

# **Cyfrowy Polsat IR Newsletter**

**31 March – 6 April 2014**

## The press about us

### **Parkiet: Plus and Cyfrowy Polsat will pay PLN 1.44 billion**

As a result of placed orders Polkomtel and Cyfrowy Polsat can buy data transfer in HSPA+ and LTE technology from Midas group at a better price. The rate has been lower to about PLN 4.88 per 1 GB, that is 28% cheaper than earlier, however the operators forecast an increased demand for the service. Polkomtel and Cyfrowy Polsat signed memoranda with Mobyland, which settle their trade relations in the next three years. In this period Midas group can count on PLN 1.44 billion in exchange for 306 million GB of data transfer (provided that all of it is used). The above sum comprises: an individual order by Plus, an order placed by Plus on behalf of Cyfrowy Polsat and part of the platform's arrears due to transfer used this year, but not yet paid for.

## Date

**31.03**

## The press about TMT market in Poland

**2.04**

### **Rzeczpospolita: TV stations take a deep breath**

Revenue from advertising of the largest channels, calculated according to price lists, fell only symbolically in the first quarter. The exception is TVN, who changed its advertising policy and unified rebates for all clients. Now, they are lower than before and depend on how much a client wants to spend on advertising. The aim of the changes was to trigger a real increase in prices in channels covered by TVN by ca. 10%. At the same time prices on price lists were reduced by ca. 25% yoy. – *This move brought order to the market after several years of crisis and uncertainty, that made it much easier to negotiate prices* – says Lidia Kacprzycka, director general at media house Starlink. Growing thematic channels cannot complain about a lack of ads – according to Starlink, in 2013 their share in the revenue of television as a whole increased to 21.5% from 19.8% in 2012.

Starlink expects a modest growth of expenditure on advertising in Poland this year – it will increase by 0.5-0.9% compared to 2013 and may amount to almost PLN 7.06 billion.

The press about us

Date

The press about TMT market in Poland

2.04

**Rzeczpospolita: Limited video on phones**

Watching programs on cell phones would be more popular, if it were more comfortable. Larger monitors, better video quality and 4G coverage – these are the three main factors, which, according to users, could lead to more frequent consumption of video content on cell phones – stated analytical company Strategy Analytics in a report on Cellular-news.com.

3.04

**Rzeczpospolita: Mobile operators tempt families**

One subscription for several people, one internet package for several smartphones – this way operators try to attract contractual clients. Mobile operators started to compete for the budget of the whole household. They compete in the composition and number of services in one package, the value of rebates for each additional service and an attractive structure of the package.

Plus network and Cyfrowy Polsat combine telephony with satellite and internet television, tempting with discounts when you buy services from both of them. Packages also dominate in Orange, it is possible to negotiate a reduction of your bill by several dozen per cent, provided that the whole family has a subscription. Following in the footsteps of US and Scandinavian operators P4, Play network operator, applied a new approach to packaging and offers group subscriptions.

Both Orange and Play offer a new solution, which allows a group of people (family, friends, colleagues) to use one package of mobile internet. There is just one condition – only subscribers can use the package.

## The press about us

### **Parkiet: Cyfrowy Polsat**

The Management Board recommended to the General Meeting that PLN 102.86 million, constituting about 24% of profit earned in 2013, be distributed as dividend. The suggested dividend date is May 13, and the dividend payment date - May 28. The Annual General Meeting, the agenda of which includes the resolution on dividend payment, was convened for April 29. On Thursday an Extraordinary General Meeting was held, which was to approve the establishment of registered pledges on the company's assets in order to secure debt payment.

## Date

**3.04**

## The press about TMT market in Poland

### **Gazeta Wyborcza: Equality in the net? European Parliament will decide**

Today the European Parliament will vote on the adoption of a connected package of telecom regulations. It chiefly regards the abolition of roaming charges, but also the neutrality of the internet. According to its provisions, services offered in the internet should be equally available to everybody. Telecoms and internet providers, however, are lobbying to be able to charge suppliers of internet services and offer access to those services on preferential terms.

**4.04**

### **Rzeczpospolita: Internet without discrimination**

The European Parliament adopted the telecoms package, which i.a. abolished roaming charges. Retail prices are to be reduced to the level offered by a given operator within national territory by the end of 2015. In 2016 MTR rates will fall to about PLN 0.02 from PLN 0.04 currently in force and will remain on that level until 2020. It will be possible to charge higher roaming fees from those who abuse the use of retail roaming services.

The second important provision of the package is to guarantee open access to online services. It forbids the discrimination of service providers. Operators will be able to offer specialized services for an additional charge provided that they prove that they can do so without degrading internet quality for other users. The third element of the package regards coordinating spectrum licensing for wireless broadband in member states. For the provisions adopted by the Parliament to enter into force, they must be adopted by the Council of Ministers



### The press about us

#### **Parkiet: Cyfrowy Polsat**

The Extraordinary General Meeting of April 3 consented to secure payments of new loan agreements by establishing a pledge on the group's assets. The resolution on this matter was adopted, however there were votes against. The TV group intends to take a loan of PLN 3 billion to pay off the current debt. This operation precedes the takeover of Metelem, who indirectly owns Polkomtel, Plus network operator.

### Date

5-6.04

### The press about TMT market in Poland

## Latest events

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### Current report No. 20 April 2, 2014

#### **Decisions on payment of dividends**

The Management Board of Cyfrowy Polsat S.A. (the “**Company**”) hereby gives notice that on April 1, 2014 it adopted a resolution on submitting a motion on the distribution of the Company 2013 profits for consideration by the General Shareholders Meeting of the Company. The resolution contains the Management Board’s motion to distribute the net profit earned by the Company in the financial year 2013, which amounts to PLN 429,012,674.99, as follows:

- (i) PLN 102,859,516.76 to be distributed as dividends to the shareholders of the Company;
- (ii) the remaining net profit of PLN 326,153,158.23 to be distributed to the supplementary capital.

Furthermore, the Management Board of the Company recommended that the dividend day (as defined in Article 348 § 2, in conjunction with Article 348 § 3 of the Commercial Companies Code) be scheduled for May 13, 2014, and the dividend payment day (as defined in Article 348 § 4 of the Commercial Companies Code) be scheduled for May 28, 2014.

On April 1, 2014, upon request of the Management Board of the Company, the Supervisory Board issued its favorable opinion on the above motion and requested the General Shareholders Meeting to adopt the resolution on the distribution of profit for the financial year 2013, as proposed and recommended by the Management Board.

### Current report No. 21 April 2, 2014

#### **Information on convening the Annual General Meeting of Cyfrowy Polsat S.A and the content of draft resolutions for the Annual General Meeting of Cyfrowy Polsat S.A.**

The Management Board of Cyfrowy Polsat S.A. (“**Company**”) announces that the Annual General Meeting of Cyfrowy Polsat S.A. was convened for April 29, 2014 at 12.00 p.m. at the Company’s headquarters in Warsaw, at Łubinowa 4a Street.

#### ***Agenda of the Annual General Meeting:***

1. Opening of the Annual General Meeting.
2. Election of the Chairman of the Annual General Meeting.
3. Validation of correctness of convening the Annual General Meeting and its ability to adopt binding resolutions.
4. Appointment of the Ballot Committee.
5. Adoption of the agenda.
6. Management Board’s presentation of the Management Board’s Report on the Company’s activities in the financial year 2013, the Company’s financial statements for the financial year 2013, Management Board’s Report on activities of Cyfrowy Polsat Capital Group in the financial year 2013, consolidated financial statements of Cyfrowy Polsat Capital Group for the financial year 2013.

### Latest events

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#### Current report No. 21 April 2, 2014

7. The Supervisory Board's presentation of its statement concerning the evaluation of:
  - the Management Board's Report on the Company's activities in the financial year 2013;
  - the Company's financial statements for the financial year 2013;
  - the Management Board's motion regarding the distribution of the Company's profit generated in the financial year 2013.
8. The Supervisory Board's presentation of the evaluation of the Company's standing and the Management Board's activities.
9. Consideration and adoption of a resolution approving the Management Board's Report on the Company's activities in the financial year 2013.
10. Consideration and adoption of a resolution approving the Company's annual financial statements for the financial year 2013.
11. Consideration and adoption of a resolution approving the Management Board's Report on activities of the capital group of the Company in the financial year 2013.
12. Consideration and adoption of a resolution approving the consolidated annual financial statements of the capital group of the Company for the financial year 2013.
13. Consideration and adoption of a resolution approving the Supervisory Board's Report for the financial year 2013.
14. Adoption of resolutions granting a vote of approval to the members of the Management Board for the performance of their duties in the year 2013.
15. Adoption of resolutions granting a vote of approval to the members of the Supervisory Board for the performance of their duties in the year 2013.
16. Adoption of a resolution on the distribution of profit for the financial year 2013.
17. Closing the Annual General Meeting.

The Management Board of the Company attaches to this current report:

- [an announcement concerning the convention of the Annual General Meeting](#) for April 29, 2014 prepared pursuant to Article 402(2) of the Code of Commercial Companies;
- [drafts of the resolutions](#) to be adopted at the Annual General Meeting convened for April 29, 2014.

All information concerning the Annual General Meeting is available on the website of the Company at <http://www.cyfrowypolsat.pl/> in the section Investor Relations in the tab General Shareholders Meeting - Materials.

### Latest events

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#### Current report No. 22 April 3, 2014

#### **Registration of conditional increase of the share capital of Cyfrowy Polsat S.A. for the purposes of the transaction of the takeover of Metelem Holding Company Limited by Cyfrowy Polsat S.A.**

The Management Board of Cyfrowy Polsat S.A. (the “**Company**”) reports the registration on April 2, 2014 of a conditional increase of the Company’s share capital for the purposes of the transaction of the takeover of Metelem Holding Company Limited („**Metelem**”) by the Company.

As a result of the registration, the Company’s share capital may be conditionally increased by an amount not exceeding PLN 11,647,727.20 by way of the issuance of not more than 291,193,180 ordinary bearer shares with a nominal value of PLN 0.04 per share (including 47,260,690 Series I and 243,932,490 Series J shares).

The issuance of the Series I and Series J shares within the framework of the conditional share capital increase was resolved by the Company’s Extraordinary General Meeting convened on January 16, 2014 (information on the content of the resolutions passed by that Extraordinary General Meeting, including resolutions related to the conditional share capital increase, was supplied by the Company in its current reports No. 4/2014 of January 17, 2014, No. 10/2014 of January 23, 2014 and No. 13/2014 of January 25, 2014). The investors entitled to acquire Series I shares and Series J shares will be the holders of subscription warrants to be issued by the Company pursuant to the resolution of the Extraordinary General Meeting referred to above. Pursuant to the provisions of the Company’s investment agreements with Metelem shareholders of November 14, 2013 (described in current report No. 22/2013 of November 14, 2013) and December 19, 2013 (described in current report No. 27/2013 of December 19, 2013), the subscription warrants authorizing their holders to acquire Series I and Series J shares will be offered to Metelem shareholders on the terms laid down in these agreements, and following the acquisition of Series I and Series J shares through the exercise of the rights arising from the subscription warrants, the Company will acquire all the Metelem shares.

The registration of the conditional increase of the Company’s share capital as described above is one of the conditions precedent of the Company’s obligation to issue shares and to oblige Metelem shareholders to transfer Metelem shares to the Company.



### Latest events

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#### **Current report No. 23 April 4, 2014**

#### **Resolutions adopted by the Extraordinary General Meeting of Cyfrowy Polsat S.A. on April 3, 2014**

The Management Board of Cyfrowy Polsat S.A. (the “**Company**”) hereby publishes the resolution adopted by Extraordinary General Meeting of the Company on April 3, 2014, attached hereto.

Appendix: [Content of resolutions](#) (.pdf)

#### **Current report No. 24 April 4, 2014**

#### **List of shareholders authorized to at least 5% of votes at the Extraordinary General Meeting convened for April 3, 2014**

The Management Board of Cyfrowy Polsat S.A. (the “**Company**”) hereby publishes the list of shareholders authorized to at least 5% of votes at the Extraordinary General Meeting of the Company convened for April 3, 2014, attached hereto.

There were 413,380,280 votes, which constitute 78.33% of the total number of votes in the Company, represented at the Extraordinary General Meeting of the Company convened for April 3, 2014. Pursuant to the Company’s Articles of Association the Series A, B and C shares as well as 166,917,501 Series D Shares are preferred shares, i.e. each share carries two votes.

Appendix: [List of shareholders](#) (.pdf)



### Latest events

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**Press release**  
**April 4, 2014**

#### **April novelties in Cyfrowy Polsat VOD Video Home Rental**

In April viewers of Cyfrowy Polsat VOD Video Home Rental can choose among many novelties including Polish, Russian, American and Scandinavian productions. „Gravity”, „Papusza”, „Chce się żyć” – these titles have won many awards and have excellent reviews. From April 4 to April 10 viewers of Cyfrowy Polsat can once again benefit from a 20% discount. The promotion concerns two films: „Drogówka” by Wojciech Smarzowski and „The Way Way Back” by the duo Nat Faxon and Jim Rash.

**Press release**  
**April 4, 2014**

#### **April in IPLA: „Game of Thrones”, film novelties and Formula 1 racing!**

April in IPLA is a month full of hits! Especially for Cyfrowy Polsat subscribers the first episode of the fourth season of the HBO hit series “Game of Thrones” will be available free of charge on IPLA. Additionally this month IPLA viewers will be able to see the Oscar-winning “Gravity”, the latest Polish productions: „Papusza”, „Płynące wieżowce”, „Chce się żyć” and „Bez wstydu” as well as Russian cinema: „Burnt by the sun: Citadel” and „Wysocki”. Sports fans can enjoy transmissions of Formula 1 racing and world tennis.

## Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Trade value (PLN ths.)
31-03-2014	21.61	20.90	21.38	0.94%	10 075
01-04-2014	21.60	21.19	21.57	0.89%	4 458
02-04-2014	21.70	21.20	21.50	-0.32%	3 712
03-04-2014	21.49	20.50	20.59	-4.23%	7 282
04-04-2014	20.80	20.56	20.62	0.15%	6 937



## Investor's calendar

April 29 , 2014	Annual General Meeting
May 1 – 15, 2014	Closed period prior to the publication of Q1 2014 results
May 15, 2014	Publication of the quarterly report for Q1 2014