PKO BP & WSE

Polish Capital Day

London, 9-10th April 2013

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

**Largest pay-TV operator**
- Polsat
- 3.6 million subscribers

**Leading broadcaster**
- Polsat
- 20 channels under Polsat brand

**Leading online video platform**
- ipla
- 2.3 million real users

**Fastest growing LTE provider**
- LTE up to 150 Mb/s
- 50% coverage of Polish population
Constantly growing its business

Pay-TV subscribers

<table>
<thead>
<tr>
<th>Year</th>
<th>Million Subscribers EoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>2.73</td>
</tr>
<tr>
<td>2010</td>
<td>3.44</td>
</tr>
<tr>
<td>2012</td>
<td>3.57</td>
</tr>
</tbody>
</table>

+0.8 m

ARPU

<table>
<thead>
<tr>
<th>Year</th>
<th>ARPU PLN</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>35.3</td>
</tr>
<tr>
<td>2010</td>
<td>35.9</td>
</tr>
<tr>
<td>2012</td>
<td>39.3</td>
</tr>
</tbody>
</table>

+11%

Audience share

<table>
<thead>
<tr>
<th>Year</th>
<th>Audience Share %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>20.3%</td>
</tr>
<tr>
<td>2010</td>
<td>19.3%</td>
</tr>
<tr>
<td>2012</td>
<td>20.5%</td>
</tr>
</tbody>
</table>

maintained

Note: (1) “ARPU” relates to average net revenue per subscriber to whom we rendered services calculated as a sum of net revenue generated by our subscribers from our pay digital television services in the reporting period divided by the average number of subscribers to whom we rendered services in this reporting period.

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

Revenues

bn PLN

+PLN 1.7bn

2008: 1.1
2010: 1.5
2012 (1): 2.8

EBITDA

bn PLN

tripled

2008: 0.3
2010: 0.4
2012 (1): 1.0

Operating cash flow

m PLN

2.5x

2008: 316
2010: 0.2
2012 (1): 781

Note: (1) Financial results for 2012 include results of TV Polsat Group which were consolidated in 2011 since 20 April 2011
Source: Consolidated financial statements for year ended 31 December 2018, 2010, 2012 and internal analysis
2 Group Strategy
Our vision

We create and provide the most attractive content….

... using the best and latest technologies to deliver high quality multi-play services with the highest levels of customer satisfaction

**Strengthening our leadership in entertainment in Poland.**
Our strategic goals

- Building value of our customer base
- Building channels value
- Effectively managing costs
Thanks to complete portfolio of our products (pay TV, Internet, telephony, online video, online music) we can target a bigger addressable market and respond to the requirements of our customers in the future.

The addressable market

Today

- Households in Poland: 14.5
- Pay-TV: 11

The future

- Users of connected mobile devices: 12.5
- Households with 2 or more TV sets: 9
- Households without pay-TV: 3.5
- Low ARPU segment: 2.9

Source: Operators reports, GUS, PIKE, IDC, UKE, Report „Diagnoza Społeczna 2011“, Company’s estimates

Note: (1) Users of connected mobile devices defined as number of users of smartphones, tablets and laptops
(2) Low ARPU segment - below PLN 20
The multi-play potential

- Increasing role of multi-play services seen in all European countries
- Multi-play means TV, broadband and telephony for now – but the opportunity is greater than this
- The Polish market has enormous built-in potential – catching up with the rest of Europe

Source: European Commission - E-Communications Household Survey, June 2012
Maximising loyalty

- Ensuring customer satisfaction with
  - An attractive product mix
  - Excellent customer care

- Implementing effective retention programs

- Increasing numbers of multi-play customers

**Maintaining best-in-class churn**

- 8.6% (1)
- 10.2% (2)
- 14-15% (3)

Note: (1) Cyfrowy Polsat, 2012
(2) BSkyB, Annual Review 2012, refers to total average customers (RGU)
(3) Press interviews of CEO of nc+, March 2013
Several opportunities to increase ARPU over time

- Upgrade of existing customers
- Multi-play
- New products and services:
  - Multiroom
  - VOD, PPV
  - HD
- Migration between the platforms
- Selective price increases

Source: Cyfrowy Polsat, 2012; Western Europe – Informa, „Western European TV”, 14th edition
Note: (1) Blended ARPU
(2) Press interviews of CEO of nc+, March 2013
(3) Revenue in USD converted into PLN at the rate of PLN 3.0157 per 1 USD
Maintaining audience share

- Stable audience share supported by growing portfolio of thematic channels
- Maintaining share through
  - Distribution in all important market segments: DTT and pay TV
  - Effective investments in programming

Source: Nielsen Audience Measurement, all 16-49, all day, 2008 – 20112
Maximizing the growth potential

- Attractive portfolio of the channels, with a strong reach across the market
- Our policy is to perform at least in line with the advertising market
- Improving profile of the viewer constantly builds the growing value of our channels
Effectively managing costs

Programming
- Leveraging the large scale of our content deals
- Control over local content production

Technology
- Satellite transponders
- In-house IT solutions
- STB’s production

Finance
- Centralization of financial functions within the combined group
- Cash pooling
- Natural hedging

Back-office
- Ongoing optimizing of the group structures and procedure
3 Financial review
### Very good financial results of the Group

<table>
<thead>
<tr>
<th>in PLN m</th>
<th>2012(1)</th>
<th>YoY change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>2,783</td>
<td>↑ 17%</td>
</tr>
<tr>
<td><strong>Costs(2)</strong></td>
<td>1,751</td>
<td>↑ 6%</td>
</tr>
<tr>
<td><strong>EBITDA(3)</strong></td>
<td>1,032</td>
<td>↑ 40%</td>
</tr>
<tr>
<td><strong>EBITDA margin</strong></td>
<td>37.2%</td>
<td>↑ 6.1pp</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>598</td>
<td>↑ &gt;100%</td>
</tr>
</tbody>
</table>

- The increase in revenue and EBITDA mainly due to the consolidation of TV Polsat Group and the organic growth of the retail business segment.
- Strong EBITDA margin due to the effective cost policy and realized synergy effects.
- The net profit under the impact of the finance costs related to financing of the acquisition of TV Polsat and the positive effect of the valuation of Senior Notes denominated in EUR.

Source: Consolidated financial statements for year ended 31 December 2012 and internal analysis

Note: (1) Financial results for 2012 include results of TV Polsat Group which were consolidated in 2011 since 20 April 2011
(2) Costs do not include depreciation, amortization and impairment
(3) EBITDA includes one-off related to lower costs resulting from the agreement between TV Polsat and OZZPA (collective copyright management organizations) of PLN 25.4 million.
### Results of the Retail business segment (1)

<table>
<thead>
<tr>
<th>in PLN m</th>
<th>2012</th>
<th>YoY change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,808</td>
<td>▲ 9%</td>
</tr>
<tr>
<td>Costs (2)</td>
<td>1,176</td>
<td>= 0%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>632</td>
<td>▲ 31%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>35.0%</td>
<td>▲ 5.7pp</td>
</tr>
<tr>
<td>Net profit</td>
<td>592</td>
<td>▲ &gt;100%</td>
</tr>
</tbody>
</table>

- The growth in revenue from retail sales thanks to the steadily increasing ARPU and higher revenue from telecommunication services.
- Costs under control despite the negative impact of foreign exchange rates YoY.
- Significant impact of dividend from TV Polsat on the net profit and lower costs of financing resulting from the prepayment of the Senior Facility Loan.

Source: Consolidated financial statements for year ended 31 December 2012 and internal analysis

Note: (1) Consolidation of this segment includes: Cyfrowy Polsat S.A., Cyfrowy Polsat Trade Marks, Cyfrowy Polsat Finance, INFO-TV-FM (from 30 January 2012), the companies running ipla service (from 2 April 2012)

(2) Costs do not include depreciation, amortization and impairment.
### Results of the Broadcasting and television production segment

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>YoY change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,091</td>
<td>(1%)</td>
</tr>
<tr>
<td>Costs&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>691</td>
<td>(9%)</td>
</tr>
<tr>
<td>EBITDA&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>400</td>
<td>18%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>36.7%</td>
<td>5.8pp</td>
</tr>
<tr>
<td>Net profit</td>
<td>307</td>
<td>32%</td>
</tr>
</tbody>
</table>

- Decrease in revenue from advertising and sponsorship compensated by increase in revenue from cable and satellite operators.
- Decrease in costs as a result of lower programming costs and an agreement with OZZPA.
- Increase in EBITDA margin as a result of TV Polsat record high results achieved in the first quarter of this year and the reversal of provision for OZZPA.

Source: Telewizja Polsat Sp. z o.o. and internal analysis.

Note: (1) Consolidation of this segment include Telewizja Polsat Sp. z o.o. and all its subsidiaries.
(2) Costs do not include depreciation, amortization and impairment.
(3) EBITDA includes one-off related to lower costs resulting from the agreement between TV Polsat and OZZPA (collective copyright management organizations) of PLN 25.4 million.
# Cash flow

## Net cash flow, cash position and debt – 2012

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount (PLN m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents at the beginning of the period</td>
<td>278</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>781</td>
</tr>
<tr>
<td>Repayment of loans and borrowings (principal repayments)</td>
<td>-453</td>
</tr>
<tr>
<td>Repayment of interest (incl. from Cash pool)</td>
<td>-200</td>
</tr>
<tr>
<td>CAPEX$^{(1)}$</td>
<td>-91</td>
</tr>
<tr>
<td>Acquisition of subsidiary, net of cash acquired</td>
<td>46</td>
</tr>
<tr>
<td>Other flows</td>
<td>1</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the period</td>
<td>270</td>
</tr>
</tbody>
</table>

Source: Consolidated financial statements for year ended 31 December 2012 and internal analysis

Note: (1) Excluding expenditures on set-top-boxes and modems leased to subscribers
## Financial indebtedness

<table>
<thead>
<tr>
<th>in PLN m</th>
<th>Dec. 31, 2012</th>
<th>Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior facility (1)</td>
<td>868</td>
<td>2015</td>
</tr>
<tr>
<td>Senior Notes (1)</td>
<td>1,414</td>
<td>2018</td>
</tr>
<tr>
<td>Finance lease</td>
<td>1</td>
<td>2016</td>
</tr>
<tr>
<td>Cash and equivalents</td>
<td>270</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Debt</strong></td>
<td><strong>2,012</strong></td>
<td></td>
</tr>
<tr>
<td>Comparable 12M EBITDA (2)</td>
<td>1,032</td>
<td></td>
</tr>
<tr>
<td><strong>Net Debt / 12M EBITDA</strong></td>
<td><strong>1.95</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Currency structure of debt

- **PLN debt 38%**
- **EUR debt 62%**

### Senior Notes Rating

<table>
<thead>
<tr>
<th>Rating Agency</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard &amp; Poor’s</td>
<td>BB, positive outlook</td>
</tr>
<tr>
<td>Moody’s</td>
<td>Ba2, stable outlook</td>
</tr>
</tbody>
</table>
Outlook for 2013

External factors

- Implementation of DTT
- Ad market under pressure of external macroeconomic factors
- Increasing popularity of mobile devices
- Growing role of new media

Our guidance

- Further fragmentation of TV market
- Decline of TV ad market by 4-6%
- Further growth of mobile Internet market
- Further increase of value of pay-TV market based on ARPU increase

Our goals

Operational targets

- Maintaining the stable level of the subscriber base (excluding subscribers migrating to Multiroom)
- Further ARPU growth
- Dynamic growth of broadband users number
- Increase the penetration of our subscriber base with multiplay
- Maintaining the stable level of audience share above 20% on the fragmented market
- Further and effective competition on the advertising market

Finance targets

- Continued revenue growth
- Maintaining strong margins
- Debt level below 2x net debt/EBITDA
4 Recent transactions
Restructuring process of Polsat Group
Main objectives

- Concentration on the group’s core activities in the field of services for retail customers and broadcasting and TV production

- Disposal of RSTV S.A., provider of signal transmission services

- Acquisition of Polskie Media S.A., broadcaster of TV4 and TV6 channels
Disposal of RSTV S.A.

- Polsat Group entered into a conditional agreement for the disposal of RSTV S.A. to Emitel Sp. z o.o. for the amount of PLN 45.5m

- Main objective - focus on the Polsat Group’s core activities:
  - No additional savings for Telewizja Polsat relating to the ownership of the company providing transmission services
  - Strategy of development in DTT is capex consuming and difficult to implement
  - Lack of future synergies for the Group

- Precedent conditions:
  - Receiving consents from banks which are parties to the loan agreement (SFA)
  - Release of all security (on shares and assets of the Company) related to the loan agreement and bond issue
  - Court registration of the division of the company

- Pursuant to the loan agreement, all proceeds from the disposal will be used for prepayment of the term loan
Disposal of RSTV S.A.
Positive impact on Group’s results

- RSTV’s revenues structure in 2012 was:
  - Polsat Group – ca. 60%
  - Other radio and TV broadcasters – ca. 40%

- EBITDA generated on external partners in 2012 amounted to ca. PLN 4.5 million

- The transaction has a positive impact on the cash flow:
  - Lower nominal value of the loan and thus lower debt service costs in the future
  - No additional capex and opex required for the future development on the diametrically changing market
Telewizja Polsat entered into a conditional agreement for the acquisition of 100% of shares in Polskie Media S.A., a broadcaster of TV4 and TV6 channels.

The entity’s value amounts to PLN 99 million and shall be paid with own funds.

An independent opinion of KPMG Advisory, prepared for the Management Board of Cyfrowy Polsat, confirms that price terms of the planned transaction are fair from the point of view of Cyfrowy Polsat.

Acquisition of TV4 and TV6 channels is part of the group’s strategy to strengthen its market position by increasing audience share in the target group.

Precedent conditions:
- approval by the President of the Office of Competition and Consumer Protection
- acquisition of the registered shares from the company’s current minority shareholder

Transaction is expected to be finalized in July 2013.
Acquisition of shares in Polskie Media S.A.
Description of the acquired channels

**TV4**
- commencement of broadcasting: 1 April 2000
- signal transmission: terrestrial/DTT (MUX-2)/cable/satellite
- concession type: general entertainment channel
- avg. technical reach in 2012: 88%
- content: station offers a variety of programs, including documentaries and popular science (Galileo, Galileo Extra, STOP Drogówka, Tester), lifestyle (mała Czarna, Happy Hour), music (4music), interior (Dekoratorium), movies and series as well as sport broadcasts.

**TV6**
- commencement of broadcasting: 30 May 2011
- signal transmission: DTT (MUX-2)/cable/satellite
- concession type: youth channel
- avg. technical reach in 2012: 54%
- content: the programming offer includes greatest world entertainment hits such as American Idol, English Must be the Music, Got to Dance and Gordon Ramsey’s Master Chef, drama and animated series as well as reality shows. The programming offer also includes Polish productions such as animated series Wiatcy móch.

**Audience share of TV4**

<table>
<thead>
<tr>
<th>Year</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>2.7%</td>
</tr>
<tr>
<td>4Q'12</td>
<td>2.8%</td>
</tr>
</tbody>
</table>

**Audience share of TV6**

<table>
<thead>
<tr>
<th>Year</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>0.2%</td>
</tr>
<tr>
<td>4Q'12</td>
<td>0.3%</td>
</tr>
</tbody>
</table>

Source: NAM, all, 16-49, all day, SHR%; technical reach – the percentage of TV households able to receive the channel; arithmetic mean of the monthly reach in 2012; internal analysis
Acquisition of shares in Polskie Media S.A.

DTT – the fastest growing distribution segment for TV

We are committed to a balanced audience share of our channels across all distribution segments.

TV4 and TV6 channels operate in DTT - the fastest growing market segment – which will enable Polsat Group to strengthen its current market position.

Source: NAM, all, 16-49, all day, internal analysis
**Acquisition of shares in Polskie Media S.A.**

**Strengthening Telewizja Polsat’s market position**

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**DTT**

- **No. of channels**
  - **TV Polsat Group**: 4
  - **DTT market**: 20

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**Cab/Sat**

- **No. of channels**
  - **TV Polsat Group**: 22
  - **Cab/Sat market**: ca. 200\(^{(1)}\)

---

**Share of Polsat Group in 2012**

<table>
<thead>
<tr>
<th>Audience</th>
<th>Ad market</th>
</tr>
</thead>
<tbody>
<tr>
<td>23.5%</td>
<td>25.3%</td>
</tr>
</tbody>
</table>

---

Source: NAM, all, 16-49, all day, SHR%; Starlink, advertising spots and sponsoring; TV Polsat; internal analysis

Note (1) Company estimates
 Acquisition of shares in Polskie Media S.A.
Attractive valuation

- Disposal of the minority stake of Polskie Media by TVN SA results in a valuation of ca. PLN 118m\(^{(1)}\)

- According to our estimations the 2013F EV/EBITDA multiple is significantly lower than multiples of comparable transactions, including Telewizja Polsat acquisition

- Growing advertising revenues as a result of increased technical reach and launch of a new channel (TV6)

- Higher signal transmission costs till July 2013 resulting from simulcast transmission costs (analogue and DTT)

- We identified number of synergies with Polsat Group, which will positively impact the profitability of TV4 and TV6

- Polskie Media currently services a PLN 20m debt

### Financial results of Polskie Media

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>PLN million</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>68</td>
<td>71</td>
<td>76</td>
</tr>
<tr>
<td>EBITDA</td>
<td>12</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>Net profit/(loss)</td>
<td>3</td>
<td>(2)</td>
<td>(4)</td>
</tr>
</tbody>
</table>

Source: Polskie Media, Data according to Polish Accounting Standards; Data for 2012 based on unaudited financial statements
Note: (1) Report of TVN SA Capital Group for the year ended 31 December 2011
Acquisition of shares in Polskie Media S.A.
Transaction summary

- Strategic step to strengthen our position in the fragmented television market
- Attractive valuation

- Opportunity to increase advertising revenue on the basis of growing audience share and to increase profitability by eliminating doubled signal transmission costs (analogue and DTT)

- Potential synergies
  - Programming
    - Stronger negotiating power
    - Efficient management of content library
    - More flexibility in scheduling of FTA channels
  - Technical
  - Advertising, marketing, cross-promotion
  - Back-office
5 Appendix
5a Retail business segment
No. 1 in pay-TV market

Poland’s pay-TV market leader with 3.6m subscribers

% share in the total number of paying subscribers at the EOY

- CATV operators\(^2\) 41%
- Cyfrowy Polsat 32%
- IPTV\(^3\) 2%
- Other DTH operators\(^1\) 25%

Note: \(^1\) Based on own estimates and data published by operators (Annual reports of TVN S.A. Group and TP S.A. Group for 2012)
\(^2\) Based on own estimates and data published by PIKE
\(^3\) Based on own estimates and data published by operators (Annual reports of Telekomunikacja Polska S.A. Group and Netia S.A. for 2012)
Stable subscriber base with low churn rate and growing ARPU

Pay-TV subscribers base

<table>
<thead>
<tr>
<th>Month</th>
<th>Family Package (th.)</th>
<th>Mini Package (th.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 Dec 2011</td>
<td>3,552</td>
<td>2,785</td>
</tr>
<tr>
<td></td>
<td>767</td>
<td></td>
</tr>
<tr>
<td>31 Dec 2012</td>
<td>3,566</td>
<td>2,761</td>
</tr>
<tr>
<td></td>
<td>805</td>
<td></td>
</tr>
</tbody>
</table>

Note: (1) We define "churn rate" as the ratio of the number of contracts terminated during a twelve-month period to the average number of contracts during such twelve-month period. The number of terminated contracts is net of churning subscribers entering into a new contract with us no later than the end of the same twelve-month period as well as of subscribers who used to have more than one agreement and terminated one of them to replace it with the commitment to use Multiroom service.

(2) "ARPU" relates to average net revenue per subscriber to whom we rendered services calculated as a sum of net revenue generated by our subscribers from our pay digital television services in the reporting period divided by the average number of subscribers to whom we rendered services in this reporting period.

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

### Internet service users

<table>
<thead>
<tr>
<th></th>
<th>31 December 2011</th>
<th>31 December 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>(ths.)</td>
<td>73,190</td>
<td>150,199</td>
</tr>
</tbody>
</table>

### Mobile telephony service users\(^{(1)}\)

<table>
<thead>
<tr>
<th></th>
<th>31 December 2011</th>
<th>31 December 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>(ths.)</td>
<td>142,651</td>
<td>144,887</td>
</tr>
</tbody>
</table>

### Multiroom service users

<table>
<thead>
<tr>
<th></th>
<th>31 December 2011</th>
<th>31 December 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>(ths.)</td>
<td>107,186</td>
<td>427,200</td>
</tr>
</tbody>
</table>

### Set-top-box base structure

<table>
<thead>
<tr>
<th></th>
<th>31 December 2011</th>
<th>31 December 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>(%) share</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HD</td>
<td>51%</td>
<td>31%</td>
</tr>
<tr>
<td>SD</td>
<td>49%</td>
<td>69%</td>
</tr>
</tbody>
</table>

Note: (1) users of our MVNO service and our clients who bought Polkomtel’s mobile telephony service within cross promotion
Growing online video segment

- Ipla real users number increased to 2.3 m
- 1 m downloaded apps for Android and more than 0.5m for iOS and Windows Phone
- Almost 50% of total traffic is generated by mobile devices and SmartTV users\(^1\)
- No. of ipla’s video library increased to 40 ths.
- Increase to 2,149 titles, incl. 1,546 feature movies
- Change in ipla’s revenue structure in Q4’12 and 2012: 85% advertising and 15% subscription/VOD
- Positive EBITDA in Q4’12: PLN 0.7m (Oct.: 0m, Nov.: 0.6m, Dec.: 0.1m)

**Users of online video platforms**

<table>
<thead>
<tr>
<th>Platform</th>
<th>No. of RU in million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Onet Group - vod.pl</td>
<td>2.6</td>
</tr>
<tr>
<td>WP Group - wp.tv</td>
<td>2.6</td>
</tr>
<tr>
<td>Ipla Group</td>
<td>2.3</td>
</tr>
<tr>
<td>TVN Group - tvnplayer.pl</td>
<td>1.2</td>
</tr>
</tbody>
</table>

Source: Megapanel PBI/Gemius, RU – Real Users, monthly average Nov.-Dec. 2012 (no comparable data for the earlier period due to survey methodology changes), ipla Group – combined users of application and website ipla.tv

Note: (1) December 2012, users currently excluded in the Megapanel PBI/Gemius monitoring
Internet access offer

Coverage

**February 2013**
- HSPA/HSPA+: 93% population
- LTE: 50% population

**Roll-out plan**

**Next years**
- HSPA/HSPA+: 99% population
- LTE: 66% population

- The first commercial LTE provider in Poland
- 150 ths clients as of Dec.’12
- Two business models:
  - bundled service scheme for new and existing subscribers
  - stand alone offer

Wide range of devices

- Tablets
  - (Samsung Galaxy Tab 8.9 LTE, Manta MID and Ferguson S3)
- Laptop
  - (Acer Aspire E1)
- HSPA+/LTE modems
  - (Huawei E3276, Huawei E398, ZTE MF821)
- Routers
  - (Edimax LT-6408n, ZTE MF60)
Sample of our DTH offer(1)
> 500 TV channels, 10 Polish radio channels, catch-up TV and Multiroom HD

<table>
<thead>
<tr>
<th>Package</th>
<th># of channels(2)</th>
<th>Price (PLN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAMILY MAX HD</td>
<td>87</td>
<td>49.90</td>
</tr>
<tr>
<td>+ SPORT HD</td>
<td>87</td>
<td>Family Max HD + 10.00</td>
</tr>
<tr>
<td>+ FILM HD</td>
<td>87</td>
<td>Family Max HD + 18.00</td>
</tr>
<tr>
<td>+ HBO HD</td>
<td>87</td>
<td>Family Max HD + 25.00</td>
</tr>
<tr>
<td>+ CINEMAX HD</td>
<td>87</td>
<td>Family Max HD + 15.00</td>
</tr>
</tbody>
</table>

Temporary promotional packages 32 14.90

Note: (1) as of March 18, 2013; (2) including promotional channels; (3) temporary flexible packages, with one of them as promotional
5b  Broadcasting and tv production segment
Portfolio of TV Polsat Group channels

**DTT**

- **No. of channels**
  - TV Polsat Group: 2
  - DTT segment: 20

**Cab/Sat**

- **No. of channels**
  - TV Polsat Group: 20
  - Cab/sat segment: ca. 200 (1)

**TV Polsat Group market position in 2012**

- **Audience share**: 20.5%
- **Ad market share**: 23.2%

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

Note (1) Company estimates
Audience share

Stable audience share

<table>
<thead>
<tr>
<th>YoY % change</th>
<th>Polsat Group</th>
<th>TVN Group</th>
<th>TVP Group</th>
<th>Other DTT (1)</th>
<th>Other cab-sat</th>
</tr>
</thead>
<tbody>
<tr>
<td>-1%</td>
<td>20.8%</td>
<td>22.0%</td>
<td>29.4%</td>
<td>5.2%</td>
<td>22.7%</td>
</tr>
<tr>
<td>0%</td>
<td>20.5%</td>
<td>21.9%</td>
<td>27.2%</td>
<td>7.1%</td>
<td>23.3%</td>
</tr>
<tr>
<td>-7%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>+36%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>+3%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: (1) ATM Rozrywka, ESKA TV, Polo TV, TV Puls, Puls2, TV4, TV6
Source: NAM, All 16-49, all day, SHR%; internal analysis
**Growth in ad market share**

(PLN m)  

<table>
<thead>
<tr>
<th>Year</th>
<th>Others (PLN m)</th>
<th>TV Polsat (PLN m)</th>
<th>YoY % change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>3,007</td>
<td>876</td>
<td>-3.0%</td>
</tr>
<tr>
<td>2012</td>
<td>2,814</td>
<td>850</td>
<td>-5.6%</td>
</tr>
</tbody>
</table>

Ad market share:  
- **2011**: 22.6%  
- **2012**: 23.2%

**Note:** (1) Revenue from advertising and sponsoring of TV Polsat Group according to Starlink’s definition

**Source:** Starlink, airtime and sponsoring; TV Polsat; internal analysis
Polish market overview

Rebound in ad spend

Stable share for TV (1)

Note: (1) Zenith Optimedia estimates
5c Additional financial slides
Revenue and EBITDA – growth drivers

**Revenue\(^{(1)}\)**

<table>
<thead>
<tr>
<th>Segment</th>
<th>Revenue 2011 (PLN m)</th>
<th>Revenue 2012 (PLN m)</th>
<th>YoY change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail business segment</td>
<td>2,365.9</td>
<td>2,778.2</td>
<td>+17%</td>
</tr>
<tr>
<td>Broadcasting and television production segment</td>
<td>161.2</td>
<td>295.0</td>
<td>+40%</td>
</tr>
<tr>
<td>Broadcasting and television production segment</td>
<td>-43.9</td>
<td>-43.9</td>
<td>-36%</td>
</tr>
</tbody>
</table>

**EBITDA**

<table>
<thead>
<tr>
<th>Segment</th>
<th>EBITDA 2011 (PLN m)</th>
<th>EBITDA 2012 (PLN m)</th>
<th>YoY change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail business segment</td>
<td>735.2</td>
<td>1,032.2</td>
<td>+40%</td>
</tr>
<tr>
<td>Broadcasting and television production segment</td>
<td>150.0</td>
<td>147.0</td>
<td>-2%</td>
</tr>
<tr>
<td>Broadcasting and television production segment</td>
<td>31.1%</td>
<td>34%</td>
<td>-3%</td>
</tr>
</tbody>
</table>

Source: Consolidated financial statements for year ended 31 December 2012 and internal analysis
Note: (1) Revenue does not include „Other operating income”
**Revenue structure**

### Revenue in 2012 vs. 2011

<table>
<thead>
<tr>
<th>Source of Revenue</th>
<th>2012 (PLN m)</th>
<th>2011 (PLN m)</th>
<th>YoY % change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail sales</td>
<td>1,735</td>
<td>1,595</td>
<td>+9%</td>
</tr>
<tr>
<td>Advertising and sponsorship revenue</td>
<td>634</td>
<td>853</td>
<td>+34%</td>
</tr>
<tr>
<td>Revenue from cable and satellite operator fees</td>
<td>19</td>
<td>61</td>
<td>+53%</td>
</tr>
<tr>
<td>Sale of equipment</td>
<td>73</td>
<td>19</td>
<td>+13%</td>
</tr>
<tr>
<td>Other revenues, incl.:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Sales of licenses, sublicenses and property rights</td>
<td>82</td>
<td>73</td>
<td>+14%</td>
</tr>
<tr>
<td>- The lease of premises and facilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Transmission services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Other sales revenues</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Other operating income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,783 m</strong></td>
<td><strong>2,380 m</strong></td>
<td>+17%</td>
</tr>
</tbody>
</table>

### Revenue breakdown

- **Retail sales**: 62% of total revenue (2012: PLN 1,735 m, 2011: PLN 1,595 m, +9%)
- **Advertising and sponsorship revenue**: 3% of total revenue (2012: PLN 634 m, 2011: PLN 853 m, +34%)
- **Revenue from cable and satellite operator fees**: 1% of total revenue (2012: PLN 19 m, 2011: PLN 61 m, +53%)
- **Sale of equipment**: 1% of total revenue (2012: PLN 73 m, 2011: PLN 17 m, +13%)
- **Other revenues, incl.:**: 3% of total revenue (2012: PLN 82 m, 2011: PLN 73 m, +14%)

Source: Consolidated financial statements for year ended 31 December 2012 and internal analysis
Cost structure

### Operating costs in 2012 vs. 2011

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>2012 (PLN m)</th>
<th>2011 (PLN m)</th>
<th>YoY % change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programming costs</td>
<td>360</td>
<td>415</td>
<td>-13%</td>
</tr>
<tr>
<td>TV production and amortization of sport rights</td>
<td>271</td>
<td>351</td>
<td>+30%</td>
</tr>
<tr>
<td>Distribution, marketing, customer relation management and retention costs</td>
<td>313</td>
<td>312</td>
<td>0%</td>
</tr>
<tr>
<td>Depreciation, amortization and impairment</td>
<td>175</td>
<td>243</td>
<td>+39%</td>
</tr>
<tr>
<td>Salaries and employee-related costs</td>
<td>178</td>
<td>149</td>
<td>+20%</td>
</tr>
<tr>
<td>Broadcasting and signal transmission costs</td>
<td>150</td>
<td>115</td>
<td>+31%</td>
</tr>
<tr>
<td>Amortization of purchased film licenses</td>
<td>112</td>
<td>93</td>
<td>+20%</td>
</tr>
</tbody>
</table>

Other costs, incl.:
- Broadcasting and signal transmission costs
- Cost of equipment sold
- Cost of debt collection services and bad debt allowance and receivables written off
- Cost of settlements with mobile network operators and interconnection charges
- Other costs

Total 2012: PLN 1,994 m  +10% compared to 2011: PLN 1,820 m

### Operating costs breakdown

- **Programming costs** 18% (PLN 360m)
- **Cost of internal and external TV production and amortization of sport rights** 5.5% (PLN 271m)
- **Distribution, marketing, customer relation management and retention costs** 7.5% (PLN 313m)
- **Depreciation, amortization and impairment** 12% (PLN 175m)
- **Salaries and employee-related costs** 16% (PLN 178m)
- **Broadcasting and signal transmission costs** 14% (PLN 150m)
- **Amortization of purchased film licenses** 18% (PLN 112m)
- **Other costs** 18% (PLN 93m)

Source: Consolidated financial statements for year ended 31 December 2012 and internal analysis
5d Corporate governance
Performance of Cyfrowy Polsat shares in 2012

(indexed; 100 = closing price on December 31, 2011)

- **Acquisition of shares in entities running ipla platform**
  - March 12

- **Recommendation for distribution of profit for 2011 / April 18**

- **Upgrade of ratings by S&P and Moody’s**
  - June 14 / July 23

- **Prepayment of a part of the Term Loan**
  - August 29

- **Memorandum of Understanding with Mobyland concerning the agreement for Data Transfer Services / September 28**

- **Publication of results for 2011**
  - March 12

- **Publication of results for 1Q12**
  - May 15

- **Publication of results for 1H12**
  - August 30

- **Publication of results for 3Q12**
  - November 14

Performance of Cyfrowy Polsat shares since the announcement of TV Polsat acquisition

Conditional purchase agreement of shares in TV Polsat / Nov. 15, 2010
Introduction into trading of H series shares / May 30, 2011
Acquisition of shares in entities running ipla platform / Mar. 12, 2012

Note: (1) change: Dec. 28, 2012 vs. Dec. 30, 2011
### 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>Pola Investments Ltd.</strong>, incl.:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- privileged registered shares</td>
<td>152 504 876</td>
<td>43.78%</td>
<td>305 009 752*</td>
<td>57.79%*</td>
</tr>
<tr>
<td>- bearer shares</td>
<td>1 699 420</td>
<td>0.49%</td>
<td>1 699 420</td>
<td>0.32%</td>
</tr>
<tr>
<td><strong>Sensor Overseas Ltd.</strong>, ncl.:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- privileged registered shares</td>
<td>25 041 375</td>
<td>7.19%</td>
<td>50 082 750</td>
<td>9.49%</td>
</tr>
<tr>
<td>- bearer shares</td>
<td>299 897</td>
<td>0.09%</td>
<td>299 897</td>
<td>0.06%</td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td>168 807 268</td>
<td>48.46%</td>
<td>170 678 518</td>
<td>32.34%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>348 352 836</td>
<td>100.00%</td>
<td>527 770 337</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

1. Pola Investments Ltd. is controlled by the family foundation (trust) TIVI Foundation.
2. Sensor Overseas Ltd. is controlled by Mr. Heronim Ruta.

*On February 12, 2013, the Company was informed that on February 7, 2013, Pola Investments Ltd. ("Pola") received from Sensor Overseas Limited the proxy to exercise voting rights from 20,791,375 privileged registered shares of the Company, constituting 5.97% of the Company’s share capital and representing 41,582,750 votes at the general meeting of the Company, which is 7.88% of the total number of votes (the "Proxy"). After receiving of the Proxy, Pola holds and is entitled to exercise voting rights from 174,995,671 shares of the Company, that constitute 50.24% of the Company's share capital and represents 348,291,922 votes at the general meeting of the Company, which is 65.99% of the total number of votes in the Company.

The abovementioned package includes:

a) 173,296,251 privileged registered shares constituting 49.75% of the Company’s share capital and representing 346,592,502 votes at the general meeting of the Company, which constitutes 65.67% of the total number of votes in the Company, and

b) 1,699,420 bearer shares constituting 0.49% of the Company’s share capital and representing 1,699,420 votes at the general meeting of the Company, which constitutes 0.32% of the total number of votes in the Company.
Contact us

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Investor Relations Director
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Fax. +48 (22) 356 6003
Email: bdrywa@cyfrowypolsat.pl

Or visit our website: www.cyfrowypolsat.pl/inwestor