

# Cyfrowy Polsat Newsletter

**12 – 18 September 2011**

The press about Cyfrowy Polsat	Date	The press about TMT market in Poland
	12.09	<p><b>Rzeczpospolita B: Will tablets combine newspapers and TV</b>                      Following the acquisition of Polkomtel, Zygmunt Solorz-Żak wants to provide the customers with applications to be launched on tablets, smartphones and other media devices. The access to newspapers is a perfect example of such an application. The offer prepared by the Gremi group owned by Grzegorz Hajdarowicz – a businessman who intends to take over a 100 percent stake in Pressrepublica – is also taken into account. The successful operation of this business may be, however, hindered by the small number of tablets sold in Poland. The volume of sales amounted to 100-150 thousand units year to date. Having acquired Polkomtel, Solorz-Żak intends to distribute various telecommunications, television and banking products using the Plus point-of-sale network.</p> <p><b>Dziennik Gazeta Prawna: TK Telekom, a telecommunications operator owned by Polish State Railways (PKP) and the State Treasury, to be put for sale in early 2012.</b>                      TK Telekom is an operator engaged in the construction of telecommunications infrastructure, whose network includes 6 thousand kms of fibre optic lines and 22 thousand kms of copper lines. The present owners will seek a buyer among the industry players. According to the company's President, the acquisition of TK Telekom could significantly increase the new owner's potential in the struggle for the emerging high-speed LTE Internet market, which relies on fiber optic infrastructure.</p>
<p><b>Rzeczpospolita: Operators made profits from the fight</b>                      The boxing duel between Adamek and Klitschko, broadcasted live in the pay-per-view (PPV) system for the first time in Poland, attracted a large audience. The CP's spokeswoman informed the orders were placed until the very last minute. The event could be watched for PLN 40. The company has not disclosed how many subscriptions were actually sold. According to Rzeczpospolita daily, the number of paying viewers might have reached 200 thousand. It is quite probable that Polsat will transmit other sporting events using the PPV system in the future.</p>	13.09	

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	14.09	<p><b>Dziennik Gazeta Prawna: Operators attract customers with gadgets</b>                      Mobile networks prepare to the fall battle for customers. Nowadays operators focus primarily on retaining their customers, trying to entice them with smartphones, tablets and mobile internet services, because these are the only growing segments in the market. Era network is going to offer Apple's mobile tablet – iPad2. Orange, in addition to iPad2, intends to launch into the Polish market HTC's brand new smartphone model called Evo. Plus keeps on promoting Sony Ericsson Xperia along with their mobile internet special; whereas, T-Mobile has introduced T-Move smartphone for one zloty and launched a campaign featuring Angry Birds mobile game.</p>
<p><b>Rzeczpospolita: „Buy” Cyfrowy Polsat</b>                      Erste Group analysts, in a report dated 14 September, upgraded their recommendation for CP shares from "accumulate" to "buy". They left the company's target price unchanged at PLN 19 a share, which is 41.5 percent higher than its current quotation on the WSE (PLN 13.43). Erste analysts believe that, owing to the acquisition of Telewizja Polsat, the CP's business potential has changed from stable to growing.</p>	15.09	<p><b>Rzeczpospolita B: Large issuance from Polkomtel; The largest Polish companies plan to sell Eurobonds</b>                      Polish mobile operator Polkomtel, taken over by Zygmunt Solorz-Żak, plans to issue Eurobonds worth 1.65 billion euros. The issuance is expected in more favourable market conditions. Yet the information has not been confirmed by the company. The banks, which might be engaged in the book building process, anticipate the operator's bond issuance would be successful.</p> <p><b>Puls Biznesu: Hundreds of engineers already working for NetWorks!</b>                      NetWorks, a company established by Orange and T-Mobile in order to build a mobile telephony network, began its operations on 1 September and is supposed to run the first part of a common network by mid-2012. The network will be fully operational by the end of 2013. PTC and PTK each hold a 50 percent stake in the company. Such cooperation may translate into huge savings for both the operators, expected to reach PLN 200 million on an annual basis as of 2015 and PLN 500 million on capital expenditures. This cooperation poses a major challenge for Polkomtel which was agreed to be taken over by Zygmunt Solorz-Żak, the owner of Cyfrowy Polsat.</p>

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	17.09	<p><b>Rzeczpospolita: Poles like online videos</b>                      According to NetTrack's research, Internet network is used by 16.6 million people in Poland. This may suggest that video on-demand provided over the web is regularly watched by nearly 2.5 million people, representing 15 percent of Poland's Internet user population. The people's interest in websites offering this kind of service such as Iplex.pl, Ipla, TV Screen, VOD TVP, Yahoo or Kinoplex.gazeta.pl in Poland remains pretty stable. Data published by Gemius also show that 63 percent (or about 10 million) Polish Internet users are fans of YouTube.com. You Tube as well as America's Hulu and Netflix drive the number of online video fans around the world. According to ABI Research Institute, online movies are watched by 780 million people worldwide generating \$6.4 billion in revenues annually.</p> <p><b>Wyborcza.biz: UPC takes over Aster in a merger worth billions</b>                      UPC Poland finalized a transaction to acquire the Aster network. Liberty Global, the owner of UPC, shall pay a total of PLN 2.4 billion (inclusive of the acquired company's debt). Last year Aster generated about PLN 420 million in revenues, earning a net profit of PLN 3 million. The operator's services – television, internet and telephony – are used by nearly 380 thousand subscribers in three major cities in Poland.</p>

Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Volume (PLN ths.)
05-09-2011	14.50	13.65	13.86	-5.91%	7 807
06-09-2011	14.30	13.98	14.20	+1.43%	5 027
07-09-2011	13.98	13.52	13.59	-3.00%	8 590
08-09-2011	13.80	13.50	13.70	+2.01%	8 091
09-09-2011	14.20	13.75	13.87	+1.99%	13 300

