

Multimedia Polska S.A.

2009 third quarter results

> 12 November 2009

Disclaimer



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9M 2009 Highlights

1

EBITDA

- Our 9M 2009 EBITDA* was PLN 192.9m increased by ca. 10% year-on-year
- We continue to enjoy high EBITDA margin of 49.7%

2

Subscribers and RGUs

- We increased the number of RGUs to 1,208,000; up 12% year-on-year
- We added ca. 36,000 DTV subscribers year-on-year
- We increased RGU/unique customer ratio to 1.80

3

Opex per RGU

- We continue to reduce operating expenses per RGU per month to PLN 17.9

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

Third Quarter 2009 Highlights

- > **We added 19,000 net RGUs**
 - 6,000 video RGUs
 - 9,000 broadband RGUs
 - 4,000 telephony RGUs
- > **We had 669,900 unique customers**
 - 377,000 single play subscribers
 - 208,700 double play subscribers
 - 84,200 triple play subscribers
- > **RGU/subscriber rate was**
 - 1.78 in Q2 2009
 - 1.80 in Q3 2009
- > **Blended ARPU per subscriber**
 - PLN 62.39 in Q2 2009
 - PLN 63.70 in Q3 2009
- > **Blended ARPU per RGU**
 - PLN 34.41 in Q2 2009
 - PLN 34.60 in Q3 2009

RGU Growth Highlights

- > The dynamic growth of our data segment continues (20% y-o-y)
- > We have been able to sustain double-digit growth in the voice segment (10% y-o-y)
- > Our video segment also grew close to double-digits thanks to our digital offering

Quarter-on-quarter ('000)	Q2 2009	Q3 2009	% change	new adds
video	680	686	1%	6
voice	207	211	2%	4
data	303	311	3%	9
Total	1 189	1 208	2%	19

Year-on-year ('000)	Q2 2008	Q3 2009	% change	new adds
video	630	686	9%	56
voice	192	211	10%	19
data	260	311	20%	51
Total	1 082	1 208	12%	126

business review

Our subscriber base—30 September 2009

Our Market	1,117,900 marketable homes	669,900 unique subscribers	1,208,000 total RGUs
Our Services	685,900 video RGUs*	311,400 broadband RGUs	210,700 voice RGUs**
Multiplay	377,000 1-play subscribers	208,700 2-play subscribers	84,200 3-play subscribers

(*) Include 31,400 premium channel RGUs, 6,500 IPTV RGUs and 91,600 DTV RGUs

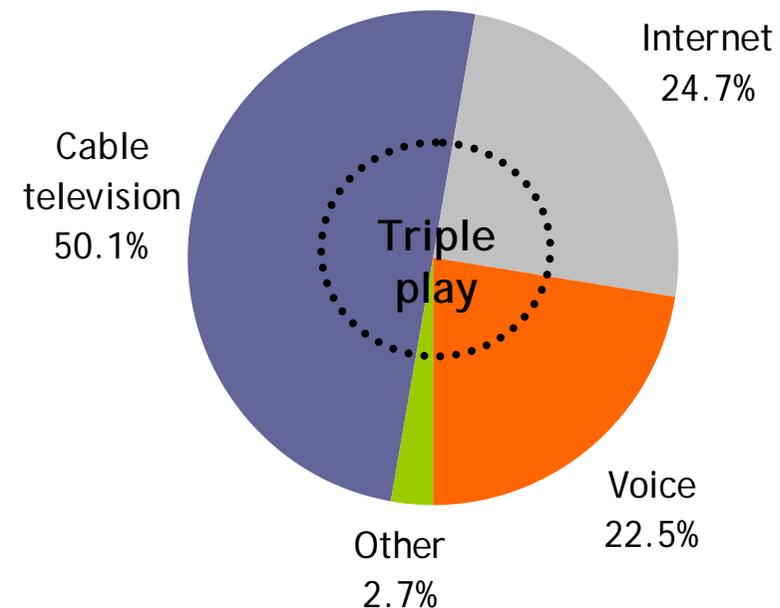
(**) Include 12,800 indirect voice RGUs and approximately 700 payphones

Our products today

Product offering

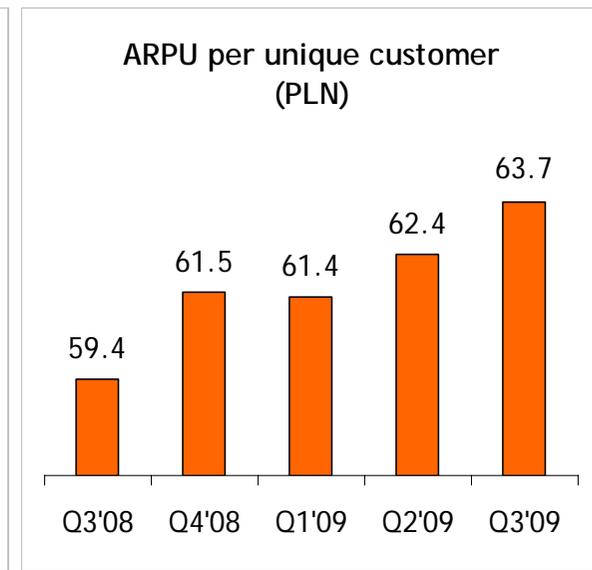
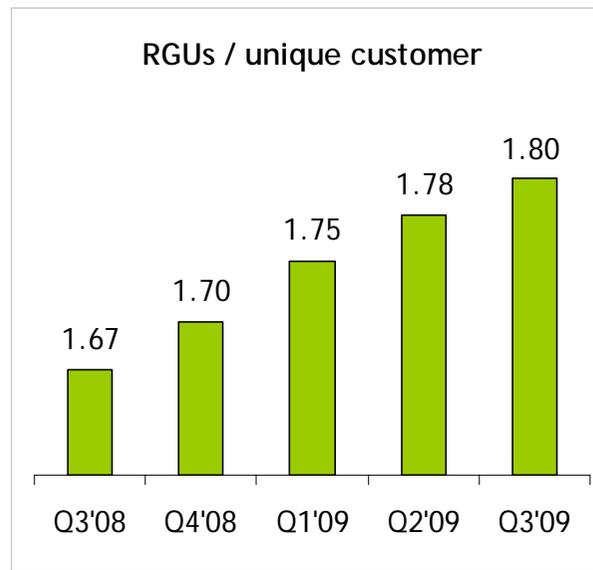
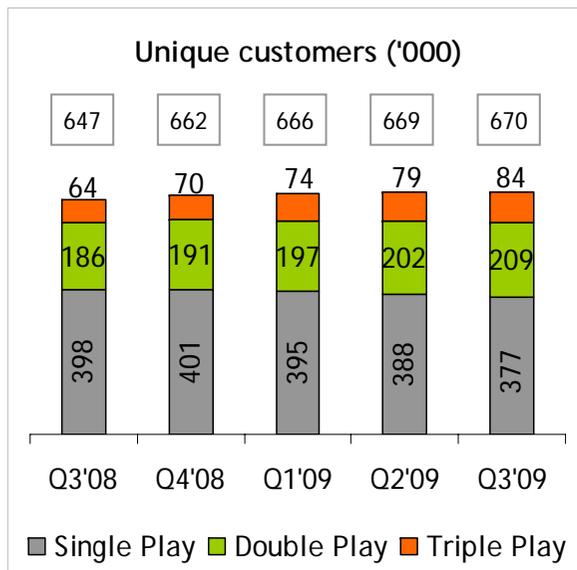
- > We have a fully-developed up-to-date and innovative product offering which continues to be expanded in line with technological advance
- > Our products comprise primarily:
 - CATV (analog TV, IPTV, DTV, premium channels, VoD)
 - Internet (broadband, broadband DSL, Wi-Fi, Wi-Max)
 - Telephony (VoIP,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

9M 2009 revenue breakdown



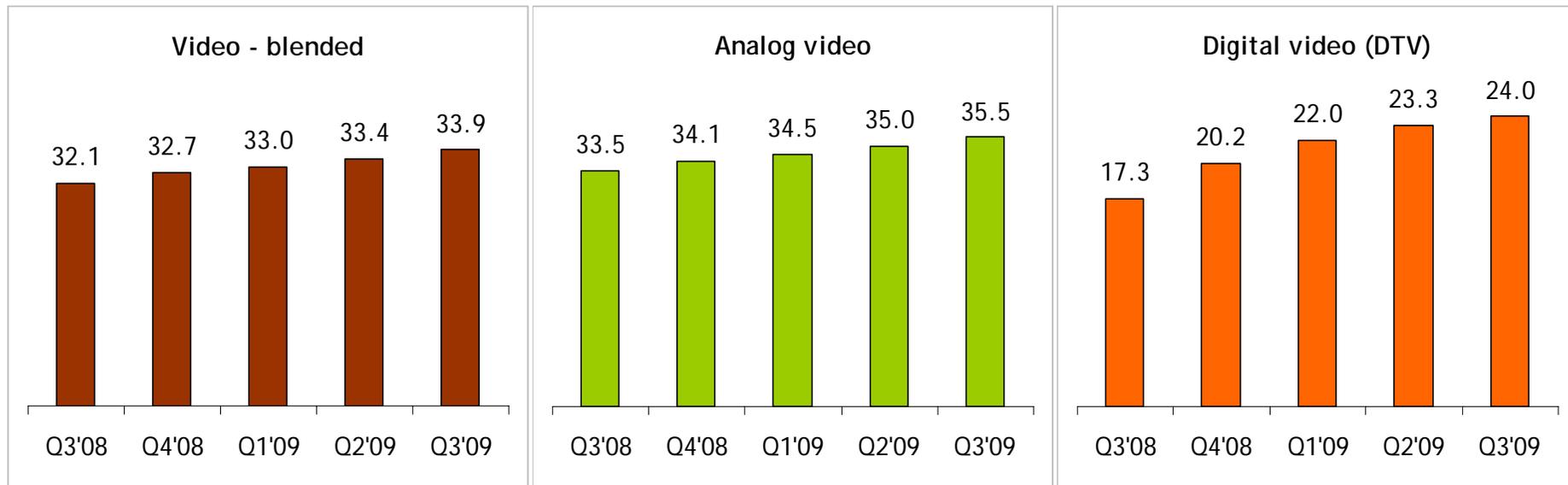
Subscribers and ARPU

- > Due to successful bundling of services, we continue to grow our ARPU per unique customer
- > RGU per unique customer increased from 1.78 in Q2 2009 to 1.80 in Q3 2009



ARPU per RGU—video services

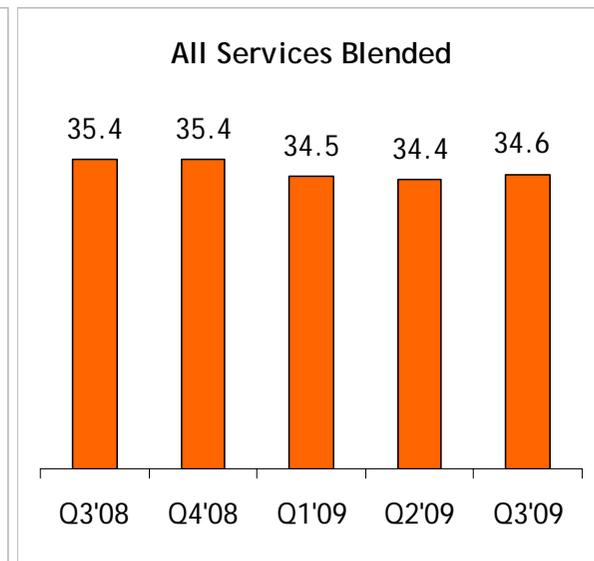
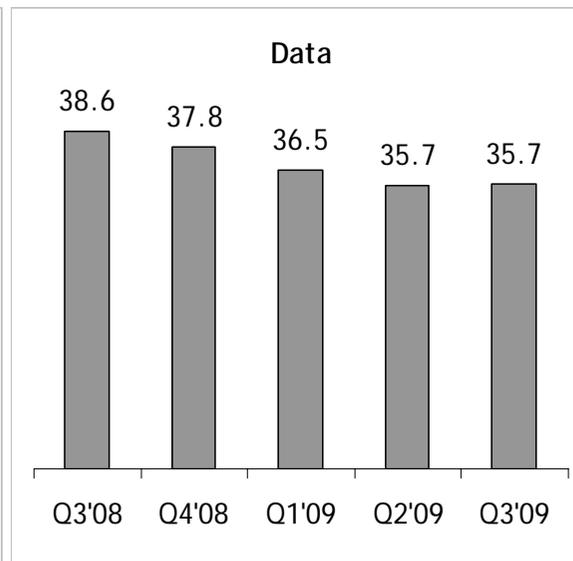
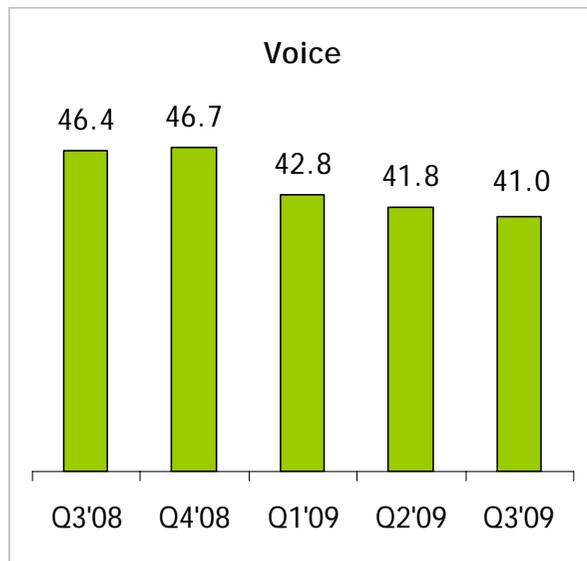
- > Digital cable TV is quickly becoming an established and growing element of our business
- > In the DTV segment, we grow both the number of RGUs and our ARPU on the service



Note: In 2008 significant discounts were offered to promote DTV

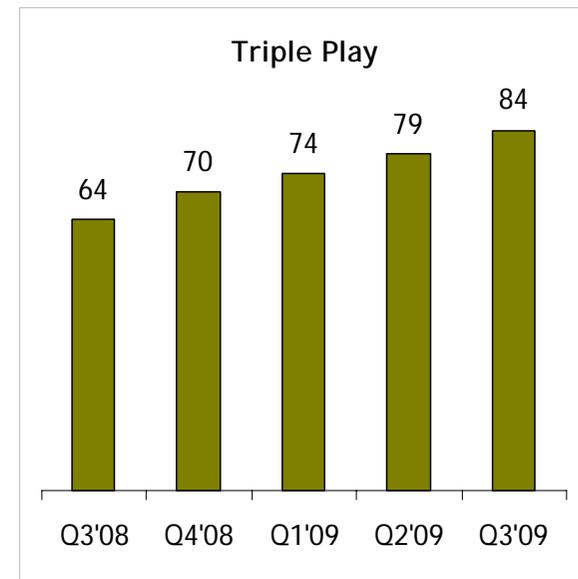
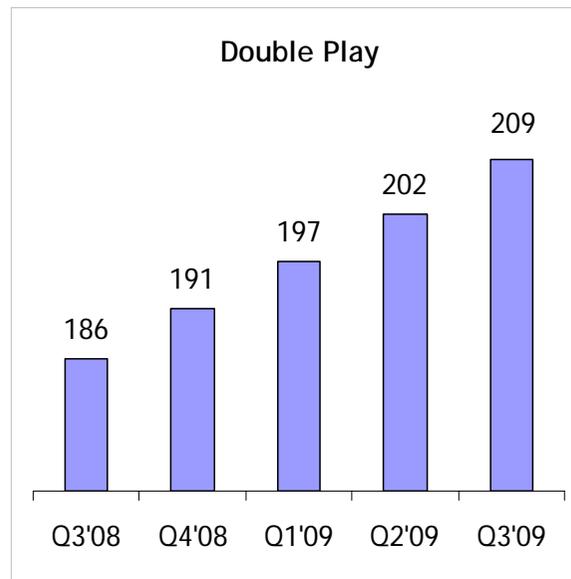
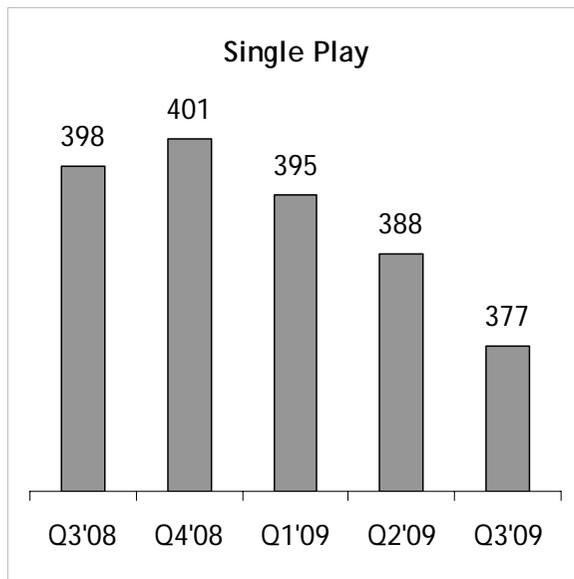
ARPU per RGU—voice and data services

- > **VoIP:** the drop in ARPU was offset by vibrant additions of VoIP users, our VoIP revenues were up 7% from Q2 2009
- > **PSTN:** similarly to other market players we are seeing a decline in PSTN customers and ARPU
- > **Broadband:** ARPU remained stable from Q2 2009; however, our broadband revenues increased over 3% thanks to RGU additions



Customer Base Structure

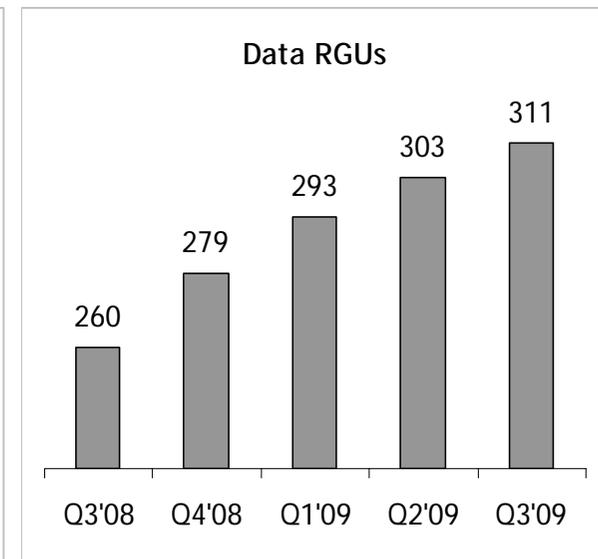
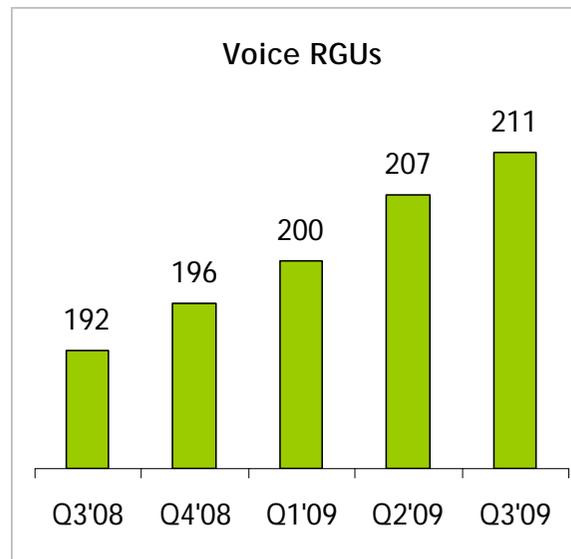
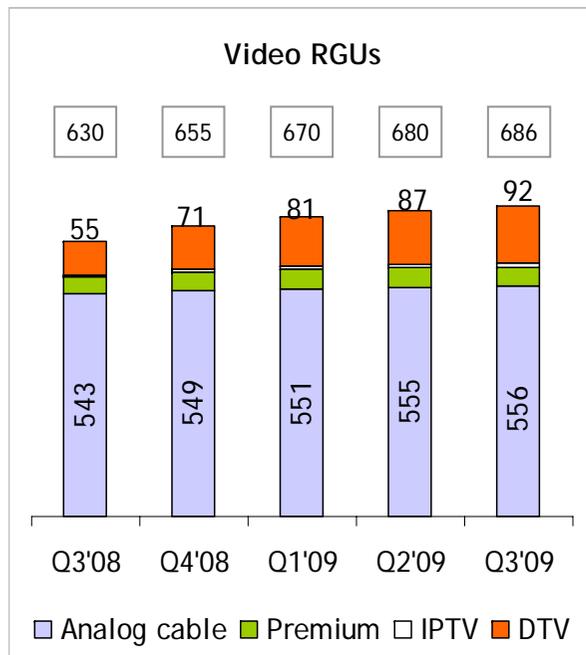
- > In line with our strategy, we have been moving away from single play and towards double and triple play and we fully expect this trend to continue going forward



All data in thousands

Growth of Customer Base

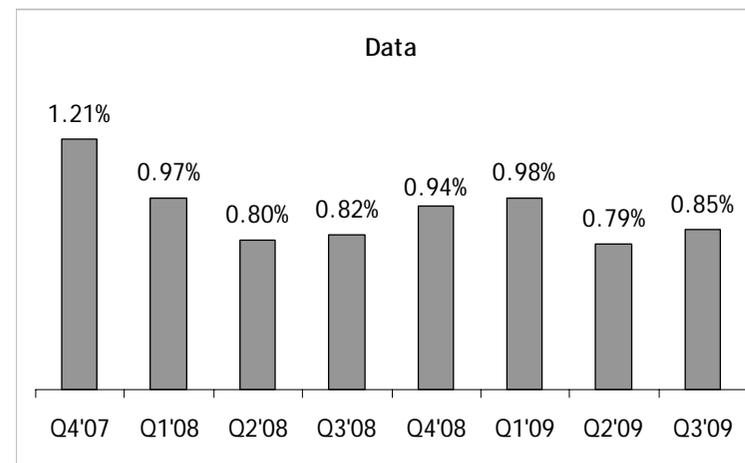
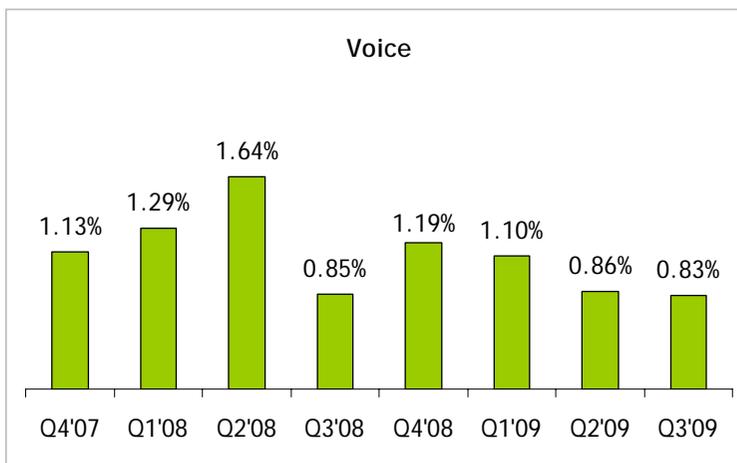
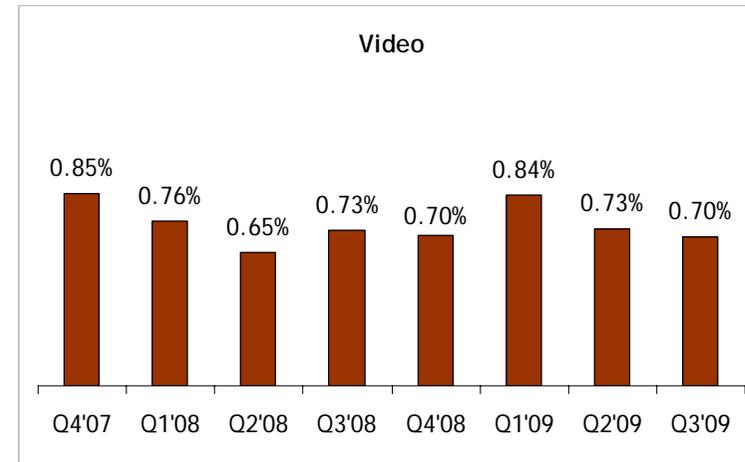
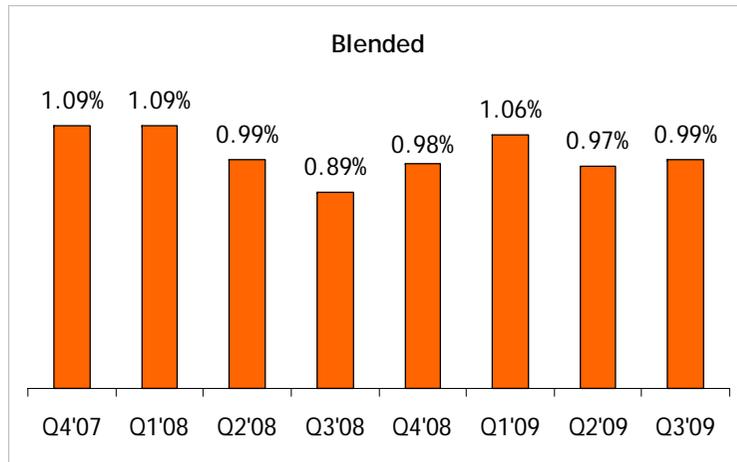
- > Stable and solid growth of Revenue Generating Units quarter on quarter in all service groups



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 and higher ARPU
- > Vibrant growth of our DTV revenues continues
- > We managed to maintain our broadband ARPU; however, RGU additions were slightly less dynamic

Revenues (PLN '000)	Q3 2008	Q2 2009	Q3 2009	y-o-y % change	q-o-q % change
basic CATV	54 350	57 961	59 184	9%	2%
premium CATV	975	487	413	-58%	-15%
DTV & IPTV	3 029	6 434	7 057	133%	10%
internet	29 231	31 848	32 905	13%	3%
telephony	29 500	28 912	29 567	0%	2%
other revenues	2 151	3 525	3 521	64%	0%
Total Revenues	119 236	129 167	132 647	11%	3%

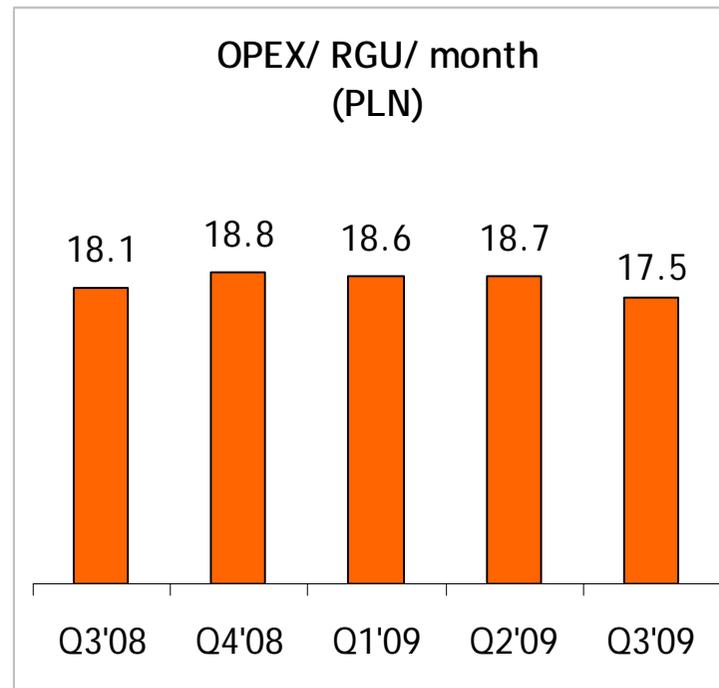
Operating Expenses Quarterly

- > Our cost-cutting policy in Q3 2009 was very successful
- > We managed to reduce headcount expenses by PLN 2.4m over Q2 2009

Expenses (PLN '000)	Q3 2008	Q2 2009	Q3 2009	y-o-y % change	q-o-q % change
programming and copyrights	11 933	16 300	15 924	33%	-2%
bandwidth	2 600	2 595	1 835	-29%	-29%
interconnect	4 979	4 277	4 301	-14%	1%
network costs	9 403	11 485	11 181	19%	-3%
sales and marketing	4 157	3 861	3 245	-22%	-16%
payroll and benefits	15 766	17 235	14 882	-6%	-14%
taxes and charges	2 811	2 932	2 859	2%	-2%
professional services	866	753	730	-16%	-3%
energy and materials	3 409	4 010	4 477	31%	12%
other expenses	2 788	3 174	4 084	46%	29%
Total Expenses	58 714	66 621	63 519	8%	-5%
OPEX/ RGU /month	18.1	18.7	17.5	-3%	-6%

Operating Expenses Quarterly

- > Despite unfavourable foreign exchange movements over the past 12 months, we managed to reduce our quarterly OPEX/ RGU/ month by 3% y-o-y
- > We believe that the downward trend will continue



Income Statement Quarterly

Income Statement (PLN '000)	Q3 2008	Q2 2009	Q3 2009	y-o-y % change	q-o-q % change
Revenues	119 236	129 167	132 647	11%	3%
Expenses (excl. D&A)	58 714	66 621	63 519	8%	-5%
Adjusted EBITDA	60 725	62 955	68 641	13%	9%
<i>margin</i>	<i>50.9%</i>	<i>48.7%</i>	<i>51.7%</i>	-	-
Operating profit	24 933	23 789	26 380	6%	11%
Net interest	(6 240)	(4 264)	(3 551)	-43%	-17%
Pretax profit	18 693	19 525	22 829	22%	17%
Tax	2 045	5 873	7 077	-	-
Net income	16 648	13 652	15 752	-5%	15%

Revenue Structure Year-on-Year

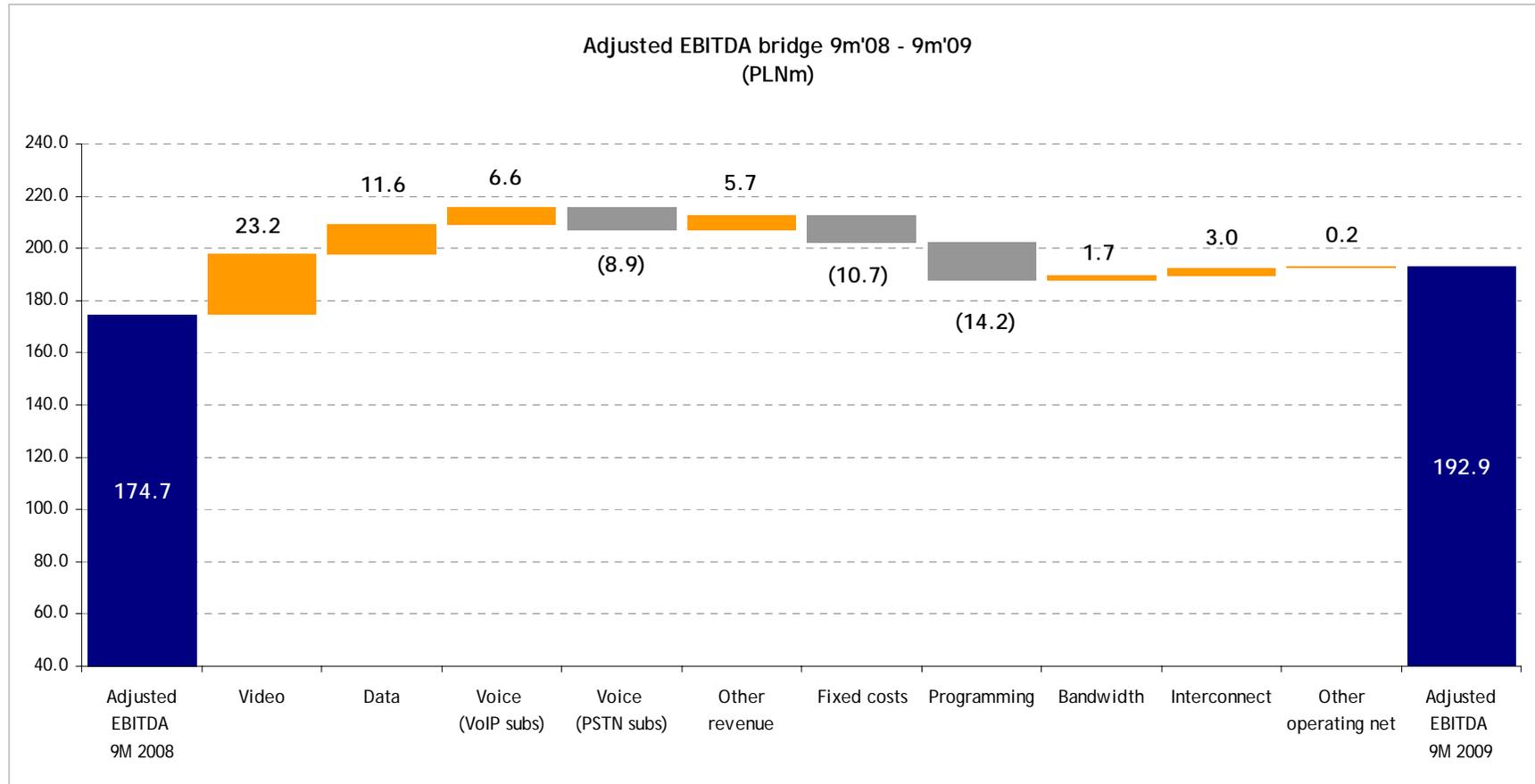
Revenues (PLN '000)	9M 2008	9M 2009	% change
basic CATV	161 267	173 983	8%
premium CATV	3 369	1 479	-56%
DTV & IPTV	6 674	19 022	185%
internet	84 498	96 051	14%
telephony	87 767	87 330	0%
other revenues	6 646	10 534	59%
Total Revenues	350 220	388 399	11%

Operating Expenses Year-on-Year

- > Our programming expenses were impacted by depreciation of the zloty: at 9M 2008 F/X rates programming would be PLN 10.7m lower in 9M 2009 total operating expenses would only rise by 10% y-o-y

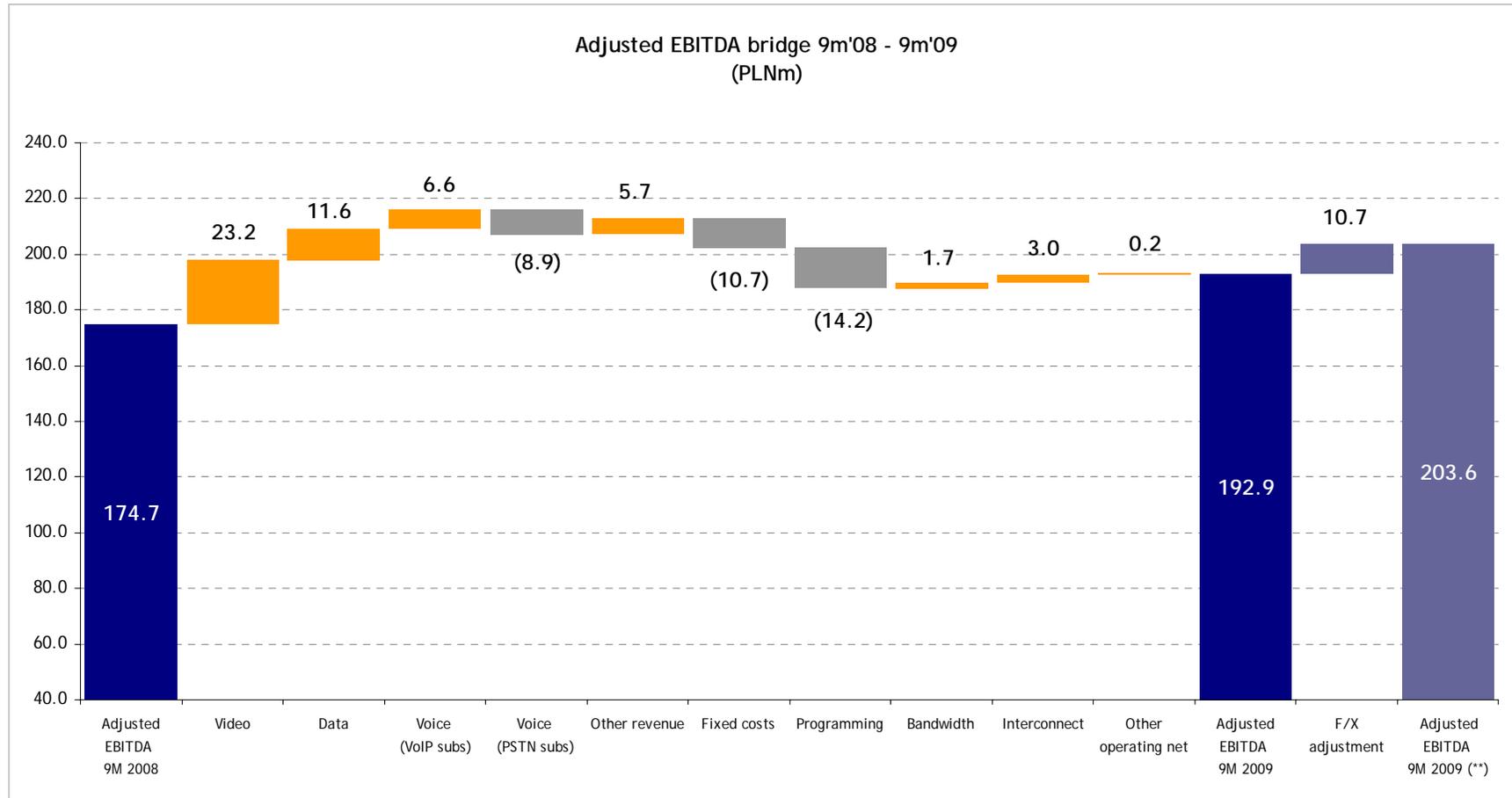
Expenses (PLN '000)	9M 2008	9M 2009	% change
programming and copyrights	35 358	49 604	40%
bandwidth	8 615	6 931	-20%
interconnect	16 333	13 297	-19%
network costs	28 077	33 102	18%
sales and marketing	10 388	10 191	-2%
payroll and benefits	47 162	48 768	3%
taxes and charges	8 274	8 628	4%
professional services	2 381	2 280	-4%
energy and materials	9 770	12 006	23%
other expenses	8 496	10 253	21%
Total Expenses	174 856	195 061	12%
OPEX/ RGU /month	18.0	17.9	0%

EBITDA Bridge*



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

EBITDA Bridge—illustrative of F/X impact



(**) Excluding extraordinary F/X effect

Income Statement Year-on-Year

Income Statement (PLN '000)	9M 2008	9M 2009	% change
Revenues	350 220	388 399	11%
Expenses (excl. D&A)	174 856	195 061	12%
Adjusted EBITDA	174 675	192 879	10%
<i>margin</i>	<i>49.9%</i>	<i>49.7%</i>	-
Operating profit	70 182	72 589	3%
Net interest	(15 687)	(15 036)	-4%
Pretax profit	54 495	57 553	6%
Tax	11 171	15 695	-
Net income	43 324	41 857	-3%

Balance Sheet

Balance Sheet (PLN '000)	31-12-08	30-09-09	% change
Assets			
non-current	933 494	944 144	1%
current	88 973	67 729	31%
incl. cash & equivalents	24 862	7 361	-70%
Total assets	1 022 467	1 011 873	-1%
Equity			
	571 996	609 564	7%
Liabilities			
non-current	236 633	160 095	-32%
current	213 838	242 214	13%
Total equity & liabilities	1 022 467	1 011 873	-1%

Capital Expenditures

- > We spent ca. PLN 39.2m on capital expenditure in Q3 2009
- > Our growth CAPEX accounted for 88% of total organic CAPEX

CAPEX (PLN '000)	Q1 2009	Q2 2009	Q3 2009	9M 2009
growth	51 300	31 700	34 400	117 400
other	7 300	7 500	4 800	19 600
acquisitions	-	-	-	-
Total CAPEX	58 600	39 200	39 200	137 000

recent events & outlook

Recent Events

DTV and Video-on-Demand are currently available to ca. **758,000 HPs**
We have a very good response to the service in **Warsaw**

We continue implementing active acquisitions strategy overbuilding existing operators, ca. **63,000 homes passed** already built

In September, we received **PLN 10m** from our subsidiary through **bond issue**
- a low cost intra-group financial support transaction

Our **key shareholder** transferred its shareholding from **Emerging Ventures Limited, Guernsey** to **Emerging Ventures Limited, Cyprus**
The **25% stake** remained unchanged

Future Developments

Shareholder meeting planned for **November 23, 2009**

Commercial launch of mobile broadband planned this year

First interactive television channel called **aMazing**
already operational

Target coverage: **120,000 homes passed in Warsaw**
completion planned for H1 2011

Starting full operational activity on **two new overbuild markets**

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

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Publication of Q4 2009 results:

TBA in January 2010

Publication of full year results:

TBA in January 2010