

Cyfrowy Polsat IR Newsletter

10 – 16 March 2014

The press about us

Date

The press about TMT market in Poland

10.03

Rzeczpospolita: New generation LTE

LTE Advanced (LTE-A), a technological solution applied in mobile networks, that enables to attain high channel capacity and stable connection with the Internet, has its premiere in Europe.

One of the key elements of LTE-A is band aggregation and provision of services on the basis of several frequency bands – the frequencies from the 800 and 1800 MHz bands have been successfully aggregated in 2011-2012. The implementation of LTE-A in Poland is possible by the end of this year or in 2015, most probably together with the announcement of the results of the LTE auction.

Puls Biznesu: Sync may become T-Mobile Bank

Last spring T-Mobile invited banks to talk about establishing a joint telecom-banking business. The fact that the owner of registered domains tmobilebank.pl, t-mobilebank.pl, t-mobile-bank.pl is Deutsche Telekom and last week's announcement of cooperation between Alior and T-Mobile, indicate that the banking project based on Alior-Sync will be called T-Mobile Bank. T-Mobile spokesperson declined comment.

Several months earlier Plus Bank was created - a joint project of the Plus network operator and Invest Bank. It is not yet known whether the remaining operators will follow T-Mobile and Polkomtel.

The press about us

Parkiet: Industries and companies with perspectives

Parkiet asked experts, which companies were innovative and had perspectives. Konrad Książopolski, head of equity research at Espirito Santo Investment Bank, points to Cyfrowy Polsat. – *The integration of the media and telecommunications businesses seems very promising to me. I also believe in the potential of cross-sell and up-sell, that is selling additional services to the current customer base. Following the acquisition of Polkomtel, further development of LTE infrastructure, and additionally being a producer and distributor of television content, Cyfrowy Polsat has excellent tools to realize additional sales of services* – he says.

Date

The press about TMT market in Poland

11.03

Rzeczpospolita: Blank spots remain on the TV map

There are no ideas on how to provide DTT signal to over 500 thousand people, who do not receive its full offer or have no access at all. Given the complaints pouring in, the National Broadcasting Council turned to the Office of Electronic Communications (UKE) and Ministry of Administration and Digitization with a request to look into this problem. According to the spokesperson of the Ministry of Administration and Digitization the coverage of the first and third multiplex is 98.7% and 98.5% of Poland's population, respectively, and significantly exceeds statutory requirements. Consequently, neither President of UKE nor the minister of administration and digitization have the authority to impose on broadcasters the obligation to activate additional broadcasting centers.

12.03

Rzeczpospolita: Record number of Poles change mobile operator

In January 2014 the number of transfers of phone numbers was 144.3 thousand. Assuming no season variation, over 1.7 million phone numbers can be transferred in 2014. By comparison, in 2013 1.53 million were transferred.

In January the largest recipient of numbers was P4, Play network operator – almost 76 thousand. i.e. 52.5% of all transfers among networks. Net (accounting for numbers lost to other operators) Play gained about 60 thousand numbers in January.

January was an exceptionally good month for Orange Polska. The network gained 40 thousand numbers and gave 38 thousand over to competition. This is mainly the result of acquiring significant business clients. The remaining two, large players had a negative balance in terms of transferred phone numbers.

The press about us

Date

The press about TMT market in Poland

13.03

Dziennik Gazeta Prawna: TVP: Sochi, series and information

The beginning of the year was a period of excellent results for public television. According to Nielsen Audience Measurement, the total audience share of all TVP channels in February was 35.33%. That is almost 5 percentage points higher than last year and the best result in the last 14 months.

This success was achieved, among others, thanks to new thematic channels: TVP Regionalna and TVP ABC as well as the improved audience share of TVP INFO, which caught up with TVN24. It is worth emphasizing that viewing figures were improved by the Olympic games and the fact that the beginning of the year is the time, when competing stations are preparing for spring programming schedules and broadcast mainly re-runs.

TVP thematic channels are doing very well and gain audience shares. TVP Seriale, with a 1% audience share, is an evident success. TVP ABC also has a chance to be successful given that the DTT offer dedicated to children is rather limited.

Rzeczpospolita: Unexpected return of mobile oligopoly

Instead of four competing operators, we will have two: Networks! and Polkomtel-P4 – former president of the Office of Electronic Communications, Anna Streżyńska, on the effects of the LTE frequency auction.

According to Streżyńska, the cooperation between T-Mobile Polska and Orange Polska with respect to co-sharing frequencies from the 1800 MHz band is not transparent and there is a lack of information on means of its expansion. Anti-monopoly and regulatory bodies do not take into consideration the joint resources of these companies when making decisions on further distribution of frequencies.

The press about us

Date

The press about TMT market in Poland

13.03

According to the newly published auction documentation, T-Mobile and Orange jointly can gain a total of 40 MHz in the auction, Polkomtel can bid for a maximum of 10 MHz, while Play - for 20 MHz. It can be assumed that T-Mobile and Orange will extend their cooperation to include frequencies in the new bands, hence Networks! will gain a significant market advantage. P4 is in the worst position, because in the best case scenario its band will not exceed 25 MHz, but if the company doesn't bid high enough, it might be left with only 10 MHz. Then, in order to stay on the market, it will have to join forces with Polkomtel. As a result, instead of competition between four operators, there will be two – that is oligopoly.

14.03**Parkiet: Orange Polska improves results**

Compared to January 2014, in February more phone numbers were transferred from network to network – about 158 thousand. Similarly as in the previous month, Orange Polska improved its position, with a positive balance in February (after two months the operator gained about 9 thousand numbers).

Despite the fact that Play gained 118 thousand numbers net over the first two months of 2014, the growth dynamic is weakening.

Rzeczpospolita: New free of charge television starts tomorrow

The first movie station – Stopklatka TV – starts on March 15 within the first DTT multiplex. It will also be available to 5 million clients of satellite platforms and 2.5 million clients of cable operators. The new station launched by Kino Polska TV, Agora and the company Stopklatka is to become profitable next year. Annually the programming offer is to be expanded by 400-500 new titles. Plans also include the introduction of hybrid television services.

The press about us

Date

The press about TMT market in Poland

14.03

Rzeczpospolita: Poles accustomed to smart TV

In 2010-2013 2.6 million smart TVs (that is television sets with internet access) were sold in Poland. Today Poland is one of the best equipped with these devices countries in Europe. Apart from sales also the number of active smart TVs (those that are actually connected to the Internet and perform their functions) increases.

Today internet providers of movies and other TV material, such as IPLA or TVN Player, offer applications dedicated to smart TV viewers. There is an increasing number of applications, which allow to play games or are useful in everyday life (such as weather apps). Some smart TVs also receive hybrid television, that is additional content prepared by the broadcaster, which can be viewed on the TV monitor simultaneously with the programming broadcast in real time.

Latest events

Current report no. 17
March 13, 2014

TiVi Foundation's letter to Cyfrowy Polsat regarding the dominant entity of TiVi Foundation

The Management Board of Cyfrowy Polsat S.A. (the "Company") hereby publishes the content of a letter delivered to the Company on 13 March 2014 from TiVi Foundation, a dominant entity of the Company's majority shareholder Pola Investments Ltd. with its registered office in Nicosia. The letter refers to the status of Mr. Zygmunt Solorz-Żak as the entity dominant for TiVi Foundation, within the meaning of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies of 29 July 2005 (ustawa z dnia 29 lipca 2005 r. o ofercie publicznej i warunkach wprowadzania instrumentów finansowych do zorganizowanego systemu obrotu oraz o spółkach publicznych), and therefore being a dominant entity for the Company, indirectly through the Foundation and Pola Investments Ltd.

Attachment: [contents of the letter from TiVi Foundation](#) (in Polish and in English)

Press release
March 14, 2014

Stopklatka TV – new channel from Cyfrowy Polsat

On March 15 the offer of Cyfrowy Polsat, the largest Polish DTH platform, will expand to include a new channel entirely dedicated to cinema – Stopklatka TV. The station will be available to all subscribers of the operator.

Stopklatka TV is the 58th channel on Cyfrowy Polsat's list. Its programming comprises European productions, world cinema and Polish movies.

Press release
March 14, 2014

KSW 26 in PPV from Cyfrowy Polsat and IPLA!

Sale of access to the broadcast of the 26 KSW Gala starts today. The Gala will take place on March 22, 2014 on Hala Torwar, Warsaw. During the fight of the evening we will see Michał Materla and Jay Silva compete for the belt of International Champion of the KSW Federation. The event will be available live in the „pay-per-view” (PPV) system to subscribers of Cyfrowy Polsat and users of the largest internet television IPLA. Access, also in HD, costs PLN 40. Especially for PPV viewers, a gala studio will be prepared and led by excellent Polsat Sport reporters.



Latest events

Press release
March 14, 2014

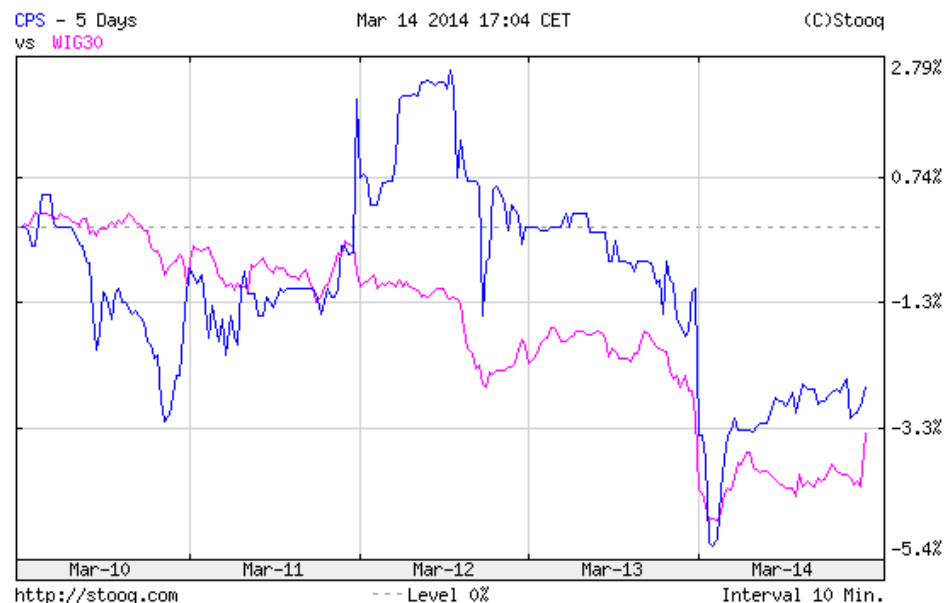
Another season of Formula 1 on Polsat group's TV channels

Yet again Telewizja Polsat gives Polish viewers the opportunity to watch the most exciting races in the world – beginning with the Australian Grand Prix, Formula 1 is back on the sports channels of Telewizja Polsat.

Starting from with the Australian Grand Prix, the rivalry during the top car racing competition will be broadcast in 2014 on the most popular sports channels in Poland – Polsat Sport and Polsat Sport Extra, also in High Definition in Polsat Sport HD and Polsat Sport Extra HD. We provide our viewers with a coverage of all Grand Prix including Friday and Saturday training sessions, Saturday qualifications and the most important event of each weekend with Formula 1 – the Sunday race.

Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Trade value (PLN ths.)
10-03-2014	20.90	20.01	20.49	-1.96%	3 379
11-03-2014	21.19	20.26	21.19	3.42%	8 462
12-03-2014	21.37	20.35	20.72	-2.22%	6 535
13-03-2014	20.79	20.30	20.50	-1.06%	9 804
14-03-2014	20.18	19.54	20.15	-1.71%	22 132



Investor's calendar

April 3, 2014

Extraordinary General Meeting