

Cyfrowy Polsat IR Newsletter

2 – 8 June 2014

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Parkiet: We need optical fiber

Interview with Bruno Duthoit, CEO at Orange Polska.

Orange consistently implements its strategy adopted at the beginning of 2013 – it focuses on convergence, high quality of service for clients and sales. However, according to Duthoit, in order to further strengthen Orange’s convergent service - Orange Open - development of rapid access to the internet via optical fiber is necessary. Orange planned to invest ca. PLN 40m in FTTH (fiber to the home) this year.

Orange Polska CEO says, that the company is considering various investment scenarios, including the construction of a network independently as well as with partners. He emphasized however that the company must be convinced that both business and regulatory environments are favorable before launching any long-term plans.

Bruno Duthoit believes that the fixed-line telephony market is slowly stabilizing. Today about 50% of households have fixed-line internet, and in the future this share may reach 60-70%, according to Duthoit. He expects that part of those households will retain fixed-line telephony.

Parkiet: Good communication of companies with the market is invaluable

4.06

The daily “Parkiet” gave awards for the best investor relations. Analysts and fund managers indicated their favorites. Almost 60 experts took part in the study.

Cyfrowy Polsat came third among 456 issuers listed on the WSE main market. Analysts and fund managers evaluated the company positively for the high quality of its financial reports and presentations containing a large amount of additional information, which facilitates following the company’s operational results as well as market trends. Market participants

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also appreciate easy contact with the company, both via telephone and in the form of one-to-one meetings with representatives of the investor relations team and management board members.

Currently the IR department of Cyfrowy Polsat is a three-person team and reports directly to the CEO and CFO.

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Rzeczpospolita: Growth of pay TV slower than online video

According to the latest report by PwC, increasing popularity of pay digital terrestrial television, IPTV and online video will not weaken cable television or satellite platforms, at least for now. According to analysts the number of pay TV subscribers globally will increase by almost 13% in the years 2014 – 2018, while subscription revenue will increase by 14% in that period.

Nonetheless other distributors will gain viewers at a more rapid pace – especially digital terrestrial television, which is new to the market. According to estimates, users of paid services of DTT will amount to 8.1m households by the end of this year, and 14.3m in 4 years time. Also, IPTV will grow at a two-digit rate, from 82.5m in 2014 to 123.6m users in 2018.

Watching films and television programs via OTT services and VOD services offered by broadcasters and TV operators will be the fastest growing segment in the world. Łukasz Nowicki from PwC believes that the global trend of increasing importance of non-linear content reception will also be visible in Poland. – *Anticipating the entrance of a global player to the Polish market, especially Netflix, distributors of content in Poland should think about constructing their own OTT and VOD services as complementary products to their fundamental businesses* – he adds.

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Rzeczpospolita: Funds want cash from Agora

For a consecutive year, Agora's management did not plan to pay dividend to its shareholders, nor did it plan a buy-back.

ING PTE set forth a motion to buy almost 2.55m own shares from the market, arguing that the company had a strong balance and stable operating cash flow in recent years. The price range per share is PLN 1 – 20. Assuming PLN 9.23 - the price at which shares traded on Tuesday – the buy-back would cost Agora PLN 23.5m.

PTE PZU on the other hand wants the company to allocate part of the reserve capital, precisely PLN 76.41m, to dividend payment. PTE PZU also wants to expand the supervisory board to include one new member. PTE PZU plans to submit its candidate for the position of the new independent member of the board before the general meeting of Agora.

7-8.06

Parkiet: Tele-Polska Holding – 22% sold

Investors bought only a little over 2.2m shares out of 10m offered in Tele-Polska Holding public offer. This means that instead of the anticipated PLN 18.8m, the telecom group gained ca. PLN 4.15m.

Funds from the IPO were to be divided among subsidiaries of the company, however at the moment they will be allocated only to further acquisition of customers. The management of Tele-Polska assures that lower proceeds from the issue will not trigger a change in forecasts. – *Currently we are considering other scenarios of financing and implementing the remaining projects related to the issue objectives. The plan to implement them remains unchanged, however some of them will be postponed* – explains management board member, Marek Montoya.

Latest events

Current report no. 55
June 4, 2014

Information on indirect acquisition of shares in Cyfrowy Polsat S.A.

The Management Board of Cyfrowy Polsat S.A. (the “**Company**”) hereby gives notice that on 4 June, 2014 the Company received a notification from Mr. Heronim Ruta, a Member of the Company’s Supervisory Board, made pursuant to Article 160 of the Act of 29 July 2005 on Trading in Financial Instruments.

The notification concerns an indirect acquisition of the Company’s shares by Mr. Heronim Ruta as a result of an acquisition of shares by Sensor Overseas Limited with its registered office in Nicosia, Cyprus (“**Sensor**”), a subsidiary of Mr. Heronim Ruta. Sensor acquired through a brokerage house, outside the regulated market, on the basis of a contract of sales, 1,700,000 (one million seven hundred thousand) registered preferred shares privileged with respect to votes with the nominal value of PLN 0.04 each, for a total value of PLN 34,850,000.00 (thirty four million eight hundred fifty thousand Polish zloty) (the “**Acquisition of Shares**”).

Prior to the Acquisition of Shares, Mr. Heronim Ruta had held indirectly (i.e. through Sensor) a total of 53,221,546 shares of the Company, constituting 8.32% of the Company’s share capital and carrying the right to 78,262,921 votes at the General Meeting of the Company, which constituted 9.56% of the total number of votes at the Company’s General Meeting, comprising:

- a) 25,041,375 registered preferred shares, constituting 3.92% of the Company’s share capital, carrying the right to 50,082,750 votes at the Company’s General Meeting, which constituted 6.12% of the total number of votes at the General Meeting of the Company; and
- b) 28,180,171 ordinary bearer shares, constituting 4.41% of the Company’s share capital, carrying the right to 28,180,171 votes at the Company’s General Meeting, which constituted 3.44% of the total number of votes at the General Meeting of the Company.

Following the Acquisition of Shares, Mr. Heronim Ruta holds indirectly (i.e. through Sensor) a total of 54,921,546 shares of the Company, constituting 8.59% of the Company’s share capital carrying the right to 81,662,921 votes at the Company’s General Meeting, which constitute 9.97% of the total number of votes at the General Meeting of the Company, comprising:

- a) 26,741,375 registered preferred shares, constituting 4.18% of the Company’s share capital carrying the right to 53,482,750 votes at the Company’s General Meeting, which constitute 6.53% of the total number of votes at the General Meeting of the Company; and
- b) 28,180,171 ordinary bearer shares, constituting 4.41% of the Company’s share capital carrying the right to 28,180,171 votes at the Company’s General Meeting, which constitute 3.44% of the total number of votes at the General Meeting of the Company.

Except for Sensor, there are no other subsidiaries of Mr. Heronim Ruta which hold shares in the Company.



Latest events

Press release
June 2, 2014

Plus and Cyfrowy Polsat introduce LTE without limits

Plus and Cyfrowy Polsat are introducing a new product category on the market. Fast mobile LTE internet will not be limited by a data package for the entire duration of the subscription agreement.

The new offer Internet Power LTE comprises three basic data packages of 20 GB, 25 GB and 30 GB, which can be used in all technologies, new subscription fees: PLN 59.90, PLN 69.90, and PLN 89.90, and three service categories enabling better management of network quality in a situation of overload.

Internet Power LTE is also available through the smartDOM program as well as in the unique promotion for clients of Plus and Cyfrowy Polsat, which allows to purchase a second product for half-price and the third for PLN 1.

Press release
June 2, 2014

Beata Białkowska from Polsat Group chosen the Marketing Director of 2013

Beata Białkowska, managing director of marketing at Cyfrowy Polsat and Polkomtel was awarded the Grand Prix in the category *Marketing Director of the Year – Companies* in the contest *Marketing Director of 2013* organized by Mediarun.

The concept behind the contest *Marketing Director of 2013* is to reward the best marketing specialists in Poland, who distinguish themselves through effectiveness, originality and professionalism in marketing, thus contributing to the development of their company or institution.

Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Trade value (PLN ths.)
02-06-2014	22.44	21.93	22.42	2.94%	5 377
03-06-2014	22.48	22.00	22.08	-1.52%	12 122
04-06-2014	22.24	21.42	21.80	-1.27%	4 809
05-06-2014	22.15	21.81	22.10	1.38%	4 079
06-06-2014	22.45	22.06	22.43	1.49%	3 212

