

# Multimedia Polska S.A.

## 2009 first quarter results

> 13 May 2009

## Disclaimer

This presentation contains 'forward-looking statements' including, but not limited to, statements regarding anticipated future events and financial performance with respect to our operations. Forward looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words like 'believe', 'expect', 'anticipate', 'estimated', 'project', 'plan', 'pro forma', and 'intend' or future or conditional verbs such as 'will', 'would', or 'may'. Factors that could cause actual results to differ materially from expected results include, but are not limited to, those set forth in our Issue Prospectus filed with the Polish Securities and Exchange Commission, the competitive environment in which we operate, changes in general economic conditions and changes in the Polish, American and/or global financial and/or capital markets. Forward-looking statements represent management's views as of the date they are made, and we assume no obligation to update any forward-looking statements for actual events occurring after that date. You are cautioned not to place undue reliance on our forward looking statements.

# First Quarter 2009 Highlights

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## EBITDA

- Our Q1 2009 EBITDA\* was PLN 61.3m increased by ca. 8% year-on-year
- We continue to enjoy high EBITDA margin of 48.5%

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## Subscribers and RGUs

- We increased the number of RGUs to 1,162,500; up 15.9% year-on-year
- We added ca. 45,000 DTV subscribers year-on-year
- We increased RGU/unique customer ratio to 1.75

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## Opex per RGU

- We continue to reduce operating expenses per RGU to PLN 18.6

(\*) Adjusted: operating profit plus depreciation and amortisation less one-off non-cash items

## First Quarter 2009 Highlights

- > **We added 33,300 net RGUs**
  - 14,900 video RGUs
  - 14,200 broadband RGUs
  - 4,200 telephony RGUs
- > **We had 665,700 unique customers**
  - 395,500 single play subscribers
  - 196,800 double play subscribers
  - 74,400 triple play subscribers
- > **RGU/subscriber rate was**
  - 1.70 in Q4 2008
  - 1.75 in Q1 2009
- > **Blended ARPU per subscriber**
  - PLN 61.49 in Q4 2008
  - PLN 61.37 in Q1 2009
- > **Blended ARPU per RGU**
  - PLN 35.40 in Q4 2008
  - PLN 34.55 in Q1 2009

## RGU Growth Highlights

- > Y-o-y we increased the number of 2-play users by 12.5% and 3-play users by 45%

Quarter-on-quarter ('000)	Q4 2008	Q1 2009	% change	new adds
video	655	670	2%	15
voice	196	200	2%	4
data	279	293	5%	14
<b>Total</b>	<b>1 129</b>	<b>1 162</b>	<b>3%</b>	<b>33</b>

Year-on-year ('000)	Q1 2008	Q1 2009	% change	new adds
video	592	670	13%	78
voice	181	200	10%	19
data	230	293	27%	63
<b>Total</b>	<b>1 003</b>	<b>1 162</b>	<b>16%</b>	<b>160</b>

# business review

## Our subscriber base—31 March 2009

<b>Our Market</b>	1,088,100 marketable homes	665,700 unique subscribers	1,162,500 total RGUs
<b>Our Services</b>	669,600 video RGUs*	292,700 broadband RGUs	200,200 voice RGUs**
<b>Multiplay</b>	395,500 1-play subscribers	196,800 2-play subscribers	74,400 3-play subscribers

(\*) Include 32,500 premium channel RGUs, 5,500 IPTV RGUs and 80,500 DTV RGUs

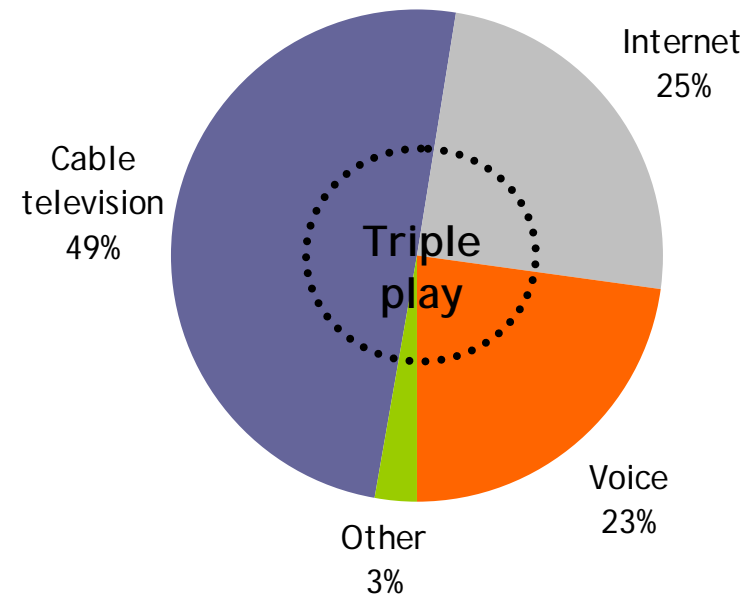
(\*\*) Include 11,300 indirect voice RGUs and approximately 700 payphones

## Our products today

### Product offering

- > We have a fully-developed up-to-date and innovative product offering which continues to be expanded in line with technological advance
- > Our products comprise primarily:
  - CATV (analog TV, IPTV, DTV, premium channels, VoD)
  - Internet (broadband, broadband DSL, Wi-Fi, Wi-Max)
  - Telephony (VoIP, PSTN - also digital, NDS/CPS, value-added services)
- > We have already achieved our target revenue structure and continue to expand each segment

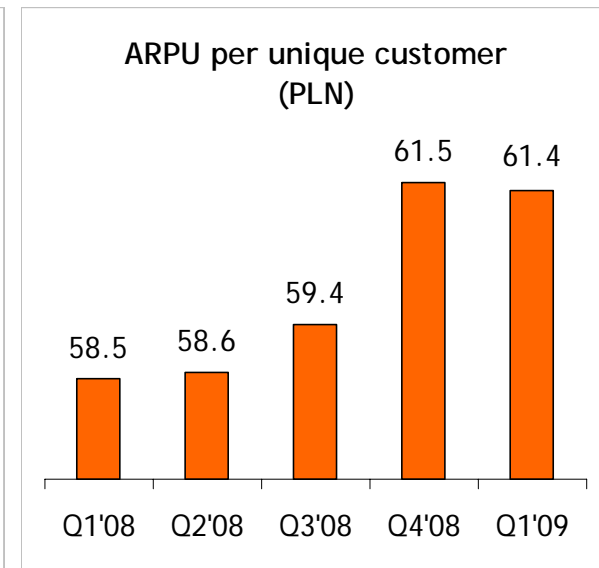
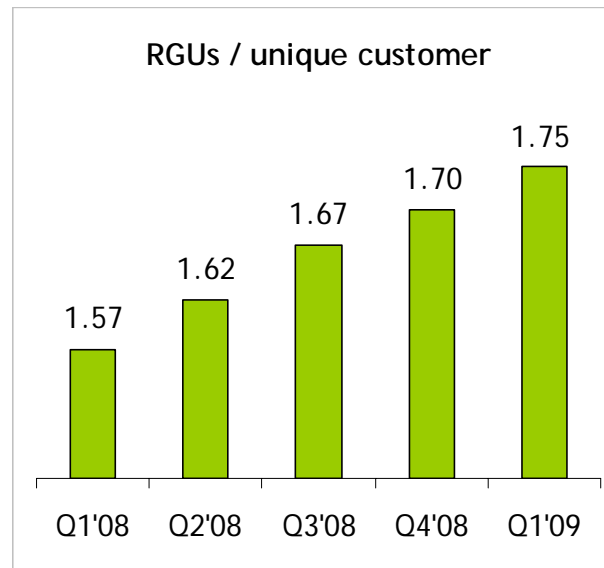
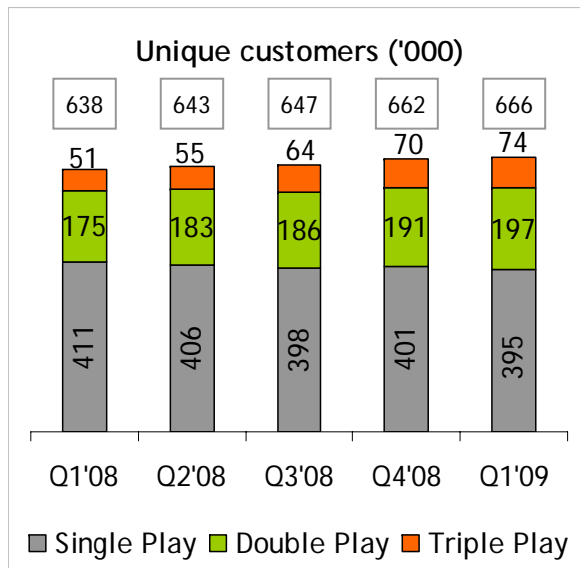
### 2009 Q1 revenue breakdown





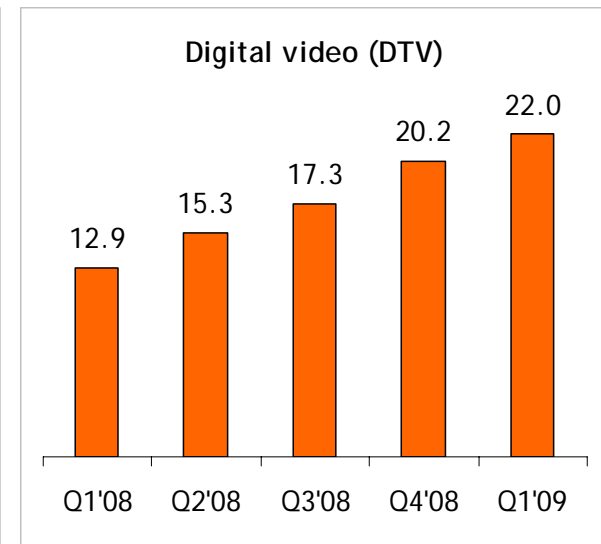
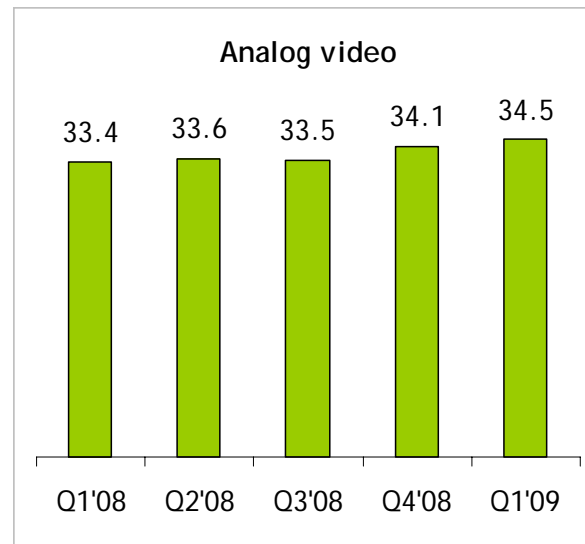
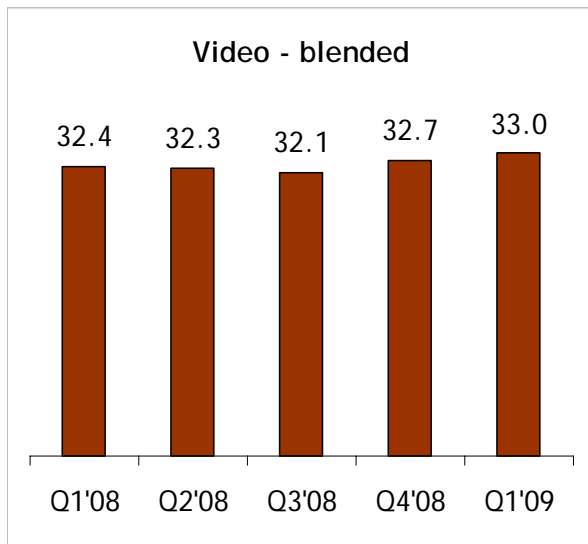
# Subscribers and ARPU

- > Our service multiple per subscriber (RGU/sub), however successful, was not able to fully offset the decline in pricing of our individual services, which led to a decrease in ARPU per unique customer in Q1 2009
- > RGU per unique customer increased from 1.70 in Q4 2008 to 1.75 in Q1 2009



# ARPU per RGU—video services

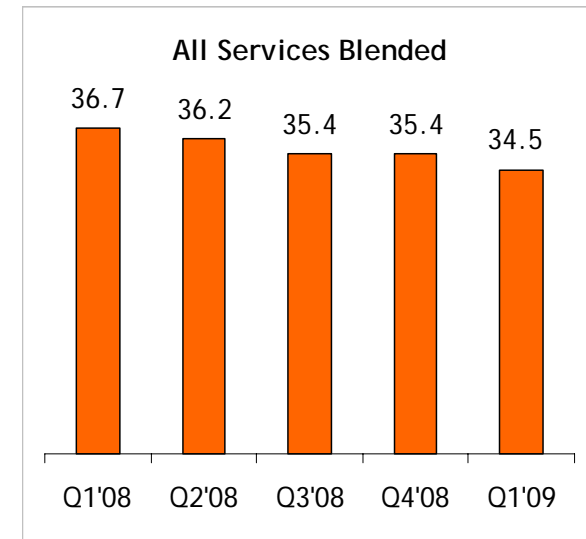
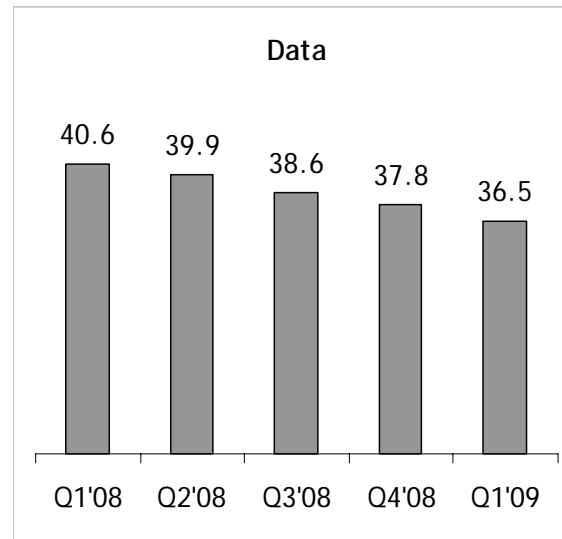
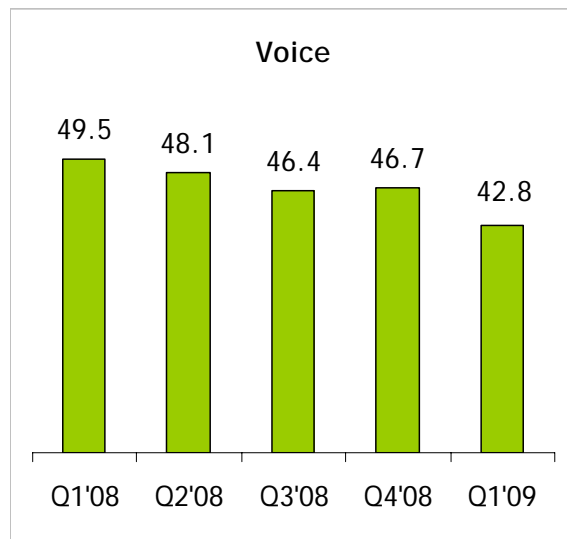
- > Digital cable TV is quickly becoming an established and growing element of our business
- > In the DTV segment, we grow both the number of RGUs and our ARPU on the service



Note: In 2008 significant discounts were offered to promote DTV

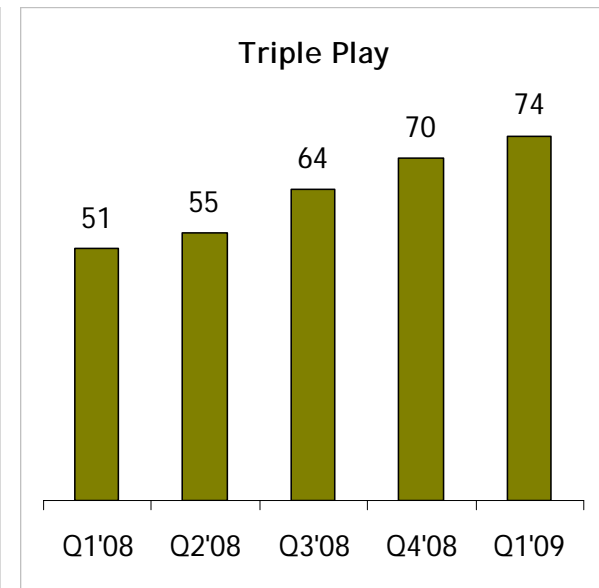
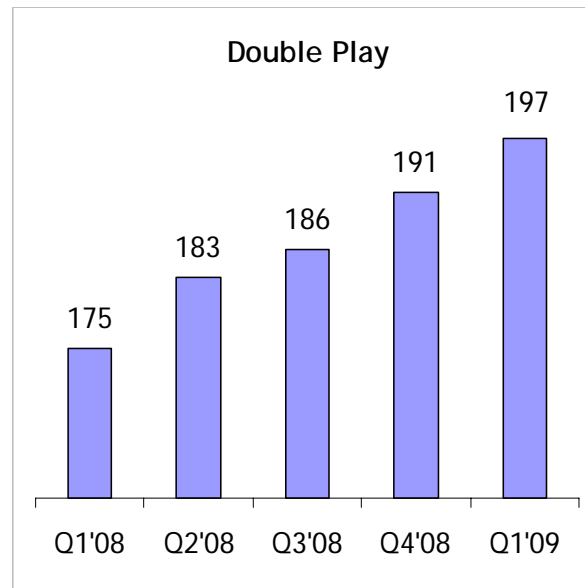
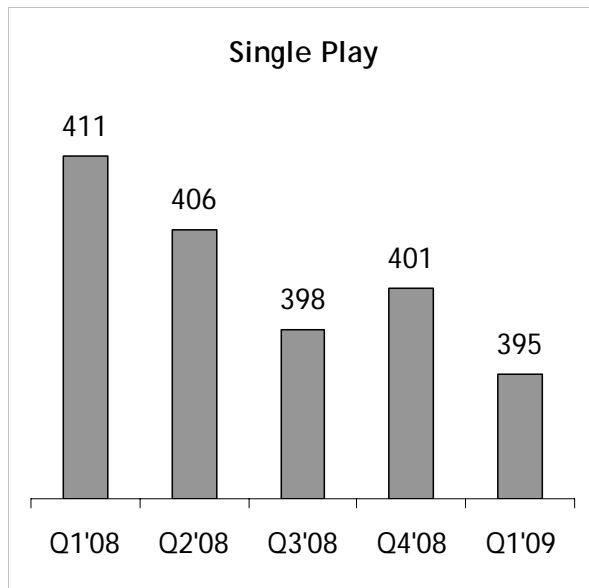
## ARPU per RGU—voice and data services

- > **VoIP:** the drop in ARPU was offset by vibrant additions of VoIP users, our VoIP revenues were up from Q4 2008
- > **PSTN:** like other market players we are seeing a decline in PSTN customers and ARPU
- > **Broadband:** the drop in ARPU was more than offset by vibrant additions of broadband users. The impact on broadband revenues on the whole was positive.



# Customer Base Structure

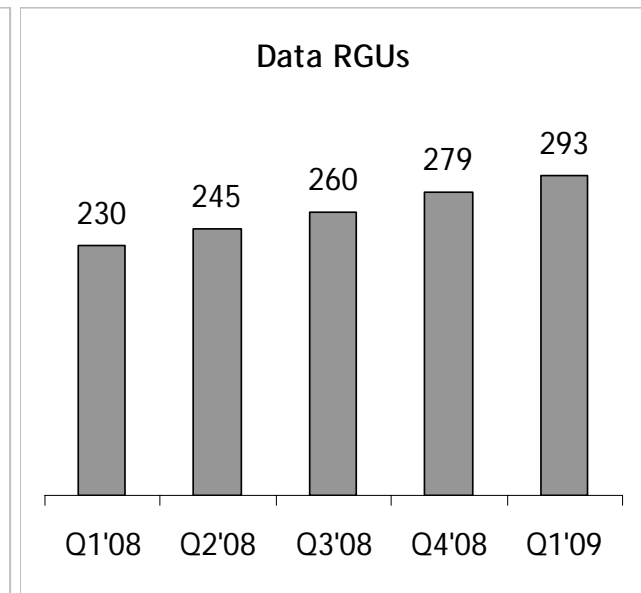
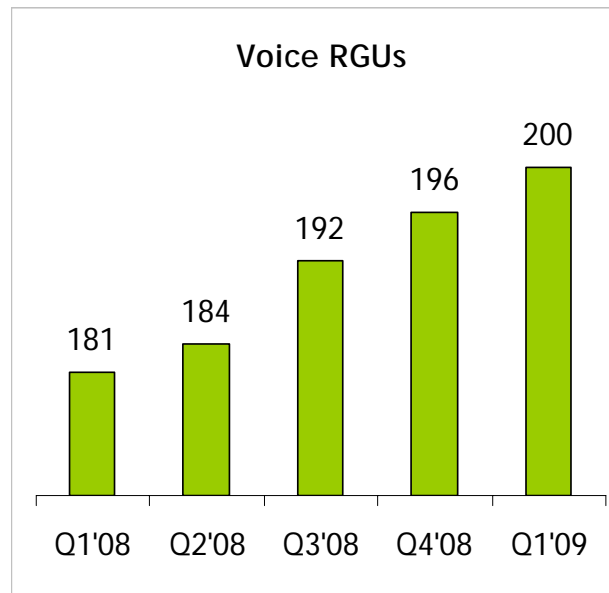
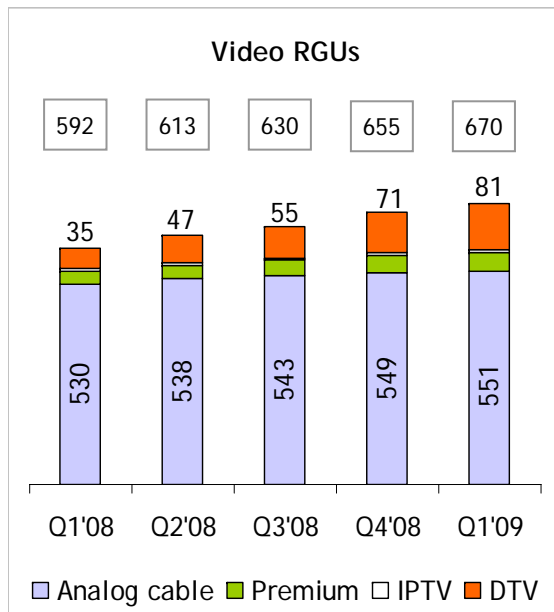
- > In line with our strategy, we have been moving away from single play and towards double and triple play and we fully expect this trend to continue going forward



All data in thousands

# Growth of Customer Base

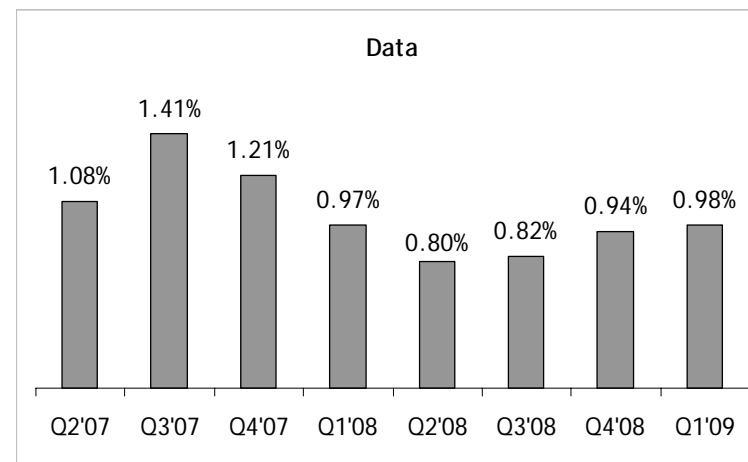
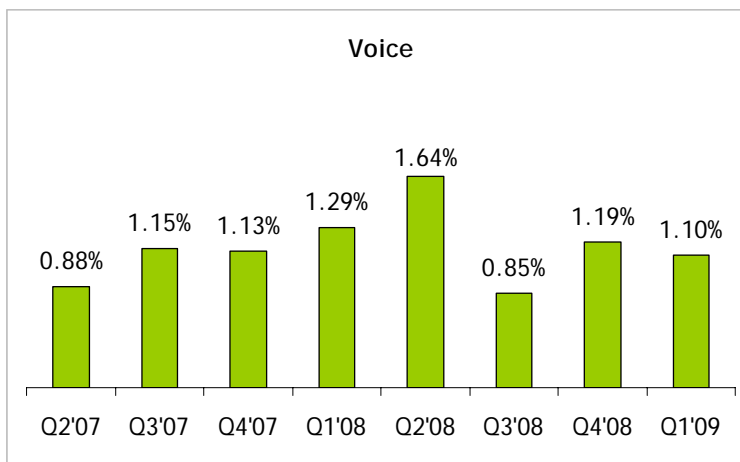
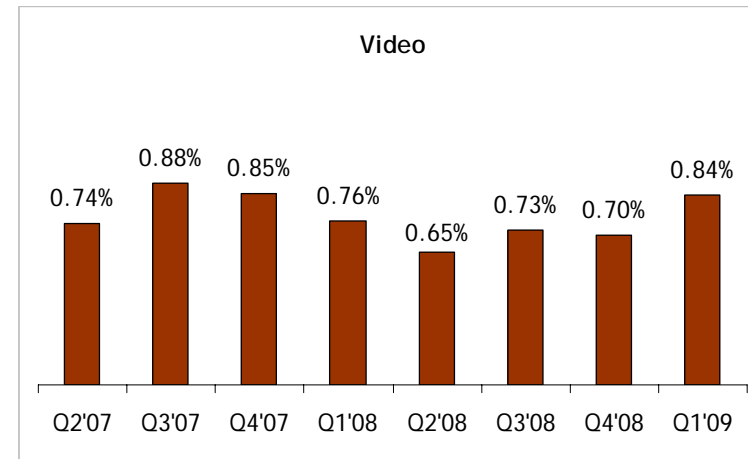
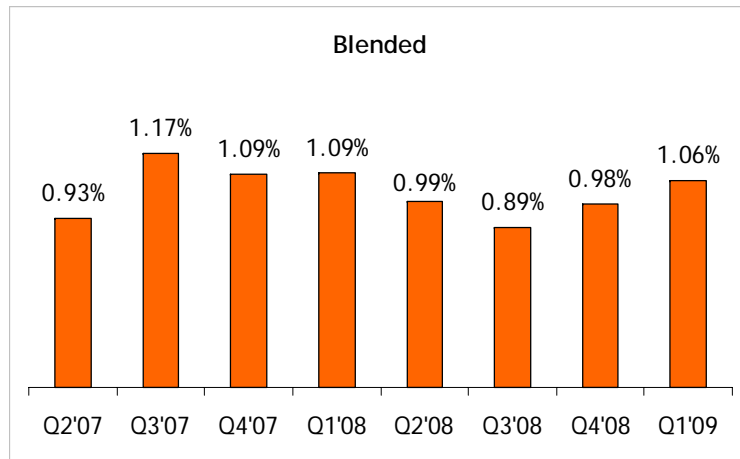
- > Stable and solid growth of Revenue Generating Units quarter on quarter in all service groups



All data in thousands

# Churn

- under control due to service bundling



Monthly average in a given quarter

# financial review

## Revenue Structure Quarterly

- > CATV revenues increased due to RGU additions
- > Vibrant growth of our DTV revenues continues
- > The impact of dynamic growth of Internet RGUs on revenues is partly offset by price discounts

Revenues (PLN '000)	Q1 2008	Q4 2008	Q1 2009	y-o-y % change	q-o-q % change
basic CATV	53 122	55 817	56 837	7%	2%
premium CATV	1 271	787	579	-54%	-26%
DTV & IPTV	1 404	4 290	5 531	294%	29%
internet	26 903	30 536	31 298	16%	2%
telephony	28 795	30 450	28 851	0%	-5%
other revenues	3 522	3 343	3 488	-1%	4%
<b>Total Revenues</b>	<b>115 016</b>	<b>125 222</b>	<b>126 585</b>	<b>10%</b>	<b>1%</b>



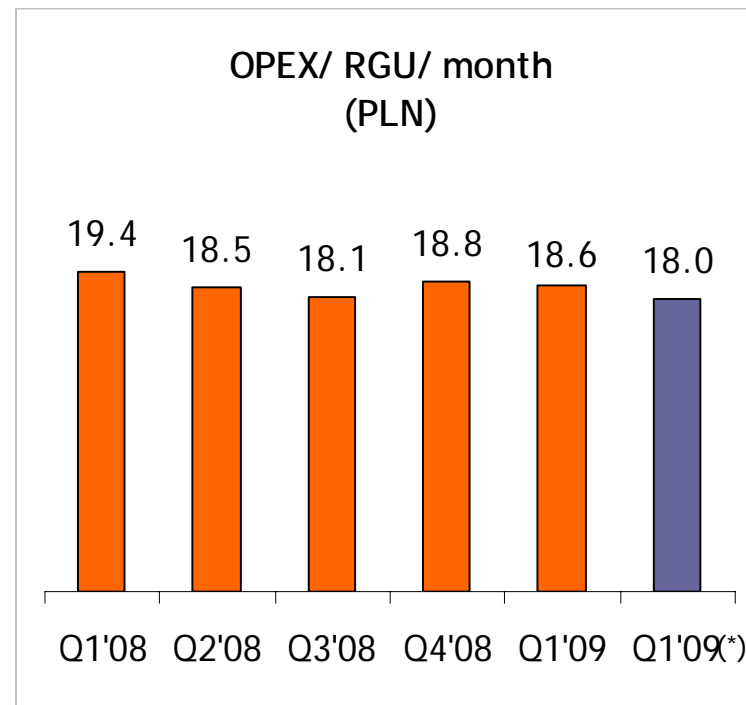
## Operating Expenses Quarterly

- > Our programming expenses were impacted by recent depreciation of the zloty:
  - at Q4 2008 F/X rates programming would be PLN 2.3m lower in Q1 2009  
total operating expenses would fall by PLN 1.2m q-o-q
  - at Q1 2008 F/X rates programming would be PLN 3.6m lower in Q1 2009  
total operating expenses would only rise by PLN 3.0m y-o-y

Expenses (PLN '000)	Q1 2008	Q4 2008	Q1 2009	y-o-y % change	q-o-q % change
programming and copyrights	12 003	13 687	17 380	45%	27%
bandwidth	3 276	2 571	2 502	-24%	-3%
interconnect	6 348	5 206	4 719	-26%	-9%
network costs	9 758	10 606	10 436	7%	-2%
sales and marketing	2 595	4 676	3 085	19%	-34%
payroll and benefits	14 815	16 175	16 651	12%	3%
taxes and charges	2 765	3 244	2 837	3%	-13%
professional services	829	990	798	-4%	-19%
energy and materials	3 062	4 009	3 519	15%	-12%
other expenses	2 839	2 640	2 994	5%	13%
<b>Total Expenses</b>	<b>58 289</b>	<b>63 804</b>	<b>64 921</b>	<b>11%</b>	<b>2%</b>
OPEX/ RGU /month	19.4	18.8	18.6	-4%	-1%

# Operating Expenses Quarterly

- > In Q4 2008, our OPEX/ RGU/ month ratio was impacted by one-off items, the ratio is now back on track
- > At Q4 2008 F/X rates, OPER/RGU/month in Q1 2009 would be at PLN 18.0 instead of PLN 18.6

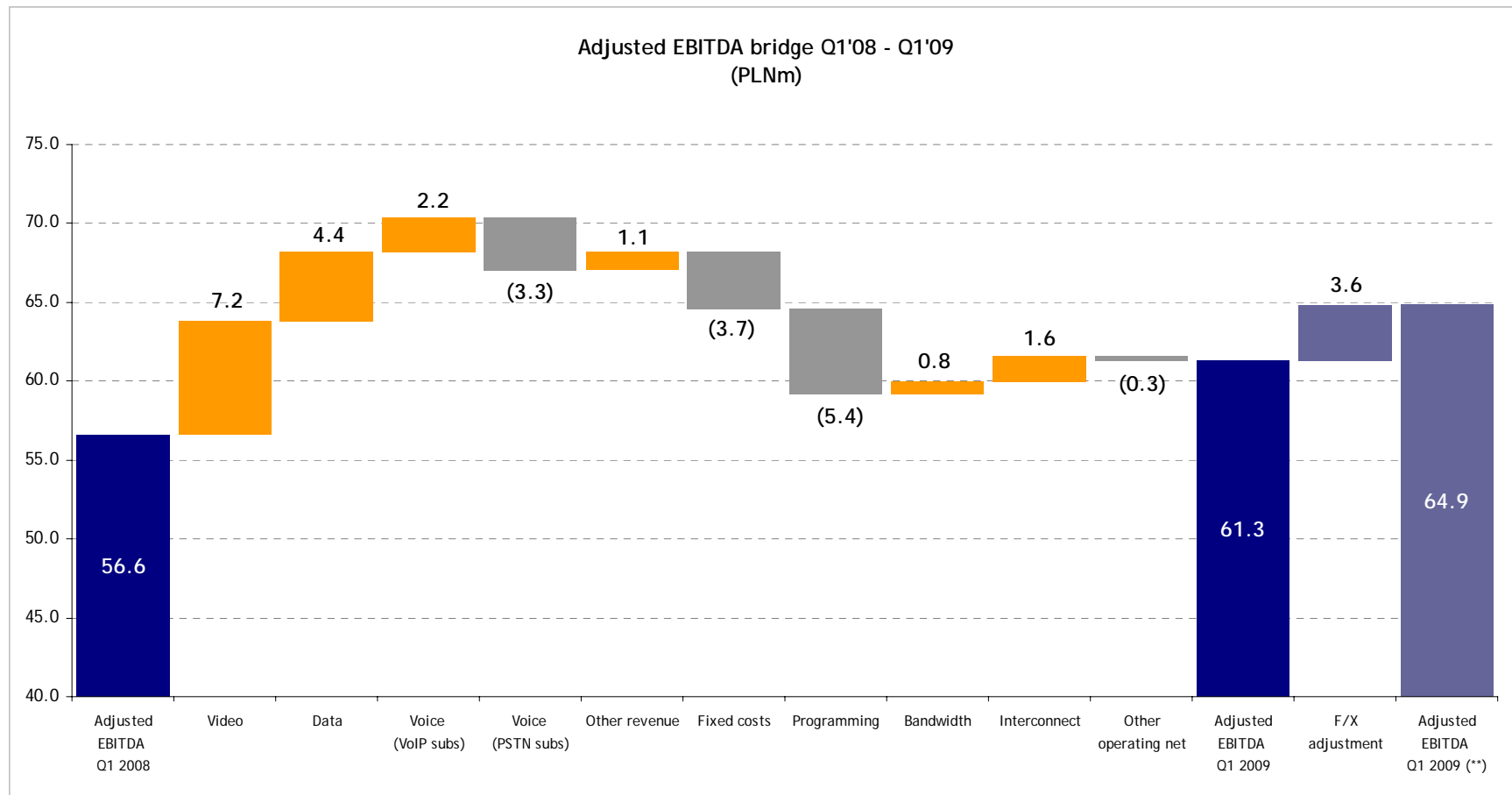


(\*) Excluding extraordinary F/X effect

# Income Statement Quarterly

Income Statement (PLN '000)	Q1 2008	Q4 2008	Q1 2009	y-o-y % change	q-o-q % change
Revenues	115 016	125 222	126 585	10%	1%
Expenses (excl. D&A)	58 289	63 804	64 921	11%	2%
Adjusted EBITDA	56 631	62 473	61 278	8%	-2%
<i>margin</i>	<i>49.2%</i>	<i>49.9%</i>	<i>48.4%</i>	-	-
Operating profit	23 474	21 565	22 420	-4%	4%
Net interest	(5 120)	(6 631)	(7 221)	41%	9%
Pretax profit	18 354	14 934	15 199	-17%	2%
Tax	2 581	7 986	2 746	-	-
Net income	15 773	6 949	12 453	-21%	79%

# EBITDA Bridge\*



(\*) Adjusted: operating profit plus depreciation and amortisation less one-off non-cash items

(\*\*) Excluding extraordinary F/X effect

# Balance Sheet

Balance Sheet (PLN '000)	31-12-08	31-03-09	% change
<b>Assets</b>			
non-current	933 494	927 655	-1%
current	64 111	67 269	5%
cash & equivalents	24 862	2 245	-91%
<b>Total assets</b>	<b>1 022 467</b>	<b>997 168</b>	<b>-2%</b>
<b>Equity</b>			
	571 995	578 876	1%
<b>Liabilities</b>			
non-current	235 207	199 463	-15%
current	215 265	218 830	2%
<b>Total equity &amp; liabilities</b>	<b>1 022 467</b>	<b>997 168</b>	<b>-2%</b>

## Capital Expenditures

- > We spent ca. PLN 58.6m on capital expenditure in Q1 2009; however, ca. PLN 21.6m was connected with the payment of investment liabilities incurred back in 2008
- > Our growth CAPEX accounted for 88% of total organic CAPEX

CAPEX (PLN '000)	Q1 2008	Q4 2008	Q1 2009
growth	44 200	44 300	51 300
other	8 000	5 900	7 300
acquisitions	5 900	5 200	-
<b>Total CAPEX</b>	<b>58 100</b>	<b>55 400</b>	<b>58 600</b>

# recent events & outlook

## Recent Events

**DTV and Video-on-Demand** currently available to ca. **696,000 HP**  
very good response to the service in **Warsaw**

Implementing active acquisitions strategy overbuilding existing operators,  
ca. **50,000 homes** passed already built

**Soaring demand** for our services among Warsaw housing co-operatives

**Share option plan:** 256,000 shares at PLN 3.00 allocated to 17 key employees  
on 3 March 2009 (Tranche I). Total cost **PLN 1,113,600**.

Share capital reduction, following share buy-back, registered on 31 March 2009  
Current **share capital** PLN 153,189,683



## Future Developments

Reach coverage of 120,000 homes passed in Warsaw  
Warsaw investments currently estimated at PLN 85m

Maximise sales efforts in new areas, especially Warsaw and Tarnów

Start full operational activity on two new overbuild markets

Introduce new services based on digital standards,  
such as interactive TV, time-shift TV, T-commerce etc.

Continue the roll out of WiMax to provide wireless voice  
and broadband internet services

**Share option plan:** Tranche II due by 30 January 2010  
No more than 861,000 shares can be purchased in both tranches on aggregate

## Contact us



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Publication of half year results:

31 August 2009

Publication of Q3 2009:

12 November 2009