

# Cyfrowy Polsat IR Newsletter

**03 – 09 March 2014**

## The press about us

## Date

## The press about TMT market in Poland

03.03

**Dziennik Gazeta Prawna: T-Mobile and Play exclusive**

During the next weeks P4 and T-Mobile will announce a tightening of cooperation with regard to national roaming. Since the beginning of its activities Play built its own transmitters, mainly in urbanized areas, while establishing cooperation with other mobile operators in other areas. In the years 2006-2013 Play signed roaming agreements consecutively with Plus, Orange and T-Mobile. Until now, its chief partner was Plus.

The fact that T-Mobile announced the launch of its own LTE network by mid-2014 and a fight to be number 1 among mobile telecoms with respect to financial results, as well as the possibility to jointly obtain 3 out of 5 blocks of 5 MHz each in the up-coming auction for LTE 800 MHz frequencies causes that Play may tighten cooperation with T-Mobile. Especially if it wants to secure access for its clients to the fastest mobile internet on the entire territory of Poland. Play could achieve this by sharing frequencies with T-Mobile and building a joint LTE network.

05.03

**Rzeczpospolita: PLN 60m for telecoms**

On March 10, 2014 the Polish Agency for Enterprise Development will start accepting applications for subsidies for the provision of fast internet in Eastern Poland. Telecoms can count on about PLN 60m (the budget can still increase) from the operational programme "Development of Eastern Poland". These are funds dedicated for projects aimed at the construction of a broadband network on the territory of 5 eastern voivodeships, which do not have broadband internet access or access to new generation internet.

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**Rzeczpospolita: Will Polkomtel withdraw from sale of a frequency band?**

Orange and T-Mobile could construct one wide frequency block in the 1800 MHz band and provide their clients with mobile internet of up to 150 Mb/s, if not for a relatively small fragment of the band that separates the resources of the two companies. Polkomtel, the owner of part of the band, agreed last year to sell it to Centertel (today part of Orange Polska). – *When signing the agreement, we were not aware that Centertel and T-Mobile will sign a deal on jointly using the frequencies. This deal led us to reconsider, whether closing the transaction with Centertel remains economically viable and whether it does not influence competition on the Polish market in a negative way.* – informs Aleksandra Gieros-Brzezińska from the press office of Plus.

**Dziennik Gazeta Prawna: In telecommunications cheaper can be more expensive**

According to GUS data, as at the end of 2013, the statistical Pole had 1.5 phones. It's no wonder that telecoms try to win clients by offering more and more attractive terms. Though the offer may seem attractive, when we study the details, it may turn out that, if we're not careful, we may end up paying a bill much larger than expected.

An analysis of operators' terms of use documents shows that they are not comprehensible. This is to be remedied by the Memorandum regarding cooperation to improve the quality of services available on the telecoms markets, signed in 2012 by the Office of Electronic Communications and telecom operators. Together they prepared a set of quality indicators. According to the agreement, the data collected will be presented publically in the form of a table, and in the future in a manner enabling comparison. The effects of the memorandum will not be immediate – the first tests of networks are scheduled for this year.

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**Parkiet: Increasing profits of mobile networks in 2013**

According to data of operators, in 2013 their revenue decreased by less than forecast, while EBIDTA increased. Total revenue in 2013 of the four largest mobile operators in Poland could amount to PLN 23.5bn, less by PLN 1bn (5.2%) compared to 2012. Polkomtel, P4 and T-Mobile reports show that in this period their profit increased. The sum of EBIDTA of the abovementioned players increased in 2013 by about PLN 300m to exceed PLN 6bn.

In 2013 Play was the only telecom to grow, Orange had the largest user base of dedicated mobile services, while Polkomtel had the highest revenue and EBIDTA profitability (42.8%). T-Mobile saw the lowest decrease in revenue (5.3%). T-Mobile remained the largest network in 2013 in terms of the number of SIM cards (27.53%). Orange was second (27.11%), Plus third (24.9%) and Play fourth (19%).

CEO at T-Mobile, Miroslav Rakowski, upholds his opinion that in 2014 the mobile telephony market in Poland will decrease by 3-4%. He believes that 2015 will be the first year of growth. Joergen Bang-Jensen, CEO at P4, is of a different opinion. He recently said that the current year will bring a 0.5% decrease for all telecoms.

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**Puls Biznesu: Alior is giving Sync to T-Mobile**

In the middle of this year Alior and T-Mobile will launch a joint banking-telecommunications project. The brand Sync will disappear from the market to be replaced by a new one. The virtual bank will open fully functional outlets located in T-Mobile's stores. The aim of those outlets will be to attract new clients – the bank wants to acquire 2 million customers in 5 years. Loan sales will constitute the main source of revenue of the new business. Alior assumes that in the third year of the functioning of the project, its ROE will be equal to 16%, and will grow to about 40% in the fifth year.

**Puls Biznesu: ZTE doesn't want to flash like a comet**

In 2013 the Chinese concern had USD 70m (PLN 220m) in revenue in Poland. The majority of this revenue came from the sales of telecommunications equipment, including modems and routers. If the Polish branch maintains a 60% growth rate, revenue will exceed USD 100m this year.

For the past several years ZTE has been building its empire in Poland on modems and routers, the company currently controls up to half the market in these segments. However, the company wants to expand in new fields. Its first smartphones are already available in offers of mobile operators in Poland. The company's smartphones are medium-priced. Lei Guo, the hitherto head of the Polish branch, believes that the company has growth potential, given that it currently has a small share in the smartphone market.



### Latest events

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**Current report No. 16**  
**March 7, 2014**

#### **Extraordinary General Meeting of the Company**

The Management Board of Cyfrowy Polsat S.A. (the “Company”) hereby notifies you that the Company’s Extraordinary General Meeting is to be held on 3 April 2014, 11.00 AM CET, in Warsaw, at the registered office of the Company at ul. Łubinowa 4A.

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

1. Opening of the Extraordinary General Meeting.
2. Appointment of the Chairman of the Extraordinary General Meeting.
3. Drawing up an attendance list, confirming that the Extraordinary General has been properly convened and is able to adopt valid resolutions.
4. Appointment of the Ballot Counting Committee.
5. Adoption of the agenda of the Extraordinary General Meeting.
6. Adoption of the resolution regarding an approval for the execution of a pledge agreement and establishing a registered pledge on a collection of things and rights constituting an organizationally integral conglomerate with replaceable components, comprised in the Company’s enterprise, in order to secure the repayment of the Company’s debt financing.
7. Closing of the Extraordinary General Meeting.

The Management Board of the Company encloses to this current report as follows:

1. [Notice of the Extraordinary General Meeting](#) prepared pursuant to Article 402(2) of the Commercial Companies Code.
2. [Draft resolutions](#) to be adopted by the Extraordinary General Meeting convened on 3 April 2014.

The Company makes all information concerning the Extraordinary General Meeting available on its website at: <http://www.cyfrowypolsat.pl/>, subpage: Investor Relations, tab: General Shareholders Meeting / Materials.



### Latest events

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**Press release**  
**March 6, 2014**

#### **March novelties in Cyfrowy Polsat's VOD Home Movie Rental**

March offers a lot of variety not only in the weather department – this month Cyfrowy Polsat offers a diverse list of novelties in its VOD Home Movie Rental. Our viewers can see brand new action movies, comedies, crime and drama films.

During the period March 07-09 two new, attractive promotions are will be available. On channels 156 and 165 of VOD Home Movie Rental it will be possible to see 4 movies at the price of only PLN 5.90 per set of two movies – „Bejbi Blues” and „Dzień Kobiet” (channel 156), and „Absentia” and „Reeker” (channel 165). At the same time the cinema hits of 2013 – „Despicable Me 2” and „The Conjuring” – will be available with a 20% discount.

### Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Trade value (PLN ths.)
03-03-2014	19.94	18.96	19.50	-3.70%	5 602
04-03-2014	20.50	19.49	20.50	5.13%	5 461
05-03-2014	20.92	20.30	20.92	2.05%	9 929
06-03-2014	21.80	20.90	21.80	4.21%	21 186
07-03-2014	21.60	20.70	20.90	-4.13%	6 868

