

PLAY Full Year 2016 results

Press release

February 28, 2017

PLAY reached 26.3% market share (an increase by 1.2pp y-o-y) with further expansion of revenues and EBITDA.

Full Year 2016 Highlights:

- **Total customer base reached 14.41m (+1.9% y-o-y), while share of contract subscribers increased to 58.0%, from 50.0% as of end of 2015**
- **Total operating revenue amounted to PLN 6,118m, increasing by 12.5% year over year**
- **Usage revenue amounted to PLN 3,432m, increasing by 7.9% year over year**
- **Adjusted EBITDA amounted to PLN 2,035m, up by 14.0% year over year**
- **Subscriber net additions amounted to 264k, increasing by 1.9% compared to 2015**
- **Further roll-out of 4G LTE network increased coverage of 4G LTE service to 92.1% of population as of December 31, 2016.**

In 2016, PLAY continued building up its subscriber base which led to further revenue and EBITDA expansion. The share of contract subscribers in total subscriber base increased to 58.0% in Q4 2016, compared to 54.6% in Q3 2016 and 50.0% in Q4 2015.

Adjusted EBITDA growth in 2016 resulted from continued contract subscribers acquisition, with net contract subscriber base growth by 1,297k in 2016.

“In FY 2016, we experienced the effect of prepaid cards registration. Despite the negative sector impact we managed to record a growth in the customer base to a new total of 14.4 million (vs 14.15 million as of the end of December, 2015). At the end of December 2016 we were holding 26.3% market share of customers and stayed the second largest MNO. We also introduced a duo offers which turned out to be a great Play success and our contract base increased to 58% (vs 50% at the end of 2015).

Conclusively 2016 was a strong year for Play. We have recorded a double digital number growth at the level of key financial items.”

Jørgen Bang-Jensen, the CEO of PLAY

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Results of PLAY for Q4 and Full Year 2016:

	Unit	Q4 2015	Q4 2016	Change YoY	FY 2015	FY 2016	Change YoY
Operating revenue		1,465	1,620	10.6%	5,437	6,118	12.5%
Service revenue	<i>PLN in millions</i>	1,068	1,177	10.2%	4,060	4,493	10.7%
Usage revenue		824	890	8.0%	3,180	3,432	7.9%
Adjusted EBITDA		460	561	21.8%	1,786	2,035	14.0%
% Margin	%	31.4%	34.6%		32.8%	33.3%	
Total Subscribers	<i>Thousands subscribers</i>	14,150	14,415	1.9%			
Contract Subscribers		7,070	8,366	18.3%			
% share of contract subscribers	%	50.0%	58.0%				

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About Play:

P4 Sp. z o. o., trading as Play, is a consumer-focused mobile network operator in Poland with over 14.4m subscribers as of December 31, 2016. Play provides mobile voice, messaging, data offerings and video services 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.

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