

Cyfrowy Polsat IR Newsletter

12 – 18 August 2013



The press about us	Date	The press about TMT market in Poland
	12.08	<p>Parkiet: Launching of nc+ has weakened Cyfrowy Polsat and TVN in the Q2. Agora has a growing need of a new strategy</p> <p>The stock prices of the biggest media groups recorded recently quite positive tendencies, what could be a result of both better macroeconomic data (that may improve the situation on the advertising market) and the general positive trend among European media companies.</p> <p><i>In TVN, the effects of cost reduction, which has been started in Q3, will be visible. Cyfrowy Polsat has been controlling the costs less radically – says Dominik Niszczyński, analyst at DM Raiffeisen. He estimates that the revenue from pay-TV of Cyfrowy Polsat will be similar to Q1, but the programming costs (because of weak złoty) and marketing costs (in response to the new offer of nc+) will increase.</i></p> <p>Parkiet: Waiting for the end of advertising crisis</p> <p>Compared to others, the media sector still does not look optimistic because of the slowdown on the advertising market, that lasts for few years now.</p> <p>Although in June some media houses forecasted an improvement on the market, connected with better macroeconomic indicators, the analysts are careful.</p> <p><i>-Recovery, that we observe, and the improvement in GDP are so slight, that, based on historical data we can assume they are not sufficient to make the advertising market grow – states Waldemar Stachowiak, the analyst of Ipopema Securities.</i></p> <p>Dziennik Gazeta Prawna: The European Commission, instead of The Office of Electronic Communications may manage the frequencies</p> <p>If the Office of Electronic Communications does not hurry with allocating the frequencies released after the digitalization of TV, they may be distributed under totally different rules, than the national authority wishes.</p>



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	12.08	<p>Neelie Kroes, the European Commissioner for Digital Agenda announced that more efforts will be put to introduce a common European telecommunication market.</p> <p>In Poland, the allocation of 800MHz frequency, released after the digitalization of TV, is delayed. – <i>Works to allocate these frequencies are already in progress. It is possible, that the frequencies will be sold already under new law, and then the European Commission could influence decisions of the Office Electronic Communications on how to distribute the frequencies, with regard to the idea of common portfolio of frequencies in the entire EU for multinational companies, which is expressed in the new regulations – says Anna Streżyńska, head of the Center for Regulatory Studies.</i></p>
<p>Parkiet: WIG30 Companies worth investing in After a longer break, TVN, which shares became more expensive by 27.2% from the beginning of the year and now are worth PLN 12.51, came back to the blue chips index. Societe Generale increased the target price, but maintained the „sell” recommendation. Recent statistics show, that the audience of the channel in the group „All 4+” has fallen year on year from 11% to 10.4%. Cyfrowy Polsat has better perspectives. –<i>The company consequently realizes the strategy of the entertainment leader on the Polish market - claims Zbigniew Obara, analyst at BM Alior Bank. He explains: - The business model, based on TV broadcasting and production segment as well as retail business segment providing pay-TV, Internet and mobile telephony enables the company to achieve high operating cash flows.</i></p>	13.08	<p>Gazeta Wyborcza: The fall of the largest channels This summer a new record of low audience of the four main TV stations – TVP, TVP2, TVN and Polsat – was noted. Their consolidated share in the market has fallen to 39.5%. In Q2, the Big Four has recorded 46% share in the market – first time in the history below 50%.</p> <p>Big stations loose the audience, due to the competition from thematic channels, and – starting from July – extra 19 free DTT channels. Every new digital channel has been distracting the audience from the big stations. – <i>Even if there is much less channels in DTT than in cable or satellite offers, for those, who don’t have pay-TV – about 30% – the change means much greater choice. This is why new channels, like Eska TV, TV Puls or Polo TV are so successful - says Joanna Nowakowska from Atmedia, the biggest broker on the Polish TV advertising market.</i></p>
	14.08	<p>Rzeczpospolita: Mobile providers will use Internet for their battle The end of August and beginning of September is a period, in which telecoms struggle especially for the attention of parents of school-kids and university students’ pockets.</p> <p>Last year, exactly in this period, a new brand was introduced to the</p>



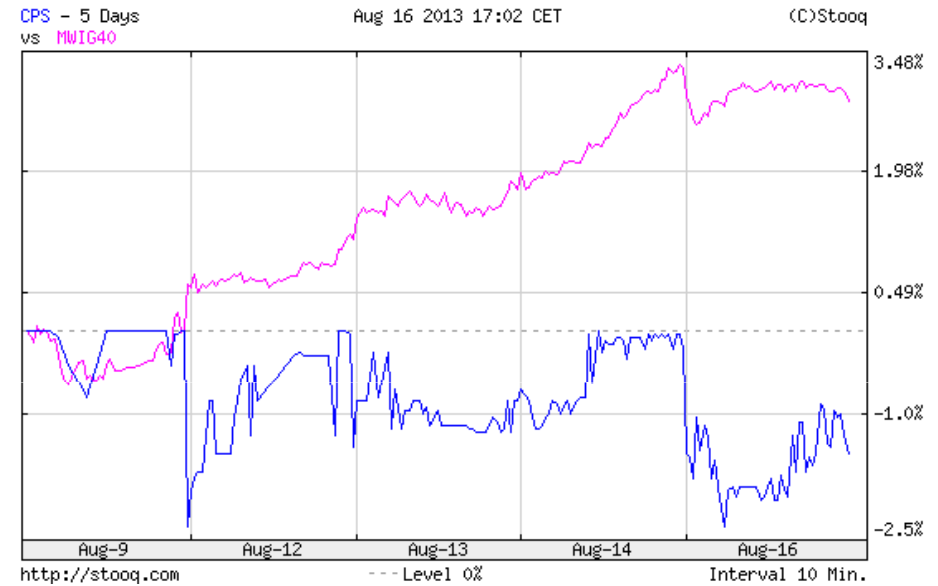
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	14.08	market – Virgin Mobile. This year there is no big chances for a new player. Instead, the struggle will be all about the offers of the access to fast, mobile broadband Internet. According to the analysts, the market will be flooded with laptops, tablets and other home devices.
<p>Parkiet: August recommendations for small and medium companies</p> <p>This month, the analysts have already released over a dozen recommendations for shares of small and medium companies. However, most of them were for the companies included in the medium-capitalization mWIG40 index, which has grown by 24% since the beginning of this year. Cyfrowy Polsat's shares are among those, that the analysts recommend to hold in the portfolio.</p> <p>Rzeczpospolita: Worse about Cyfrowy Polsat</p> <p>The experts from Deutsche Bank have lowered the recommendation for Cyfrowy Polsat from „buy” to „hold”. The price per share hasn't been changed and is now equal to PLN 22. On Wednesday, the company's share price on the WSE was PLN 21.95.</p>	16.08	
<p>Parkiet: WIG30 is a chance for better liquidity</p> <p>Entering WIG30 will help those companies, that have not been included in the exclusive indices before. – <i>TVN and Cyfrowy Polsat have already been the participants of WIG20, so undoubtedly they are well known to foreign investors and well-valued as an exposure to local market and Polish consumer</i> – says Dominik Niszczy, stock market expert from DM Raiffeisen. He appreciates the investor relations of both TVN and Cyfrowy Polsat – <i>Thanks to that, relations with the foreign funds have been maintained. This is why the impact on liquidity will be much smaller than in case of companies, that will be included in the most important index for the first time</i> – he adds.</p>	17.08	



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<p>Cyfrowy Polsat representatives do not expect a sudden growth in the interest in the company, after its introduction to WIG30. – <i>Our shares, no matter in which index Cyfrowy Polsat was listed, have been popular since our debut on the WSE and have been present in the portfolios of the biggest national and foreign investment funds. It has not been changed by the move from WIG20 to mWIG40 – says Dominik Libicki, CEO of Cyfrowy Polsat. He claims, that the current market position of the Polsat Group and its PLN 7 billion capitalization prove Cyfrowy Polsat’s strong position among investors. – In our opinion, the presence of Cyfrowy Polsat in WIG30 is more significant in terms of showing the landscape of the Polish capital market and the national economy, as the range of our activities and our results reflect the state of the Polish economy, as well as preferences and purchasing power of the Poles – says Libicki.</i></p> <p>Rzeczpospolita: Extreme novelties in the autumn TV scheduling Polsat has prepared 7 new shows, including „Fat Killers. Zabójcy tłuszczu” reality show, culinary „Top Chef” and para-documental series „Ślubna gorączka”, which follows the trials and tribulations of couples, that are preparing for their wedding. - <i>Polsat has announced, that it will be defending its position after the switch-off of the analog TV in Poland. Possibly this is why it invests more in its seasonal scheduling – states Dominik Niszczyński, analyst of DM Raiffeisen.</i></p>	<p>17.08</p>	

Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Trade value (PLN ths.)
12-08-2013	22.00	21.55	21.67	1.03	1 767
13-08-2013	21.97	21.71	21.80	0.60	5 012
14-08-2013	22.22	21.62	21.95	0.69	12 806
15-08-2013	-	-	-	-	-
16-08-2013	21.90	21.45	21.65	-1.37	2 708





Investors' calendar

<p>August 14-28, 2013</p>	<p>Closed period prior to the publication of H1 2013 results</p>
<p>August 28, 2013</p>	<p>Publication of H1 2013 results</p> <p>Schedule of publication of the results for H1 2013:</p> <p>7:00 am Publishing H1 2013 report in ESPI (WSE's publishing system) 8:00 am Publishing H1 2013 report and results presentation on our website: www.cyfrowypolsat.pl/inwestor 10:00 am Meeting with investors and analysts 12:00 pm Meeting with journalists 4:00 pm (CET) Conference call with investors and analysts</p> <p>Details of conference call:</p> <p>Date: August 28, 2013 Time: 4.00 pm (Warsaw), 3.00 pm (London), 10.00 am (New York) Phone numbers: +44 (0) 1452 555 566 (international) 22 307 0118 or 00 800 121 2655 (Poland) Conference ID: 32933471</p>