

PLAY Q2 2016 results

Press release

August 26, 2016

Play reports in Q2 2016 further expansion of revenues and EBITDA.

Play has early adopted new standards IFRS 15 “Revenue from contracts with customers” and IFRS 16 “Leases” and issued its consolidated financial statements prepared in accordance with IFRS with early adoption of IFRS 15 and IFRS 16 for the year ended December 31, 2015 and for the six-month period ended June 30, 2016 (“New Financial Statements”). The early adoption of IFRS 15 and IFRS 16 has been under consideration since details of their introduction were published and the rationale and impact on our accounting policies is presented in the Quarterly Report for the quarter ended June 30, 2016 issued today.

To aid investors in the transition between our historical reporting based on the financial statements prepared in accordance with IFRS as adopted by EU (“Historical Financial Statements”) and our new reporting under IFRS with early adoption of IFRS 15 and IFRS 16, in the Quarterly Report we present financial information derived from both New Financial Statements and Historical Financial Statements, to provide a further comparison. On August 23, 2016, Play published an ad hoc report which included financial statements for certain prior periods presented under IFRS with early adoption of IFRS 15 and IFRS 16 to provide a more complete set of historical financial statements under these standards.

However, going forward we may decide to present our financial information only in accordance with IFRS with early adoption of IFRS 15 and IFRS 16.

The financial information presented below illustrates the numbers prepared in accordance with IFRS with early adoption of the new standards IFRS 15 and IFRS 16.

Q2 2016 Highlights:

- **Total customer base reached 14.6m (+12.2% y-o-y), while share of contract subscribers increased to 52.2% as of end of Q2 2016, from 49.4% as of end of Q2 2015**
- **Total operating revenue amounted to PLN 1,489m, increasing by 12% y-o-y**
- **Usage revenue amounted to PLN 843m, increasing by 7% y-o-y**
- **Adjusted EBITDA amounted to PLN 491m, up by 9% versus three-month period ended June 2015 (adjusted EBITDA for H1 2016 amounted to PLN 958m, up by 12% versus six-month period ended June 2015**

- Further roll-out of 4G LTE network increased coverage of 4G LTE service to 88.4% of population as of June 30, 2016. In Q2 2016, Play initiated its roll-out of 4G LTE ULTRA network and provided coverage of this service to 72.3% of population by the end of such period
- Subscriber net additions for the last twelve months amounted to 1,589k with PLAY now reaching a market share 25.6% (an increase by 3.3 pp y-o-y).

In Q2 2016, PLAY continued building up its subscriber base and further expand revenue and EBITDA versus comparable period in 2015. The share of contract subscribers in Play's total subscriber base increased to 52.2% in Q2 2016, compared to 49.4% in Q2 2015.

Adjusted EBITDA growth in Q2 2016 resulted from continued acquisition of contract subscribers, with net contract subscriber base growth by 1,188k in last twelve months period ended June 30, 2016.

"The second quarter of 2016 was, in many aspects, a period of a strong growth for PLAY. Our subscriber base increased to 14.6 million which allowed us to maintain the second place in the Polish mobile market in terms of subscriber market share. More importantly, the strong increase resulted from a growth of the contract subscriber base. Exceptional commercial development translates into firm financial performance with Q2 2016 revenue reaching PLN 1,489m and adjusted EBITDA amounting PLN 491m.

We continue our efforts to meet customers' expectations and provide best quality service. Thus, in Q2 2016 we introduced new tariff plan 'formula duo' which perfectly completes our offer. Moreover, we continue to roll out our 4G LTE Ultra, launched in Q1. At the end of June 2016 the population coverage of 4G LTE Ultra was over 72%."

Jørgen Bang-Jensen, the CEO of PLAY

Results of PLAY for Q2 2016 and twelve months ended June 30, 2016:

	Unit	Q2 2015	Q2 2016	Change YoY	LTM Q2'15	LTM Q2'16	Change YoY
Operating revenue		1,330	1,489	12%	5,029	5,785	15%
Service revenue	PLN in millions	1,003	1,107	10%	3,746	4,294	15%
Usage revenue		787	843	7%	2,984	3,316	11%
Adjusted EBITDA		452	491	9%	1,618	1,889	17%
% Margin	%	34.0%	33.0%		32.2%	32.6%	
Total Subscribers	Thousands	13,028	14,617	12%			
Contract Subscribers	subscribers	6,441	7,629	18%			
% share of contract subscribers	%	49.4%	52.2%				

About Play:

P4 Sp. z o. o., trading as Play, is a consumer-focused mobile network operator in Poland with over 14.6m subscribers as of June 30, 2016. Play provides mobile voice, messaging and data offerings and services to consumers and businesses (in particular to small office/home office subscribers and small/medium enterprises) on a contract and prepaid basis under our umbrella brand "PLAY". Play provides these services, available to 99% of the population, via an extensive, modern and cost-efficient 2G/3G/4G LTE telecommunications network complemented by long-term national roaming/network sharing agreements with the other three major Polish mobile network operators.

Cautionary Statement:

This press release contains forward-looking statements. You should not place undue reliance on such statements because they are subject to numerous risks and uncertainties relating to Play Holdings 2 S. à r. l.'s and its subsidiaries (together the "Company") operations and business environment, all of which are difficult to predict and many are beyond the Company's control. Forward-looking statements include information concerning the Company's possible or assumed future results of operations, including descriptions of its business strategy. These statements often include words such as "may," "might," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "seek," "believe," "estimate," "predict," "potential," "continue," "contemplate," "possible" or similar expressions. The forward-looking statements contained in this press release are based on our current expectations and estimates of future events and trends, which affect or may affect our businesses and operations. You should understand that these statements are not guarantees of performance or results. They involve known and unknown risks, uncertainties and assumptions. Although the Company believes that these forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect its actual financial results or results of operations and could cause actual results to differ materially from those in these forward-looking statements.