

Cyfrowy Polsat IR Newsletter

11 – 17 March 2013

The press about Cyfrowy Polsat	Date	The press about TMT market in Poland
	11.03	<p>Dziennik Gazeta Prawna: Joint TV and Web campaigns</p> <p>According to an Atmedia report, over 40% of TV campaigns by well-known brands refer their clients to Internet sources. This results from the fact that nearly half of all Polish viewers surf the Internet while watching TV, with a tenth of them doing online shopping at the same time. Marketers are becoming increasingly interested in preparing joint TV and Web campaigns, which is encouraging broadcasters to attract the attention of advertisers as the situation on the media market is quite difficult.</p>
<p>Puls Biznesu, ‘Stock Exchange Company of the Year 2012’ („Giełdowa Spółka Roku 2012”): Cyfrowy Polsat in the top three again</p> <p>The announcement that Zygmunt Solorz-Żak's Company has made it into the GSR top three almost seems to have become a tradition. As various analysts have claimed, <i>“Cyfrowy Polsat is a stable, predictable company able to rightly predict the course of changing market trends.”</i> Its ‘PB’ ranking shows that Cyfrowy Polsat has obtained high marks in the Management Board Competence and Quality of Investor Relations categories (3rd place in both categories).</p>	12.03	<p>Rzeczpospolita: New digital platform nC+ broadcasting from March 21st</p> <p>The announcement was made by Christian Anting, a Member of the Board of the new company formed by a merger between the n digital platform and Cyfra+. There is still little known about the details of the new channel, although the media industry does not seem to expect that it will result in lower subscriber prices. The advertising campaign for the new platform is now underway.</p>
<p>Parkiet: Cyfrowy Polsat wants to expand</p> <p>Cyfrowy Polsat’s share price was up 5.15% to PLN 17.15 after the Company's QIV 2012 results turned out to be better than stockbrokers expected. The Company's revenue in 2012 reached nearly PLN 2.8bn, showing an increase of 17%; EBITDA exceeded PLN 1bn, and net profit reached PLN 600m. The share price’s growth comes in spite of the fact that the Management Board have not yet made their recommendations on the division of last year’s profit. <i>“The management Board will make a decision concerning the</i></p>	13.03	

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<p><i>dividend at the last possible time,”</i> said Dominik Libicki. He added that there are three elements which need to undergo further analysis: the amount of the dividend, the debt prepayment and acquisitions.</p> <p>Dziennik Gazeta Prawna: Cyfrowy Polsat ready for nC+ During a press conference, President of Cyfrowy Polsat Dominik Libicki claimed that his company is well-prepared to compete with the nC+ platform. <i>“As far as the launch of the nC+ platform is concerned, we have prepared several action scenarios. Those selected will be realised as needed,”</i> said Libicki. He also emphasised that for many months now, Cyfrowy Polsat has been engaged in a number of activities to make the Company's offers more attractive. Libicki is, however, more interested in keeping the current subscriber base than in winning new viewers. As he puts it, this is a result of the fact that the Polish pay-TV market is already saturated, and any dramatic changes in this sector are unlikely. The President of Cyfrowy Polsat also did not exclude the possibility of a takeover of Polskie Media, the company behind channels TV4 and TV6. <i>“I rarely praise my rivals, but it suffices to look at TVN7’s performance to see that this would be a wise purchase,”</i> Libicki commented.</p>		
<p>Rzeczpospolita: LTE's turn yet to come Dominik Libicki, President of Cyfrowy Polsat, is convinced that LTE is the future of the market. According to Libicki, LTE’s only real lack is a high bandwidth digital line (using either fibre-optic cables or a wireless connection) from the LTE radio transmission towers to the fibre-optic data buses. Libicki is convinced that when the quality of these telecommunications paths improves, LTE will begin to thrive. Cyfrowy Polsat began selling its LTE services on August 30th 2011 when its mobile Internet subscriber base stood at 43,000. Using LTE as the distinguishing feature of its marketing campaign, the</p>	14.03	

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<p>platform gained about 100,000 subscribers in 6 months, a third of which came in Q4 2012, and finished the year with 150,000 broadband Internet subscribers.</p>		
	15.03	<p>Rzeczpospolita: 16 candidates for digital multiplex development The National Broadcasting Council (KRRiT) summed up the applications for the further development of digital terrestrial television. Among the candidates for development of a children's channel are TVP and Polsat. Polsat, Stopklatka, Mediasat, TV Film contest are all competing for the broadcast of films. There are two applicants for the channel concerned with society and religion: Fundacja Lux Veritatis and Wieczorna.pl, and multiple applicants lining up for the channel concerned with education and knowledge: Apella, TVS, 4 fun Media, TV Spektrum, Media Works, Edusat, TVR, Discovery. Broadcasters often apply in partnership with each other, as the first year of broadcasting a digital multiplex channel can cost up to PLN 20m. The current state of the advertising market does not guarantee that they'll see much short-term profit, either.</p>
	16-17.03	<p>Parkiet: Plus network set to refinance its debt Polkomtel, the operator of the Plus mobile phone network, sent out a request for proposals to refinance its USD 1.76bn-equivalent loan, Euroweek wrote today. This translates into PLN 5.6bn, or 40% of total debt contracted by Zygmunt Solorz-Żak to buy the network in 2011.</p> <p>Parkiet: Overview According to estimates by a research firm, the Cyfrowy Polsat satellite television platform and Polkomtel may be currently serving a total of 150 thousand subscribers to the LTE mobile internet access. The figure is expected to push past 180 thousand by the end of March. This means that since June last year LTE subscriptions in Poland have soared by 200%.</p>

Latest events

Press release,
12 March 2013

Another prosperous year for Cyfrowy Polsat

The Cyfrowy Polsat Group can again boast very strong financial performance for Q4 2012 and throughout. In the past quarter, the profits of both the Group and its two business segments increased, thanks to realisation of synergies, an effective cost policy and moderate growth of the platform.

“It was another successful year for our Company. This past year, we pursued both organic growth and strategic acquisitions, while progressing a number of projects that helped us consistently implement the Group's growth strategy. All these actions, including the extension of our operation in the online services sector, strengthened the position of Cyfrowy Polsat as the leading provider of multimedia entertainment in Poland. In 2012, we achieved the expected synergies between Cyfrowy Polsat and Telewizja Polsat platform twice as fast as we had thought we would,” said Dominik Libicki, President of the Management Board, Cyfrowy Polsat S.A.

In Q4 2012, the Group recorded a 4% increase in revenue that was fuelled chiefly by moderate development of the retail business segment. Effective management of its cost base contributed to a 4% reduction in costs (net of depreciation and amortisation). As a consequence, the Group's EBITDA increased by 25% up to PLN 247m and its EBITDA margin increased by 5.5 ppt up to 32.9%. Net profit in Q4 2012 increased by 59% to PLN 122m, which was positively affected by the lower cost of debt service (thanks to earlier repayment of a portion of a loan in the amount of 200m) and valuation of EUR-denominated Senior Notes.

“Last year, the macroeconomic and market conditions were not favourable to our business activity, which is why we are now very satisfied with our results, including an EBITDA in excess of PLN 1bn and the improved profitability of both business segments. Our strong financial performance and high cash flow allows the Company not only to regularly repay loans, but also prepay them, which puts us in a comfortable position for further expansion,” commented Tomasz Szelaĝ, Member of the Management Board in charge of Finance at Cyfrowy Polsat S.A.

Latest events

Press release,
13 March 2013

Cyfrowy Polsat returns to the top three for ‘Listed Company of the Year’

As it did last year too, Cyfrowy Polsat outperformed several hundred companies listed on the Warsaw Stock Exchange to take second place in the *Puls Biznesu* daily’s ‘Listed Company of the Year’ ranking, surpassed only by LPP S.A. of Gdańsk. This is the fourth time that Cyfrowy Polsat has taken the podium in this prestigious event.

Puls Biznesu quoted the analysts who emphasised that Cyfrowy Polsat is “...a stable, predictable Company that is able to rightly predict the course of changing market trends”.

In publishing the ranking, its authors noted that Cyfrowy Polsat was being highly acclaimed for ‘Management Board Competence’ and ‘Quality Investor Relations’ categories, for which it took third place in both. “*Factors such as its stable business environment, sound economic foundations and a successful Management Board that makes transparent decisions have all an influence on the price of the company’s shares,*” said the daily.

Press release,
13 March 2013

ipla – first Polish application on the NetRange platform

Ipla will be the first Polish application available on Smart TV- television sets, including those from Sharp, Ikea and Thomson. The agreement, recently concluded between ipla and NetRange, an independent global provider of Smart TV solutions, will see the ipla application rolled out on compatible devices with an initial offering based on its free content.

“Our strategy is to have a presence on each type of device that allows for online multimedia, and since the beginning of our business we have retained leadership in this area. Ipla is available on more than 95% of all Smart TV sets sold in Poland, and thanks to this new agreement our share in the market has a chance to continue to grow,” says Albert Szybiński, Deputy Director of Marketing in charge of online services at Cyfrowy Polsat.

Press release –
TV Polsat,
14 March 2013

Best daily audience share ever

Yesterday (March 13th), Polsat News recorded an unprecedented audience share. Its conclave coverage provided the station with its highest daily audience since the programme’s inception! Moreover, at the climax (around 8:19 pm) Polsat News attracted 1m viewers, equal to a 5.33% audience share in the All Viewers group (4+), and 5.87% in the Commercial group (16-49).

Latest events

**Statement,
15 March 2013**

Statement by Cyfrowy Polsat on the potential of the pay-TV market

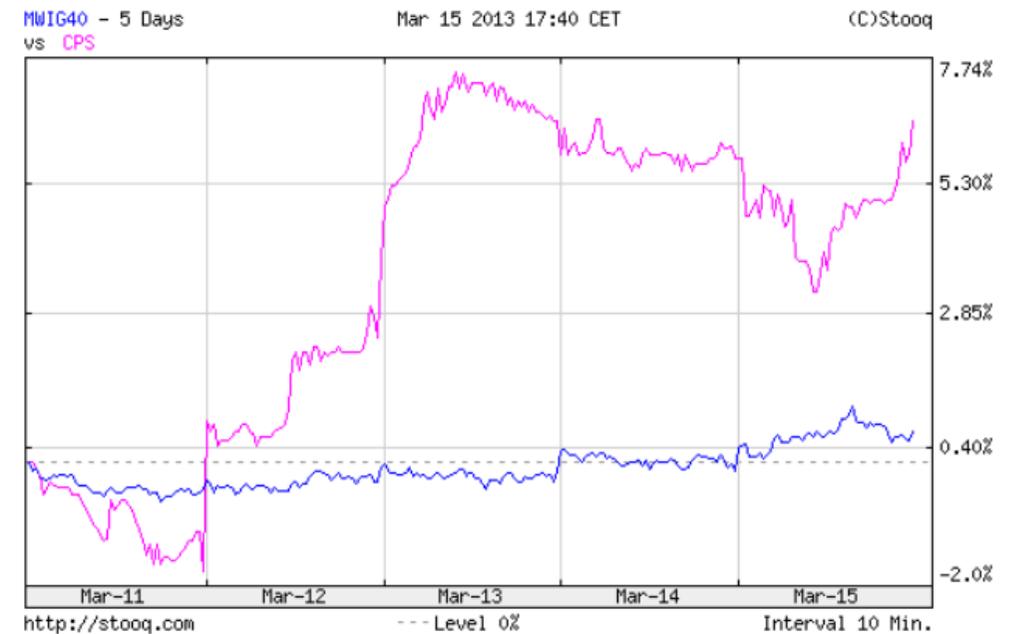
In light of the large amount of incorrect information on the potential of the pay-TV market, which follows from the press conference organised by the Company on March 12th 2012, Cyfrowy Polsat has announced that it judges the pay-TV market to be almost saturated.

The 0.5m subscribers quoted in documents does not refer to potential new clients, but users of cable networks who change operators each year because of natural migration. According to the statistics, every year 10-15% of pay-TV subscribers switch to a different provider (for the platform market this amounts to 0.5m customers).

Cyfrowy Polsat believes that further development and growth opportunities are connected with the dynamic growth in the number of Internet access service subscribers, and with the growing demand for additional services, such as Multiroom, VOD and PPV, among existing customers.

Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Trade value (PLN ths.)
11-03-2013	16.65	16.31	16.31	-1.75%	5 025
12-03-2013	17.30	16.70	17.30	6.07%	10 914
13-03-2013	17.96	17.46	17.77	2.72%	8 328
14-03-2013	17.78	17.58	17.64	-0.73%	4 797
15-03-2013	18.00	17.07	18.00	2.04%	9 003



Investors' calendar

1- 15 May 2013	Closed period prior to the publication of Q1 2013 results
15 May 2013	Quarterly report for Q1 2013