

# Cyfrowy Polsat IR Newsletter

**14 – 20 May 2012**

The press about Cyfrowy Polsat	Date	The press about TMT market in Poland
<p><b>Newsweek: Multimedia player</b></p> <p>Libicki based the mobile TV on a new patent. Instead of using data transfer from servers, he will implement transmitters and radio frequencies. TV program will be broadcasted the same way as to TV-sets today. In digital format, without disturbances regardless of the number of viewers. It is this mix of fixed and mobile TV that distinguishes the new project of Cyfrowy Polsat.</p> <p>Let your imagination run wild. Digital television on TV-sets and mobile devices. Movies and music rental. Unlimited access to fast broadband LTE. Unlimited phone calls from home and on mobiles. And the whole package of services for less than PLN 100 per month. What does Libicki say? He does not say "no". Or not even: „let’s not exaggerate”.</p>	<p>14.05</p>	<p><b>Puls Biznesu: Plus saves on marketing</b></p> <p>Zygmunt Solorz-Zak, the owner of Polkomtel and TV Polsat seriously approaches the costly restructuring of the operator acquired last year. The cost cuts included inter alia the advertising expenses of Plus.</p> <p><i>-All mobile operators, except for the smallest Play, spend too much. Telecoms base their budgets according to the plans of the competitors, which results in continuous increases in spending. This race since long has not had a rational justification. The current owner of Polkomtel counts the money and takes into account the return on marketing investment. It is simply a rationalization of the management of the company - says Jakub Bierzynski, president of Omnicom Media Group in Poland.</i></p> <p><b>Puls Biznesu: "n" supported the results of TVN Group</b></p> <p>Highly leveraged TVN gets rid of the assets deemed as strategic for years. The company intends to grow through investments in thematic channels. TVN Player, offering television content online, is also strongly emphasized.</p> <p>Meanwhile, still strong exposure to the distribution of content through pay satellite platform and online segment reduce TVN group’s dependence on the television business, exposed to the high variability related to market conditions.</p> <p><b>Parkiet: Packages have big future</b></p> <p>Following the recent rebranding, the head of the national operator calls his company "Orange Polska". According to Witucki, the novelties in the offer related to this change will have impact on sales in the second half of this year. In his opinion, packetization of telecommunication services will be the future of the market.</p>

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<p><b>Parkiet: Cyfrowy Polsat is still growing</b>                      Yesterday, the shares of the television group were one of the best investments on the Stock Exchange. Investors enthusiastically, even with 4% growth in the share price, reacted to the quarterly results of the group of Zygmunt Solorz-Zak. It showed PLN 675 million revenue, EBITDA of PLN 257 million and net profit of PLN 205 million, well exceeding the analysts' expectations for the last two indicators. EBITDA increased due to higher revenues and a tight cost control in both companies of the group.</p> <p><b>Rzeczpospolita: Polsat is still gaining at the cost of the competition</b>                      In the first quarter, Polsat not only performed better than the main competition, but also grew faster than the market in terms of advertising. TV advertising market declined by 1.9% in the first quarter, to PLN 855.3 million – according to the recent report of Starlink media house. But not for everyone. <i>"This is particularly true in case of large nationwide channels, with the exception of Polsat, that recorded a slight increase in revenue thanks to higher audience share"</i> – wrote the analysts.</p> <p><b>Puls Biznesu: Advertising misery for Euro 2012</b>                      Contrary to expectations, the advertisers will not scatter the money around in the time of the championship. Cyfrowy Polsat is not worried. For CP, the advertising market is not as big a problem as for the competition: TVP and TVN which gets rid of Onet and "n" platform, increasing its exposure to the fickle advertising market.</p>	<p>16.05</p>	<p><b>Gazeta Wyborcza: Euro 2012 for the audience – yes! And advertising? Hmm..</b>                      The Poles will be able to watch this year's European football championships not only on TV-sets, but also on mobile phones and tablets. Advertising El Dorado is not likely, however. Public TV is the exclusive broadcaster of Euro 2012 in Poland, but already since half a year it knows that it will lose on the ads. Starlink media house estimates that Euro 2012 will disappoint not only the public television. According to Starlink analysts, <i>"the championship may not affect revenue growth in the second quarter, and consequently will not have a significant impact on the entire year. Advertising expenditures of the official sponsors in the first quarter of this year accounted for slightly over 6% of the whole market."</i></p> <p><b>Gazeta Wyborcza: It's easier to sell a package to an existing customer</b>  <i>- In many ways and in different sets, converged services are now offered by all major suppliers, and packetization has become almost the only efficient way to sell electronic communication services - says Tomasz Kulisiewicz, a leading analyst at Audytel consulting.</i></p>

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	17.05	<p><b>Puls Biznesu: Play gains the market rapidly</b> The youngest operator already has a 14.5% market share. Analysts estimate that Plus loses customers.</p> <p>The number of customers is not exactly reliable indicator, because the operators differently approach the validity of pre-paid accounts. Revenues and profitability are crucial, Polkomtel should publish them at the end of the month.</p>

## Latest events

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Press release  
15 May 2012

### Cyfrowy Polsat still on the wave of growth

In the first quarter of 2012, Cyfrowy Polsat Group noted very good financial results due to both the record results of "old" Cyfrowy Polsat and a very good performance of Telewizja Polsat. Operating results have improved in both segments despite the highly competitive pay-TV market and the difficult situation on tv advertising and sponsorship market.

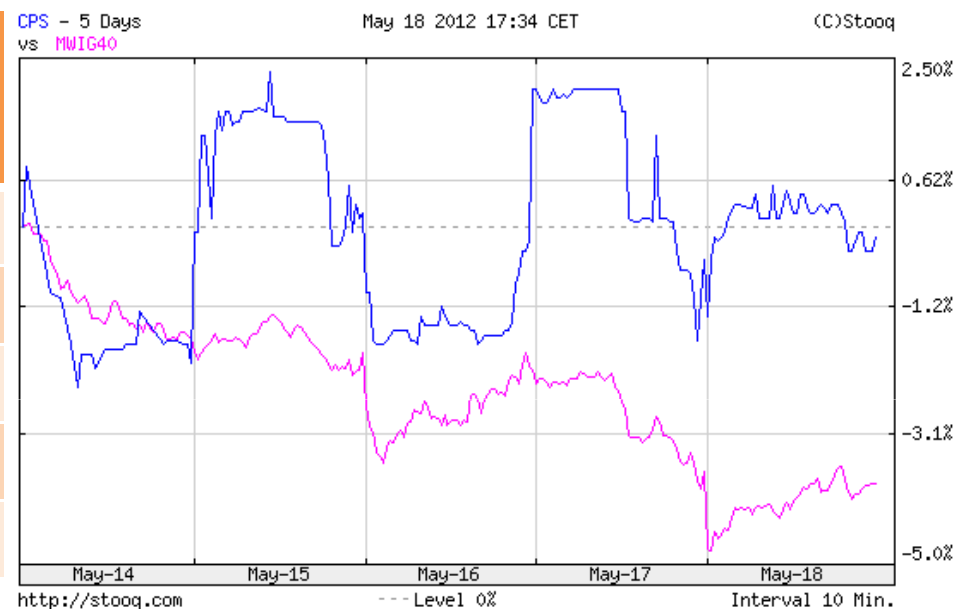
(...)

*- We have begun the year 2012 with very good financial results of the entire Group. They have been achieved not only thanks to the increasing ratios of the satellite platform, but also to the improved operating performance of Telewizja Polsat. Strong EBITDA margin of over 38%, which confirms very good condition of our business, was generated thanks to growing revenue and the consistent cost control as well as the effects of realized synergies. Retail business segment recorded the highest ever quarterly revenue, which was influenced by, inter alia, regularly increasing ARPU. The record quarterly EBITDA of the platform proves the high stability of our business model. We also recorded a very high EBITDA margin in broadcasting and television production segment. Moreover, consistently increasing audience share and advertising market shares resulted in higher revenues of Telewizja Polsat - said **Dominik Libicki, President of the Management Board of Cyfrowy Polsat S.A.***

(...)

## Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Trade value (PLN ths.)
14-05-2012	13.68	13.21	13.26	-2.14%	4 358
15-05-2012	13.89	13.50	13.58	2.41%	7 081
16-05-2012	13.85	13.30	13.85	1.99%	5 703
17-05-2012	13.85	13.31	13.48	-2.67%	2 149
18-05-2012	13.85	13.36	13.53	0.37%	2 716



## Investors' calendar

5 June 2012

Annual General Meeting of Cyfrowy Polsat S.A.