

PLAY

A European telco success story

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Today's speakers

PLAY

Marek Chruściel
Treasury and Investor Relations Director



Marcin Szul
Financial Controlling Director



Journey to success

Key achievements

PLAY

EXCEPTIONAL MARKET PERFORMANCE

- 26% market share (14.6m customers)
- High-value revenue base (78% from Contracts)

OPERATOR OF CHOICE

- Preferred operator for number portability
- Industry best-in-class customer satisfaction (NPS leader)

DELIVERING PROFITABLE GROWTH

- Increase in Revenue and EBITDA
- High cash generation and fast deleveraging

POSITIONED FOR DATA DEMAND

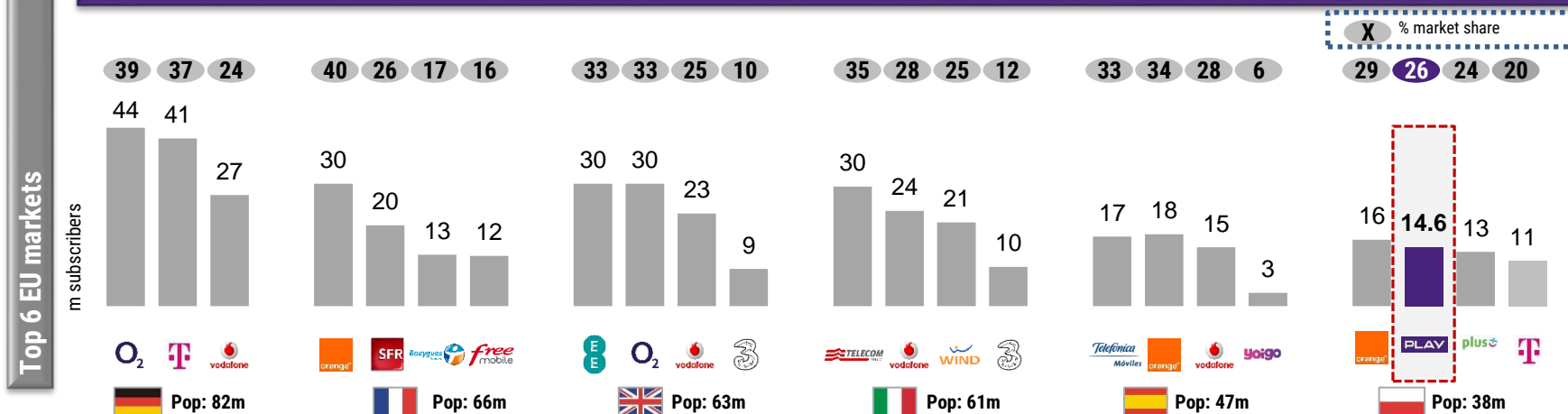
- Fast LTE rollout (90.5% coverage)
- Strong spectrum portfolio



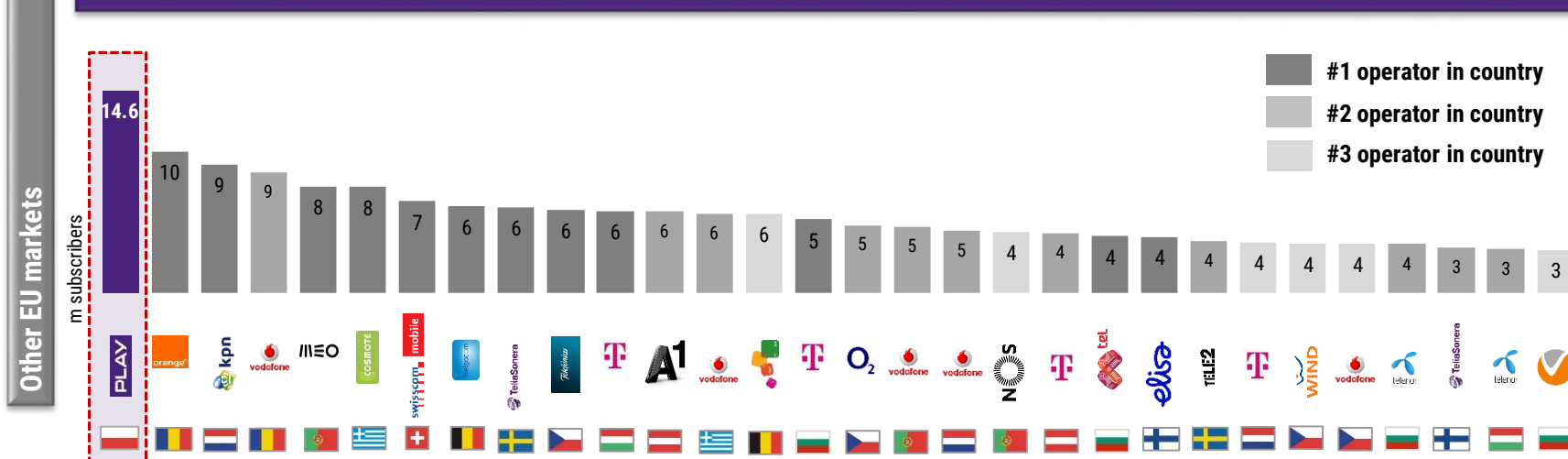
PLAY – in a premier league of European telcos

PLAY

Total subscribers (m) and market share (%) as of September 30, 2016¹



Total subscribers (m) as of September 30, 2016²



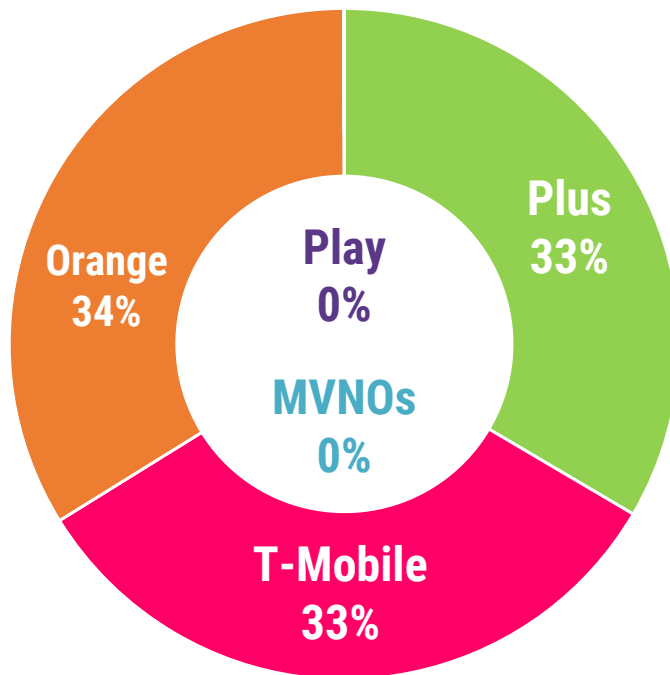
Exceptional market performance

PLAY

Market continues to be balanced and competition rational, as PLAY is not targeting any of the competitors

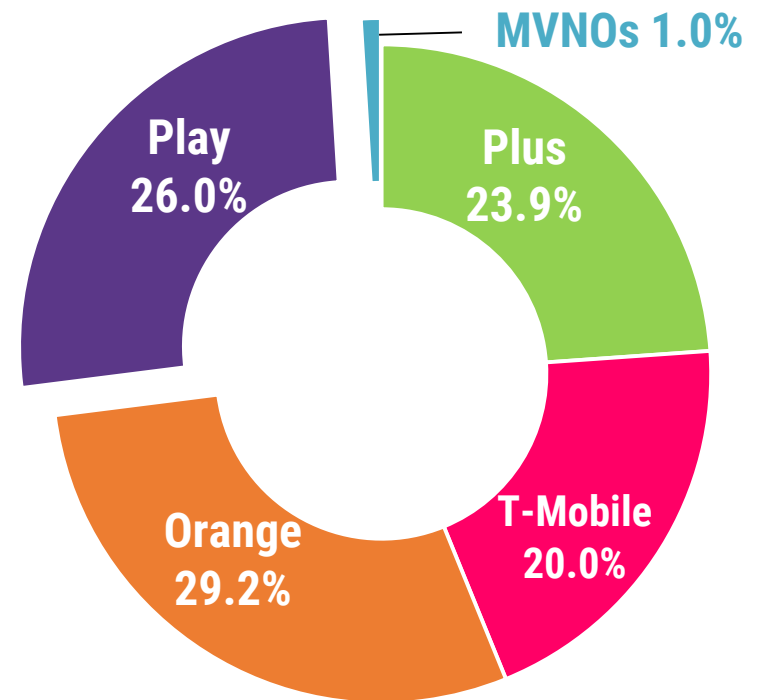
% Market share (subscribers)

Q1 2007



Total number of subscribers 37.8m

Q3 2016



Total number of subscribers 56.2m

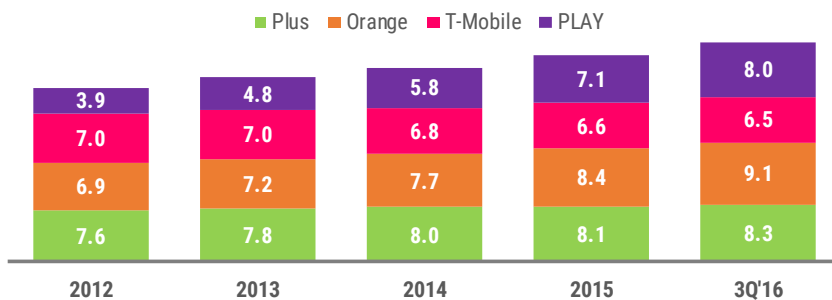
Exceptional market performance

Polish mobile market continues to be healthy and profitable with stable competitive dynamics

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Stable competitive dynamics

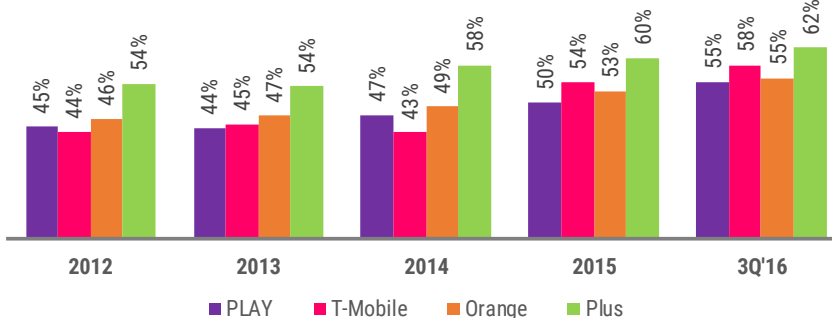
Contract subscribers (m)



- Still no meaningful MVNOs
- Fixed line infrastructure underdeveloped and bundling at limited stage

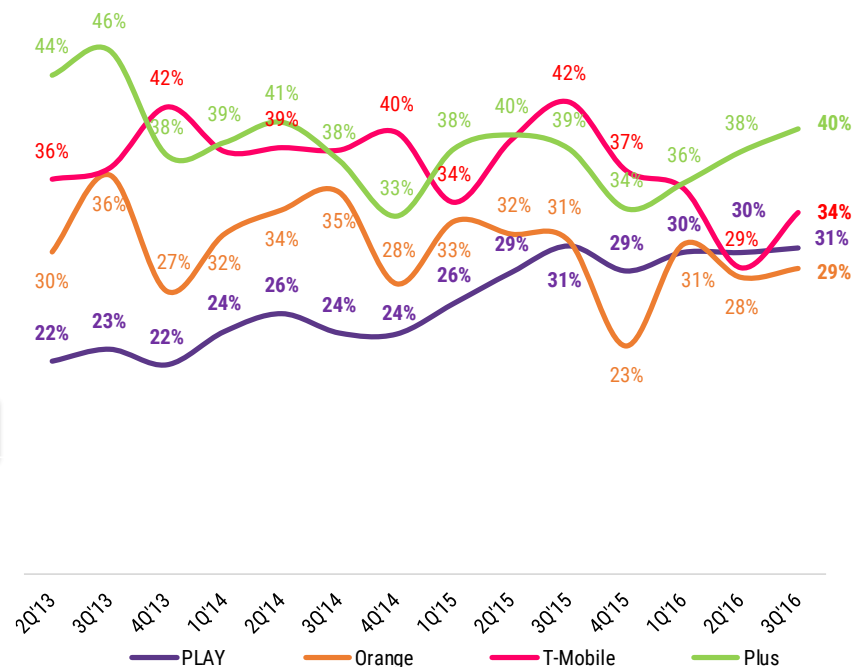
Improving customer mix

Contract subscribers as % of total



Healthy EBITDA margin

EBITDA margin (%)¹



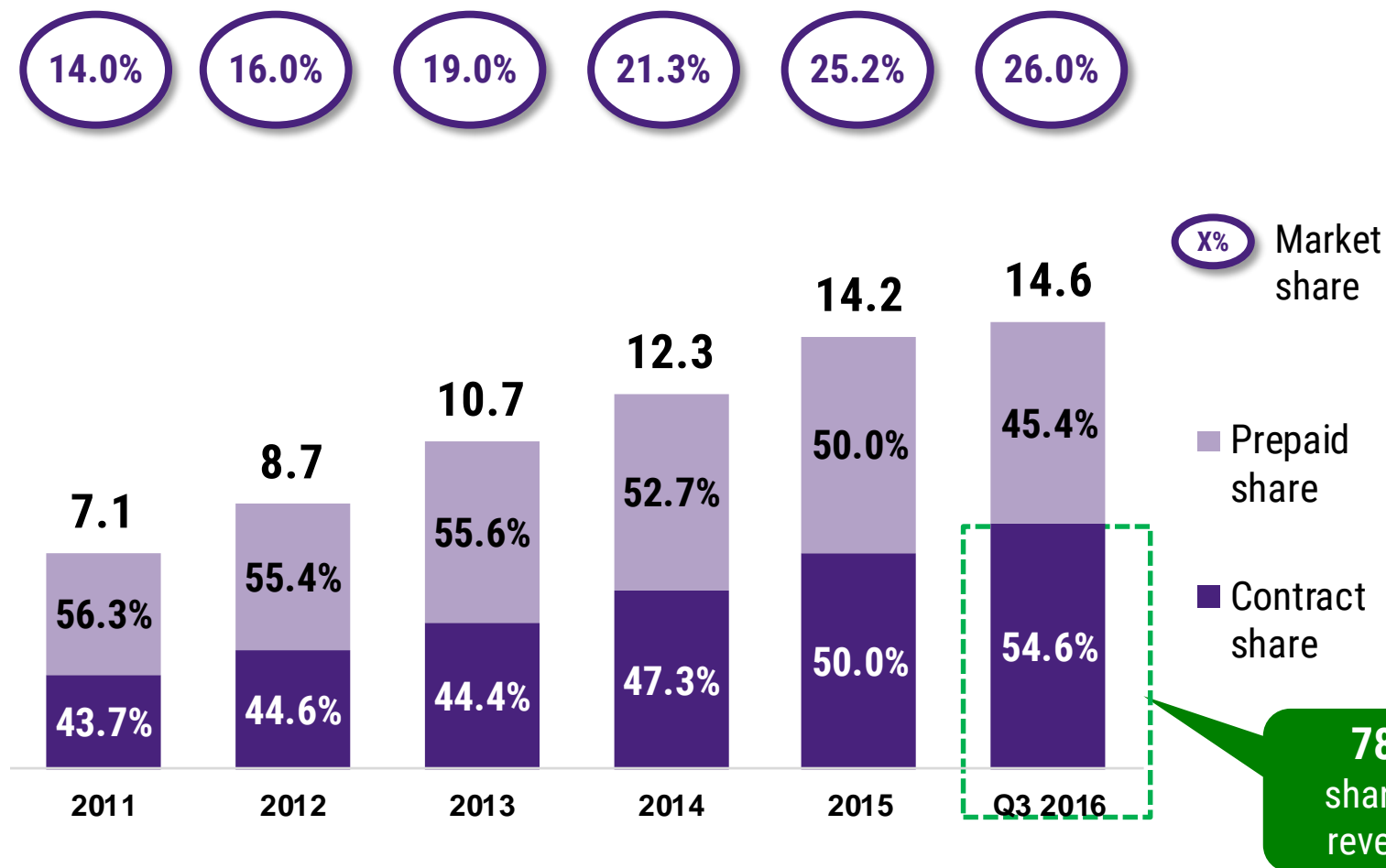
¹ Under current reporting standards. For **Play** and **T-Mobile** calculated as Adj. EBITDA / Total Revenues, for **other operators** reported EBITDA / Total Revenues; EBITDA for **Orange** and **Plus** taken from public reports (EBITDA and Revenue include all segments, not only mobile)

Exceptional market performance

Fast growing Subscribers Base

PLAY

Subscribers base (m)



Exceptional market performance

Leading the race in contract net additions

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Contract net additions ('000s)

LTM Q3 2013

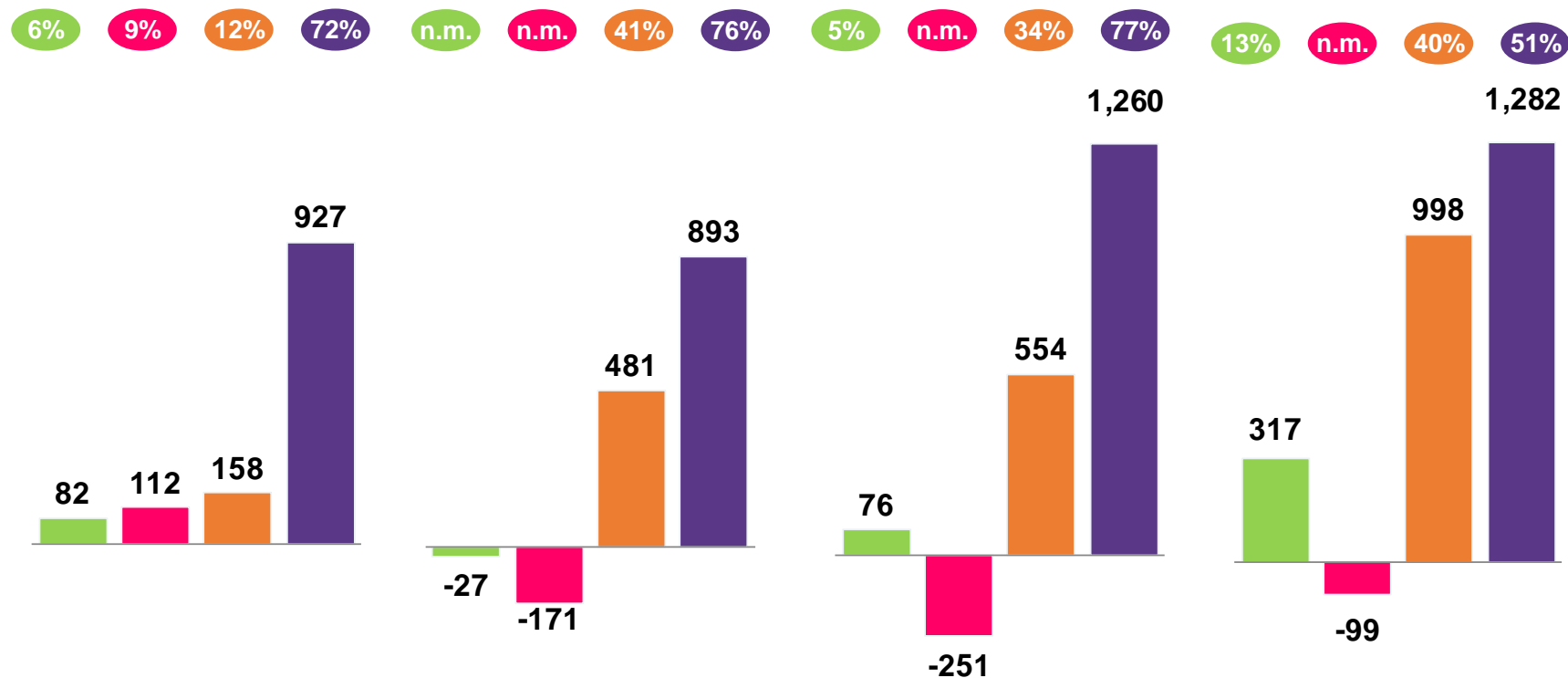
LTM Q3 2014

LTM Q3 2015

LTM Q3 2016

x%

Contract net additions market share



plus T... orange PLAY

plus T... orange PLAY

plus T... orange PLAY

plus T... orange PLAY

Journey to success

Key achievements

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DELIVERING PROFITABLE GROWTH

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POSITIONED FOR DATA DEMAND

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Operator of choice

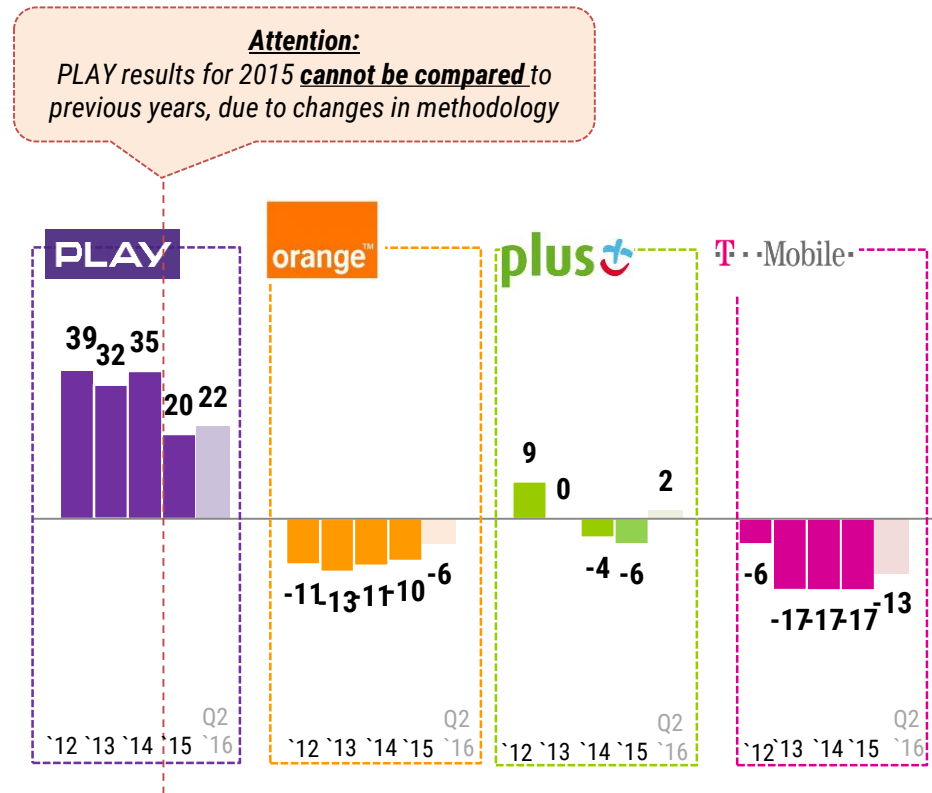
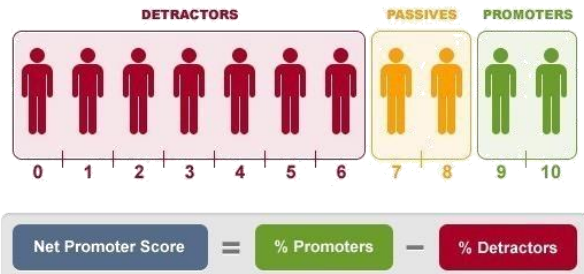
Number 1 in customer satisfaction

PLAY

NPS Values of telecom operators in Poland

Net Promoter Score (NPS)

- key customer satisfaction and loyalty measurement tool¹
- statistically proven predictor of future growth.



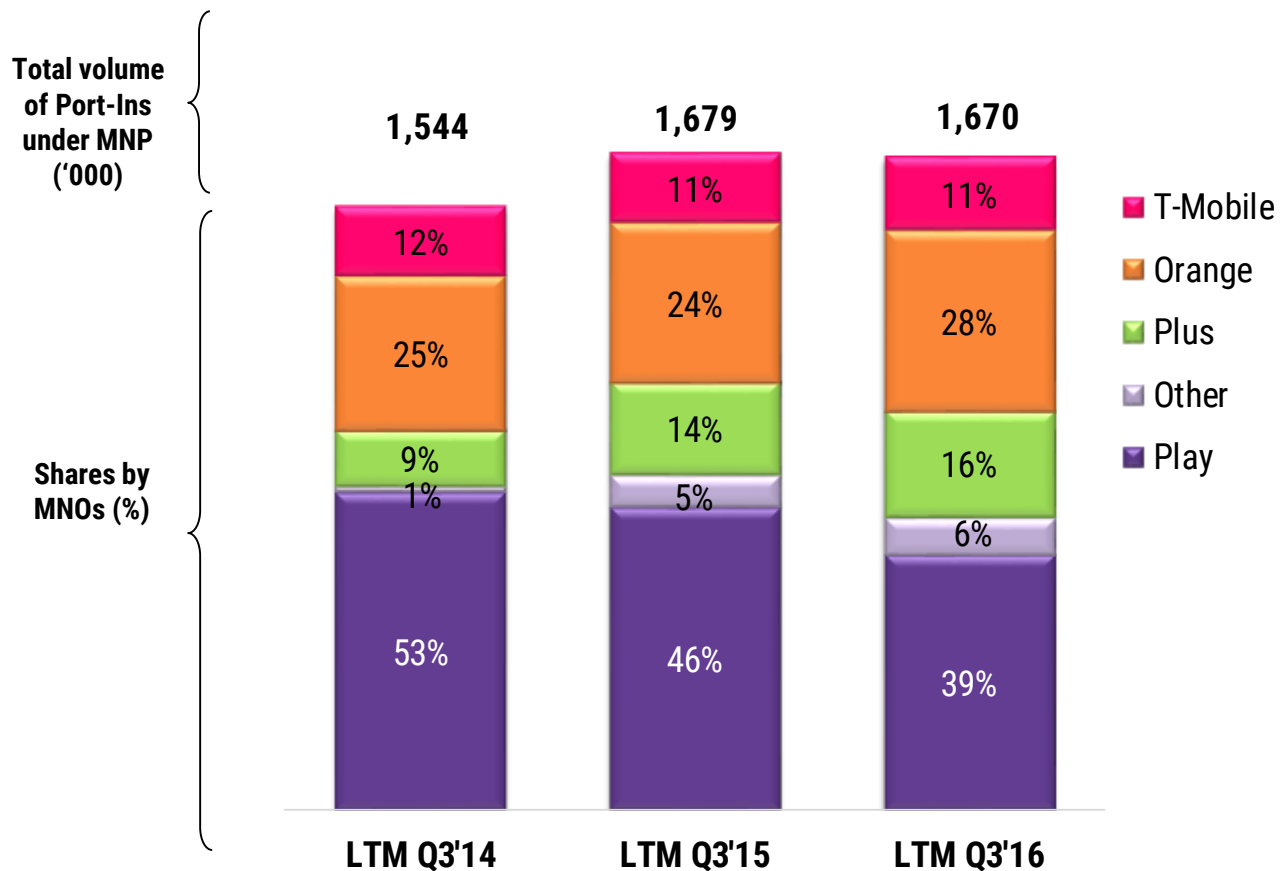
NPS FOR PLAY AS WELL AS COMPETITION DOES NOT INCLUDE PRE-PAID DATA.

Operator of choice

Continued leadership in Mobile Number Portability

PLAY

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



- PLAY is the preferred operator among customers migrating their mobile number
- Continues to outperform competitors in Mobile Number Portability with a **net gain of 654k** in last twelve months ended September 30, 2016
- Other (6%) represents **Mobile Virtual Network Operators (MVNO)**. Vast majority of MVNOs operating on Play's network generate wholesale revenues.

Source: Company data

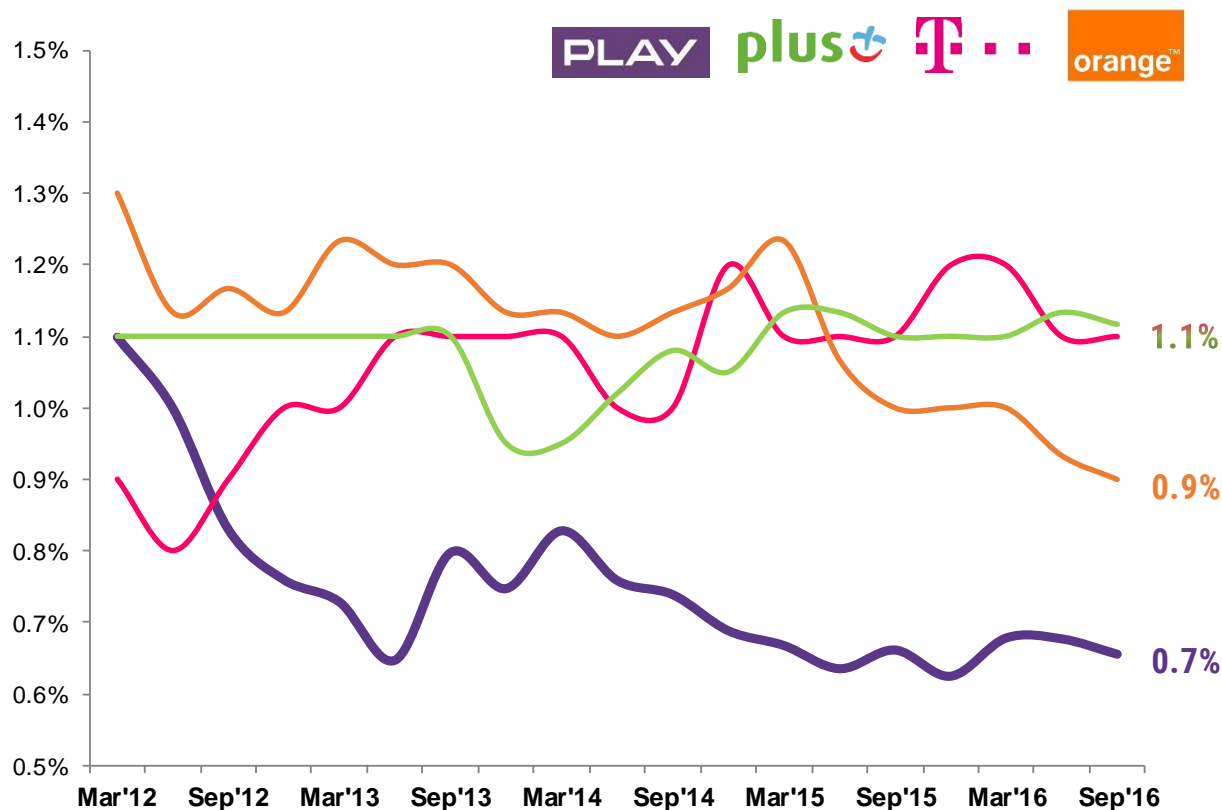
¹ Actual figures, derived from multi-operator MNP management platform

Operator of choice

Lower churn vs. competition

PLAY

Contract Churn (% monthly)



- In 2014, PLAY introduced multi-SIM offers in Postpaid B2C and B2B segments (Family and Comfort)
- The tariffs' groups interaction nature should help PLAY to maintain lowest churn levels on the market.



Source: Company data

- Plus (unlike PLAY) includes contract to prepaid migration in its contract churn number which increases the reported churn number
- Plus subscriber figures include mobile broadband subscribers of Cyfrowy Polsat

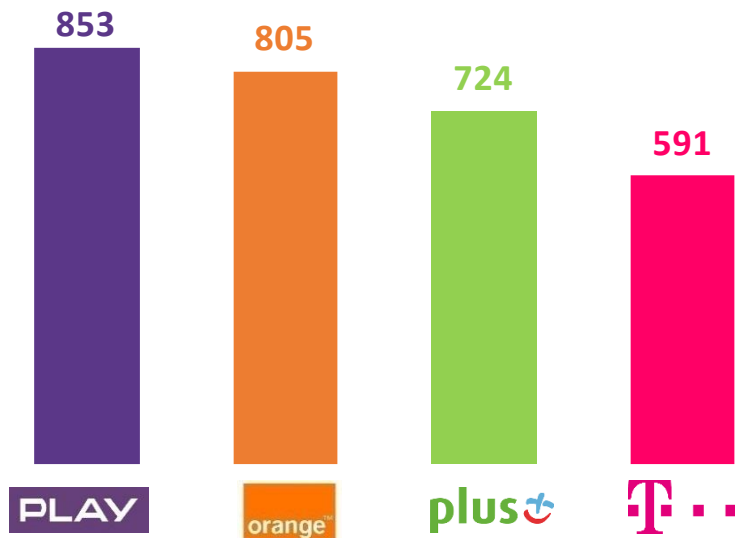
Operator of choice

Best in-class distribution network

PLAY

Distribution network on par with competitors

Dedicated POS (September 2016)



Alternative sales channels	127	741	543 (Polsat)	n/a
Total with alternative	980	1,546	1,267	591

- Awarded the best retail chain among all industries for 2013
- PLAY awarded as “Retail Chain of The Year 2015 – Best Performance” by Polish Council of Shopping Centers
- Constant POS monitoring & optimization
- Unified and standardized design
- Remodeling of all POS finalized in 2015.



Journey to success

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Delivering profitable growth

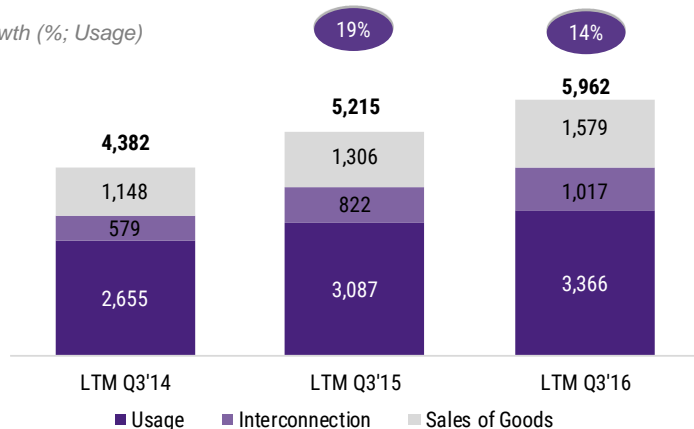
Rapidly expanding profitability and cash-flow generation

PLAY

...continues to drive revenue expansion...

Total Revenues (PLNm)

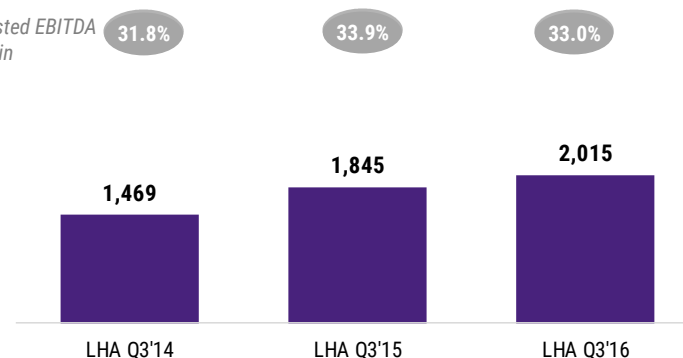
YoY growth (%; Usage)



...and profitability

Adjusted EBITDA¹ (PLNm)

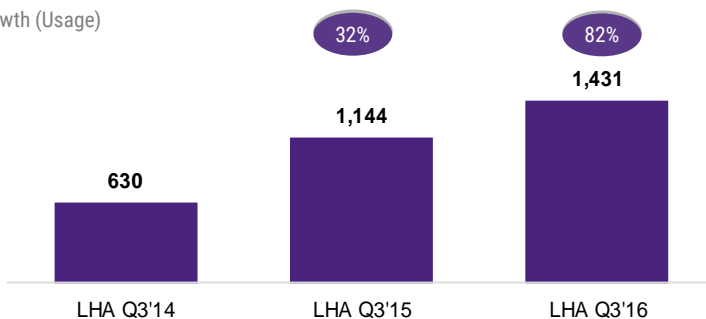
Adjusted EBITDA margin



results in strong operating FCF

Operating FCF (PLNm)²

YoY growth (Usage)



- Fast growing revenue thanks to strong subscribers base growth with increasing ARPU
- Revenue growth together with strict costs control allowing for rapid EBITDA profitability increase
- Increasing operating leverage and stable capex resulting in strong generation of FCF.

Source: Company data

¹ 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

² Operating FCF calculated as difference between Adjusted EBITDA and Cash Capex.

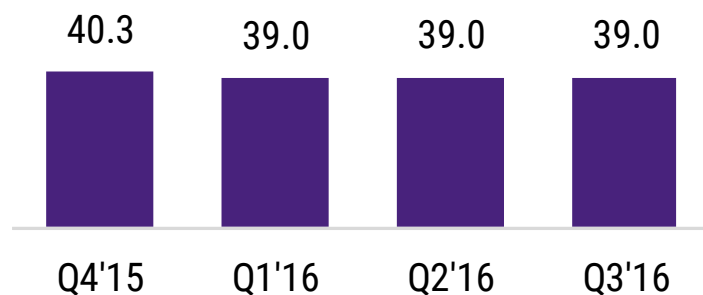
Delivering profitable growth

Stable retail ARPU

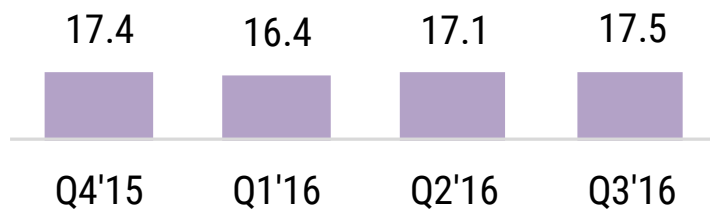
PLAY

ARPU (PLN / month) ¹

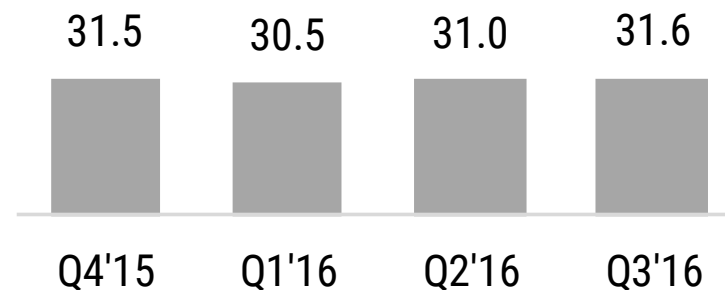
Contract



Prepaid



Total subscriber base ¹



Source: Company data

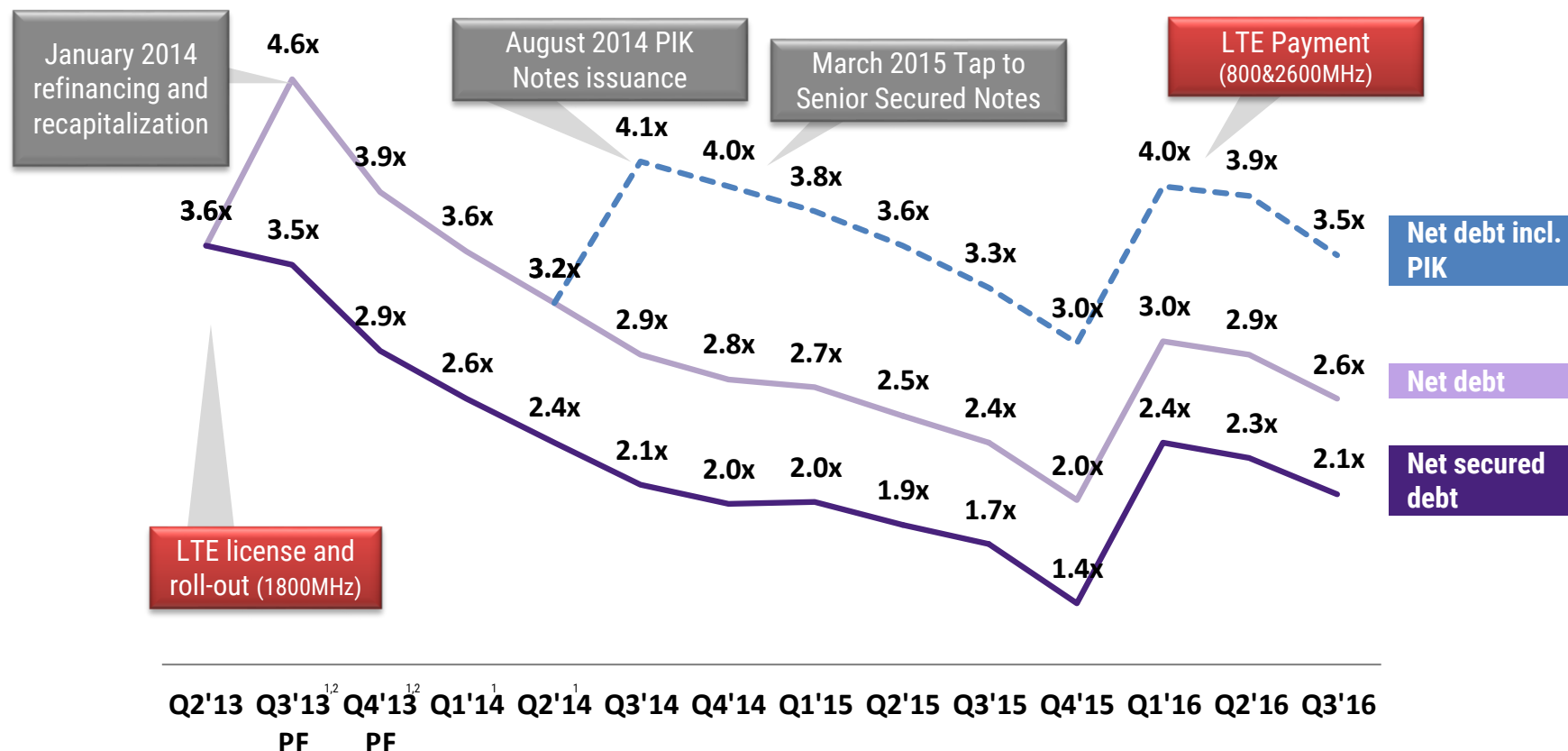
¹ MTR-Adjusted; ² Adjusted for one-off effect of co-branded promotion with Coca-Cola; per active subscriber base

Delivering profitable growth

Strong deleveraging track record

PLAY

Net debt / LHA EBITDA



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

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

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

Journey to success

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Well positioned for data demand

Unmatched coverage in a cost efficient model

PLAY

Unmatched network coverage*

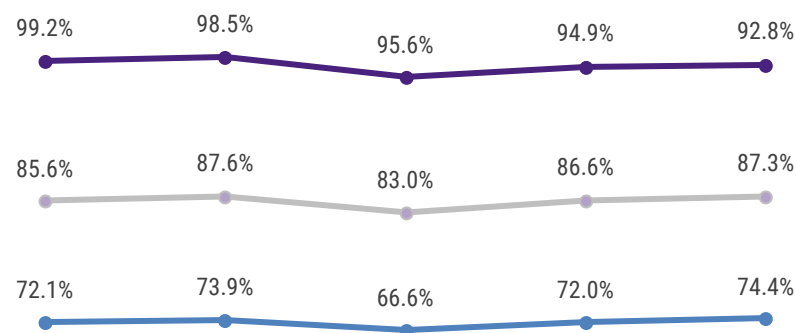
4G LTE	90.5%
3G HSPA+	90.5%
Total incl. NR	99.9%

- Only PLAY customers have access to all 4 networks in Poland
- In the result of last LTE auction, Play acquired new spectrum which will well position the company to increase its own coverage and improve negotiations position for extension of national roaming agreements.

CAPEX and OPEX efficiency

- 4.8k sites instead of >7k sites
- Well-informed and flexibly timed investments
- Long-term contracts (up to 2020) guarantee security of the structure
- Number of additional sites in 2017 and 2018 is planned to be 450 and 850 respectively
- LTE population coverage at the end of 2017 is expected to extent to 93 – 94%

Split of own and NR traffic



Well positioned for data demand

PLAY

National roaming is a major strategic and financial advantage for PLAY

Operational benefits

- **Unmatched coverage** with access to four networks (PLAY, Plus, Orange, T-Mobile)
- **Built-in redundancy** – always a back-up network in event of failure
- Guaranteed access to **all network technologies and all frequencies** available for host operator's own customer
- Unique **flexibility in spectrum allocation** – majority of 2G voice traffic offloaded to NR partner allowing re-farming of 900MHz spectrum to provide better quality 3G service.

Financial benefits

- Important short term **cash-flow flexibility** – capex can be deferred by greater use at modest cost
- Management **constantly monitors** cost efficiency of NR versus further build-out
- New deal with T-Mobile has **substantial cost and quality benefits** for PLAY (high traffic allowance within flat fee framework) and now serves >75% of NR traffic.

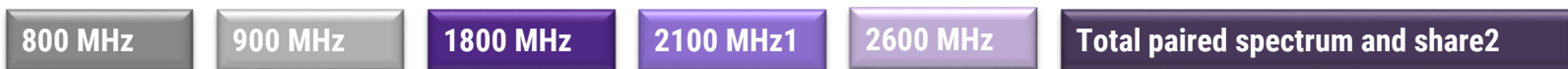
Risk reduction

- **Contractually secured favourable commercial conditions** for provision of NR in place **until 2020**
- Partners are **strongly incentivised** to retain NR revenues from PLAY (c.100% EBITDA conversion)
- PLAY has been successful in repeatedly **improving NR terms** with the latest deal with T-Mobile executed on favourable commercial and technical conditions
- **PLAY retains the option to build out its own network more extensively** in event of failure to renegotiate. Under existing NR agreements there is sufficient time to build if required.

Well positioned for data demand

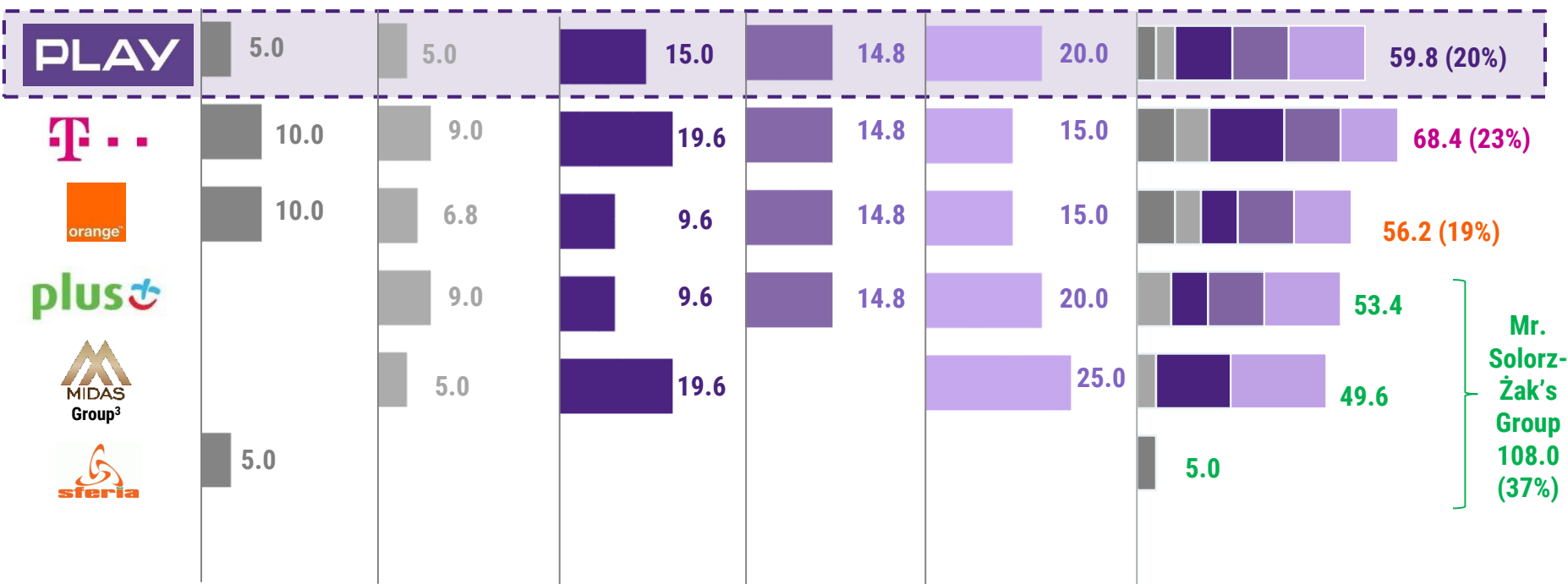
Strong spectrum position on par with competitors

PLAY



MHz

Paired blocks only¹



Source: UKE; excludes 410 MHz and 450 MHz

¹ MHz in individual bars reflect paired frequencies only; each of PLAY, T-Mobile, Orange and Plus have 5MHz of unpaired spectrum in 2100MHz band

² Total takes into accounts paired blocks only and excludes 400 MHz and 2600 MHz frequencies

³ Midas Group refers to NFI Midas S.A. (which similarly to Plus, is controlled by Mr. Solorz-Žak) and its 3 operating subsidiaries: CenterNet, Aero2 and Mobyland – these entities have limited commercial presence and act primarily as providers of wholesale 3G and 4G services for Plus







APPENDIX



Management continues to deliver success

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Stable / engaged management

		Years with PLAY
	Jørgen Bang-Jensen Chief Executive Officer	7
	Robert Bowker Chief Financial Officer	3
	Bartosz Dobrzyński Chief Marketing Officer	7
	Hans Axel Cronberg Chief Technical Officer	11
	Jacek Niewęglowski Chief Strategy Officer	11
	Michał Wawrzynowicz Chief Commercial Officer	9

Proven execution

- Changed the Polish mobile landscape setting quality standards, offering transparency, easiness and innovation
- Fastest growing operator with brand appeal to the Internet generation
- Impressive market share growth since inception, adding 14.6m subs and gaining 26% market share in just 9 years
- Undisputable leader in mobile data
- Best smartphone offering in Poland
- Successful roll-out of 2G/3G/4G LTE networks.