

Cyfrowy Polsat IR Newsletter

12 – 18 March 2012

The press about Cyfrowy Polsat	Date	The press about TMT market in Poland
<p>Puls Biznesu: Mobile TV in Cyfrowy Polsat Today, Cyfrowy Polsat will show mobile TV service. This is the first service connecting the platform with Plus network. With this service, Cyfrowy Polsat may take over digital terrestrial television customers.</p>	12.03	<p>Dziennik Gazeta Prawna: UPC Polska sets its sights on Multimedia - it would help to compete with TP and Polkomtel Liberty Global, the American owner of UPC Polska, wants to be an unrivaled leader on the Polish market. Swallowing the second largest cable network Multimedia Polska is necessary to achieve that. It is the only way for this cable TV operator to be able to fight with Telekomunikacja Polska and Polkomtel with Cyfrowy Polsat.</p>
<p>Parkiet: Polsat will leave telephony to Plus, focusing itself on mobile Internet Acquisition of Internet TV Ipla, cooperation with Polkomtel, cease of sale of mobile telephony services and details on mobile TV project announced yesterday by the Management Board of Cyfrowy Polsat. All this at the occasion of the publication of results for the fourth quarter of 2011 and the entire 2011. The level of profit recorded by Cyfrowy Polsat positively surprised the analysts.</p> <p>Rzeczpospolita: Cyfrowy Polsat acquired Ipla The Company will buy shares in companies running Internet TV Ipla for PLN 150 million. <i>- For me it was important that Ipla is the market leader, such as Cyfrowy Polsat is the leader on satellite platforms market. These companies differ only by technology - said Dominik Libicki, President of Cyfrowy Polsat.</i></p> <p>Rzeczpospolita: Dull beginning of the week On the stock exchange, in the morning Cyfrowy Polsat shares performed very well, after the company published good financial results. At the end of the day, the shares still gained 0.4 percent.</p>	13.03	

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<p>Dziennik Gazeta Prawna: Cyfrowy Polsat wants to conquer mobile phones, and tablets. Sale of fixed set-top-boxes gets weaker.</p> <p>Cheap mobile TV, acquisition of Ipla and cooperation with Plus are meant to increase the number of subscribers. Change in the course. As the number of new pay-TV customers grows increasingly slower - with the market approaching saturation - Dominik Libicki, head of the company, indicates new field of growth: Internet and smartphones.</p> <p>Puls Biznesu: Cyfrowy Polsat takes wide course</p> <p>At the beginning of April, the company will introduce mobile telephony offer of Plus network operator. Similarly, Plus will include the offer of the satellite platform. This cross-selling covers 14 million customers of Plus and 11 million Cyfrowy Polsat clients.</p> <p>Cyfrowy Polsat and Plus will introduce mobile TV service before the EURO 2012.</p> <p><i>-The company takes wide course, forecasting trends in all directions of distribution development. That distinguishes it from TVN, which focuses on content. Moreover, the expansion of Cyfrowy Polsat is not capital intensive. The next two years, however, are unlikely to bring visible effects on the company's revenue - said Dariusz Gorski, an analyst at DM BZ WBK.</i></p> <p>Rzeczpospolita: Polsat and TVN beat TVP at efficiency</p> <p>In 2011, one employee of Polsat generated higher revenue and higher audience share than its competitors. TVP recorded the lowest ratios.</p> <p>Polsat is no longer behind TVN and also began to produce</p>	<p>13.03</p>	

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<p>programs and series for the wealthy female audience. - <i>It aims at building better and more interesting for advertisers audience profile and it makes sense. As a result, in the coming difficult years for television Polsat may grow more than the main competitor and take over some of its revenue from advertising</i> - says Piotr Janik, an analyst at KBC Securities.</p>	<p>13.03</p>	
	<p>14.03</p>	<p>Polityka: No time without mobiles Traditional mobile phone networks GSM and 3G already now begin to be clogged, mainly due to the lack of free frequencies. And it will get worse with the prospect of transmission of large amounts of multimedia. The solution comes with the new LTE technology, the successor to 3G network, dynamically developing in the U.S., barely fledgling in Europe - apart from Scandinavia, Germany and ... Poland. In this field we are the leader, as the consortium of Plus and Cyfrowy Polsat, controlled by Zygmunt Solorz-Zak, focuses on the development of LTE.</p>
		<p>Dziennik Gazeta Prawna: Polkomtel has 8 - 10 years to earn to repay the giant debt. Repayment of the liabilities will be ensured by the continued development of the operator through expansion of LTE network and the sale of multimedia content on smartphones and tablets. This is to help reverse the decline in revenue faced by all mobile networks. The restructuring and synergies arising from cooperation between Polkomtel and Cyfrowy Polsat, such as optimization of the sales network, are supposed to ensure savings.</p> <p>Gazeta Wyborcza: When will movies conquer the network? Ipla held by Cyfrowy Polsat, IPLEX going on the stock exchange. It is about millions of zlotys, but the market of movies and series on the Internet in Poland is a game only for the patient. According to the President of Iplex: <i>In two years we will deal with a surge. It will be driven</i></p>

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		<i>by the popularity of smartphones and applications installed on Internet-connected TV-sets. Then, Internet TV on-demand will be viewed by tens of percent of the population and will reach critical mass.</i>
	17.03	Rzeczpospolita: T-Mobile about to begin cooperation with MTV Already next week may see a new mobile virtual operator working under well-known international brand. T-Mobile might introduce MTV Mobile brand.

Latest events

Current report no. 5
12 March 2012

Acquisition of shares in entities running ipla platform

The Management Board of Cyfrowy Polsat S.A. (the "Company", "Purchaser") hereby announces that on March 12, 2012, the agreements concerning the sale of shares (the "Agreement") has been concluded between the Company and Bithell Holdings Ltd. (the "Seller"). Under the Agreement the Company will acquire shares in the following entities, which run ipla, the leader in online video distribution in Poland.

1. 100% shares in Redefine Sp. z o.o. seated in Warsaw ("Redefine")
2. 100% shares in Gery.pl Redefine Sp. z o.o. seated in Warsaw (in liquidation)
3. 100% shares in Frazpc.pl Sp. z o.o. seated in Warsaw
4. 100% shares in Netshare Sp. z o.o. seated in Warsaw The Seller is controlled by Mr Zygmunt Solorz-Żak.

The parties have agreed that the total price for shares in the companies abovementioned, that the Company will pay to the Seller, amounts to PLN 150 million. The parties have agreed, that the transfer of the legal rights to the acquired shares and the payment for the shares will be effectuated on April 2, 2012.

The purchased entities run ipla, the leader of online video market in Poland in terms of: availability on different devices - PCs, laptops, tablets, smatrphones, connected TVs, game consoles, home cinemas and set-top-boxes; content library, thanks to programming deals with Telewizja Polsat, TVP and film studios (i.e. Warner Bros, Best Film, Kino Świat, Epelpol Entertainment); number of users and time spent by user on watching video online.

The acquisition of ipla completes the Company's strategy which an important element was the acquisition of Telewizja Polsat, in order to provide the best quality content using most advanced devices and technologies. Ipla, the leader in this market segment, significantly strengths Cyfrowy Polsat market position as a content aggregator and distributor and provides a significant competitive advantage in the critical market segment.

Latest events

Press release
12 March 2012

2011 – year of increases in Cyfrowy Polsat

In the fourth quarter of 2011, Cyfrowy Polsat Group recorded a significant increase in all financial indicators and an improvement of operational performance. The growth in revenue of 92% to PLN 725 million and in EBITDA by 175% to PLN 197 million are mainly due to the consolidation of TV Polsat Group as well as to profitability of pay-TV business. EBITDA margin that increased by 8.3 p.p. to 27.4% reflects also partial effects of realized synergies. Net profit, despite the costs related to financing of the acquisition of TV Polsat, increased by 106% to PLN 76 million.

(...)

Press release
12 March 2012

Cyfrowy Polsat and Polkomtel begin cooperation

Cyfrowy Polsat, the largest media group in Poland, and Polkomtel, the leading telecommunications company operating Plus network, established co-operation in offering integrated services and cross-selling of their standard products.

As a result of this co-operation, Cyfrowy Polsat will offer its subscribers a special offer of mobile telephony services rendered by Polkomtel, and Polkomtel's customers will be able to profit from dedicated offer of the largest satellite TV platform in Poland. New customers will be able to get a joint offer and receive additional benefits with both services. At the same time standard offers of Polkomtel and Cyfrowy Polsat will be introduced to both sales networks.

(...)

Press release
12 March 2012

Cyfrowy Polsat buys ipla service

Cyfrowy Polsat S.A. acquired 100% shares in the companies running ipla service, the leader of online video market in Poland, for PLN 150 million.

- The acquisition of ipla service completes our strategy, of which the key element was the purchase of TV Polsat, aiming at the widest possible distribution of programming content using the cutting-edge devices and technologies. Being online video market leader, ipla strengthens Cyfrowy Polsat's market position as a content aggregator and distributor. The transaction provides us with significant competitive advantage in the important market segment and it will be a source of synergies in the short and medium term - said Dominik Libicki, President of the Management Board of Cyfrowy Polsat S.A.

(...)

Latest events

Press release
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Mobile TV in Cyfrowy Polsat

In the second quarter of this year, the largest satellite platform in Poland will introduce a new service - "TV MOBILNA" („Mobile TV”) – provided based on the digital terrestrial television technology (DVB-T). The mobile TV of Cyfrowy Polsat will be available on most popular portable devices, as well as via the latest DVB-T set-top box manufactured by Cyfrowy Polsat Technology.

(...)

Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Trade value (PLN ths.)
12-03-2012	13.99	13.70	13.70	0.37%	9 047
13-03-2012	14.00	13.80	13.85	1.09%	2 735
14-03-2012	14.25	13.81	14.09	1.73%	9 818
15-03-2012	14.30	13.97	14.30	1.49%	5 364
16-03-2012	14.25	14.01	14.10	-1.40%	3 636

