

PLAY Q3 2014 results

Press release

November 20, 2014

PLAY exceeds 20% market share, while continuing revenue and EBITDA expansion

Q3 2014 Highlights:

- Usage revenue for the twelve months ended Q3 2014 amounted to PLN 3,362m, increasing by 21% year over year
- Q3 2014 usage revenues amounted to PLN 927m, an increase by 22% over Q3 2013, outpacing subscriber base growth
- Adjusted EBITDA for the twelve months ended Q3 2014 amounted to PLN 994m, up by 44% over twelve months ended Q3 2013
- Q3 2014 Adjusted EBITDA amounted to PLN 275m, up by 2% over Q2 2014, while Q3 2014 was an outstanding quarter in terms of contract subscriber net additions impacting Subscriber Acquisition Costs. Net contract subscriber base grew by 310k in Q3 2014 compared to growth by 223k in Q2 2014
- Total customer base reached 11.8 million (+14% year on year), while share of contract subscribers increased to 46.3%, up from 44.3% in Q3 2013;
- Play achieved 20.6% market share (an increase by 2.2 p.p y-o-y), for the first time exceeding 20% market share
- Continued fast roll-out of 4G LTE network, which reaches 63% of population as of September 30, 2014

In Q3 2014 PLAY continued subscriber base growth accompanied by ARPU growth led to further revenue and EBITDA expansion. Usage revenue for the twelve months ended September 30, 2014 amounted to PLN 3,362 million, representing an increase by 21% over twelve months to September 30, 2013. The share of contract subscribers in total subscriber base further increased to 46.3% in Q3 2014, compared to 44.3% in Q3 2013 and 45.6% in Q2 2013. This was achieved due to very strong development of contract subscriber base, with contract subscribers accounting for 60% of overall subscriber base growth in Q3 2014.

PLAY's subscriber base grew to 11.8 million customers as of September 30, 2014 representing an estimated 20.6% of all reported mobile subscribers in Poland and for the first time exceeding 20%. Market share increased by 2.2 p.p. from 18.4% as of September 30, 2013. PLAY continued to acquire the highest share of customers porting their numbers under Mobile Number Portability, registering above 50% share for 22 quarters in a row.

Adjusted EBITDA for twelve months ended September 30, 2014 amounted to PLN 994 million, an increase by 44% compared to twelve months ended September 30, 2013. For Q3 2014 standalone the Adjusted EBITDA was PLN 275 million representing 2% growth over Q2 2014. Adjusted EBITDA growth in Q3 was influenced by outstanding contract subscriber acquisition results, with net contract subscriber base growth by 310k in Q3 2014 compared to growth by 223k in Q2 2014.

"In the third quarter we continued to execute our revenue expansion plan, increasing usage revenue by 22% year-on-year to PLN 927 million and with revenue growth again outpacing subscriber base growth. We have also achieved outstanding net contract subscriber growth, while maintaining very strong economics of contract subscriber acquisition."

Jørgen Bang-Jensen, the CEO of PLAY

Results of PLAY for Q3 2014 and twelve months ended September 30, 2014:

		Q3 2013	Q3 2014	Change q-o-q	Q2 2014	Q3 2014	Change q-o-q	Twelve months to September		Change y-o-y
								2013	2014	
Operating revenue		937	1,146	22%	1,055	1,146	9%	3,746	4,166	11%
Service revenue	<i>PLN in millions</i>	874	1,089	25%	1,004	1,089	9%	3,442	3,941	14%
Usage revenue		762	927	22%	852	927	9%	2,789	3,362	21%
Adjusted EBITDA		203	275	35%	269	275	2%	689	994	44%
%Margin	%	21.7%	24.0%		25.5%	24.0%		18.4%	23.9%	
Total Subscribers	<i>Thousands</i>	10,297	11,790	14%	11,275	11,790	5%			
Contract Subscribers	<i>subscribers</i>	4,564	5,457	20%	5,147	5,457	6%			
% share of contract subscribers	%	44.3%	46.3%		45.6%	46.3%				

About Play

P4 Sp. z o.o., trading as Play, is a consumer-focused mobile network operator in Poland with over 11 million subscribers as of September 30, 2014. 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.