

Analyst and investor briefing 3Q'2012

- Very good financial results of both business segments, achieved on the relative difficult market conditions
- Revenues went up by **5%** to **PLN 645m**, mainly thanks to the organic growth of our retail business segment
- Negative effect of zloty depreciation influenced costs denominated in foreign currencies and amounted to **PLN 8m**
- EBITDA amounted to **PLN 258m**, and EBITDA margin was **40%**, and increased by **31%** and **8.1pp** YoY respectively, mainly thanks to effective cost management and realized synergies. EBITDA improvement results also from one-off effect of decrease of costs as a result of the agreement between TV Polsat and collective copyright management organizations (PLN18.6m).
- EBITDA and EBITDA margin adjusted for one-off effect of lower costs resulting from reversal of previously created provisions for the payments to collective copyright management organizations would amount to **PLN 239m** and **37%** respectively
- Positive effect of the revaluation of Senior Secured Bonds of **PLN 50m** almost totally balanced the costs resulting from debt service
- Net profit amounted to **PLN 172m**, with an effective tax rate of **13%**
- Number of pay digital television subscribers increased by **52 ths** YoY to **3.558m**, of which **77%** and **23%** accounted for Family and Mini subscribers respectively
- Family Package ARPU amounted to **PLN 47.1** and Mini Package ARPU to **PLN 13.4**, and both included PPV component of PLN 0.3 and PLN 0.1 respectively
- Low and stable churn level of **9.1%** maintained
- Number of Internet users increased by **63 ths** to **117 ths** YoY
- Audience share of TV Polsat channels in Q3'12 was **20%**, and TV advertising market share in Q3'12 increased from 22.9% to **23.1%** YoY
- High EBITDA margin of TV Polsat Capital group of **39%** in 3Q'12 results mainly from the significant decrease of the internal content production costs and lower programming costs resulting from the agreement with collective copyright management organizations
- Cash and cash equivalents as of September 30, 2012 amounted to **PLN 225m** (includes the prepayment of Senior Facility Loan of PLN 200m executed in August 2012)
- Main bank covenant - net debt/EBITDA as of September 30, 2012 stood at **2.18x**

Financial results of Cyfrowy Polsat Capital Group

in PLN million	3Q 2012	Change Y/o/Y	Market consensus*	Difference
Revenues, incl.:	645.4	5%	638.3	1%
- Retail sales	434.9	7%	n/a	n/a
- Advertising and sponsoring revenue	162.8	-4%	n/a	n/a
- Revenue from cable and satellite operator fees	23.8	8%	n/a	n/a
- Sale of equipment	2.6	-5%	n/a	n/a
- Other revenues	21.3	26%	n/a	n/a
EBITDA	257.9	31%	219.6	17%
EBITDA margin	40.0%	8.1pp	34.4%	5.6pp
EBIT	197.7	34%	160.6	23%
Net profit	172.1	23%	129.9	32%
Capex/Revenues (%)	3.8%	0.3pp	n/a	n/a

* Based on estimates prepared by: BDM, BZ WBK, Deutsche Bank, DI BRE, Erste, Espirito Santo, IDMSA, ING, Ipopema, KBC, Raiffeisen, Societe Generale, Trigon, UBS, UniCredit

Retail business segment

	3Q		
	2012	2011	Change
Users of our pay TV services			
Number of subscribers at the end of period, of which:	3,557,888	3,506,077	1.5%
Family Package	2,756,402	2,742,191	0.5%
Mini Package	801,486	763,886	4.9%
Churn rate of which:	9.1%	9.4%	-0.3 pkt%
Family Package	9.7%	10.2%	-0.5 pkt%
Mini Package	6.9%	6.4%	0.5 pkt%
Average revenue per user⁽¹⁾ (ARPU) (PLN), of which:	39.5	37.8	4.5%
Family Package (PLN)	47.1	44.7	5.4%
Mini Package (PLN)	13.4	13.8	-2.9%
Users of our mobile Internet services at the end of period	117,327	54,004	117.3%
Users of our mobile telephony services at the end of period⁽²⁾	144,288	136,459	5.7%

¹ 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

² MVNO and our clients who acquired Polkomtel mobile telephony under the cross promotional offer

- Subscriber base of pay TV customers increased by 4.4ths. in comparison to 2Q'12 thanks to the stable sales level and effective retention programs
- More that 60% of our subscribers use HD set-top box and ca. 10% are Multiroom service clients
- ARPU continues upward trend, which comes mainly from acquiring larger number of premium customers and additional services (i.a. Multiroom, VoD, PPV)
- Number of broadband users exceeded 117ths., which resulted in significant growth of revenues from telecommunication services

Broadcasting and television production segment

	3Q			9M		
	2012	2011	Change %	2012	2011	Change %
Audience share¹, including:	20.07%	21.23%	-5.46%	20.43%	20.60%	-0.83%
POLSAT (main channel)	14.91%	15.90%	-6.23%	15.76%	16.24%	-2.96%
Thematic channels	5.15%	5.33%	-3.38%	4.67%	4.36%	7.11%
Advertising market share²	23.1%	22.9%	0.9%	23.1%	22.4%	3.1%
Television ad market spendings³ (in PLN million)	696	742	-6.2%	2,600	2,751	-5.5%

¹ NAM, All day 16-49 audience share

² Our estimates based on Starlink data

³ Starlink, air time and sponsoring

- The effective cost management policy vs. weak advertising market enabled to increase the EBITDA and EBITDA margin YoY to PLN 86m and 39% respectively
- Audience results in 3Q'12 were influenced by several factors:
 - Adequate scheduling vs. difficult situation on the advertising market
 - EURO 2012 final game and rescheduling of other sport events as a result of the Olympic Games
 - Development of Digital Terrestrial Television followed by further fragmentation of the market
- Despite a decrease in viewership our main channel Polsat was a leader in 16-49, all target group
- Advertising market share of TV Polsat Group went up to 23.1% from 22.9% delivered in 3Q'11