



# KINO POLSKA TV S.A.

ACTIVITIES AND FINANCIAL RESULTS

Q1 2017

# DISCLAIMER



This presentation (the "Presentation") has been prepared by Kino Polska TV S.A. (the "Company", "KPTV") and is for informational purposes only. Its purpose is to present selected data on Kino Polska TV S.A. Capital Group (the "Group") and its prospects for development. It may not be regarded as part of an invitation or offer to acquire securities or to make investments. This presentation does not constitute or form part of any offer or invitation to conduct other transactions in securities.

The information contained in this Presentation not arising directly from the periodical reports published by companies belonging to Kino Polska TV S.A. Capital Group has not been independently verified, and therefore there is no guarantee that it is complete and fully reflect the actual state. This Presentation contains statements relating to the future. These statements contain the words such as "anticipate", "intend", "estimate", "be", "expect", "assess" and words of similar meaning. All statements, other than these relating to historical facts, contained in this Presentation, including, among others, statements regarding the Group's financial position, its business strategy, plans and objectives of the management boards for future operations (including development plans and objectives relating to the Group's products and services) are forward-looking statements. Such forward-looking statements are subject to known and unknown risks, are characterized by inherent uncertainties and are subject to other important factors that could cause those actual results or achievements of the Group's operations would be materially different from any future results, operations or achievements expressed directly or implied in these forward-looking statements. These statements are based on numerous assumptions regarding present and future business strategies of the Group and the environment in which it will be operating in the future. The statements contained herein, have been prepared solely as at the Presentation day. The Company expressly waives any duties or obligations to disseminate any updates or revisions of any statements that are contained herein, designed to reflect changes in the Company's expectations or changes in events, conditions or circumstances on which any such statement has been based, unless the applicable laws require otherwise. The Company hereby reserves that the forward-looking statements are not guarantees of future performances and that its actual financial position, business strategy, plans and objectives of the management boards for future operations may differ materially from these described or implied in such statements contained in this Presentation. Moreover, even if the financial position, business strategy, plans and objectives of management boards for future operations of the Group are consistent with the forward-looking statements in this Presentation, those results or developments may not provide any indication as to the results or events in subsequent periods.

The Company undertakes no obligation to publish any updates, changes or corrections of information, data or statements contained in this Presentation, unless such an obligation is provided by applicable laws.

The Group is not responsible for the results of the decisions which were taken after reading of this Presentation.

The only reliable source on the financial results of Kino Polska TV S.A. Capital Group are current and periodic reports, submitted by the companies of Kino Polska TV S.A Capital Group in performing its information obligations arising under relevant Polish laws.

# AGENDA

- ▶ Key facts Q1 2017
- ▶ FilmBox Premium / Basic / Extended Basic
- ▶ Number of active subscribers
- ▶ Kino Polska channels
- ▶ Market share
- ▶ Zoom TV
- ▶ Stopklatka TV
- ▶ Financial results
- ▶ Q&A

# Kino Polska Group at a Glance

---

## Key Figures



**400**  
Pay TV partners



**25**  
Countries



**8.5m**  
Subscribers



**3m**  
Subscribers

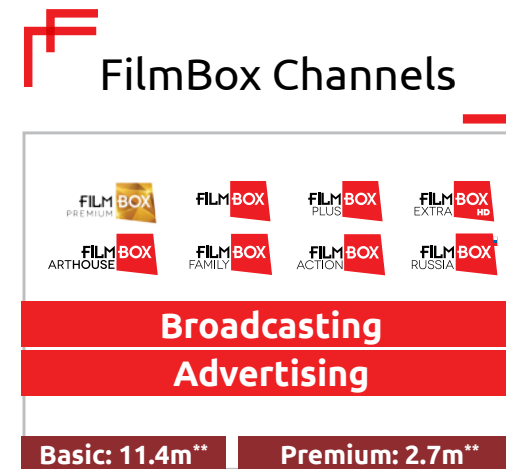
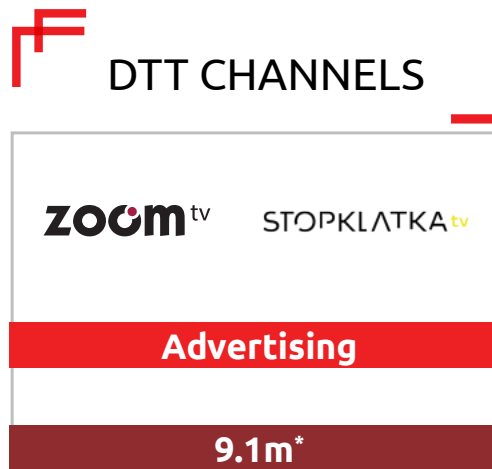
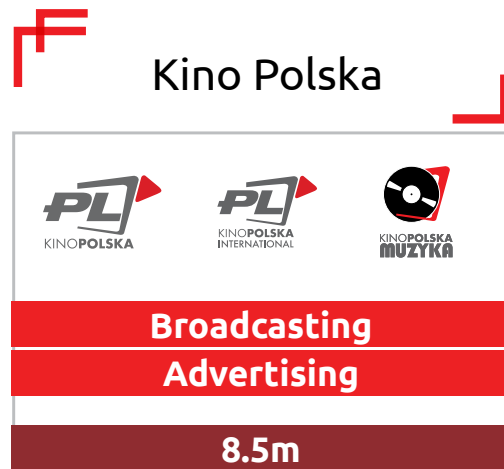


**11.5m**  
Subscribers

---

# Kino Polska Group at a Glance

## Key Figures



■ Revenue Model

■ Number of households

\* Based on viewer number as DTT channels are free-to-air.

\*\* Based on selected territories.



# Strategic goals

---

- ▶ Improving its programming and branding in order to increase its pay business in Poland.
  - ▶ Developing its advertising revenue streams by extending the viewership in its channels and adding a new DTT channel (Zoom TV) to its portfolio.
  - ▶ Looking at the opportunities in the international markets where we can also aggregate advertising revenue.
  - ▶ Developing its international pay business by extending its households numbers, selling more premium packages and also entering into new territories.
- 



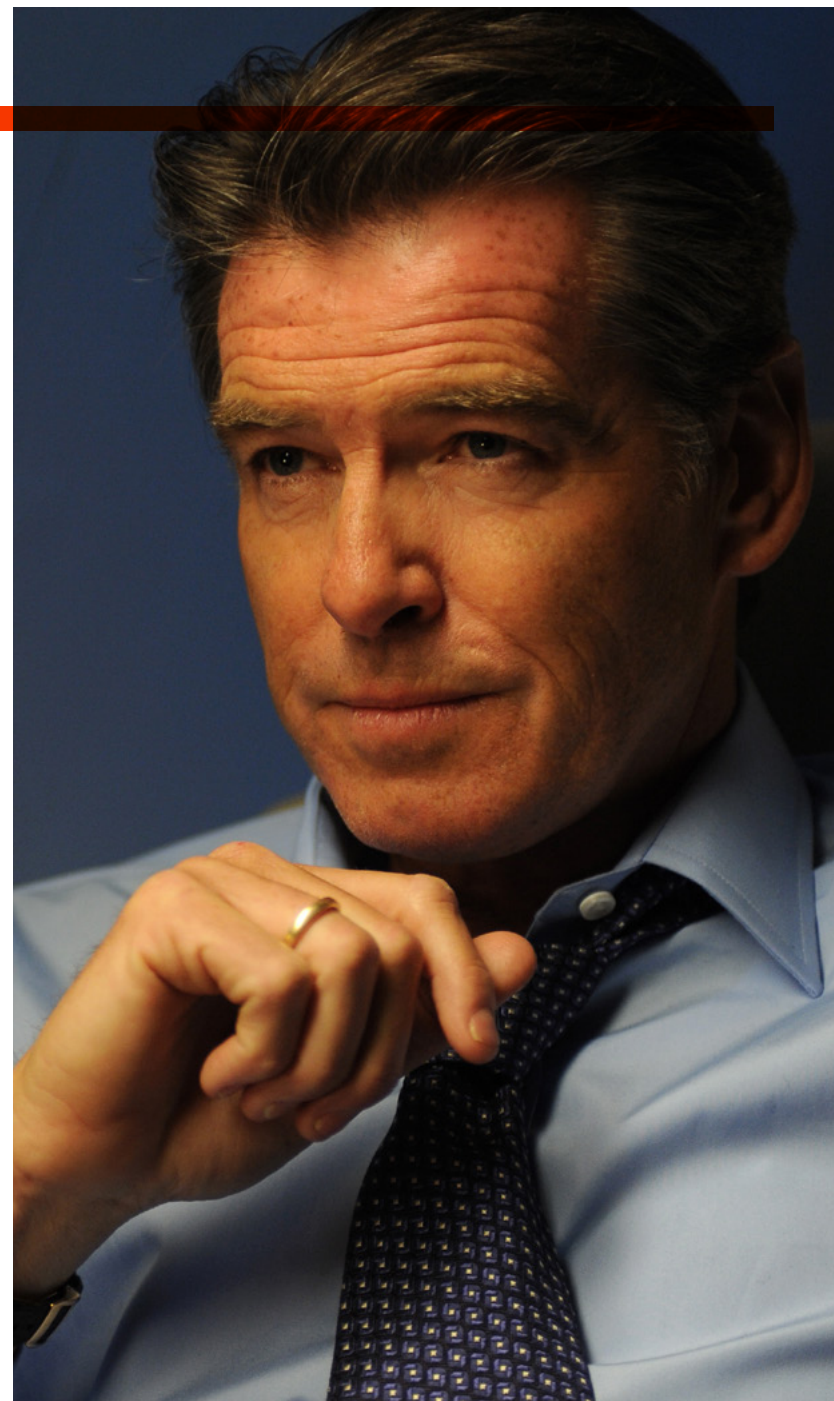


**Key** facts  
Q1 2017

# Key facts

---

- ▶ Ordinary general meeting of shareholders of Kino Polska TV S.A. adopted a resolution on **dividend payout for 2016 and previous years** in the amount of **1.13 PLN** per share.
  - ▶ **Record-high revenues in Q1 2017.**
  - ▶ Technical reach development and viewership of **Zoom TV** in the commercial group in Q1 2017 tripled in comparison with the previous quarter.
  - ▶ Maintaining stable revenue level from advertising sales (Q1 2017 vs Q1 2016) in **Stopklatka TV.**
  - ▶ Nearly **10%** revenue increase from broadcasting of FilmBox and thematic channels (highest growth in the **Czech Rep., Slovakia and ex-Yugo**).
  - ▶ Revenue growth from emerging markets (the Baltics, Ukraine, Turkey and the Middle East) in line with to projections.
- 





# Key facts

- ▶ Started cooperation with **Orion Express** in **Russia** to expand distribution of **FilmBox Baltics** and **FilmBox Art House** channels.
- ▶ Short feature film „Best Fireworks Ever” dir. by Aleksandra Terpińska - **winner of the Script Competition coorganized by Kino Polska to celebrate the „Year of Kieślowski” - awarded** at the **56. Semaine de la Critique at the Cannes Film Festival**.
- ▶ Enhancing programming offer on **FilmBox channels** in **Central Eastern Europe, Turkey** and the **Middle East** through **content acquisitions** from **Freeman Distribution, A+E** and **FremantleMedia International**.
- ▶ Enhancing programming offer on **Kino Polska** channel through TV rights acquisition of **200 films** from the **Kino Świat** portfolio for the next 4-5 years.
- ▶ Adding new language versions (**French** and **Arabic**) to **FilmBox** channels in **MENA** in order to increase revenues.



**KINO SWIAT**



**A+E**  
NETWORKS

# International Movies

---



La La Land



Hacksaw Ridge



The Light Between Oceans



Office Christmas Party



Truth



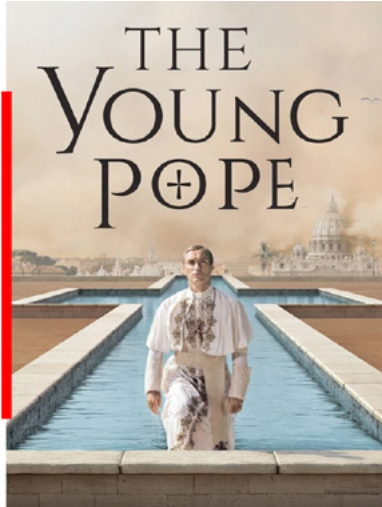
The Giver

---

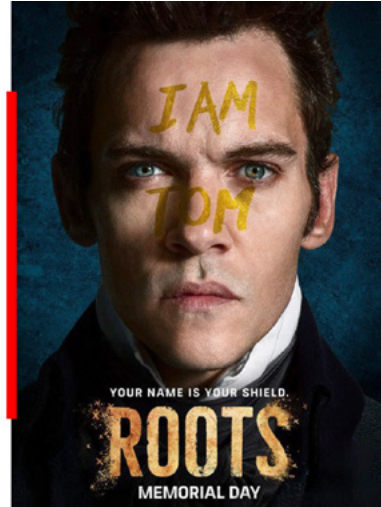


# International Series

---



The Young Pope



Roots



Knightfall



Modus



Apple Tree Yard



The Five

---

# Polish Movies

---



Córki Dancingu



Panie Dulskie



11 minut



Planeta Singli



Carte Blanche



Body/Ciało

---





# FilmBox Premium / Basic / Extended Basic

FILM BOX  
PREMIUM HD

FILM BOX  
PREMIUM

FILM BOX  
EXTRA

FILM BOX  
FAMILY

FILM BOX  
ACTION

FILM BOX

FILM BOX  
HD

FILM BOX  
PLUS

FILM BOX  
ARTHOUSE

# FilmBox Premium






---

- ▶ Enhancing programming offer on **FilmBox channels** in **Central Eastern Europe, Turkey** and the **Middle East** through content acquisitions from Freeman Distribution, A+E and FremantleMedia International.
  - ▶ Enriching the programming grid with popular films: **La La Land, Hacksaw Ridge, The Foreigner, Office Christmas Party** and series: **The Young Pope, Apple Tree Yard, Modus** - in order to gain new subscribers.
- 





# FilmBox Basic & Extended Basic

- ▶ Launch of basic FilmBox channels with the following operators:
  - ▶ **Turksat/Kablo TV (Turcja)**  TURKSAT
  - ▶ **Kalejdo Bredband AB (Sweden)**  kalejdo
  - ▶ **Sling (USA)**  sling
  - ▶ **K3 Telecom (Liberia)**   
K3Tele.com
  - ▶ **Swecom (Cameroon)**  SWECOM  
Always
- ▶ Adding new language versions (**French** and **Arabic**) to FilmBox channels in **MENA** in order to increase revenues.
- ▶ Signed distribution deal with **Ethnic Channels Group (ECG)** for **FilmBox Art House** in **Canada**.





NUMBER OF  
**ACTIVE SUBSCRIBERS / OPERATORS**



# Number

## of active subscribers / operators

| <b>NUMBER OF ACTIVE SUBSCRIBERS</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> |
|-------------------------------------|-------------|-------------|-------------|
| KINO POLSKA                         | 8 265       | 8 387       | 8 449       |
| FILMBOX                             | 8 786       | 9 452       | 11 415      |

(in thousands)

| <b>NUMBER OF ACTIVE OPERATORS</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> |
|-----------------------------------|-------------|-------------|-------------|
| KINO POLSKA                       | 294         | 280         | 274         |
| FILMBOX                           | 337         | 357         | 403         |



# Kino Polska Channels



# Kino Polska Channels

---

- ▶ Content refreshment on Kino Polska channel through:
  - ▶ acquiring TV rights to 200 films from Kino Świat portfolio for next 4-5 years.
  - ▶ improvement in the programming team.
- ▶ Short feature film „Best Fireworks Ever” dir. by Aleksandra Terpińska - **winner of the Script Competition coorganized by Kino Polska to celebrate the „Year of Kieślowski” - awarded at the 56. Semaine de la Critique at the Cannes Film Festival.**





# MARKET SHARE

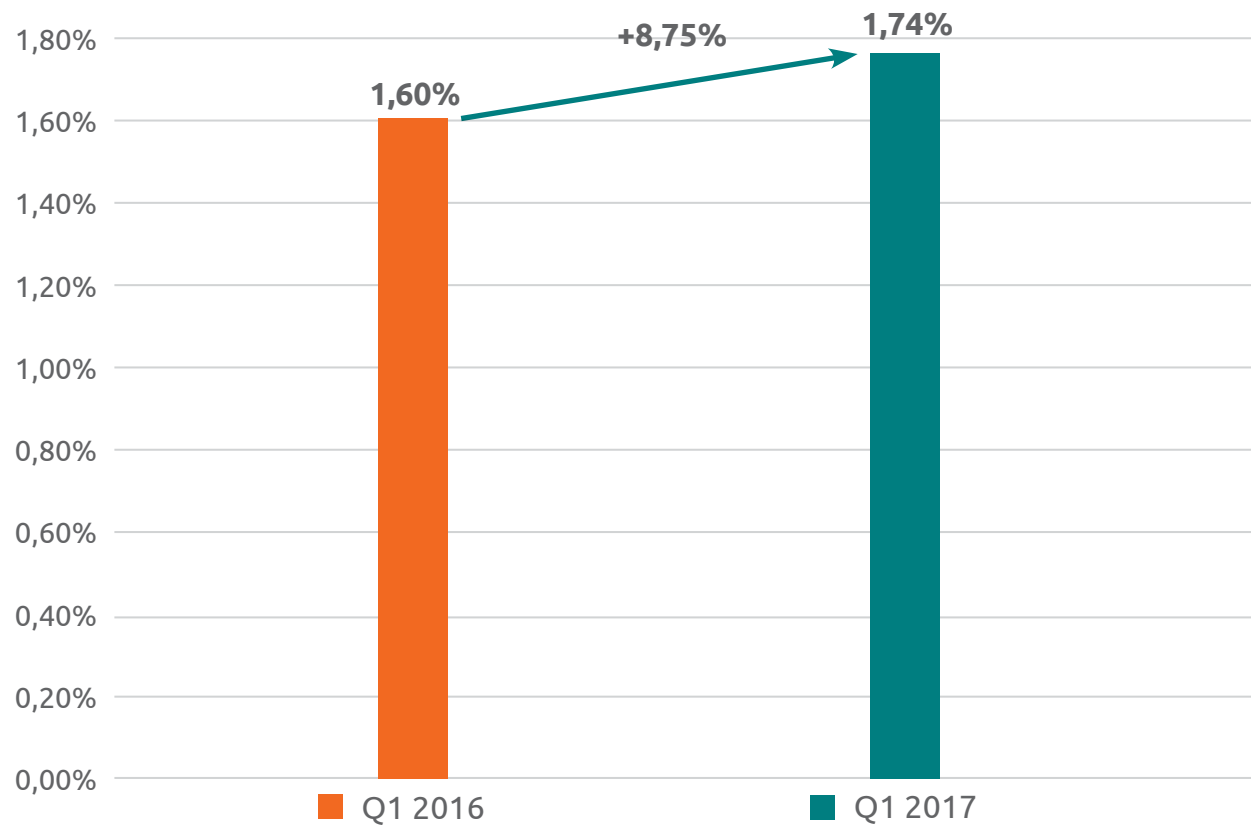




# Kino Polska Group + Stopklatka TV

– market share of the channels – Poland

**16-49 group**



Source:  
NAM, 01.01.-31.03.2016, 01.01.-31.03.2017, SHR 16-49



# Zoom TV

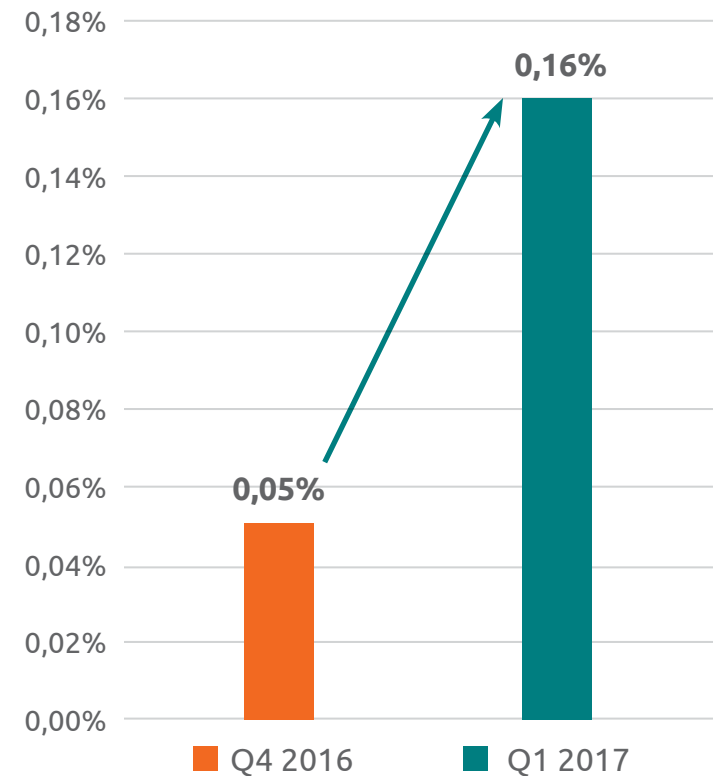
**zoom**tv  
BLIŻEJ LUDZI

# Zoom TV

## Second terrestrial channel from the Kino Polska Group

- ▶ Channel availability:
  - ▶ digital terrestrial television - **MUX 8**.
  - ▶ offered by largest cab/sat operators including: **Cyfrowy Polsat, UPC Polska, Multimedia Polska, Toya and Inea**.
- ▶ Channel launch at Vectra operator in the beginning of March 2017.
- ▶ **Viewing figures** in the commercial group in Q1 2017 tripled in comparison with the previous quarter.
- ▶ Programming offer enriched with in-house productions: **„Miłośń” (Piotr Najsztub)** and **„Filozofia Smaku” (Teo Vafidis)**.

Zoom TV market share - commercial group - quarterly



Source:  
NAM, 01.10.2016-31.03.2017, SHR 16-49





# Stopklatka TV

STOPKLATKA<sup>tv</sup>

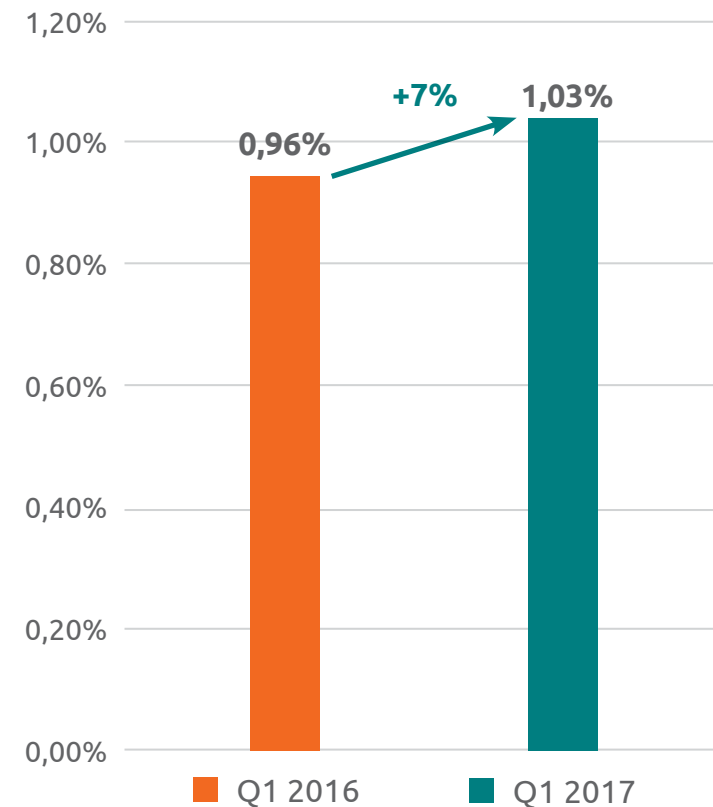
# Stopklatka TV

number two movie / TV series channel in Poland

- ▶ Maintaining stable revenue level from advertising sales (Q1 2017 vs Q1 2016).
- ▶ More than 50% viewership growth among cable TV viewers (AMR Q1 2017 vs Q1 2016, TG: 16-49 cable).
- ▶ Brand refreshment. New visual ident and logo (April 14, 2017)



Stopklatka TV  
- market share - commercial group  
Q1 2017 vs Q1 2016



Source:  
NAM, 01.01.-31.03.2016, 01.01.-31.03.2017, SHR 16-49



# Financial results



# Financial results

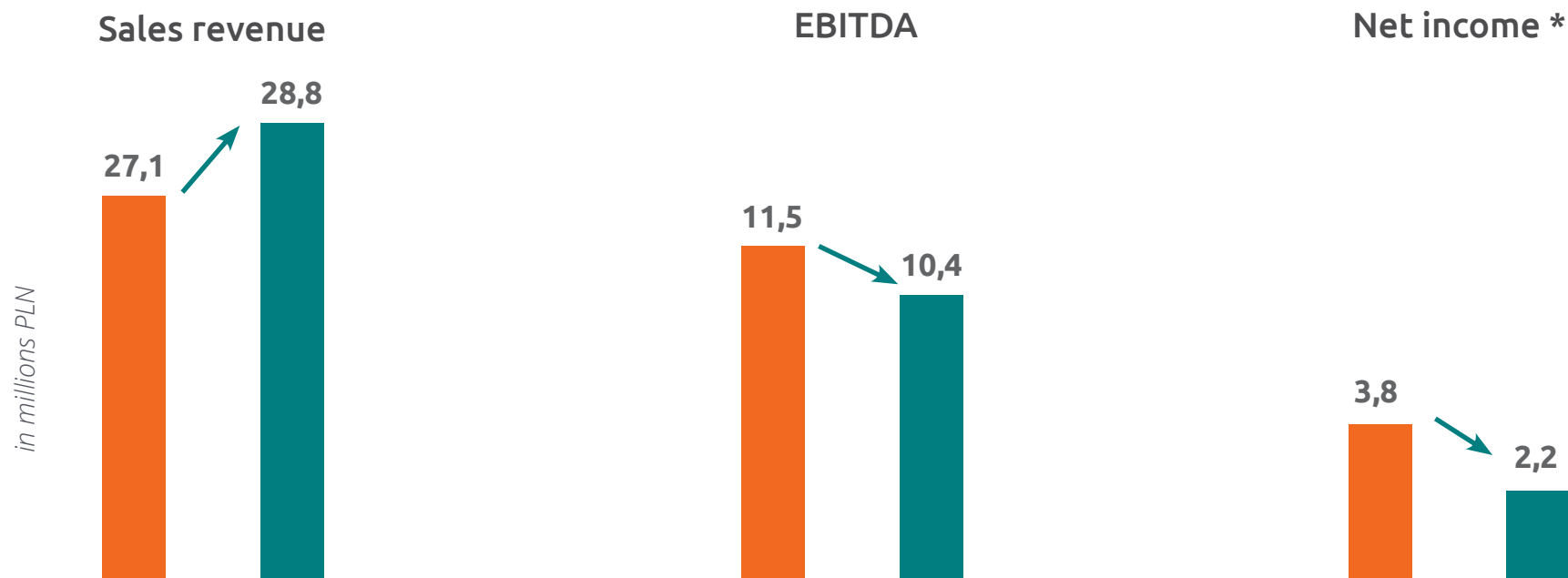
## summary

---

- ▶ Revenue growth in 1Q 2017.
- ▶ Ongoing investment in development of Zoom TV.
- ▶ In 1Q 2017 Kino Polska TV S.A. yield a profit constantly investing in new ventures and developing existing ones.



# Basic financial data



Increase of Sales revenue in Q1 2017 comparing to Q1 2016 driven by higher Filmbox & thematic channels broadcasting revenue generated mainly in Czech, Slovakia and Ex-Yugo.

EBITDA and Net income decrease caused by Zoom TV operations.

■ Q1 2016    ■ Q1 2017\*\*

\*net profit from continuous operations

\*\* data includes results of CTN&P (ZOOM TV)



# Basic

## financial data

|  | Q1 2016 | Q1 2017 | CHANGE   | %     |
|--|---------|---------|----------|-------|
| <b>REVENUES FROM SALES</b>                       | 27,1    | 28,8    | 1,7      | 6%    |
| <b>EBITDA</b>                                    | 11,5    | 10,4    | (1,1)    | (9%)  |
| <b>EBITDA MARGIN</b>                             | 42%     | 36%     | (6 p.p.) | (14%) |
| <b>NET PROFIT FROM<br/>CONTINUOUS OPERATIONS</b> | 3,8     | 2,2     | (1,6)    | (41%) |
| <b>CASH *</b>                                    | 20,8    | 4,5     | (16,3)   | (78%) |

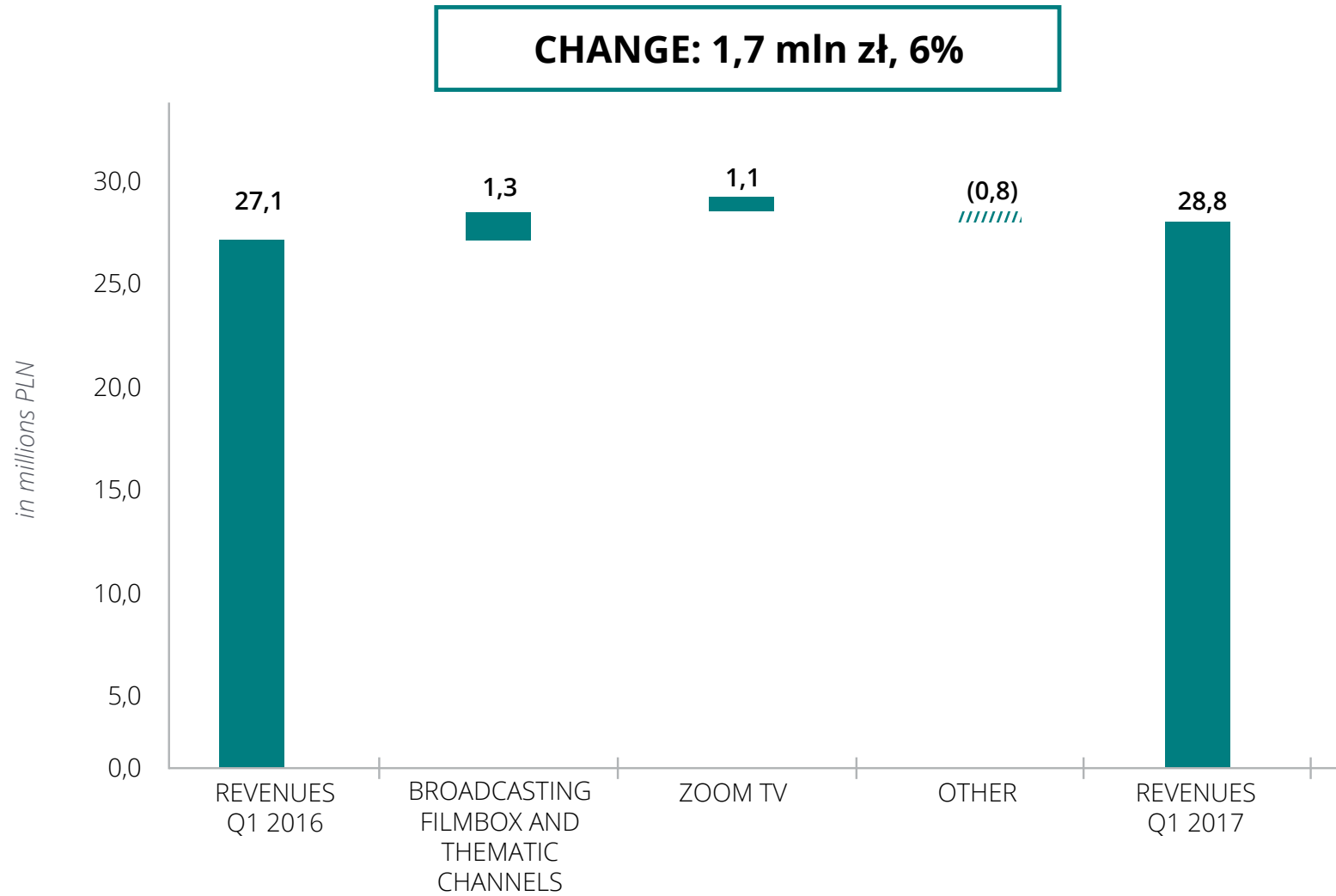
*in millions PLN*

\* Decrease of cash as a result of investment in ZOOM TV

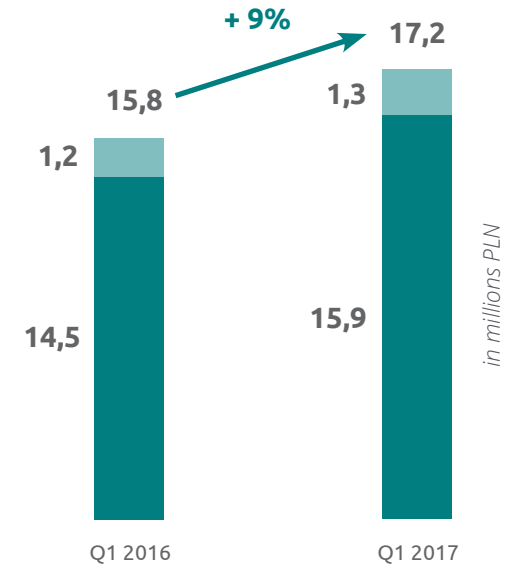
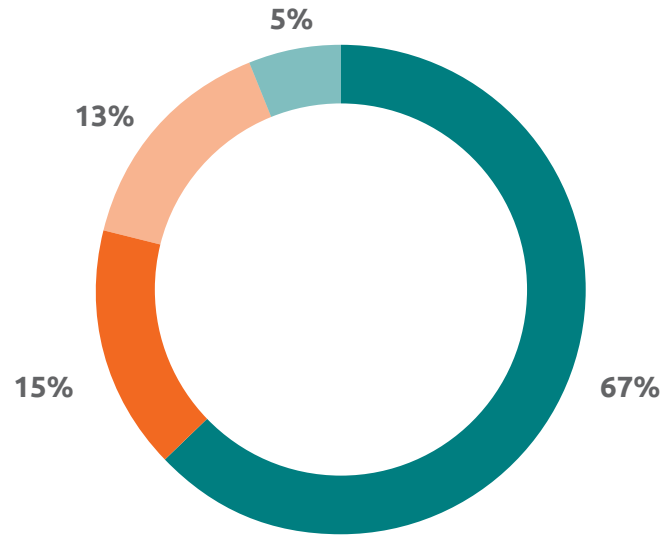
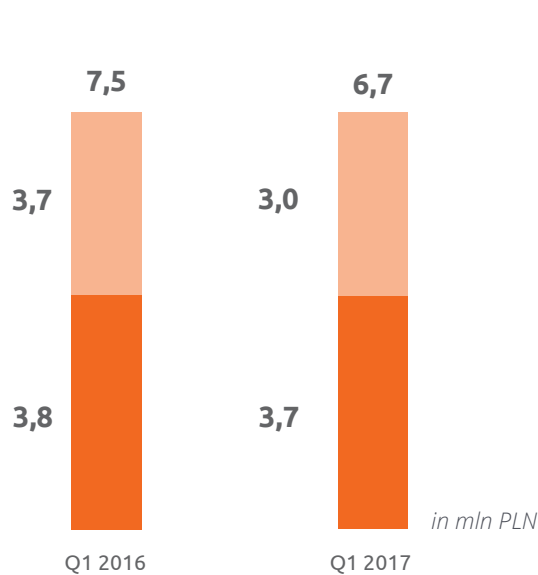




# Revenue



# Revenues from broadcasting and advertising



- Revenues from advertising - Kino Polska channels
- Revenues from broadcasting - Kino Polska channels

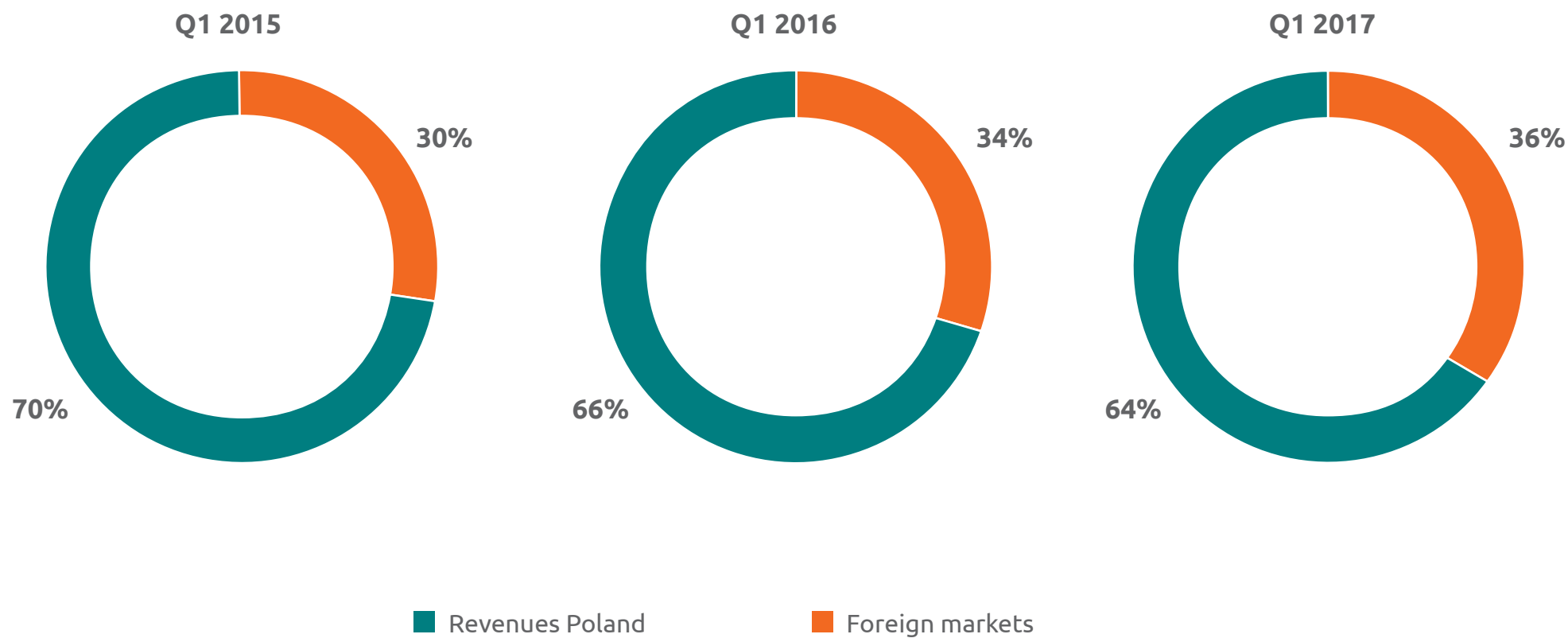
- Ad revenues - Kino Polska
- Broadcasting revenues - Kino Polska
- Ad revenues - FilmBox
- Broadcasting revenues - FilmBox and thematic channels

- Revenues from advertising - FilmBox
- Revenues from broadcasting - FilmBox and thematic channels

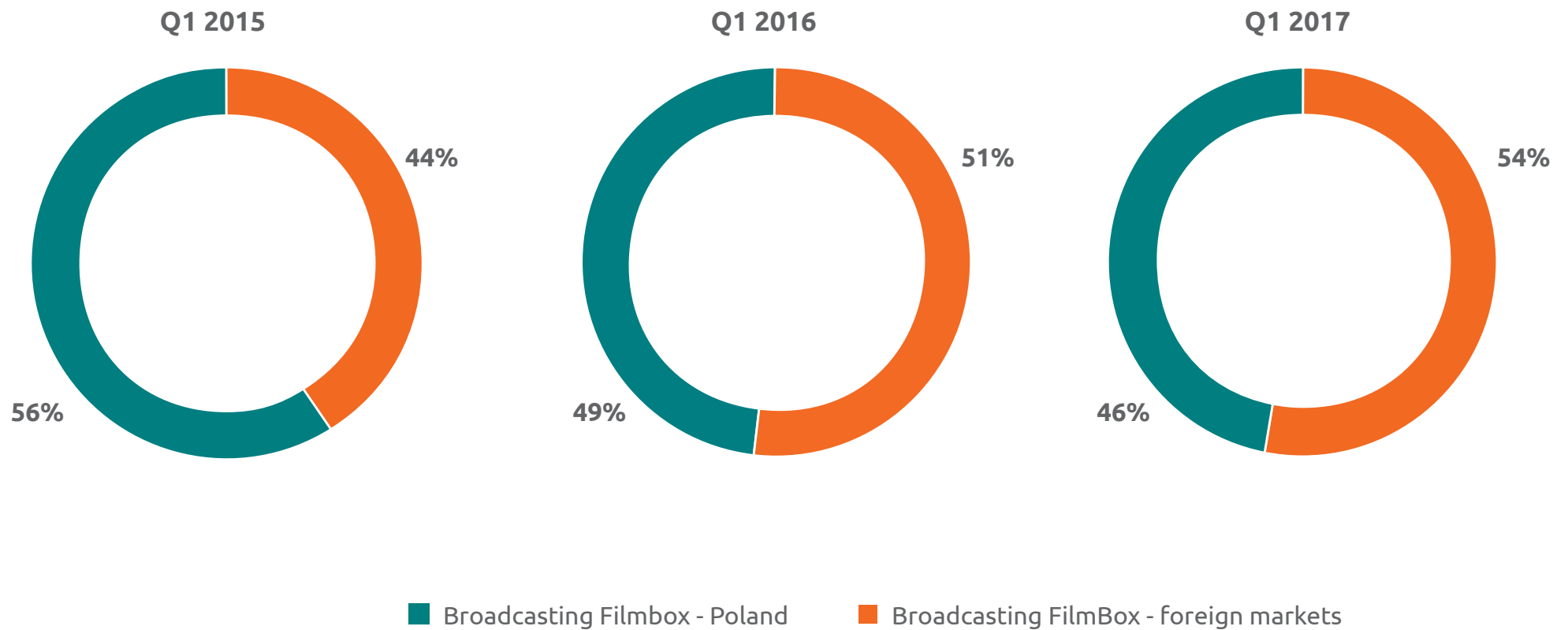


# Revenues per territory

---

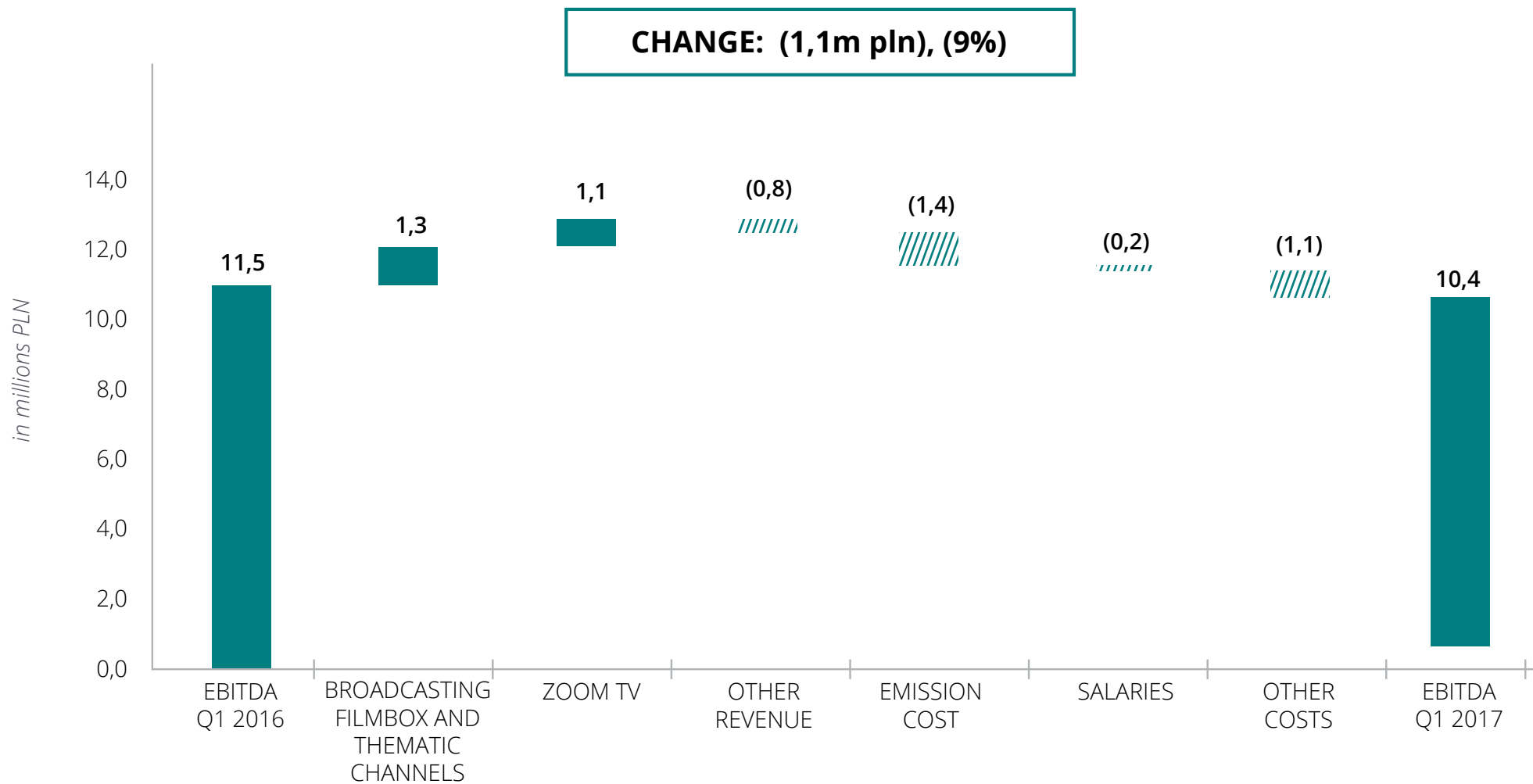


# Revenues from broadcasting Filmbox channels per territory



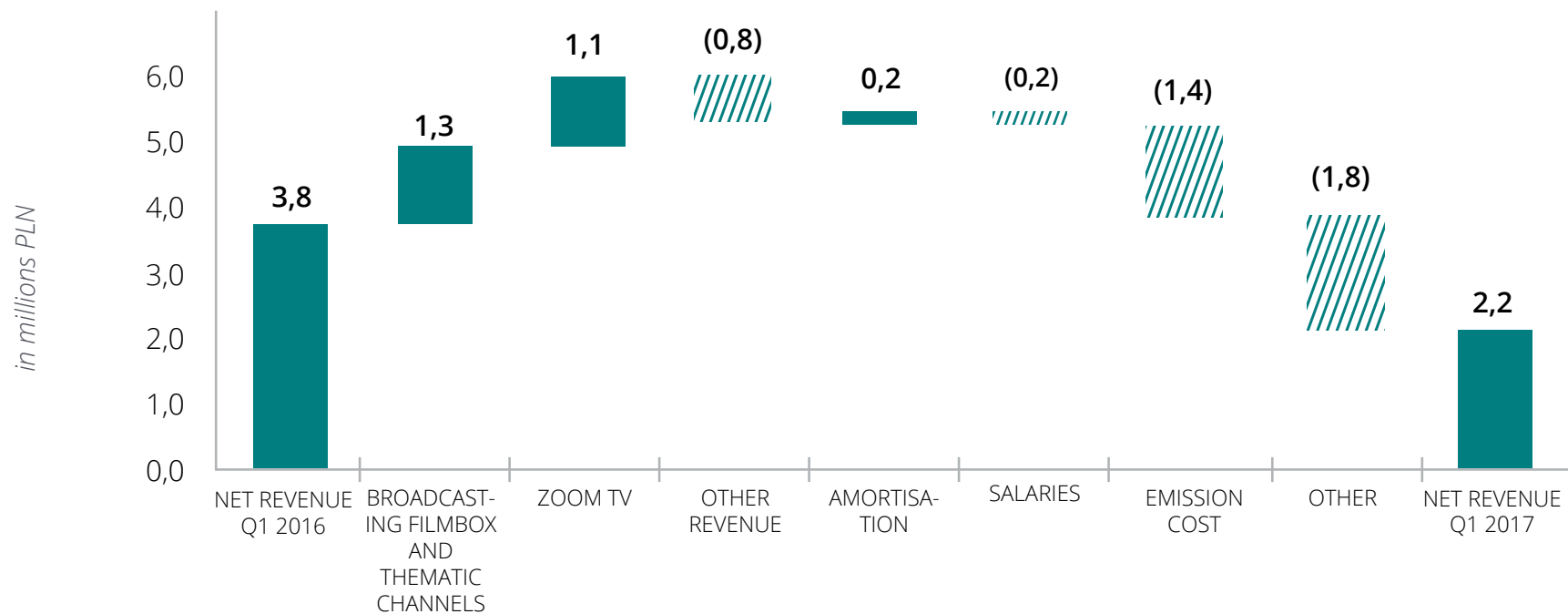


# EBITDA Q1 2017



# Net profit Q1 2017

**CHANGE: (1,6 mln zł), (42%)**



# Dividend

| PERIOD FOR DIVIDEND PAYOUT | DIVIDEND VALUE PER 1 SHARE | NUMBER OF SHARES COVERED BY DIVIDEND | DIVIDEND AMOUNT |
|----------------------------|----------------------------|--------------------------------------|-----------------|
|----------------------------|----------------------------|--------------------------------------|-----------------|

|             |                 |                   |                       |
|-------------|-----------------|-------------------|-----------------------|
| <b>2016</b> | <b>1,13 PLN</b> | <b>19 821 404</b> | <b>22 398 187 PLN</b> |
|-------------|-----------------|-------------------|-----------------------|

|             |          |            |                |
|-------------|----------|------------|----------------|
| <b>2015</b> | 1,00 PLN | 19 821 404 | 19 821 404 PLN |
| <b>2014</b> | 1,00 PLN | 19 821 404 | 19 821 404 PLN |
| <b>2013</b> | 0,45 PLN | 13 821 404 | 6 219 632 PLN  |
| <b>2012</b> | 1,00 PLN | 13 821 404 | 13 821 404 PLN |
| <b>2011</b> | 1,00 PLN | 13 859 000 | 13 859 000 PLN |

**73 542 844 PLN**

**95 941 031 PLN**



# Q&A





KINO **POLSKA** TV S.A.

THANK YOU!