Multimedia Polska S.A.
2010 first half results

> 31 August 2010

Disclaimer

This presentation may contain ‘forward-looking statements’ with respect to the business, financial results, and/or results of operations of Multimedia Polska Group. Those statements do not provide any guarantee of future results and any expectations that may arise on the basis of this presentation are subject to known and unknown risks, uncertainties and other important factors. 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 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 Half 2010 Highlights

1

EBITDA

- Our H1 2010 EBITDA* was PLN 146.4m and increased by ca. 18% year-on-year
- We continue to enjoy high EBITDA margin of 52.5%

2

Subscribers and RGUs

- We increased the number of RGUs to 1,266,100; up 6.5% year-on-year
- We added ca. 34,000 broadband subscribers and ca. 18,000 DTV subscribers year-on-year
- We increased RGU/unique customer ratio to 1.88

3

Opex per RGU

- We reduced operating expenses per RGU per month to PLN 17.4

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

Second Quarter 2010 Highlights

> **We added 16,600 net RGUs**
  - 4,000 video RGUs
  - 5,800 broadband RGUs
  - 6,800 telephony RGUs

> **We had 673,800 unique customers**
  - 362,800 single play subscribers
  - 218,000 double play subscribers
  - 93,000 triple play subscribers

> **RGU/subscriber rate was**
  - 1.86 in Q1 2010
  - 1.88 in Q2 2010

> **Blended ARPU per subscriber**
  - PLN 66.07 in Q1 2010
  - PLN 67.24 in Q2 2010

> **Blended ARPU per RGU**
  - PLN 34.80 in Q1 2010
  - PLN 34.90 in Q2 2010

RGU Growth Highlights

- The dynamic growth of our data segment continues (11% y-o-y)
- Owing to vibrant additions of WLR and VoIP users we have been able to sustain double-digit growth in the voice segment (12% y-o-y)
- As regards our video segment, we added only 3% due to a more conservative discount policy we have in place now. However, the overall effect of price increases on revenues has been positive, which reinforces the more aggressive pricing strategy.

Quarter-on-quarter ('000)	Q1 2010	Q2 2010	% change	new adds
video	694	698	1%	4
voice	225	232	3%	7
data	331	337	2%	6
Total	**1 249**	**1 266**	**1%**	**17**

Year-on-year ('000)	6M 2009	6M 2010	% change	new adds
video	680	698	3%	18
voice	207	232	12%	25
data	303	337	11%	34
Total	**1 189**	**1 266**	**6%**	**77**

business review

Our subscriber base —30 June 2010

Our Market	1,158,100 marketable homes	673,800 unique subscribers	1,266,100 total RGUs
Our Services	697,800 video RGUs*	336,700 broadband RGUs	231,600 voice RGUs**
Multiplay	362,800 1-play subscribers	218,000 2-play subscribers	93,000 3-play subscribers

(*) Include 32,100 premium channel RGUs, 7,800 IPTV RGUs and 104,900 DTV RGUs

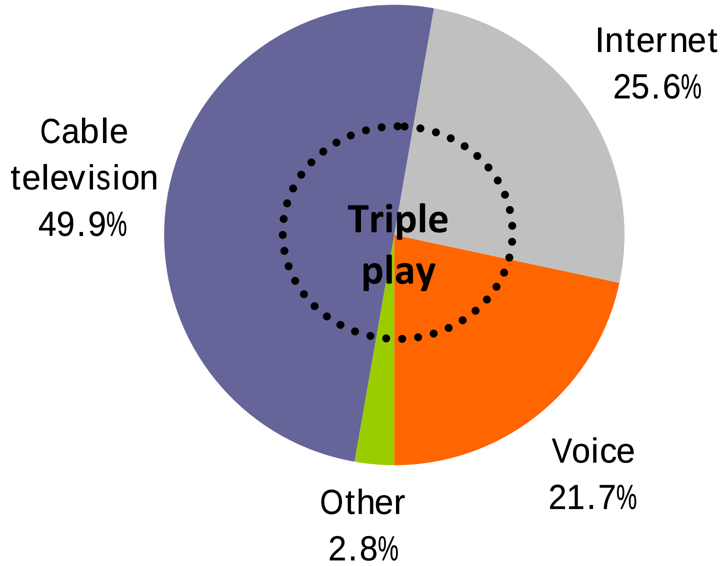
(**) Include 21,500 indirect voice RGUs and approximately 700 payphones

Our products today

Product offering

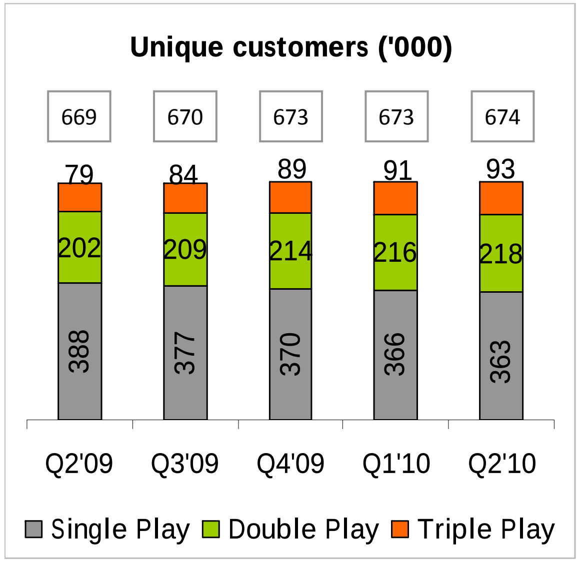
- We have a fully-developed up-to-date and innovative product offering which continues to be expanded in line with technological advance
- Our products comprise primarily:
  - CATV (analog TV, IPTV, DTV, premium channels, VoD)
  - Internet (broadband, broadband DSL, Wi-Fi, Wi-Max, mobile)
  - Telephony (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

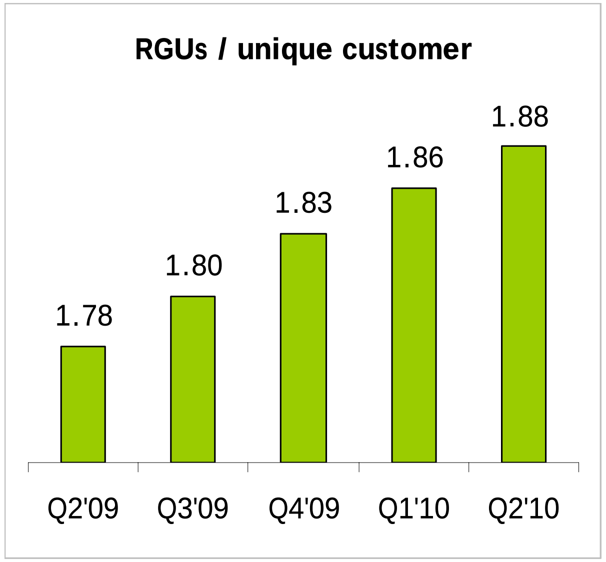
2010 H1 revenue breakdown

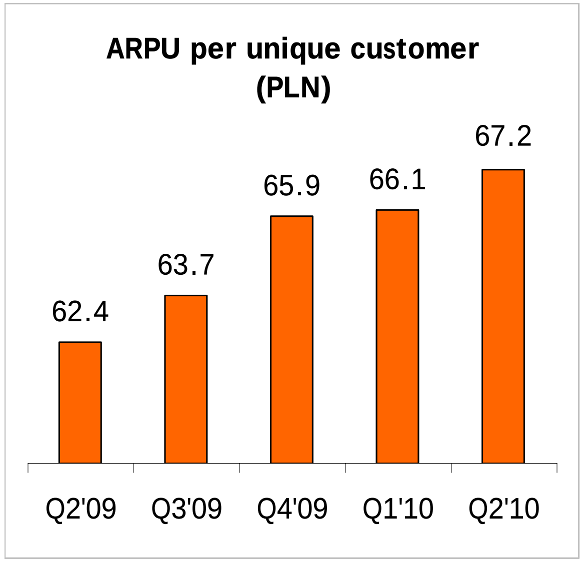


Subscribers and ARPU

> Due to successful bundling of services, we continue to grow our ARPU per unique customer
> RGU per unique customer increased from 1.86 in Q1 2010 to 1.88 in Q2 2010

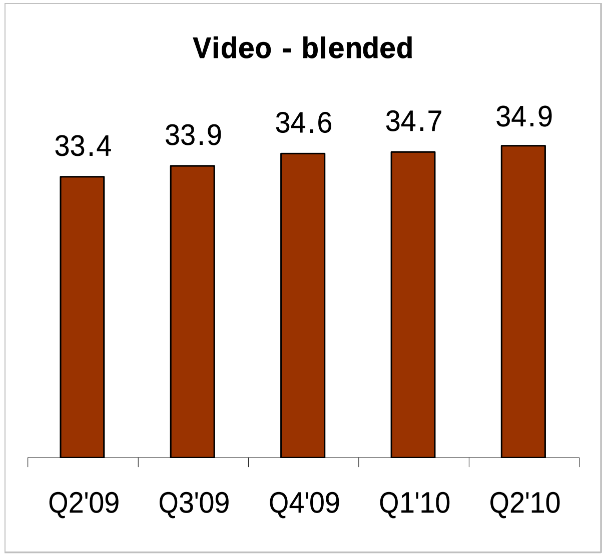


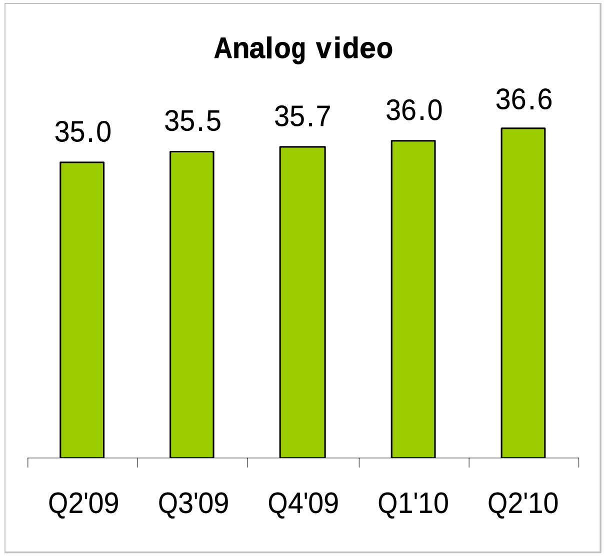


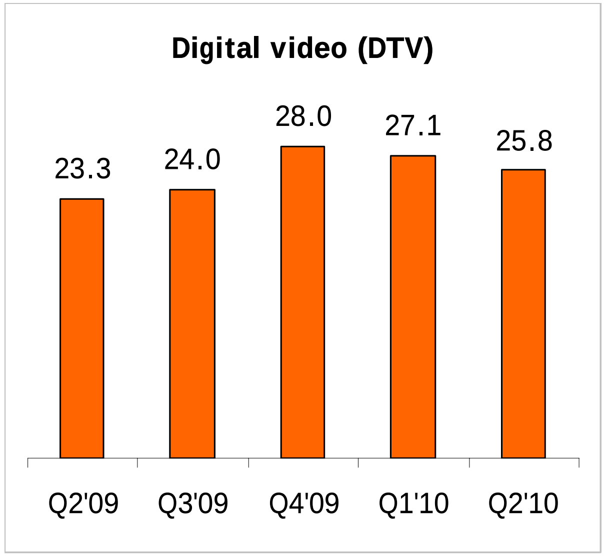


ARPU per RGU —video services

- We put a strong emphasis on promoting our DTV product; hence, the number of DTV RGUs is on the rise while DTV ARPU declines slightly
- Many analog customers migrate to higher packages thanks to DTV which is offered on top of the highest analog package. Thus DTV is used to raise our overall video ARPU



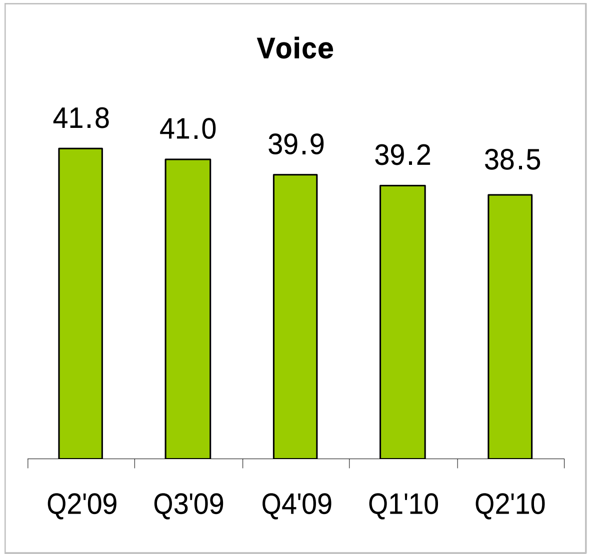


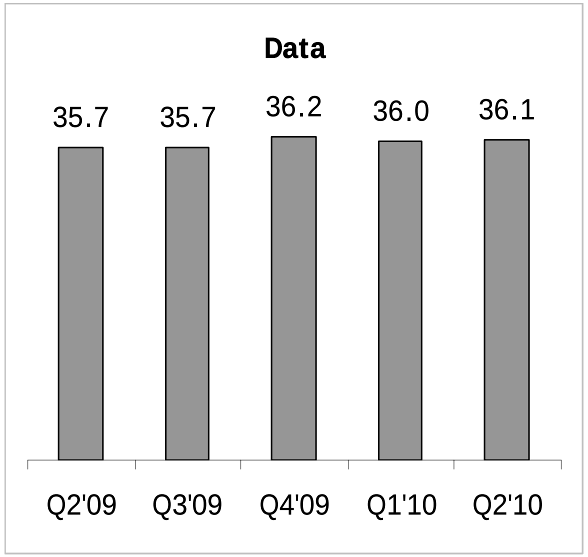


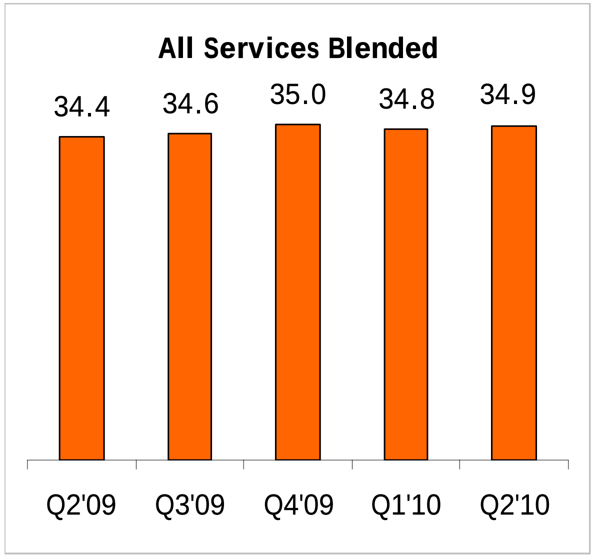
All data in PLN

ARPU per RGU —voice and data

- **VoIP:** Although ARPU on the service decreased in Q2 2010, 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. However, Q2 2010 showed only a minor decline in PSTN RGUs and a slight increase in ARPU over Q1 2010, which translated into revenue growth q-o-q. The downward trend may be stabilizing.
- **Broadband:** ARPU continues to be stable and vibrant additions of broadband users translate into solid revenue growth.



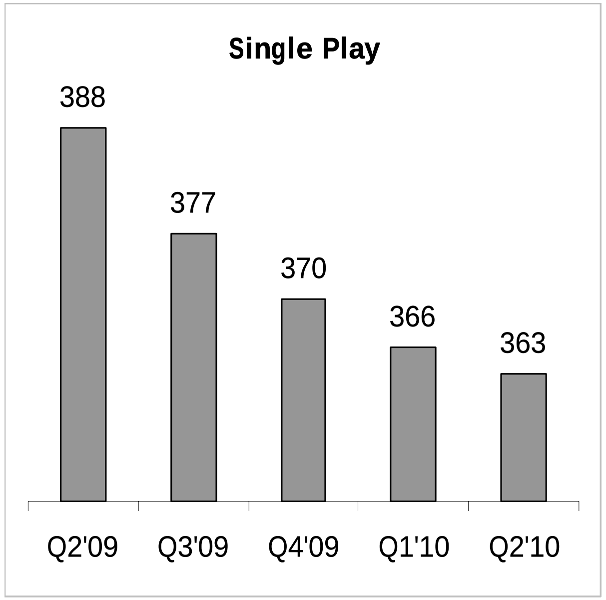


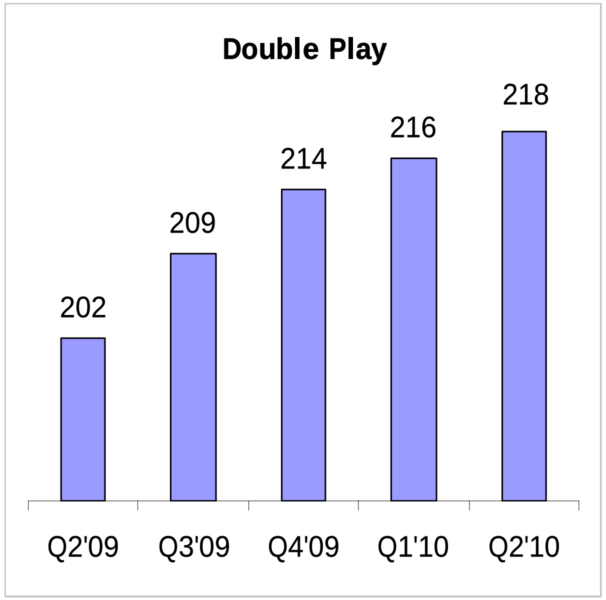


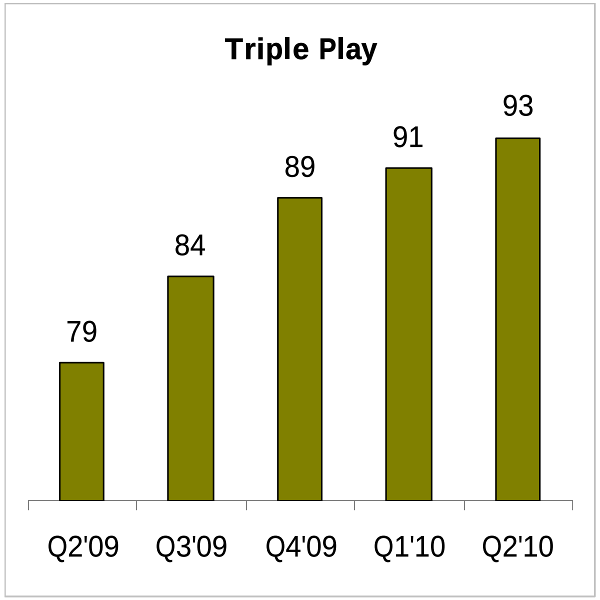
All data in PLN

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



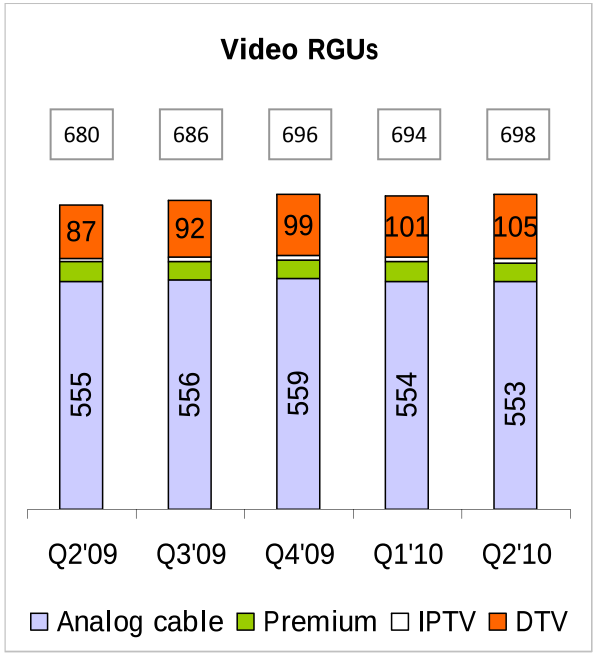


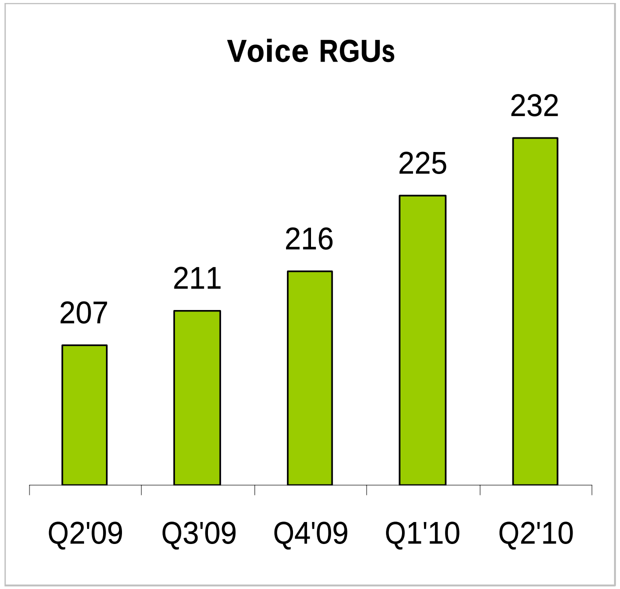


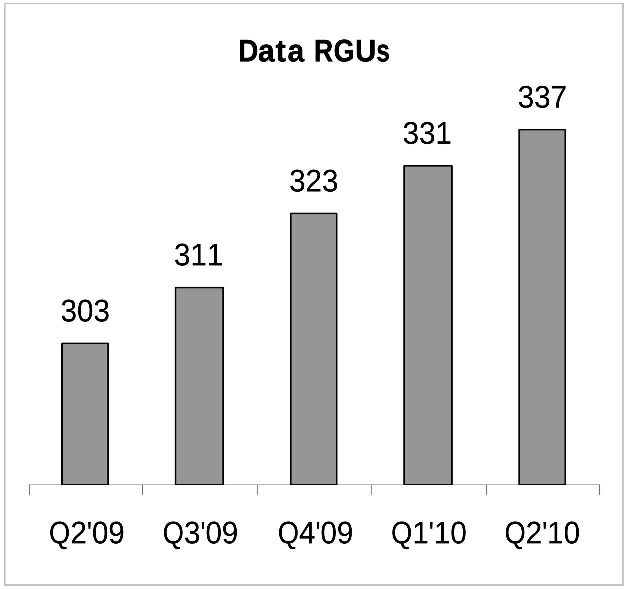
All data in thousands

Growth of Customer Base

- Stable and solid growth of Revenue Generating Units quarter on quarter in all service groups
- We adjusted our pricing policy for analog video, which translated into a drop in analog RGUs in Q1 and Q2 2010 but the end result on revenues was very positive and validates our strategy of raising ARPU from analog video while providing the highest quality of the service

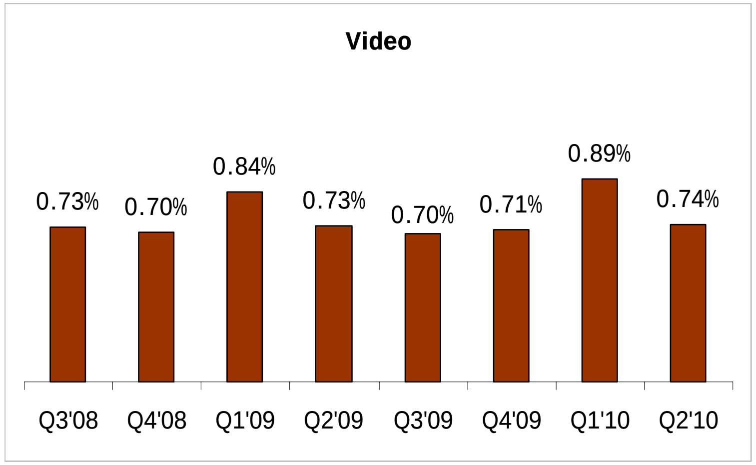


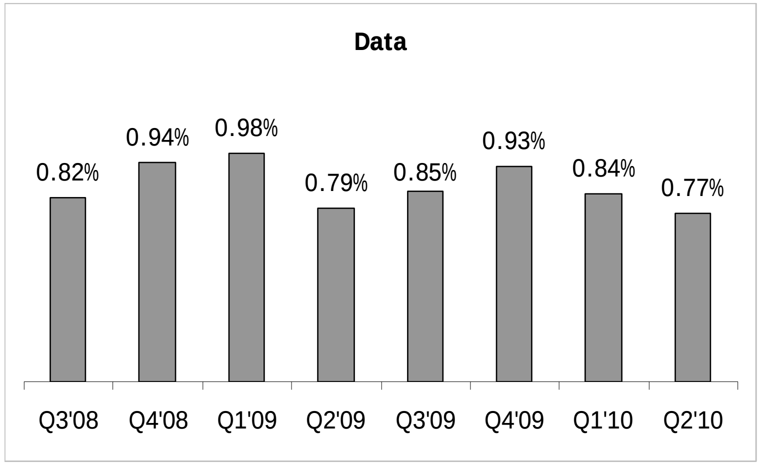


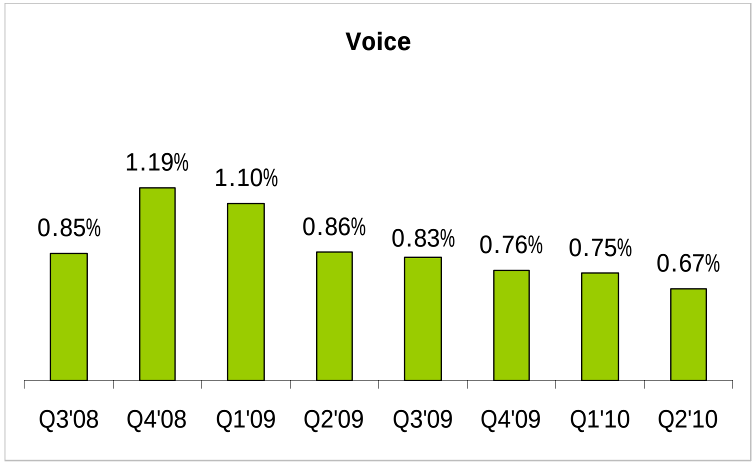


All data in thousands

Churn – under control due to service bundling







Monthly average in a given quarter

financial review

Revenue Structure Quarterly

- CATV revenues increased due to price increases and upgrades to higher packages
- The decline in premium CATV revenues was connected with migrations of premium customers to digital television
- The impact of dynamic growth of Internet RGUs on revenues was partly offset by price discounts
- The voice segment grew on the back of dynamic WLR sales and higher wholesale revenues

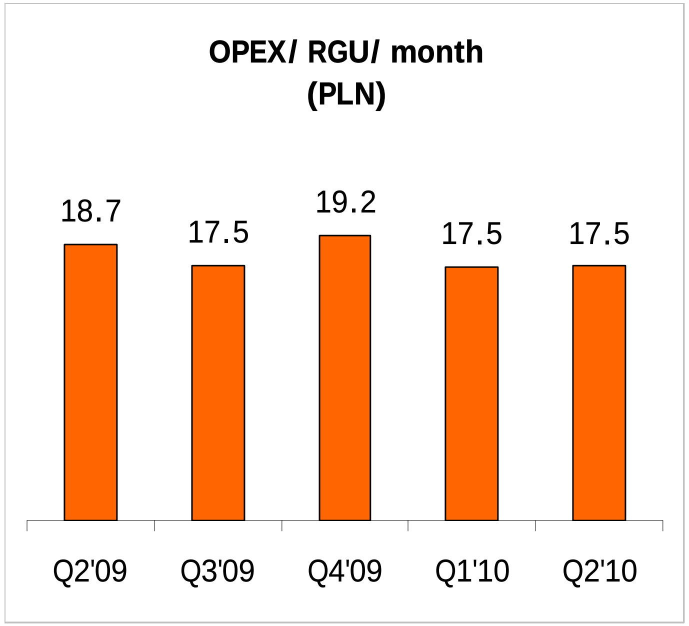
Revenues (PLN '000)	Q2 2009	Q1 2010	Q2 2010	y-o-y % change	q-o-q % change
basic CATV	57 961	60 163	60 878	5%	1%
premium CATV	487	232	197	-60%	-15%
DTV & IPTV	6 434	8 854	8 711	35%	-2%
internet	31 848	35 307	36 145	13%	2%
telephony	28 912	29 904	30 489	5%	2%
other revenues	3 525	3 671	4 097	16%	12%
Total Revenues	**129 167**	**138 131**	**140 517**	**9%**	**2%**

Operating Expenses Quarterly

Expenses (PLN '000)	Q2 2009	Q1 2010	Q2 2010	y-o-y % change	q-o-q % change
programming and copyrights	16 300	13 856	16 370	0%	18%
bandwidth	2 595	1 549	1 581	-39%	2%
interconnect	4 277	4 013	4 317	1%	8%
network costs	11 485	11 177	12 170	6%	9%
sales and marketing	3 861	2 956	2 860	-26%	-3%
payroll and benefits	17 235	19 091	17 660	2%	-7%
taxes and charges	2 932	3 141	2 871	-2%	-9%
professional services	753	1 234	1 241	65%	1%
energy and materials	4 010	3 540	4 677	17%	32%
other expenses	3 174	4 899	2 740	-14%	-44%
Total Expenses	**66 621**	**65 456**	**66 487**	**0%**	**2%**
OPEX/ RGU /month	18.7	17.5	17.5	-6%	0%

Operating Expenses Quarterly

- In Q1 and Q2 2010 the ratio remained stable at PLN 17.5
- Please note that without one-offs (described in Q1 2010), our Q4 2009 OPEX/ RGU/ month would also have been at PLN 17.5, so the ratio has been very stable for the past 12 months



Income Statement Quarterly

Income Statement (PLN '000)	Q2 2009	Q1 2010	Q2 2010	y-o-y % change	q-o-q % change
Revenues	129 167	138 131	140 517	9%	2%
Expenses (excl. D&A)	66 621	65 456	66 487	0%	2%
Adjusted EBITDA	62 954	72 903	73 501	17%	1%
margin	*48.7%*	*52.8%*	*52.3%*	-	-
Operating profit	23 789	31 570	34 560	45%	9%
Net interest	(4 264)	(5 187)	(14 956)	251%	188%
Pretax profit	19 525	26 384	19 605	0%	-26%
Tax	5 873	4 930	3 772	-	-
Net income	13 652	21 454	15 833	16%	-26%

Revenue Structure Year-on-Year

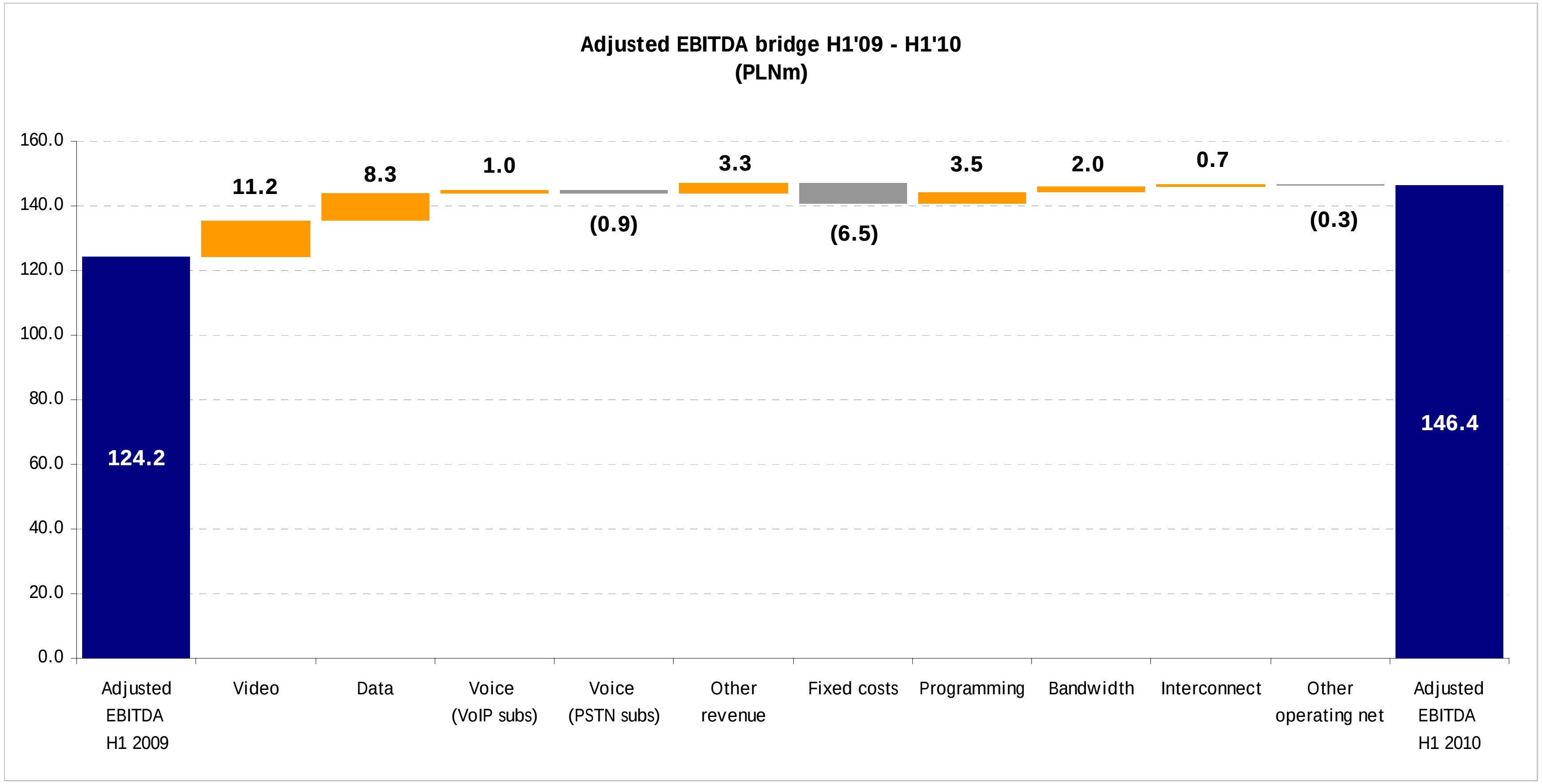
Revenues (PLN '000)	6M 2009	6M 2010	% change
basic CATV	114 798	121 041	5%
premium CATV	1 066	429	-60%
DTV & IPTV	11 965	17 565	47%
internet	63 146	71 452	13%
telephony	57 763	60 393	5%
other revenues	7 013	7 768	11%
Total Revenues	**255 752**	**278 648**	**9%**

Operating Expenses Year-on-Year

- We have a fairly conservative cost control policy. With revenues up 9% y-o-y our operating expenses remained virtually unchanged from H1 2010
- Renegotiations of commercial fees alongside F/X gains enabled us to reduce variable expenses considerably

Expenses (PLN '000)	6M 2009	6M 2010	% change
programming and copyrights	33 680	30 226	-10%
bandwidth	5 097	3 130	-39%
interconnect	8 997	8 330	-7%
network costs	21 921	23 347	7%
sales and marketing	6 946	5 816	-16%
payroll and benefits	33 886	36 752	8%
taxes and charges	5 769	6 012	4%
professional services	1 550	2 475	60%
energy and materials	7 529	8 217	9%
other expenses	6 168	7 639	24%
Total Expenses	**131 542**	**131 943**	**0%**
OPEX/ RGU /month	18.4	17.4	-6%

EBITDA Bridge*



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

Income Statement Year-on-Year

> Net income grew by PLN 11.1m over H1 2009 primarily on the back of variable cost reductions (all items incl. programming, bandwidth and interconnect) and PLN 22.9m growth of revenues

> At the same time, the net income was adversely impacted by high finance costs (up PLN 14m from H1 2009) directly attributable to greater indebtedness of Multimedia Group connected with share buy back

Income Statement (PLN '000)	6M 2009	6M 2010	% change
Revenues	255 752	278 648	9%
Expenses (excl. D&A)	131 542	131 943	0%
Adjusted EBITDA	124 232	146 404	18%
margin	*48.6%*	*52.5%*	-
Operating profit	46 209	66 130	43%
Net interest	(11 485)	(20 142)	75%
Pretax profit	34 724	45 988	32%
Tax	8 619	8 702	-
Net income	26 105	37 287	43%

Balance Sheet

Balance Sheet (PLN '000)	31-12-09	30-06-10	% change
Assets			
non-current	1 101 619	1 077 255	-2%
current	65 209	276 103	323%
incl. cash & equivalents	4 802	213 408	4344%
Total assets	**1 166 828**	**1 353 358**	**16%**
Equity	633 945	560 451	-12%
Liabilities			
non-current	364 851	624 752	71%
current	168 032	168 155	0%
Total equity & liabilities	**1 166 828**	**1 353 358**	**16%**

Capital Expenditures

- We spent ca. PLN 73m on capital expenditure in H1 2010
- Our H1 2010 growth CAPEX accounted for 90% of total organic CAPEX

CAPEX (PLN '000)	Q1 2010	Q2 2010	6M 2010
growth	39 100	27 000	66 100
other	5 600	1 400	7 000
acquisitions	-	-	-
Total CAPEX	**44 700**	**28 400**	**73 100**

recent events & outlook

Recent Events & Outlook

We have issued **PLN 400m** worth of **bonds**
Our bonds are listed on the **BondSpot market** organized by the Warsaw Stock Exchange

---

We have **reduced our long term bank debt by PLN 100m** to PLN 300m

---

We have bought back **20% of our shares** listed on the WSE, spending ca. PLN 285m in total

---

An Extraordinary General Meeting has been convened for 6 September 2010
to enable **further share buy-back**

We have recently opened **another customer care center in Warsaw** where we currently have some 77,000 homes marketable

Contact us

> Investor Relations Office
tel. +48 22 553 86 00
fax. +48 22 553 86 03
ir@multimedia.pl

> Stefan Kossecki
Head of Investor Relations
tel. +48 22 553 86 10
fax. +48 22 553 86 03
s.kossecki@multimedia.pl

Or visit our Investor Relations website www.multimedia.pl/investor

Publication of Q3 2010 results: 12 November 2010