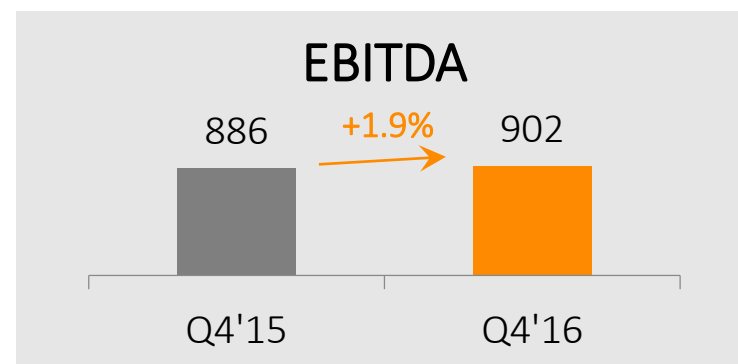
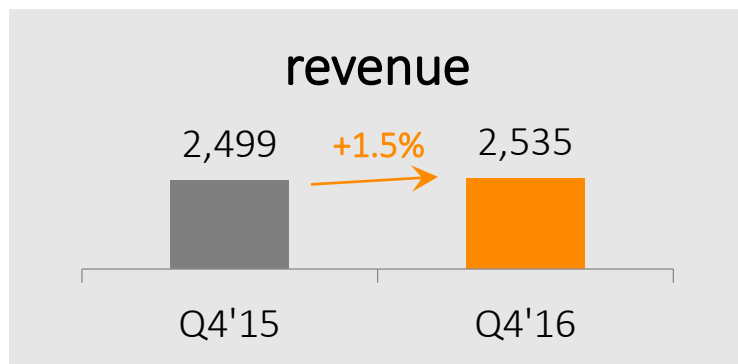


4Q'16 Pro-forma financial results

Full quarterly consolidation of Aero2 Group results
(previously Midas Group)



Pro-forma results of the Group



Source: Pro-forma, Cyfrowy Polsat, TV Polsat, Metelem, Aero2 (previously Midas), consolidated financial statements and internal analysis

Note: (1) Net leverage according to SFA definition, i.e., excluding non-cash serviced debt

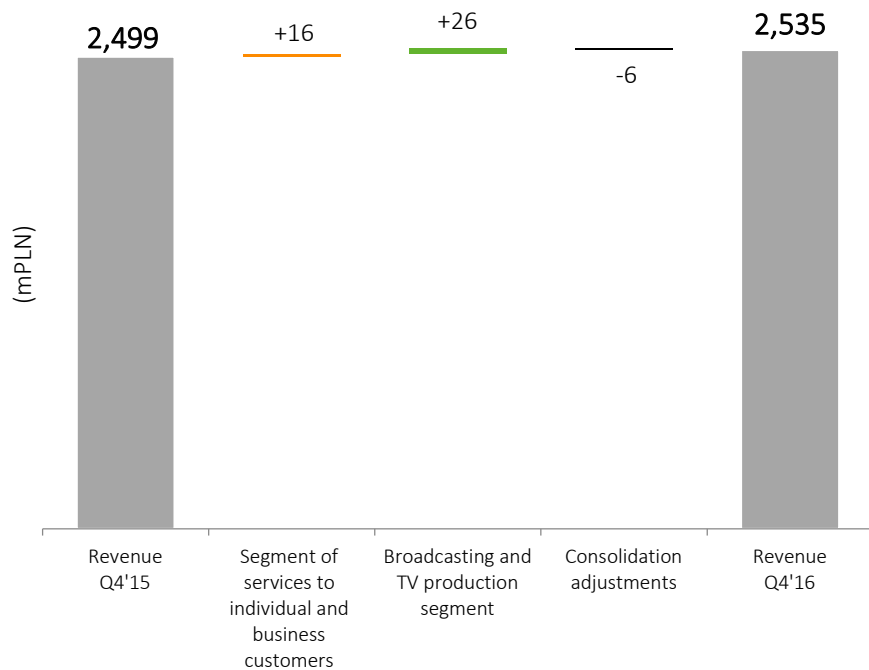
Pro-forma revenue and costs – change drivers in Q4'16



Revenue

YoY change

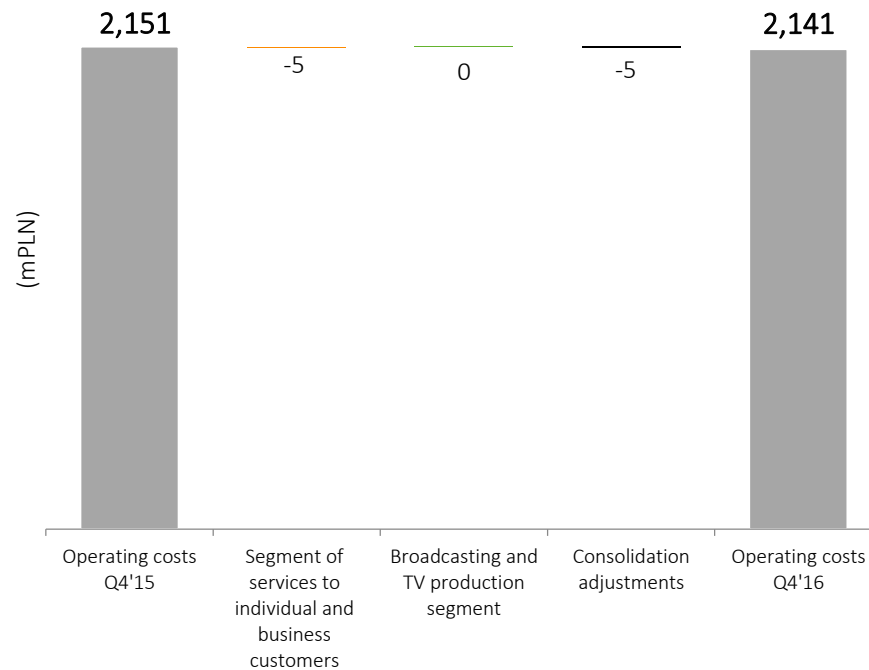
+1%
+37m



Operating costs

YoY change

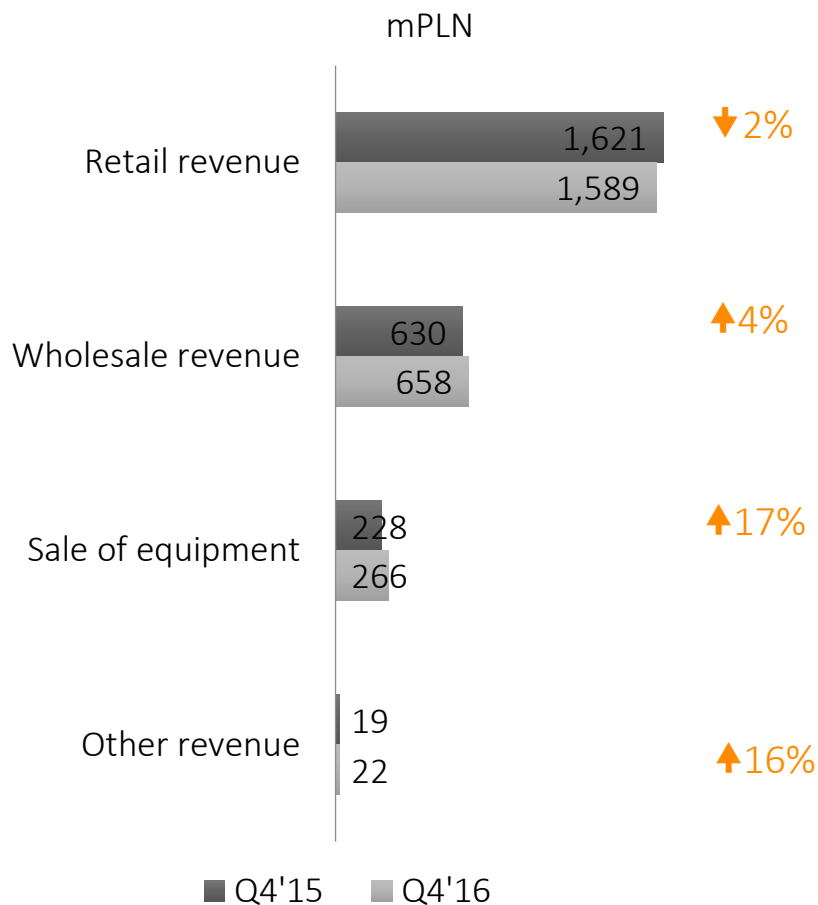
-1%
-11m



Source: Pro-forma, Cyfrowy Polsat, TV Polsat, Metelem, Aero2 (previously Midas), consolidated financial statements and internal analysis



Pro-forma revenue structure in Q4'16

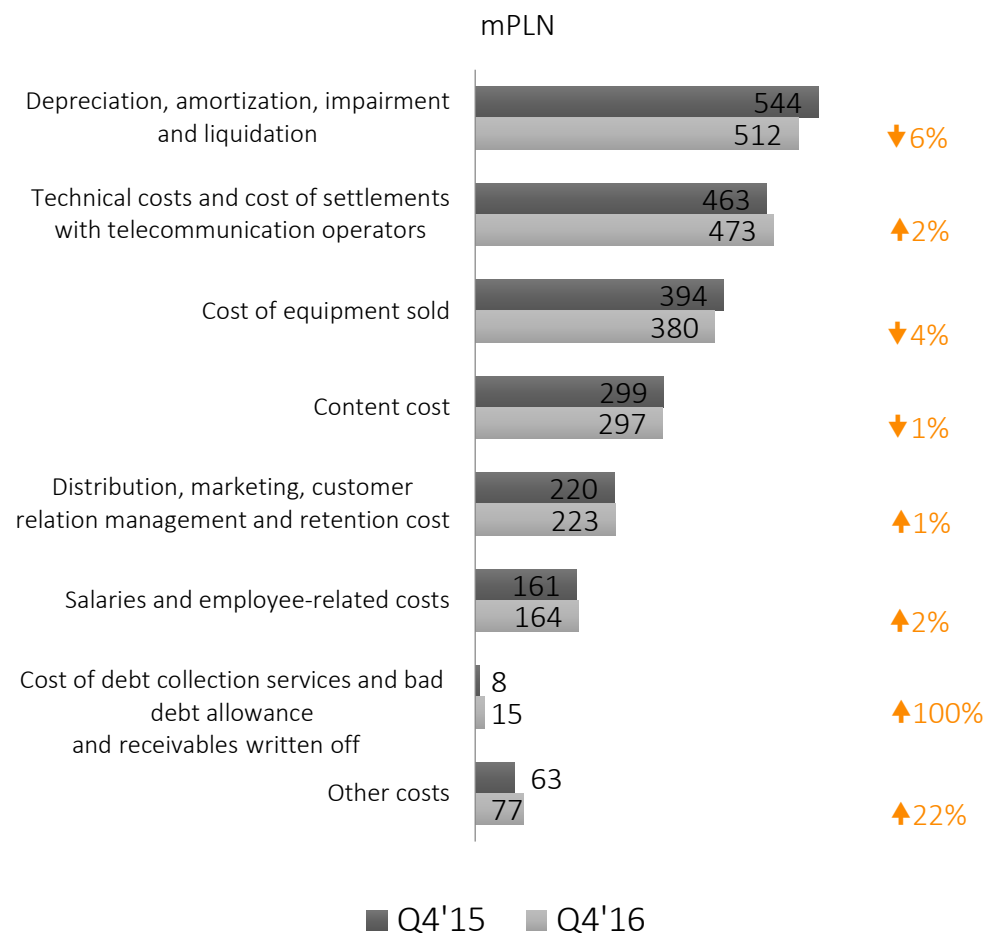


- Decrease of revenue from voice services partially compensated by higher revenue from pay TV services and Internet access services
- Growing revenue from IC settlements as well as advertising and sponsoring revenue generated by our thematic channels and the main channel impact the dynamics of wholesale revenue
- Higher revenue from sale of equipment, mainly due to the growing share of sales of equipment based on the installment plan model

Source: Pro-forma, Cyfrowy Polsat, TV Polsat, Metelem, Aero2 (previously Midas), consolidated financial statements and internal analysis



Pro-forma operating costs structure in Q4'16



- Lower depreciation costs – base effect (impairment of selected elements of infrastructure in 2015)
- Higher technical costs influenced by growing IC costs
- Decrease in the cost of equipment sold mainly due to lower total volume of equipment sold to customers

Source: Pro-forma, Cyfrowy Polsat, TV Polsat, Metelem, Aero2 (previously Midas), consolidated financial statements and internal analysis



Network roll-out – strategic directions

A horizontal bar with a gradient from orange on the left to green on the right, positioned below the title.

Key assumptions relating to mobile network roll-out strategy



Implications of the auction

- In the last year's auction the 800MHz frequency band reached the highest prices in Europe
- Polsat Group's analyses indicate that cooperation with entities who purchase radio frequencies at such a high price would be unprofitable and irrational for the company as well as its customers
- A scenario of broader cooperation based on technology and service equivalence could result in a change of these business assumptions

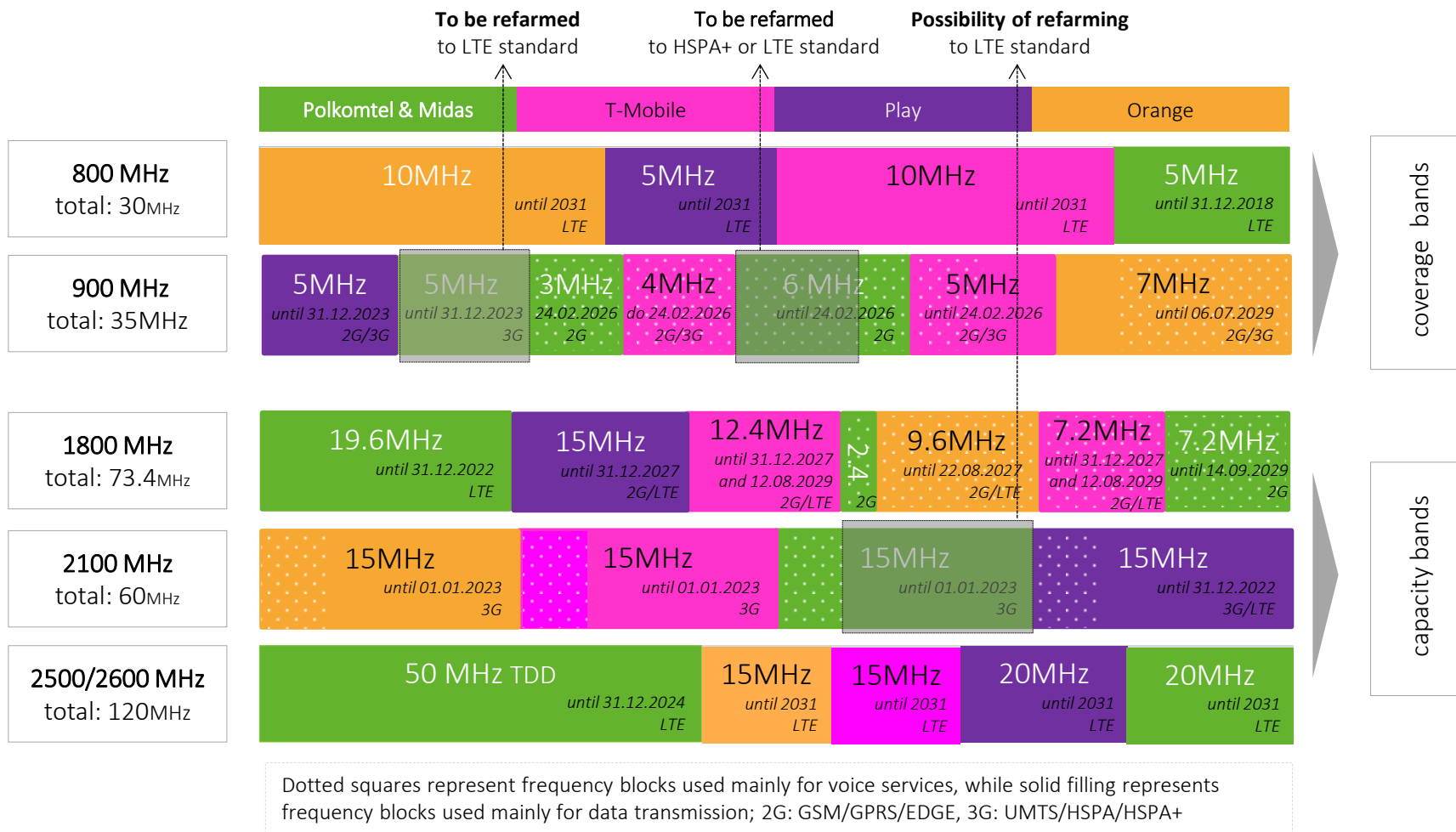
Sferia's license

- Through a majority 51% stake in Sferia, Midas Group has a 5MHz of block in the 800MHz band, the reservation of which expires on 31 December 2018
- Prices from the auction in 2015 will constitute the basis for the valuation of the cost of the renewal of the reservation
- According to Polsat Group, the renewal of Sferia's reservation at this price it is not economically justified

Further network development 2016-18

- Roll-out based on the existing frequency resources of Polkomtel and Midas
- Continued LTE1800 roll-out supported by 2600 MHz bands and ODU-IDU technology
- ODU-IDU technology implementation enlarges effective coverage of a single LTE 1800 base station (BTS) even up to 3x
- Next steps: refarming of 900 MHz and eventually 2100 MHz frequency bands

Stable, favorable competitive position



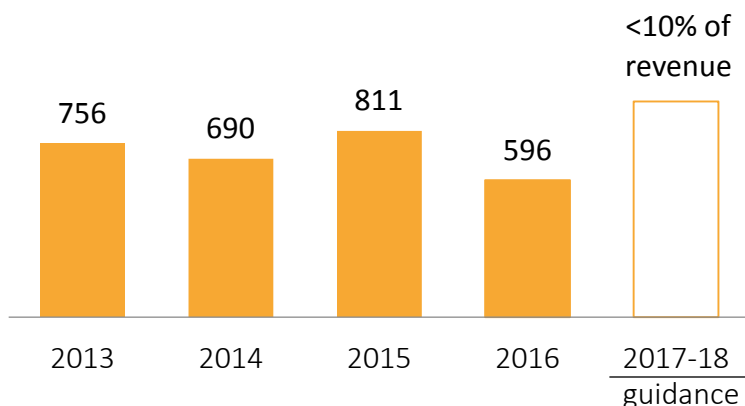
Source: UKE, own expertise

Only main frequencies are presented (excluding: Polkomtel's 2,5MHz 420MHz, each of the 4 biggest MNO's 5MHz 2100MHz TDD)

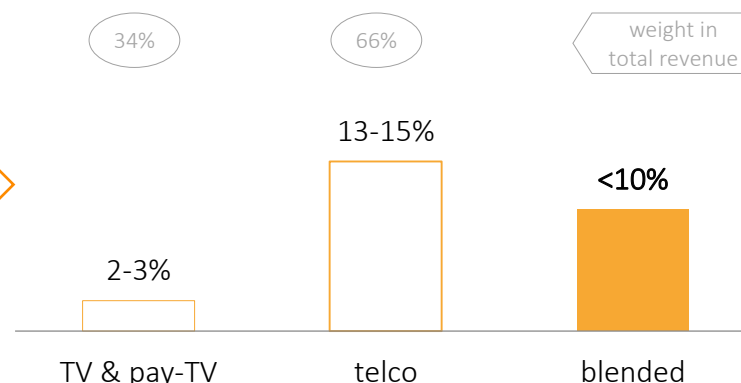
Capex excl. frequencies ranged between PLN 600-800 million in the past



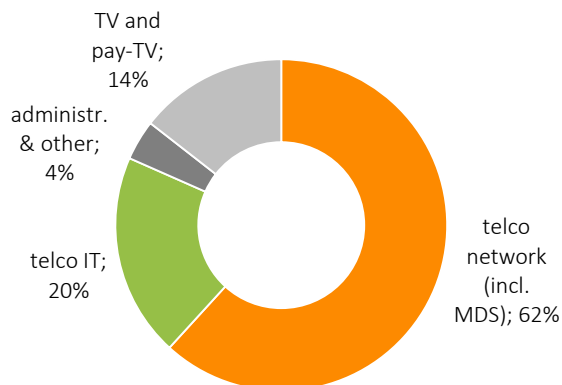
Pro forma cash CAPEX and guidance



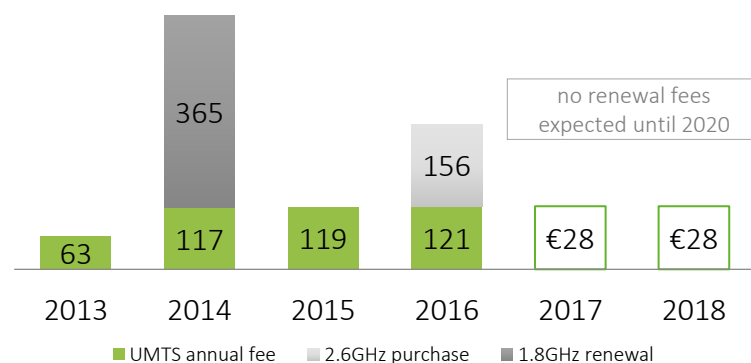
CAPEX guidance decomposition



2013-16 CAPEX split



Frequencies related payments (PLNm/EURm)



Additional information



Major assumptions of capital resources management policy



Main goal

Permanent reduction of Polsat Group's debt to the level of net debt /EBITDA <1.75x

- Reaching the net debt/EBITDA ratio of <1.75x will enable the release of securities established in accordance with the existing facility agreement and improve the flexibility of the Group's operations

Additional goal

Return to regular, predictable dividend payments for the Company's shareholders

- The assumptions of the dividend policy will be subject to periodic review, especially after the refinancing which is expected to take place in 2020

Assumptions of the dividend policy



net debt / EBITDA	recommended dividend payout ranges
> 3.2x	no dividend payment proposed
2.5x – 3.2x	PLN 200 – 400 m
1.75x – 2.5x	25-50% of consolidated net profit
< 1.75x	50-100% consolidated net profit

net debt / EBITDA:

- calculated according to balance sheet values, based on the most recent, reported quarterly results
- net debt includes all the debt instruments, including also the *pay-in-kind* bonds

net profit:

- consolidated net profit of the Polsat Group for the previous full financial year



Shareholding structure



Shareholder	Number of shares	% of shares	Number of votes	% of votes
Reddev Investments Limited ⁽¹⁾, including:	154,204,296	24.11%	306,709,172	37.45%
- privileged registered shares	152,504,876	23.85%	305,009,752	37.24%
- ordinary bearer shares	1,699,420	0.27%	1,699,420	0.21%
Embud Sp. z o.o. ⁽²⁾	58,063,948	9.08%	58,063,948	7.09%
Karswell Limited ⁽²⁾	157,988,268	24.70%	157,988,268	19.29%
Sensor Overseas Limited ⁽³⁾, including:	54,921,546	8.59%	81,662,921	9.97%
- privileged registered shares	26,741,375	4.18%	53,482,750	6.53%
- ordinary bearer shares	28,180,171	4.41%	28,180,171	3.44%
Others	214,367,958	33.52%	214,539,208	26.20%
Total	639,546,016	100.00%	818,963,517	100.00%

Note: ⁽¹⁾ Reddev is an indirect subsidiary of Mr Zygmunt Solorz-Żak

⁽²⁾ Entity controlled by Mr. Zygmunt Solorz-Żak.

⁽³⁾ The dominant entity of Sensor Overseas Limited is the EVO Holding Ltd., a subsidiary EVO Foundation.

As of March 18, 2015



KPIs – retail customer services



SEGMENT OF SERVICES TO INDIVIDUAL AND BUSINESS CUSTOMERS ¹⁾	2014				2014	2015				2015	2016				2016
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
Total number of RGUs²⁾ (contract + prepaid)	16 333 003	16 250 497	16 449 992	16 482 031	16 482 031	16 429 469	16 349 090	16 395 514	16 469 696	16 469 696	16 531 833	16 711 541	16 545 653	16 524 936	16 524 936
CONTRACT SERVICES															
Total number of RGUs, including:	11 982 678	12 023 369	12 230 798	12 347 828	12 347 828	12 394 712	12 377 021	12 418 707	12 614 703	12 614 703	12 744 166	12 880 725	13 017 749	13 254 598	13 254 598
Pay TV, including:	4 236 986	4 255 544	4 344 773	4 391 702	4 391 702	4 405 464	4 374 517	4 396 361	4 503 320	4 503 320	4 560 267	4 632 246	4 679 114	4 766 429	4 766 429
Multiroom	749 319	771 481	806 064	844 809	844 809	872 628	886 305	901 271	936 307	936 307	957 952	972 771	982 068	1 021 720	1 021 720
Mobile telephony	6 713 629	6 644 687	6 617 382	6 587 915	6 587 915	6 552 365	6 519 311	6 505 016	6 516 643	6 516 643	6 536 366	6 559 223	6 616 579	6 730 427	6 730 427
Internet	1 032 063	1 123 138	1 268 643	1 368 211	1 368 211	1 436 883	1 483 193	1 517 330	1 594 740	1 594 740	1 647 533	1 689 256	1 722 056	1 757 742	1 757 742
Number of customers	6 260 662	6 221 111	6 184 775	6 137 531	6 137 531	6 068 839	5 990 051	5 937 768	5 916 103	5 916 103	5 893 225	5 862 310	5 860 884	5 882 804	5 882 804
ARPU per customer ³⁾ [PLN]	84.8	85.3	86.5	87.2	85.9	85.8	87.0	88.1	88.3	87.3	87.0	88.4	88.6	90.7	88.7
Churn per customer ⁴⁾	9.1%	8.8%	8.8%	9.1%	9.1%	9.5%	10.1%	10.2%	10.0%	10.0%	9.8%	9.0%	8.5%	8.3%	8.3%
RGU saturation per one customer	1.91	1.93	1.98	2.01	2.01	2.04	2.07	2.09	2.13	2.13	2.16	2.20	2.22	2.25	2.25
Average number of RGUs, including:	11 986 199	11 981 389	12 125 363	12 272 311	12 091 316	12 376 603	12 391 326	12 378 586	12 496 080	12 410 649	12 675 864	12 809 438	12 940 680	13 119 033	12 886 254
Pay TV, including:	4 227 450	4 243 880	4 301 558	4 361 890	4 283 695	4 403 541	4 397 999	4 376 405	4 441 918	4 404 966	4 532 806	4 595 313	4 654 591	4 712 813	4 623 881
Multiroom	736 315	759 922	787 736	822 568	776 635	860 827	881 296	893 001	915 940	887 766	948 366	964 197	977 142	995 820	971 381
Mobile telephony	6 749 396	6 670 820	6 628 199	6 597 742	6 661 539	6 570 344	6 532 488	6 508 391	6 502 872	6 528 524	6 523 316	6 546 774	6 579 908	6 667 869	6 579 467
Internet	1 009 353	1 066 689	1 195 606	1 312 679	1 146 082	1 402 718	1 460 839	1 493 790	1 551 290	1 477 159	1 619 742	1 667 351	1 706 181	1 738 351	1 682 906
Average number of customers	6 274 951	6 242 450	6 201 335	6 159 903	6 219 660	6 105 250	6 031 638	5 960 463	5 922 397	6 004 937	5 902 526	5 876 458	5 858 477	5 868 541	5 876 500
PREPAID SERVICES															
Total number of RGUs, including:	4 350 325	4 227 128	4 219 194	4 134 203	4 134 203	4 034 757	3 972 069	3 976 807	3 854 993	3 854 993	3 787 667	3 830 816	3 527 904	3 270 338	3 270 338
Pay TV	81 619	66 578	98 136	122 787	122 787	66 163	41 517	60 471	31 972	31 972	35 754	73 544	44 913	79 306	79 306
Mobile telephony	4 042 605	3 923 778	3 855 669	3 792 978	3 792 978	3 775 976	3 737 282	3 685 092	3 591 736	3 591 736	3 495 733	3 473 228	3 223 224	2 972 443	2 972 443
Internet	226 101	236 772	265 389	218 438	218 438	192 618	193 270	231 244	231 285	231 285	256 180	284 044	259 767	218 589	218 589
ARPU per total prepaid RGU ⁵⁾ [PLN]	16.5	17.9	18.3	18.2	17.7	17.3	18.3	19.0	18.5	18.3	17.7	18.9	18.7	19.2	18.6
Average number of RGUs, including:	4 398 038	4 285 747	4 212 274	4 172 129	4 267 047	4 068 646	4 006 108	3 970 091	3 917 979	3 990 706	3 801 870	3 794 613	3 713 417	3 341 220	3 662 780
Pay TV	77 779	79 253	69 522	129 021	88 894	67 972	61 165	41 313	56 743	56 798	36 255	52 114	42 971	54 083	46 356
Mobile telephony	4 091 609	3 975 410	3 893 375	3 798 701	3 939 774	3 797 423	3 755 130	3 713 656	3 630 863	3 724 268	3 529 840	3 473 104	3 386 794	3 058 691	3 362 107
Internet	228 650	231 084	249 377	244 407	238 379	203 251	189 813	215 122	230 373	209 640	235 775	269 395	283 652	228 446	254 317

1) Customer - natural person, legal entity or an organizational unit without legal personality who has at least one active service provided in a contract model.

2) RGU (revenue generating unit) - single, active service of pay TV, Internet Access or mobile telephony provided in contract or prepaid model.

3) ARPU per customer - average monthly revenue per customer generated in a given settlement period (including interconnect revenue).

4) Churn - termination of the contract with Customer by means of the termination notice, collections or other activities resulting in the situation that after termination of the contract the Customer does not have any active service provided in the contract model. Churn rate presents the relation of the number of customers for whom the last service has been deactivated (by means of the termination notice as well as deactivation as a result of collection activities or other reasons) within the last 12 months to the annual average number of customers in this 12-month period.

5) ARPU per total prepaid RGU - average monthly revenue per prepaid RGU generated in a given settlement period (including interconnect revenue)



Key financial data



mPLN	Q1'14	Q2'14	Q3'14	Q4'14	2014	Q1'15	Q2'15	Q3'15	Q4'15	2015	Q1'16	Q2'16	Q3'16	Q4'16	2016
Revenue	723.3	1 745.9	2 419.6	2 521.1	7 409.9	2 329.0	2 469.2	2 414.9	2 609.9	9 823.0	2 364.0	2 442.9	2 387.8	2 535.1	9 729.8
Retail revenue	467.8	1 204.5	1 710.7	1 701.7	5 084.7	1 637.2	1 652.0	1 643.3	1 620.6	6 553.1	1 565.7	1 586.9	1 583.7	1 589.0	6 325.3
Wholesale revenue	242.2	479.1	591.6	641.1	1 954.0	553.3	688.7	616.9	738.0	2 596.9	599.8	645.0	562.9	658.4	2 466.1
Sale of equipment	7.9	55.4	104.1	159.9	327.3	118.4	106.9	131.2	226.9	583.4	172.8	191.1	221.3	265.6	850.8
Other revenue	5.4	6.9	13.2	18.4	43.9	20.1	21.6	23.5	24.4	89.6	25.7	19.9	19.9	22.1	87.6
Operating costs	-507.4	-1 351.8	-1 992.5	-2 125.4	-5 977.1	-1 909.0	-1 899.5	-1 900.1	-2 159.3	-7 867.9	-1 948.0	-2 042.0	-1 938.7	-2 140.6	-8 069.3
Content costs	-210.6	-260.9	-262.4	-295.6	-1 029.5	-235.5	-274.0	-257.3	-299.1	-1 065.9	-248.5	-316.3	-252.1	-297.3	-1 114.2
Distribution, marketing, customer relation management and retention costs	-75.4	-132.2	-186.8	-218.3	-612.7	-189.2	-193.2	-200.1	-220.1	-802.6	-200.5	-202.2	-202.6	-222.5	-827.8
Depreciation, amortization, impairment and liquidation	-62.5	-311.3	-478.3	-443.8	-1 295.9	-467.9	-393.5	-401.2	-436.7	-1 699.3	-423.7	-527.5	-507.9	-512.4	-1 971.5
Technical costs and cost of settlements with telecommunication operators	-71.3	-288.0	-495.9	-557.2	-1 412.4	-482.3	-522.4	-551.2	-585.1	-2 141.0	-550.3	-456.6	-459.2	-472.6	-1 938.7
Salaries and employee-related costs	-44.6	-108.2	-118.0	-150.9	-421.7	-129.1	-140.8	-122.3	-158.0	-550.2	-137.9	-138.2	-130.5	-163.9	-570.5
Cost of equipment sold	-10.3	-189.7	-348.6	-376.6	-925.2	-332.5	-291.7	-314.9	-393.6	-1 332.8	-326.8	-317.3	-330.5	-380.1	-1 354.7
Cost of debt collection services and bad debt allowance and receivables written off	-6.7	-18.1	-15.3	-27.5	-67.6	-18.7	-27.8	-8.5	-7.6	-62.6	-9.6	-16.3	-5.7	-15.3	-46.9
Other costs	-26.0	-43.4	-87.2	-55.5	-212.1	-53.8	-56.1	-44.6	-59.1	-213.5	-50.7	-67.6	-50.2	-76.5	-245.0
Other operating income, net	3.6	3.5	4.7	-2.2	9.6	8.7	13.8	14.4	-6.2	30.7	6.8	6.6	--	-4.6	8.8
Profit from operating activities	219.5	397.6	431.8	393.5	1 442.4	428.7	583.5	529.2	444.4	1 985.8	422.8	407.5	449.1	389.9	1 669.3
Gain/loss on investment activities, net	1.2	23.9	1.5	-11.4	15.2	28.9	-11.9	-5.2	-3.2	8.6	-35.2	-21.4	13.1	-26.3	-69.8
Finance costs	-108.7	-273.4	-384.7	-379.2	-1 146.0	-261.3	-222.1	88.8	-270.0	-664.6	-182.7	-133.2	-127.3	-122.9	-566.1
Share of the profit of a joint venture accounted for using the equity method	0.6	0.7	0.7	0.6	2.6	0.5	0.9	0.5	0.7	2.6	0.8	-0.8	-	-	-
Gross profit for the period	112.6	148.8	49.3	3.5	314.2	196.8	350.4	613.3	171.9	1 332.4	205.7	252.1	334.9	240.7	1 033.4
Income tax	-14.4	-16.7	-1.1	10.5	-21.7	-26.0	-45.9	-110.8	13.7	-169.0	-27.2	-21.2	-65.1	101.1	-12.4
Net profit for the period	98.2	132.1	48.2	14.0	292.5	170.8	304.5	502.5	185.6	1 163.4	178.5	230.9	269.8	341.8	1 021.0
EBITDA	282.0	708.9	910.1	837.3	2 738.3	896.6	977.0	930.4	881.1	3 685.1	846.5	935.0	957.0	902.3	3 640.8
EBITDA margin	39.0%	40.6%	37.6%	33.2%	37.0%	38.5%	39.6%	38.5%	33.8%	37.5%	35.8%	38.3%	40.1%	35.6%	37.4%

Glossary



RGU (Revenue Generating Unit)

Single, active service of pay TV, Internet Access or mobile telephony provided in contract or prepaid model.

Customer

Natural person, legal entity or an organizational unit without legal personality who has at least one active service provided in a **contract model**.

Contract ARPU

Average monthly revenue per **Customer** generated in a given settlement period (including interconnect revenue).

Prepaid ARPU

Average monthly revenue per **prepaid RGU** generated in a given settlement period (including interconnect revenue).

Churn

Termination of the contract with **Customer** by means of the termination notice, collections or other activities resulting in the situation that after termination of the contract the Customer does not have any active service provided in the contract model.

Churn rate presents the relation of the number of customers for whom the last service has been deactivated (by means of the termination notice as well as deactivation as a result of collection activities or other reasons) within the last 12 months to the annual average number of customers in this 12-month period.

Usage definition (90-day for prepaid RGU)

Number of reported RGUs of prepaid services of mobile telephony and Internet access refers to the number of SIM cards which received or answered calls, sent or received SMS/MMS or used data transmission services within the last 90 days. In the case of free of charge Internet access services provided by Aero 2, the Internet prepaid RGUs were calculated based on only those SIM cards, which used data transmission services under paid packages within the last 90 days.



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