Cyfrowy Polsat Group

Investor Presentation

July 2016
1. Polsat Group: unique composition of media and telco assets
Unique market strategy based on complimentary business pillars

**own content production and broadcasting**
- 1st Polish private TV broadcaster with strong local identity
  - established 1992
  - ca. 24% audience share
- 32 popular TV channels, including 12 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, 28 sold to other cab/sat
- 3.5m households provided with 4.5m pay-TV services
  - subscriptions ranging from PLN 20-90, 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

**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
- 10m mobile telephony services provided, 65% contacted
- 1.9m mobile internet services provided, 87% contracted
- enjoying competitive advantage through control of key frequencies
  - 30% of <1GHz coverage bands
  - 40% of 1.8GHz capacity bands
- well-positioned for online video opportunities

**Multiplay product**
- TV production
- Mobile operator
- Satellite pay-TV
- Online video

**cross-selling opportunities**

**biggest Polish pay-TV platform**
- IPLA – the leading Polish online video platform
  - up to 4 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
With just finalized 10-year visionary project aimed at creating the biggest Polish TMT group

- **FTA TV**
  - Broadcasting launch: 1992
- **pay-TV**
  - 2003: pay-TV launch
  - 2008: IPO
- **LTE strategy**
  - MIDAS frequencies acquired: 2007
  - LTE 1800 launched: 2010
- **mobile telco**
  - 2011: acquired by major shareholder
  - 2014: joining the group
- **mobile TV**
  - 2011: joining the group
- **video online**
  - 2012: joining the group

**Polsat Group today**
- Polsat
- Cyfrowy Polsat
- MIDAS
- Plus
- TV Mobilna
- Ipla
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...
- 53% of society in rural & suburban areas
- Focus on rural customers was a bull’s-eye hit
- 73%: our offer effectively targets this segment

LTE successfully competes with fixed access
- 2010: LTE pioneered by Polsat Group
- Underdeveloped Polish multiplay market
  - Multiplay almost non-existent in rural areas

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.

Reliable mobile services

The best LTE Internet for home and mobile usage

Other products for households

Production and aggregation of attractive content

Extensive portfolio of end-user devices

+ Other VAS
Unique convergence offer among all media and telco players

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<thead>
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<th>T</th>
<th>orange</th>
<th>PLAY</th>
<th>plus</th>
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<tbody>
<tr>
<td>Key content</td>
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<td>In-Home</td>
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<td>Broadband</td>
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<td>Voice</td>
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<tr>
<td>Out-of-Home</td>
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<tr>
<td>TV</td>
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<td>Voice</td>
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<td>✗</td>
</tr>
</tbody>
</table>

Source: Operator’s websites; products and services provided with its own infrastructure, or using MVNO model.
2. Merging two customer bases provides our opportunity
Our market strategy naturally focuses on our own customer bases

- **CPS contract customers**
  - Core product: DTH pay-TV
  - 3.3 million customers

- **PLK contract customers**
  - Core product: mobile
  - 1.1 million customers

- **3.6 million PLK contract customers** jointly

- **5.9 million unique contracted customers**

- **+ 3.8 million prepaid RGUs**
  - A natural source of new contract customers

- **Customers of other pay-TV and telco providers**

**Upsell opportunities**

Source: company’s data
The strategy already results in ARPU growth and is expected to loyalize customers.

May’14 launch of smartDOM

- Over 1 million multiplay customers attracted in 2 years
- Contract RGU growth
- Contract ARPU growth

Anticipated decrease of churn – tangible effects expected from H2’16 onwards

Source: company’s data
Diversified portfolio of well-established local brands allows for broader market targeting

**POLSAT**
- broadcasting
- established 1992
- valued for reach content proposition in FTA and cab/sat markets
- targeted at 16-49 audience group where achieves ca. 24% viewership results
- initially positioned as mass consumer entertainment TV

**CYFROWY POLSAT**
- 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

**plus**
- 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

**ipla**
- online video
- established 2008
- valued for reach 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 provide stable and resilient business model

**RGU structure**

- **Contract services**: 77%
- **Prepaid services**: 23%

**Note**: (1) Company compiled market consensus, excludes the forecasts that have not been updated after recent Midas acquisition.

**Revenue decomposition**

- **Contract services**: 76%
- **Prepaid services**: 8%
- **Advert. revenues**: 12%
- **Other**: 4%

**Total revenue** pro forma for Midas acquisition

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>9,438</td>
</tr>
<tr>
<td>2014</td>
<td>9,349</td>
</tr>
<tr>
<td>2015</td>
<td>9,352</td>
</tr>
<tr>
<td>2016</td>
<td>~9,400</td>
</tr>
</tbody>
</table>

Source: company’s data; from 2016 onwards – market consensus

Note: (1) Company compiled market consensus, excludes the forecasts that have not been updated after recent Midas acquisition.
Stable revenue combined with low CAPEX needs and OPEX under control result in strong FCF

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Revenue</th>
<th>OPEX and EBITDA</th>
<th>CAPEX Intensity Going Forward</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>9,438</td>
<td>5,593</td>
<td>34%</td>
</tr>
<tr>
<td>2014</td>
<td>9,349</td>
<td>5,643</td>
<td>66%</td>
</tr>
<tr>
<td>2015</td>
<td>9,352</td>
<td>5,733</td>
<td>&lt;10%</td>
</tr>
<tr>
<td>2016</td>
<td>ca 9,400(1)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

Note: (1) Company compiled market consensus, excludes the forecasts that have not been updated after recent Midas acquisition.
Strong financials allow for aligning deleveraging with dividends since 2017 onwards

Deleveraging remains our priority...

- possibility of dividend payout
  - bank covenant$^{(1)}$: 3.2x
  - Q1'16: 3.0x
  - long-term goal: 1.75x

...but profit sharing is in sight

- FCF potential post refinancing: 1.7-1.8
- scheduled debt repayments: 1.2-1.4
- space for further deleveraging and dividend payout: 0.9-1.1

Source: company’s data
Note: (1) Net leverage according to SFA definition, ie. excluding PIK and Zero-Coupon Notes.
4. Strong track record
Our strategic investments impacted positively value of Polsat Group

Note: (1) Growth between May 6, 2008 and June 20, 2016
Interests of our debtholders is equally important for us.
We are focused on communicating transparently

Open dialogue with investors and brokers

19 brokers actively covering Polsat Group
- BDM
- Berenberg
- Citi
- Deutsche Bank
- DM BOŚ
- DM BZ WBK
- DM mBanku
- DM PKO BP
- Erste Group
- Haitong Bank
- Goldman Sachs

2014-16 avg variance of the previews consensus vs actuals:
- revenue: 0.7%
- EBITDA: 2.2%

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

Best Managed Companies in Central & Eastern Europe 2015
5. Appendix
Current market position on individual markets
Competitive environment

Pay-TV market in Poland
% share in the total number of paying subscribers

- Cable operators: 42.1%
- IPTV: 3.7%
- Other DTH operators: 21.5%
- Total: 32.7%

Mobile market in Poland
Share of contracted SIM cards

- Play: 23.5%
- T-Mobile: 21.8%
- Orange: 27.8%
- Other DTH operators: 21.5%
- Total: 26.9%

Audience share

- Polsat Group: 24.6%
- TVN Group: 22.1%
- Other DTT: 10.4%
- TVP Group: 23.7%
- Others: 74.0%

TV ad market share

- Polsat Group: 26.0%
- Others: 74.0%

Source: NAM, All 16-49, all day, SHR%, 2015; Starlink, airtime and sponsoring; TV Polsat internal
Note: (1) As of end of 2015, based on estimates by PwC and own estimates
(2) As of end of 2015, own estimates based on data published by other operators
Market development and forecasts

Total Polish mobile market value (PLNbn)

- MTR reductions period
- +2.1% CAGR

Total Polish tv ad market value (PLNm)

- Source: PMR; ZenithOptimedia, “Advertising Expenditure Forecasts – March 2016”

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

Polish ad market structure

- Outdoor
- Print
- Radio
- Internet
- TV
Long-term business performance trends
Success of the multiplay strategy

- As many as 18% of our customers already use the multiplay offer, which should have a positive impact on their loyalty in the future
- Total number of RGUs contracted by this group of customers amounts to 3.22m
- The goal of 1 million smartDOM customers by the end of 2015 has been achieved
Quarterly RGU growth of individual product lines

Our aspirations:
- **Mobile telephony**: to stabilize the base
- **Pay-TV**: to sustain organic growth
- **Internet**: to grow fast based on our competitive advantages

### Quarterly net adds

**Mobile telephony**
- Q1 '14: -65
- Q2 '14: -69
- Q3 '14: -27
- Q4 '14: -29
- Q1 '15: -36
- Q2 '15: -33
- Q3 '15: -14
- Q4 '15: 32
- Q1 '16: 20

**Pay-TV**
- Q1 '14: 25
- Q2 '14: 19
- Q3 '14: 89
- Q4 '14: 47
- Q1 '15: 14
- Q2 '15: 22
- Q3 '15: 31
- Q4 '15: 57

**Internet**
- Q1 '14: 44
- Q2 '14: 91
- Q3 '14: 146
- Q4 '14: 100
- Q1 '15: 69
- Q2 '15: 46
- Q3 '15: 34
- Q4 '15: 77
- Q1 '16: 53

**Contract RGUs EOP**

**Mobile telephony**
- Q1 '14: 6,714
- Q2 '14: 6,645
- Q3 '14: 6,617
- Q4 '14: 6,588
- Q1 '15: 6,552
- Q2 '15: 6,519
- Q3 '15: 6,505
- Q4 '15: 6,517
- Q1 '16: 6,536

**Pay-TV**
- Q1 '14: 4,237
- Q2 '14: 4,256
- Q3 '14: 4,345
- Q4 '14: 4,392
- Q1 '15: 4,405
- Q2 '15: 4,375
- Q3 '15: 4,396
- Q4 '15: 4,503
- Q1 '16: 4,560

**Internet**
- Q1 '14: 1,032
- Q2 '14: 1,123
- Q3 '14: 1,269
- Q4 '14: 1,368
- Q1 '15: 1,437
- Q2 '15: 1,483
- Q3 '15: 1,517
- Q4 '15: 1,595
- Q1 '16: 1,648
Multiplay supports the continuous growth of the number of services and ARPU.

Contract RGUs EOP

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1'13</th>
<th>Q2'13</th>
<th>Q3'13</th>
<th>Q4'13</th>
<th>Q1'14</th>
<th>Q2'14</th>
<th>Q3'14</th>
<th>Q4'14</th>
<th>Q1'15</th>
<th>Q2'15</th>
<th>Q3'15</th>
<th>Q4'15</th>
<th>Q1'16</th>
</tr>
</thead>
<tbody>
<tr>
<td>RGUs</td>
<td>11800</td>
<td>11869</td>
<td>11908</td>
<td>11979</td>
<td>11983</td>
<td>12023</td>
<td>12231</td>
<td>12348</td>
<td>12395</td>
<td>12377</td>
<td>12419</td>
<td>12615</td>
<td>12744</td>
</tr>
</tbody>
</table>

Contract ARPU (PLN)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1'13</th>
<th>Q2'13</th>
<th>Q3'13</th>
<th>Q4'13</th>
<th>Q1'14</th>
<th>Q2'14</th>
<th>Q3'14</th>
<th>Q4'14</th>
<th>Q1'15</th>
<th>Q2'15</th>
<th>Q3'15</th>
<th>Q4'15</th>
<th>Q1'16</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARPU</td>
<td>89.1</td>
<td>90.3</td>
<td>87.6</td>
<td>87.1</td>
<td>84.8</td>
<td>85.3</td>
<td>86.5</td>
<td>87.2</td>
<td>85.8</td>
<td>87.0</td>
<td>88.1</td>
<td>88.3</td>
<td>87.0</td>
</tr>
</tbody>
</table>

stable MTRs
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 SMG Poland’s definition (formerly SMG Starlink); internal analysis
Current operational performance
a. Broadcasting and TV production
Viewership of our channels in Q1’16

• Polsat Group – the viewership leader in the commercial group
• Excellent viewership figures of the spring schedule
• Very positive effect of programming investments made in TV4 and TV6 channels

Source: NAM, All 16-49, all day, SHR%; internal analysis
Position on the advertising market in Q1’16

- TV advertising and sponsorship market in Q1’16 increased YoY by 2.7%
- 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 25.5%

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

b. Services to individual and business customers
Dynamic growth of multiplay customers

- As many as 18% of our contract customers already use the multiplay offer, which should have a positive impact on their loyalty in the future.
- Total number of RGUs contracted by this group of customers amounts to 3.22m.

Number of smartDOM customers

- Q1'15: 707 thou. customers, 12% saturation
- Q4'15: 1,021 thou. customers, 17% saturation
- Q1'16: 1,088 thou. customers, 18% saturation

Total number of RGUs contracted by this group of customers amounts to 3,220,000.
Contract services growing rapidly

- Strong growth in contract services (+349K YoY, +129K QoQ)
- Further growth in Internet access services (+53K QoQ), supported by top quality LTE network
- Pay TV RGUs growth of +57K (the effect of multiroom and OTT)
- Another quarter with positive results for mobile telephony (low churn and favorable influence of the multiplay strategy)
Effective building of ARPU per customer

- ARPU from contract services is growing continuously.
- Successful product up-selling is reflected in the growth of saturation of RGUs per customer.
- The multiplay strategy and continued mobile market stabilization may allow the favorable trend to be sustained.

![Graph showing ARPU and RGU/customer growth from Q1'15 to Q1'16](chart.png)
Prepaid – further ARPU growth

- Growth of prepaid ARPU by +2.3% YoY – as the outcome of continuously growing data consumption and IC
- Successive migration of customers of prepaid voice services to contract solutions
- Growth in the number of Internet access RGUs by +33% YoY (active SIMs only)
Historical pro-forma financial performance

Full year consolidation of Midas Group results
## Historical pro-forma results

<table>
<thead>
<tr>
<th></th>
<th>PLN bn</th>
<th>2013</th>
<th>2014</th>
<th>2015&lt;sup&gt;(2)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>9,438</td>
<td>9,349</td>
<td>9,352</td>
<td></td>
</tr>
<tr>
<td><strong>Operating costs</strong>&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>5,699</td>
<td>5,597</td>
<td>5,717</td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>3,807</td>
<td>3,757</td>
<td>3,667</td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA margin</strong></td>
<td>40.3%</td>
<td>40.2%</td>
<td>39.2%</td>
<td></td>
</tr>
<tr>
<td><strong>CAPEX (excl. UMTS)</strong></td>
<td>756</td>
<td>690</td>
<td>794</td>
<td></td>
</tr>
<tr>
<td><strong>CAPEX/revenue</strong></td>
<td>8.0%</td>
<td>7.4%</td>
<td>8.5%</td>
<td></td>
</tr>
<tr>
<td><strong>FCF</strong></td>
<td>1,423</td>
<td>1,004</td>
<td>1,282</td>
<td></td>
</tr>
</tbody>
</table>

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

Note:  
(1) Costs exclude depreciation, amortization, impairment and liquidation  
(2) Pro-forma estimates for 2015 based on consolidated results of Polsat Group for 2015, while Midas Group data is forecasted based on 9M 2015 performance
1Q’16 Pro-forma financial results
Full quarterly consolidation of Midas Group results
Pro-forma results of the Group

**Revenue**
- Q1'15: 2,255
- Q1'16: 2,284
  - Increase: +1.3%

**EBITDA**
- Q1'15: 897
- Q1'16: 865
  - Decrease: -3.6%

**LTM FCF**
- Q1'15: 1,008
- Q1'16: 1,319
  - Increase: +30.9%

**Net debt/EBITDA**
- Q1'16: 3.33x

Source: Pro-forma, Cyfrowy Polsat, Metelem, Midas, consolidated financial statements and internal analysis
Revenue and costs pro-forma – change drivers in Q1’16

Revenue

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q1'15 (m PLN)</th>
<th>Q1'16 (m PLN)</th>
<th>YoY change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment of services to individual and business customers</td>
<td>2,255</td>
<td>2,284</td>
<td>+1% +29 m</td>
</tr>
<tr>
<td>Broadcasting and TV production segment</td>
<td>10</td>
<td>16</td>
<td>3</td>
</tr>
<tr>
<td>Consolidation adjustments</td>
<td>3</td>
<td></td>
<td></td>
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</tbody>
</table>

Operating costs

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q1'15 (m PLN)</th>
<th>Q1'16 (m PLN)</th>
<th>YoY change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment of services to individual and business customers</td>
<td>1,863</td>
<td>1,875</td>
<td>+1% +12 m</td>
</tr>
<tr>
<td>Broadcasting and TV production segment</td>
<td>-7</td>
<td>16</td>
<td>3</td>
</tr>
<tr>
<td>Consolidation adjustments</td>
<td>3</td>
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</tbody>
</table>

Source: Pro-forma, Cyfrowy Polsat, Metelem, Midas, consolidated financial statements and internal analysis
EBITDA pro-forma – change drivers in Q1’16

Source: Pro-forma, Cyfrowy Polsat, Metelem, Midas, consolidated financial statements and internal analysis
Pro-forma revenue structure in Q1’16

<table>
<thead>
<tr>
<th>Revenue Type</th>
<th>Q1'15</th>
<th>Q1'16</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail revenue</td>
<td>1,637</td>
<td>1,566</td>
<td>-4%</td>
</tr>
<tr>
<td>Wholesale revenue</td>
<td>484</td>
<td>521</td>
<td>+8%</td>
</tr>
<tr>
<td>Sale of equipment</td>
<td>118</td>
<td>174</td>
<td>+47%</td>
</tr>
<tr>
<td>Other revenue</td>
<td>15</td>
<td>23</td>
<td>+53%</td>
</tr>
</tbody>
</table>

- The decrease of revenue from voice services has been partly compensated by growing revenue from Internet access services.
- Growing revenue of TV Polsat from advertising as well as growing IC settlements translate to better dynamics of wholesale revenue.
- Higher revenue from equipment sales is the outcome of gradually growing installment plan sales, lower subsidies, as well as the optimization of stock levels.

Source: Pro-forma, Cyfrowy Polsat, Metelem, Midas, consolidated financial statements and internal analysis.
Pro-forma operating costs structure in Q1’16

- Lower cost of depreciation of telecommunication infrastructure
- Technical costs influenced by growing IC costs
- Content costs have been affected by higher costs of sport events and higher cost of amortization of film licenses
- Higher recognized accounting (non-cash) sales commission costs affect the dynamics of distribution, marketing, customer relation management and retention costs

Source: Pro-forma, Cyfrowy Polsat, Metelem, Midas, consolidated financial statements and internal analysis
## Pro-forma cash flow statement in Q1’16

<table>
<thead>
<tr>
<th>Cash and cash equivalents at the beginning of the period</th>
<th>Net cash from operating activities</th>
<th>Borrowings</th>
<th>Bonds redemption</th>
<th>Repayment of loans and borrowings capital</th>
<th>CAPEX(1)</th>
<th>Concession payments(2)</th>
<th>Early redemption fee</th>
<th>Hedging instrument effect – principal</th>
<th>Payment of interest on loans, borrowings, bonds, Cash Pool, finance lease and commissions</th>
<th>Other cash flows</th>
<th>Cash and cash equivalents at the end of the period</th>
</tr>
</thead>
<tbody>
<tr>
<td>(mPLN)</td>
<td>1,689.1</td>
<td>559.3</td>
<td></td>
<td>-4,483.8</td>
<td>-924.3</td>
<td>-124.0</td>
<td>-347.7</td>
<td>175.4</td>
<td>-385.5</td>
<td>-26.4</td>
<td>1,570.0</td>
</tr>
</tbody>
</table>

Source: Pro-forma, Cyfrowy Polsat, Metelem, Midas, consolidated financial statements and internal analysis

Note: (1) excluding expenditures on set-top-boxes leased to customers
(2) purchase cost of 2.6GHz bandwidth in the LTE auction (PLN 155.75m) net of non-cash settlement of purchase (PLN 8.0m deducted from the auction deposit)
## Reconciliation of FCF pro-forma after interest

<table>
<thead>
<tr>
<th></th>
<th>Q1’16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash from operating activities</td>
<td>447</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>-25</td>
</tr>
<tr>
<td>Payment of interest on loans, borrowings, Cash Pool(^{(1)})</td>
<td>-470</td>
</tr>
<tr>
<td><strong>FCF after interest</strong></td>
<td></td>
</tr>
<tr>
<td>FCF of Midas Group in January-February 2016</td>
<td>105</td>
</tr>
<tr>
<td>Acquisition of Midas Group (including cash)</td>
<td>-262</td>
</tr>
<tr>
<td>One-off payment for the purchase of the 2.6 GHz band</td>
<td>156</td>
</tr>
<tr>
<td>Call option for the early redemption of HY PLK bonds</td>
<td>262</td>
</tr>
<tr>
<td>Effect of cash settlement of hedging transactions for nominal HY PLK bonds</td>
<td>-175</td>
</tr>
<tr>
<td>Short-term deposits</td>
<td>12</td>
</tr>
<tr>
<td><strong>Adjusted FCF after interest</strong></td>
<td><strong>50</strong></td>
</tr>
</tbody>
</table>

### Adjusted FCF after interest\(^{(2)}\)

- HY PLK coupon, settlement of 2014 CAPEX
- Lower share of installment plan sales, advance CIT, lower CAPEX, lower interest
- HY PLK coupon, annual UMTS fee, higher CAPEX
- Higher YoY CAPEX
- The last HY PLK coupon, The first coupon for CP bonds
- Advance CIT settlement for 2015

<table>
<thead>
<tr>
<th></th>
<th>1Q’15</th>
<th>2Q’15</th>
<th>3Q’15</th>
<th>4Q’15</th>
<th>1Q’16</th>
</tr>
</thead>
<tbody>
<tr>
<td>HY PLK coupon, settlement of 2014 CAPEX</td>
<td>71</td>
<td>598</td>
<td></td>
<td>445</td>
<td>50</td>
</tr>
<tr>
<td>Lower share of installment plan sales, advance CIT, lower CAPEX, lower interest</td>
<td></td>
<td></td>
<td>226</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HY PLK coupon, annual UMTS fee, higher CAPEX</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Higher YoY CAPEX</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The last HY PLK coupon, The first coupon for CP bonds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advance CIT settlement for 2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**LTM PLN 1,319m**

Source: Pro-forma, Cyfrowy Polsat, Meteleem, 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 March 2016

### Our debt structure

<table>
<thead>
<tr>
<th>by type</th>
<th>Carrying amount as at 31 March 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes</td>
<td>15%</td>
</tr>
<tr>
<td>Banking debt</td>
<td>85%</td>
</tr>
</tbody>
</table>

### Our debt maturing profile

- **2016**: 
  - Combined SFA: 650 mPLN
  - MDS term loans: 375 mPLN

- **2017**: 
  - Combined SFA: 963 mPLN
  - MDS term loans: 913 mPLN

- **2018**: 
  - Combined SFA: 1,068 mPLN
  - MDS term loans: 963 mPLN

- **2019**: 
  - Combined SFA: 1,173 mPLN
  - MDS term loans: 1,068 mPLN

- **2020**: 
  - Combined SFA: 7,439 mPLN
  - MDS term loans: 3,046 mPLN
  - MDS Notes: 304 mPLN
  - Litenite Notes: 801 mPLN

Source: Consolidated financial statements for the 3 month period ended 31 March 2016 and internal analysis
Network roll-out – strategic directions
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

<table>
<thead>
<tr>
<th>Frequency Band</th>
<th>Capacity</th>
<th>Coverage Bands</th>
</tr>
</thead>
<tbody>
<tr>
<td>800 MHz</td>
<td>10 MHz</td>
<td>until 2031 LTE</td>
</tr>
<tr>
<td>900 MHz</td>
<td>5 MHz</td>
<td>until 31.12.2023 2G/3G</td>
</tr>
<tr>
<td>1800 MHz</td>
<td>19.6 MHz</td>
<td>until 31.12.2022 LTE</td>
</tr>
<tr>
<td>2100 MHz</td>
<td>15 MHz</td>
<td>until 01.01.2023 3G</td>
</tr>
<tr>
<td>2500/2600 MHz</td>
<td>50 MHz TDD</td>
<td>until 31.12.2024 LTE</td>
</tr>
</tbody>
</table>

Dotted squares represent frequency blocks used mainly for voice services, while solid filling represents frequency blocks used mainly for data transmission; 2G: GSM/GPRS/EDGE, 3G: UMTS/HSPA/HSPA+.

Source: UKE, own expertise
Only main frequencies are presented (excluding: Polkomtel’s 2,5MHz 420MHz, Orange’s 5Mhz 450Mhz, each of the 4 biggest MNO’s 5MHz 2100MHz TDD)
Capex excl. frequencies ranged between PLN 700-800 million in the past

Pro forma cash CAPEX and guidance

<table>
<thead>
<tr>
<th>Year</th>
<th>CAPEX (m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>756</td>
</tr>
<tr>
<td>2014</td>
<td>690</td>
</tr>
<tr>
<td>2015</td>
<td>811</td>
</tr>
</tbody>
</table>

<10% of revenue

2016-18 guidance

CAPEX guidance decomposition

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight in total revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV &amp; pay-TV</td>
<td>34%</td>
</tr>
<tr>
<td>telco</td>
<td>66%</td>
</tr>
<tr>
<td>blended</td>
<td>&lt;10%</td>
</tr>
</tbody>
</table>

2013-2015 CAPEX split

- TV and pay-TV: 14%
- administr. & other: 4%
- telco IT: 19%
- telco network (incl. MDS): 64%

Frequencies related payments (PLNm/EURm)

- 2013: 63 PLNm, 28 EURm
- 2014: 117 PLNm, 28 EURm
- 2015: 119 PLNm, 28 EURm
- 2016: 156 EURm
- 2017: 28 EURm
- 2018: 28 EURm

UMTS annual fee: 63 PLNm, 28 EURm
2.6GHz purchase: 117 PLNm, 28 EURm
1.8GHz renewal: 119 PLNm, 28 EURm

no renewal fees expected until 2020
Acquisition of Midas Group

a. Technical and financial aspects of the transaction
Key parameters of the transaction

• Polkomtel, a 100% subsidiary of Cyfrowy Polsat, has entered into agreement to acquire Litenite, a company controlling 66% shares in Midas Group

• The transaction involves the acquisition of Litenite’s net liabilities of ca. PLN 788 million\(^{(2)}\) and 1 EUR payment to Ortholuck for equity

• Implied equity value of Midas Group at PLN 0.81/ share

• Financing of the transaction from own resources

• Tender offer for the remaining 34% shares

Note: (1) company controlled by Zygmunt Solorz-Zak
(2) value of net liabilities as at 31 January 2016
Valuation approach

- Valuation based on ANBV (adjusted net book value) and DCF (discounted cash flow) approach
- Valuation based on “fair value” standard based on applied cost and income approach
- Purchase price in the transaction confirmed by fairness opinion issued by EY
- Valuation does not include synergies

Note: (1) 3.08.2015 – 28.02.2016
(2) 2.11.2015 – 28.02.2016
Acquisition of Midas Group

b. Business rationale of the transaction
Acquisition of key assets constituting an important element of the multiplay strategy

- Strong operational and business connections already exist between Midas Group and Polkomtel – Midas Group's assets are one of the cornerstones of the strategy of Cyfrowy Polsat Group.

- Unique frequencies are the key assets of Midas Group:
  - 1,800 MHz fully dedicated to LTE
  - 900 MHz fully dedicated to HSPA+
  - 800 MHz, with the first Polish LTE800 network on air.

- A continuous 19.6 MHz bandwidth block in the 1800 MHz spectrum, owned by Midas, currently allows only our customers to achieve transfer speed of up to 150 Mb/s.

- Additionally the network provides:
  - 96.8% LTE outdoor population coverage
  - >99% HSPA+ outdoor population coverage

Source: Polkomtel, Midas;
Note: (1) LTE800 and LTE1800 BTSs
Numerous advantages for Polsat Group and its stakeholders

| Key frequencies | • Securing the key frequencies and infrastructure used by our Group in providing mobile Internet access services, a key element of the multiplay strategy |
| Greater flexibility | • Adding flexibility in creating sales policy and both single play as well as multiplay tariffs, which is considered essential to the Group’s strategy |
| Lower costs of data transfer | • Elimination of costs that the Group incurs as an inherent effect of successful sales of services based on data transmission |
| Transparency | • Improved clarity of the shareholding structure of the Group and of key assets ownership, which is essential for a more transparent dialogue with our shareholders |
Additional information
## Shareholding structure

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

Note:  
(1) Reddev is an indirect subsidiary of Mr Zygmun Solorz-Żak  
(2) Entity controlled by Mr. Zygmun 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

<table>
<thead>
<tr>
<th>SEGMENT OF SERVICES TO INDIVIDUAL AND BUSINESS CUSTOMERS</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total number of RGUs</strong> (contract + prepaid)</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Total number of RGUs, including:</strong></td>
<td>11 532 547</td>
<td>11 516 833</td>
<td>11 605 099</td>
<td>11 735 100</td>
<td>11 799 951</td>
</tr>
<tr>
<td>Pay TV, including:</td>
<td>3 885 022</td>
<td>3 868 733</td>
<td>3 921 673</td>
<td>3 994 875</td>
<td>4 047 592</td>
</tr>
<tr>
<td>Multisport</td>
<td>394 001</td>
<td>416 027</td>
<td>470 578</td>
<td>510 617</td>
<td>559 997</td>
</tr>
<tr>
<td>Mobile telephony</td>
<td>6 985 015</td>
<td>6 978 192</td>
<td>6 976 594</td>
<td>6 979 590</td>
<td>6 941 638</td>
</tr>
<tr>
<td>Internet</td>
<td>662 510</td>
<td>669 908</td>
<td>706 832</td>
<td>760 635</td>
<td>810 721</td>
</tr>
<tr>
<td><strong>Total number of customers</strong></td>
<td>6 282 300</td>
<td>6 264 412</td>
<td>6 291 844</td>
<td>6 313 423</td>
<td>6 313 423</td>
</tr>
<tr>
<td><strong>ARPU per customer</strong> (PLN)</td>
<td>92.5</td>
<td>94.4</td>
<td>93.8</td>
<td>93.8</td>
<td>93.6</td>
</tr>
<tr>
<td><strong>Churn per customer</strong></td>
<td>1.84</td>
<td>1.84</td>
<td>1.86</td>
<td>1.86</td>
<td>1.86</td>
</tr>
<tr>
<td><strong>RGU saturation per one customer</strong></td>
<td>84.4%</td>
<td>84.4%</td>
<td>8.7%</td>
<td>8.7%</td>
<td>8.7%</td>
</tr>
<tr>
<td><strong>Average number of RGUs, including:</strong></td>
<td>11 497 022</td>
<td>11 521 707</td>
<td>11 558 288</td>
<td>11 659 474</td>
<td>11 559 123</td>
</tr>
<tr>
<td>Pay TV, including:</td>
<td>3 858 338</td>
<td>3 879 834</td>
<td>3 894 623</td>
<td>3 955 082</td>
<td>3 906 969</td>
</tr>
<tr>
<td>Multisport</td>
<td>358 652</td>
<td>406 943</td>
<td>443 744</td>
<td>494 506</td>
<td>425 961</td>
</tr>
<tr>
<td>Mobile telephony</td>
<td>6 986 951</td>
<td>6 977 393</td>
<td>6 978 772</td>
<td>6 974 525</td>
<td>6 979 410</td>
</tr>
<tr>
<td>Internet</td>
<td>651 733</td>
<td>664 480</td>
<td>684 893</td>
<td>729 867</td>
<td>682 743</td>
</tr>
<tr>
<td><strong>Average number of customers</strong></td>
<td>6 288 609</td>
<td>6 272 029</td>
<td>6 271 838</td>
<td>6 291 791</td>
<td>6 281 067</td>
</tr>
<tr>
<td><strong>PREPAID SERVICES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total number of RGUs, including:</strong></td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Pay TV</td>
<td>4 548 385</td>
<td>4 565 319</td>
<td>4 719 129</td>
<td>4 468 771</td>
<td>4 468 527</td>
</tr>
<tr>
<td>Multisport</td>
<td>4 350 525</td>
<td>4 243 880</td>
<td>4 144 131</td>
<td>4 175 145</td>
<td>4 108 909</td>
</tr>
<tr>
<td>Mobile telephony</td>
<td>4 385 742</td>
<td>4 379 630</td>
<td>4 475 541</td>
<td>4 471 810</td>
<td>4 717 810</td>
</tr>
<tr>
<td>Internet</td>
<td>770 069</td>
<td>104 248</td>
<td>159 050</td>
<td>218 946</td>
<td>218 946</td>
</tr>
<tr>
<td><strong>Average number of RGUs, including:</strong></td>
<td>4 549 031</td>
<td>4 532 090</td>
<td>4 635 182</td>
<td>4 599 374</td>
<td>4 578 919</td>
</tr>
<tr>
<td>Pay TV</td>
<td>78 707</td>
<td>73 828</td>
<td>68 740</td>
<td>77 953</td>
<td>74 807</td>
</tr>
<tr>
<td>Multisport</td>
<td>4 397 976</td>
<td>4 370 181</td>
<td>4 431 149</td>
<td>4 338 987</td>
<td>4 384 573</td>
</tr>
<tr>
<td>Mobile telephony</td>
<td>72 348</td>
<td>88 081</td>
<td>135 293</td>
<td>182 434</td>
<td>119 539</td>
</tr>
</tbody>
</table>

1) Customer – person, legal entity or an organizational unit without legal personality who has at least one active service provided in a contract model.
2) RGP (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 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 RGP – average monthly revenue per prepaid RGP generated in a given settlement period (including interconnect revenue).
## Key financial data

<table>
<thead>
<tr>
<th>mPLN</th>
<th>Q1'12</th>
<th>Q2'12</th>
<th>Q3'12</th>
<th>Q4'12</th>
<th>2012</th>
<th>Q1'13</th>
<th>Q2'13</th>
<th>Q3'13</th>
<th>Q4'13</th>
<th>2013</th>
<th>Q1'14</th>
<th>Q2'14</th>
<th>Q3'14</th>
<th>Q4'14</th>
<th>2014</th>
<th>Q1'15</th>
<th>Q2'15</th>
<th>Q3'15</th>
<th>Q4'15</th>
<th>Q1'16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>669.2</td>
<td>713.8</td>
<td>644.5</td>
<td>750.6</td>
<td>2,778.1</td>
<td>697.1</td>
<td>735.9</td>
<td>677.3</td>
<td>800.5</td>
<td>2,910.8</td>
<td>723.3</td>
<td>1,745.9</td>
<td>2,419.6</td>
<td>2,521.1</td>
<td>7,409.9</td>
<td>2,329.0</td>
<td>2,469.2</td>
<td>2,414.9</td>
<td>2,609.9</td>
<td>9,823.0</td>
</tr>
<tr>
<td>Retail revenue</td>
<td>424.0</td>
<td>427.1</td>
<td>434.4</td>
<td>446.6</td>
<td>1,732.1</td>
<td>451.7</td>
<td>452.0</td>
<td>460.3</td>
<td>466.1</td>
<td>1,830.1</td>
<td>467.8</td>
<td>1,204.5</td>
<td>1,710.7</td>
<td>1,701.7</td>
<td>5,084.7</td>
<td>1,637.2</td>
<td>1,652.0</td>
<td>1,643.3</td>
<td>1,620.6</td>
<td>6,553.1</td>
</tr>
<tr>
<td>Wholesale revenue</td>
<td>234.6</td>
<td>272.7</td>
<td>198.0</td>
<td>286.3</td>
<td>991.6</td>
<td>223.8</td>
<td>265.2</td>
<td>204.0</td>
<td>317.2</td>
<td>1,010.2</td>
<td>242.2</td>
<td>479.1</td>
<td>591.6</td>
<td>641.1</td>
<td>1,954.0</td>
<td>553.3</td>
<td>688.7</td>
<td>616.9</td>
<td>738.0</td>
<td>2,596.9</td>
</tr>
<tr>
<td>Sale of equipment</td>
<td>2.7</td>
<td>6.2</td>
<td>2.6</td>
<td>7.2</td>
<td>18.7</td>
<td>13.1</td>
<td>11.8</td>
<td>7.1</td>
<td>9.7</td>
<td>41.7</td>
<td>7.9</td>
<td>55.4</td>
<td>104.1</td>
<td>159.9</td>
<td>327.3</td>
<td>118.4</td>
<td>106.9</td>
<td>131.2</td>
<td>226.9</td>
<td>583.4</td>
</tr>
<tr>
<td>Other revenue</td>
<td>7.9</td>
<td>7.8</td>
<td>9.5</td>
<td>10.5</td>
<td>35.7</td>
<td>8.5</td>
<td>6.9</td>
<td>5.9</td>
<td>7.5</td>
<td>28.8</td>
<td>5.4</td>
<td>6.9</td>
<td>13.2</td>
<td>18.4</td>
<td>43.9</td>
<td>20.1</td>
<td>21.6</td>
<td>23.5</td>
<td>24.4</td>
<td>89.6</td>
</tr>
</tbody>
</table>

### Operating costs

| Q1'12 | -464.5 | -499.7 | -444.9 | -562.4 | -1,971.5 | -512.9 | -542.4 | -510.7 | -591.7 | -2,157.7 | -507.4 | -1,351.8 | -1,992.5 | -2,125.4 | -5,977.1 | -1,909.0 | -1,895.6 | -1,901.0 | -2,159.3 | -7,867.9 | -1,948.0 |
| Q2'12 | -206.8 | -226.6 | -171.5 | -219.0 | -823.9 | -207.5 | -239.1 | -219.3 | -260.7 | -927.0 | -210.6 | -260.9 | -262.4 | -295.6 | -1,029.5 | -235.5 | -274.0 | -257.3 | -299.1 | -1,065.9 | -248.5 |
| Q3'12 | -71.5 | -71.8 | -73.7 | -95.7 | -312.7 | -79.0 | -81.3 | -79.3 | -92.4 | -332.0 | -75.4 | -132.2 | -186.8 | -218.3 | -612.7 | -189.2 | -193.2 | -200.1 | -220.1 | -802.6 | -200.5 |
| Q4'12 | -54.4 | -56.7 | -60.2 | -71.7 | -283.0 | -60.7 | -62.3 | -64.8 | -68.6 | -256.4 | -62.5 | -311.3 | -478.3 | -443.8 | -1,295.9 | -467.9 | -393.5 | -401.2 | -436.7 | -1,699.3 | -423.7 |
| Q1'13 | -49.7 | -55.1 | -58.6 | -59.3 | -222.7 | -60.7 | -62.0 | -62.2 | -71.4 | -256.3 | -71.3 | -288.0 | -495.9 | -557.2 | -1,412.4 | -482.3 | -522.4 | -551.2 | -585.1 | -2,141.0 | -550.3 |
| Q2'13 | -40.6 | -43.9 | -38.9 | -58.6 | -178.4 | -43.1 | -41.9 | -40.4 | -53.2 | -178.6 | -44.6 | -108.2 | -118.0 | -150.9 | -421.7 | -129.1 | -140.8 | -122.3 | -158.0 | -550.2 | -137.9 |
| Q3'13 | -5.5 | -7.6 | -7.0 | -16.1 | -36.2 | -25.8 | -16.8 | -10.7 | -10.6 | -63.9 | -10.3 | -189.7 | -348.6 | -376.6 | -952.5 | -332.5 | -291.7 | -314.9 | -393.6 | -1,328.2 | -326.8 |
| Q4'13 | 5.9 | 8.4 | 5.3 | 7.8 | 27.4 | -6.4 | -9.3 | -5.3 | -7.2 | -28.2 | -6.7 | -18.1 | -15.3 | -27.5 | -67.6 | -18.7 | -27.8 | -8.5 | -7.6 | -62.6 | -9.6 |
| Q1'14 | 4.5 | 3.6 | 3.3 | 1.7 | 36.8 | 3.6 | 3.5 | 4.7 | -2.2 | 9.6 | 8.7 | 13.8 | 14.4 | -6.2 | 83.7 | 30.7 | 6.8 |

### EBITDA

| Q1'14 | 257.4 | 269.7 | 257.8 | 247.2 | 1,032.1 | 245.4 | 257.3 | 268.2 | 275.4 | 1,046.3 | 282.0 | 708.9 | 910.1 | 837.3 | 2,738.3 | 896.6 | 977.0 | 930.4 | 881.1 | 3,685.1 | 846.5 |
| Q2'14 | 38.5% | 37.8% | 40.0% | 32.9% | 37.2% | 35.2% | 35.0% | 39.6% | 34.4% | 35.9% | 39.0% | 40.6% | 37.6% | 33.2% | 37.0% | 38.5% | 39.6% | 38.5% | 33.8% | 37.5% | 35.8% |
### Glossary

<table>
<thead>
<tr>
<th><strong>RGU (Revenue Generating Unit)</strong></th>
<th>Single, active service of pay TV, Internet Access or mobile telephony provided in contract or prepaid model.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Customer</strong></td>
<td>Natural person, legal entity or an organizational unit without legal personality who has at least one active service provided in a contract model.</td>
</tr>
<tr>
<td><strong>Contract ARPU</strong></td>
<td>Average monthly revenue per Customer generated in a given settlement period (including interconnect revenue).</td>
</tr>
<tr>
<td><strong>Prepaid ARPU</strong></td>
<td>Average monthly revenue per prepaid RGU generated in a given settlement period (including interconnect revenue).</td>
</tr>
</tbody>
</table>
| **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. |
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