Financial results H1 2014

28 August 2014

Cyfrowy Polsat S.A. Capital Group

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

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Contents

1. Most important events

Dominik Libicki

President of the Management Board, CEO

Corporate events

- Finalization of acquisition of Metelem Holding Company Limited, the company which indirectly controls Polkomtel (”Plus”)
  - Consolidation of financial results effective from 7 May 2014
- Completion of stage I of refinancing
  - CP’s new credit facility agreement
  - Repayment of CP’s old bank loan, redemption of CP Senior Notes (7.125%), redemption of PLK PIK Notes (14.25%)
  - Effects: the cost of financing of the Group’s ongoing operations has been reduced significantly
- Continuation of operational integration of Cyfrowy Polsat and Polkomtel
  - Effective 1 September 2014 Tobias Solorz has been appointed to the position of a Management Board Member of Cyfrowy Polsat(1) while Tomasz Szeląg has been appointed a Polkomtel’s Management Board Member
- Draft decision of the Office of Electronic Communications (UKE) regarding spectrum reservation in 1800 MHz bandwidth for the next 15 years. The draft decision provides for payment of a one-off reservation fee in the amount of PLN 365.4 million
  - The spectrum is currently used for providing 2G services. Consultations regarding the draft decision are in progress.

Note: (1) He will become the Company’s Vice-President once the changes in the Company’s Articles of Association are registered by the court of relevant jurisdiction.

New products and services

- New release of the SmartDOM offer, a sales project which involves joint sale of products and services of Polsat Group and Plus. The project offers savings to customers as each new product that a customer adds is offered at a relatively lower price. The offer also includes banking services (provided by PlusBank) and sale of electricity (Plus Energetyka)
- Power LTE: unlimited Internet access relying on LTE technology
  - Real competition for fixed-line Internet access
  - Monthly access fees start from PLN 29.90
- Further development of the loyalty programme called Paszport Korzyści (Passport of Benefits) which offers a wide array of benefits to Cyfrowy Polsat and Plus customers
- A new business model introduced by us for the first time – the pop-up channels
  - TV coverage of FIVB Volleyball Men's World Championship Poland 2014
  - Free access for all CP customers and users of LTE Internet access in PLK
  - In the paid system, the offer is available to all cable and satellite TV operators

New products and services – cont.

- The autumn TV programming proposal is the continuation of the success of our spring scheduling, relying on proven formats, including: „Dancing with the Stars”, ”Your Face Seems Familiar”, ”Hell's Kitchen”, ”TOP CHEF,” ”Must be the music”

  muzo.tv

  - A new thematic channel, MUZO.TV, devoted to pop/rock music - this way from 26 September 2014 the portfolio of channels offered under Polsat brand will increase to 26, including 5 HD

- Dynamic migration of customers of our satellite TV platform to MPEG4 technology – a leap in technology which substantially improves the quality and enhances the flexibility and the efficiency of utilization of the rented satellite capacity

Change of KPI reporting method

- Reporting based on customers and number of active revenue generating units (”RGU”)
  - A customer is understood as a natural person or a business entity
  - RGU’s replace the contracts/subscribers/SIM cards which have been reported to-date and they will cover the group’s major services and products, i.e. mobile telephony, pay TV and Internet
  - Only the RGU’s which were active and which generated revenue during a given reporting period will be presented
- Contact services
  - Presentation of number of contract customers
  - Presentation of number of RGU’s
  - ARPU per customer
  - Churn
  - No. of RGU per customer
- Prepaid services
  - Presentation of the number of RGU’s according to the European standard of reporting of prepaid telecommunication services (the 90-day definition)
  - ARPU per total RGU for prepaid services
  - For informational purposes – a number of pre-paid SIM cards according to the current practice of the Polish telecommunication market to be presented simultaneously, in order to allow for like-to-like comparison with competitors

Excellent operational and financial results

- Excellent sales results supported by communication of SmartDOM offer
- Stable contract customer base of 6.2m
  - ARPU per customer: PLN 85.3
  - RGU per customer was 1.93x, with an upward trend
  - Stable churn of 8.8%
- Leading audience shares of 23.6% for Polsat TV and growth of the share in the TV advertising market to the level of 24.8%
- Continuation of realization of operational and financial synergies
- Strong financial performance in Q2'14:
  - Revenue: PLN 1.8 bn
  - EBITDA: PLN 709 m
  - EBITDA margin: 40.6%

2. Operating activities

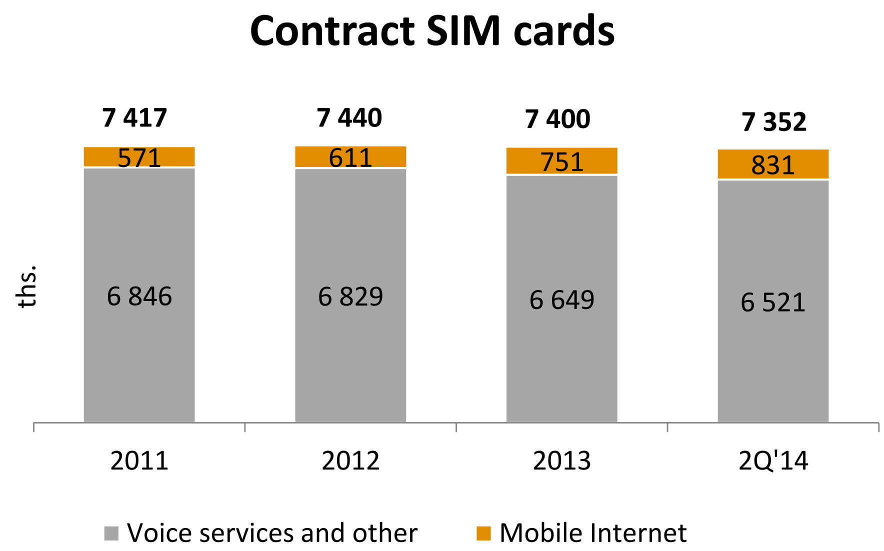
Dominik Libicki
President of the Management Board, CEO

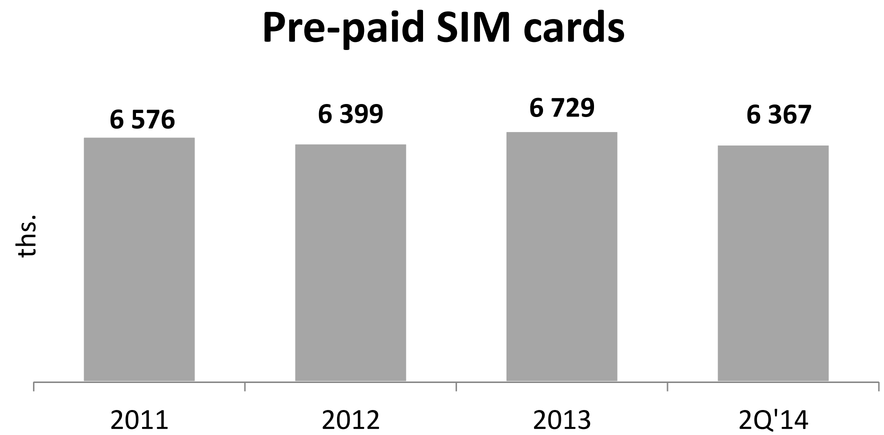
2. Operating activities

2.1 Segment of services to individual and business customers

How would it look if Polkomtel still reported as a typical Polish telecom?

- A common practice of the Polish telecommunication market is to report at least 12 months validity of pre-paid cards
- The total number of SIM cards used by customers of Polkomtel, calculated according to this practice, would amount to 13.7m
- However, our group decided to adjust reporting to the European Commission standard, applying the 90-day definition of the activity of pre-paid cards, which in our view reflects the real picture of the market





New definitions

RGU (Revenue Generating Unit)	**Single, active service of pay TV, Internet Access or mobile telephony provided in contract or prepaid model.**
Customer	Natural person, legal entity or an organizational unit without legal personality who has at least one active service provided in a **contract model**.
Contract ARPU	Average monthly revenue per **Customer** generated in a given settlement period (including interconnect revenue)
Prepaid ARPU	Average monthly revenue per **prepaid RGU** generated in a given settlement period (including interconnect revenue)
Churn	Termination of the contract with **Customer** by means of the termination notice, collections or other activities resulting in the situation that after termination of the contract the Customer does not have any active service provided in the contract model. Churn rate presents the relation of the number of customers for whom the last service has been deactivated (by means of the termination notice as well as deactivation as a result of collection activities or other reasons) within the last 12 months to the annual average number of customers in this 12-month period.
Usage definition (90-day for prepaid RGU)	Number of reported RGUs of prepaid services under the mobile telephony and Internet Access means the number of SIM cards which received or answered calls, sent or received SMS/MMS or used data transmission services within the last 90 days. In practice this means that within the last 90 days a given card had to be inserted to a phone or another device which was active and was able to make or receive call, message, data transmission session. 90-day usage definition thus eliminates inactive cards. Based on the aforementioned definition each year UKE collects data of the mobile operators in Poland in order for the European Commission to prepare a comparison of actual penetration of mobile telecommunication services in the EU countries (the so-called Digital Agenda report).

Cyfrowy Polsat Group – major facts(1)

6.2m

customers (2)

1.93 RGU

per customer (2)

PLN 85.3 ARPU

per customer (2)

16.2m RGU

12.0 contract services

4.2 prepaid services

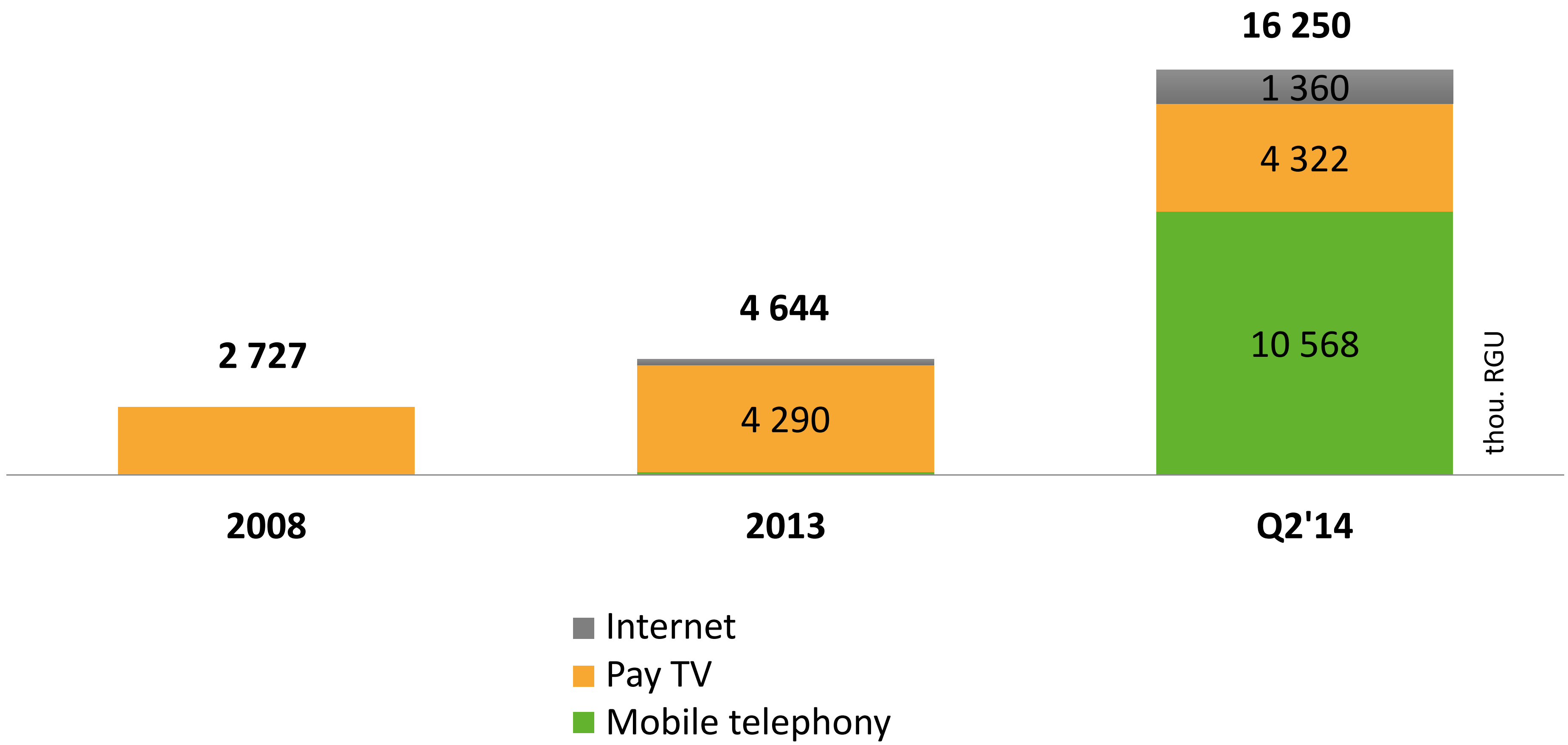
10.6m mobile telephony

4.3m pay TV

1.4m Internet

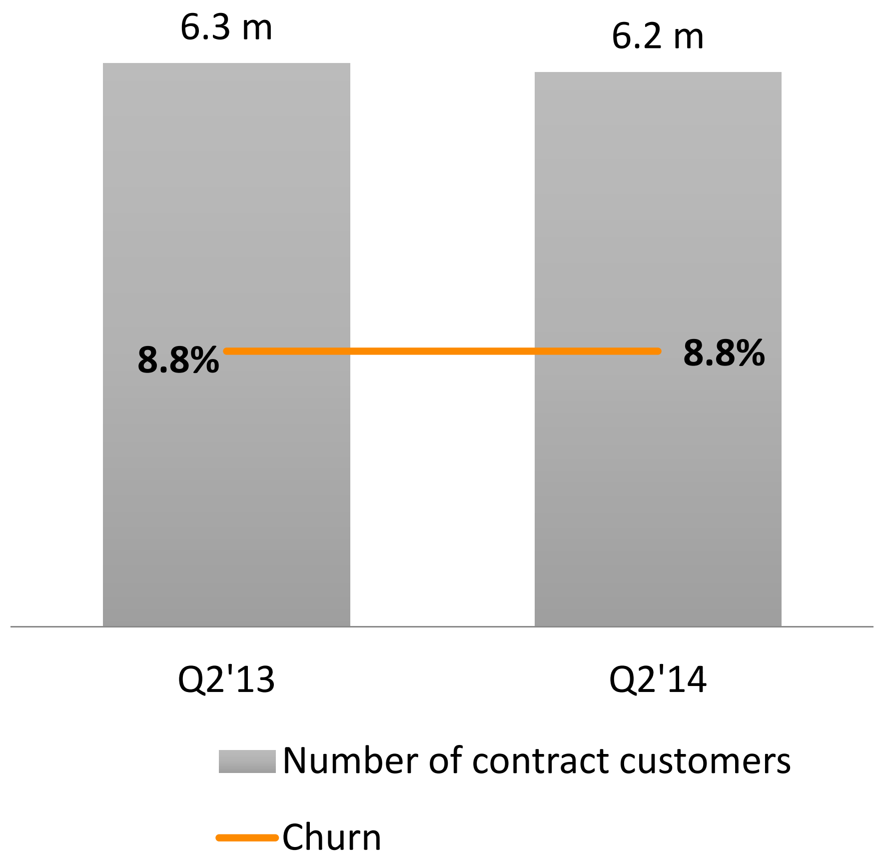
Note: (1) rounded figures
(2) contract customers only

Development of Cyfrowy Polsat Group



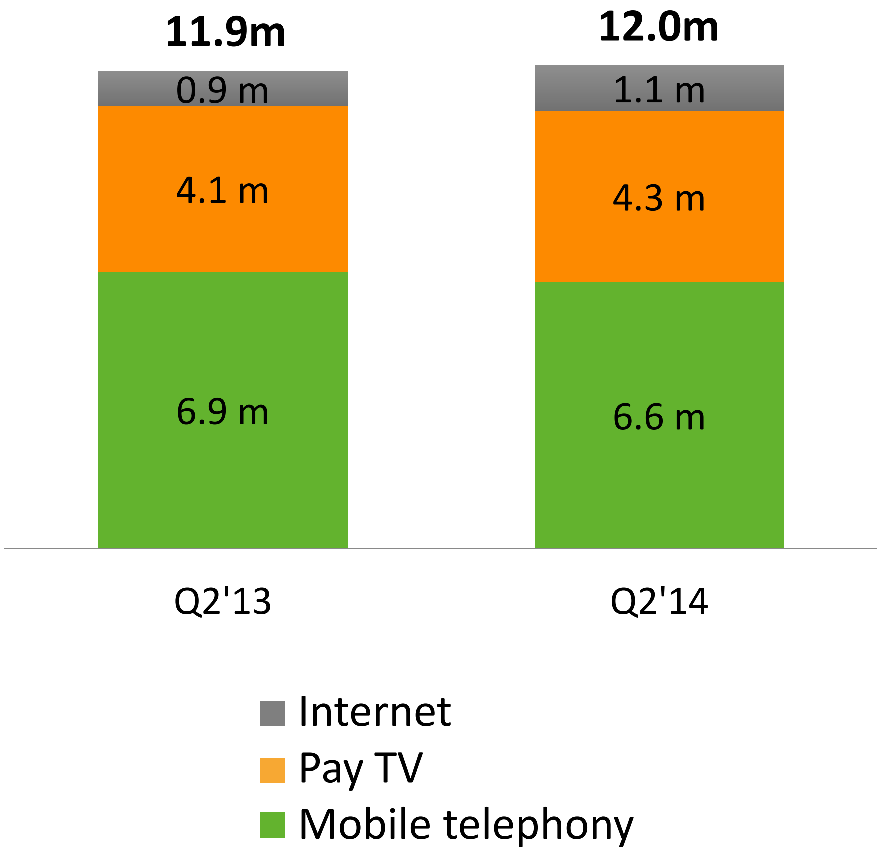
Loyal contract customer base

- 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



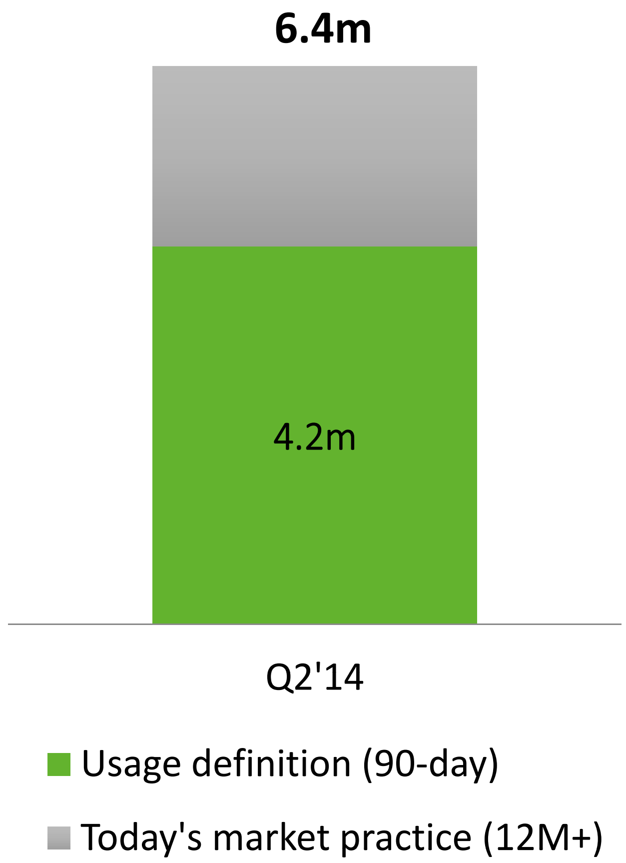
Begining of growth of contract services

- 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



New definition of RGU reporting for prepaid services

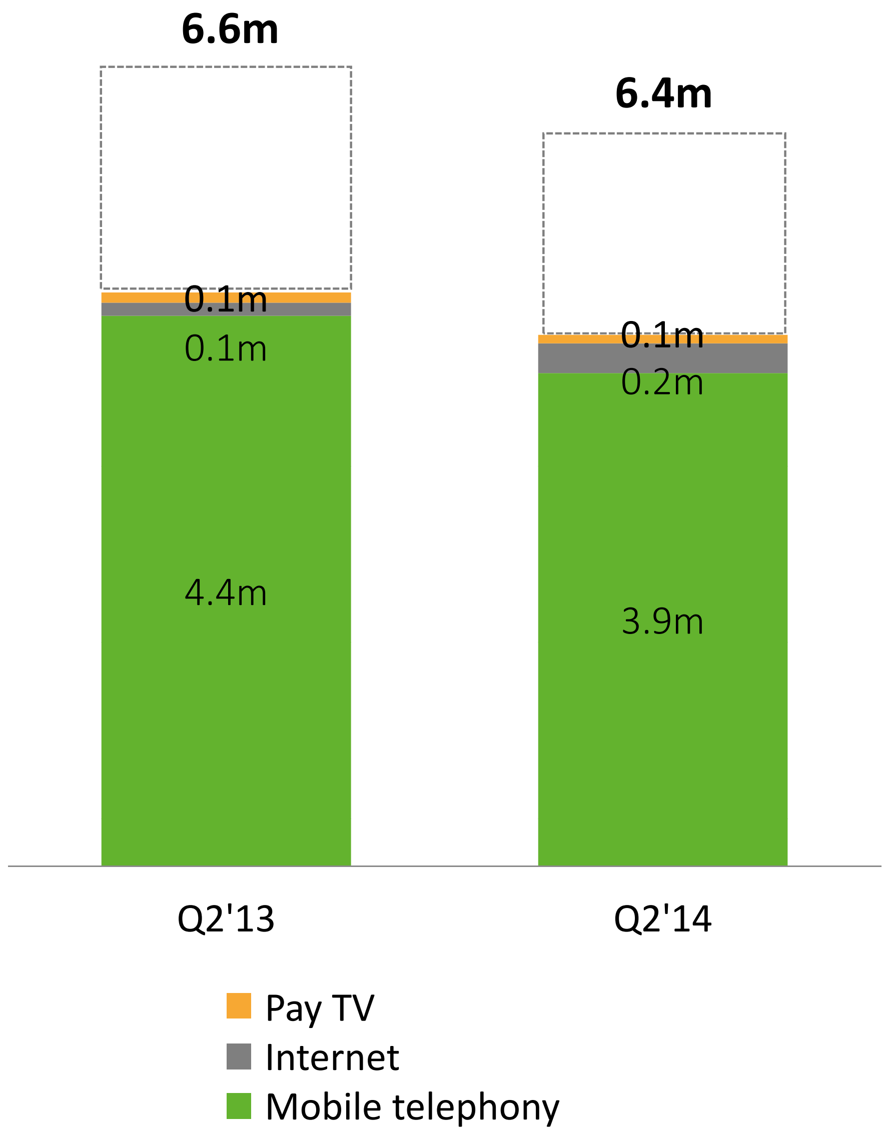
- The number of reported RGU's for mobile telephony and Internet prepaid services signifies the number of SIM's which made an outbound call or received an inbound calls, sent or received an SMS, or used data transmission services(1)



Note: (1) UKE (Office of Electronic Communications) uses this definition while annually collecting the data from mobile operators in Poland in order to enable the European Commission to compare the actual mobile penetration in the European Union countries (the so-called Digital Agenda) Report

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+)



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 (acacquired 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

Leader of LTE technology

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

2. Wide range of mobile devices

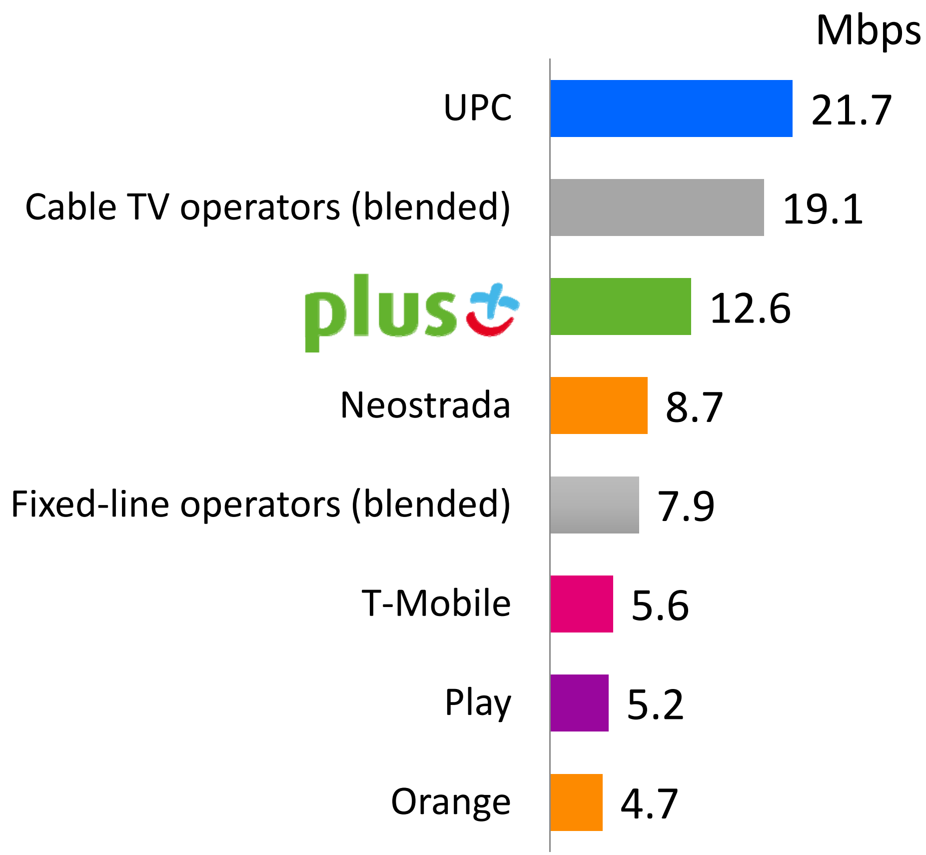
3. Power LTE – real competition for fixed-line Internet access

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

Power LTE – more than just mobile Internet access

- We offer the fastest mobile Internet access of all mobile operators in Poland and we provide the biggest number of services, amounting to 1.4m in total
- Thanks to its parameters as well as state-of-the-art devices, Power LTE can successfully compete with majority of fixed-line networks, already now becoming the real competition for Internet access at home
- We enable unlimited access to video content, including the content produced by us, to our existing and future customers

Independent ranking of data transfer speeds offerred by ISP's in Poland



Source: own study based on Speed Test (www.speedtest.pl), measurements from July 2014.

Growing importance of on-line video

- Viewing of audio-video content is one of the most frequent Internet activities
- We have a product which meets the needs of our existing customers and which addresses the potential of the new generation of young viewers – the generation of the Internet and new technologies
- Average monthly number of users of our online platform was approximately 4.6m in Q2'14[(1)]
- Thanks to IPLA we can monetize more effectively both, the content we have purchased as well as the content we have produced ourselves

Note: (1) based on the Company's own data

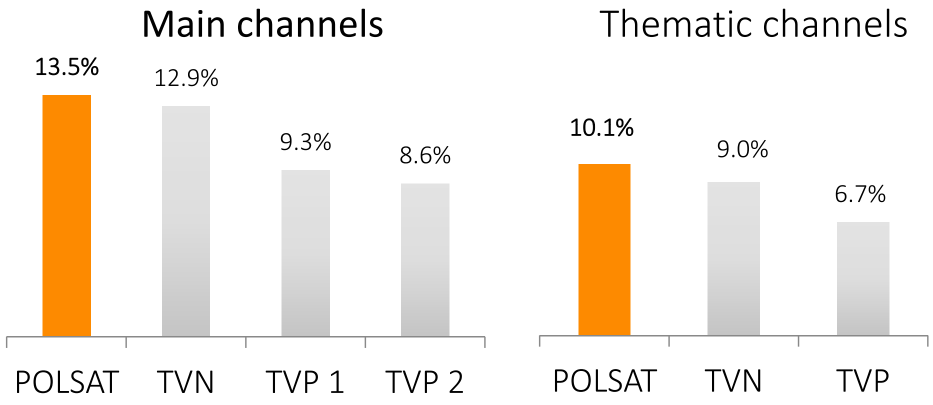
2. Operating activities

2.2 TV broadcasting and production segment

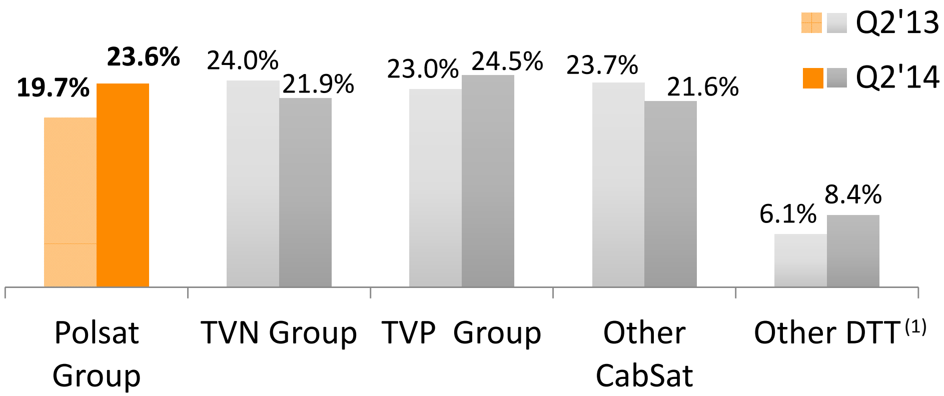
Viewership of our channels in Q2’14

- 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

Audience shares



Dynamics of audience share results

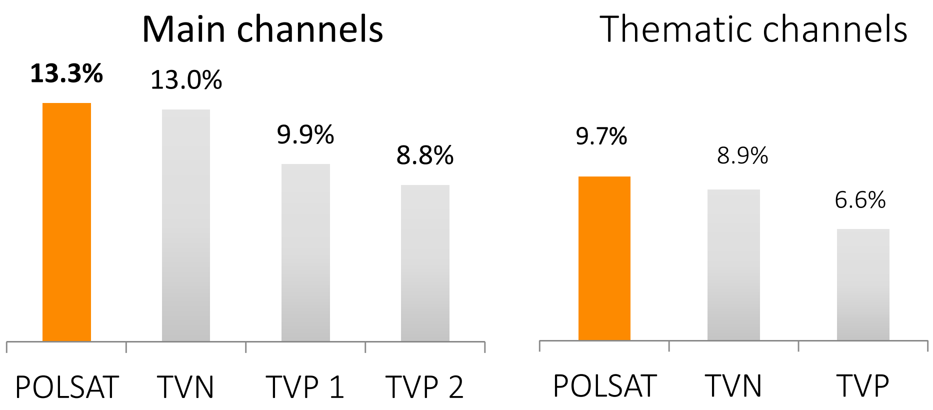


Source: NAM, All 16-49, all day, SHR%; internal analysis
Note: (1) ATM Rozrywka, ESKA TV, Polo TV, TV Puls, Puls2, Stopklatka TV growth y/y by 37%

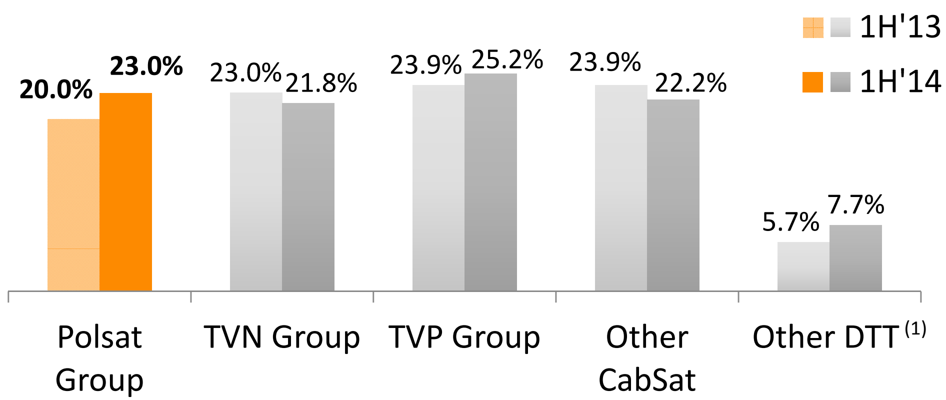
Viewership of our channels in H1'14

- The main TV channel was once again the leader in viewership in the group of commercial TV stations
- Continuation of the group's strategy in the TV broadcasting and production segment which assumes maintaining the total viewership shares

Audience shares



Dynamics of audience share results

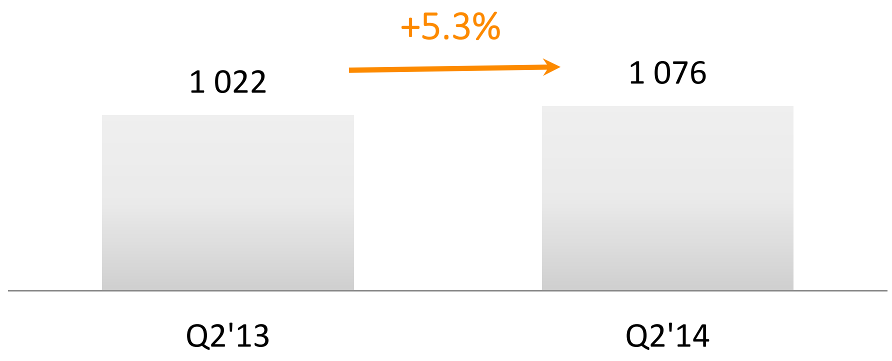


Source: NAM, All 16-49, all day, SHR%; internal analysis
Note: (1) ATM Rozrywka, ESKA TV, Polo TV, TV Puls, Puls2, Stopklatka TV growth y/y by 35%

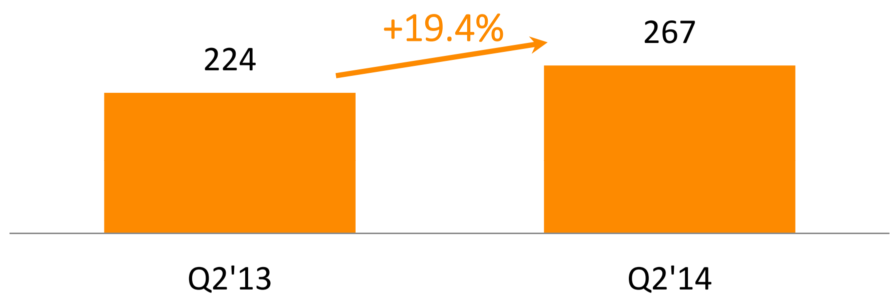
Position on the advertising market in Q2'14

- 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



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

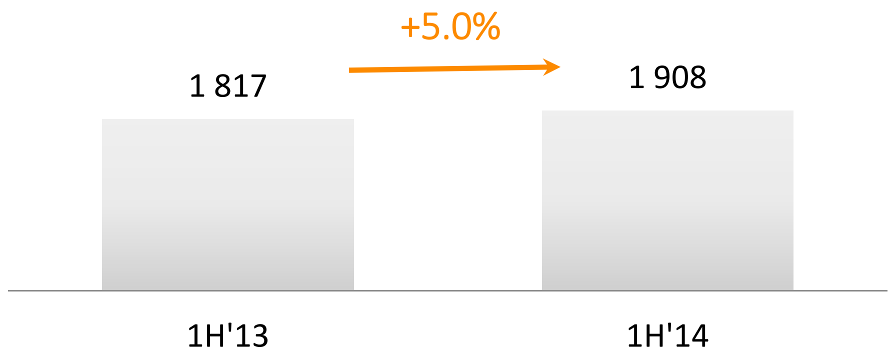


Source: Starlink, airtime and sponsoring; TV Polsat; internal analysis
Note: (1) Revenue from advertising and sponsoring of TV Polsat Group according to Starlink's definition

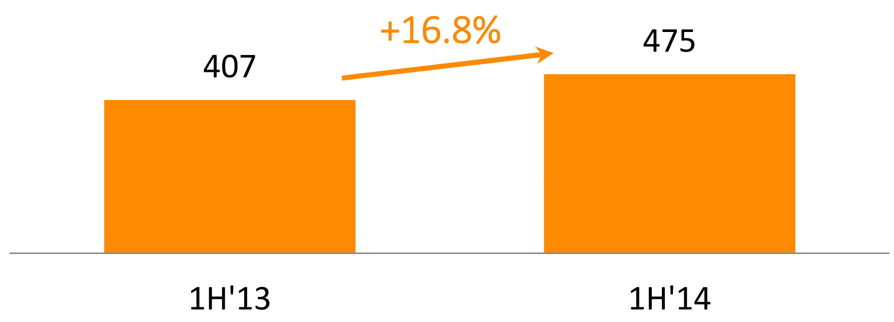
Position on the advertising market in H1’14

- Polsat TV Group’s revenue from TV advertising and sponsoring was in line with the adopted strategy
- Dynamic growth, mainly due to consolidation of results of TV4 and TV6 starting from September 2013, leading to growth of the Group’s market share to 24.9% in H1’14

Expenditures on TV advertising and sponsoring



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



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

3. Realization of synergies

Dominik Libicki

President of the Management Board, CEO

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 to him 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 sysytems
- 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**

Note: (1) Applies to CP group and Metelem group debt jointly; excludes hedging
(2) Includes full cost of refinancing and incremental interest savings

4. Financial results

Tomasz Szeląg

Member of the Management Board, CFO

Changes in the presentation of the income statement

- Changes in the layout of revenue and operating costs are aimed at grouping of the previously reported categories within the new income statement and they have no impact on the previously reported total amounts of revenue and costs, EBITDA or net profit
- Revenue and operating costs of the new group will include:
  - Retail revenue from individual and business customers
  - Wholesale revenue
  - Revenue from the sale of equipment
  - Other revenue
  - Content costs
  - Depreciation, amortization, disposals and impairment
  - Technical and settlements with mobile network operators costs
  - Cost of equipment sold
  - Cost of debt collection services and bad debt allowance and receivables written off
  - Distribution, marketing, customer relation management and retention costs
  - Salaries and employee-related costs
  - Other costs

Group's finanacial results in Q2'14

in PLN m	Q2'14	*YoY change*
Revenue	1,751	*137%*
Costs(1)	1,042	*116%*
EBITDA	709	*176%*
EBITDA margin	40.6%	*5.6 pp*
Net profit	132	*64%*

- 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

in PLN m	Q2'14	*YoY change*
Revenue	1,466	*204%*
Costs(1)	873	*170%*
EBITDA	593	*271%*
EBITDA margin	40.6%	*7.4 pp*
Net profit	162	*(43%)*

- 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

in PLN m	Q2'14	*YoY change*
Revenue	326	*12%*
Costs(1)	210	*9%*
EBITDA	116	*19%*
EBITDA Margin	35.7%	*1.7 pp*
Net profit	106	*39%*

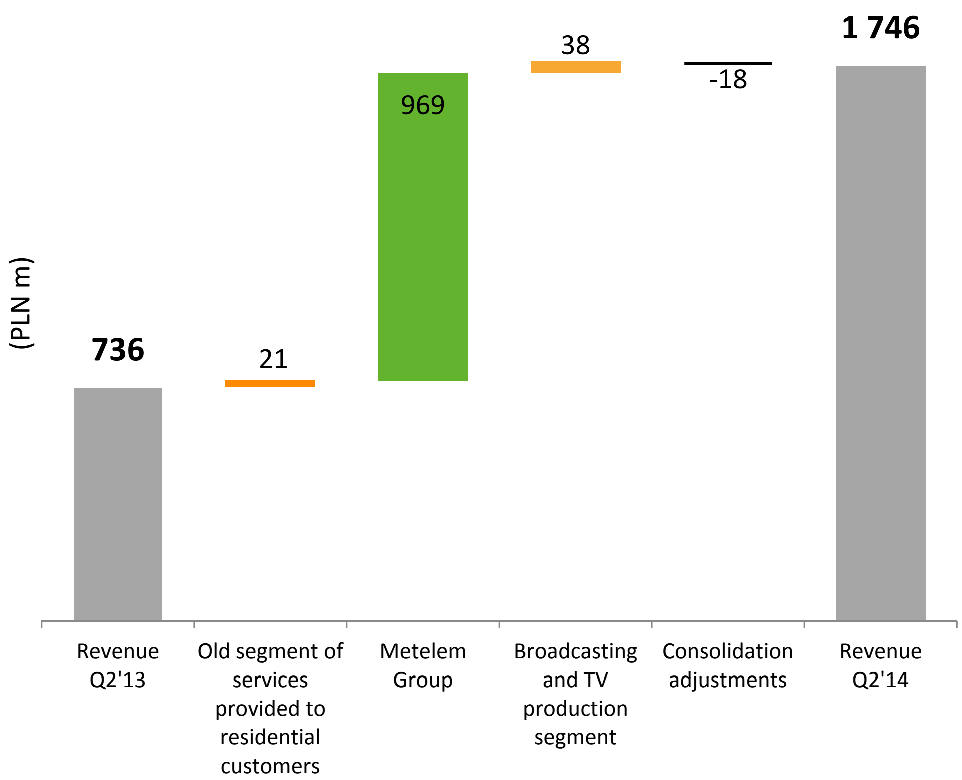
- Increase in revenue primarily due to much better revenue from advertising and sponsoring in comparison to the dynamics of the whole television ad market, as well as the consolidation of TV4 and TV6 channels
- Higher revenue growth dynamics compared to the cost base has become the major driver of EBITDA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

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

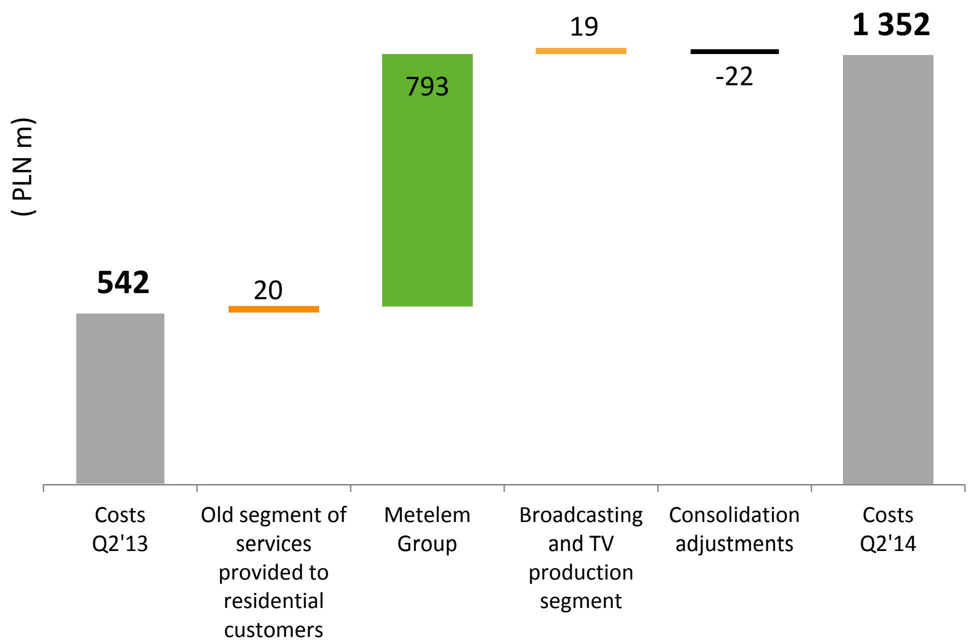
Revenue[1]

YoY change	+137% +1.0 bn



Costs[2]

YoY change	+149% +0.8 bn

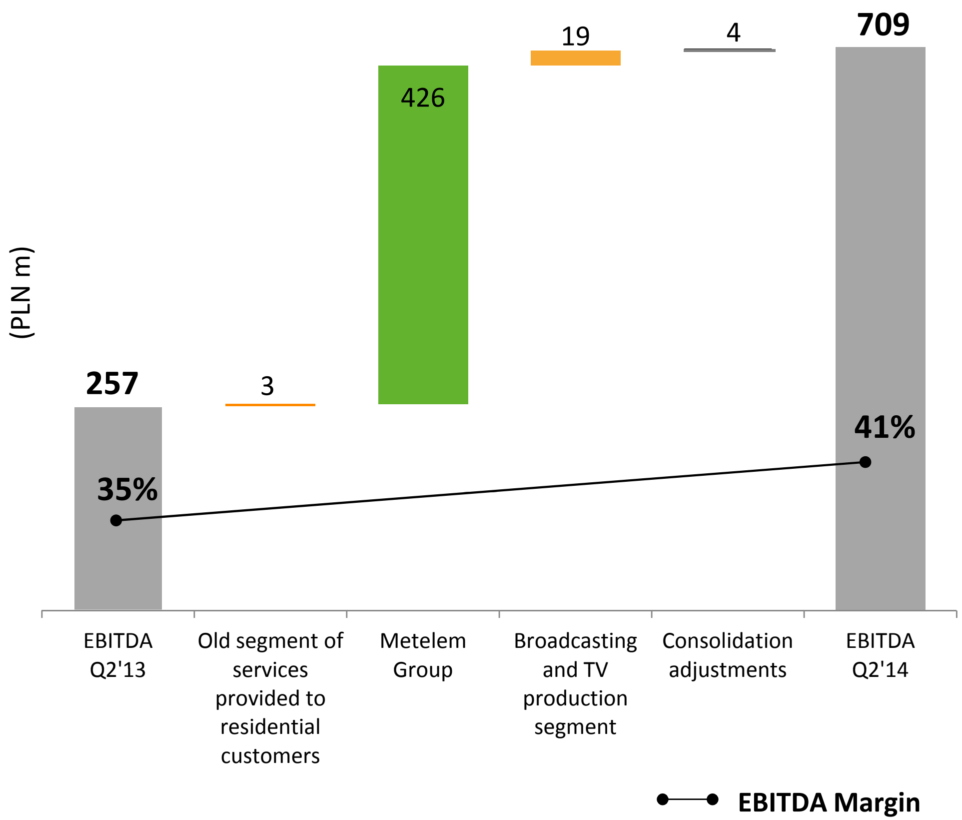


Source: Interim condensed consolidated financial statements for the 3 and 6 month period ended 30 June 2014 and internal analysis
Note: (1) Revenue from sales (item does not include "Other operating revenue")
(2) Operating Costs (item does not include "Other operating costs")

EBITDA and net profit – change drivers in Q2'14

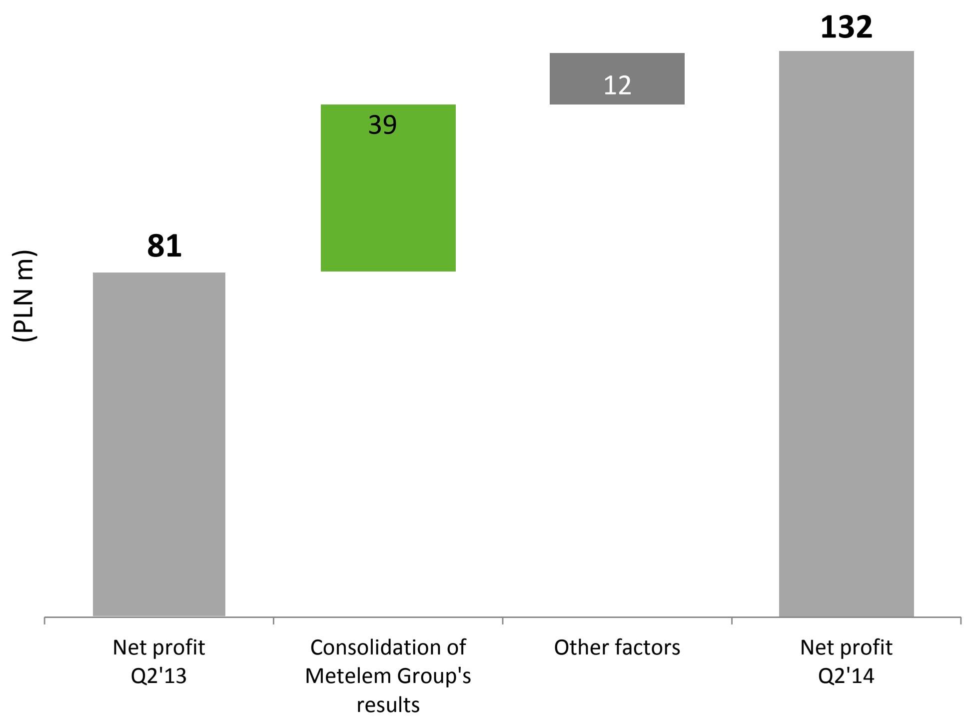
EBITDA

YoY change **+176% +452 m**



Net Profit

YoY change **+64% +51 m**



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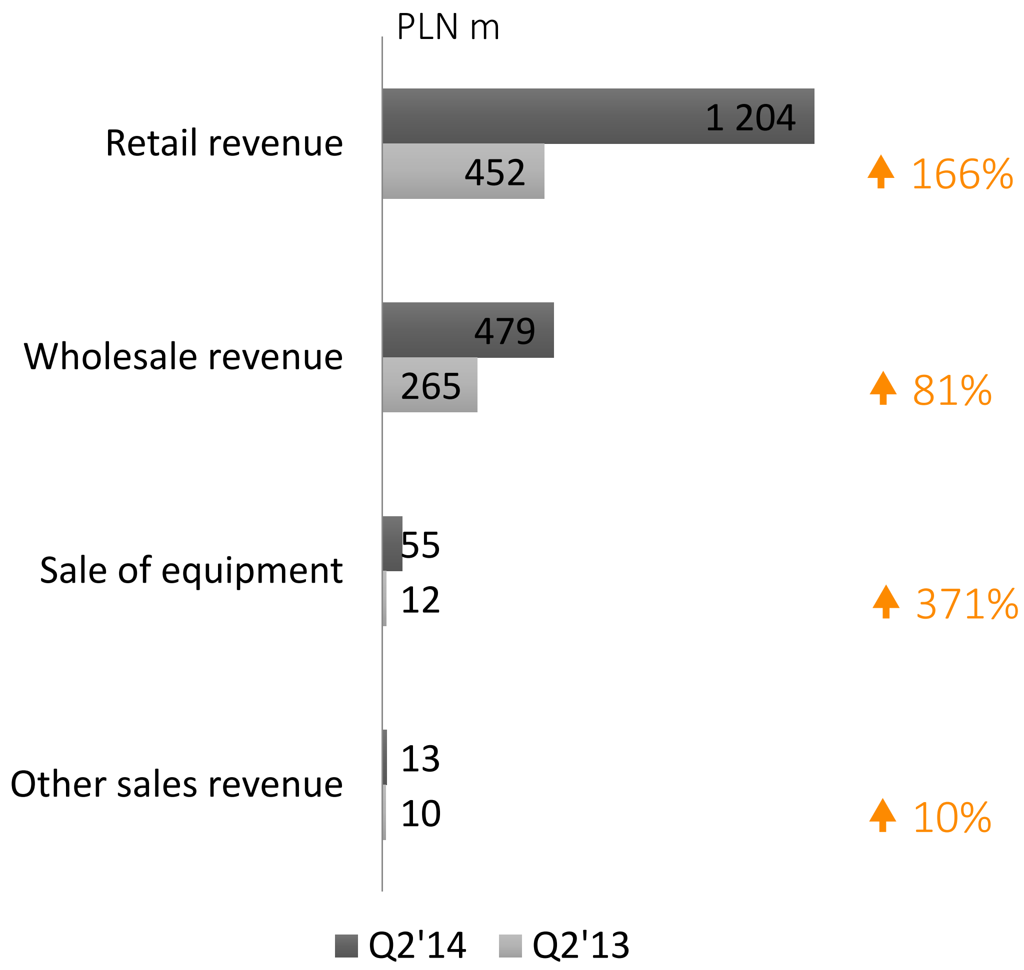
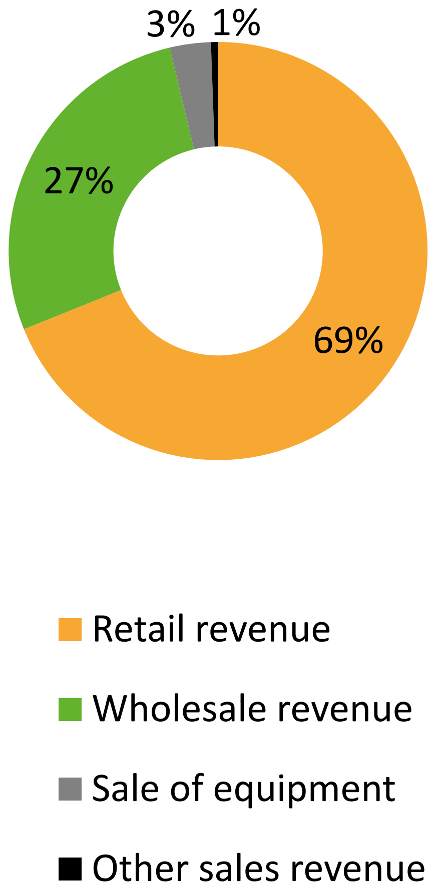
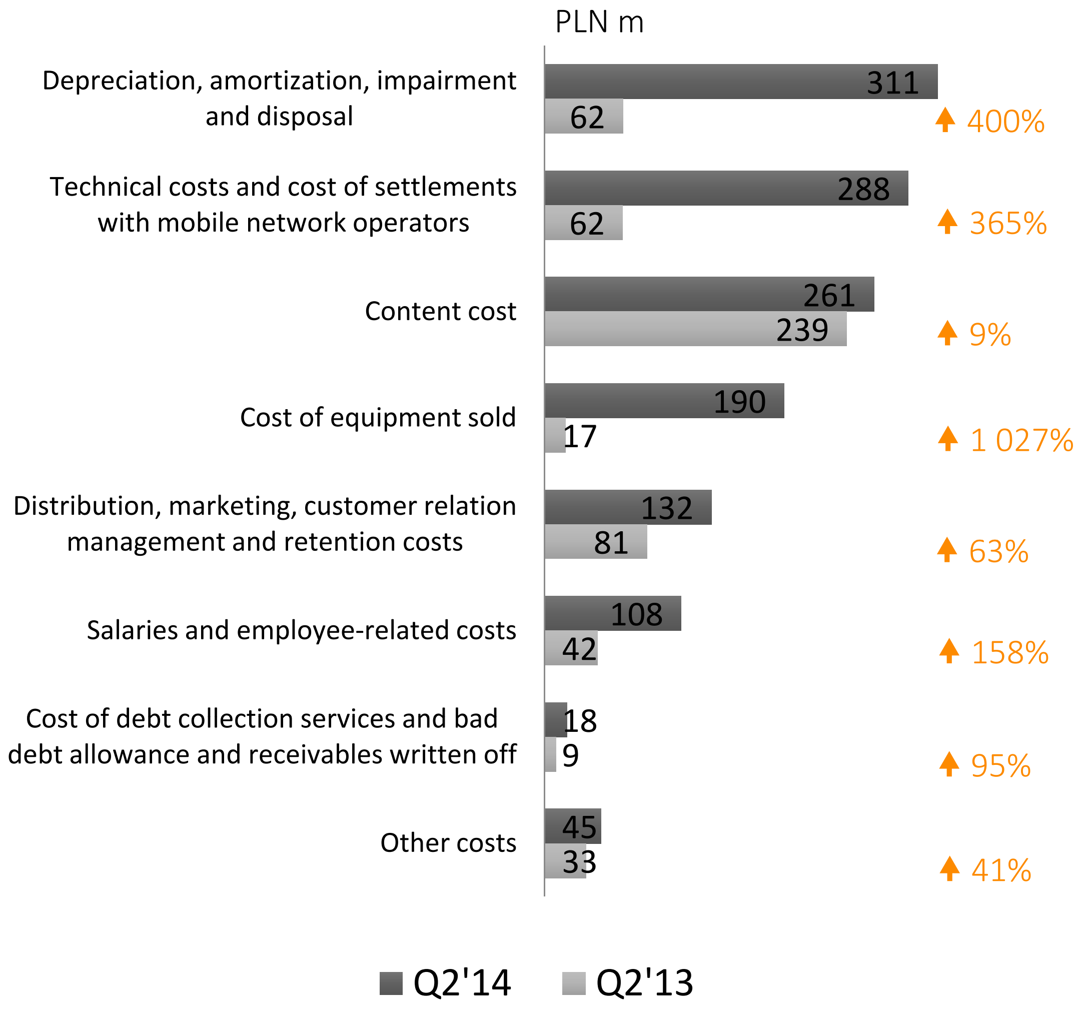
Revenue structure in Q2'14

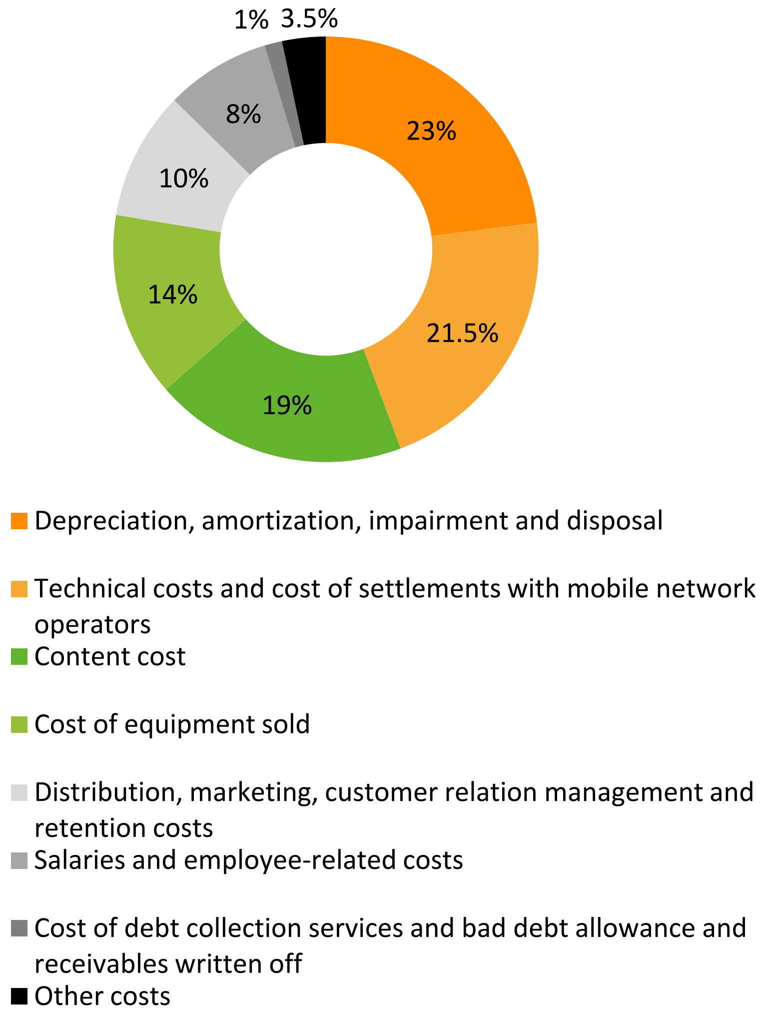




Source: Interim condensed consolidated financial statements for the 3 and 6 month period ended 30 June 2014 and internal analysis

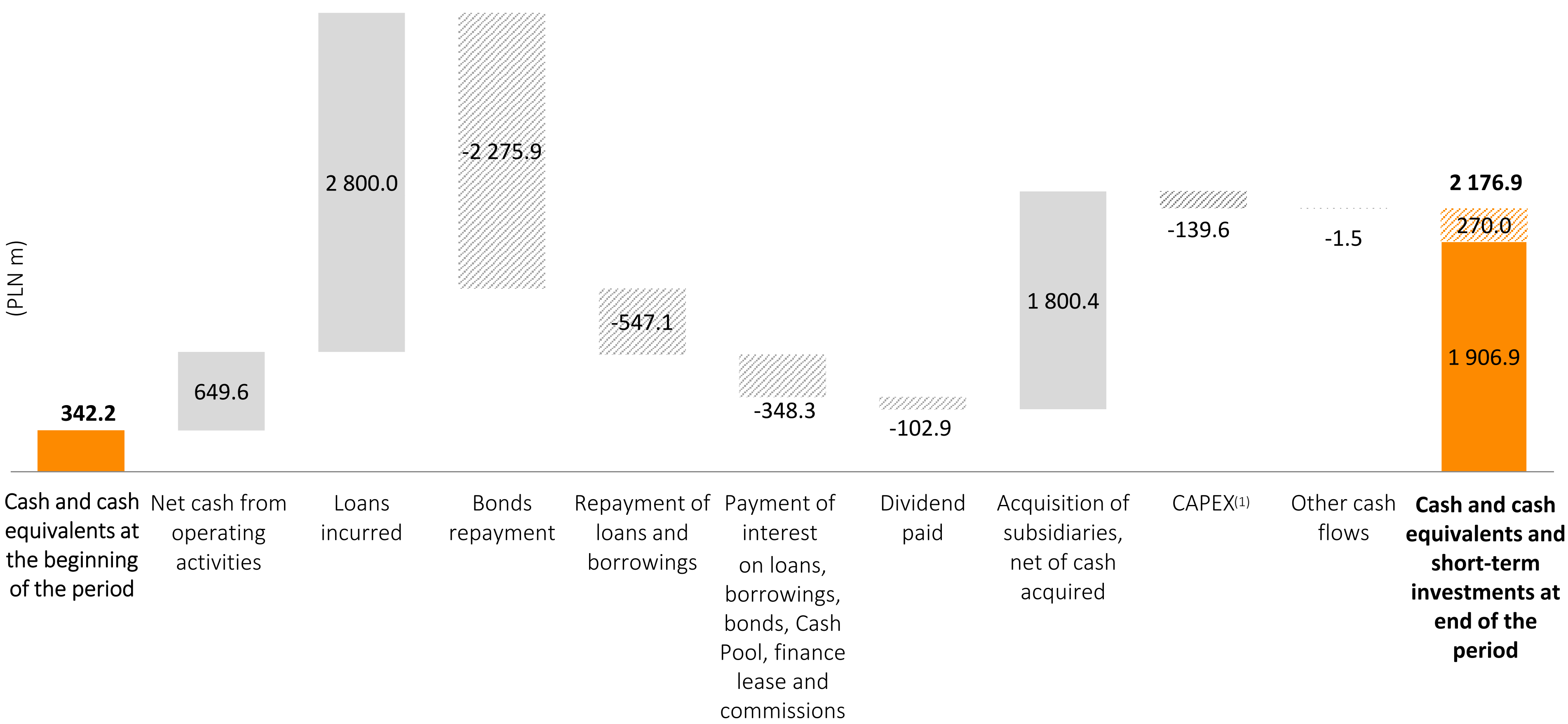
Cost structure in Q2’14





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



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

in PLN m	Balance value	Nominal value
Term Loan (PLN)	2,433	2,470
Revolving Loan	300	300
PLK Loan – Tranche A (PLN)	2,098	2,108
PLK Loan – Tranche B (PLN)	3,100	3,121
PLK Loan – Tranche C (PLN)	1,609	1,621
PLK Revolving Loan	0.0	0.0
Senior Notes PLK EUR[1]	2,825	2,257
Senior Notes PLK USD[2]	1,894	1,524
Leasing	10	10
Cash and cash equivalents[3]	2,177	2,177
Net debt	12,092	11,234
EBITDA LTM, pro-forma[4]	3,968	3,968
Net debt / EBITDA LTM	3.0x	2.8x

[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 value at the moment of purchase of Metelem

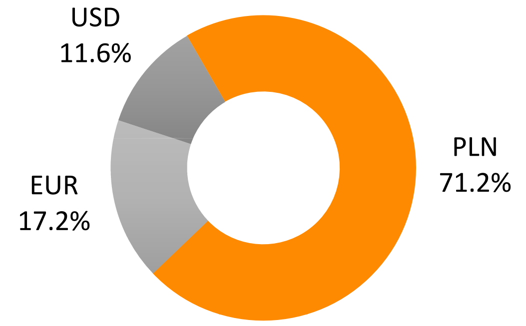
[3] The item contains cash and cash equivalents, including restricted access funds and short-term deposits.

[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.

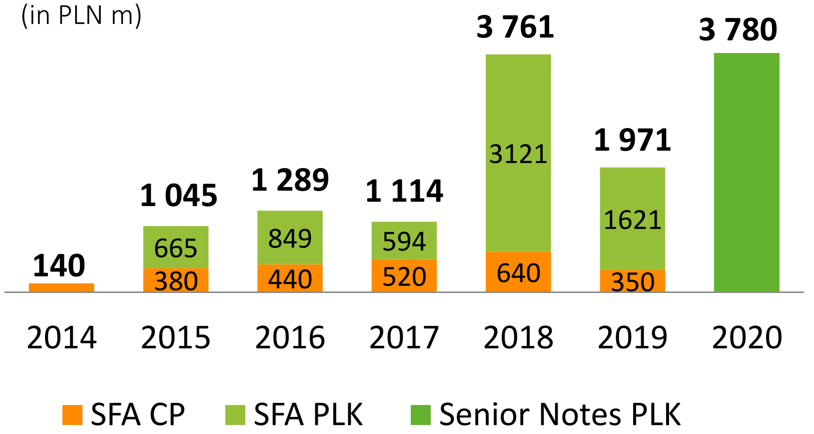
[5] Nominal value of debt maturity

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

Currency composition of our indebtedness[5]



Our debt maturing profile[5]



Major changes in the balance sheet

Assets			
in PLN m	**30 June 2014**	**31 December 2013**	***Change***
Non-current assets	**23,392**	**4,456**	***18,936***
Property, plant and equipment	3,011	251	*2,760*
Goodwill	11,736	2,603	*9,133*
Customer relationships	4,482	-	*4,482*
Other intangible assets	2,361	137	*2,224*
Current assets	**4,435**	**1,220**	***3,215***
Trade receivables	1,374	374	*1,000*
Short-term deposits	270	-	*270*
Cash and cash equivalents	1,894	342	*1,552*
Total assets	**27,827**	**5,676**	***22,151***

Equity and Liabilities			
in PLN m	**30 June 2014**	**31 December 2013**	***Change***
Equity	**9,092**	**3,001**	***6,091***
Non-current liabilities	**14,745**	**1.700**	***13,045***
Loans and borrowings	8,446	240	*8,206*
Issued bonds	4,287	1,340	*2,947*
UMTS license liabilities	836	-	*836*
Current liabilities	**3,990**	**975**	***3,015***
Loans and borrowings	1,094	246	*848*
Issued bonds	432	99	*333*
Trade and other payables	1,619	413	*1,206*
UMTS license liabilities	116	-	*116*
Total equity and liabilities	**27,827**	**5,676**	***22,151***

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

5. Eileme 2 Group's financial results[1]

Chapter ”7. Eileme 2 Group's financial results” included in this presentation is based on the information contained in this chapter is addressed solely to the investors holding bonds issued by Eileme 2 AB Group (publ), or to the investors contemplating purchase of such bonds. Definitions of selected information items, financial data, operating indicators (KPI), or the method of their presentation may differ from the method of presentation in the Consolidated Financial Statements of Cyfrowy Polsat Group and the Board of Cyfrowy Polsat Group does not guarantee that they will be fully consistent with the information, financial data and operating indicators (KPI) contained in the Cyfrowy Polsat Group's financial statements. For that reason Cyfrowy Polsat Group's investors should nor be guided by the information, financial data, or operating indicators (KPI) contained in Chapter ”7. Eileme 2 Group's financial results” of this presentation while making their own investment decisions.

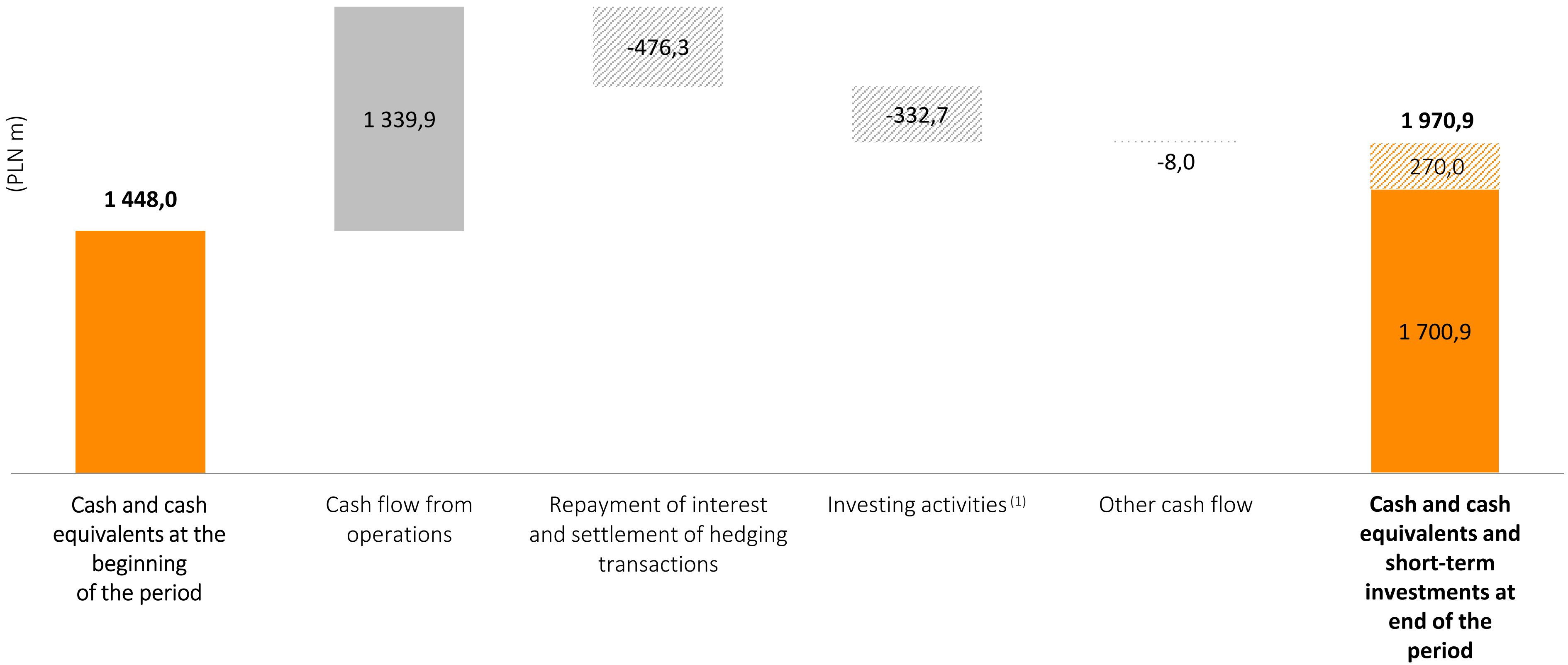
Eileme 2 Group's financial results in Q2'14

mln PLN	Q2'14	*YoY change*
Revenue	1,619	*(5%)*
Costs[1]	948	*(4%)*
EBITDA	708	*(6%)*
EBITDA margin	43.7%	*(0.5 pp)*
FCF[2]	510	*2%*
Net debt/EBITDA LTM[2]	3.1x	*(0.5x)* *(0.7x) incl. PIK*

- Revenue level under pressure of regulatory factors – Q2 was the last quarter of non-comparable (different) MTR rates
- Growing revenue from data transmission, sale of equipment as well as growing stream of wholesale revenues partly mitigate the pressure on revenue from voice services
- Growth of sale of contracts under SmartDOM program leads to slightly higher customer acquisition costs, which will however translate into additional revenue in the future
- EBITDA margin at a stable level of ca. 44%
- Very high FCF is partly the outcome resulting from one-off temporary improvement in working capital VAT settlements
- The high pace of reducing Eileme2 Group's leverage was maintained. Repayment of PIK Notes by capital injection for Metelem Group

Source: Eileme 2 (publ) Group Condensed consolidation interim financial statements as of for the six month period ended June 30, 2014 (unaudited) and internal analysis
Note: (1) Costs do not include depreciation and impairment; (2) Operating Cash Flow less Investment Cash Flow, excluding short-term investments (short-term deposits) and less interest paid and less settlement of hedges related to Eileme 2 Group's loans and notes.
(2) Nominal value of the debt, excluding intercompany notes. Cash includes short-term investments (short-term deposits)

Eileme 2 Group's cashflow statement in H1'14



Source: Eileme 2 (publ) Group Condensed consolidation interim financial statements as of for the six month period ended June 30, 2014 (unaudited) and internal analysis
Note: (1) Includes total cash flow from investments, except short-term investments (short-term deposits)

6. Executive summary

Dominik Libicki

President of the Management Board, CEO

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. Q&A

8. Additional information

Group’s financial results in H1'14

in PLN m	H1'14	*YoY change*
Revenue	2,478	*72%*
Costs(1)	1,487	*59%*
EBITDA	991	*97%*
EBITDA margin	40.1%	*5.0 pp*
Net profit	230	*31%*

- 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 1H'14

in PLN m	H1'14	*YoY change*
Revenue	1,961	*103%*
Costs(1)	1,187	*85%*
EBITDA	774	*139%*
EBITDA Margin	39.6%	*6.0 pp*
Net profit	192	*(39%)*

- Growth 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 segment in H1'14

in PLN m	H1'14	*YoY change*
Revenue	592	*11%*
Costs(1)	375	*5%*
EBITDA	217	*22%*
EBITDA Margin	36.7%	*3.2 pp*
Net profit	185	*34%*

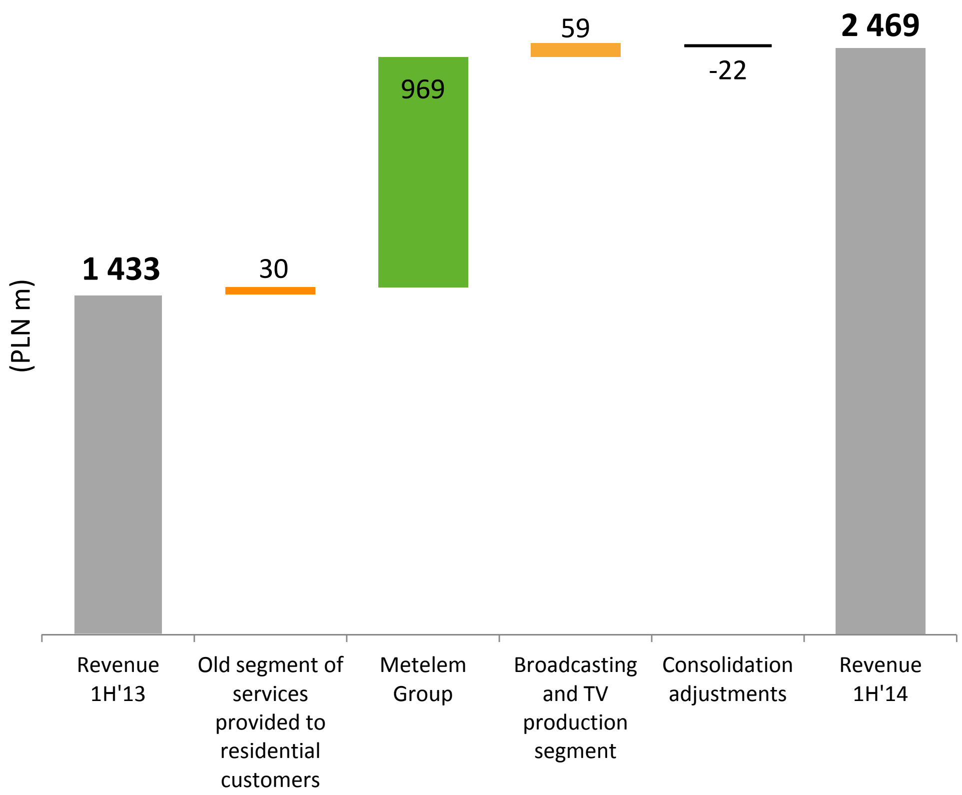
- Organic growth of revenue from advertising and sponsoring, supported by consolidation of newly acquired TV channels, namely TV4 and TV6
- Higher revenue growth dynamics compared to the cost base has become the major driver of EBITDA and net profit growth

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

Revenue and costs – change drivers in H1'14

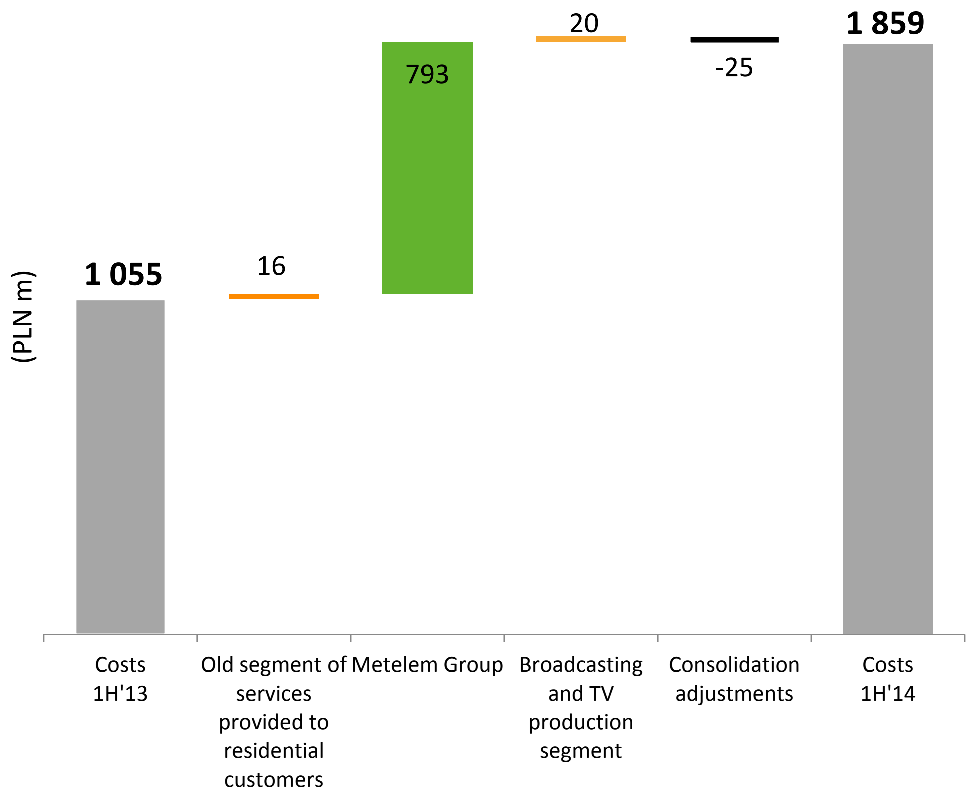
Revenue[1]

YoY change **+72% +1.0 bn**



Costs[2]

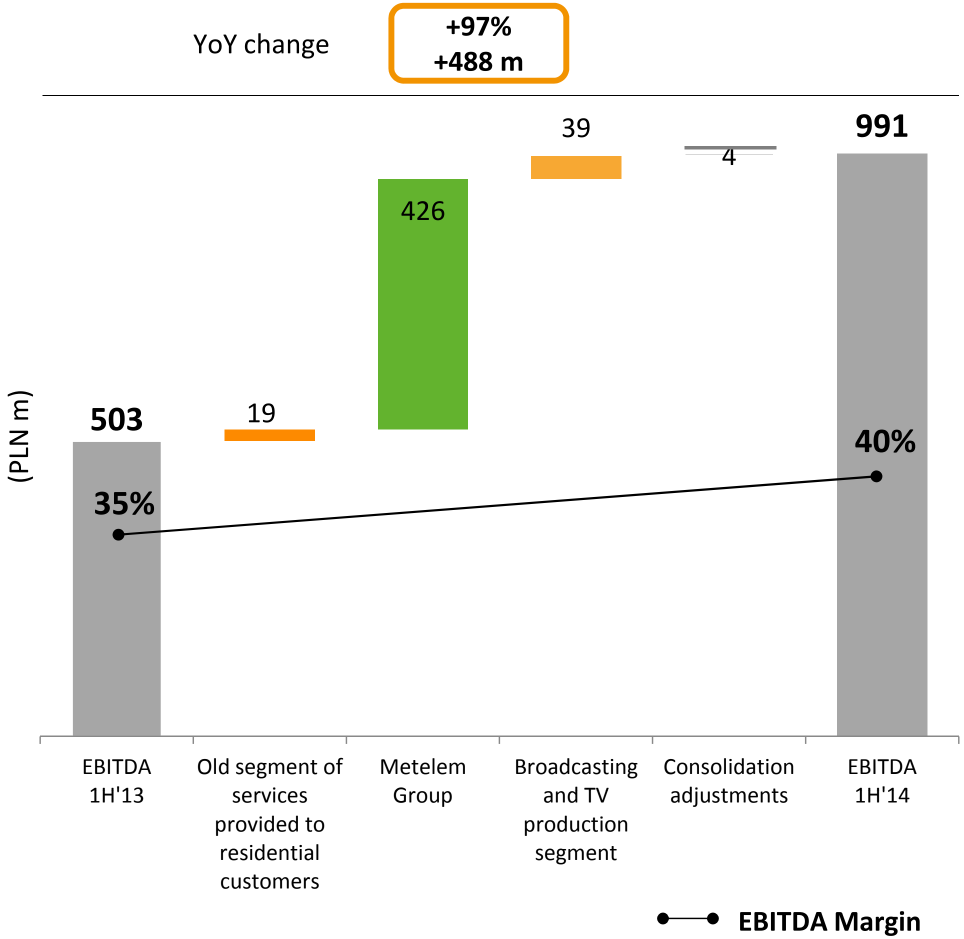
YoY change **+76% +0.8 bn**



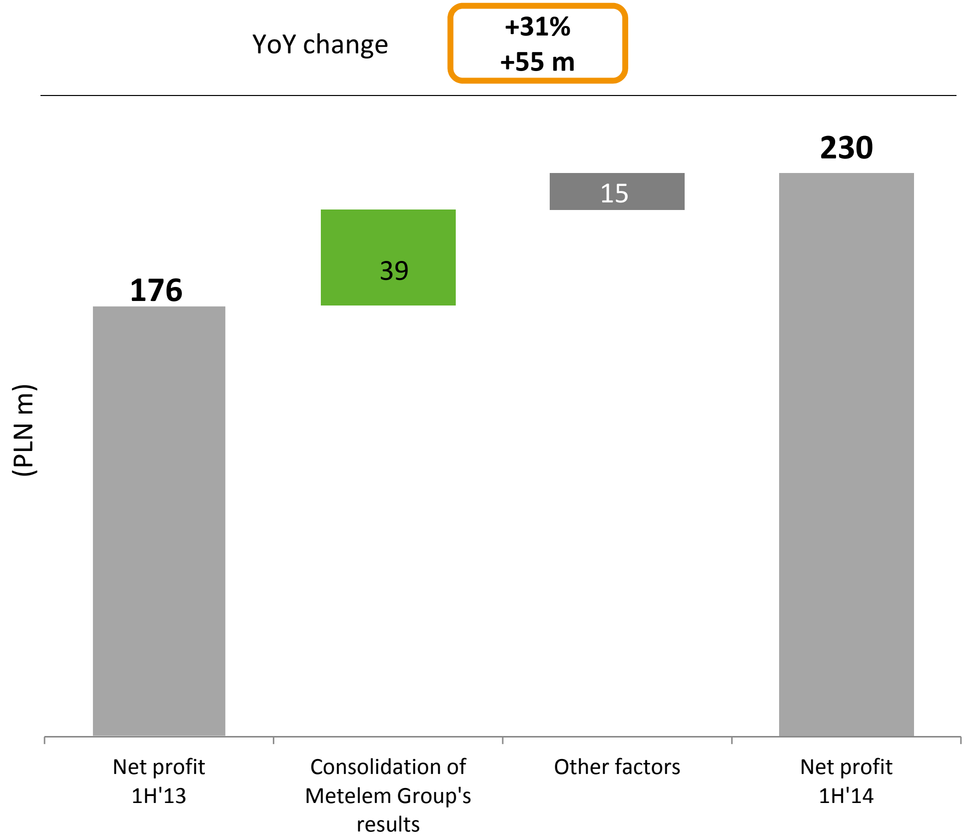
Source: Interim condensed consolidated financial statements for the 3 and 6 month period ended 30 June 2014 and internal analysis
Note: (1) Revenue from sales (item does not include ”Other operating revenue”)
(2) Operating costs (item does not include „Other operating costs”)

EBITDA and net profit – change drivers in H1'14

EBITDA

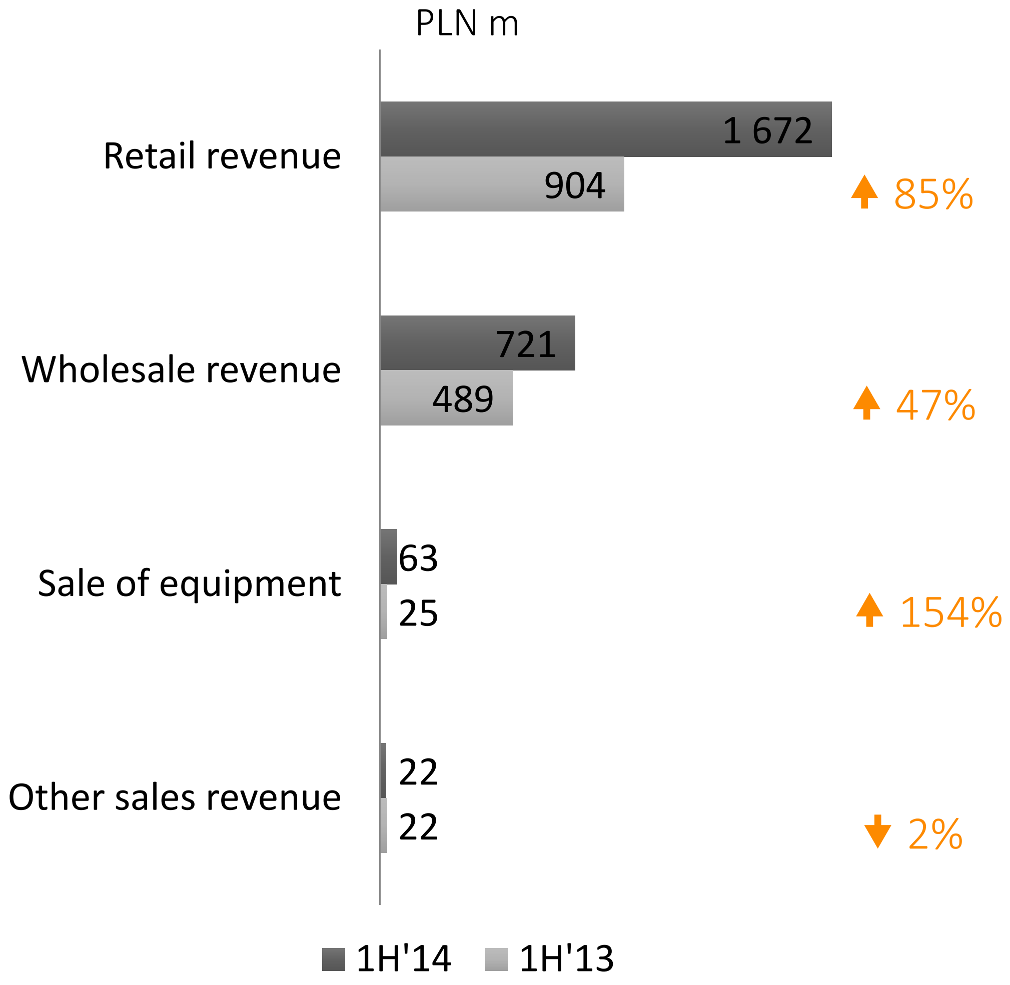


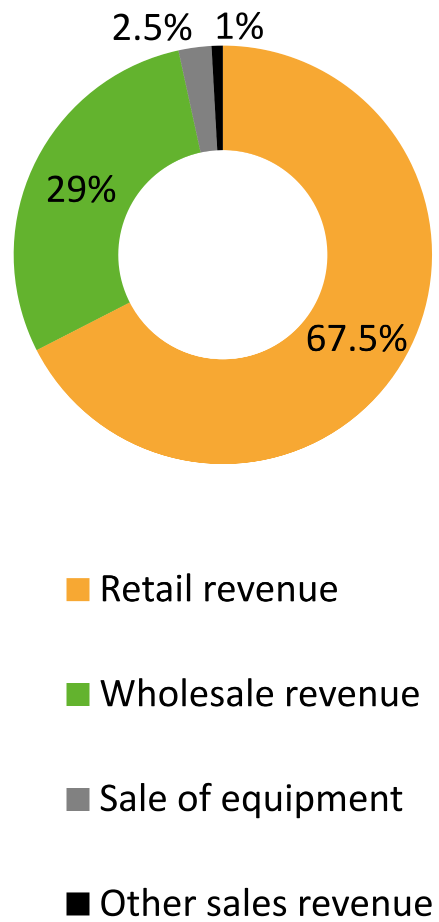
Net Profit



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

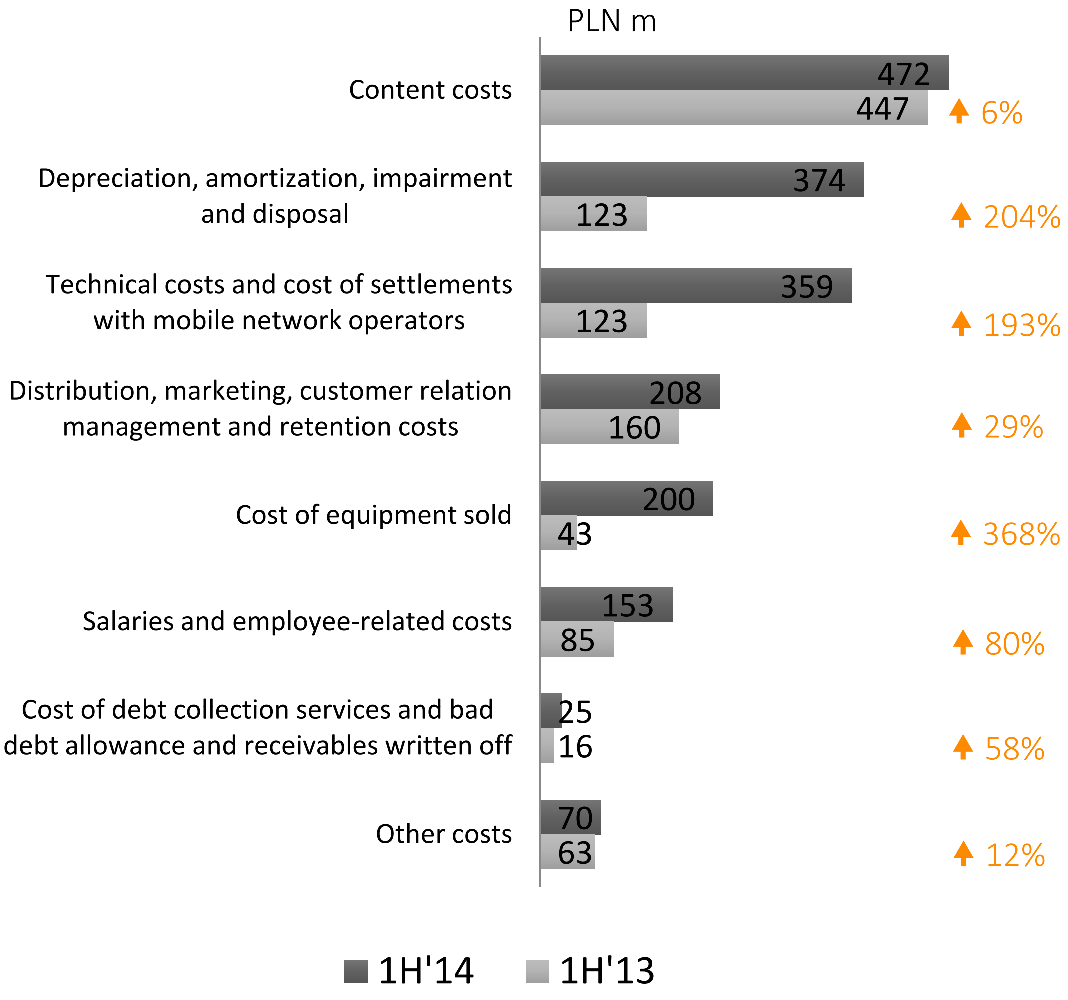
Revenue structure in H1'14

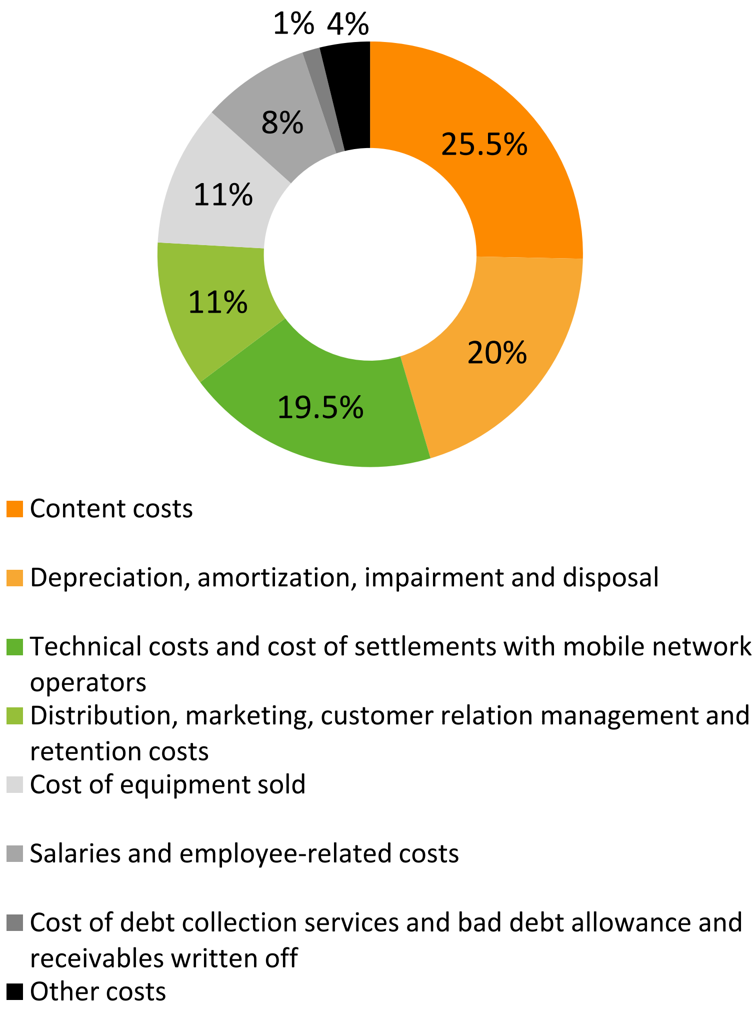




Source: Interim condensed consolidated financial statements for the 3 and 6 month period ended 30 June 2014 and internal analysis

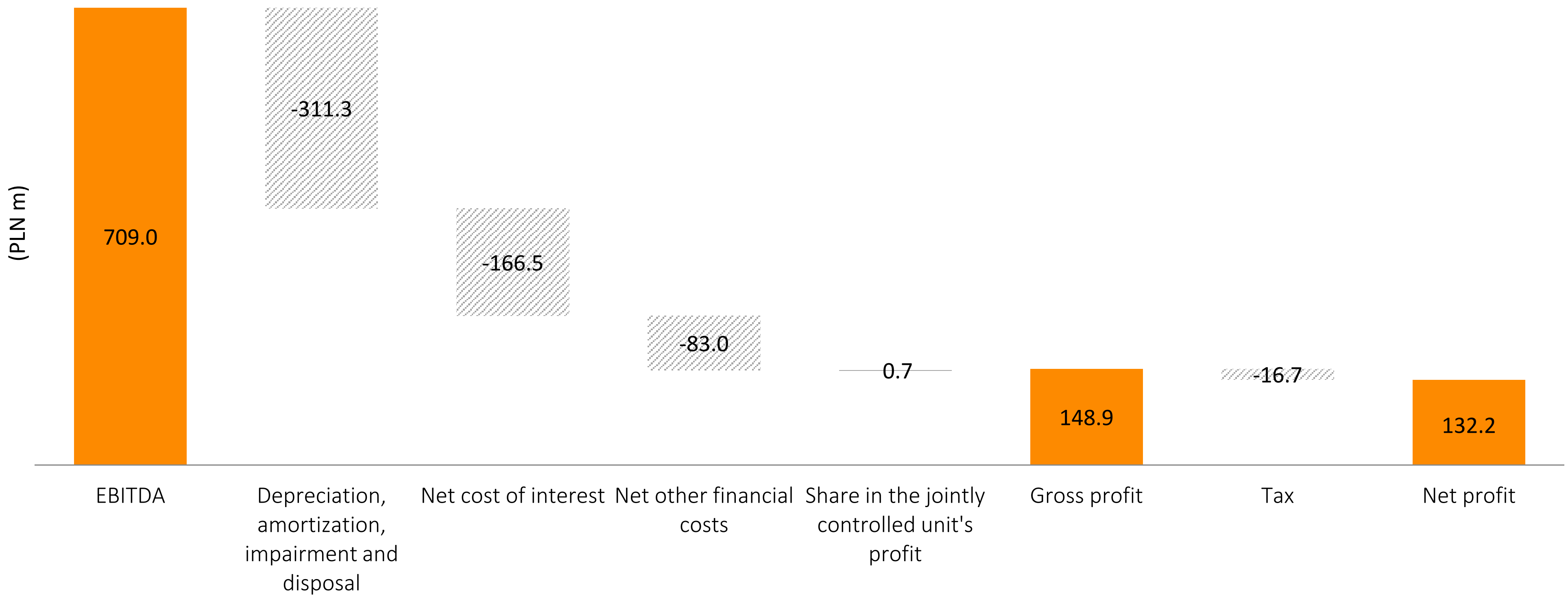
Cost structure in H1'14





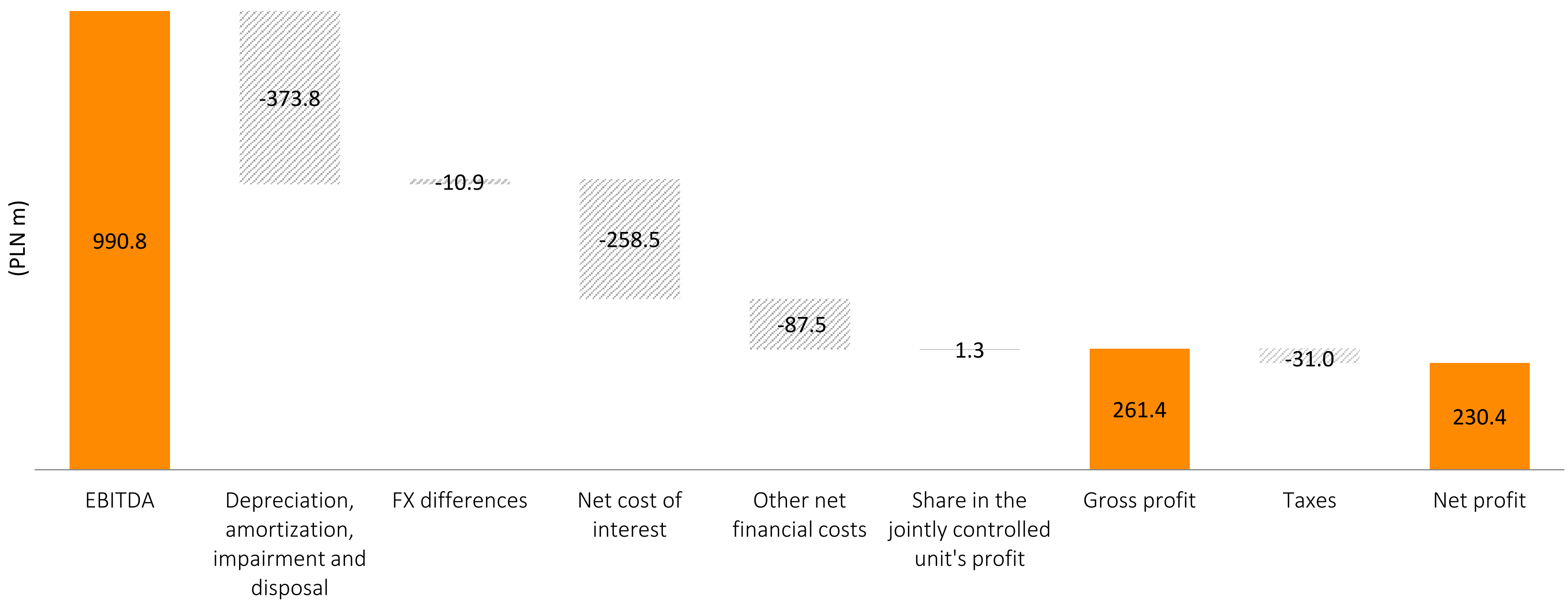
Source: Interim condensed consolidated financial statements for the 3 and 6 month period ended 30 June 2014 and internal analysis

Items below the EBITDA item in Q2'14



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

Items below the EBITDA item in H1'14



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

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