



Q1 2017 Results PLAY Investor Presentation

PLAY, May 2017

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Agenda

Business and Strategy

**Jørgen
Bang-Jensen
CEO**



Financial Performance

**Holger Püchert
CFO**



Q1 2017 – Key Business Developments

Continued Commercial Success

- As of March 31, 2017, Play had 14.3m subscribers (-0.5% YoY) and 27.6%¹ market share (+2.1pp YoY). Decrease of subscribers base was an effect of obligatory registration process (details below) and was in line with overall market development. The total market subscriber base decreased from 54.7m to 52.0m
- In last twelve months ended March 31, 2017, we have added 1,341k net contract subscribers (+316k in Q1). The share of contract subscribers at the end of Q1 2017 amounted to 60.5% (+9.6pp YoY)
- Play maintains its dominant position in Mobile Number Portability. Our share in all numbers transferred between operators amounted to approximately 36% in Q1 2017 (excluding MVNOs) and on average 38% for the last twelve months (excluding MVNOs)
- We have finalized prepaid registration which ended on February 1, 2017. Obligatory registration of prepaid SIM cards was imposed by a new anti-terrorism law. Subscribers who have earlier purchased a prepaid card must report and assign their personal information with the card. By the end of registration we have registered circa 89% of our active prepaid 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 package of channels is included in the subscription fee for new and retaining Play customers. Additional content, including HBO Go, is available for an extra fee. As of March 31, 2017, the number of TV accounts exceeded 700k

Refinancing and Recapitalization

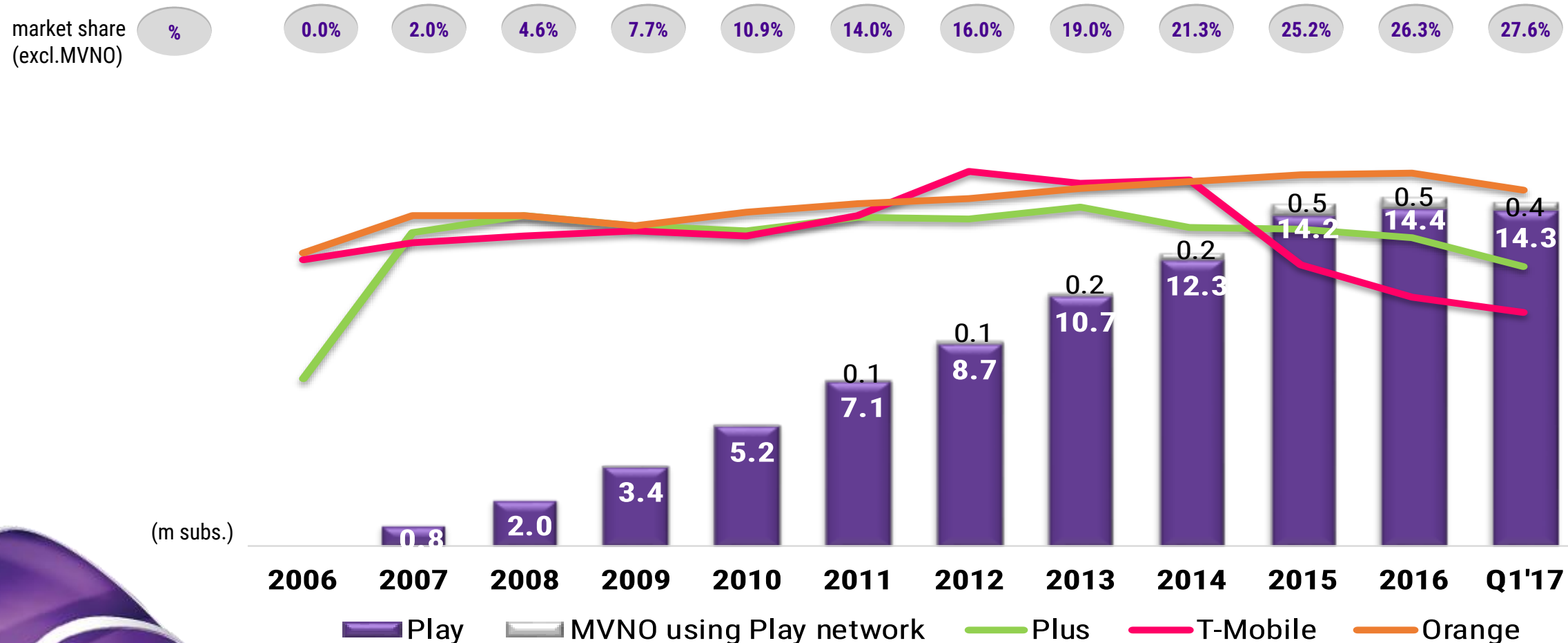
- In March 2017, Play Group refinanced its EUR bonds replacing them with PLN bank debt. Play Holdings 2 S.à r.l. together with P4 Sp. z o.o. borrowed PLN 6,443m, divided into three tranches (term loan A, term loan B and term loan C)
- Additionally, in March 2017, Impera Holdings S.A. (former name Play Topco S.A.; Play Holding 2 S.à r.l. is a wholly owned subsidiary of Impera Holdings S.A.) repaid EUR 415m of bonds and issued new EUR 500m Senior PIK Toggle Notes. The refinancing transaction allowed us to decrease our cost of debt, mitigate the FX risk and extend debt maturity till 2022/2023.

¹ estimated as Play's base divided by total number of subscribers published by CSO (~52.0m)



Play's Growth

SUBSCRIBERS BASE ULTRA GROWTH



Q1 2017 – Key Highlights

Continued Commercial Success

Subscriber base growth

Total subs
14.3m
-0.5% YoY
-0.5% QoQ

Market share
27.6%
+2.1pp YoY
+1.3pp QoQ

Added contract subs
1,341k_{LTM}
10.9% YoY

Quality of Subscribers

blended ARPU
PLN 31.0 Q1'17
+1.7% YoY
-3.6% QoQ

Contract Churn
0.7%
0.0pp YoY
+0.1pp QoQ

Contract share
60.5% of subs
+9.6pp YoY
+2.5pp QoQ

Strong Financial Performance

Q1 2017

Revenue
PLN 1,581m
+9.6% YoY
-2.4% QoQ

Adjusted EBITDA
PLN 564m
+20.8% YoY
+0.6% QoQ

Adj EBITDA Margin
35.7%
+3.3pp YoY
+1.1pp QoQ

Q1'17 LHA

Revenue
PLN 6,402m
+10.1% YoY

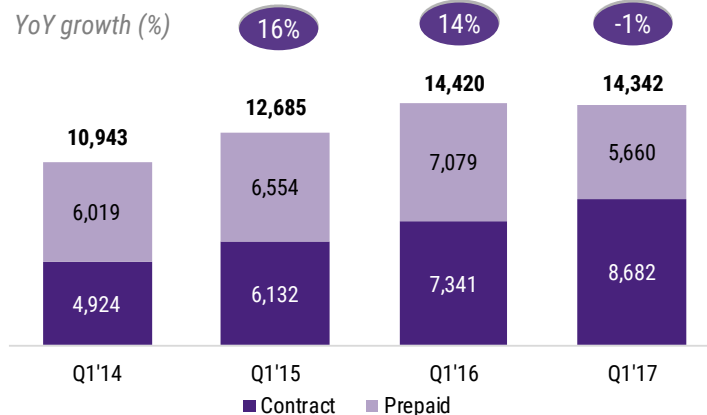
Adjusted EBITDA
PLN 2,250m
+21.3% YoY

Adj EBITDA Margin
35.1%
+3.3pp YoY

Strong KPI drives revenue and profitability expansion

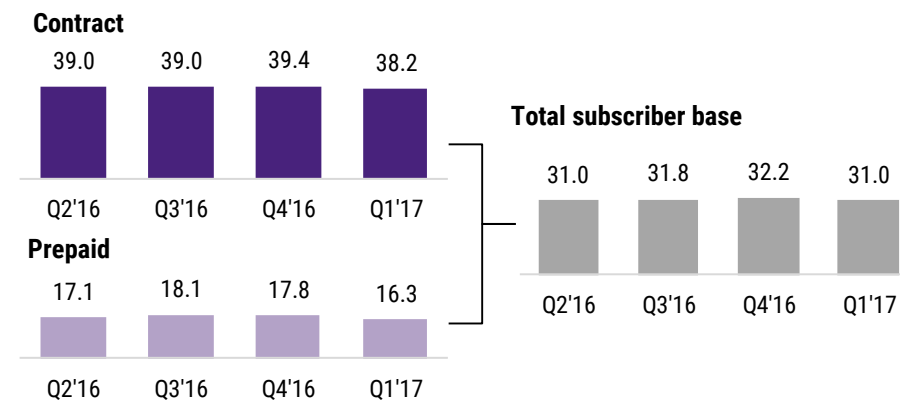
FAST GROWING SUBSCRIBER BASE...

Subscriber base (000s) at the end of:



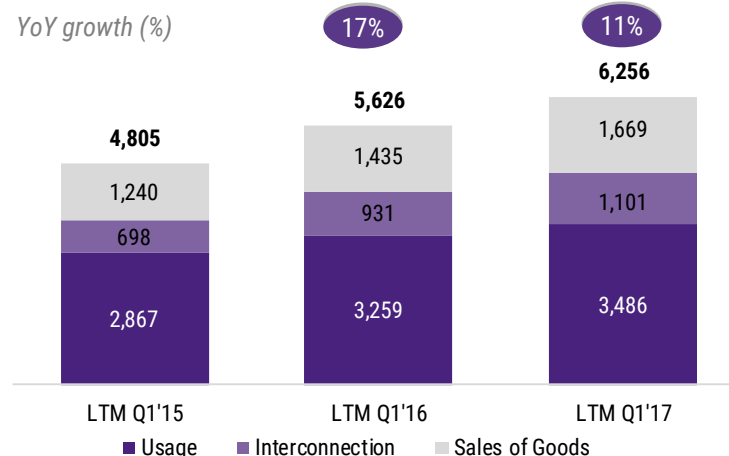
...WITH STABLE ARPU...

ARPU (PLN / month)



...CONTINUES TO DRIVE REVENUE EXPANSION...

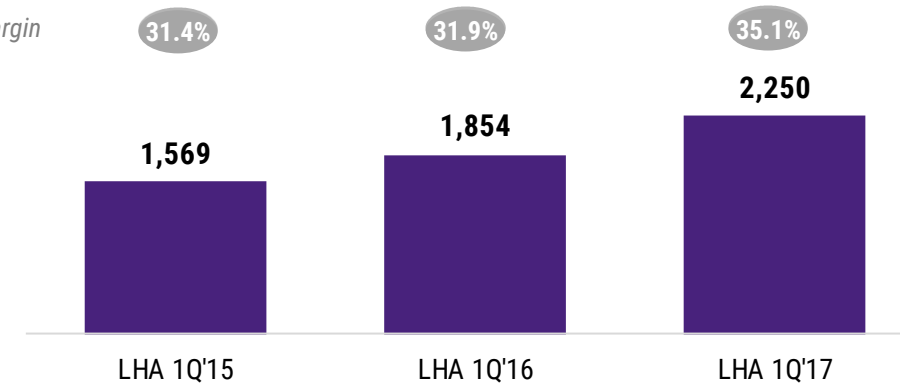
Operating Revenues (PLNm)



...AND PROFITABILITY

Adjusted EBITDA¹ (PLNm)

Adjusted EBITDA margin



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 special bonuses plus certain one off items.

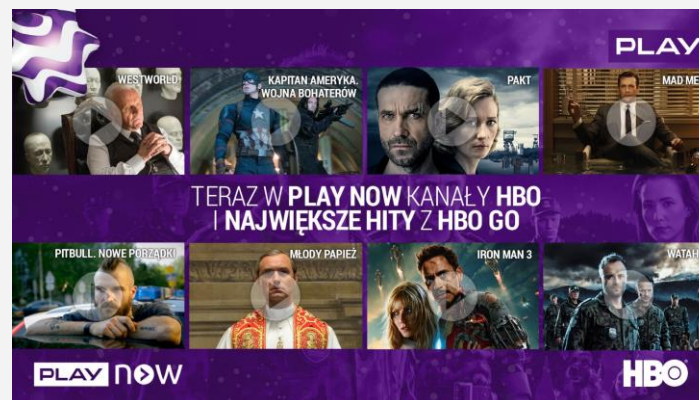


Q1 2017 – Marketing activity

PREPAID CAMPAIGNE



LAUNCHING HBO CHANNELS



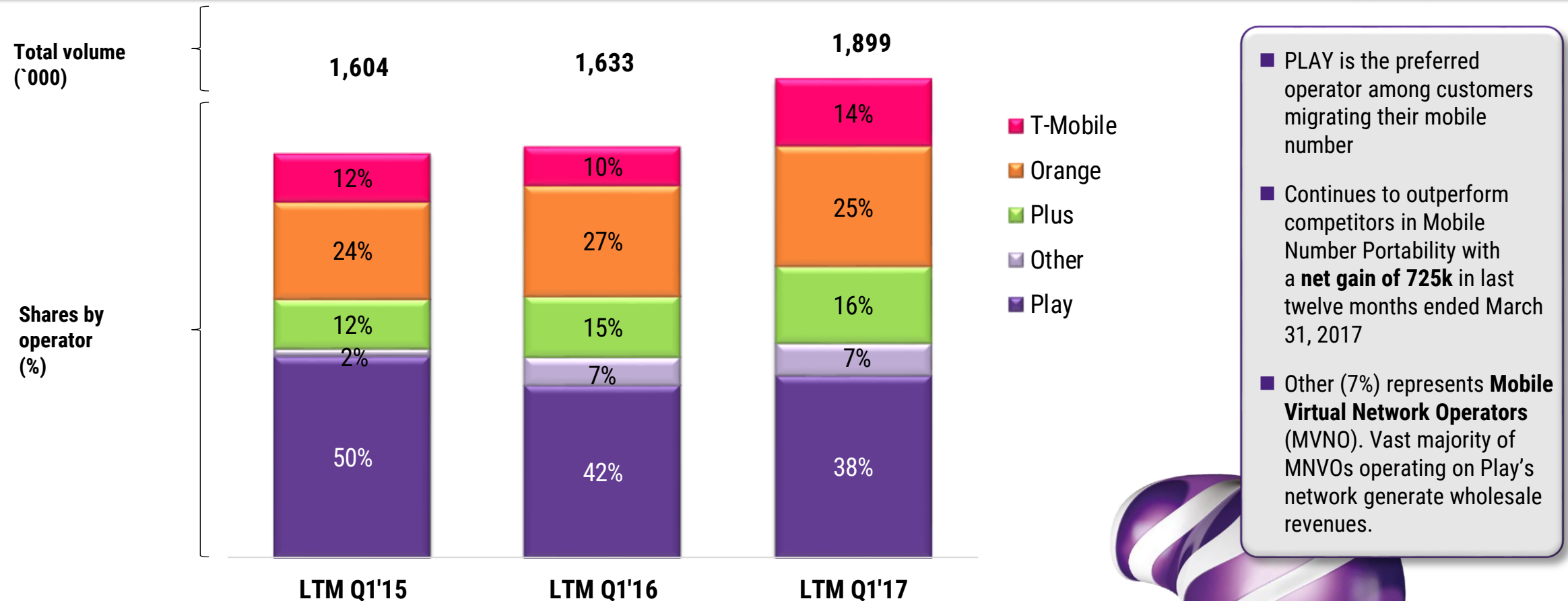
PREPAID REGISTRATION



- We introduced #NICNIEPRZEPADA („Nothing Is Lost”) campaign which guarantees that users will not lose the possibility of using SIM till full utilization of the balance
- We continued offering of HBO GO (HBO, HBO 2, HBO 3). Our subscribers can easily access to the TV platform from different devices and resign from offer in 1 month if needed
- In Q1 2017 we continued prepaid registration campaigns and had the incentive campaign called „**Karta milion warta**” („The card worth a million”) - subscribers that registered their prepaid number and paid for top-up took part in lottery where the total value of prizes was PLN 1m

Continued Leadership in Mobile Number Portability...

TOTAL VOLUME OF "PORT-INS" UNDER MNP AND SHARES BY MNOS ¹



¹ Source: multi-operator MNP management platform.

Agenda

Business and Strategy

**Jørgen
Bang-Jensen
CEO**



Financial Performance

**Holger Püchert
CFO**



Summary Financials (1/2)

PLN millions	Q1 2016	Q1 2017	Change (%)	Q4 2016	Q1 2017	Change (%)
Operating Revenue	1,443	1,581	10%	1,620	1,581	-2%
Service revenue	1,067	1,161	9%	1,177	1,161	-1%
Usage revenue	818	872	7%	890	872	-2%
Retail contract revenue	636	702	10%	706	702	0%
Retail prepaid revenue	158	139	-12%	155	139	-10%
Other revenue	24	31	28%	30	31	4%
Interconnection revenues	249	289	16%	287	289	1%
Sales of goods and other revenue (Handsets)	376	419	12%	443	419	-5%
Operating expenses	(782)	(824)	5%	(849)	(824)	-3%
Interconnect costs	(276)	(307)	11%	(306)	(307)	0%
National roaming	(39)	(45)	15%	(48)	(45)	-6%
COGS (Handsets)	(333)	(327)	-2%	(347)	(327)	-6%
Contract costs, net (Commissions)	(99)	(108)	8%	(105)	(108)	3%
Other services costs	(34)	(38)	11%	(43)	(38)	-13%
Contribution margin	661	756	14%	771	756	-2%
G&A and other ¹	(194)	(253)	30%	(248)	(253)	2%
EBITDA	466	504	8%	523	504	-4%
EBITDA adjustments ²	1	60	>>100%	37	60	61%
Adjusted EBITDA	467	564	21%	561	564	1%
Total Revenue (%)	32.4%	35.7%	+3.3pp	34.6%	35.7%	+1.1pp

¹ Other operating income less other operating costs;

² Includes: valuation of retention programs (Q1'17 ~PLN 36m), costs of advisory services provided by shareholders (Q1'17 ~PLN 7m), one-off costs related to prepaid registration process to comply with new regulations (Q1'17 ~ PLN 15m) and other one-off items (Q1'17 ~PLN 1m).



Summary Financials (2/2)

<i>PLN millions</i>	Q1 2016	Q1 2017	Change (%)	Q4 2016	Q1 2017	Change (%)
Operating Revenue	1,443	1,581	10%	1,620	1,581	-2%
Service Revenue	1,067	1,161	9%	1,177	1,161	-1%
Service Costs (Interconnection, roaming and other)	(349)	(389)	12%	(397)	(389)	-2%
Service Margin	718	772	8%	780	772	-1%
<i>Service Margin (%)</i>	67.3%	66.5%	-0.8pp	66.2%	66.5%	+0.3pp
Sales of goods and other revenue	376	419	12%	443	419	-5%
Cost of goods sold	(333)	(327)	-2%	(347)	(327)	-6%
Gross Margin on handsets	42	92	119%	96	92	-4%
<i>Gross Margin (%)</i>	11.2%	22.0%	+10.8pp	21.7%	22.0%	+0.3pp
Contract costs, net (commission)	(99)	(108)	8%	(105)	(108)	3%
Contribution Margin	661	756	14%	771	756	-2%
G&A and other ¹	(194)	(253)	30%	(248)	(253)	2%
EBITDA	466	504	8%	523	504	-4%
<i>EBITDA Margin (%)</i>	32.3%	31.9%	-0.5pp	32.3%	31.9%	-0.4pp
EBITDA Adjustments ²	1	60	>>100%	37	60	61%
Adjusted EBITDA	467	564	21%	561	564	1%
<i>Adjusted EBITDA Margin (%)</i>	32.4%	35.7%	+3.3pp	34.6%	35.7%	+1.1pp

¹ Other operating income less other operating costs;

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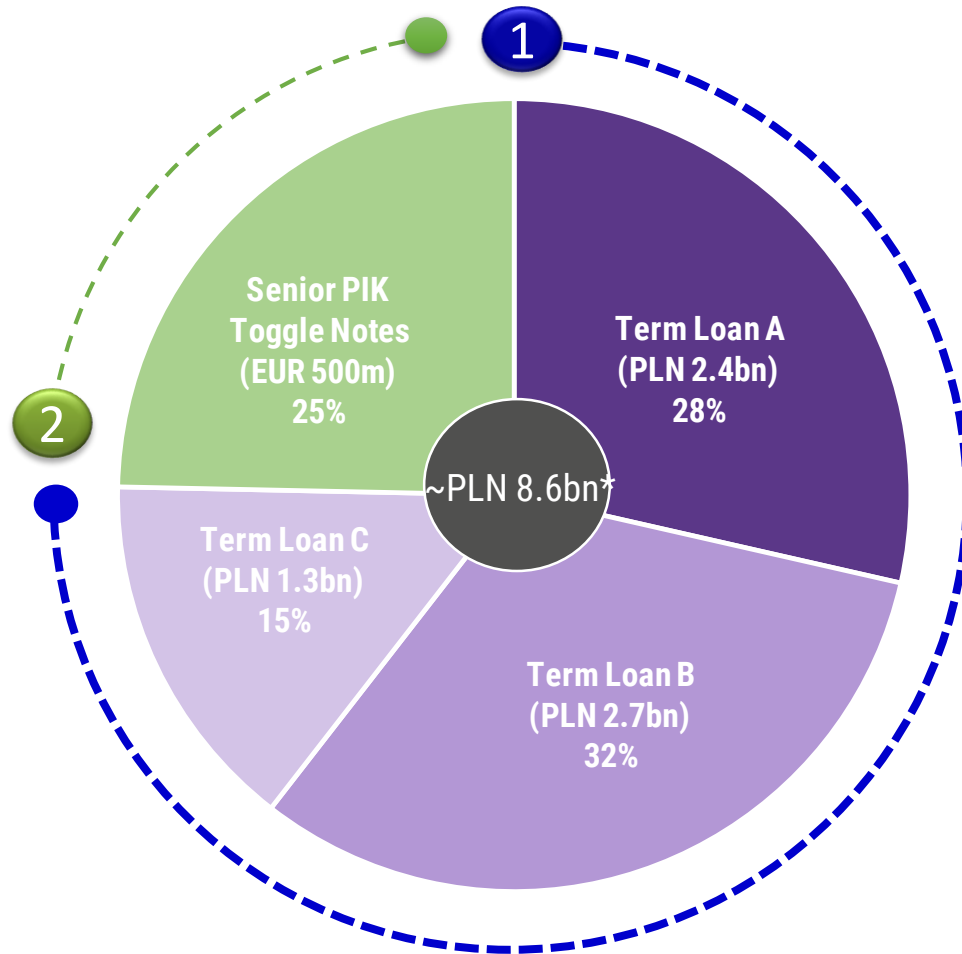
FCF Summary

PLN millions	Q1 2016	Q1 2017	Change (%)	Q4 2016	Q1 2017	Change (%)
Adjusted EBITDA	467	564	21%	561	564	1%
Non-cash items and changes in provisions and other	(23)	(30)	27%	(15)	(30)	96%
Change in working capital and other	(199)	(36)	-82%	95	(36)	n/a
Changes in contract costs	1	(3)	n/a	(8)	(3)	-66%
Changes in contract assets	(2)	(81)	>>100%	(64)	(81)	28%
Changes in contract liabilities	7	0	-98%	10	0	-98%
Cash capex (net)	(122)	(211)	73%	(139)	(211)	52%
Income tax paid	(51)	(159)	>>100%	(0)	(159)	>>100%
FCF before financing and non-recurring items	79	45	-43%	440	45	-90%
Proceeds from finance liabilities ¹	190	6,443	>>100%	-	6,443	>>100%
Repayment of finance liabilities ²	(176)	(4,811)	>>100%	(52)	(4,811)	>>100%
Purchase of notes used to facilitate senior PIK toggle notes interest payments ³	(70)	(69)	-1%	-	(69)	>>100%
Proceeds from repayment of notes used to facilitate senior PIK toggle notes interest payments ⁴	-	388	>>100%	-	388	>>100%
Purchase of notes used to facilitate the repayment of senior PIK toggle notes ⁵	-	(2,227)	>>100%	-	(2,227)	>>100%
Spectrum purchase ⁶	(1,704)	-	-100%	-	-	n/a
Other ⁷	(2)	6	n/a	(15)	6	n/a
Net increase / decrease in cash and cash equivalents	(1,683)	(225)	-87%	373	(225)	n/a
Effect of exchange rate change on cash and cash equivalents	(0)	(0)	>100%	(0)	(0)	>100%
Beginning of period cash and equivalents	1,557	341	-78%	(32)	341	n/a
End of period cash and equivalents	(126)	116	n/a	341	116	-66%

¹ Refinancing transaction; ² Repayment of SSN and SUN; ³ Purchase of notes issued by Impera Holdings S.A. used to facilitate payment of coupon on senior PIK toggle notes issued in 2014; ⁴ Repayment of notes issued by Impera Holdings S.A. used to facilitate payment of coupon on senior PIK toggle notes issued in 2014; ⁵ Purchase of notes issued by Impera Holdings S.A. used to facilitate the repayment of senior PIK toggle notes issued in 2014; ⁶ Total price PLN 1,718.4 million net of PLN 14.0 million paid in 2014 as a deposit securing the frequency auction and finally accounted for the price of the license; ⁷ Retention programs and special bonuses paid out and proceeds from repayment of loans granted.

Q1 2017 – Refinancing and Recap (1/2)

TOTAL EXISTING OUTSTANDING DEBT



1

~75% of Bank Loan (denominated in PLN):

- Total outstanding PLN 6.4bn (Term Loan A+B+C)
- Available PLN 0.4bn RCF

Borrower:

- P4 – PLN 4.17bn
- PH2 – PLN 2.28bn

2

~25% of Senior PIK Toggle Notes (denominated in EUR):

- Total EUR 500m

Issuer:

- Impera Holdings S.A.

*FX EURPLN as of March 31, 2017 = 4.2198

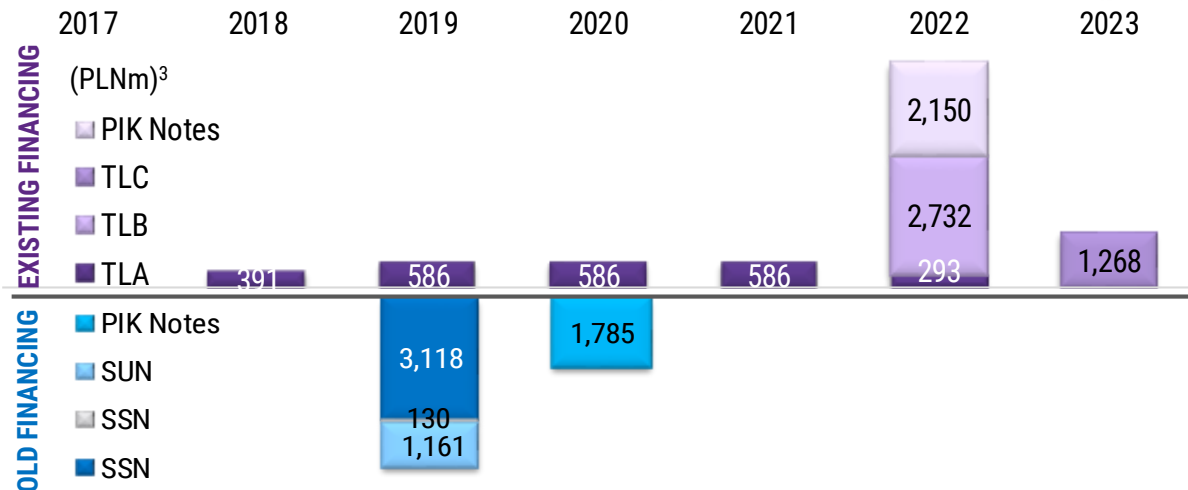


Q1 2017 – Refinancing and Recap (2/2)

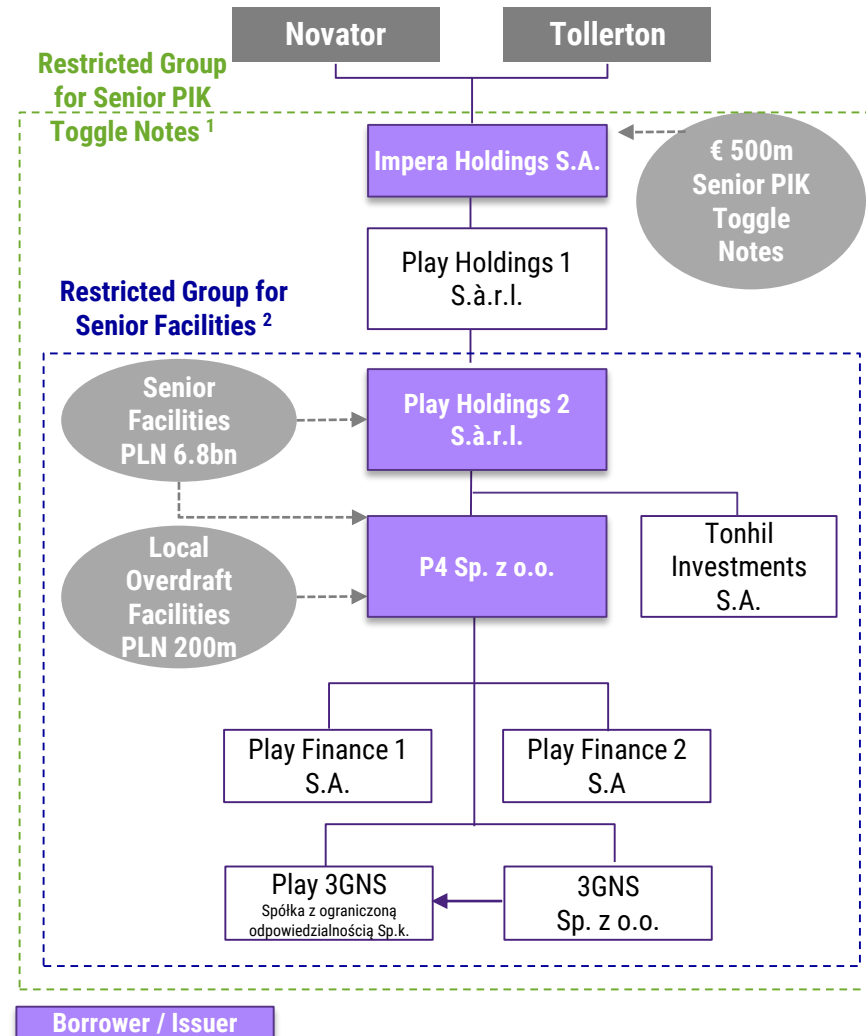
REFINANCING AND RECAP TRANSACTION

1. P4 Sp. z o.o. and Play Holdings 2 S.à r.l. signed Senior Facilities Agreement with banks for PLN 6.4bn of Term Loan A, B, C + PLN 0.4bn RCF
2. Play Finance 1 S.A., Play Finance 2 S.A. and Impera Holdings S.A. repaid EUR bonds (SSN, SUN, senior PIK toggle notes)
3. Impera Holdings S.A. issues Senior PIK Toggle Notes (EUR 500m)
4. Cash distribution to the Shareholders

MATURITY PROFILE



GROUP STRUCTURE



¹ According to Offering Memorandum dated on March 13, 2017; ² According to Senior Facilities Agreement dated on March 7, 2017; reporting Play Group (understood as Play Holding 2 S.à.r.l. together with subsidiaries and affiliates) ³ FX EURPLN 4.3 used for presenting purposes; based on EIU forecasts.

Capitalization

	As of March 31, 2017		
	PLNm	EURm ¹	xLHA Adj. EBITDA ²
Cash and cash equivalents	116	28	0.1x
Senior term loan	6,443	1,527	2.9x
Leases	863	205	0.4x
Other debt	20	5	0.0x
Total debt - Play Holdings 2 S.a r.l.	7,326	1,736	3.3x
Total net debt - Play Holdings 2 S.a r.l.	7,210	1,709	3.2x
EUR 500m 5.375% / 6.125% Senior PIK Toggle Notes due 2022 ³	2,113	501	0.9x
Total debt - Impera Holdings S.A.⁴	9,439	2,237	4.2x
Total net debt - Impera Holdings S.A.⁴	9,323	2,209	4.1x

¹ Currency exchange rate as of March 31, 2017, EUR = PLN 4.2198

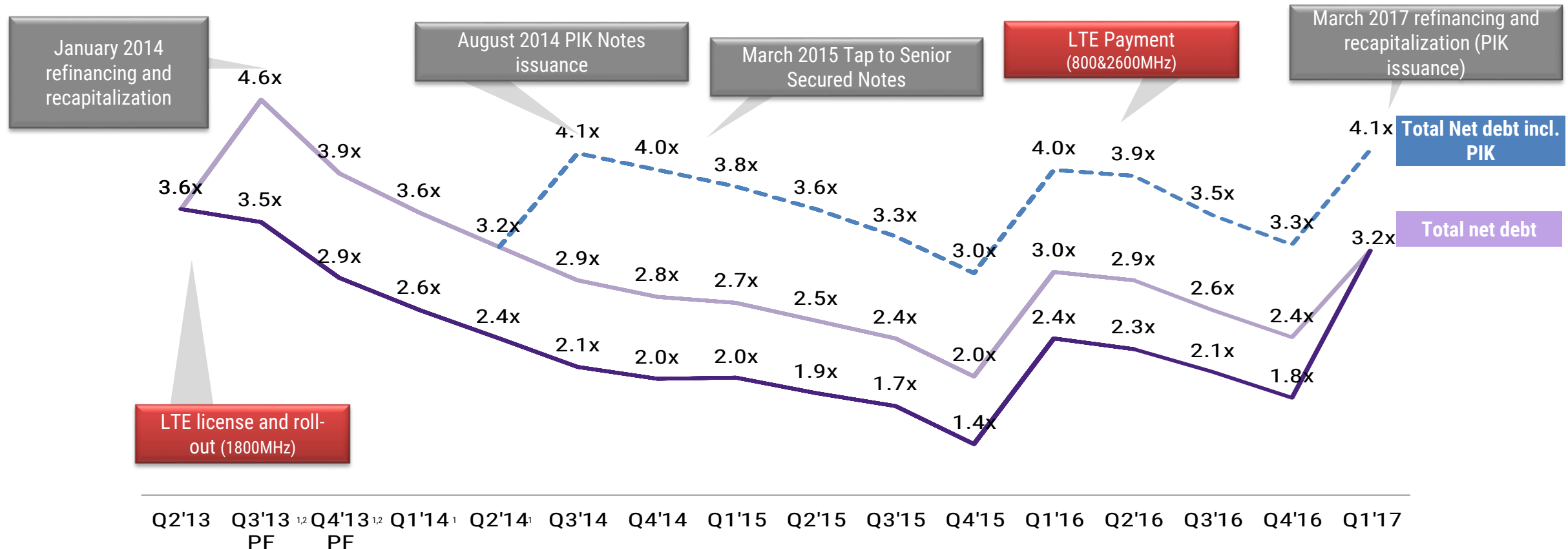
² LHA Adj. EBITDA as of March 31, 2017 of PLN 2,250m (EUR 533m)

³ Including accrued interest EUR 1m (PLN 3m)

⁴ Former name Play Topco S.A.

Strong deleveraging track record

NET DEBT / LHA ADJ. 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 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). Note: leverage ratios are calculated based on relevant FX rate.

Quarterly KPIs

<i>PLN millions</i>	Q4 2015	Q4 2016	Change (%)	Q1 2016	Q1 2017	Change (%)	Q4 2016	Q1 2017	Change (%)
Operating revenue	1,465	1,620	11%	1,443	1,581	10%	1,620	1,581	-2%
Service revenue	1,068	1,177	10%	1,067	1,161	9%	1,177	1,161	-1%
Usage revenue	824	890	8%	818	872	7%	890	872	-2%
Adjusted EBITDA	460	561	22%	467	564	21%	561	564	1%
Adjusted EBITDA Margin	31.4%	34.6%	+3.2pp	32.4%	35.7%	+3.3pp	34.6%	35.7%	+1.1pp
Reported Subscribers - Contract (<i>no of subs.</i>)	7,070	8,366	18%	7,341	8,682	18%	8,366	8,682	4%
Net Additions - Contract (<i>no of subs.</i>)	353	367	4%	271	316	16%	367	316	-14%
Churn - Contract (%)	0.6%	0.6%	0.0pp	0.7%	0.7%	0.0pp	0.6%	0.7%	+0.1pp
ARPU - Contract (<i>PLN</i>)	40.3	39.4	-2%	39.0	38.2	-2%	39.4	38.2	-3%
Data usage per subscriber - Contract (<i>MB</i>)	2,783	4,040	45%	3,214	4,404	37%	4,040	4,404	9%
Unit SAC - Contract cash ¹ (<i>PLN</i>)	360	322	-11%	377	313	-17%	322	313	-3%
% of Terminals in Contract Gross Adds	49%	44%	-5.0pp	46%	43%	-3.0pp	44%	43%	-1.0pp
Unit SRC cash ¹ (<i>PLN</i>)	381	339	-11%	405	324	-20%	339	324	-5%
% of Terminals in Retention	51%	44%	-7.0pp	49%	42%	-7.0pp	44%	42%	-2.0pp

Q&A

ask Play