



*Press release*

*February [x], 2014*

## **PLAY remains the fastest growing mobile operator in Poland**

### **Full Year 2013 Highlights:**

- **Total customer base up 24% to 10.7 million, having exceeded the 10m mark in August 2013. Over 892 thousand contract net adds for the full year**
- **Usage revenues up by 20% to PLN 782 million for Q4 2013; for full year 2013 up by 22% to PLN 2,918 million (Total revenues down by 3% in Q4 to 979 million due to reduction in interconnection revenue; total revenue for the year increased by 4% to 3,720 million)**
- **Adj. EBITDA up by 9% to PLN 211 million for Q4 2013; for full year 2013 up by 25.9% to PLN 707 million**
- **On an MTR-adjusted basis revenues and Adj. EBITDA up by 14% and 38% q-o-q and 23% and 95% y-o-y**
- **Commercially launched 4G / LTE in November 2013 in 13 cities after acquiring 1800MHz frequency in June 2013**

PLAY increased its subscriber base to 10.7 million customers and continued to take the highest share of net additions in the market throughout the year. As at December 2013, PLAY's reported subscriber base represents approximately [xx]% of the total number of reported subscribers in the Polish mobile market. Contract subscribers, representing 44% of total subscribers, continued to be the principal focus of PLAY and the biggest driver of the strong growth momentum. The contract customer base increased (+23%) and also exhibited relatively stable ARPU of PLN 44.7 average for the year.

In 2013, PLAY continued to show a very strong growth momentum. Compared to the previous year, Total Revenues increased by +3.9% to PLN 3,720 million with usage revenues increasing by +22.2% to PLN 2,918 million. The growth in usage revenues was partly offset by the reduction in the Mobile Termination Rate ("MTR") reduction from PLN 0.179 to PLN 0.083 which came into effect in January, 2013 coupled with a further reduction from PLN 0.083 to PLN 0.043 in July 2013. This reduced overall interconnection revenues from PLN 948 million in 2012 to PLN 540 million in 2013.

Adjusted EBITDA increased by +25.9% to PLN 707 million which implied an Adjusted EBITDA margin of approximately 19%. MTR reductions also reduced interconnection costs from PLN 859 million in 2012 to PLN 673 million in 2013, while National Roaming charges were relatively stable at PLN 193 million vs. PLN 198 million in 2012, leading to an overall 15% decrease in total service costs at PLN 989 million versus PLN 1,157 million in 2012. Subscriber acquisition costs ("SAC") rose 4.2% reflecting our strongest growth year for contract net additions since 2010, with almost 900 thousand customers added to PLAY's contract customer base. Overall SAC per average subscriber declined from PLN 354.5 in 2012 to PLN 333.3 in 2013. Play maintained tight control of General and Administrative Costs

in 2013. Total General and Administrative Costs declined 2.3% to PLN 847 million, enabling PLAY to achieve and improved Adjusted EBITDA margin of approximately 19%.

PLAY continued to invest in its network in order to support future subscriber growth and growing data usage with cash capex of PLN 358 million in 2013 and an additional PLN 498 million for the acquisition of 15 MHz of paired 1800 MHz spectrum. PLAY commercially launched 4G / LTE services in November 2013 in 13 cities making us the second Polish mobile operator to launch 4G/LTE services.

Jørgen Bang-Jensen, the CEO of PLAY, commented: “[The very strong set of results for FY 2013 shows consistent and continuous growth in our subscriber base, revenues and profitability. Our future growth will continue to be based on effective communication and implementation of our “value for money” positioning. The first weeks of trading in 2014 have been encouraging for PLAY and the continued development of a stable mobile communications market in Poland”]

Results of PLAY for the full year 2013 and Q4 2013:

<i>(PLNm, in '000s)</i>	Q4 2012	Q4 2013	Change y-o-y	2012	2013	Change y-o-y
Operating Revenues	1,005	979	(2.6%)	3,579	3,720	3.9%
Adj. EBITDA	193	211	9.4%	562	707	25.9%
% Margin	19.2%	21.5%		15.7%	19.0%	
Total Subscribers	8,689	10,733	23.5%			
o/w Contract Subscribers	3,877	4,770	23.0%			

## About PLAY

PLAY is a consumer-focused mobile network operator (“MNO”) in Poland with over 10.7 million subscribers and [xx%] market share as at December 2013. Over the last five years, PLAY has been one of the fastest growing mobile operators in the European Union. PLAY provides mobile voice, messaging and data offerings and services to consumers and businesses (in particular to small office/home office subscribers (“SOHO”) and small/medium enterprises (“SME”)) on a contract and prepaid basis. PLAY services are provided via an extensive, modern and cost-efficient 2G/3G/4G LTE telecommunications network. Through this network PLAY provides coverage to 89% of the Polish population as of December 31, 2013, and available network is extended to 99% of the population through long-term national roaming/network sharing agreements with the other three major Polish MNOs. In November 2013, PLAY was the second major MNO in Poland to launch its 4G LTE Network. During the twelve-month period ended December 31, 2013, PLAY generated total revenues of PLN 3,720 million and Adjusted EBITDA of PLN 707 million.