

# Cyfrowy Polsat IR Newsletter

**11 – 17 February 2013**

The press about Cyfrowy Polsat	Date	The press about TMT market in Poland
	11.02	<p><b>Dziennik Gazeta Prawna: TV stations produce more, but cheaper</b>                      By the end of February, the largest players - TVN, Polsat, TVP 1 and 2 – will have introduced the spring scheduling, but they have already entered the first of the two most important periods in the year in which they compete by new programs for the attention of viewers and the largest budgets of advertisers. They have bet on the tested and already known formats: music shows, fiction and para-documentary series and celebrities.</p> <p><b>Parkiet: More optimism in TV advertising</b>  <i>-I believe that in the second half of the year, TV advertising market will cease to decline - says Markus Tellenbach, CEO of TVN Group.</i>                      This year, TVN has no plans of large investments or acquisitions. It will not participate in the competition open by the National Broadcasting Council for new channels on digital terrestrial television, which this year will fully replace analogue broadcasting.</p>
	12.02	<p><b>Gazeta Wyborcza: Spotify enters Poland. Pay and listen as much as you want</b>                      Instead of buying CDs or music files, you pay PLN 10 or PLN 20 PLN 10 or PLN 20 subscription fee every month and you get to choose from 20 million tracks.                      In Sweden, such a subscription helped to reduce piracy. The rivals of Spotify - Deezer and Wimp – are already present in Poland. The other player competing for the music streaming market in Poland is Cyfrowy Polsat’s Muzo.pl .</p>
	13.02	<p><b>Rzeczpospolita: Spotify wants to fight piracy with free offer</b>                      International company begin to consider Poland as the local digital music market started to grow. Piotr Kabaj, CEO of EMI Music Polska, estimates, that in 2012 digital music in Poland was already worth PLN 44 million (with PLN 24 million in the prior year).</p>

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<p><b>Rzeczpospolita: Higher valuation of Cyfrowy Polsat</b>                      KBC Securities' analysts raised Cyfrowy Polsat's target price to PLN 18.9 from PLN per share. As in the previous report, they recommend buying the shares. Today the securities could be purchased at PLN 16.5.</p>	<p>14.02</p>	<p><b>Gazeta Wyborcza: Orange without the frequency</b>                      The tender for high-speed internet has been settled. Three LTE frequencies are to be given to Play operator and two to T-Mobile operator – the Office of Electronic Communications (UKE) announced on Wednesday.                      If both operators will take the bands that they have won, the national budget will gain PLN 950 (about PLN 350 million more than UKE expected).                      This year, there will be one more tender for the frequencies on 800 MHz.</p> <p><b>Rzeczpospolita: 90% of Poles within LTE coverage in 2 years</b>                      Interview with Magdalena Gaj, President of UKE                      How significantly can the Internet LTE coverage grow in Poland thanks to the tender?  <i>- If all the winners build the network, then I expect that within two years we can achieve coverage of 90% of the population.</i>                      Will high-speed mobile Internet reach places, where today it is not available?  <i>- I hope so. Commitments made by operators involve the installation or modernization of base stations in smaller towns and suburban areas. However, the tender for 800 MHz frequencies will have a much greater impact on the development of mobile Internet network in less-developed areas. We will require the winner to provide widespread access to the services offered through this band.</i></p> <p><b>Rzeczpospolita: Tender for LTE improved the valuation</b>                      The share price of the fund controlled by Zygmunt Solorz-Zak, which is the wholesale base for mobile LTE Internet services, grew by even 13.33%, to PLN 0.85 at yesterday's session. Midas' shareholders were positively surprised by the price that the winners of the tender offered for 1800 MHz frequencies.</p>

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	15.02	<p><b>Rzeczpospolita: Cable TVs fight on the Internet</b></p> <p>In 2012, the number of subscribers to cable access to the network grew by only 3.6%, and the operators' revenue from this service by 4.6%.</p> <p>Mobile services, offered through 2G/3G modems and 4G (LTE) by Polkomteltel and Cyfrowy Polsat, brought the operators better results than the cable Internet service</p> <p>- <i>Mobile Internet is the most promising market segment for operators, although revenues from it do not make a large part of their business yet</i> - says Piotr Janik, analyst at KBC Securities.</p>

### Latest events

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#### Current report no. 3, February 13, 2013

#### Information on the change in the total number of votes in Cyfrowy Polsat S.A.

The Management Board of Cyfrowy Polsat S.A. (the "Company") hereby announces that on February 12, 2013, the Company received from Mr. Zygmunt Solorz-Żak the information provided under article 69 of the Act dated July 29, 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies, regarding the increase in share in the total number of voting rights in the Company controlled by Pola Investments Ltd. seated in Nicosia (Cyprus) ("Pola"), the company controlled by Mr. Zygmunt Solorz-Żak.

The increase in share in the total number of votes is a result of receiving by Pola, on February 7, 2013, from Sensor Overseas Limited seated in Nicosia the proxy to exercise voting rights from 20,791,375 (twenty million seven hundred ninety one thousand three hundred seventy five) privileged registered shares, constituting 5.97% of the Company's share capital and representing 41,582,750 votes at the general meeting of the Company, which is 7.88% of the total number of votes (the "Proxy").

Prior to receiving of the Proxy, Mr Zygmunt Solorz-Żak did not hold the Company's shares neither directly nor through any controlled entity other than Pola.

Prior to receiving of the Proxy, Pola held 154,204,296 (one hundred fifty four million two hundred four thousand two hundred ninety six) shares of the Company, that constituted 44.27% of the Company's share capital and represented 306,709,172 votes at the general meeting of the Company, which was 58.11% of the total number of votes in the Company.

The abovementioned package included:

1. 152,504,876 privileged registered shares constituting 43.78% of the Company's share capital and representing 305,009,752 votes at the general meeting of the Company, which constituted 57.79% of the total number of votes in the Company, and
2. 1,699,420 bearer shares constituting 0.49% of the Company's share capital and representing 1,699,420 votes at the general meeting of the Company, which constituted 0.32% of the total number of votes in the Company.

### Latest events

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#### **Current report no. 3, February 13, 2013**

After receiving of the Proxy, Pola, the entity controlled by Mr. Zygmunt Solorz-Żak, holds and is entitled to exercise voting rights from 174,995,671 (one hundred seventy four million nine hundred ninety five thousand six hundred seventy one) shares of the Company, that constitute 50.24% of the Company's share capital and represents 348,291,922 votes at the general meeting of the Company, which is 65.99% of the total number of votes in the Company.

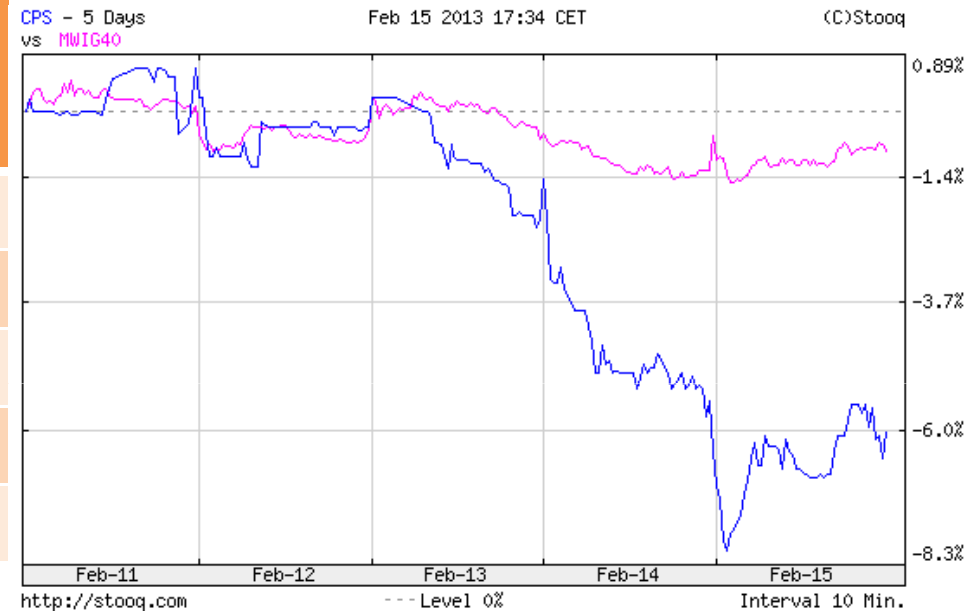
The abovementioned package includes:

1. 173,296,251 privileged registered shares constituting 49.75% of the Company's share capital and representing 346,592,502 votes at the general meeting of the Company, which constitutes 65.67% of the total number of votes in the Company, and
2. 1,699,420 bearer shares constituting 0.49% of the Company's share capital and representing 1,699,420 votes at the general meeting of the Company, which constitutes 0.32% of the total number of votes in the Company.

Mr. Zygmunt Solorz-Żak informed that he does not hold the Company's shares neither directly nor through any controlled entity other than Pola.

## Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Trade value (PLN ths.)
11-02-2013	17.00	16.73	17.00	2.04%	4 410
12-02-2013	16.90	16.66	16.80	-1.18%	2 559
13-02-2013	16.90	16.40	16.50	-1.79%	5 164
14-02-2013	16.63	15.75	15.75	-4.55%	3 804
15-02-2013	15.99	15.41	15.81	0.38%	6 704



## Investors' calendar

26 February – 12 March 2013	Closed period prior to the publication of 2012 results
12 March 2013	Publication of annual report and consolidated annual report for 2012