

Cyfrowy Polsat IR Newsletter

27 January – 2 February 2014

The press about us

Rzeczpospolita: Cyfrowy Polsat will take over Plus network

During the EGM of Cyfrowy Polsat on Friday Zygmunt Solorz-Żak proposed that Cyfrowy Polsat will pay its shareholders a dividend from profit earned in 2013 in the minimum amount of PLN 100 million. This is a new condition for the transaction regarding the acquisition Polkomtel to be concluded. Without a resolution on the payout of a dividend adopted by the Annual General Meeting Cyfrowy Polsat will not issue warrants convertible to shares, thus will not be able to pay for Metelem. The main shareholders agreed that the dividend for 2013 (or the interim dividend for 2014) will be paid only to holders of shares of Cyfrowy Polsat issued until now and the European Bank for Reconstruction and Development. According to Rzeczpospolita's calculations, if the minimum announced dividend is paid, dividend per share will amount to about 25 groszy, which gives a dividend yield of 1.25%.

Date

27.01

The press about TMT market in Poland

Dziennik Gazeta Prawna: T-Mobile will appeal against UKE's favorable for Sferia decision

The president of the Office for Electronic Communication (UKE) granted frequencies in the 1800 MHz band to Sferia in December 2013, pursuant to the agreement reached between the Ministry of Administration and Digitization and the operator. The dispute concerned the fact that Sferia was unable to effectively use the 850 MHz radio frequencies, which caused disturbances in the GSM-R system, applied in railway transport. The company declared that until December 31, 2015, it will not participate in the auction for the remaining LTE frequencies.

T-Mobile will appeal against this decision. According to unofficial sources, T-Mobile is preparing a motion to court. T-Mobile CEO says that the company will also submit a complaint concerning the dispute with UKE on an unlawful exclusion of an operator from the auction for 1800 MHz frequencies to international arbitration.

29.01

Rzeczpospolita: New possible player

The auction of the LTE mobile Internet band will be tough – says president of the Office for Electronic Communication (UKE). She does not exclude the possibility that a new bidder will participate. PLN 1.8 billion from the auction, assumed in the budget, is rather the minimum amount. The main goal of the auction is to provide everyone with fast internet.

Interview with Magdalena Gaj, president of the Office for Electronic Communication, on the LTE mobile Internet band auction and plans for 2014.

The press about us

Date

The press about TMT market in Poland

29.01

Dziennik Gazeta Prawna: Despite Orange's failure telecoms still want to sell electricity

PGE and Orange were to cooperate by cross-selling services in their respective sales networks. The telecom perceived this as a measure to retain leaving clients and increase falling revenue. It was Orange, however, who turned to PGE with a request to terminate the agreement signed in February 2013. Orange did not comment on this decision.

Telecoms are not discouraged by the failure of Orange Group. In November Polkomtel announced that, together with Zespół Elektrowni PAK, it will start the sale of electric energy to business clients. Soon, it plans to extend the offer to individual customers. T-Mobile plans to present a joint offer prepared with Tauron later this year.

30.01

Rzeczpospolita: Business – a chance for LTE

Due to low mobile internet prices, mobile operators are uncertain when they can expect returns on investments in frequencies that enable the provision of mobile Internet via LTE technology. Hence, they attempt to differentiate fee rates, putting a higher price on those with LTE to emphasize the value of this technology.

Polkomtel, Plus Network operator, offers LTE technology without limitations to everyone within the reach of the operator's 4G network – Plus now covers almost 67% of the population of Poland. The competition is looking for income. Thanks to LTE, T-Mobile wants to gain business clients, who will be attracted by a guarantee of high quality and priority in terms of web access. The operator is considering differentiating clients and offering a guarantee of minimum data transfer speed to chosen groups. This is a significant factor for certain types of services, such as telemedicine, banking services and multimedia and voice transfer.

The press about us**Date****The press about TMT market in Poland**

30.01

Dziennik Gazeta Prawna: VoD market on the eve of change

Netflix confirmed its expansion plans in Europe. Netflix is an Internet video service with a vast library of movies and series, who has 33.5 million subscribers in the U.S. alone. Amazon and YouTube are also going to compete for a share in the Polish market. The latter already announced the launch of a pay video service offering movies. The entrance of Netflix can drastically change the Polish television market. It can be a threat especially to content providers and traditional TV operators. Polish media groups, such as Cyfrowy Polsat and TVN, are already focusing on their presence on the VoD market through their services IPLA and TVN Player. Cyfrowy Polsat consistently develops the IPLA service and provides content to viewers through various content distribution channels – satellite and terrestrial, via Internet as well as 3G, 4G and LTE technologies. IPLA has an average of 3.3 million users per month. Orange Polska is updating the list of channels available on the online service „Telewizja Tu i Tam” and offers a large VoD library. As at the end of the third quarter of 2013 Orange provided television services to 700 thousand clients.

Latest events

Press release
January 30, 2014

FilmBox Arthouse – new channel with art cinema in Cyfrowy Polsat

On February 1, 2014 Cyfrowy Polsat expanded its offer by a new movie channel – FilmBox Arthouse – which belongs to the Kino Polska TV S.A. Group. This station will offer our subscribers the possibility to watch masterpieces of Visconti, Kurosawa, Fellini, Hitchcock, outstanding movies nominated for prestigious awards, such as Palmes d’Or, Golden Bears, Golden Lions, as well as avant-garde, independent productions from all over the world.

FilmBox Arthouse is the 53rd channel available from Cyfrowy Polsat. It will be accessible to clients, who have subscribed for the package Film HD, offered as an addition to our basic package Familijny Max HD. Filmbox Arthouse is the 20th channel available in the Film HD package (5th from the portfolio of Kino Polska TV S.A. Group), which grants access to a variety of movies and series channels.

Press release
January 31, 2014

Winter novelties in Cyfrowy Polsat’s Internet offer

New data packages, also including unlimited access to the largest Internet television IPLA, for attractive prices, new tablets and home-mobile sets that allow the use of the Internet with one subscription only – Cyfrowy Polsat presents winter novelties in its Internet offer.

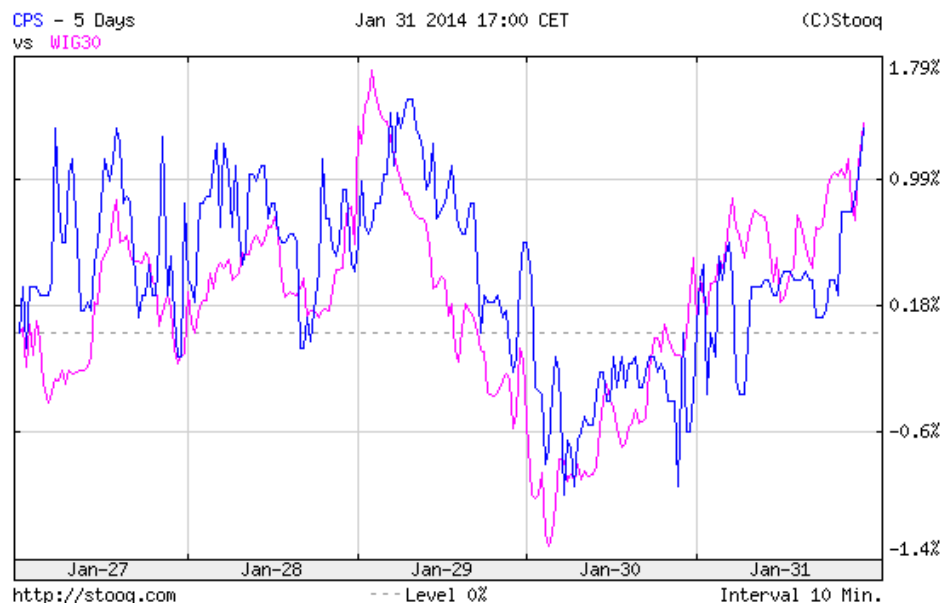
A new, large package of **30 GB** is available in the winter offer for only PLN **89.90** (for television subscribers and PLN 99 for other clients). The package enables active surfing in the net – unlimited surfing on websites and access to the largest Polish Internet television IPLA. Within the subscription fee the customer also receives access to the **package IPLA MIX** which offers 23 TV channels and a set of 30 full-length interesting movies, which is updated on a weekly basis. The new 30GB package is also available in the home LTE Internet offer with the set ODU-IDU, which allows to surf the Internet on several devices in the LTE technology.

The operator expanded its hardware portfolio by Huawei MediaPad Link LTE – yet another tablet from the MediaPad series in Cyfrowy Polsat’s offer, with a built-in LTE modem with maximum transfer speed 150 Mb/s, and the tablet Modecom IPS X2 3G+, equipped with a 3G connection and an 8” screen with a 1024x768 resolution.

Cyfrowy Polsat’s winter offer also includes new home-mobile sets. Now, within one subscription fee for Internet access you can enjoy superfast Internet both at home and on mobile devices.

Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Trade value (PLN ths.)
27-01-2014	19.90	19.35	19.60	-1.51%	10 710
28-01-2014	19.70	19.34	19.51	-0.46%	31 444
29-01-2014	19.74	19.37	19.55	0.21%	17 719
30-01-2014	19.55	19.20	19.35	-1.02%	9 669
31-01-2014	19.77	19.30	19.70	1.81%	14 973



Investor's calendar

February 12 – 26, 2014	Closed period prior to the publication of 2013 results
February 26, 2014	Publication of the annual report and consolidated annual report for 2013