



Cyfrowy Polsat IR Newsletter

15 – 21 October 2012

The press about Cyfrowy Polsat	Date	The press about TMT market in Poland
<p>Puls Biznesu: 9 companies for the crisis Despite the increasingly difficult situation on the advertising market, Cyfrowy Polsat is worth betting on – according to KBC Securities analysts. In the summer, after the publication of half-year results, shares of media companies recorded significant declines. It was due to pessimistic expectations concerning TV advertising sales. KBC analysts estimate, that year-on-year they will be lower by 6%. Nevertheless, Cyfrowy Polsat has a real chance to report better results in 2012. The experts forecast 18% increase in revenue, to PLN 2.8 billion, and three times higher net profit (PLN 511 million) than last year.</p> <p><i>- Results of Cyfrowy Polsat are dependant in over 60% on pay-TV segment, that is doing well despite the slowdown. The incomes should make up for the stagnation on the advertising market. Moreover, Cyfrowy Polsat has an effective cost management, that also makes the company improve profits even during the difficult times – says Piotr Janik, an analyst at KBC Securities.</i></p>	15.10	<p>Dziennik Gazeta Prawna: No limit in pre-paid Customers of pre-paid schemes can call and send text messages to all networks for only PLN 20 – that is a result of the competition on the Polish mobile telephony market, on which the operators fight strongly for customers as the SIM cards market penetration amounts to nearly 130%. There is one hook, however: PLN 20 is a fee for five days.</p> <p>Dziennik Gazeta Prawna: Many TV viewers are not ready Only 20% of households, that receive only terrestrial television signal have prepared for the digital reception – according to estimates of the Ministry of Administration and Digitalization. According to SMG/KRC research, ordered by the Ministry, terrestrial television is watched by nearly 26% of households. This group has to get ready for the change in broadcasting the terrestrial television signal.</p>
	16.10	<p>Parkiet: Phone instead of card - already in Poland Orange Polska together with MasterCard and mBank have launched a new service Orange Cash, that enables to make payments using mobile phone instead of a credit card. The system uses contactless NFC technology, which is available in approximately 90 thousands payment terminals in Poland.</p> <p>This is the first of the NFC deployments planned by the Polish operators in the coming weeks. A similar release is being prepared by T-Mobile in cooperation with Polbank and mBank.</p>
	18.10	<p>Dziennik Gazeta Prawna: The leaders go to the bottom shelves and bid prices This year, in Poland, sale of tablets will reach 0.5 million. Almost a half</p>

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	18.10	<p>will cost less than PLN 1.000.</p> <p>In the pursuit of customers, leading producers of tablets opt for a new strategy – they introduce devices priced below PLN 1.000, as the equipment from this price range constitute about a half of the touch-screen devices market.</p> <p>Parkiet: A giant fall in the share price of Telekomunikacja Polska</p> <p>The Management Board of Telekomunikacja Polska (TP) announced the reduction of dividend by 33% in 2013 and explains it by the necessary investments in mobile frequencies of up to PLN 2 billion, market competition and reluctance to be in debt.</p> <p>The share price of Telekomunikacja Polska (Orange) fell yesterday even by almost 21%, to PLN 12.83, after the company unexpectedly – one week before the official publication - announced estimated results for the third quarter, and lowered the outlook for 2012. Not this information, however, shook the stock exchange investors the most, but another news published: in 2013, TP intends to pay only PLN 1 dividend per share instead of PLN 1.5.</p>
	19.10	<p>Rzeczpospolita: Pay televisions cease to grow but still fight</p> <p>Platforms have few new customers, but the merger of Cyfra+ and „n” scheduled for 2013, will intensify the competition.</p> <p>The final merger of the two platform – according to the information of Rzeczpospolita – should not be expected earlier than in the first quarter of 2013. Both companies have already the approval of the antimonopoly office and the fast merger would spare them the costly fight for customers in the fourth quarter of 2013. – <i>Until the final closing of the transaction, Cyfra+ and „n” will operate independently, competing for customers</i> – says Michał Stryjecki, spokesman of Canal+ Cyfrowy.</p> <p>Rzeczpospolita: Wallet in a mobile phone</p> <p>T-Mobile operator has shown the service MYWallet enabling mobile contactless payments. It invites to the project not only banks but also</p>

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	19.10	<p>the other telecoms.</p> <p>- According to research, 67% of the population would like to make payments using mobile phone. Today, there are globally over 200 million devices (terminals), ready for NFC technology. There is one simple question: not „if” but how soon will mobile phone become a major paying device – said Grzegorz Borys, member of the management board at Polska Telefonia Cyfrowa.</p>

Latest events

Press release,
October 17, 2012

New LTE modem at Cyfrowy Polsat

ZTE MF821 from only PLN 1

Cyfrowy Polsat has introduced to its offer another portable modem supporting LTE technology. ZTE MF821 enables downloading data at a speed of up to 100 MB/s and is available from only PLN 1 with attractive data packages.

ZTE MF821 modem is compatible with all notebooks and desktops equipped with an USB 2.0 port and using one of the leading computer software, including new versions of Windows and Mac OS. It supports all technologies used by Cyfrowy Polsat: LTE, HSDPA and EDGE/GPRS, providing the users with a maximum comfort to use the network and works with LTE Edimax LT-6408n router, available in the operator's offer.

(...)

Press release,
October 18, 2012

Changes in ipla

Enhanced programming offer, functional improvements and a new, light design of the application and www.ipla.tv website increasing the comfort of using the content - this is the beginning of change process, which internet television ipla will undergo in the coming months. The action is accompanied by a two-stage advertising campaign, launched on October 16.

(...)

Current report no 24,
October 19, 2012

Decision on merger of Cyfrowy Polsat S.A. with Cyfrowy Polsat Technology Sp. z o.o.

The Management Board of Cyfrowy Polsat S.A. ("Company", "Cyfrowy Polsat" or "Taking-over Company") announces that on October 19, 2012 it resolved to merge the Company with Cyfrowy Polsat Technology Sp. z o.o. seated in Warsaw, address: 4a Łubinowa Street, 03-878 Warsaw, Poland, registered in entrepreneurs register maintained by the District Court for the Capital City of Warsaw in Warsaw, XIII Commercial Department of the National Court Register, under the number KRS 0000254220 ("CPT" or "Acquired company"), in which Cyfrowy Polsat S.A. holds 100% of share capital, and approved the merger plan.

Cyfrowy Polsat S.A. is the largest provider of pay DTH satellite television in Poland and the fourth largest DTH platform in Europe, in terms of the number of subscribers. Its core business is to provide individual customers with pay digital television services as well as broadband services and mobile telephony services.

Latest events

Cyfrowy Polsat Technology Sp. z o.o. seated in Warsaw, specializes in design and production of set-top-boxes for reception of digital television, it is also involved in commercial activity consisting of wholesale of set-top-boxes and accessories. Cyfrowy Polsat is the key customer of the equipment manufactured by CPT.

The planned merger of the two companies will be effected, in accordance with article 492 §1 item 1 of the Polish Commercial Companies Code ("PCCC") (mergers through acquisition), by transferring all the assets of the Acquired Company to the Taking-over Company. As a result of the merger, the Acquired Company will be terminated without liquidation.

At the date of this report, share capital of the Acquired Company amounts to PLN 500,000 and is divided into 1,000 shares. Cyfrowy Polsat is the sole shareholder of the Acquired Company.

Given that the Taking-over Company holds all the shares of the Acquired Company:

- (i) pursuant to article 515 §1 of the PCCC, the Merger shall be carried out without increasing the share capital of the Taking-over Company;
- (ii) pursuant to article 516 §5 and in conjunction with article 516 §6 of the PCCC, the Merger Plan shall not be audited by any expert appointed by the court of registration;
- (iii) pursuant to article 516 §5 and in conjunction with article 516 §6 of the PCCC, the Reports of Management Boards of Taking-over Company and Acquired Company shall not be issued.

The Merger Plan, prepared in accordance with article 499 §1 of the PCCC is attached to this current report, together with the documents mentioned in the article 499 §2 of the PCCC. Pursuant to article 499 § 4 of the PCCC, with regard to the fact that the Taking-over Company is a public listed company and in line with the regulations on public offering and conditions for introducing financial instruments to organized trading system and on public companies, it publishes and presents to shareholders semi-annual financial reports, no declaration has been drafted that would include information on the book value of the Taking-over Company.

The planned merger is meant to optimize costs and simplify the organizational structure of the Capital Group of Cyfrowy Polsat S.A. which is required to realize its medium and long term strategy.

[Merger Plan- attachment](#)

Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Trade value (PLN ths.)
15-10-2012	14.66	14.56	14.66	0.89%	1 761
16-10-2012	15.00	14.55	14.56	-0.68%	8 530
17-10-2012	14.70	14.50	14.63	0.48%	1 188
18-10-2012	14.70	14.39	14.39	-1.64%	1 550
19-10-2012	14.55	14.15	14.30	-0.63%	1 991



Investors' calendar

31 October – 14 November 2012	Closed period prior to the publication of Q3 2012 results
14 November 2012	Publication of report for Q3 2012