

Cyfrowy Polsat IR Newsletter

22 – 28 October 2012

The press about Cyfrowy Polsat	Date	The press about TMT market in Poland
<p>Parkiet: Companies' revenues are still growing, profits ceased to fall Cyfrowy Polsat, led by Dominik Libicki, has closed the third quarter of 2011 with a net loss. According to experts in the period July-September 2012 the result of the Group might have improved by even PLN 190 million.</p> <p>Parkiet: Best annual reports by Orlen and PKO BP The seventh edition of „The Best Annual Report” contest, organized by Accounting and Taxation Institute, has been resolved. Cyfrowy Polsat was rewarded for the best management board report on activities in the business category.</p>	<p>22.10</p>	<p>Parkiet: Joint offer of Cyfra+ and „n” next year Both digital platforms will carry out the fourth quarter's costly pro-sales promotions as competitors. For the merging digital platforms, Cyfra + and "n", the merger just before the period when they traditionally fight on expensive promotions, should be a better solution, a fast merger is not to happen nevertheless. Analysts say the merger of platforms will result in new cheaper packages. In the long-term, however, according to Sobieslaw Pajak, analyst at IDMSA broker, the merger of Cyfra+ and "n" will weaken the competition.</p> <p>Parkiet: Telecommunications According to the Office of Electronic Communications, the number of so called dead, or unused SIM cards, pumping up the statistics of mobile operators in Poland, amounted to 8.58 million as of the end of June. The regulator estimates the actual market penetration at 108.9%, while that including the unused cards, published by the Central Statistical Office, amounted to 136.5%.</p>
	<p>23.10</p>	<p>Puls Biznesu: Six in the fight for fast internet 1800 MHz frequencies, which can be used to create a fast LTE internet network, attracted as much as six candidates. So far, such a service is offered only by the companies of Zygmunt Solorz-Żak, controlling Cyfrowy Polsat and Polkomtel, also informally related to Sferia. Plus, Orange, T-Mobile and Play, as well as Emitel and Sferia submitted offers in the tender for the new band.</p>

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	23.10	<p>Rzeczpospolita: Media, Technologies Since, next year, no such a costly events, as EURO championship, is scheduled, TVP should close the year 2013 without losses – announced Juliusz Braun, president of TVP. TVP closed last year with a loss of PLN 88 million. This year, in the period from January to May, it noted a small positive result, after the first half, however, it recorded a loss of PLN 105.4 million. The financial plan for this year forecasts the loss of PLN 60 million.</p> <p>Rzeczpospolita: Poland attracts music services Not only the international music service Spotify is planning to enter Poland soon. Also another player on the streaming music services market – Norwegian WiNP – is seriously considering to launch a cooperation with Play.</p>
<p>Rzeczpospolita: Higher valuation of Cyfrowy Polsat In the latest report, Societe Generale raised the target price for Cyfrowy Polsat shares from PLN 15.45 to PLN 15.7. The experts constantly advice to hold the shares. On Tuesday, the shares were traded at PLN 14.3.</p>	24.10	<p>Parkiet: P4 In the third quarter, Play network operator increased its subscriber base by 400 thousands to 8.2 million (in terms of SIM cards). Its revenue, according to the president Joergen Bang-Jensen, noted a comparable increase as in the first half of the year, when they grew by 26%, to approximately PLN 1.6 billion. Bang-Jensen maintained P4's predictions that the value of mobile telephony market in Poland will increase this year by 1.5-2%.</p> <p>Dziennik Gazeta Prawna: Fake signal from China <i>-The market has been flooded with defective set-top-boxes, imported duty-free. This makes them cheaper than legal set-top-boxes – says Jacek Silski, president of Polish Chamber of Digital Broadcasting.</i> Such equipment often does not meet the necessary technical requirements. <i>- It's hard to estimate how much of this equipment is now on the market. On sale, there is plenty of set-top-boxes and tuners which are not suited to receive new television – confirms Janusz Sulisz, editor-in-chief of "Sat Kurier" magazine.</i></p>

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<p>Rzeczpospolita: Cyfrowy Polsat has launched its own internet instant messaging system under Halo brand All clients of the platform can install the application enabling free voice or text connections on computer or telephone.</p>	25.10	<p>Rzeczpospolita: Millions of Poles pay for illegal video According to Gfk research ordered by advertising broker Atmedia, nearly half of the Polish internet users (over 8 million people) watch movies online, but most of them – 90% – only those available for free. Those who pay, not always do it within legal services.</p>
<p>Puls Biznesu: Offensive of Zygmunt Solorz-Zak’s companies Polkomtel and Cyfrowy Polsat have enhanced the offer of mobile internet. The offer of the companies, promoting the fastest mobile LTE internet of speed up to 150 Mb/s, is to be a weapon in the battle for customers on the most promising sector of data transfer.</p> <p><i>-Daily sales of internet services is comparable to what we sell in television— says Dominik Libicki, head of Cyfrowy Polsat. Internet is one of the elements that should support the company of Dominik Libicki to face DTH market saturation.</i></p> <p><i>-We also count on digitalization of terrestrial television for which we are prepared through mobile TV offer combined with set-top-box enabling reception of terrestrial TV. I hope that some viewers, who lose TV signal following the digitalization, chose pay-TV. Moreover, we hope to pick some clients from the competitors –says Libicki.</i></p> <p>Puls Biznesu: These companies will bring some surprises Cyfrowy Polsat is to go against the negative trends in the media industry. According to analysts, the company’s quarterly report will bring a lot of surprises.</p> <p><i>- We believe that the good results for the third quarter may surprise investors and may be followed by increases in the company’s quotes – says Piotr Janik, analyst at KBC Securities.</i></p>	26.10	

Latest events

**Press release,
October 24, 2012**

"Halo"- free instant messaging system at Cyfrowy Polsat

The largest satellite platform in Poland has prepared its own messaging service "Halo". From October 25, the application will be available to all subscribers of the operator, providing them with free voice and text communication. Cyfrowy Polsat has also guaranteed additional benefits for users of its mobile HSPA+ and LTE Internet - data transmission used by the application does not diminish the data packages held by them.

(...)

**Press release,
October 25, 2012**

Ultra-fast internet of increased speed and reach

- Companies controlled by Midas Group accelerate the development of the mobile LTE/HSPA+ network. The plan for 2012 assumes the LTE coverage of almost 50% of the population and HSPA+ coverage - 90%.
- Cyfrowy Polsat and Polkomtel present new offers to attract more customers to benefit from ultra-fast internet access.
- Operators introduce new LTE modem providing data transfer speed of up to 150 Mb/s.

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October 25, 2012**

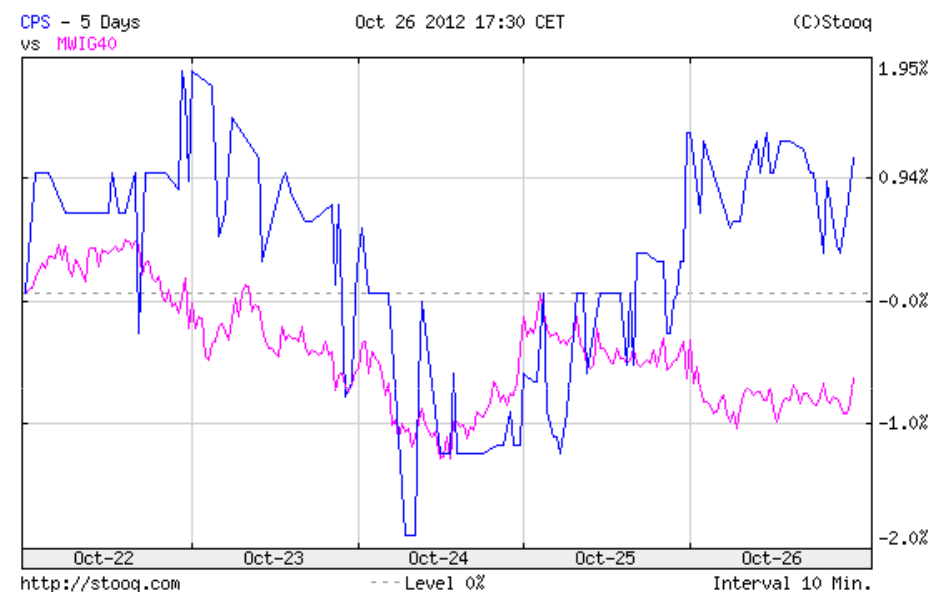
LTE up to 150 Mb/s at Cyfrowy Polsat

Along with the acceleration of Cyfrowy Polsat's LTE Internet to 150 Mb/s, a new internet offer was introduced by the operator. Among the innovations that will be available from October 30, there are: LTE 150 Mb/s modem Huawei E3276, larger data packages and e-shop special offers for mobile Internet from PLN 9,90 with even more gigabytes than in the standard sale. Soon a LTE 150 Mb/s tablet will be introduced to Cyfrowy Polsat's offer.

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Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Trade value (PLN ths.)
22-10-2012	14.58	14.25	14.44	0.98%	7 637
23-10-2012	14.58	14.06	14.30	-0.97%	2 064
24-10-2012	14.40	13.95	14.11	-1.33%	1 093
25-10-2012	14.50	14.10	14.50	2.76%	1 319
26-10-2012	14.50	14.35	14.47	-0.21%	6 444



Investors' calendar

31 October – 14 November 2012	Closed period prior to the publication of Q3 2012 results
14 November 2012	Publication of report for Q3 2012