



Cyfrowy Polsat IR Newsletter

29 July – 4 August 2013



The press about us	Date	The press about TMT market in Poland
	29.07	<p>Rzeczpospolita: Terrestrial TV – digital only Digital terrestrial TV has already replaced the analog one in the entire country. It is used by approx. one third of Polish families. Until now, it's not sure how this change will influence pay cable TV, IPTV and DTH platforms market.</p> <p>DTT covers whole country from a week now, but the offer is still incomplete – next year four other channels will be added. After this, 23 channels will be available for free, instead of 19, that are being offered now.</p> <p>The National Broadcasting Council has already chosen two channels (TV Trwam and channel for children TVP ABC), which will be included in DTT package next spring. Another two channels were supposed to be chosen last Friday, before the parliamentary holidays. It is probable, that the Council will make its decision this week.</p> <p>Puls Biznesu: The Republic of Optical Fiber. Jarosław Bauc will support Hawe Longtime CEO of Polkomtel will help Hawe to develop a fiber network for Polish households. The WSE-listed operator wants to reach 700 thousands clients in 5 years. Jarosław Bauc was appointed a vice-president of Hawe.</p> <p>Hawe has in its portfolio an optical fiber ring that encircles Poland. It gains profit mainly from leasing the fibers to telecommunication operators. It has the same vision for FTTH. Today, such fiber network is available for only 0,5% clients in Poland, what places us at the end of the European countries benchmark. The investment planned by Hawe may cost even EUR 500 million.</p> <p>FTTH is an optical fiber, which is brought straight to the customer, and guaranties data downloading and uploading with the speed of at least 100MB/s</p>



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<p>Parkiet: Cyfrowy Polsat According to DM Trigon, in the second quarter of this year, the TV group recorded a 4% growth in income and 5% drop in EBITDA to PLN 741 million and PLN 256 million respectively. According to the brokerage house the lower profitability of the company is due to persistent poor condition of the advertising market and temporary increase in investments in pay-TV. Consolidated net profit could drop by 17%, to PLN 83 million. Net profit will be affected by revaluation of the foreign currency liabilities.</p>	<p>30.07</p>	<p>Parkiet: Sectors worth paying attention to. According to analysts, the highest potential to grow have the shares of banks, industry companies and building developers. In turn, it is better to avoid raw materials and energy industry. When comparing the industry indices, the most profitable are the shares of media companies. (Since January, WIG-Media has grown by 18%). This is mostly due to the contribution of two issuers – Cyfrowy Polsat and TVN.</p>
	<p>31.07</p>	<p>Puls Biznesu: TVN cuts business on air TVN CNBC will loose not only its American image, but also the most significant employees. It is going to be cheaper, simpler and profitable. TVN’s Management Board decided to end this TV paradox. TVN CNBC channel, that has been advising businessmen how to multiply their wealth for 6 years now, has never closed a year with a net profit. The station has been preparing for upcoming changes for the last few months. <i>-There were only two scenarios. Either we close the station and forget about it or we risk and try a new, cheaper formula – explains the informant of ‘Puls Biznesu’.</i> This year rebranded Polsat Biznes has added more politics and lifestyle to its scheduling. TVN’s channel will follow the same path.</p> <p>Gazeta Wyborcza: A channel disappears and so can subscribers American football fans are disappointed, but for dissatisfied subscribers of digital platforms and cable TVs, liquidation of ESPN channels is a great news. Thanks to this fact, they can terminate their contracts with no negative consequences. Today in entire Europe (except from Great Britain and Ireland), the ESPN America and Classic channels will terminate the broadcast.</p>



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	31.07	<p>Besides the fans of typically American sport disciplines, very few will be missing them in Poland – their audience was really small. This change opens the door for dissatisfied subscribers. Why? Because every change in programming offer means, that subscribers can terminate their contracts without any consequences.</p> <p><i>-Indeed, in such cases, some of our subscribers gain the right to terminate the contract without penalty – says Olga Zomer, spokesperson of Cyfrowy Polsat.</i></p>
	1.08	<p>Rzeczpospolita: Digital radio to be launched in Poland Polskie Radio (Polish Radio) is going to announce a tender for a digital terrestrial broadcast. From 12 channels to be offered at the beginning, five will be taken by the national broadcaster (Jedynka, Dwójka, Trójka, Czwórka, Polskie Radio z Zagranicy and two regional ones: Radio dla Ciebie and one more, not chosen yet). For the remaining channels, the National Broadcasting Council will probably open a competition. Commercial broadcasters, the competitors of Polskie Radio (Grupa Radiowa Agora, Eurozet, RMF FM and Grupa Radiowa Time) declared, that they will not take part in creation of digital terrestrial radio. One of the reasons is that they think it will be hard to convince the Poles to buy new radio sets, that are compatible with the new technology.</p> <p>Dziennik Gazeta Prawna: Better rating for the owner of Polkomtel Standard&Poor's has raised the corporate rating for Metelem Holding Company group, which is the owner of Plus mobile network. – <i>Better perception of the company proves, that Polkomtel heads the right direction – says Joanna Nieckarz, Management Board Member and financial director of Polkomtel. Current rating of Metelem is BB- (it used to be B+). Its outlook is stable.</i></p>



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	2.08	<p>Rzeczpospolita: Big sale in Polish Internet</p> <p>Orange Polska has scheduled a deadline for submission of binding offers to purchase its web portal Wirtualna Polska for the second half of September. Private equity funds seem to be the most interested. An interesting scenario is under preparation by Innova Capital with founders of O2 Group, the owner of o2.pl and pop-cultural Pudelek.pl</p> <p>Cyfrowy Polsat, which strongly focuses on the development of paid services in the Internet, is also among the alleged entities to buy WP.pl. – <i>As of today, we are not going to submit an offer</i> – says Olga Zomer, spokesperson of Cyfrowy Polsat. Some time ago, she stated clearly – <i>We are not interested in WP.pl.</i></p>



Latest events

**Press release,
July 30, 2013**

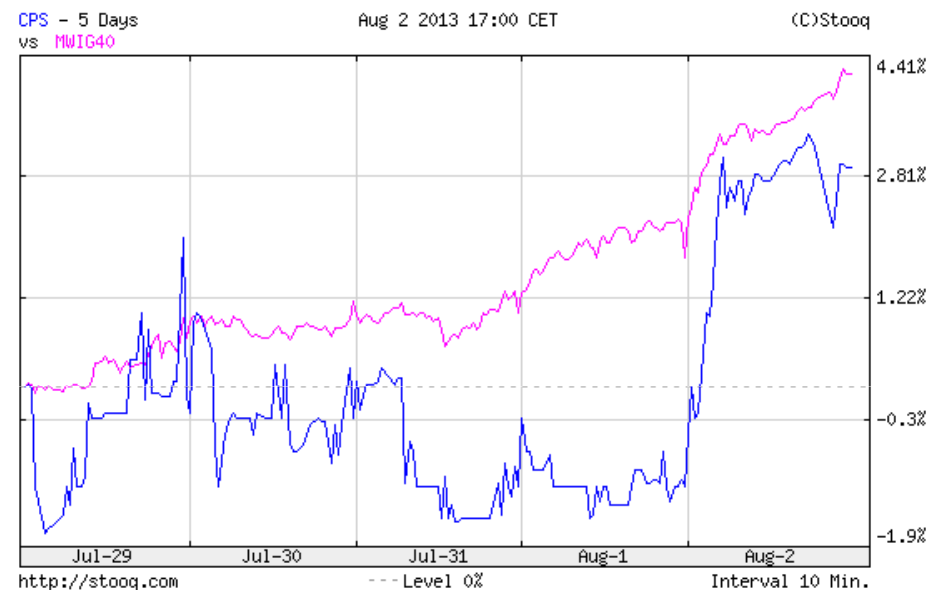
More martial arts in Cyfrowy Polsat – FightKlub joins the offer

Starting from August 1st, Cyfrowy Polsat will offer a new channel – FightKlub – Polish-spoken martial arts themed channel. The Operator has gained an exclusive right for satellite distribution of the channel in Poland. FightKlub will be available in Sport HD additional package. The new channel will replace ESPN Classic Sport, which, following its broadcaster's decision, ends the European broadcast on July 31st, 2013.



Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Trade value (PLN ths.)
29-07-2013	21.98	21.07	21.46	0.85%	1 856
30-07-2013	21.71	21.20	21.40	-0.28%	1 765
31-07-2013	21.55	21.06	21.20	-0.93%	4 613
01-08-2013	21.47	21.11	21.20	0.00%	3 388
02-08-2013	22.25	21.35	22.14	4.43%	5 405



Investors' calendar

August 14-28, 2013	Closed period prior to the publication of H1 2013 results
August 28, 2013	Publication of H1 2013 results