

Multimedia Polska S.A.

2011 first quarter results

11 May 2011

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First Quarter 2011 Highlights

1

EBITDA

- Our Q1 2011 EBITDA* was PLN 77.8m increased by ca. 6.7% year-on-year
- We continue to enjoy high EBITDA margin of 52.3%

2

Subscribers and RGUs

- We increased the number of RGUs to 1,383,000; up 10.7% year-on-year
- We added ca. 40,000 broadband, ca. 33,400 voice subscribers (incl. 9,600 WLR subscribers), and ca. 46,500 DTV subscribers year-on-year
- We increased RGU/unique customer ratio to 1.98

3

Opex per RGU

- Our operating expenses per RGU per month were at PLN 17.0

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

First Quarter 2011 Highlights

→ **We added 30,000 net RGUs**

- 14,500 video RGUs
- 7,800 broadband RGUs
- 7,700 telephony RGUs

→ **We had 699,300 unique customers**

- 364,000 single play subscribers
- 235,600 double play subscribers
- 99,700 triple play subscribers

→ **RGU/subscriber rate was**

- 1.94 in Q4 2010
- 1.98 in Q1 2011

→ **Blended ARPU per subscriber**

- PLN 68.15 in Q4 2010
- PLN 68.26 in Q1 2011

→ **Blended ARPU per RGU**

- PLN 34.12 in Q4 2010
- PLN 34.79 in Q1 2011

RGU Growth Highlights

- The dynamic growth of our data segment continues (12% y-o-y)
- Owing to vibrant additions of WLR and VoIP we have recorded 15% y-o-y growth in the voice segment
- We are restoring our potential in the video segment

Quarter-on-quarter ('000)	Q4 2010	Q1 2011	% change	new adds
video	740	754	2%	14
voice	250	258	3%	8
data	363	371	2%	8
Total	1 353	1 383	2%	30

Year-on-year ('000)	Q1 2010	Q1 2011	% change	new adds
video	694	754	9%	60
voice	225	258	15%	33
data	331	371	12%	40
Total	1 249	1 383	11%	133



business review

Our Subscriber Base — 31 March 2011

Our Market

1,183,200
marketable homes

669,300
unique subscribers

1,382,900
total RGUs

Our Services

754,300
video RGUs*

370,500
broadband RGUs

258,100
voice RGUs**

Multiplay

364,000 1-play
subscribers

235,600 2-play
subscribers

99,700 3-play
subscribers

(*) Include 45,500 premium channel RGUs, 9,500 IPTV RGUs and 145,000 DTV RGUs

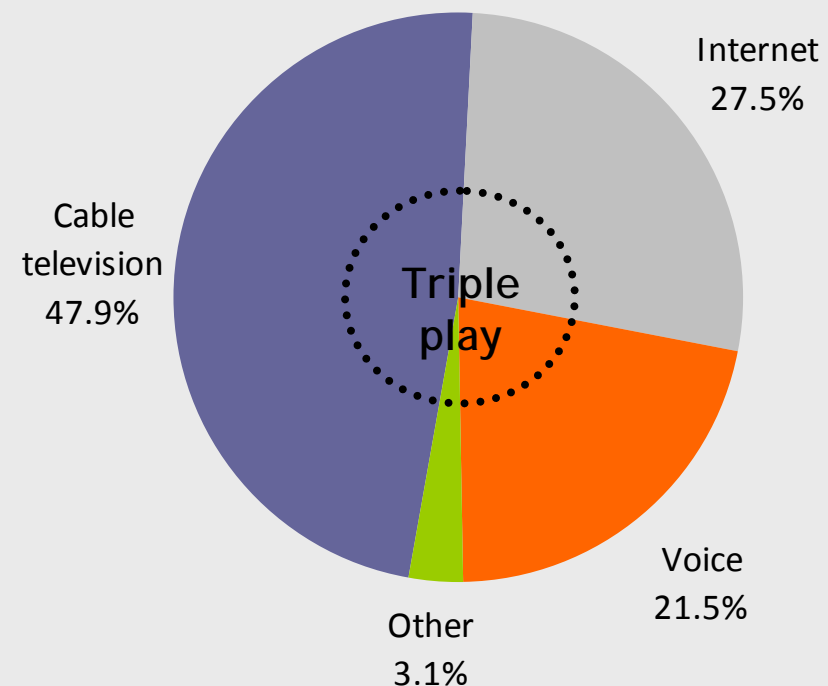
(**) Include 28,200 indirect voice RGUs and approximately 700 payphones

Our Products Today

Product offering

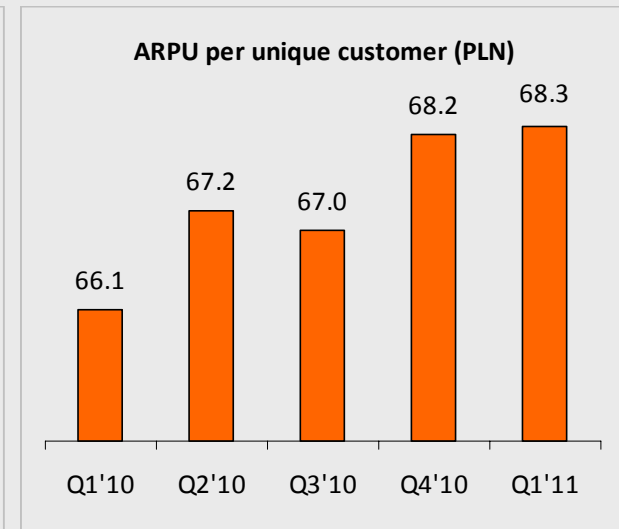
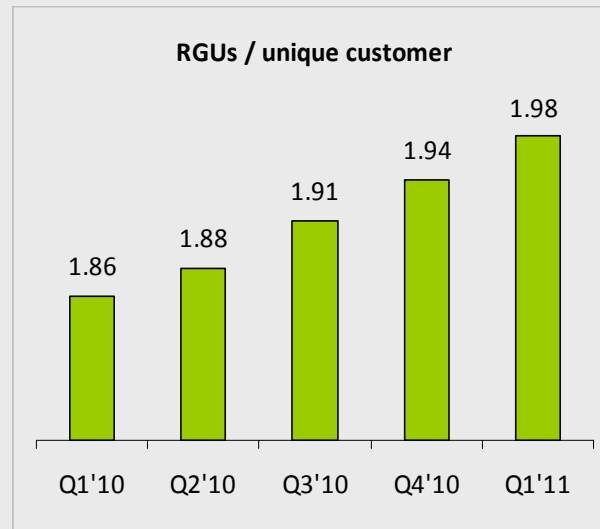
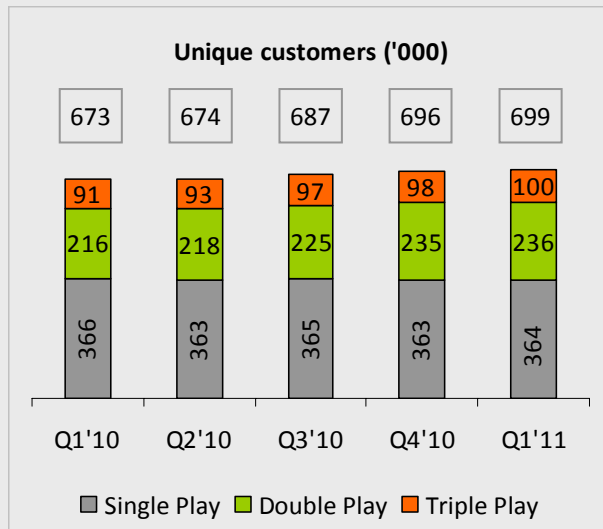
- We have a fully-developed up-to-date and innovative product offering which continues to be expanded in line with technological advance
- Our products comprise primarily:
 - CATV (analogue TV, IPTV, DTV, premium channels, VoD, PC streaming)
 - Internet (broadband, broadband DSL, Wi-Fi, Wi-Max, mobile)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

Q1 2011 revenue breakdown



Subscribers and ARPU

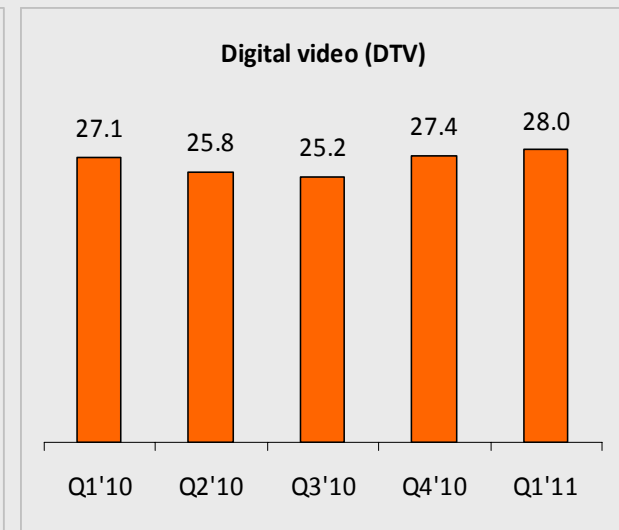
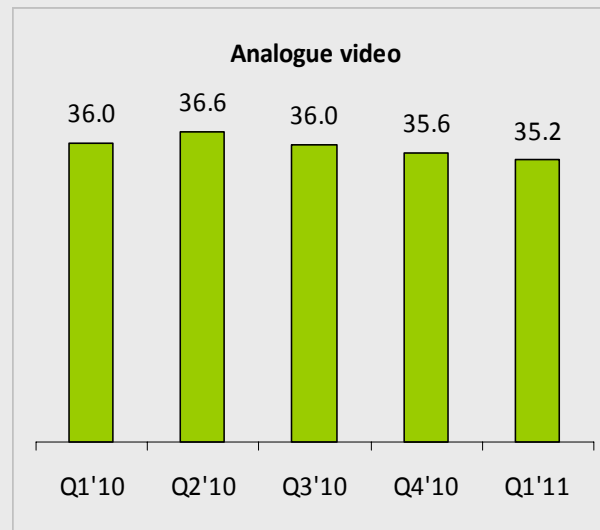
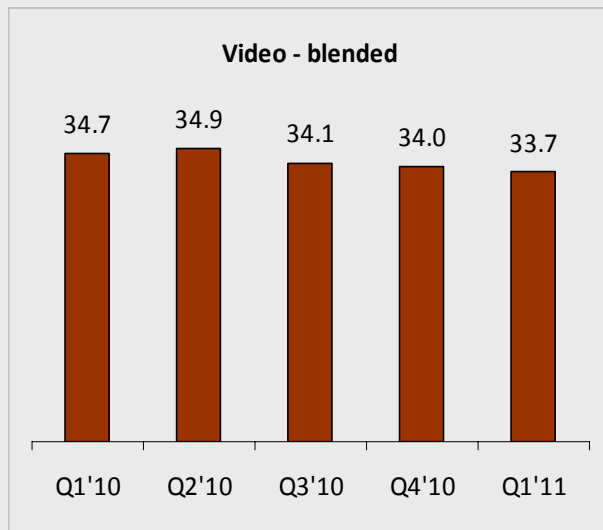
- The upward trend in ARPU/HC flattened off in Q1 2011 due to the addition of new single play WLR subscribers with average ARPU at ca. PLN 32
- RGU per unique customer increased from 1.94 in Q4 2010 to 1.98 in Q1 2011



Note: The dip in Q3'10 is attributable to the acquisition of Internet Solutions

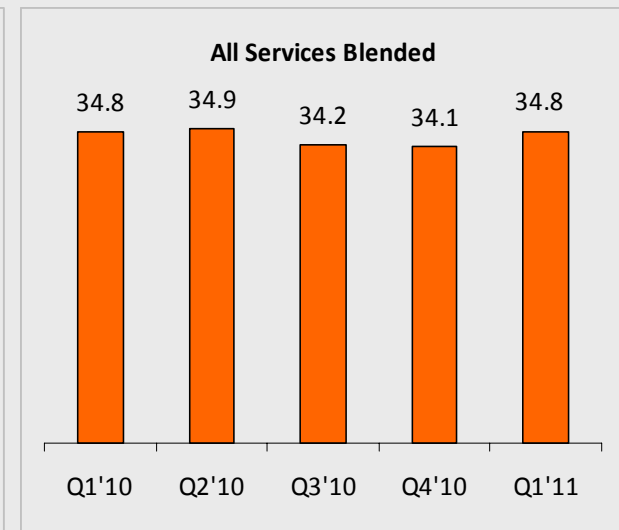
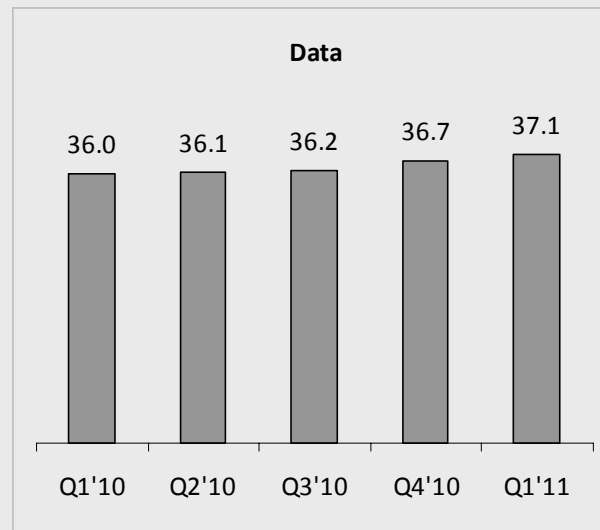
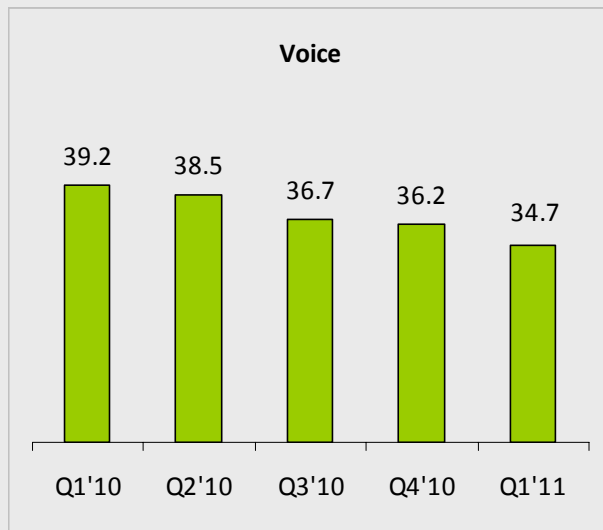
ARPU per RGU — video services

- As previously mentioned, we have modified our approach to promoting the DTV product; hence, the former downward trend in DTV ARPU is now reversed
- Our video segment still fails to satisfy. We continue to adjust our pricing strategy and offer promotions in new markets, which translates into a slight decline in ARPU. However, we have introduced price rises on our existing customer base in Q1 2011, which should bring the desired results from Q2 2011
- Our ARPU figures are still affected by the acquisition of Internet Solutions



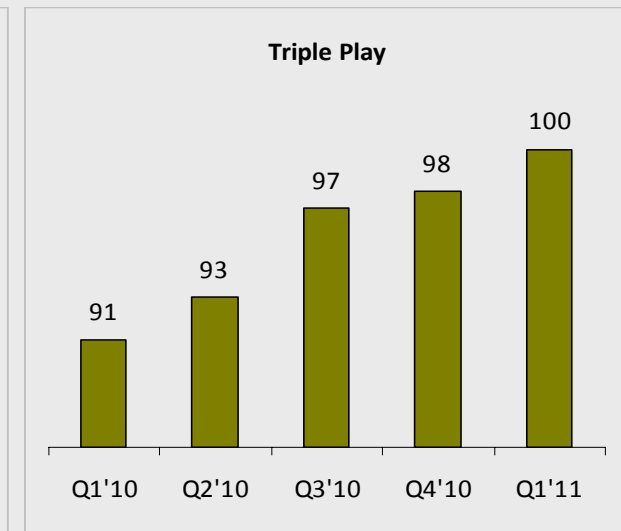
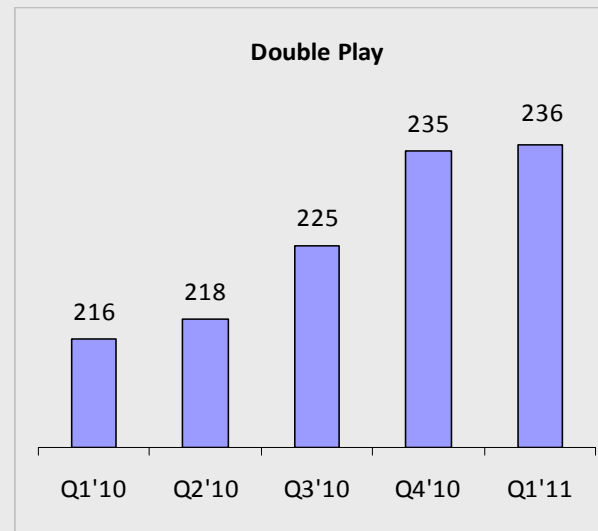
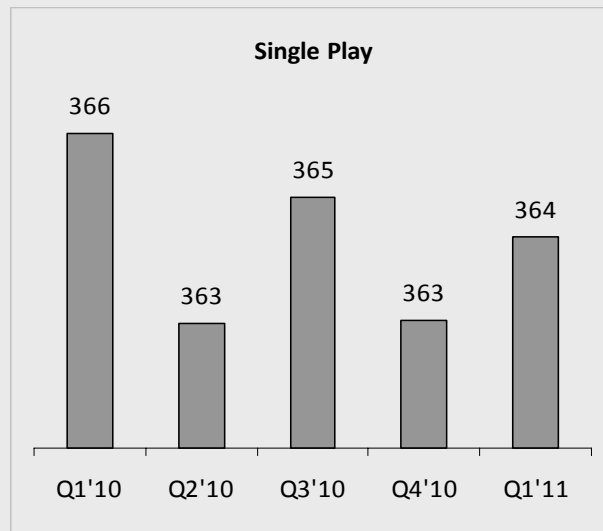
ARPU per RGU — voice and data

- **VoIP:** Although ARPU on the service decreased further in Q1 2011, positive net additions of VoIP users produced higher VoIP revenues. We strongly push VoIP sales through bundled offerings.
- **PSTN:** In a long-term perspective like other market players we are seeing a decline in PSTN customers and ARPU.
- **Broadband:** ARPU continues to be stable and vibrant additions of broadband users translate into solid revenue growth.



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
- The increase in single play subscribers in Q3 2010 is exclusively attributable to the acquisition of Internet Solutions and in Q1 2011 to the addition of WLR subscribers

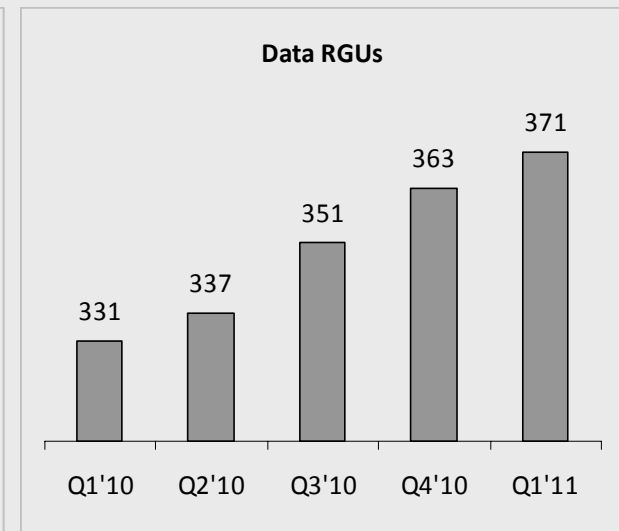
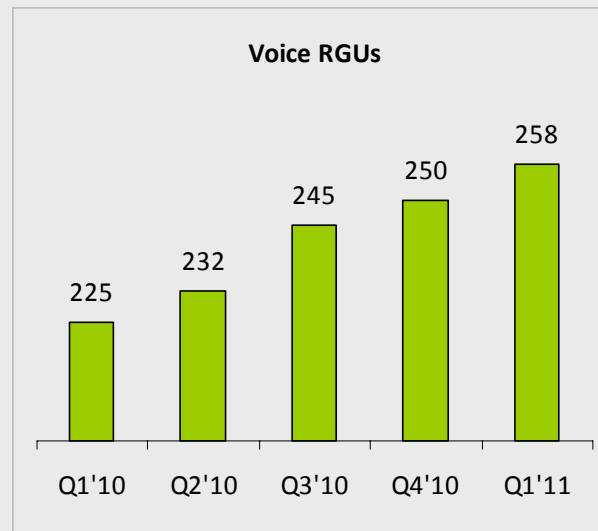
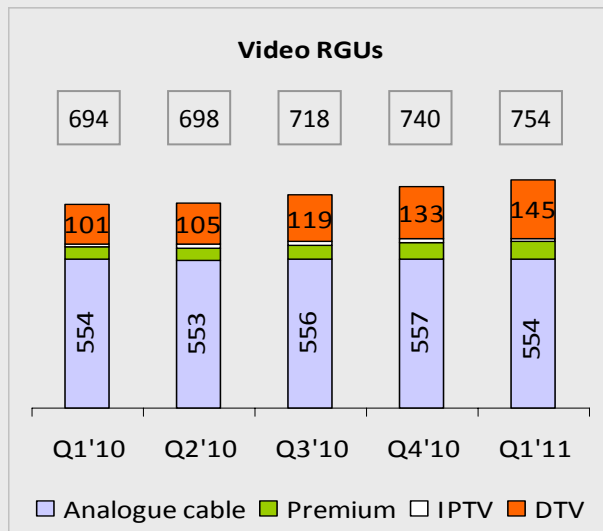


Note: The rise in Q3'10 is attributable to the acquisition of Internet Solutions

All data in thousands

Growth of Customer Base

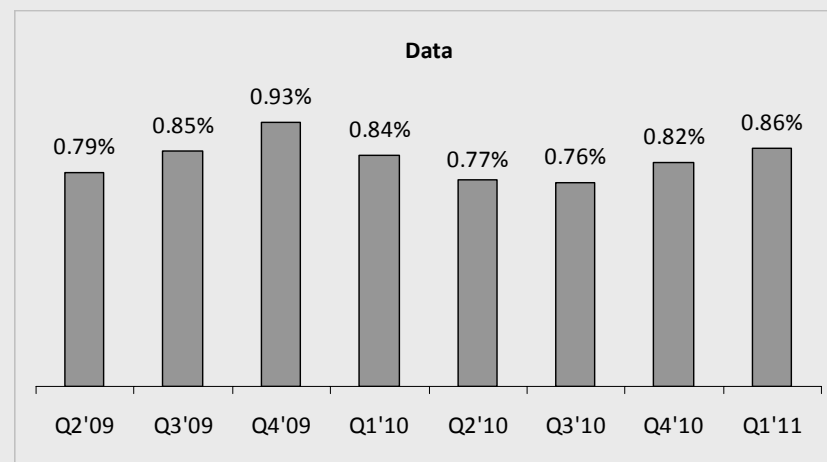
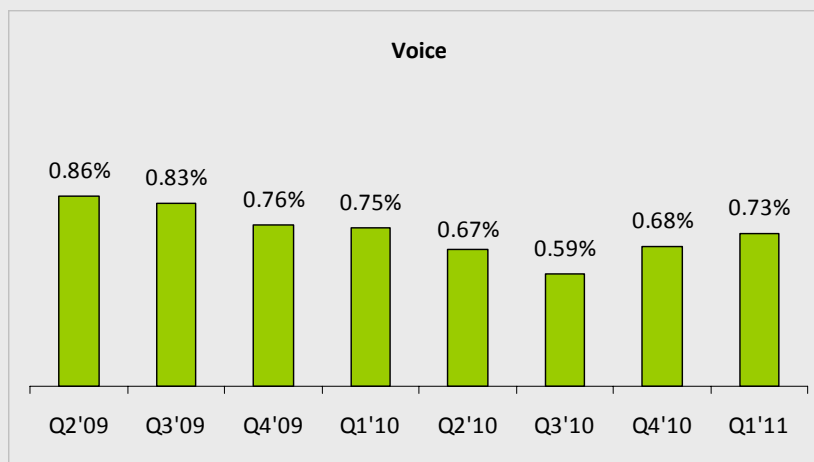
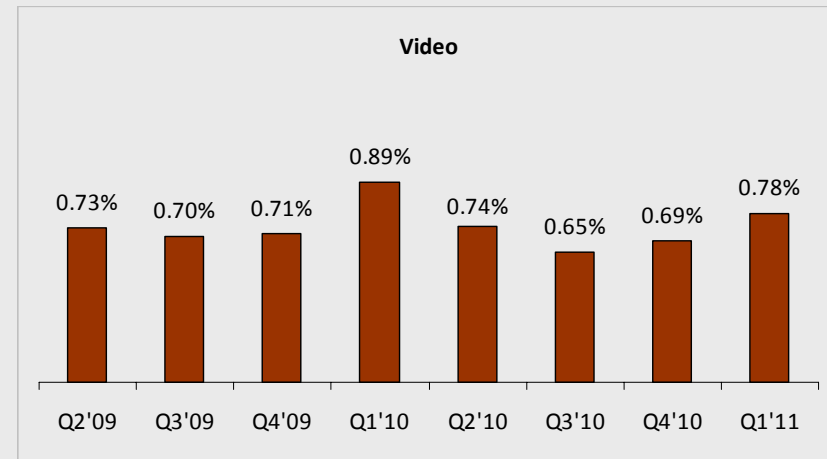
- Stable and solid growth of Revenue Generating Units quarter on quarter in all service groups
- As regards analogue video, the decline in analogue cable RGUs in Q1 2011 is primarily attributable to price rises implemented recently in order to maximize revenues from that segment



All data in thousands

Churn *- under control due to service bundling*

- Reducing churn continues to be one of our strategic objectives for 2011. We believe attractive products and pricing are the key to success alongside high quality of both services and customer care
- The surge in churn in Q1 2011 was fuelled by price rises



Monthly average in a given quarter



financial review

Revenue Structure Quarterly

- As previously mentioned, our basic CATV revenues fell in Q4 2010 due to a change in our pricing strategy necessitated by the need to rebuild our customer base. In Q1 2011, we introduced price rises that will bear fruit in Q2 2011 and beyond
- The decline in premium CATV revenues was connected with migrations of premium customers to digital television. From Q2 2011 this line will be absorbed by DTV & IPTV and will no longer be presented separately. DTV revenues continue to grow in line with RGU additions
- Internet revenues grow thanks to dynamic additions of broadband subscribers
- The voice segment is on a rise y-o-y due to dynamic WLR sales and higher wholesale revenues

Revenues (PLN '000)	Q1 2010	Q4 2010	Q1 2011	y-o-y % change	q-o-q % change
basic CATV	60 163	59 420	58 692	-2%	-1%
premium CATV	232	158	-	-	-
DTV & IPTV	8 854	11 164	12 562	42%	13%
internet	35 307	39 358	40 828	16%	4%
telephony	29 904	32 056	32 035	7%	0%
other revenues	3 671	4 794	4 540	24%	-5%
Total Revenues	138 131	146 950	148 658	8%	1%

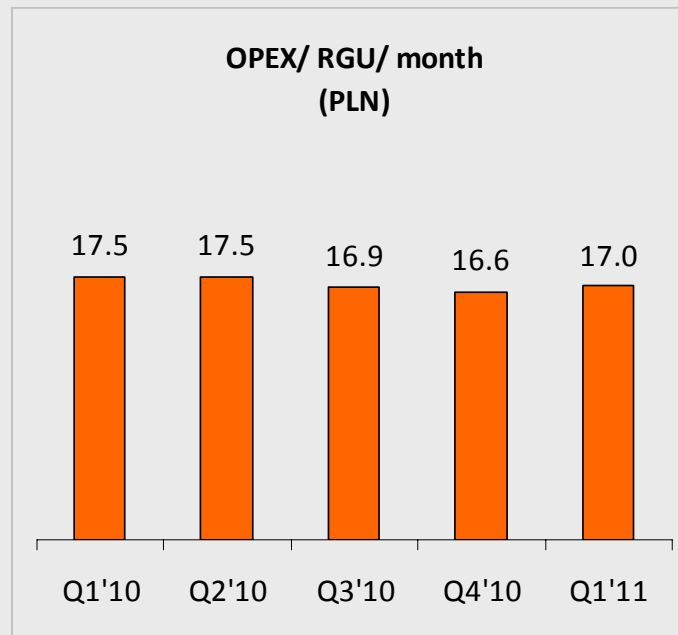
Operating Expenses Quarterly

- The structure of our quarterly expenses fluctuates considerably as a result of significant one-off events. It is our strategic goal, however, to keep the overall change in operating expenses in line with our revenues

Expenses (PLN '000)	Q1 2010	Q4 2010	Q1 2011	y-o-y % change	q-o-q % change
programming and copyrights	13 856	15 927	16 978	23%	7%
bandwidth	1 549	1 171	1 393	-10%	19%
interconnect	4 013	4 199	4 745	18%	13%
network costs	11 044	11 767	11 091	0%	-6%
sales and marketing	3 090	4 367	3 590	16%	-18%
payroll and benefits	19 091	16 484	18 544	-3%	12%
taxes and charges	3 141	2 889	3 396	8%	18%
professional services	1 234	1 439	2 315	88%	61%
energy and materials	3 540	5 328	4 111	16%	-23%
other expenses	4 899	3 943	4 532	-7%	15%
Total Expenses	65 456	67 514	70 695	8%	5%
OPEX/ RGU /month	17.5	16.6	17.0	-2%	2%

Operating Expenses Quarterly

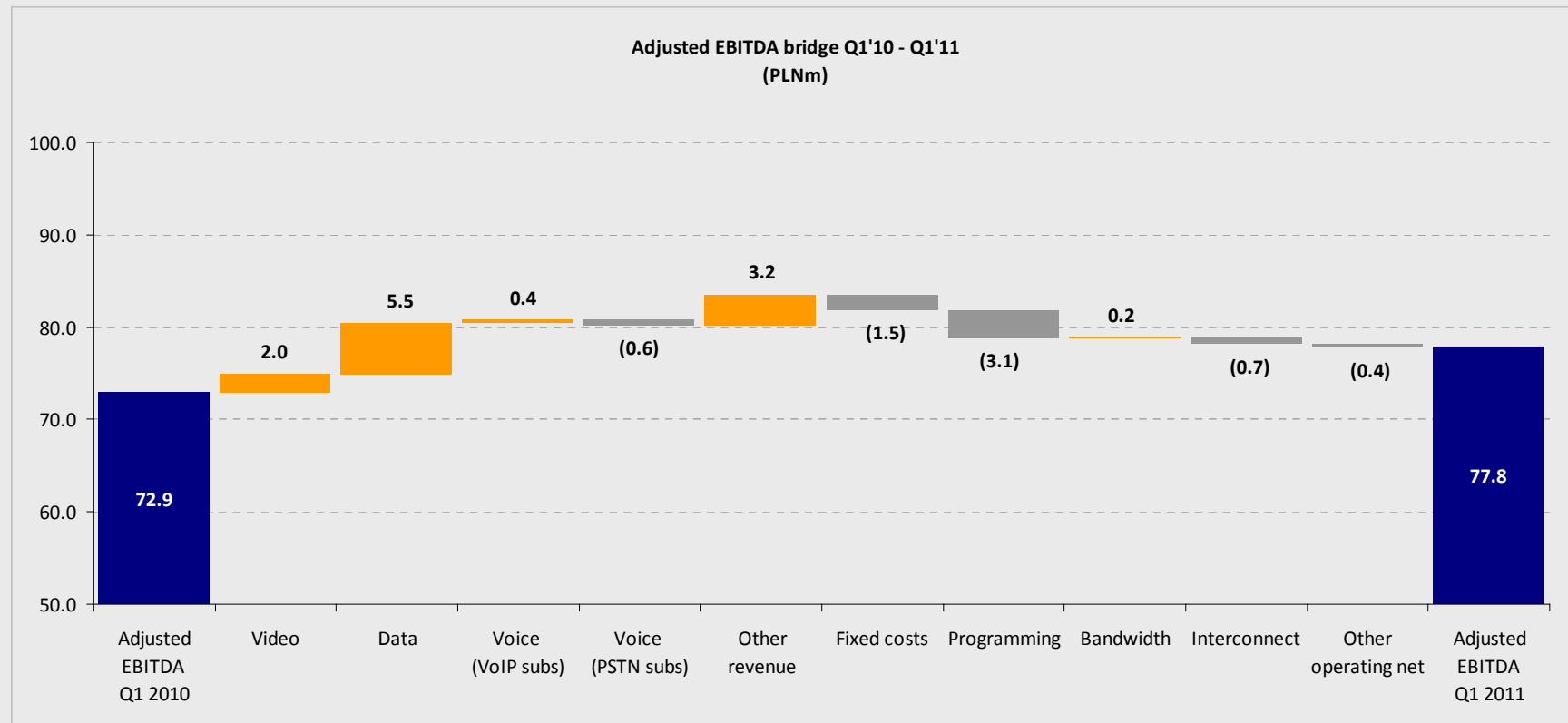
- The slight rise in OPEX/RGU/month in Q1 2011 was related to the increase in programming expenses that went up 7% q/q as we made our programming content more attractive to our customers
- We fully expect the ratio to get back on track in the coming quarters



Income Statement Quarterly

Income Statement (PLN '000)	Q1 2010	Q4 2010	Q1 2011	y-o-y % change	q-o-q % change
Revenues	138 131	146 950	148 658	8%	1%
Expenses (excl. D&A)	65 456	67 514	70 695	8%	5%
Adjusted EBITDA	72 903	79 180	77 769	7%	-2%
<i>margin</i>	52.8%	53.9%	52.3%	-	-
Operating profit	31 570	35 240	35 665	13%	1%
Net interest	(5 187)	(10 398)	(9 828)	89%	-5%
Pretax profit	26 384	24 842	25 837	-2%	4%
Tax	4 930	(392)	5 426	-	-
Net income	21 454	25 233	20 411	-5%	-19%

EBITDA Bridge*



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

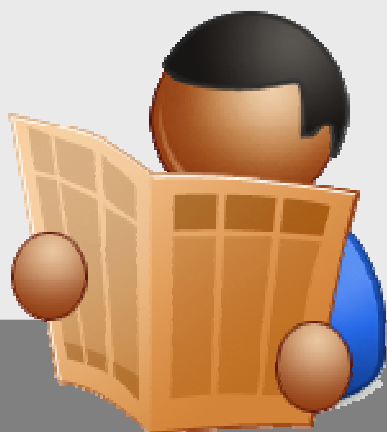
Balance Sheet

Balance Sheet (PLN '000)	31-12-10	31-03-11	% change
Assets			
non-current	1 099 325	1 097 940	0%
current	82 869	85 946	4%
incl. cash & equivalents	16 404	10 577	-36%
Total assets	1 182 194	1 183 886	0%
Equity			
	354 574	374 985	6%
Liabilities			
non-current	604 662	589 895	-2%
current	222 958	219 006	-2%
Total equity & liabilities	1 182 194	1 183 886	0%

Capital Expenditures

- We spent ca. PLN 31.4m on capital expenditure in Q1 2011
- Our Q1 2011 growth CAPEX accounted for 85% of total organic CAPEX

CAPEX (PLN '000)	Q1 2010	Q4 2010	Q1 2011
growth	39 100	29 800	26 800
other	5 600	7 500	4 600
acquisitions	-	-	-
Total CAPEX	44 700	37 300	31 400



Recent & upcoming events

Recent Events

In April 2011, the Company issued **unsecured bonds** with a total par value of PLN 107,000,000 to refinance outstanding debt

We also concluded a **PLN 380 million facility agreement with PKO BP S.A.** to refinance current indebtedness, buy back shares, and finance investments

Also in April 2011, our **AGM** gave **consent** for the Company to buy back shares for a total amount not higher than PLN 83 million

In March 2011, we rolled-out **mmTV.pl**, Poland's first Internet service with VOD (available to all internet users) and live TV channels (available to MMP customers)

Upcoming Events

- Share buyback opens: 16 May 2011
- Share buyback ends: 23 May 2011
- Share buyback settlement: 26 May 2011
- Publication of half-year 2011 report: 31 August 2011

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