

PLAY Q3 2016 results

Press release

November 22, 2016

Play reports in Q3 2016 further expansion of revenues and EBITDA.

Q3 2016 Highlights:

- **Total customer base reached 14.6m (+8.1% y-o-y), while share of contract subscribers increased to 54.6% as of end of Q3 2016, from 49.6% as of end of Q3 2015**
- **Subscriber net additions for the last twelve months amounted to 1,091k with PLAY now reaching a market share 26.0% (an increase by 3.1 pp y-o-y)**
- **Total operating revenue amounted to PLN 1,566m, increasing by 12.8% y-o-y**
- **Usage revenue amounted to PLN 880m, increasing by 6.0% y-o-y**
- **Adjusted EBITDA amounted to PLN 517m, up by 9.8% versus three-month period ended September 2015**
- **Further roll-out of 4G LTE network increased coverage of 4G LTE service to 90.5% of population as of September 30, 2016. In Q3 2016, Play continued its roll-out of 4G LTE ULTRA network and provided coverage of this service to 76.3% of population by the end of such period.**

In Q3 2016, PLAY continued building up its subscriber base and further expand revenue and EBITDA versus the comparable period in 2015. The share of contract subscribers in Play's total subscriber base increased to 54.6% in Q3 2016, compared to 49.6% in Q3 2015.

Adjusted EBITDA growth in Q3 2016 resulted from continued acquisition of contract subscribers, with net contract subscriber base growth by 1,282k in twelve months period ended September 30, 2016.

"PLAY continued its consistent performance with another fruitful quarter. This was visible with our earnings, cash flow generation and key KPIs. In Q3 2016 we experienced the impact of prepaid registration obligation. The market experienced a sharp drop in terms of subscribers base. However, we were able to recognize positive net adds, as the only MNO in Poland. Our subscribers base increased to 14.6 million, by 8.1% y-o-y, which resulted in a 26.0% market share. The positive financial results were boosted by our strong contract subscribers base which amounted to 54.6%.

We continue our efforts to meet customers' expectations and provide best quality service. Thus, in Q3 2016 we continued to offer our tariff plan 'formula duo' which is an ideal addition to our offering. Additionally, we continue to roll out our 4G LTE Ultra, launched in Q1 2016. At the end of September 2016, the population coverage of 4G LTE Ultra was over 76.3%."

Jørgen Bang-Jensen, the CEO of PLAY

Results of PLAY for Q3 2016 and twelve months ended September 30, 2016:

	Unit	Q3 2015	Q3 2016	Change YoY	LTM Q3'15	LTM Q3'16	Change YoY
Operating revenue		1,388	1,566	13%	5,215	5,962	14%
Service revenue	PLN in millions	1,052	1,141	8%	3,909	4,383	12%
Usage revenue		830	880	6%	3,087	3,366	9%
Adjusted EBITDA		471	517	10%	1,707	1,935	13%
% Margin	%	33.9%	33.0%		32.7%	32.5%	
Total Subscribers	Thousands subscribers	13,548	14,639	8%			
Contract Subscribers		6,717	7,999	19%			
% share of contract subscribers	%	49.6%	54.6%				

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 September 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 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.