



PLAY

NEW OFFERS: SOLO, DUO, FAMILY



PLAY

Q3 2016 Results PLAY Investor Presentation  
November 22, 2016

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# Agenda

## Business and Strategy

**Jørgen  
Bang-Jensen**  
CEO



## Financial Performance

**Robert Bowker**  
CFO



## Q3 2016 – Key Business Developments (1/2)

### Continued Commercial Success

- We have reached 14.6m subscribers (+8.1% YoY) and 26.0% market share (+3.1pp YoY) as of September 30, 2016
- In last twelve months ended September 30, 2016, we have added 1,282k net contract subscribers (370k in Q3). The share of contract subscribers at the end of Q3 2016 amounted to 54.6% (+5.1pp YoY)
- Play maintains its dominant position in Mobile Number Portability. Our share of all numbers moved between operators amounted to approximately 47% in Q3 2016 and on average 45% for the last twelve months (including MVNOs)
- We have started prepaid registration from July 25, 2016. The need to register a SIM is a requirement imposed by a new anti-terrorism law. Subscribers who have already purchased a prepaid card must report and assign them with their personal information. Cards that are not registered by 1st February 2017 will be deactivated. We introduced a simplified registration procedure available in Play points of sale, via Play24/CC (channel available only for current Play customers) and in various external retail sales networks (e.g. RUCH/Inmedio/Post Office, etc.). As a result of prepaid registration, mobile operators can expect some changes in the prepaid market such as lower gross adds (less promo seekers and one-time-users), lower customer base (migration to contract, less clients with more than two SIM cards) offset by more valuable customers (less inactive clients, longer lifetime, higher margins). At the end of Q3 2016 we have registered circa 53.9% of our active prepaid base
- In Q3 we continued offerings of Solo, Duo, Family in three formulas S (small), M (medium), L (large)
- We continue promoting the music platform Tidal which now is reaching over 900k of subscribers
- In August 2016 we launched PLAY NOW – online video service offering access to live channels, catch up content and additional functionalities on smartphones, tablets, PCs and via Google Chromecast on TV screen. Entry tier of channels is included in the subscription fee for new and retaining Play customers. Additional tiers are available for extra fee.

## Q3 2016 – Key Business Developments (2/2)

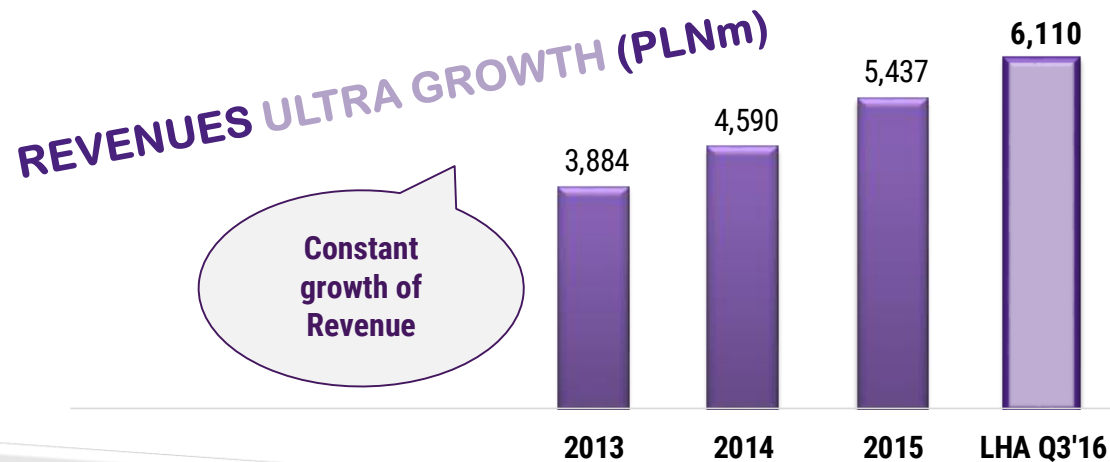
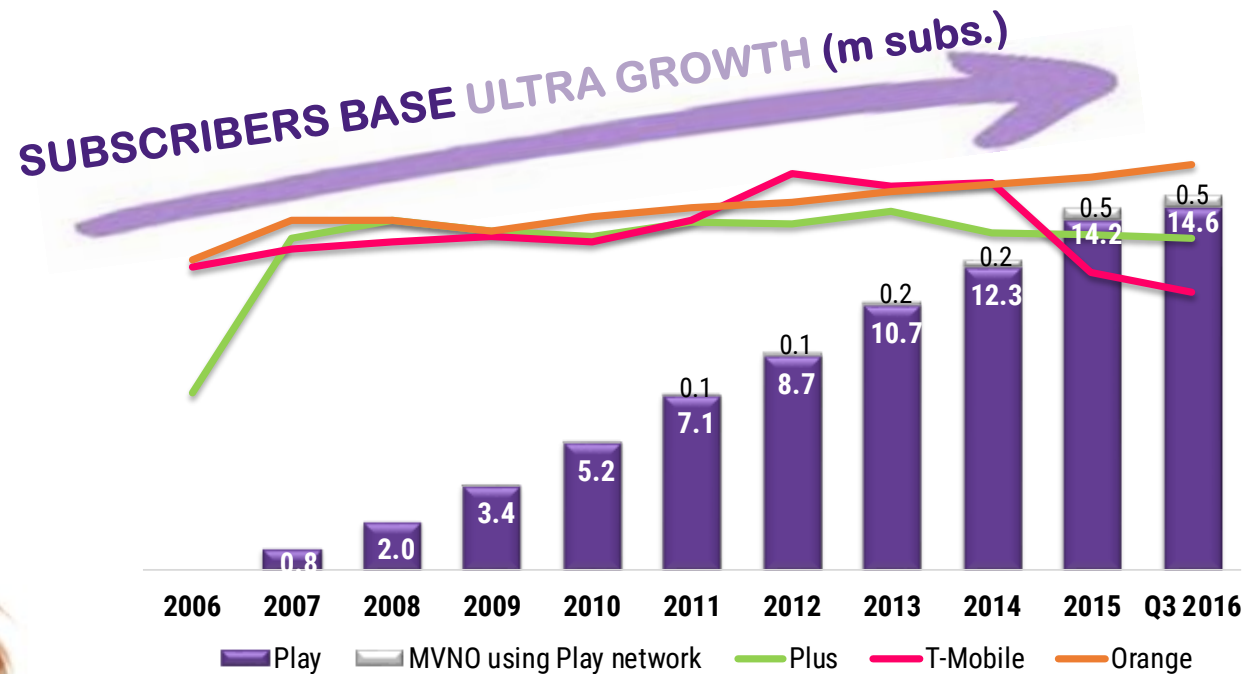
**800/2600  
MHz**

- We continue building out our network using new frequencies and as of the end of September 2016, 800 MHz was enabled on 2,064 sites and 2600 MHz on 1,052 sites
- At the end of Q3 2016 our population coverage of LTE amounted to 90.5% (+2.1pp versus Q2 2016) and LTE Ultra amounted to 76.3% (+4.0pp versus Q2 2016).

**Strong  
Financial  
Performance**

- In Q2 2016, the Group early adopted new reporting standards IFRS 15 “Revenue from contracts with customers” and IFRS 16 “Leases”. The numbers in this presentation are based on the Financial Statements prepared in accordance with IFRS with early adoption of IFRS 15 and IFRS 16 (“New Reporting Standards”)
- Usage revenues for the twelve months ended on September 30, 2016, amounted to PLN 3,366m, an increase of 9.1% YoY
- Service revenues in Q3 2016 amounted to PLN 1,141m, an increase of 8.5% YoY
- Q3 2016 Adjusted EBITDA amounted to PLN 517m, an increase of 9.8% YoY.

# Play's Ultra Growth



# Q3 2016 – Key Highlights

Continued Commercial Success	Subscriber base growth	Total subs 14.6m +8.1% YoY +0.1% QoQ	Market share 26.0% +3.1pp YoY +0.4pp QoQ	Added subs 1,091k <i>LTM Q3'16</i> -37.9% YoY -31.3% QoQ
	Quality of Subscribers	blended ARPU PLN 31.6 -1.5% YoY +1.8% QoQ	Contract Churn 0.7% 0.0pp YoY 0.0pp QoQ	Contract share 54.6% <i>of subs</i> +5.1pp YoY +2.4% QoQ
	Q3 2016	Revenue PLN 1,566m +12.8% YoY +5.2% QoQ	Adjusted EBITDA PLN 517m +9.8% YoY +5.4% QoQ	Adj EBITDA Margin 33.0% -0.9pp YoY +0.1pp QoQ
	Q3'16 LHA	Revenue PLN 6,110m +12.4% YoY +4.2% QoQ	Adjusted EBITDA PLN 2,015m +9.3% YoY +5.2% QoQ	Adj EBITDA Margin 33.0% -0.9pp YoY +0.3pp QoQ
Strong Financial Performance				

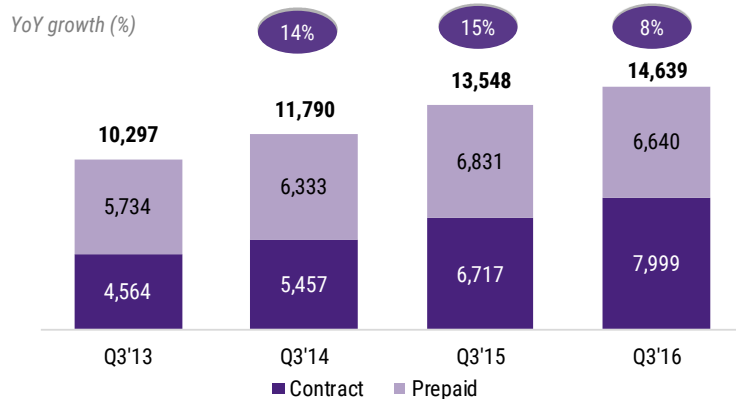
# Fast growth of customer base and stable ARPU continues to drive revenue and profitability expansion

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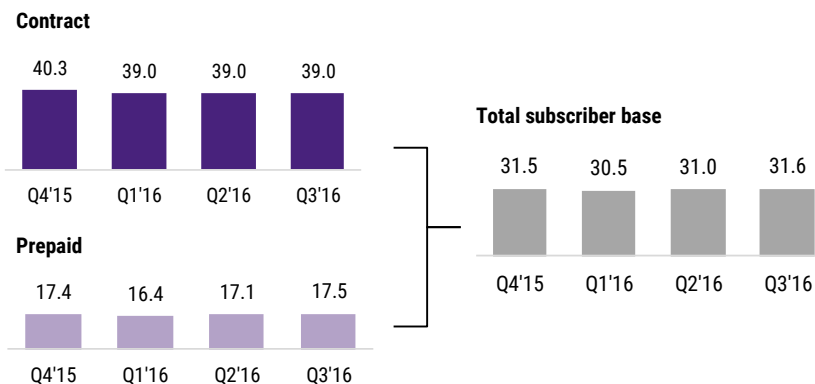
## Fast growing subscriber base...

### Subscriber base (000s) at the end of:



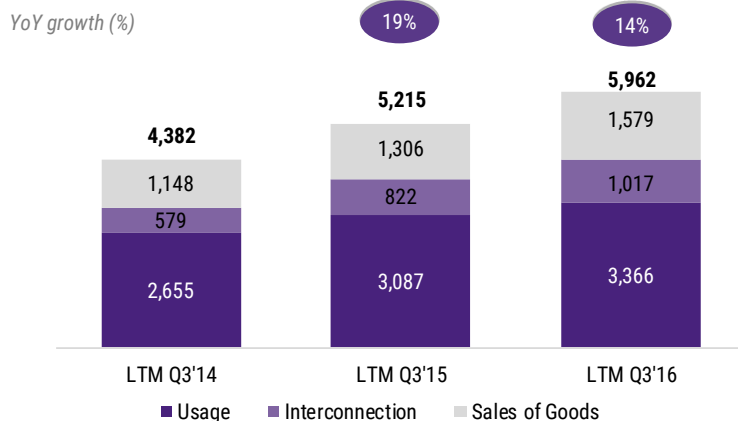
## ...with stable ARPU...

### ARPU (PLN / month)



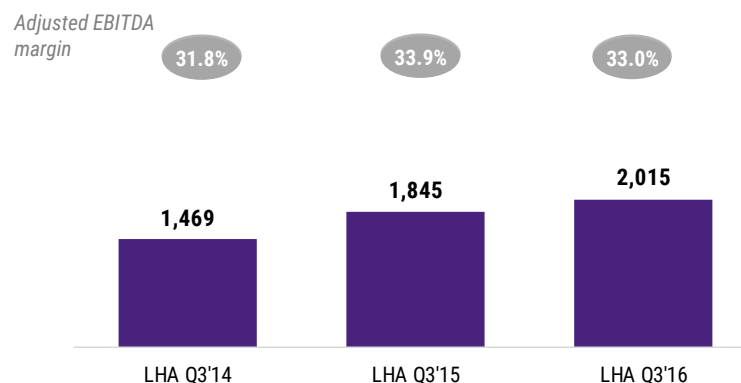
## ...continues to drive revenue expansion...

### Total Revenues (PLNm)



## ...and profitability

### Adjusted EBITDA<sup>1</sup> (PLNm)



<sup>1</sup> EBITDA means operating profit for the period plus depreciation and amortization; Adjusted EBITDA means EBITDA plus costs of advisory services provided by shareholders, plus cost/(income) resulting from valuation of retention programs and plus certain one off items.



## Q3 2016 – Marketing activity



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WHO WOULD YOU LIKE TO TAKE TO PLAY ?  
- FIND YOUR PERFECT DUET !



## THREE GROUPS OF CLIENTS:

## - SOLO



## - DUO

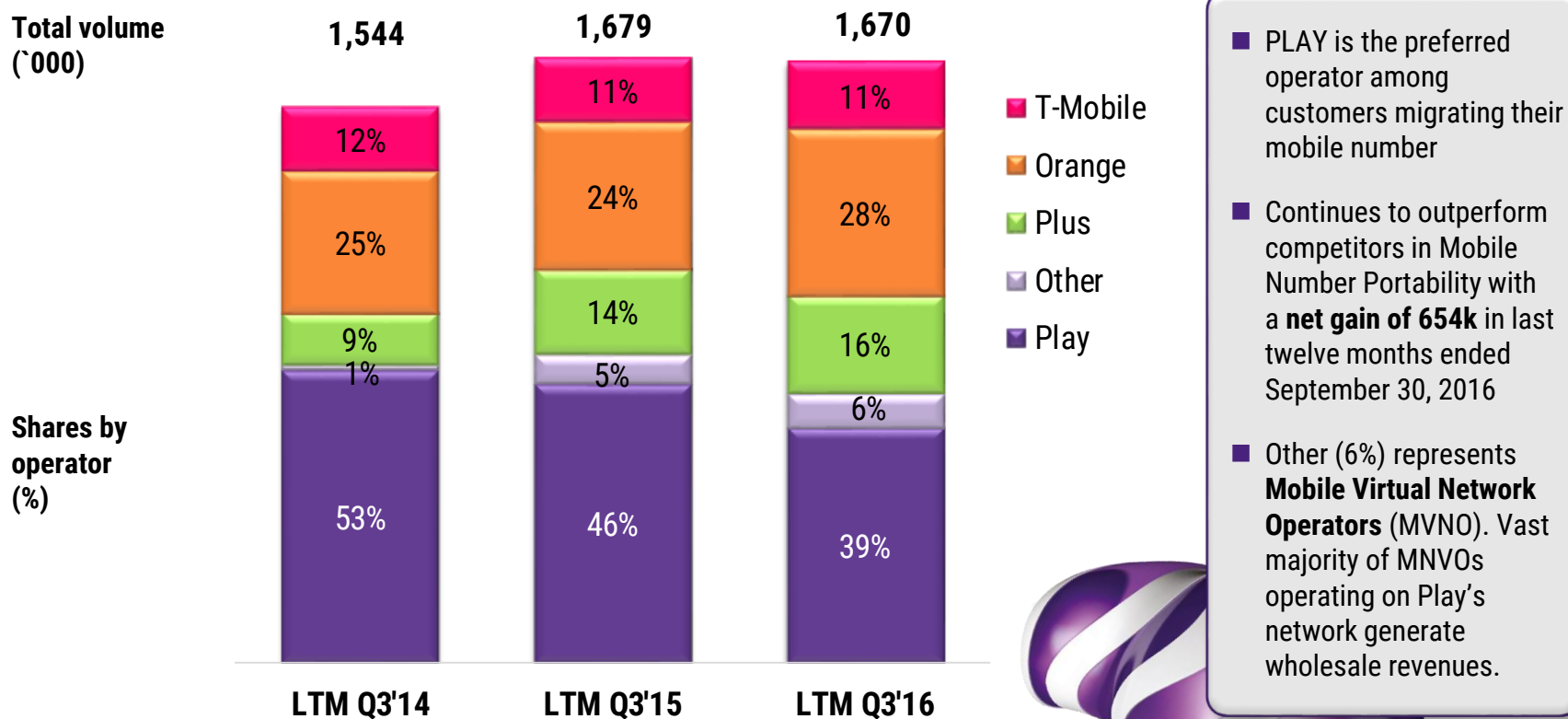


## - FAMILY



# Continued Leadership in Mobile Number Portability...

Total volume of "Port-Ins" under MNP ('000) and shares by MNOs (%)<sup>1</sup>



<sup>1</sup> Source: multi-operator MNP management platform.

# Agenda

## Business and Strategy

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CEO



## Financial Performance

**Robert Bowker**  
CFO



## Summary Financials (1/2)

<i>PLN millions</i>	Q3 2015	Q3 2016	Change (%)	Q2 2016	Q3 2016	Change (%)
<b>Total Revenue</b>	<b>1,388</b>	<b>1,566</b>	<b>13%</b>	<b>1,489</b>	<b>1,566</b>	<b>5%</b>
Service revenue	1,052	1,141	8%	1,107	1,141	3%
Usage revenue	830	880	6%	843	880	4%
Retail contract revenue	638	685	7%	652	685	5%
Retail prepaid revenue	170	165	-3%	162	165	2%
Other revenue	22	30	33%	29	30	1%
Interconnection revenues	222	261	18%	264	261	-1%
Sales of goods and other revenue (Handsets)	336	425	26%	382	425	11%
<b>Total Direct Costs</b>	<b>(735)</b>	<b>(828)</b>	<b>13%</b>	<b>(802)</b>	<b>(828)</b>	<b>3%</b>
Interconnect costs	(254)	(285)	12%	(287)	(285)	-1%
Network Sharing	(41)	(47)	15%	(42)	(47)	12%
COGS (Handsets)	(289)	(355)	23%	(331)	(355)	7%
Contract costs, net (Comissions)	(101)	(92)	-9%	(103)	(92)	-11%
Other service costs	(50)	(49)	-2%	(39)	(49)	26%
<b>Contribution</b>	<b>653</b>	<b>738</b>	<b>13%</b>	<b>687</b>	<b>738</b>	<b>7%</b>
G&A and other <sup>1</sup>	(220)	(250)	13%	(240)	(250)	4%
<b>EBITDA</b>	<b>433</b>	<b>488</b>	<b>13%</b>	<b>447</b>	<b>488</b>	<b>9%</b>
Other EBITDA adjustments <sup>2</sup>	38	29	-24%	44	29	-34%
<b>Adjusted EBITDA</b>	<b>471</b>	<b>517</b>	<b>10%</b>	<b>491</b>	<b>517</b>	<b>5%</b>
<i>Total Revenue (%)</i>	<i>33.9%</i>	<i>33.0%</i>	<i>-0.9pp</i>	<i>33.0%</i>	<i>33.0%</i>	<i>+0.1pp</i>

<sup>1</sup> Other operating income less other operating costs;

<sup>2</sup> Includes: advisory services fees, valuation of retention programs and other one-off items.

## Summary Financials (2/2)

<i>(PLNm)</i>	Q2 2015	Q2 2016	Q3 2015	Q3 2016
<b>Operating Revenue</b>	<b>1,330</b>	<b>1,489</b>	<b>1,388</b>	<b>1,566</b>
Service Revenue	1,003	1,107	1,052	1,141
Service Costs (Interconnection, roaming and other services costs)	(324)	(368)	(345)	(381)
<b>Service Margin</b>	<b>679</b>	<b>739</b>	<b>707</b>	<b>760</b>
<i>Service Margin %</i>	67.7%	66.8%	67.2%	66.6%
Sales of goods and other revenue	327	382	336	425
Cost of goods sold	(274)	(331)	(289)	(356)
<b>Gross Margin on handsets</b>	<b>53</b>	<b>51</b>	<b>47</b>	<b>68</b>
<i>Gross Margin %</i>	16.3%	13.3%	14.0%	16.1%
Contract costs, net (commission)	(87)	(103)	(101)	(91)
<b>Contribution Margin</b>	<b>645</b>	<b>687</b>	<b>653</b>	<b>738</b>
G & A expenses and other	(215)	(240)	(220)	(250)
<b>EBITDA</b>	<b>430</b>	<b>447</b>	<b>433</b>	<b>488</b>
<i>EBITDA Margin %</i>	32.3%	30.0%	31.2%	31.2%
Non-recurring costs	(22)	(44)	(38)	(29)
<b>Adjusted EBITDA</b>	<b>452</b>	<b>491</b>	<b>471</b>	<b>517</b>
<i>Adjusted EBITDA Margin %</i>	34.0%	33.0%	33.9%	33.0%

# FCF Summary

PLN millions	Q3 2015	Q3 2016	Change (%)	Q2 2016	Q3 2016	Change (%)
<b>Adjusted EBITDA</b>	<b>471</b>	<b>517</b>	<b>10%</b>	<b>491</b>	<b>517</b>	<b>5%</b>
Non-cash items and changes in provisions	(1)	(3)	113%	0	(3)	n/a
Change in working capital	21	(38)	n/a	(100)	(38)	-62%
Changes in contract costs (net)	1	(32)	n/a	(2)	(32)	1412%
Changes in contract assets	(35)	66	n/a	3	66	2489%
Changes in contract liabilities	1	14	890%	(9)	14	n/a
Cash capex (net)	(122)	(129)	5%	(96)	(129)	34%
Income tax paid	(3)	(0)	100%	(0)	(0)	n/a
<b>FCF before financing and non-recurring items</b>	<b>332</b>	<b>394</b>	<b>19%</b>	<b>286</b>	<b>394</b>	<b>38%</b>
Proceeds from finance liabilities	-	20	n/a	175	20	-89%
Repayment of finance liabilities	(167)	(193)	16%	(421)	(193)	-54%
Purchase of debt securities <sup>1</sup>	(69)	(71)	4%	-	(71)	n/a
Deposit paid to UKE in relation with spectrum auction	(123)	-	n/a	-	-	n/a
Other <sup>2</sup>	(9)	(49)	454%	(46)	(49)	7%
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(36)</b>	<b>100</b>	<b>n/a</b>	<b>(6)</b>	<b>100</b>	<b>n/a</b>
Effect of exchange rate change on cash and cash equivalents	(4)	0	n/a	0	0	n/a
Beginning of period cash and equivalents	849	(133)	n/a	(126)	(133)	5%
End of period cash and equivalents	809	(32)	n/a	(133)	(32)	-76%

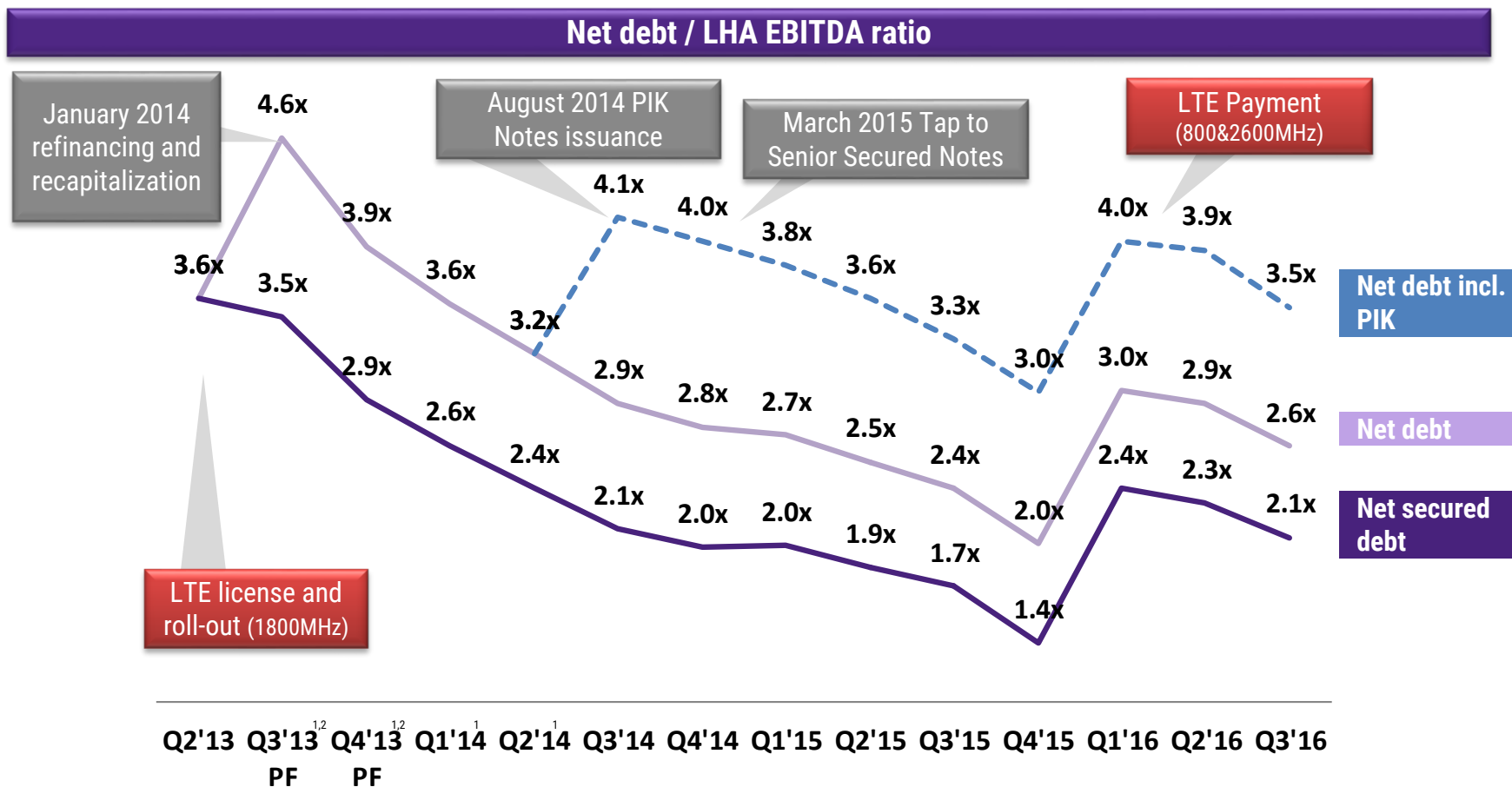
<sup>1</sup> Purchase of Series D Notes issued by Play Topco; <sup>2</sup> Advisory services fee paid out, retention programmes and special bonuses paid out, foreign exchange gains / (losses) and other one-off, loans given and proceeds from loans granted, early termination fee.

As of September 30, 2016

	PLNm	EURm <sup>1</sup>	xLHA Adj. EBITDA <sup>2</sup>
Cash and cash equivalents (overdrafts)	(32)	(8)	(0.0x)
Revolving Credit Facilities drawn	-	-	-
Leases	827	192	0.4x
Other debt	3	1	0.0x
Senior Secured Notes	3,284	762	1.6x
<i>of which EUR 725m 5.25% fixed rate Notes due 2019<sup>3</sup></i>	3,153	731	1.6x
<i>of which PLN 130m WIBOR+3.50% floating rate Notes due 2019<sup>4</sup></i>	131	30	0.1x
Secured debt	4,114	954	2.0x
<b>Net secured debt (including overdrafts)</b>	<b>4,146</b>	<b>962</b>	<b>2.1x</b>
<b>EUR 270m 6.50% Senior Unsecured Notes due 2019<sup>5</sup></b>	1,177	273	0.6x
Total debt - Play Holdings 2 S.à r.l.	5,291	1,227	2.6x
<b>Net debt - Play Holdings 2 S.à r.l.</b>	<b>5,323</b>	<b>1,234</b>	<b>2.6x</b>
<b>EUR 415m 7.75% / 8.50% Senior PIK Toggle Notes due 2020<sup>6</sup></b>	1,801	418	0.9x
Total debt - Play Topco S.A.	7,092	1,645	3.5x
<b>Net debt - Play Topco S.A.</b>	<b>7,124</b>	<b>1,652</b>	<b>3.5x</b>

	PLN	EUR
<sup>1</sup> Currency exchange rate as of September 30, 2016	<b>4.3120</b>	NA
<sup>2</sup> LHA Adj. EBITDA as of September 30, 2016	<b>2,015</b>	467
<sup>3</sup> Including accrued interest	26.9	<b>6.2</b>
<sup>4</sup> Including accrued interest	<b>1.1</b>	0.3
<sup>5</sup> Including accrued interest	12.4	<b>2.9</b>
<sup>6</sup> Including accrued interest	11.6	<b>2.7</b>

# Ultra strong deleveraging track record



**Fast EBITDA growth based on revenue growth out of a stable cost base and efficient capex allows for quick deleveraging**

<sup>1</sup> Net debt assuming full escrow release and distribution of escrowed amounts to shareholders; debt includes accrued interest and finance leases;

<sup>2</sup> Pro forma for January 2014 refinancing and recapitalization (Senior Secured Notes and Senior Notes issuance; CDB/Altor debt repayment and distribution to shareholders).



## Quarterly KPIs

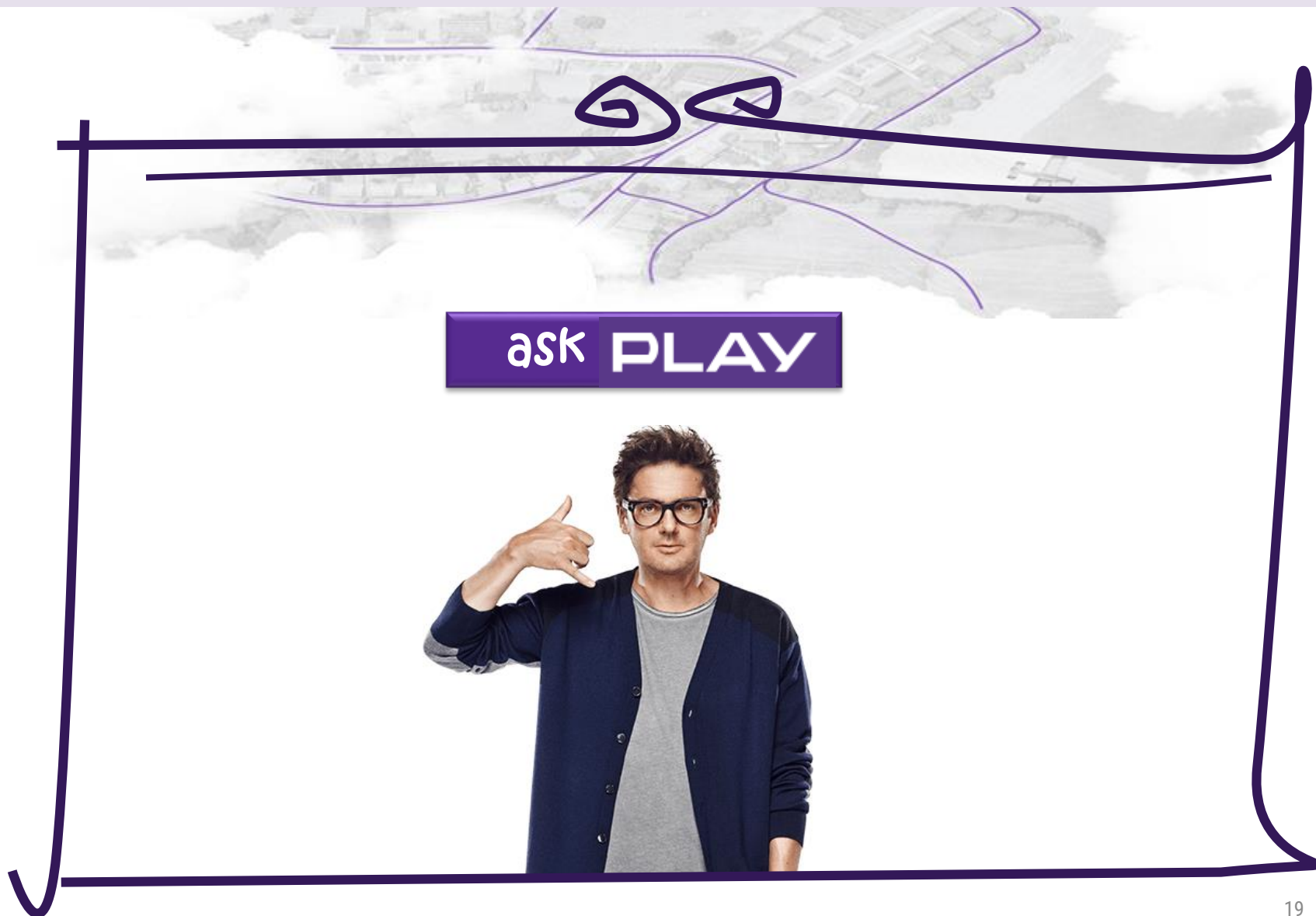
	Q2 2015	Q2 2016	Change (%)	Q3 2015	Q3 2016	Change (%)	Q2 2016	Q3 2016	Change (%)
<b>Total revenue</b>	<b>1,330</b>	<b>1,489</b>	<b>12%</b>	<b>1,388</b>	<b>1,566</b>	<b>13%</b>	<b>1,489</b>	<b>1,566</b>	<b>5%</b>
Service revenue	1,003	1,107	10%	1,052	1,141	8%	1,107	1,141	3%
Usage revenue	787	843	7%	830	880	6%	843	880	4%
<b>Adjusted EBITDA</b>	<b>452</b>	<b>491</b>	<b>9%</b>	<b>471</b>	<b>517</b>	<b>10%</b>	<b>491</b>	<b>517</b>	<b>5%</b>
<b>Adjusted EBITDA Margin</b>	<b>34.0%</b>	<b>33.0%</b>	<b>-1.0pp</b>	<b>33.9%</b>	<b>33.0%</b>	<b>-0.9pp</b>	<b>33.0%</b>	<b>33.0%</b>	<b>0.1pp</b>
Reported Subscribers - Contract	6,441	7,629	18%	6,717	7,999	19%	7,629	7,999	5%
Net Additions - Contract	310	288	-7%	275	370	34%	288	370	28%
Churn - Contract	0.6%	0.7%	0.1pp	0.7%	0.7%	0.0pp	0.7%	0.7%	0.0pp
ARPU - Contract	41.3	39.0	-6%	41.5	39.0	-6%	39	39	0%
Data usage per subscriber - Contract	2,204	3,158	43%	2,388	3,322	39%	3,158	3,322	5%
Unit SAC - Contract cash <sup>1</sup>	312	379	21%	335	348	4%	379	348	-8%
% of Terminals in Contract Gross Adds	47%	47%	0pp	51%	44%	-7pp	47%	44%	-3pp
Unit SRC cash <sup>1</sup>	293	368	26%	312	348	12%	368	348	-6%
% of Terminals in Retention	46%	46%	0pp	49%	46%	-3pp	46%	46%	0pp

<sup>1</sup> Calculated on cash basis.

## Annual KPIs

	<i>Unit</i>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Q3'16 LTM</b>	<b>Q3'16 LHA</b>
<b>Total revenue</b>	<i>PLNm</i>	<b>3,884</b>	<b>4,590</b>	<b>5,437</b>	<b>5,962</b>	<b>6,110</b>
Service revenue	<i>PLNm</i>	2,850	3,398	4,060	4,383	4,497
Usage revenue	<i>PLNm</i>	2,310	2,761	3,180	3,366	3,447
<b>Adjusted EBITDA</b>	<i>PLNm</i>	<b>1,011</b>	<b>1,436</b>	<b>1,786</b>	<b>1,935</b>	<b>2,015</b>
<b>Adjusted EBITDA Margin</b>	<i>PLNm</i>	<b>26.0%</b>	<b>31.3%</b>	<b>32.8%</b>	<b>32.5%</b>	<b>33.0%</b>
Reported Subscribers - Contract	<i>k Subs.</i>	4,770	5,810	7,070	7,999	7,999
Net Additions - Contract	<i>k Subs.</i>	893	1,041	1,259	1,282	1,317
Churn - Contract	<i>%</i>	0.7%	0.8%	0.6%	0.7%	0.7%
ARPU - Contract	<i>PLN</i>	41.4	41.7	41.0	39.3	39.0
Data usage per subscriber - Contract	<i>MB</i>	849	1,274	2,358	3,098	3,242
Unit SAC - Contract cash <sup>1</sup>	<i>PLN</i>	375	349	333	365	362
% of Terminals in Contract Gross Adds	<i>%</i>	56%	52%	48%	46%	46%
Unit SRC cash <sup>1</sup>	<i>PLN</i>	295	295	314	375	358
% of Terminals in Retention	<i>%</i>	47%	46%	47%	48%	46%

<sup>1</sup> Calculated on cash basis.



## Appendix

- **Adjusted EBITDA reconciliation**



## Adjusted EBITDA Reconciliation

<i>PLN millions</i>	Q3 2015	Q3 2016	Change (%)	LTM Q3 2015	LTM Q3 2016	Change (%)
<b>Operating Profit</b>	<b>278</b>	<b>314</b>	<b>13%</b>	<b>1,000</b>	<b>1,209</b>	<b>21%</b>
D&A	155	174	12%	596	625	5%
Advisory services fees	5	8	59%	26	31	16%
Valuation of retention programs	25	16	-38%	81	17	-79%
One-off adjustments	8	6	-29%	4	54	1284%
<b>Adjusted EBITDA</b>	<b>471</b>	<b>517</b>	<b>10%</b>	<b>1,707</b>	<b>1,935</b>	<b>13%</b>
<i>% of Revenues</i>	33.9%	33.0%	-0.9pp	32.7%	32.5%	-0.3pp