

Cyfrowy Polsat IR Newsletter

5 – 11 January 2015

The press about us	Date	The press about TMT market in Poland
<p>Puls Biznesu: New capacity for Midas</p> <p>A subsidiary of Midas filed another order for leasing capacity in Polkomtel’s network. During five years Aero2 will pay PLN 76m to the operator of Plus network for the provision of RAN-type services. Their scope includes, among others, creating and maintaining technical conditions for transmitting the radio signal in base stations, ensuring voice transmission, data transmission in its network and SMS services. The total value of the orders and contracts concluded by the entities from Midas Group with Polkomtel since 8 April amounts to PLN 294m, thus exceeding 10% of market capitalization of the WSE-listed company.</p>	<p>7.01</p>	<p>Dziennik Gazeta Prawna: The National Broadcasting Council (KRRiT) unaware of viewers’ preferences</p> <p>Based on the survey carried out by media agency MEC on the new digital terrestrial television multiplex, Polish viewers would prefer to receive film channels, a new travel-documentary channel and one with foreign television series. The survey also shows that Polish viewers would like to receive something entirely new rather than the current channels in HD version. FTA DTT offer, apart from general interest channels playing films, includes only Stopklatka channel, the popularity of which proves that there is demand for such an offer.</p> <p>The viewers’ expectations substantially differ from the decision made by KRRiT at the end of October which allocated 4 slots on the new multiplex to public television. A competition will be announced for the remaining 4 channels, whereas KRRiT failed to specify the exact nature of the new channels. Before announcing the competition, KRRiT is waiting for the Office of Electronic Communications (UKE) which is to determine the winner in the tender for the technical operator of the new multiplex. According to daily „Dziennik Gazeta Prawna” the consultations in this respect are extended due to the commitment included in UKE’s documentation which requests new television channels to be available also on mobile devices on the country’s territory inhabited by 95% of the population. The need to meet this requirement could lead to the situation in which broadcasters would not be competitive with respect to television channels included in the offer of the 3 already operating multiplexes.</p> <p>Puls Biznesu: Data transmission in the public prosecutor’s offices</p> <p>A secure WAN network provided by Netia will connect ca. 400 public prosecutor’s offices – appellate, district and general prosecutor’s offices – via links with the capacity from 2 to 64 Mbps. The 36-month contract will generate over PLN 6.5m of gross revenues for the contractor. GTS and Orange were also competing for this order.</p>

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<p>www.tmtfinance.com : Polsat outlines bond programme</p> <p>Shareholders of listed Polish media and telecom operator Cyfrowy Polsat will vote on a PLN 1bn bond issue programme in an EGM on January 16, 2015. The proposed programme would be issued before July 15, 2014 and should provide access to <i>"all available forms of debt financing including corporate bonds,"</i> Cyfrowy Polsat said.</p> <p><i>"The proposed bond issue program gives the company access to new sources and instruments of financing should the company decide to reach for such new financing within the limits of the existing financing, and to secure potential needs of the company and entities from its capital group,"</i> justification to the draft resolution reads.</p> <p>The prospective bonds will be due for redemption no later than after eight years from issuance and no later than on December 31, 2022, and can be issued in a single or several tranches, secured or unsecured, as a public or private placement. Details of particular issues are to be set by the management.</p> <p>Up to 15 banks committed financing totaling PLN 3bn (USD 984m) for Polsat in March 2014. Societe Generale and ING are the two co-ordinators and the loan was heavily oversubscribed. At the time, Polsat owner, Polish businessman Zygmunt Solorz-Zak's, was in the process of merging Polsat with his mobile business Polkomtel. After the transaction, sources said Solorz-Zak will also look to refinance Polkomtel's debt.</p>	<p>8.01</p>	



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	<p>9.01</p>	<p>Parkiet: Orange fights for a positive balance of customer migration</p> <p>Based on the data obtained by „Parkiet”, 1.567m phone numbers were ported between the networks in Poland in 2014 – up by 1.5% as compared to 2013 (1.53m).</p> <p>Out of the four biggest operators, P4 – the operator of Play network – was the only operator with the positive balance. The telecom has acquired slightly over 590 thousand numbers (net) – 160 thousand less than in 2013. Play’s share in the MNP market decreased to 52% in 2014, down from nearly 58% in 2013.</p> <p>Orange Polska has the second best result on the market, with nearly 400 thousand numbers ported to this network in 2014, i.e. over 25% of all the ported numbers (vs. 20% last year). Despite this, Orange had a negative balance at the end of 2014 (47 thousand numbers deficit). The balances of T-Mobile Polska and Polkomtel, the operator of Plus network, were still negative last year: nearly 237 thousand and 299 thousand, respectively. However, it is worth mentioning that 30 thousand more users migrated to Plus (not accounting for ported-out users) in 2014 vs. 2013.</p> <p>As compared to the previous years, 2014 was a record year for number portability, but at the same time there was a slow-down in their total volume. Experts claim that this was due to the change of P4’s policy which does not promote number portability as intensively as before. Earlier, Play earned on the MTR asymmetry and every new user was a valuable asset.</p> <p>Telko.in: 3 million households in Poland yet to be connected to the Internet</p> <p>The Main Statistical Office (GUS) has published the results of the periodical survey on the use of ICT technologies in Poland. The survey indicates, among others, that the potential of the Internet access</p>

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	<p>9.01</p>	<p>market is very slowly but steadily growing. Both on the residential as well as B2B markets. Mobile networks are on the offensive.</p> <p>As compared to the survey carried out in 2013, the number of households in Poland with the Internet access increased by 450 thousand, which was one of the highest growths within the last few years. The growing use of broadband mobile lines (over 3m in 2014) is clearly visible. The use of fixed lines is also growing (7.5m in 2014), but probably at a much slower rate.</p> <p>The analysis of data collected by GUS shows that the mobile/fixed types of calls are not mutually exclusive, but – at least for some households – complementary. This results most likely from the use of mobile terminals (smartphones and tablets) in the mobile networks, independently from fixed lines. More than 4m households connect to the Internet via mobile devices. It was 3.3m households in 2012 and 2.3m in 2010.</p> <p>The number of households without Internet access has decreased gradually and amounted to 3.166m last year. Within the last four years, the percentage of Poles who declare that they do not have an Internet connection because they do not need one has decreased substantially. Last year this was only 1.4% of household representatives (177 thousand), as compared to 3.2% in 2010 (402 thousand). These are favorable circumstances for the telecommunication sector.</p> <p>In 2014, in the medium and large enterprises sector, 99% of companies declared having Internet access. In the small enterprises sector the potential is bigger, because over 8% of entities does not have broadband connection yet. GUS' statistics also show a clear growth of speed of access links among business subscribers.</p>

Latest events

Current report No. 3 January 8, 2015

Information on transactions of entities controlled by a member of the Supervisory Board of Cyfrowy Polsat S.A.

The Management Board of Cyfrowy Polsat S.A. (the "**Company**") hereby announces that on January 7, 2015 it received a notification from Mr. Zygmunt Solorz-Żak, Chairman of the Supervisory Board of the Company, provided under article 160 of the Act of 29 July 2005 on Trading in Financial Instruments.

According to the received notification, on December 30, 2014, Argumenol Investment Company Limited, seated in Nicosia, Cyprus, entity controlled by Mr. Solorz-Żak, disposed to Embud Sp. z o.o. seated in Warsaw, Poland, entity also controlled by Mr. Solorz-Żak 29,648,775 ordinary series J bearer shares of the Company.

According to Mr. Solorz-Żak's notification, the total price of the disposed shares of the Company amounted to PLN 736,179,083.25, i.e. 24.83 per share. The registration of the disposed shares on the securities account took place on December 30, 2014.

Press release January 8, 2015

Polsat Sport – the best sports channel in 2014.

Polsat Sport was the most viewed sports channel in 2014. The channel had average results at the level of 0.50% SHR in 16-49 age group and 0.53% SHR in 4+age group, winning decidedly in both audience groups with all sports channels, including Eurosport (0.31% SHR in 16-49 age group) and TVP Sport (0.32% SHR in 16-49 age group)*. Polsat Sport has won for six consecutive years in 16-49 age group, and for two years in 4+ age group.

Polsat Sport is a channel which has dominated the market of TV sports channels in Poland for years thanks to the high professionalism of commentators and experts, as well as the diverse range of presented sport disciplines. Volleyball and football dominated among the sport disciplines most frequently viewed in Polsat Sport channel. Over 1.2m viewers watched the opening match of the Volleyball Men's World Championship between Poland and Serbia played at the National Stadium in Warsaw. Matches of our national women's volleyball team in the World Championship qualification tournaments in the spring attracted million viewers. Traditionally, the matches of Poland national football team in Euro 2016 qualifying competition attracted many fans. Matches with Scotland and Germany were watched by ca. million viewers each.

**results based on the Nielsen Audience Measurement data*

Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Trade value (PLN ths.)
05-01-2015	23.42	22.45	22.45	-3.98%	13 931
06-01-2015	-	-	-	-	-
07-01-2015	23.48	22.45	23.45	4.45%	12 963
08-01-2015	23.58	23.13	23.45	0.00%	4 271
09-01-2015	23.68	23.28	23.55	0.43%	6 923



Investor's calendar

January 16, 2015	Extraordinary General Meeting of the Company
February 18 – March 4, 2015	Closed period prior to the publication of results for 2014
March 4, 2015	Publication of results for 2014