

Cyfrowy Polsat IR Newsletter

17 – 23 March 2014

The press about us

Date

The press about TMT market in Poland

17.03

Rzeczpospolita: Harder to make a profit on phones

The decline in prices of retail telecommunication services makes it difficult to make a profit on sales of phones, tablets or laptops. Grzegorz Bernatek from Audytel consulting company believes that operators make a profit on certain models, and on others they don't.

Operators do not expect profits from sales of devices. The business model that functions in the USA is based more on financing rather than subsidizing devices. Polish operators also try to change from "subsidies" to "financing" phones, which is in fact granting loans for the purchase of a device.

Parkiet: Brief - Cyfrowy Polsat

Analysts at Raiffeisen updated recommendations for media companies. The recommendation for Cyfrowy Polsat was reduced from „buy” to „hold” and the target price upheld at PLN 23.2 (against PLN 20.66 on the WSE).

18.03

Rzeczpospolita: Before the LTE auction

The deadline set by the Office of Electronic Communication (UKE) for the submission of opinions on the form of the LTE spectrum auction is March 19. What to expect?

Both Orange Polska and T-Mobile decline comment. Both companies are interested in a swift and effective auction and are not likely to criticize the auction documentation.

Polkomtel continues to advocate for the construction of one joint network and emphasizes that there will be no consent to conditions, under which two operators acquire a majority of the spectrum, because the regulatory body treats them as separate entities despite existing cooperation with regard to frequency sharing.

Broadcaster Emitel and mobile operator P4 are preparing to take part in the auction.

President of UKE assured once again that she favors cooperation among operators and equal access to the spectrum, however for the clients of telecoms. She also assured that after the auction she will act so as to ensure that operators do not share more than 15 MHz of spectrum.

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Rzeczpospolita: TV Puls no longer seeks an investor

The broadcaster of Puls and Puls 2 is no longer looking for financial support on the market. He will independently invest in the autumn programming schedule, which is to include a larger number of in-house productions.

TV Plus is investing heavily in programming and marketing. In autumn Puls intends to invest in in-house productions: entertainment shows and sitcom. In the next 1.5 years Puls's share in the commercial viewer group 16-49 years of ages is to reach 5%, while Puls 2 – 2%. In January this year the corresponding shares for Puls and Puls 2 were 3.5% and 1.6%, respectively.

Puls and Puls 2 are broadcast in the second package of digital terrestrial television.

Rzeczpospolita: Smartphones beat television

For those who have both a TV set and laptop, tablet or smartphone, the latter device is the most important and most frequently used. Those are the key findings of the AdReaction report prepared by Millward Brown.

The statistical Pole spends a little over 2 hours daily in front of his laptop, television consumes 111 minutes of his time every day, a tablet – 70 minutes, but a smartphone – as much as 119 minutes.

The phenomenon of using different devices at the same time is becoming increasingly common. According to research, on average 40% of the total time dedicated to various devices constitutes the simultaneous use of TV and a laptop, smartphone or tablet.

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20.03

Rzeczpospolita: Orange will also have a bank

Orange Polska and mBank informed that they concluded long-term agreements pursuant to which they will create a bank based on terms analogical to those applied by T-Mobile and Alior. The value of the investment, expected revenue and profit from the new project were not disclosed.

The new commercial offer, under the Orange brand, will be available in the second half of the year and will be addressed to individual clients and small and medium businesses. It will include mobile payments, current accounts, loans, deposits and credit and debit cards. Orange will be responsible for marketing and client acquisition, while mBank will provide services in the newly created outlet.

Dziennik Gazeta Prawna: T-Mobile bets on the bank and insurance

Interview with Igor Matejov, member of the management board of T-Mobile responsible for the Business Market on the banking-telecommunication project with Alior and the development of the company on the energy, insurance and logistics markets in the nearest future.

21.03

Rzeczpospolita: 12 opinions in LTE 2.0 auction consultations

The opinions were submitted i.a. by the National Chamber of Commerce for Electronics and Telecommunications (KIGEiT) and two Polish telecoms, who strongly contest the provisions of the auction documentation: Polkomtel (Plus) and P4 (Play). KIGEiT proposes to delete the provision on the limit imposed on owners of the 900 MHz spectrum or apply a different method of estimating the market position of operators. The European Competitive Telecommunication Association once more suggested that Orange and T-Mobile bid in the auction through their joint venture NetWorks!. KIGEiT, Plus and Play continue to propose the construction of one 800 MHz network. They would like the regulator to „force” its creation.

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Rzeczpospolita: Ads on phones worth almost USD 100 billion

This year world expenditure on mobile forms of advertising will exceed USD 30 billion, while in 2018 it will close on USD 100 billion – forecasts American firm eMarketer. Google, Facebook and Twitter are leaders on the mobile ad market.

Currently in Poland only a small portion of expenditure on online advertising is spent on ads on telephones. According to the recent AdEx report by IAB Polska and PwC, after three quarters of 2013 expenditure on this form of promotion nearly doubled. According to analysts at media house Starlink mobile advertising is becoming increasingly important along with a growing saturation of the market with tablets and the development of mobile internet. This is significantly connected with enormous interest in video on demand services. Moreover, following the findings of Millward Brown research, Poles spend more and more time in front of small screens.

Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Trade value (PLN ths.)
17-03-2014	20.84	20.11	20.70	2.73%	8 494
18-03-2014	20.78	20.23	20.60	-0.48%	8 640
19-03-2014	20.72	20.42	20.55	-0.24%	11 716
20-03-2014	20.99	20.55	20.88	1.61%	11 885
21-03-2014	22.50	20.45	20.98	0.48%	96 966



Investor's calendar

April 3 , 2014

Extraordinary General Meeting