

Cyfrowy Polsat IR Newsletter

20 – 26 April 2015

The press about us	Date	The press about TMT market in Poland
	21.04	<p>Dziennik Gazeta Prawna: Life with TV, but without a TV set <i>by Piotr Dziubak</i></p> <p>The survey conducted by the media agency - MEC indicates that ca. 5% of Polish Internet users do not have a TV set or use it for different purposes than watching linear television. According to the data collected by Nielsen Audience Measurement, 3.8% of Polish households do not own a TV set.</p> <p>According to Joanna Nowakowska from MEC, people, who give up watching traditional TV are usually valuable to the advertising market. One-third of those declaring the lack of a TV set at home lives in cities with a population exceeding half a million, and 40% of them are people aged 25-34. Furthermore, the MEC survey clearly shows that despite the lack or non-standard use of the TV set, this group watches movies, series and other programs on the Internet.</p> <p>In Poland there are no surveys which would allow to monitor the viewership of programs on TV and on the Internet among the same group of users, thus enabling broadcasters to precisely reach – thanks to IPLA or Player – those who did not have a chance to watch a given program in Polsat or TVN.</p> <p>The increasing number of people without a TV set may drive the development of the VoD market and accelerate the entrance of new players. The industry expects that the American service Netflix will soon appear in Poland.</p>
	23.04	<p>Rzeczpospolita: Growing valuation of Orange Polska</p> <p>On their report dated April 13, 2015, Analysts at DM BOŚ increased the target price of the shares of Orange Polska to PLN 9.8 (from PLN 9). The shares are valued at PLN 10.28 on the trading floor of the stock exchange.</p> <p>Specialists forecast that in 2015 the operator will generate PLN 11.77bn in revenue (PLN 12.21bn in the previous year), EBITDA in the amount of PLN 3.75bn (PLN 4.06bn) and PLN 186.2m of net profit (PLN 535m).</p>

The press about us

Date

The press about TMT market in Poland

24.04

Puls Biznesu: Telecoms have doubled their offer*by mzat*

Bidding in the auction for frequencies in the 800 MHz and 2600 MHz bands has started 2 months ago and the total value of offers submitted by telecoms has reached nearly PLN 3bn. Operators offer over PLN 505m for a single frequency block in the 800 MHz band (the starting price was PLN 250m), and PLN 30.5m for a block in 2600 MHz bandwidth (the starting price was PLN 25m). 5 companies are still competing for 5 blocks in the 800 MHz band (they can bid for a maximum of 2 blocks each), Polkomtel has officially withdrawn from the bidding.

Before the start of the auction, analysts of the telecommunication sector estimated that the telecoms might offer over PLN 700m for a block in the 800 MHz band.

Rzeczpospolita: Pay-TV in an upward trend*by ele*

Despite the gradual saturation of the global market, revenue from subscription fees for access to pay-TV services in Central and Eastern Europe will grow by 17% between 2014 and 2020. As a result, in 2020 they will reach a total of USD 7.27bn and will be worth 45% more than a decade before – as indicated in the estimations of Digital TV Research. The number of subscribers of digital TV in Central and Eastern Europe will grow to 76.7m at the end of 2020 vs. 51m at the end of 2014.

According to Digital TV Research, the Polish market will be one of the slowest growing markets in the region because of the development of free digital terrestrial television.

Latest events

Current report 23/2015 April 20, 2015

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

The Management Board of Cyfrowy Polsat S.A. ("Company") announces that the Extraordinary General Meeting of Cyfrowy Polsat S.A. was convened for May 18, 2015 at 11.00 a.m. at the Company's headquarters in Warsaw, at Łubinowa 4a Street.

Agenda of the Annual 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 Meeting 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 on the merger of Cyfrowy Polsat S.A. with Redefine Sp. z o.o. seated in Warsaw.
7. Closing of the Extraordinary General Meeting.

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

1. the [notice](#) on convening the Extraordinary General Meeting for May 18, 2015 prepared pursuant to Article 402(2) of the Code of Commercial Companies;
2. [draft resolutions](#) to be adopted at the Extraordinary General Meeting convened for May 18, 2015.
3. the [Merger Plan](#) of Cyfrowy Polsat and Redefine Sp. z o.o. – appendix to resolution no. 6 of the Extraordinary General Meeting convened for May 18, 2015.

All information concerning the Extraordinary General Meeting is available on the website of the Company at <http://www.grupapolsat.pl/> in section Corporate Governance, tab General Meetings - Materials.

Latest events

Press release
April 21, 2015

Cyfrowy Polsat Group contemplates refinancing its current debt

Cyfrowy Polsat Capital Group is analyzing the possibility and potential terms of refinancing its current debt in order to simplify its structure, further optimize the terms and reduce the cost of its servicing.

In reference to investors' inquiries as well as information published in the media, the company confirms that it has begun preliminary analyses of possibilities and potential terms of refinancing of the Capital Group's current debt which amounts to PLN 13 bn.

Potential refinancing could cover both the existing bank loans and other debt instruments used by the Group's companies, leading to such positive developments as:

- reduction of interest-related costs, e.g. by replacing Metelem Group's high yield bonds by a debt reflecting current market terms, thus giving the Group tangible savings on interest payments,
- higher flexibility thanks to eliminating restrictions related to cash flows between Metelem Group and other companies from Cyfrowy Polsat Group, which could improve the effectiveness of liquidity management within the Group, hence enabling further integration of Cyfrowy Polsat and Polkomtel.

"As the market situation is favorable for big companies, we are contemplating refinancing the Group's current debt in the near future. Debt optimization has always been one of our priorities," says Tomasz Szeląg, Management Board Member responsible for finance at Cyfrowy Polsat and Polkomtel. *"We are reviewing the possibility of refinancing our entire current debt. While contemplating the potential structure, at this stage we are mainly considering a loan denominated in Polish zloty and Polish bonds. Our main target is to simplify the debt structure as well as to optimize its terms and reduce the debt servicing costs, thus giving the Group more flexibility in doing business and create favorable conditions for its future development,"* adds Tomasz Szeląg.

Market analyses and consultations are carried out on behalf of the company by Trigon Brokerage House.

The potential decision to go ahead with refinancing as well as the selection of the final structure of such refinancing will depend on, among others, the positive outcome of current analyses as well as the present situation on financial markets. The decision will be communicated to the public while observing the company's relevant disclosure requirements.

Latest events

Press release
April 24, 2015

Plus - a trusted energy seller

Polkomtel Sp. z o.o. received a Certificate of the Association of Energy Trading which confirms that the operator of Plus network joined the Code of “Best Practices of Electric Energy Sellers”.

The Certificate confirms that the company who received it had undergone an audit and offers to its customers clear and transparent terms of contract, without any legal tricks or hidden additional fees. The audit was performed by an external auditor - TUV Rheinland sp. z o.o. under the Code of “Best Practices of Electric Energy Sellers” prepared by the Association of Energy Trading.

The audit emphasized a high level of competence of Plus’ employees, high quality of applied procedures and sales documents as well as control tools used by the company related to customer service and complaints.

Poles are more and more willing to change their supplier of electricity, and there are many companies on the market offering the sale of electricity. It is important that the clients know which of them are reliable and because of that, among other things, a nation-wide education campaign “Choose wisely. Check who is selling energy to you.” was launched in Poland. The campaign is addressed to electric energy recipients and its aim is to increase awareness among consumers of their rights on this market and to promote honest business rules. The campaign was organized by the Association of Energy Trading and its honorary patron is the President of the Energy Regulatory Office.

Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Trade value (PLN ths.)
2015-04-20	25.61	24.62	25.44	2.58%	10 653
2015-04-21	25.66	24.81	25.10	-1.34%	7 969
2015-04-22	25.40	25.00	25.38	1.12%	7 280
2015-04-23	25.95	25.38	25.85	1.85%	12 757
2015-04-24	25.90	25.29	25.49	-1.39%	6 478



Investor's calendar

April 30 – May 14, 2015	Closed period prior to the publication of Q1 2015 results
May 14, 2015	Quarterly report for Q1 2015