

Cyfrowy Polsat IR Newsletter

30 July – 5 August 2012

The press about Cyfrowy Polsat	Date	The press about TMT market in Poland
	30.07	<p>Puls Biznesu: Branson and Wejchert, or Virgin the Polish way Virgin Mobile is to launch this summer. It may buy customers with competitive prices and its ambitions are high – to make Poland a foothold in the region.</p> <p><i>"The launch of an MVNO in Poland will provide Virgin Mobile Central and Eastern Europe with a platform for growth in the CEE region,"</i> said the company. The entry in Poland has been expected for the last six months yet a distribution system needed to be developed, which caused a delay. Virgin is to build the services in Poland based on a wholesale model in partnership with mobile operator Play.</p> <p>Virgin Mobile is the largest virtual network operator in the world, with presence in nine countries.</p> <p>At the end of the past year, the total share of the 16 MVNOs in Poland's mobile market was less than 1 percent.</p> <p>Parkiet: T-Mobile's race against Play According to the GUS (Central Statistics Office), the number of active SIM cards grew by nearly 1.5 million in the period from December 2011 until end of June 2012. The period was marked by a race of sorts, with Polska Telefonia Cyfrowa (T-Mobile) working hard to gain a lead on the peloton across product groups. It may have succeeded. At the end of the second quarter it came in first in terms of the total number of SIM cards and left Orange trailing behind. The Telekomunikacja Polska-owned mobile network has grown its SIM card base by almost 100 thousand, to 14.8 million. That of T-Mobile may range between 14.9 and 15 million.</p> <p>A media debate has broken out between the two operators on the accuracy of the figure reported by T-Mobile, which has changed its active SIM card calculation methodology.</p>

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<p>Puls Biznesu: Music from the cloud The financial appeal of online music piracy is beginning to wane. It is increasingly easy to enjoy legal music based on cloud computing solutions. According to data of the International Federation of the Phonographic Industry (IFPI), last year alone the number of users of subscription-based services grew by 65%, to 13.4 million. It is set to grow even further – Deezer, a leading music streaming service based in France, is present in all countries of the world, except US and Japan. In Poland, its potential competitors for market share include Redefine, the provider of the Ipla internet TV. However, the company's representatives stress that the Muzo.pl service is still "in its nascent stages", and cannot yet be compared with foreign projects of this kind. Nonetheless, it already comprises a million or so music files. <i>"Every few days, tracks from newly released albums are added to the service. By the end of the year, after we have concluded talks with more record companies, we would like to offer as many as 5 million pieces,"</i> says Teresa Wierzbowska, Redefine's press officer.</p>	<p>31.07</p>	
	<p>1.08</p>	<p>Rzeczpospolita: CNN owner to broadcast in Poland During consultations hosted by the KRRiTV (National Broadcasting Council), Cyfrowy Polsat, TVN, TVP and U.S.-based Turner Broadcasting System (owner of such brands as TCM, CNN and Cartoon Network) have hinted interest in broadcasting their channels as part of the first digital television multiplex. So far, the space in the multiplex has been used by the three channels of the Polish Television, ATM Rozrywka TV, Polo TV, Eska TV and TTV. Turner Broadcasting is considering inclusion of the children's channel, with the other broadcasters having failed to identify the channels they wish to place on the multiplex. The competition procedure to select new digital channels for the multiplex is to start this autumn.</p>

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	1.08	<p>Dziennik Gazeta Prawna: Sale of Multimedia Polska after summer holidays Based on what the daily has learnt, potential investors will be able to place binding bids for Multimedia Polska, Poland's second-largest cable operator, in September. Due diligence is now being carried out by all interested parties. Four candidates have been shortlisted by the company owners and JP Morgan, the bank handling the transaction. These are Liberty Global, the owner of UPC Polska, and three investment funds Cinven, Permira and the U.S.-based LNK Partners. Analysts see UPC Polska as a solid favourite considering that it treats the potential takeover as a step towards market consolidation.</p> <p>Parkiet: Euro 2012 breaks down performance of listed broadcasters Analysts estimate that advertising revenue of the TVN corporate group and Telewizja Polsat was on the decline year on year in the second quarter. <i>"The second half of the year will not be as bad for the TV advertising market as the first one considering that the Euro 2012 tournament is over, but the broadcasters are likely to fail in their attempts to make up for the losses sustained in the first six month,"</i> said Sobięsław Pająk, analyst with DM IDMSA. Industry experts agree that the TV advertising market has declined by some 10 percent in the second quarter.</p>
<p>Puls Biznesu: Technical analysts do not expect an upward trend in stock prices Technical analysts predict a continued horizontal price movement for the WIG20 blue-chip index. They recommend the KGHM, Orlen and Kernel stocks. <i>"Among the names deserving attention, we could mention Cyfrowy Polsat and Kernel, as well as Resbud among smaller companies,"</i> says an analyst of DM PKO BP.</p>	2.08	<p>Rzeczpospolita: Already 7 million homes with Internet access The first half of 2012 saw an increase in the total number of fixed-line Internet subscriptions by 122 thousand. According to estimates by TP S.A., at the end of June Internet service providers had 7 million customers. This means that every second household has a fixed-line Internet connection. The providers suggest that the figure could be much higher. <i>"We are awaiting more demand,"</i> said Telekomunikacja Polska CEO. Netia estimates that approximately 85 percent of all households are now within the range of fixed-line broadband Internet</p>

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	2.08	<p>access. According to consultancy Audyteł, Internet providers may add some 1.5 million fixed-line subscribers to their customer bases in the next four years. Deloitte extends the timeframe to eight years and thinks mobile Internet access will emerge as the core service provided. CEO of Inea, a cable network operating in the Poznań region, is of the opinion that the cable and mobile technologies are complementary and are unlikely to replace each other.</p>
<p>PAP: Societe Generale has raised the target price for Cyfrowy Polsat to PLN 15.45 Analysts of Societe Generale have raised the target price for Cyfrowy Polsat from PLN 14.58 to PLN 15.45. The "hold" recommendation has been upheld.</p>	3.08	<p>Rzeczpospolita: Euro 2012 of help to digital television As many as 2.2 million Polish households (15.9%) have access to ground digital television service, a major improvement compared with January when the figure was 6.4% as estimated by Nielsen Audience Measurement, a TV audience measurement firm. Krzysztof Kaczmarczyk, Deputy CEO of Emitel, claims that Euro 2012 transmissions broadcast in HD quality helped spark interest in ground digital television. An information campaign run by the government and the availability of adequate equipment in stores have provided an additional incentive.</p> <p>Rzeczpospolita: Media "Eighty-three percent of all Poles are now within the range of Polkomtel's HSPA+ technology-supported mobile internet access, while 28% may access internet in LTE technology," announced the Plus network operator. This means that the LTE technology coverage is spreading by some 1 percent each month, having reached 26 percent at the end of June.</p> <p>Rzeczpospolita: Media: No new bill? Plans to pass a new bill to solve the existing financial problems of the public radio and television were announced by Michał Boni, Administration and Digitization Minister, in March. The plans were confirmed by Prime Minister Donald Tusk in late June. However, based on what the daily has learnt, the new bill is not be expected any time soon , as the Ministry of Culture is still reviewing the situation in the market.</p>

Latest events

**Press release,
August 1, 2012**

The best month for Polsat News in its four-year history

July 2012 was the best ever month for Polsat News in terms of the average viewership in the basic commercial group (16-49). The station recorded a nearly 20-percent growth in viewership relative to July 2011 and a 20-percent growth compared with June 2012. In the (4+) group, Polsat News recorded 1.09%. Among viewers with equal access to all news channels, Polsat News outperformed TVN24 in both groups: achieving 2.88% in the (16-49) group and 3.56% in the (4+) group.

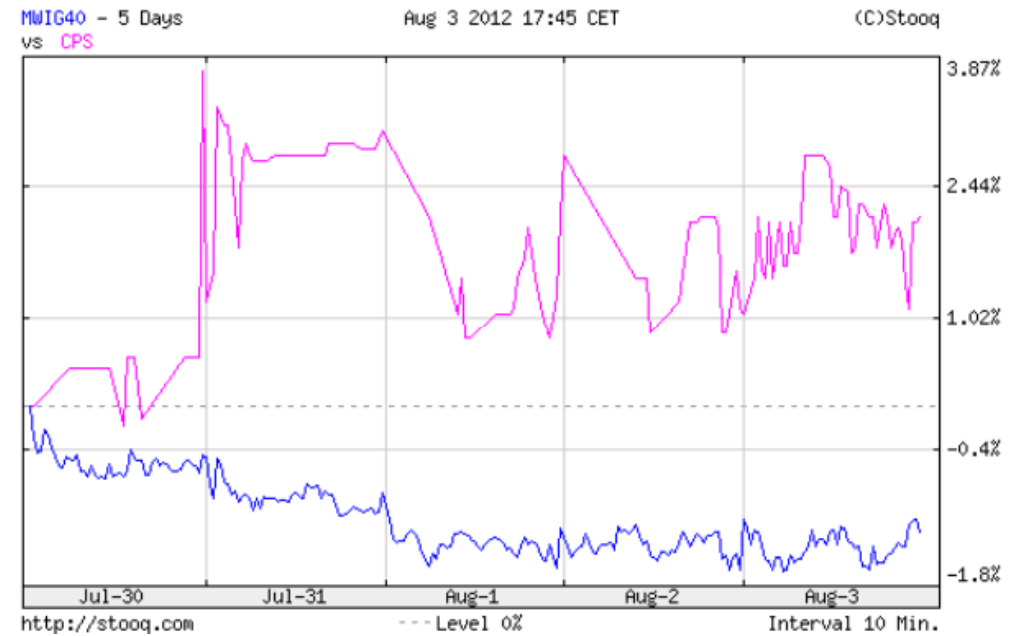
**Press release,
August 3, 2012**

Free hotspots of Cyfrowy Polsat

For the next month (until August 27th), residents of four cities – Rzeszów, Kielce, Kalisz and Gorzów Wielkopolski – will be able to use Cyfrowy Polsat hotspots located in selected cafes, restaurants, means of public transport and shopping malls, to gain free access to internet resources. All they need to do is to come with their own laptops, tablets, smartphones or other portable devices to a designated spot, get online using Wi-Fi, and then freely browse the Internet.

Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Trade value (PLN ths.)
30-07-2012	14.74	14.16	14.74	3.44%	958
31-07-2012	14.68	14.36	14.64	-0.68%	909
01-08-2012	14.50	14.30	14.50	-0.96%	432
02-08-2012	14.60	14.31	14.35	-1.03%	613
03-08-2012	14.60	14.34	14.50	1.05%	3 827



Investors' calendar

16 – 30 August 2012	Closed period prior to the publication of H1 2012 results
30 August 2012	Publication of report for H1 2012