Cyfrowy Polsat Group

Investor Presentation

September 2015

Cyfrowy Polsat S.A. Capital Group

Disclaimer

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As consolidation of the results of Metelem Holding Company Limited, the company indirectly controlling Polkomtel, started from 7 May 2014, the Company has decided to adjust the method of presentation of its operational data so as to align it with the new structure and mode of operation of our Group. The presentation contains the new set of key performance indicators (KPI's), covering our operations in the fields of telecommunications and pay TV. The operational indicators from before that period are only of informational nature and they demonstrate the impact that Metelem Group's operational performance, Polkomtel's results in particular, would have the Group's operational results, had Metelem Group been part of Polsat Group during these periods. The KPI's are illustrative only and due to their nature they only present a hypothetical situation, hence they do not present the Group's actual operational results for specific periods.

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Contents

1. Who we are

Who we are

We are one of the largest Polish companies and a leading media and telecommunications group in the region

Polsat Group

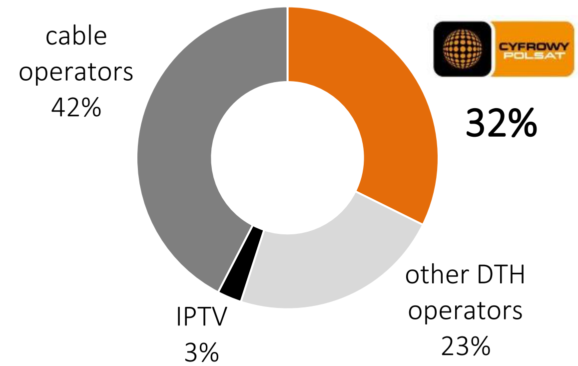
Cyfrowy Polsat	Plus	Polsat	ipla
Largest pay-tv platform in Poland	Poland's leading mobile network operator	Leading commercial broadcaster	Leader of the Polish online video market

Pay-TV and telecommunication

- Leader among all pay-TV operators both in terms of the number of subscribers and profitability
- Leading market share in contracted subscribers in the telco segment – and again most profitable telecom in Poland
- Focus on retail customers and mass market products in both pay-TV and telco business

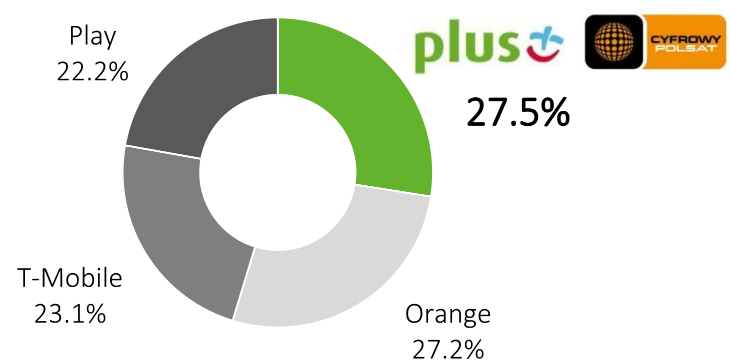
Pay-TV market in Poland

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



Mobile market in Poland

share of contracted SIM cards(2)



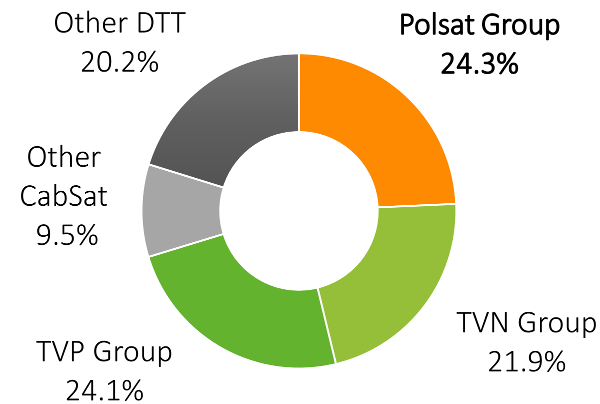
Note: (1) As of end of 2014, own estimates based on data published by other operators
(2) As of end of June 2015, own estimates based on data published by other operators

TV broadcasting and video online

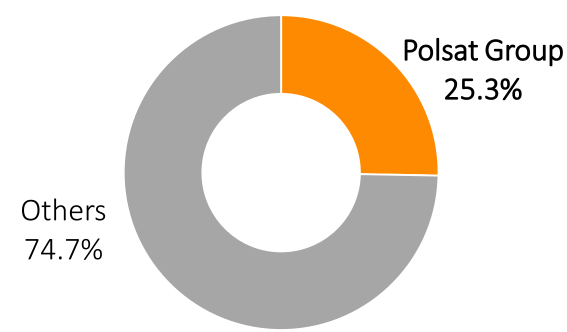
- Portfolio of 27 channels, providing us with 24.3% audience share
- Strong position on the TV ad market, with 25.3% market share
- IPLA – our own online video platform, with 4.6m users in Q2'15

ipla NAJWIĘKSZA TELEWIZJA INTERNETOWA

Audience share



TV ad market share



Source: NAM, All 16-49, all day, SHR%, H1'15; Starlink, airtime and sponsoring; TV Polsat internal analysis; IPLA – internal analyssis, average number of unique users of the IPLA website/application

Leader of wireless broadband market

1. The biggest LTE network coverage – 90% of population

2. The largest mobile broadband customer base of 1.7m

3. Power LTE – real competition for fixed-line Internet access

plus

Plus has been the winner in the mobile Internet test of „Komputer Świat” Axel Springer monthly. Additionally Plus received the „QUALITY” award for the fastest Internet access based on LTE technology

Komputer Świat

plus POLSAT ipla

Unique offering

		nc+	upc	T	orange	PLAY	CYFROWY POLSAT	plus	plus CYFROWY POLSAT
	Key content	X	–	–	–	–	X	–	X
	Smartphones	–	–	X	X	X	–	X	X
In-Home	Video	X	X	–	X	–	X	–	X
In-Home	Broadband	–	X	X	X	X	X	X	X
In-Home	Voice	–	X	X	X	X	–	X	X
Out-of-Home	Video	X	–	–	X	–	X	–	X
Out-of-Home	Broadband	–	–	X	X	X	X	X	X
Out-of-Home	Voice	–	X	X	X	X	–	X	X

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

Our Key Performance Indicators in Q2'15(1)

6.0m
contract customers

2.07 RGU
per customer
PLN 87.0 ARPU
per customer

16.3m RGU
12.4m contract services
4.0m prepaid services

10.3m telephony
4.4m pay TV
1.7m Internet

24.7%
audience share

25.4%
ad market share

Note: (1) rounded figures

Our 2014 financials (pro forma)

PLN 9,705m
revenue

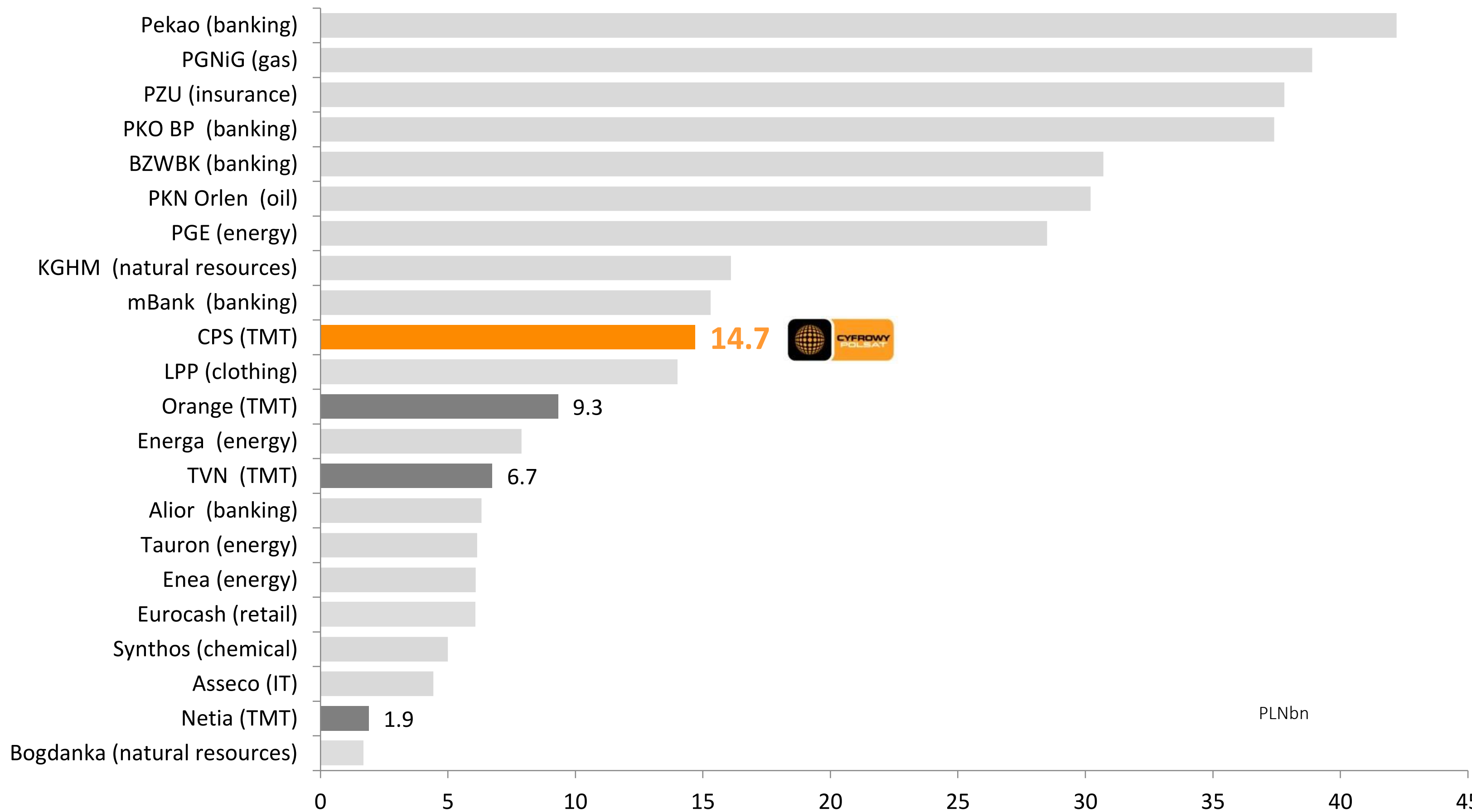
PLN 3,787m
EBITDA
39.0% EBITDA margin

PLN 1,173m
FCF after interest

3.0x
net debt/EBITDA

Largest listed TMT Group on WSE

Polsat Group market capitalization vs WIG-20 and other listed TMT companies[1]



Source: 1) stooq.pl, as of September 3, 2015

2. Our market strategy

Our strategy

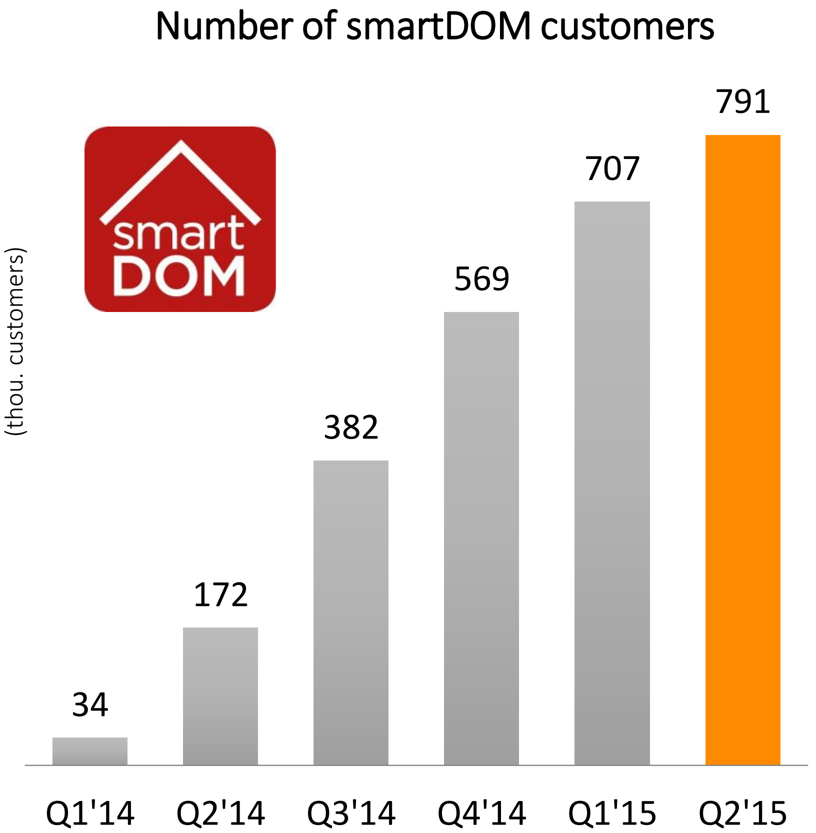
- Utilizing the potential of the largest customer base in Poland and unique portfolio of products and services
- Multiplay strategy was the foundation of sales synergies estimated at a total of PLN 2bn until the end of 2019

Multiplay offer based on simple communication

- Pay-TV, mobile telephony and Internet – all services bundled under smartDOM offer
- smartDOM offer is available to both existing and new customers of the Group
- Bundled offer addressing both retail and small business customers
- A simple and flexible mechanism which offers clear benefits to customers contracting additional services offered by the Group

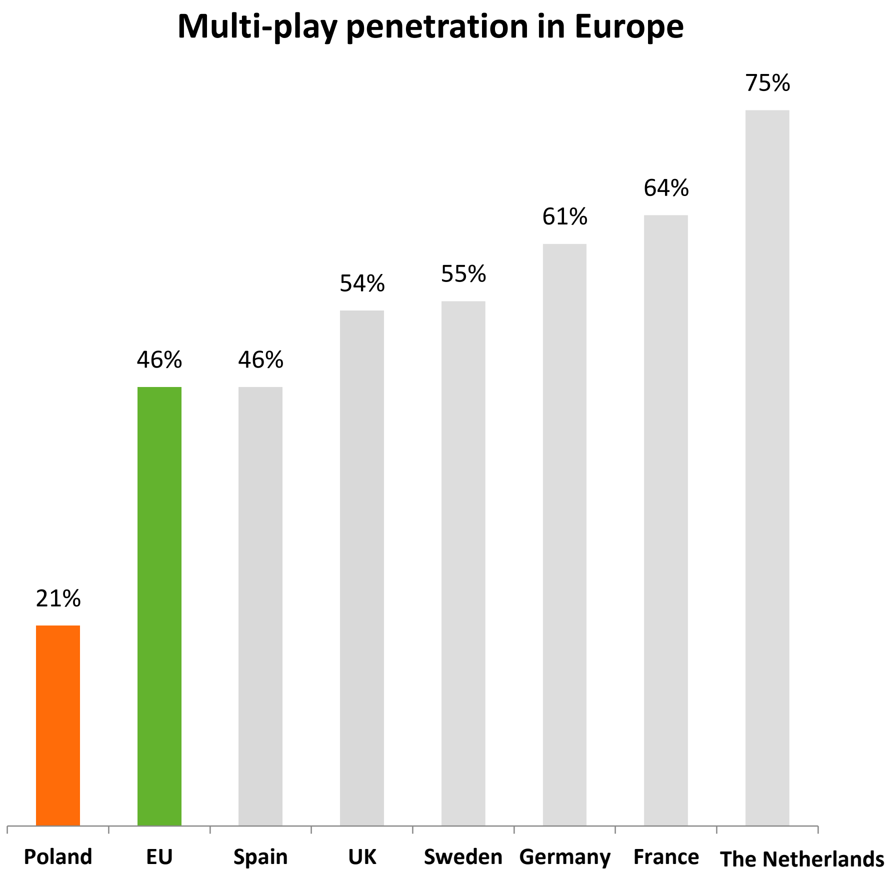
Success of the multiplay strategy

- Stable growth of the saturation of our customer base with integrated services
- 791K customers purchased additional services from our smartDOM offer
- The number of RGUs owned by this group of customers is 2.41 million



Market outlook

- Our strategic goal assumes the highest possible saturation of our customer base with integrated services
- A large group of our customers lives in less urbanized areas, where multiplay offers have been practically unavailable so far
- Mutual benefits resulting from the multiplay offer both for the customer and the operator



Source: European Commission - E-Communications Household Survey, March 2014

3. Objectives for 2015

Our expectations and goals for 2015

Segment of services to individual and business customers

- Increase of the total number of sold services (RGU) and saturation of the customer base with integrated services
- Consistent building of ARPU per customer

Broadcasting and TV production segment

- Continuing the strategy which assumes maintaining of audience shares and increase of revenue from advertising at least in line with growth dynamics of the TV advertising market

Financial results

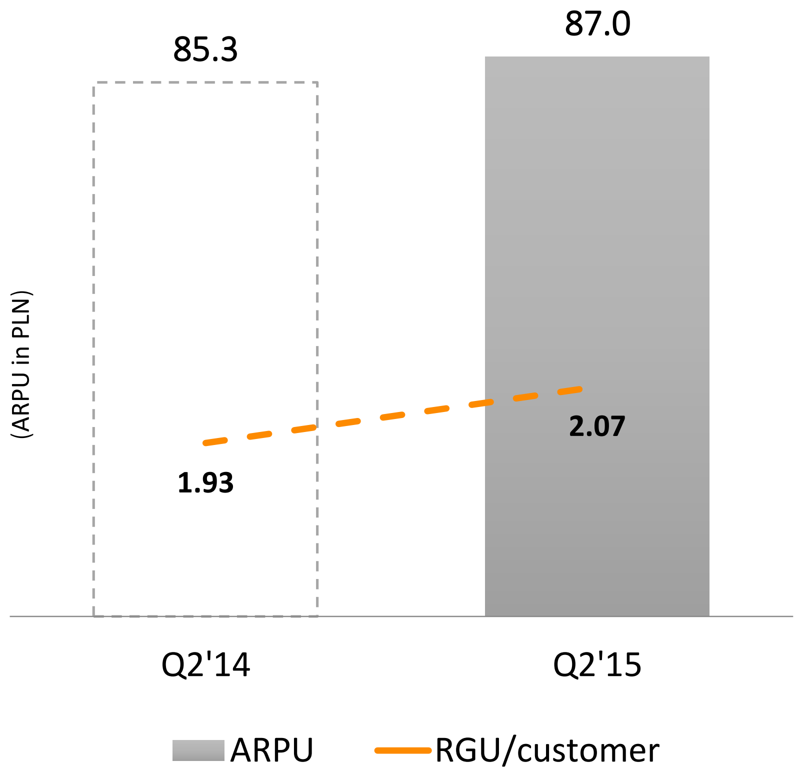
- Maintaining strong margins, further optimization of the cost base
- Consistent reduction of the company's indebtedness, supported by a stable level of free cash flows

4. Operational performance

4.1 Services to individual and business customers

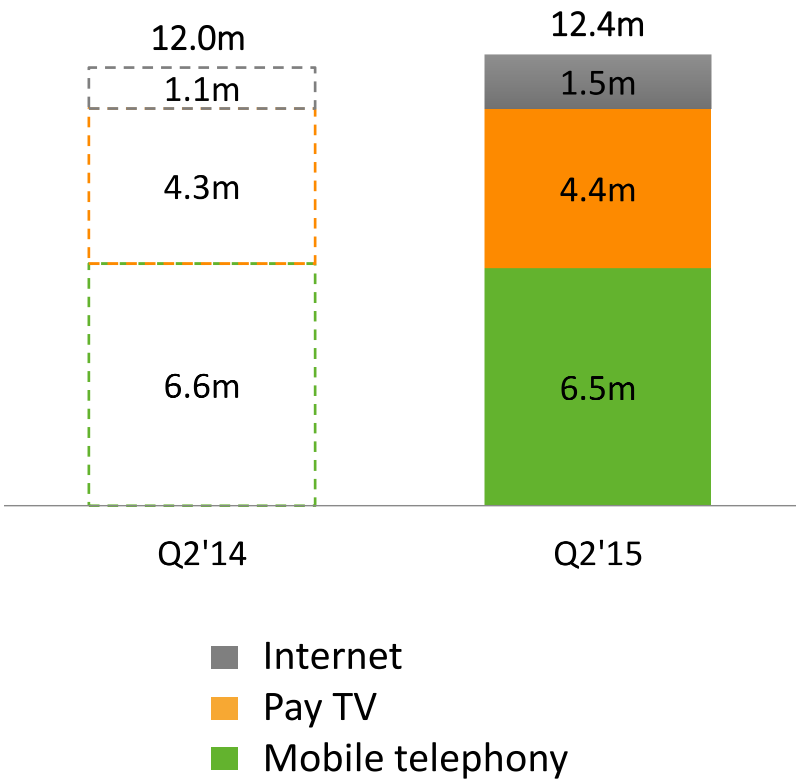
Loyal contract customer base

- Customer base remains at a level of 6.0m
- Churn ratio of 10.1% as a result of an accumulation of ending contracts for pay TV in H1'15
- Consistent execution of the strategy resulting in an increase in the saturation of the customer base with contract services
- Sharp increase of ARPU per customer by 2.0% YoY



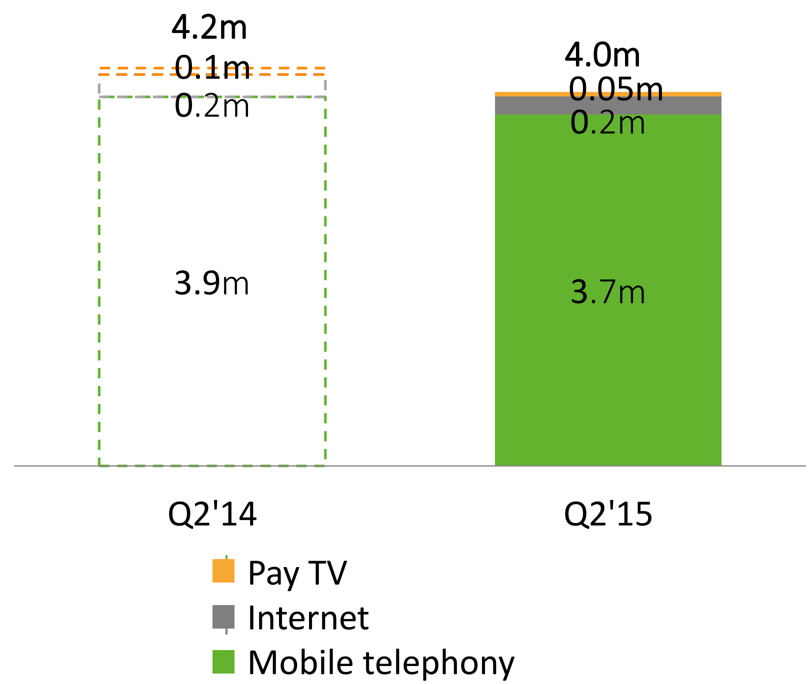
Growing number of contracted services

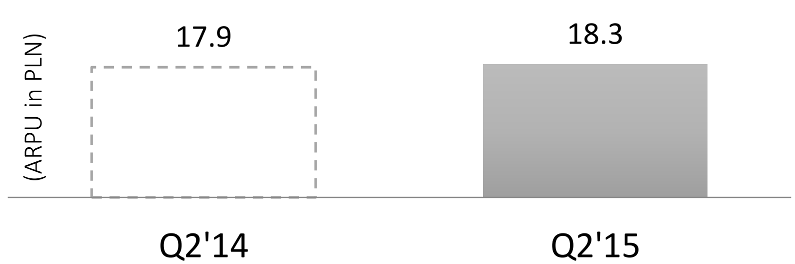
- Growth of the total base of contract services by 2.9%
- Number of customers of the contract-based Internet access service approaches 1.5m, due to effective saturation of the customer base with integrated services
- Growth of the number of pay TV RGUs by 2.8% driven by continued demand for the Multiroom service
- Slight decrease of the number of mobile telephony RGUs, as a result of a highly competitive market



Prepaid services

- RGU base of prepaid services mainly affected by the gradual migration of prepaid customers to postpaid contracts, a trend observed throughout the market
- ARPU growth at a pace of 2.6% YoY: in a stable pricing environment in the segment
- Growth of data consumption on smartphones and higher volumes of traffic positively reflected in the level of ARPU



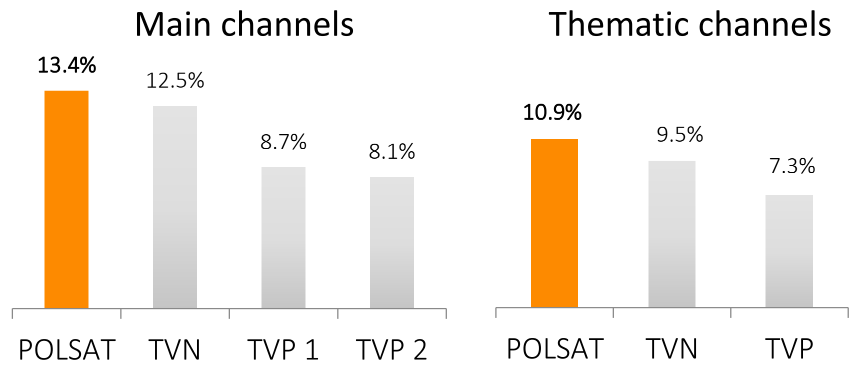


4.2 Broadcasting and TV production segment

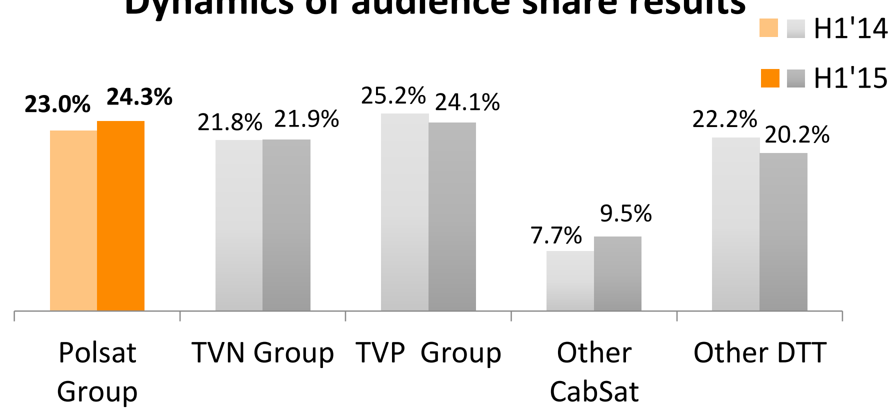
Viewership of our channels in H1’15

- Polsat’s main channel and thematic channels are the viewership leaders in the commercial group
- Polsat Group viewership in line with the strategy

Audience shares



Dynamics of audience share results

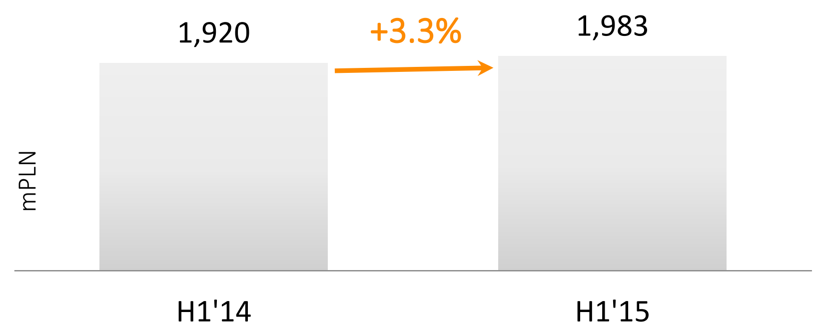


Source: NAM, All 16-49, all day, SHR%; internal analysis

Position on the advertising market in H1’15

- TV advertising and sponsorship market in H1’15 increased YoY by 3.3%
- Revenue from TV advertising and sponsorship of TV Polsat Group grew faster than the market
- Our share in the TV advertising market increased to 25.3%

Market expenditures on TV advertising and sponsorship



Revenue from advertising and sponsorship of TV Polsat Group(1)

Source: Starlink, airtime and sponsorship; TV Polsat; internal analysis
Note: (1) Revenue from advertising and sponsorship of TV Polsat Group according to Starlink’s definition

5. Financial results

Please note the chapter includes financial data with Metelem/Polkomtel Group consolidation since May 7th, 2014, unless stated otherwise.

The Group's financial results in H1'15

mPLN	H1'15	*YoY change*
Revenue	4,798	*94%*
Operating costs(1)	2,947	*98%*
EBITDA	1,874	*89%*
EBITDA margin	39.0%	*(1.1pp)*
Net profit	475	*106%*

- Increase in major bottom-line items as a result of the consolidation of Metelem Group's results effective from 7 May 2014

Source: Interim condensed consolidated financial statements for the 3 and 6 month periods ended 30 June 2015 and internal analysis
Note: (1) Costs exclude depreciation, amortization, impairment and liquidation

Results of the segment of services to individual and business customers in H1’15

mPLN	H1’15	*YoY change*
Revenue	4,261	*118%*
Operating costs[1]	2,643	*123%*
EBITDA	1,640	*112%*
EBITDA margin	38.5%	*(1.1pp)*
Net profit	518	*169%*

- Excluding the effect of consolidation of Metelem, revenue grew at 5.4% primarily due to higher sales of telecommunication products
- Cost dynamics, excluding the impact of consolidation of Metelem, mainly driven by higher cost of data transmission due to the growth of the number of mobile Internet service users

Source: Interim condensed consolidated financial statements for the 3 and 6 month periods ended 30 June 2015 and internal analysis
Note: (1) Costs exclude depreciation, amortization, impairment and disposal

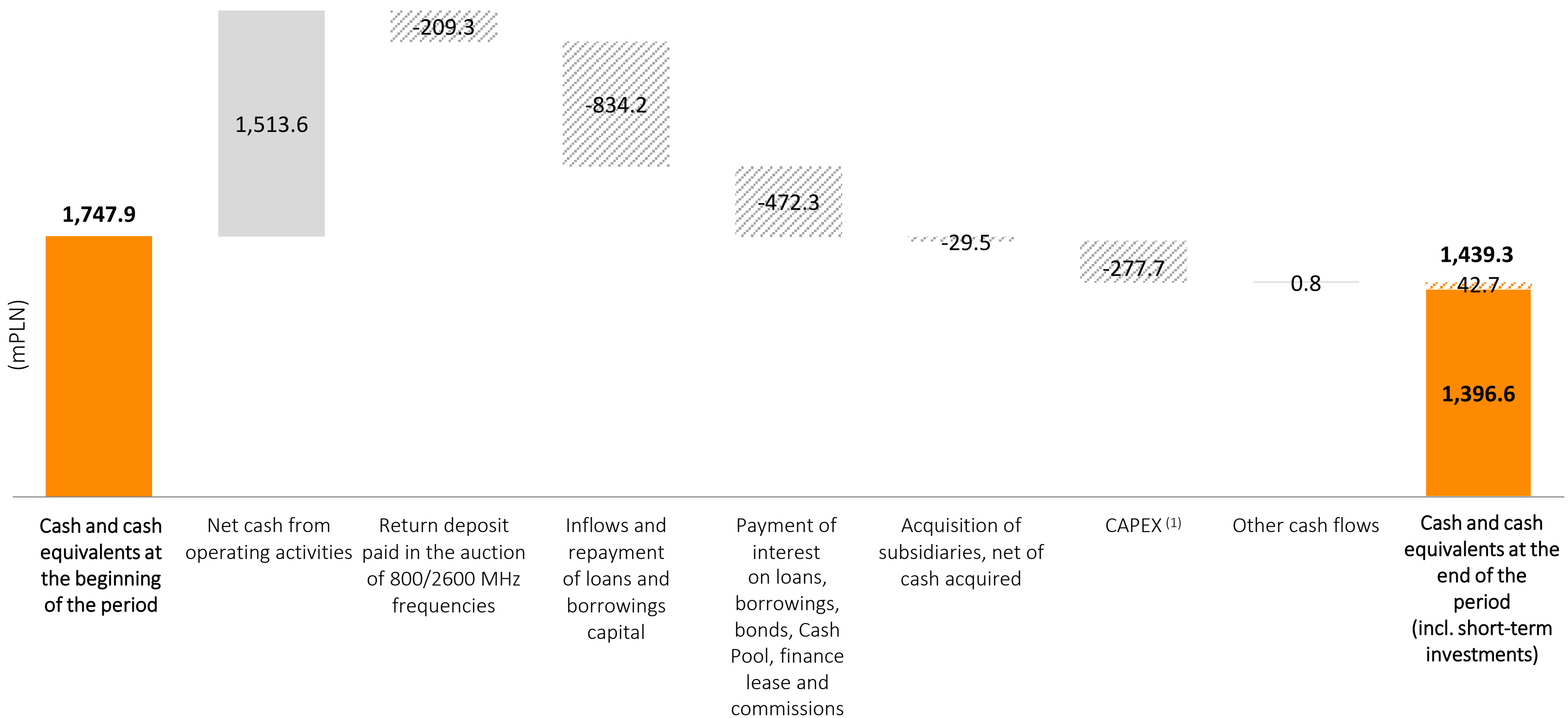
Results of the broadcasting and TV production segment in H1'15

mPLN	**H1'15**	*YoY change*
Revenue	629	*6%*
Operating costs[1]	395	*6%*
EBITDA	234	*8%*
EBITDA margin	37.2%	*0.5pp*
Net profit	190	*3%*

- Increase in revenue mainly due to the monetization of higher audience shares of TV4 and TV6 channels and the new Disco Polo Music channel – launched in May 2014
- Growth of costs is associated with additional investments in the programming offer of TV4 as well as higher costs of licenses for sports events (in relation to the UEFA EURO 2016 Qualifiers)

Source: Interim condensed consolidated financial statements for the 3 and 6 month periods ended 30 June 2015 and internal analysis
Note: (1) Costs exclude depreciation, amortization, impairment and liquidation

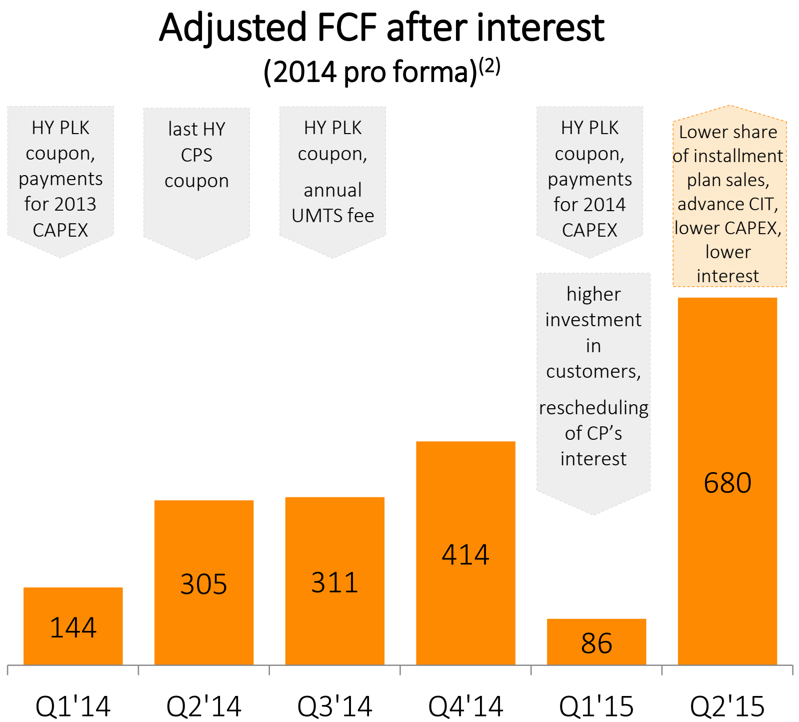
Cashflow statement in H1'15



Source: Interim condensed consolidated financial statements for the 3 and 6 month periods ended 30 June 2015 and internal analysis
Note: (1) Excluding expenditures on set-top-boxes leased to customers

Reconciliation of FCF after interest

mPLN	**Q2'15**
Net cash from operating activities	887
Net cash used in investing activities	-139
Payment of interest on loans, bonds, Cash Pool(1)	-114
FCF after interest	633
Return deposit paid in the auction of 800/2600 MHz frequencies	22
Acquisition of subsidiaries	25
Adjusted FCF after interest	680



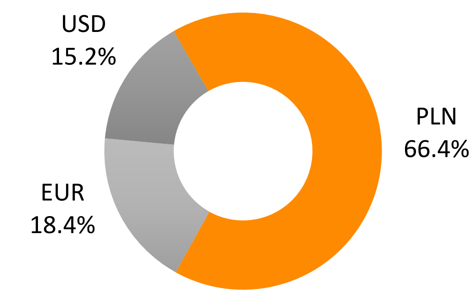
Source: Interim condensed consolidated financial statements for the 3 and 6 month periods ended 30 June 2015 and internal analysis
Note: (1) Includes impact of hedging instruments, excludes early redemption costs and amounts paid for costs related to acquisition of financing; (2) Adjusted for transitory VAT settlements

The Group's debt as at 30 June 2015

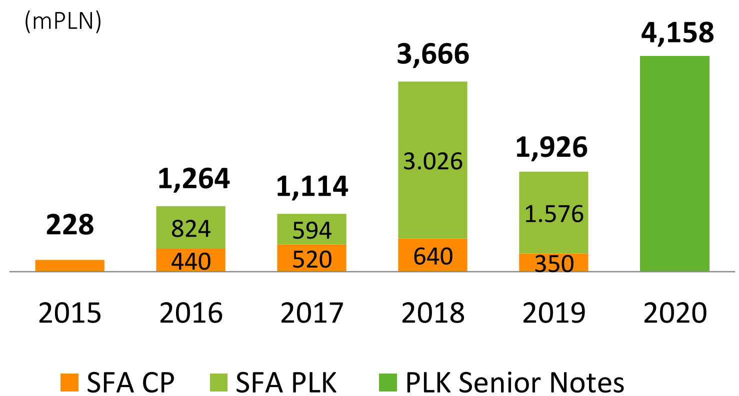
mPLN	Carrying amount	Nominal value
Term Loan (PLN)	2,145	2,178
Revolving Loan	70	70
PLK Loan – Tranche A (PLN)	1,414	1,418
PLK Loan – Tranche B (PLN)	3,010	3,026
PLK Loan – Tranche C (PLN)	1,565	1,576
PLK Revolving Loan	0	0
Senior Notes PLK EUR[1]	2,778	2,276
Senior Notes PLK USD[2]	2,284	1,882
Leasing	19	19
Cash and cash equivalents[3]	1,440	1,440
Net debt	**11,846**	**11,006**
EBITDA LTM	3,621	3,621
Net debt / EBITDA LTM	3.3x	3.0x

[1] Nominal value of PLK Senior Notes of EUR 542.5 m, as converted based on the average NBP exchange rate from 30 June 2015 of 4.1944 PLN/EUR. Carrying amount estimated to fair value at the moment of purchase of Metelem.
[2] Nominal value of PLK Senior Notes of PLK USD 500 m, as converted based on the average NBP exchange rate from 30 June 2015 of 3.7645 PLN/USD. Carrying amount estimated to fair value at the moment of purchase of Metelem.
[3] The item contains cash and cash equivalents, including restricted cash and short-term deposits.
[4] Nominal value of debt, excl. RCF

Currency composition of our indebtedness[4]



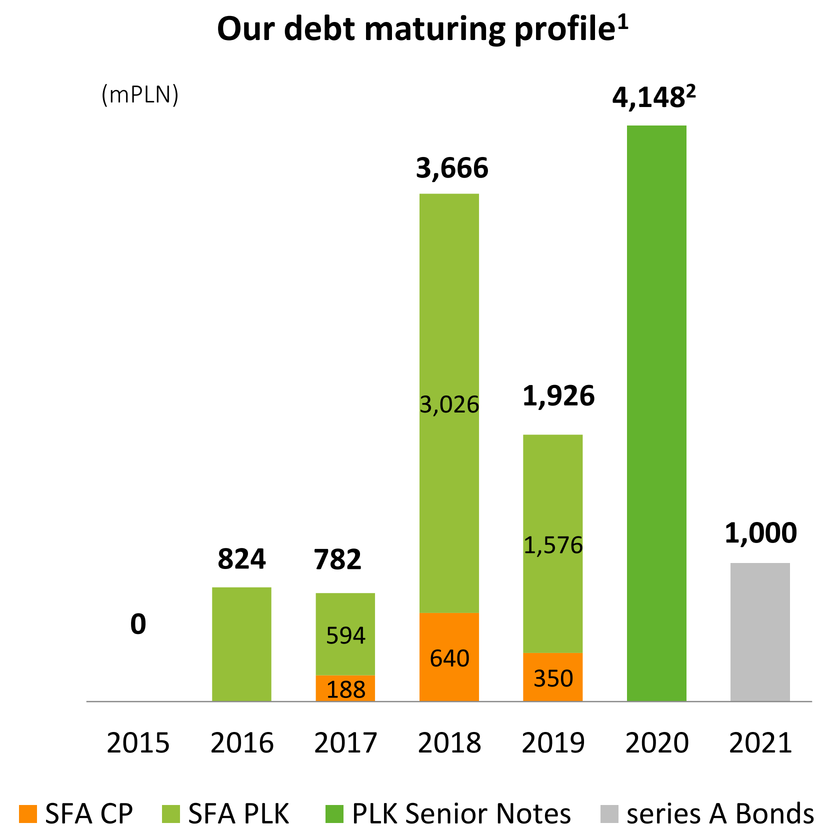
Our debt maturing profile[4]



Source: Interim condensed consolidated financial statements for the 3 and 6 month periods ended 30 June 2015 and internal analysis

The Group’s debt as at 24 August 2015

- As a result of the issue of Series A Bonds with a nominal value of PLN 1,000 each, which was carried out on 21 July, as well as thanks to the voluntary early repayment of the Term Loan in the amount of PLN 1bn, the structure of maturity of the Group’s debt has changed after the balance sheet date
- The graphs present the structure of maturity of the debt as well as the currency structure of the Group’s financial indebtedness as at 24 August 2015, expressed in nominal values, excluding the Revolving Loan



Source: Interim condensed consolidated financial statements for the 3 and 6 month periods ended 30 June 2015 and internal analysis

Nota: (1) Nominal value of debt, excl. RCF

(2) Equivalent of the nominal value of EUR 542.5m and USD 500m PLK Senior Notes calculated at the average foreign exchange rates of the Polish National Bank as at August 24, 2015 of PLN/EUR 4.2390 and PLN/USD 3.6971, respectively

6. Appendix

Financial synergies – the potential impact of debt refinancing of Polsat Group

Reduction of interest

- Replacing PLK HY Notes with 11.75% coupon (EUR) and 11.625% coupon (USD) with debt with costs at the market level could potentially ensure savings on interest in the range of ca. **PLN 300m** annually
- Margins in the SFA CPS agreement are also substantially lower than in the SFA PLK agreement concluded one year before

Higher flexibility

- Removing restrictions with respect to the transfer of funds between Eileme 2 Group and the remaining companies of Cyfrowy Polsat Group would allow more effective management of the group's liquidity, allowing for further integration of Cyfrowy Polsat and Polkomtel

Limitation of the debt's balance sheet valuation

- Valuation of HY PLK Notes in relation to their market value was performed as at the date of acquisition of Metelem Group, which resulted in a carrying amount of these notes to exceed their nominal value by PLN 949m at 31 December 2014
- Refinancing of HY PLK Notes would eliminate this difference, thus resulting in the reduction of the carrying amount of our debt

Operating synergies – projects in progress

Marketing

- Monetization of the joint customer base of the Group by maximizing sale of services under SmartDOM offer
- Consistent product and pricing strategy for respective products offered by both companies
- Optimization of marketing spend – combined campaigns for PLK and CP brands
- Uniform marketing of the Internet offer – Power LTE
- Optimized structure of media spending
- Optimization of organizational structure and internal processes within the new group

Customer service and retention

- Creating joint call center
- Re-allocation of resources to cheaper locations, staff recruitment in smaller towns
- Common customer service standards – higher efficiency, higher customer satisfaction
- Unification of commission systems, more effective motivation for customer service representatives

IT

- Economies of scale – joint hardware and software purchases
- Integration of IT infrastructure
- Introduction to PLK some of CP's in-house solutions supporting offer-and-sales-related processes
- Unification of IT systems architecture
- Starting a process of unification of systems, e.g. billing

Sales

- Increasing the efficiency of sales of CP and PLK products in both networks
- Reduction of the total number of points of sale
- Unification of sales processes within a point of sale
- Building common logistics and warehousing systems
- Joint training and education
- Unification of commission systems, more effective motivation for the sales network

Sample of our DTH offer

nVOD + Multiroom HD

FAMILY MAX HD

SPORT HD

CINEMAX HD

FILM HD

HBO HD

+ HBO GO

+ iplaMIX (2)

+ VOD Home Movie Rental (2)

Premium offer

PLN 89.90

nVOD

Rodzinny HD

FTA

Package	# of channels(1)	Price (PLN)
FAMILY MAX HD	130	49.90
+ SPORT HD + CINEMAX HD + FILM HD	158	+10.00
+ HBO HD	161	+30.00
Rodzinny HD	74	19.90

Note: as of 12.05.2015; (1) including promotional channels; (2) temporary promotional packages

Portfolio of our TV channels

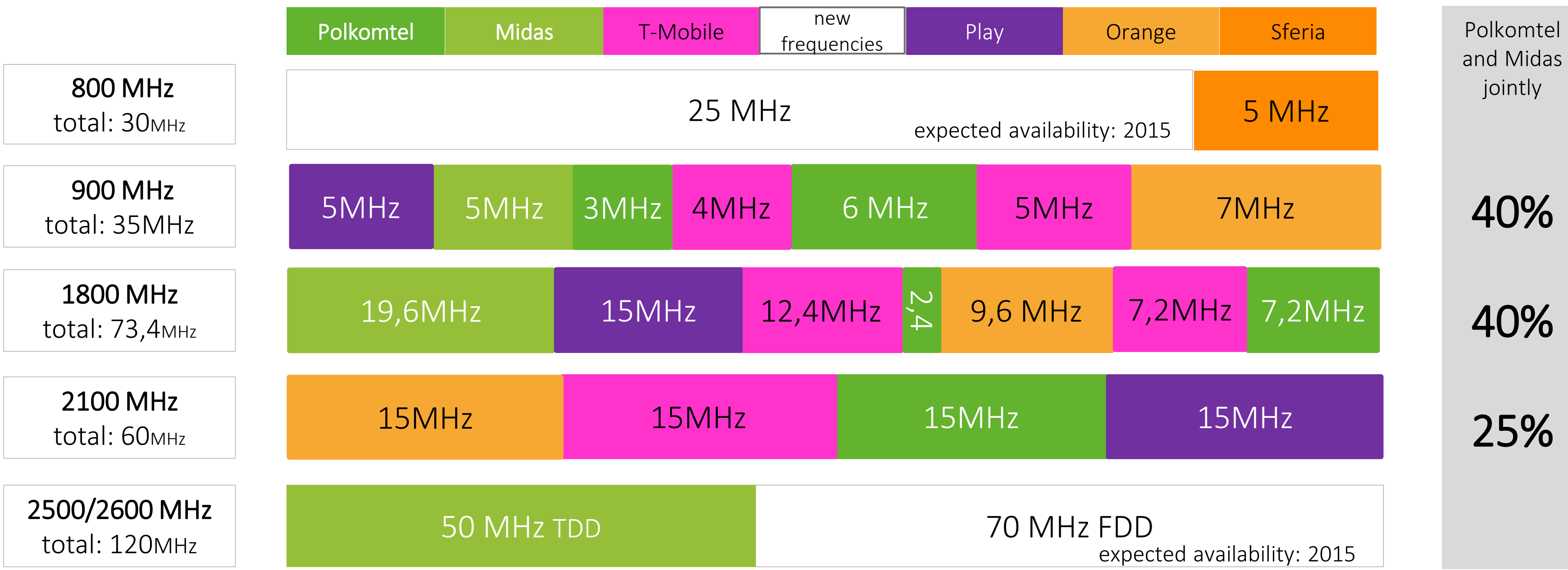
DTT

No. of channels	
TV Polsat Group	DTT market
4	24

Cab/Sat

No. of channels	
TV Polsat Group	Cab/Sat market
27	ca. 200

Spectrum competitive landscape



1) Source: UKE. The graph includes a simplified picture, only main frequencies are presented (excluded: Polkomtel's 2,5MHz 420MHz, Orange's 5Mhz 450Mhz, each 4 biggest MNO's 5MHz 2100MHz TDD).

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

Financial results Q2'15

Group's financial results in Q2'15

mPLN	**Q2'15**	*YoY change*
Revenue	2,469	*41%*
Operating costs(1)	1,506	*45%*
EBITDA	977	*38%*
EBITDA margin	39.6%	*(1.0pp)*
Net profit	305	*130%*

- Increase in major bottom-line items as a result of the consolidation of Metelem Group's results for the full quarter (the consolidation of the comparative period from 7 May 2014)
- Excluding the effect of consolidation of Metelem, revenue grew YoY at 5.7% and EBITDA increased by 9.7%
- Net profit increased to the level of PLN 305m mainly as a result of ongoing optimization of the financing structure of Polsat Group's activities

Source: Interim condensed consolidated financial statements for the 3 and 6 month periods ended 30 June 2015 and internal analysis
Note: (1) Costs exclude depreciation, amortization, impairment and liquidation

Results of the segment of services to individual and business customers in Q2'15

mPLN	Q2'15	*YoY change*
Revenue	2,171	*49%*
Operating costs[1]	1,341	*54%*
EBITDA	844	*42%*
EBITDA margin	38.9%	*(1.7pp)*
Net profit	211	*30%*

- Excluding the effect of consolidation of Metelem, revenue grew at 4.9%, primarily due to higher sales of telecommunication products
- In spite of growing data transmission costs, due mainly to the growing number of mobile Internet service users, EBITDA for this segment, excluding consolidation of Metelem, grew at the pace of 6.6%, driven by, among others, lower marketing costs as well as lower customer service and retention costs

Source: Interim condensed consolidated financial statements for the 3 and 6 month periods ended 30 June 2015 and internal analysis
Note: (1) Costs exclude depreciation, amortization, impairment and liquidation

Results of the broadcasting and TV production segment in Q2'15

mPLN	Q2'15	*YoY change*
Revenue	346	*6%*
Operating costs(1)	213	*2%*
EBITDA	134	*15%*
EBITDA margin	38.6%	*2.8pp*
Net profit	109	*3%*

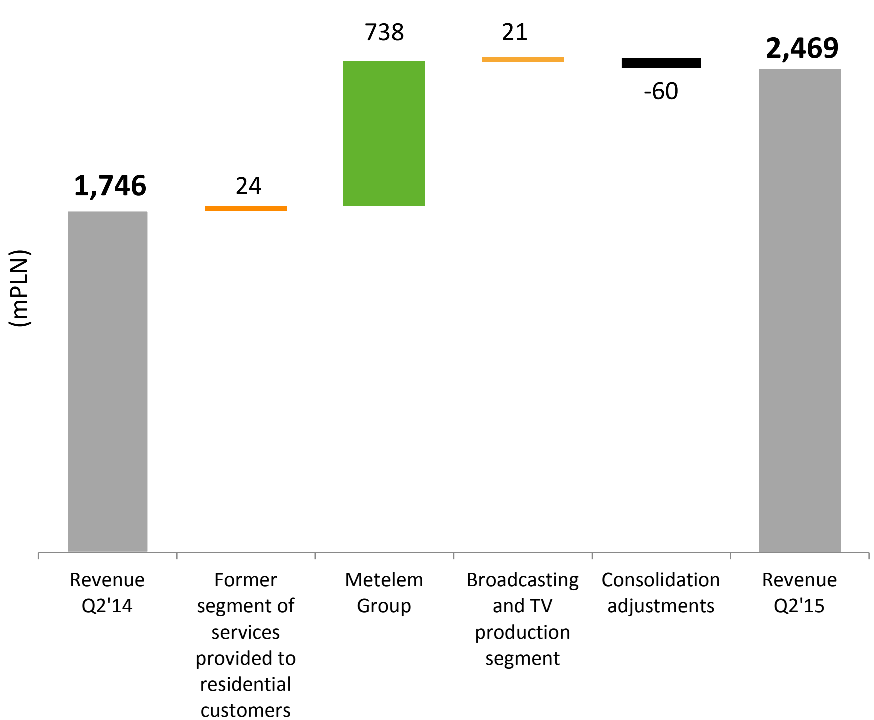
- Increase in revenue mainly due to the monetization of higher audience shares of TV4 and TV6 channels and the new Disco Polo Music channel – launched in May 2014
- Control of operating costs positively affected the improvement of EBITDA and EBITDA margin

Source: Interim condensed consolidated financial statements for the 3 and 6 month periods ended 30 June 2015 and internal analysis
Note: (1) Costs exclude depreciation, amortization, impairment and liquidation

Revenue and costs – change drivers in Q2'15

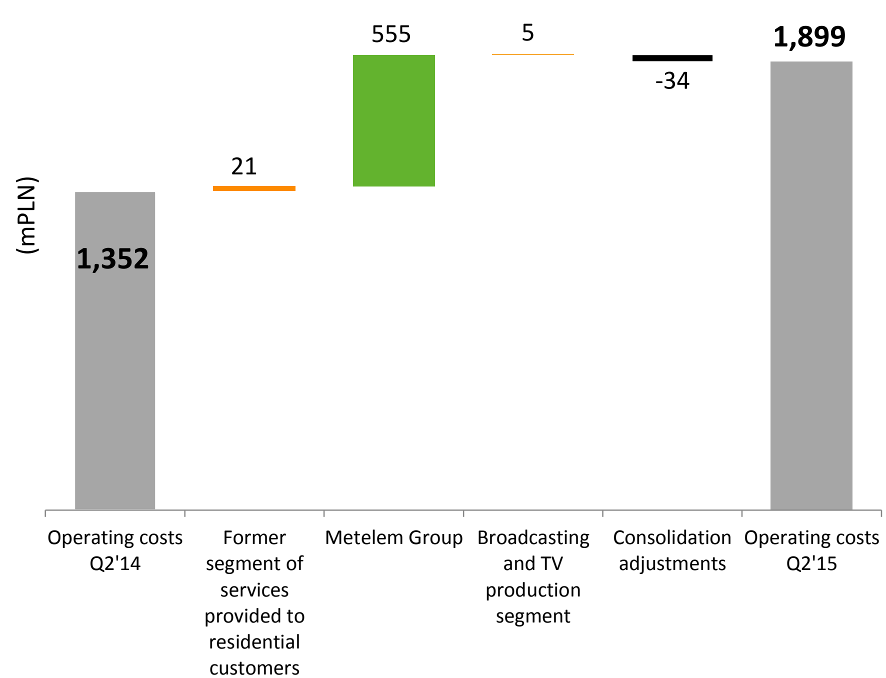
Revenue

YoY change **+41% +723 m**



Operating costs

YoY change **+41% +548 m**

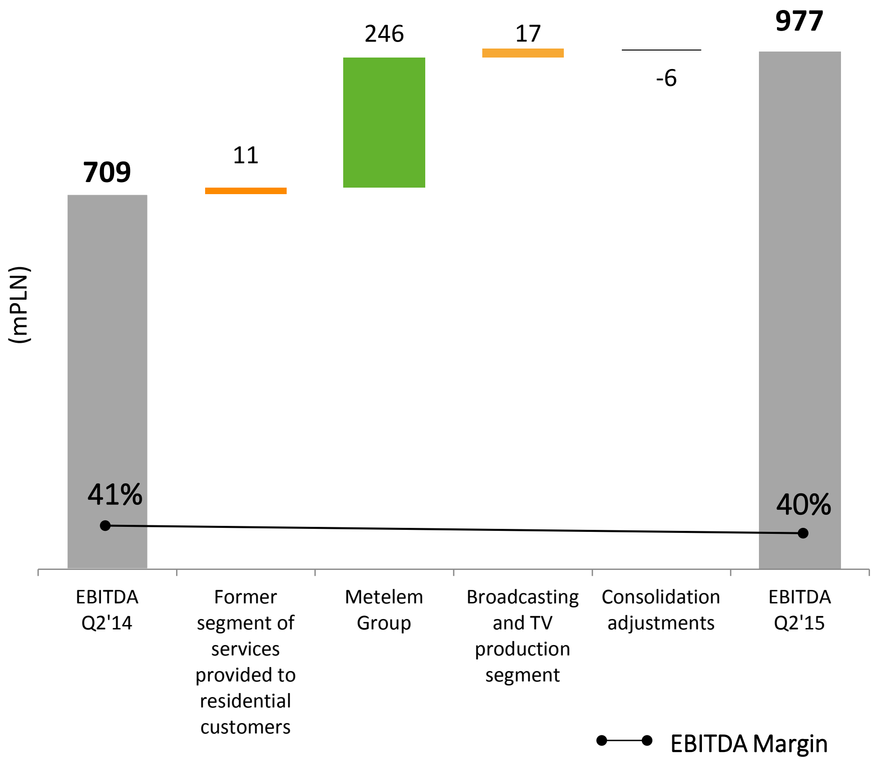


Source: Interim condensed consolidated financial statements for the 3 and 6 month periods ended 30 June 2015 and internal analysis

EBITDA and net profit – change drivers in Q2'15

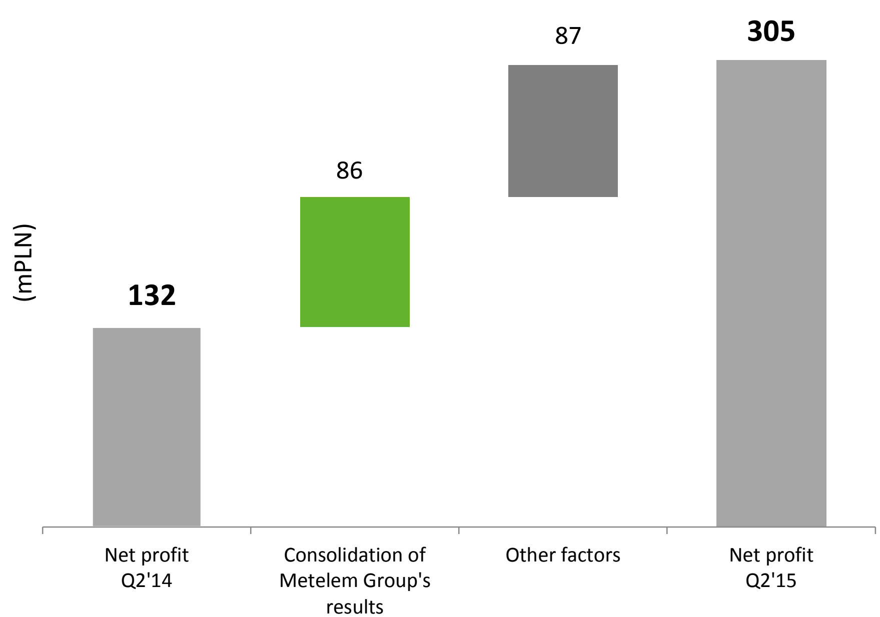
EBITDA

YoY change: +38% +268 m



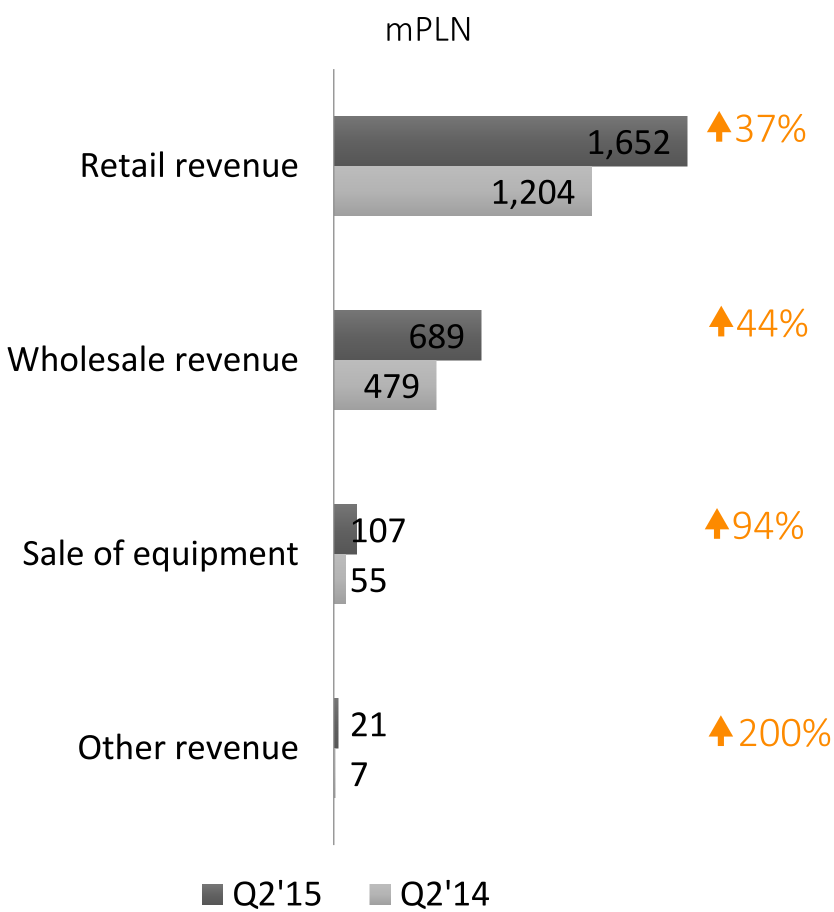
Net profit

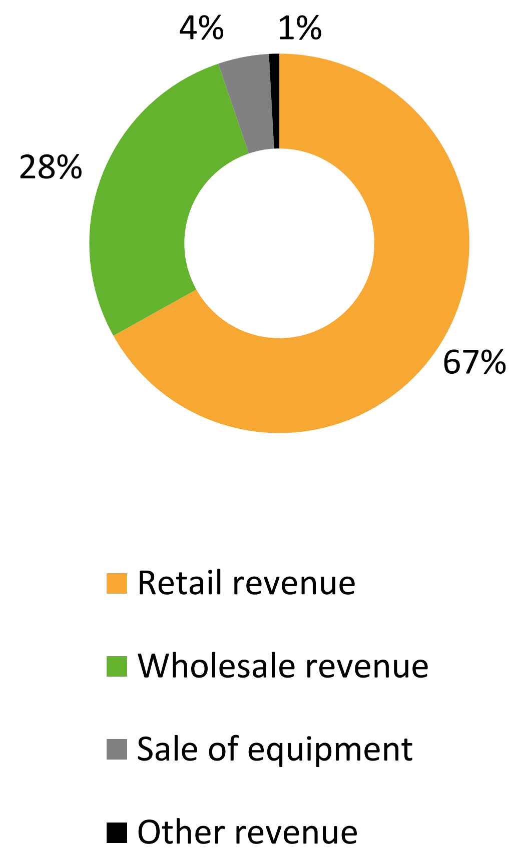
YoY change: +130% +172 m



Source: Interim condensed consolidated financial statements for the 3 and 6 month periods ended 30 June 2015 and internal analysis

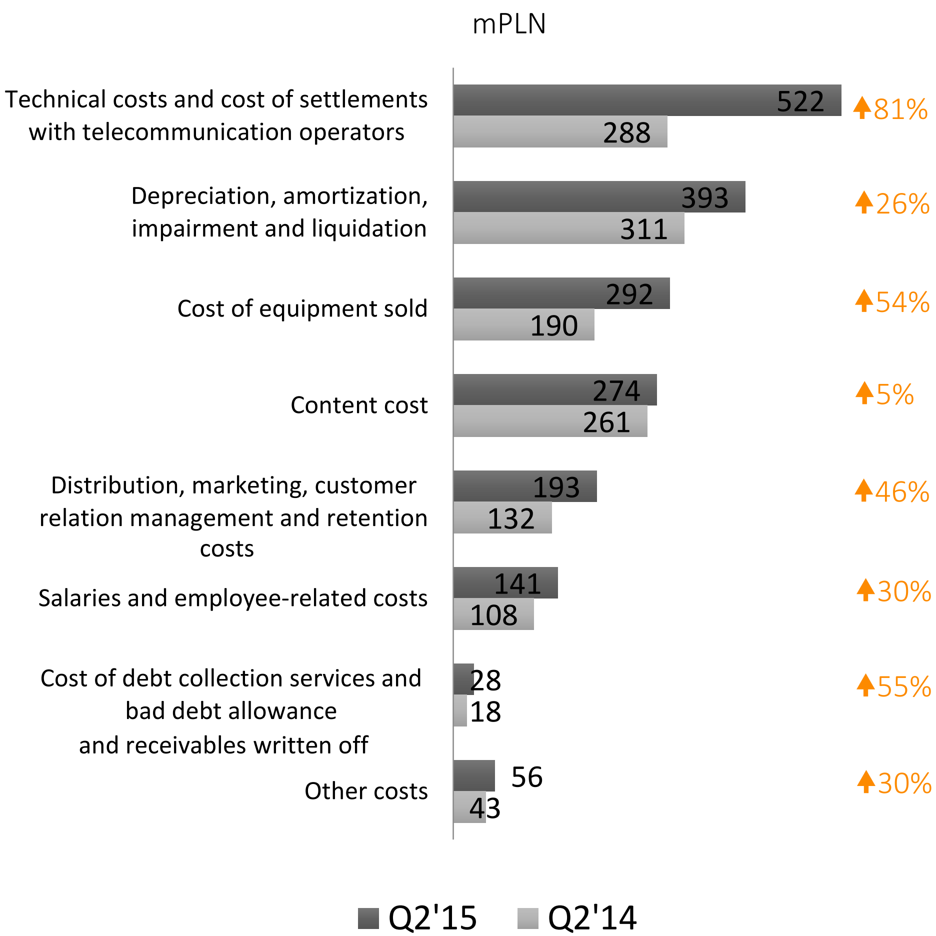
Revenue structure in Q2’15

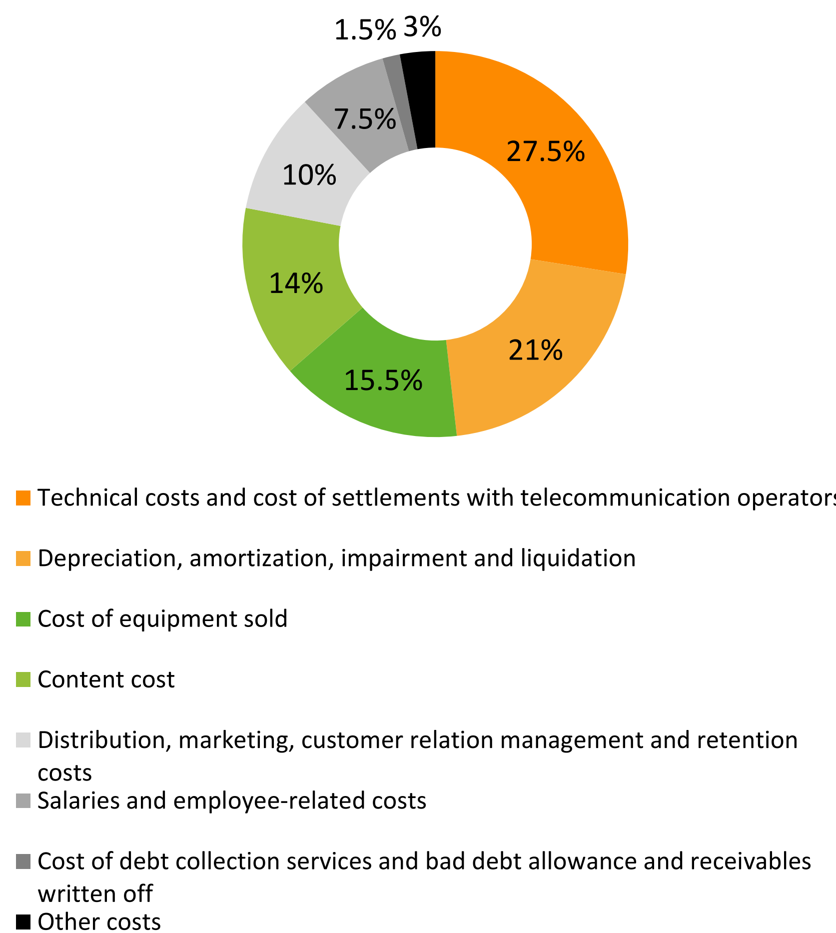




Source: Interim condensed consolidated financial statements for the 3 and 6 month periods ended 30 June 2015 and internal analysis

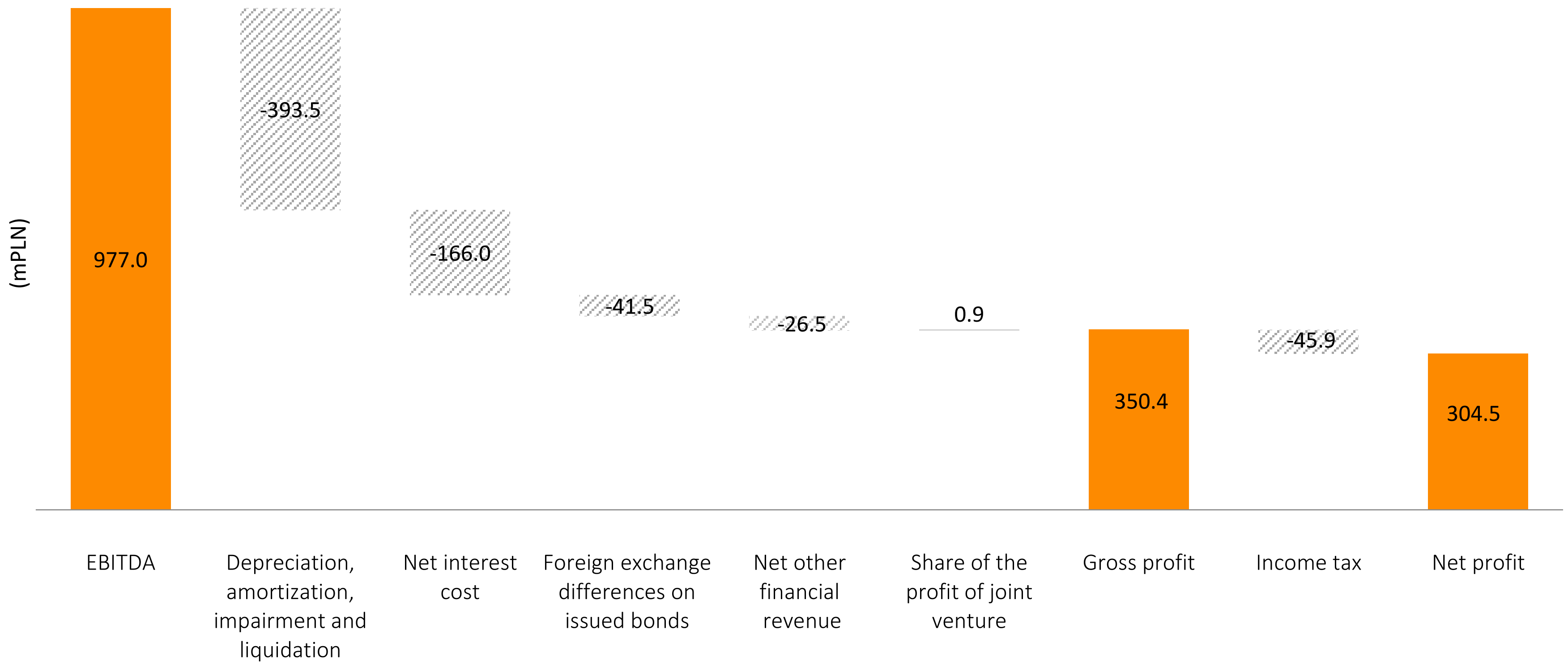
Operating costs structure in Q2'15





Source: Interim condensed consolidated financial statements for the 3 and 6 month periods ended 30 June 2015 and internal analysis

Items below the EBITDA level in Q2'15



Source: Interim condensed consolidated financial statements for the 3 and 6 month periods ended 30 June 2015 and internal analysis

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 under the mobile telephony and Internet Access means 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 practice this means that within the last 90 days a given card had to be inserted to a phone or another device which was active and was able to make or receive call, message, data transmission session. 90-day usage definition thus eliminates inactive cards. Based on the aforementioned definition each year UKE collects data of the mobile operators in Poland in order for the European Commission to prepare a comparison of actual penetration of mobile telecommunication services in the EU countries (the so-called Digital Agenda report).

Contact

Investor Relations

Łubinowa 4A
03-878 Warsaw

Phone: +48 (22) 356 6004 / +48 (22) 426 85 62 / +48 (22) 356 65 20
Email: ir@cyfrowypolsat.pl

www.grupapolsat.pl

Notes