Investor Presentation
Q2’14 financial results

September 2014

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.
Contents

1. Who we are
2. Our market strategy
3. Operating results in Q2’14
4. Realization of synergies
5. Financial results in Q2’14
6. Executive summary
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

- Poland’s largest and Europe’s fourth largest satellite platform
- Operator of Plus mobile telecommunication network, one of the leading mobile networks in Poland and the leader in implementing innovative solutions
- Leading commercial broadcaster in Poland in terms of both audience and advertising market shares
- Leader of the online video market in Poland
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

- CATV operators\(^2\) 44%
- IPTV\(^3\) 2%
- nc+ 20\(^%\)\(^1\)

Share of contracted subscribers segment\(^4\)

- Play 19.1%
- plus 27.3%
- T-Mobile 25.8%
- Orange 27.7%

Note: 
\(^1\) based on own estimates and data published by operators
\(^2\) Data as at the end of Q3’2013, based on own estimates and data published by PIKE
\(^3\) based on own estimates and data published by operators
\(^4\) Q2’13, Polkomtel, internal analysis
TV broadcasting and video online

- Portfolio of 26 channels, providing us with 23% audience share
- Strong position on the TV ad market, with 24.9% market share
- IPLA – our own online video platform, with 4.6m users in Q2’14

**Audience share**

- Polsat Group 23.0%
- TVP Group 25.2%
- CabSat 22.2%
- Other DTT^{(1)} 7.7%
- Others 75.1%

**TV ad market share**

- Polsat Group 24.9%
- Others 75.1%

Source: NAM, All 16-49, all day, SHR%, 1H’14; Starlink, airtime and sponsoring; TV Polsat internal analysis
Note: (1) ATM Rozrywka, ESKA TV, Polo TV, TV Puls, Puls2, Stopklatka TV growth y/y by 35%
Leader of LTE technology

1. The biggest LTE network coverage – 67% of population

2. Wide range of mobile devices

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

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.
Wide range of devices

**Modems and routers**

- **Router HUAWEI B593s LTE**
  - LTE up to 150 Mb/s

- **Modem ZTE MF823 LTE**
  - LTE up to 150 Mb/s

- **Modem HUAWEI E5372**
  - LTE up to 150 Mb/s

- **Modem ZTE MF28D LTE**
  - LTE – up to 100 Mb/s

- **Router ZTE MF28D LTE**
  - LTE – up to 100 Mb/s

**Big screen**

- Lenovo Yoga Tablet 10 3G
- Huawei MediaPad 10 Link
- Acer Iconia A1-811 3G

**Small screen**

- Sony Xperia E1
- Nokia Lumia 630
- Samsung Galaxy Ch@t
- Sony Xperia E
- Acer Aspire E1-570 + Huawei E3272

- **Modem Huawei E5372**
  - LTE up to 150 Mb/s
## Unique offering

<table>
<thead>
<tr>
<th></th>
<th>nC+</th>
<th>UPC</th>
<th>T</th>
<th>orange</th>
<th>PLAY</th>
<th>plus</th>
<th>CYFROX</th>
<th>POLSAT</th>
<th>iPLA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key content</td>
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<td>-</td>
<td>-</td>
<td>-</td>
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<td>X</td>
<td>-</td>
<td>X</td>
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<td>Smartphones</td>
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<td>-</td>
<td>X</td>
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<td>X</td>
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<td>-</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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<td></td>
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<td>X</td>
<td>-</td>
<td>-</td>
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<td>X</td>
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<td>Broadband</td>
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<tr>
<td>Voice</td>
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<td>X</td>
<td>X</td>
<td>-</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

Source: Operator’s websites; products and services provided with its own infrastructure, or using MVNO model
Cyfrowy Polsat Group - major facts\(^{(1)}\)

- **6.2m customers\(^{(2)}\)**
- **16.2m RGU**
  - 12.0 contract services
  - 4.2 prepaid services
- **1.93 RGU per customer\(^{(2)}\)**
- **PLN 85.3 ARPU per customer\(^{(2)}\)**
- **10.6m mobile telephony**
- **4.3m pay TV**
- **1.4m Internet**

Note: (1) rounded figures
(2) contract customers only
2. Our market strategy
Our vision

*Entertainment and telecoms market leader in Poland.*

We will continue to produce and deliver the most attractive content and telecoms services, using the best and the latest technologies, in order to provide high quality multi-play services which address changing needs, while maintaining the highest levels of customer satisfaction.
Market environment

- Convergence of media and telecommunications is a fact and is already happening all over the world

- Existing market trends allow operators to combine basic services (TV, Internet, Telephone)

- Today, operators offer much more (VAS, OTT, etc.)

- Polish market of multi-play services has enormous potential – to catch up the rest of Europe

Multi-play penetration in Europe

Source: European Commission - E-Communications Household Survey, November 2013
Our opportunities and market challenge

• We have the largest customer base in Poland – which provides us with a huge potential for cross-selling

• We have an attractive and unique portfolio of products and services on the Polish market

• Our biggest market challenge is an effective growth of our customer base loyalty and consistent development of revenue per client
Multiplay offer

- Pay-TV, mobile telephony and Internet – all services bundled under the SmartDOM offer
- So far this offer was addressed only to existing customers of Plus and Cyfrowy Polsat
- Simple and flexible mechanism that provides customers with clear benefits from the purchase of additional services of the group
Loyalty program - „Paszport Korzyści”

- Loyalty program dedicated to all customers of Cyfrowy Polsat, Plus and Plus Bank
- Wide range of benefits
  - special offers provided by program partners (i.a. Axa Assistance, Eurocash, Orlen, Superpolisa.pl, Telepizza)
  - lead back – after receiving the "Benefit Card" the user can choose from the partner’s offers, and collects funds with every transaction, which can be used for discounts on all services of the program holders
  - attractive entertainment package - special rewards, the opportunity to participate in contests, raffles and tickets for volleyball, music festivals, etc.
- The program will be developed in the near future by introducing offers of new partners
3. Operating results in Q2’14
3. Operating results in Q2’14

3.1 Segment of services to individual and business customers
Cyfrowy Polsat Group – major facts

6.2m customers \(^{(2)}\)

16.2m RGU

12.0 contract services

4.2 prepaid services

1.93 RGU per customer \(^{(2)}\)

10.6m mobile telephony

PLN 85.3 ARPU per customer \(^{(2)}\)

4.3m pay TV

1.4m Internet

Note: (1) rounded figures
(2) contract customers only
Development of Cyfrowy Polsat Group

<table>
<thead>
<tr>
<th>Year</th>
<th>Internet</th>
<th>Pay TV</th>
<th>Mobile telephony</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td>4,290</td>
<td></td>
</tr>
<tr>
<td>Q2'14</td>
<td>1,360</td>
<td>4,322</td>
<td>10,568</td>
</tr>
</tbody>
</table>

th.s. RGU
Loyal contract customer base

- Unique contract customer base forms the foundation of our multiplay strategy
- Stable churn ratio
- Strategy of maximization of sale of products and services per customer:
  - ARPU per customer at the level of PLN 85.3
  - RGU per customer of 1.93

![Bar chart showing number of contract customers and churn rate for Q2'13 and Q2'14]

- Number of contract customers
- Churn

<table>
<thead>
<tr>
<th></th>
<th>Q2'13</th>
<th>Q2'14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of contract customers</td>
<td>6.3 m</td>
<td>6.2 m</td>
</tr>
<tr>
<td>Churn</td>
<td>8.8%</td>
<td>8.8%</td>
</tr>
</tbody>
</table>
Beginning of growth of contract services

- Base of RGU contract services mainly growing as a result:
  - Cross-selling of core services to a combined customer base of Cyfrowy Polsat and Polkomtel
  - Increasing role of mobile Internet as the most frequently chosen no. 2 product in SmartDOM offer
  - Multiroom service being the engine of dynamic growth of the number of active pay TV services

<table>
<thead>
<tr>
<th></th>
<th>Q2'13</th>
<th>Q2'14</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>11.9m</td>
<td>12.0m</td>
</tr>
<tr>
<td>Internet</td>
<td>0.9 m</td>
<td>1.1 m</td>
</tr>
<tr>
<td>Pay TV</td>
<td>4.1 m</td>
<td>4.3 m</td>
</tr>
<tr>
<td>Mobile telephony</td>
<td>6.9 m</td>
<td>6.6 m</td>
</tr>
</tbody>
</table>

Legend:
- Internet
- Pay TV
- Mobile telephony
Prepaid services

• Active base of prepaid services customers is a stable source of revenue and offers potential for migration of customers to the contract base in the future

• ARPU per prepaid RGU amounted to PLN 17.9 in Q2’14

• Number of SIMs for prepaid services based on the current practice of the Polish telecommunication market (12M+) would amount to 6.4m

Note: The number of reported RGU for prepaid mobile telephony and Internet access services denotes the number of SIM’s which made or received a call, send or received an SMS/MMS, or used data transmission services during the most recent 90 days
Effective implementation of multiplay strategy

- Excellent sales results
  - Already 300 ths. customers joined SmartDOM offer (acquired from mid-February to the present day)
  - Number of RGUs held by this group of customers amounts to over 1 million
  - Marketing communication also positively affected sales of single play offers
  - SmartDOM has positive impact on contract customers ARPU
3. Operating results in Q2’14

3.2 TV broadcasting and production segment
Viewership of our channels in Q2’14

- Very good viewership results for our spring scheduling
  - Our main TV channel maintained its leadership in spite of progressing market fragmentation and broadcasting of FIFA World Cup in Brazil by the TVP group channels in Q2’14
  - Viewership of our remaining channels increased mainly thanks adding TV4 and TV6 to our group

Source: NAM, All 16-49, all day, SHR%; internal analysis
Note: (1) ATM Rozrywka, ESKA TV, Polo TV, TV Puls, Puls2, Stopklatka TV growth y/y by 37%
Position on the advertising market in Q2’14

- Polsat TV Group’s revenue from TV advertising and sponsoring was growing much faster than the market average thanks to dynamic growth of revenue from the Group’s existing channels as well thanks to consolidation, from September 2013, of the results of TV4 and TV6.
- Our share in the TV advertising market increased to 24.8%.

### Expenditures on TV advertising and sponsoring

<table>
<thead>
<tr>
<th></th>
<th>Q2'13</th>
<th>Q2'14</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Polsat TV Group</td>
<td>1,022</td>
<td>1,076</td>
<td>+5.3%</td>
</tr>
</tbody>
</table>

### Revenue from advertising and sponsoring of TV Polsat Group

<table>
<thead>
<tr>
<th></th>
<th>Q2'13</th>
<th>Q2'14</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Polsat TV Group</td>
<td>224</td>
<td>267</td>
<td>+19.4%</td>
</tr>
</tbody>
</table>

Source: Starlink, airtime and sponsoring; TV Polsat; internal analysis
Note: (1) Revenue from advertising and sponsoring of TV Polsat Group according to Starlink’s definition.
4. Realization of synergies
Estimated synergies

Revenue: ca. PLN 2.0 bn
Costs: ca. PLN 1.5 bn
Financial: ca. PLN 0.5 bn

ca. PLN 4.0 bn cumulative until the end of 2019

Source: Company estimates of synergies coming from the acquisition of Metelem Holdings Limited, finalized on 7 May 2014
Realization of synergies

• Continuation of operational integration of Cyfrowy Polsat and Polkomtel
  • Appointment of Dominik Libicki, CP President and CEO to the position of PLK Vice-President
  • Appointment of Tobias Solorz, President of PLK, to the position of Vice-President of CP
  • Appointment of Tomasz Szeląg, CP Board Member, to the position of PLK Board Member and entrusting him with the management of financial matters of the whole capital group

• Continuation of implementation of numerous projects with a view to accomplish the planned synergies in the following areas:
  • Marketing
  • Sales
  • Customer Service and Retention
  • IT
  • Finance

• Realization of announced financial synergies
  • New credit facilities agreement for CP
  • Repayment of CP’s old bank loan, redemption of CP Senior Notes (7.125%)
  • redemption of PLK PIK Notes (14.25%)
Mid-term operational goals

- **Joint offerings**: Completed
- **Joint Call Center**: Project in progress
  - Finalization expected in 2016
- **IT systems integration**: Project in progress
  - Finalization expected in 2016
- **One sales network**: Project in progress
  - Finalization expected in 2016
## 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 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
Effects of stage I of refinancing

- **Reduction of the average cost of financing**\(^{(1)}\) - 1 pp

- **Savings on interest** - PLN 1.1 bn
  
  Total savings until the end of 2019

- **Currency structure**
  
  Previous: PLN: 55% EUR: 28% USD: 17% (end of Q1'14)
  
  Current: PLN: 71% EUR: 17% USD: 12% (end of Q2'14)

- **% of realization of financial synergies**\(^{(2)}\) - 90%

- **New guidance for financial synergies** - PLN 700 m
  
  Cumulative through the end of 2019

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Note: (1) Applies to CP group and Metelem group debt jointly; excludes hedging

(2) Includes full cost of refinancing and incremental interest savings
5. Financial results in Q2’12
Group’s financial results in Q2’14

<table>
<thead>
<tr>
<th>in PLN m</th>
<th>Q2’14</th>
<th>YoY change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,751</td>
<td>137%</td>
</tr>
<tr>
<td>Costs(^{(1)})</td>
<td>1,042</td>
<td>116%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>709</td>
<td>176%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>40.6%</td>
<td>5.6 pp</td>
</tr>
<tr>
<td>Net profit</td>
<td>132</td>
<td>64%</td>
</tr>
</tbody>
</table>

- Growth of revenue, costs and EBITDA driven mainly by consolidation of Metelem group’s results effective from 7 May 2014
- Growth of EBITDA margin resulting from consistent cost discipline and consolidation of Metelem
- Net profit influenced by Metelem group’s interest-related costs as well as one-time costs associated with pre-term repayment of CP term loan and CP Senior Notes

Source: Interim condensed consolidated financial statements for the 3 and 6 month period ended 30 June 2014 and internal analysis
Note: (1) Costs exclude depreciation, amortization, impairment and disposal
Results in the segment of services to individual and business customers in Q2’14

<table>
<thead>
<tr>
<th>in PLN m</th>
<th>Q2’14</th>
<th>YoY change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,466</td>
<td>204%</td>
</tr>
<tr>
<td>Costs(^{(1)})</td>
<td>873</td>
<td>170%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>593</td>
<td>271%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>40.6%</td>
<td>7.4 pp</td>
</tr>
<tr>
<td>Net profit</td>
<td>162</td>
<td>(43%)</td>
</tr>
</tbody>
</table>

- Growth of revenue, costs and EBITDA driven mainly by consolidation of Metelem group’s results effective from 7 May 2014
- Net profit influenced by Metelem group’s interest-related costs as well as one-time costs associated with refinancing of CP debt and the dividend obtained from Polsat TV

Source: Interim condensed consolidated financial statements for the 3 and 6 month period ended 30 June 2014 and internal analysis
Note: \(^{(1)}\) Costs exclude depreciation, amortization, impairment and disposal
## Results of broadcasting and TV production activities in Q2’14

<table>
<thead>
<tr>
<th></th>
<th>Q2’14</th>
<th>YoY change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>326</td>
<td>12%</td>
</tr>
<tr>
<td>Costs(^{(1)})</td>
<td>210</td>
<td>9%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>116</td>
<td>19%</td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td>35.7%</td>
<td>1.7 pp</td>
</tr>
<tr>
<td>Net profit</td>
<td>106</td>
<td>39%</td>
</tr>
</tbody>
</table>

- Increase in revenue primarily due to much better revenue from advertising and sponsoring in comparison to the dynamics of the whole television ad market, as well as the consolidation of TV4 and TV6 channels.
- Higher revenue growth dynamics compared to the cost base has become the major driver of EBITDA and net profit growth.

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Source: Interim condensed consolidated financial statements for the 3 and 6 month period ended 30 June 2014 and internal analysis

Note: (1) Costs exclude depreciation, amortization, impairment and disposal.
Revenues and costs – change drivers Q2’14

**Revenue**

- YoY change: +137% (+1.0 bn)

<table>
<thead>
<tr>
<th>(P,N m)</th>
<th>Revenue Q2’13</th>
<th>Old segment of services provided to residential customers</th>
<th>Metelem Group</th>
<th>Broadcasting and TV production segment</th>
<th>Consolidation adjustments</th>
<th>Revenue Q2’14</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>736</td>
<td>21</td>
<td>969</td>
<td>38</td>
<td>-18</td>
<td>1,746</td>
</tr>
</tbody>
</table>

**Costs**

- YoY change: +149% (+0.8 bn)

<table>
<thead>
<tr>
<th>(P,N m)</th>
<th>Costs Q2’13</th>
<th>Old segment of services provided to residential customers</th>
<th>Metelem Group</th>
<th>Broadcasting and TV production segment</th>
<th>Consolidation adjustments</th>
<th>Costs Q2’14</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>542</td>
<td>20</td>
<td>793</td>
<td>19</td>
<td>-22</td>
<td>1,352</td>
</tr>
</tbody>
</table>

Source: Interim condensed consolidated financial statements for the 3 and 6 month period ended 30 June 2014 and internal analysis

Note: (1) Revenue from sales (item does not include “Other operating revenue”)
(2) Operating Costs (item does not include “Other operating costs”)
EBITDA and net profit – change drivers in Q2’14

**EBITDA**

- **YoY change**: +176% (+452 m)

**Net Profit**

- **YoY change**: +64% (+51 m)

Source: Interim condensed consolidated financial statements for the 3 and 6 month period ended 30 June 2014 and internal analysis
Revenue structure in Q2’14

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q2’14</th>
<th>Q2’13</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail revenue</td>
<td>1204 PLN m</td>
<td>452 PLN m</td>
<td>166%</td>
</tr>
<tr>
<td>Wholesale revenue</td>
<td>479 PLN m</td>
<td>265 PLN m</td>
<td>81%</td>
</tr>
<tr>
<td>Sale of equipment</td>
<td>55 PLN m</td>
<td>12 PLN m</td>
<td>371%</td>
</tr>
<tr>
<td>Other sales revenue</td>
<td>13 PLN m</td>
<td>10 PLN m</td>
<td>10%</td>
</tr>
</tbody>
</table>

Source: Interim condensed consolidated financial statements for the 3 and 6 month period ended 30 June 2014 and internal analysis
Cost structure in Q2’14

<table>
<thead>
<tr>
<th>Category</th>
<th>Q2’14</th>
<th>Q2’13</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation, amortization, impairment and disposal</td>
<td>311</td>
<td>62</td>
<td>400%</td>
</tr>
<tr>
<td>Technical costs and cost of settlements with mobile network operators</td>
<td>288</td>
<td>62</td>
<td>365%</td>
</tr>
<tr>
<td>Content cost</td>
<td>261</td>
<td>239</td>
<td>9%</td>
</tr>
<tr>
<td>Cost of equipment sold</td>
<td>190</td>
<td>17</td>
<td>1027%</td>
</tr>
<tr>
<td>Distribution, marketing, customer relation management and retention costs</td>
<td>132</td>
<td>81</td>
<td>63%</td>
</tr>
<tr>
<td>Salaries and employee-related costs</td>
<td>108</td>
<td>42</td>
<td>158%</td>
</tr>
<tr>
<td>Cost of debt collection services and bad debt allowance and receivables written off</td>
<td>18</td>
<td>9</td>
<td>95%</td>
</tr>
<tr>
<td>Other costs</td>
<td>45</td>
<td>33</td>
<td>41%</td>
</tr>
</tbody>
</table>

Source: Interim condensed consolidated financial statements for the 3 and 6 month period ended 30 June 2014 and internal analysis
Cashflow statement in H1’14

<table>
<thead>
<tr>
<th>Cash and cash equivalents at the beginning of the period</th>
<th>Net cash from operating activities</th>
<th>Loans incurred</th>
<th>Bonds repayment</th>
<th>Repayment of loans and borrowings</th>
<th>Payment of interest on loans, borrowings, bonds, Cash Pool, finance lease and commissions</th>
<th>Dividend paid</th>
<th>Acquisition of subsidiaries, net of cash acquired</th>
<th>CAPEX(1)</th>
<th>Other cash flows</th>
<th>Cash and cash equivalents and short-term investments at end of the period</th>
</tr>
</thead>
<tbody>
<tr>
<td>(PLN m)</td>
<td></td>
<td>2 800.0</td>
<td>-2 275.9</td>
<td>-547.1</td>
<td>1 800.4</td>
<td>-139.6</td>
<td>-102.9</td>
<td>-1.5</td>
<td>2 176.9</td>
<td>1 906.9</td>
</tr>
</tbody>
</table>

Source: Interim condensed consolidated financial statements for the 3 and 6 month period ended 30 June 2014 and internal analysis

Note: (1) Excluding expenditures on set-top-boxes, modems and routers leased to subscribers
The Group’s debt as of 30 June 2014

<table>
<thead>
<tr>
<th>Description</th>
<th>Balance value</th>
<th>Nominal value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term Loan (PLN)</td>
<td>2,433</td>
<td>2,470</td>
</tr>
<tr>
<td>Revolving Loan</td>
<td>300</td>
<td>300</td>
</tr>
<tr>
<td>PLK Loan – Tranche A (PLN)</td>
<td>2,098</td>
<td>2,108</td>
</tr>
<tr>
<td>PLK Loan – Tranche B (PLN)</td>
<td>3,100</td>
<td>3,121</td>
</tr>
<tr>
<td>PLK Loan – Tranche C (PLN)</td>
<td>1,609</td>
<td>1,621</td>
</tr>
<tr>
<td>PLK Revolving Loan</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Senior Notes PLK EUR¹</td>
<td>2,825</td>
<td>2,257</td>
</tr>
<tr>
<td>Senior Notes PLK USD²</td>
<td>1,894</td>
<td>1,524</td>
</tr>
<tr>
<td>Leasing</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Cash and cash equivalents³</td>
<td>2,177</td>
<td>2,177</td>
</tr>
<tr>
<td><strong>Net debt</strong></td>
<td><strong>12,092</strong></td>
<td><strong>11,234</strong></td>
</tr>
<tr>
<td>EBITDA LTM, pro-forma⁴</td>
<td>3,968</td>
<td>3,968</td>
</tr>
<tr>
<td><strong>Net debt / EBITDA LTM</strong></td>
<td><strong>3.0x</strong></td>
<td><strong>2.8x</strong></td>
</tr>
</tbody>
</table>

¹ Nominal value of PLK Senior Notes of EUR 542.5 m, as converted based on the average NBP exchange rate from 30 June 2014 of 4.1609 PLN/EUR. The value of the notes has been determined based on 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 2014 of 3.0473 PLN/USD. The value of the notes has been determined based on fair value at the moment of purchase of Metelem.

³ The item contains cash and cash equivalents, including restricted access funds and short-term deposits.

⁴ EBITDA LTM, pro-forma, includes consolidated pro-forma EBITDA of Cyfrowy Polsat Group on the assumption of consolidation of Metelem Group’s results during the period of past 12 full months.

⁵ Nominal value of debt maturity

Source: Interim condensed consolidated financial statements for the 3 and 6 month period ended 30 June 2014 and internal analysis.
6. Executive summary
Summary of Q2’14

- Successfully completed acquisition of Metelem Holdings Company Limited, which opens a new chapter in the history of Polsat Group
- Excellent sales results
- Very good viewership results and dynamic growth of revenue from advertising in our group
- Solid financial performance
- Continuation of operational integration targeted at generating the planned revenue and cost synergies
- Realization of vast majority of financial synergies – we are increasing our expectations to the level of 700m cumulative through the end of 2019
7. Appendix
# Glossary

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RGU (Revenue Generating Unit)</strong></td>
<td>Single, active service of pay TV, Internet Access or mobile telephony provided in contract or prepaid model.</td>
</tr>
<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>
<tr>
<td><strong>Churn</strong></td>
<td>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.</td>
</tr>
<tr>
<td><strong>Usage definition (90-day for prepaid RGU)</strong></td>
<td>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).</td>
</tr>
</tbody>
</table>
Capital Group
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>Reddev Investments Limited (1), including:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- privileged registered 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>Reddev Investments Limited (1), including:</td>
<td>154,204,296</td>
<td>24.11%</td>
<td>306,709,172</td>
<td>37.45%</td>
</tr>
<tr>
<td>Argumenol Investment Company Limited (2)</td>
<td>58,063,948</td>
<td>9.08%</td>
<td>58,063,948</td>
<td>7.09%</td>
</tr>
<tr>
<td>Karswell Limited (2)</td>
<td>157,988,268</td>
<td>24.70%</td>
<td>157,988,268</td>
<td>19.29%</td>
</tr>
<tr>
<td>Sensor Overseas Limited (3), including:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- privileged registered 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>Sensor Overseas Limited (3), including:</td>
<td>54,921,546</td>
<td>8.59%</td>
<td>81,662,921</td>
<td>9.97%</td>
</tr>
<tr>
<td>Others</td>
<td>214,367,958</td>
<td>33.52%</td>
<td>214,539,208</td>
<td>26.20%</td>
</tr>
<tr>
<td>Total</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 Investments Limited is a direct subsidiary of Pola Investments Limited controlled by TiVi Foundation, the dominant entity of which is Mr. Zygmunt Solorz-Zak
(2) Entity controlled by Mr. Zygmunt Solorz-Zak
(3) Entity controlled by Mr. Heronim Ruta
As of September 19, 2014
Sample of our DTH offer

**FAMILY MAX HD**
- 100 channels
- Price (PLN): 49.90

**SPORT HD**
- 130 channels
- Family Max HD + 10.00

**FILM HD**
- 105 channels
- Family Max HD + 30.00

**HBO HD**
- + iplaMIX
- + VOD Home Movie Rental (2)

**CINEMAX HD**
- + HBO GO

**Premium offer**
- PLN 89.90

---

Note: as of 01.09.2014; (1) including promotional channels; (2) temporary promotional packages
Portfolio of our TV channels

<table>
<thead>
<tr>
<th>No. of channels</th>
<th>TV Polsat Group</th>
<th>DTT market</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4</td>
<td>24</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No. of channels</th>
<th>TV Polsat Group</th>
<th>Cab/Sat market</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>26&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>ca. 200</td>
</tr>
</tbody>
</table>

Note: (1) Additional channel MuzoTV will start in the second half of September 2014
Contact

Bartłomiej Drywa
Head of Investor Relations
Phone: +48 (22) 356 6004
Fax: +48 (22) 356 6003
Email: bdrywa@cyfrowypolsat.pl

www.cyfrowypolsat.pl/inwestorzy