

Cyfrowy Polsat IR Newsletter

June 1 – 7, 2015



Media about us	Date	Media about the TMT market in Poland
	03.06	<p>Parkiet: Netia – General Meeting’s decisions. Dividend higher now, lower later. <i>by ziu</i></p> <p>Netia’s shareholders almost unanimously approved a dividend payment of PLN 0.6 per share, giving a total of PLN 208m. The management recommended a dividend of PLN 0.42 per share, that is PLN 60m less. The dividend will be paid on June 24, 2015 while the date for determining the rights to receive the dividend pay-out will be June 12. <i>“We have plans for many investments. The process of acquisition of TK Telekom is underway. The additional PLN 60m in dividend payment is not helping us but it is not a threat. Netia’s debt is low and it could be two or three times the value of our annual EBITDA,”</i> said Paweł Szymański, CEO of Netia. Three new members have been appointed to the company’s Supervisory Board during the general meeting, namely: Adam Biedrzycki, Bogusława Matuszewska and Grzegorz Zambrzycki.</p> <p>Rzeczpospolita: Smartphones are for watching YouTube <i>by Michał Duszczyk</i></p> <p>The popularity of smartphones is growing dynamically, according to Ericsson’s Mobility Report. By 2020 the number of smartphones will increase by 210m in Central and Eastern Europe alone, while as many as 9.2bn SIM cards will be operating worldwide. LTE Internet access is the main driving force in the mobile industry. <i>“In spite of having a high quality network</i></p>

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	03.06	<p><i>infrastructure, Poland is not yet in the forefront of the countries using LTE technology. (...) Lower-priced models of LTE smartphones decide about growing popularity of state-of-the-art standards,”</i> says Piotr Kantorek, Architect for Radio Networks at Ericsson. The report also shows that as much as 45% of the entire traffic in mobile networks is generated by video transmission, while YouTube is the most frequently used application with Facebook and Snapchat following as most popular applications.</p>
	05.06	<p>Rzeczpospolita: Virtual networks on the rise again <i>by Urszula Zielińska</i></p> <p>The coming summer favors marketing efforts of small telecommunication companies who are building their position in the mobile segment. Virgin Mobile Polska – the biggest MVNO in Poland and White Mobile Polska, who is currently being rebranded to Lajt Mobile, are on the offensive now. Services are also offered by a local operator called Telgam. Jacek Lichota, CEO of Telestrada, is of the opinion that children and teenagers are the target customers now. Each year first-graders make up nearly 350 thousand potential new customers. Taking into account the preferences of young consumers, the operators are changing their offers and putting stress on Internet access.</p> <p><i>“MVNO projects with a chance of success are the ones which meet the following three criteria. They base their business on a simple, clear and well-profiled offer, they are able to build brand</i></p>

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	05.06	<p><i>awareness and exploit it and, finally, they have access to financing,” says Grażyna Piotrowska – Oliwa, CEO of Virgin Mobile Polska.</i></p> <p>Rzeczpospolita: DM PKO BP brokerage house on telecoms</p> <p>Experts at PKO BP Brokerage House think that Polish telecom operators are facing difficult times. Due to pressure on margins as well as high capital expenditures, the valuation of shares of Orange Polska fell from PLN 10.4 to PLN 9.0 per share, while the recommendation changed from “hold” to “sell”. The broker changed the recommendation regarding Cyfrowy Polsat shares from “buy” to “hold” and decreased the target price per share to PLN 27.9 from PLN 28.4. Analysts upheld the “buy” recommendation for Netia and increased the target price from PLN 6.2 to PLN 7.0.</p>
	06-07.06	<p>Gazeta Wyborcza: Big TV channels rebound <i>by Martin Stysiak</i></p> <p>At the end of the first quarter of 2015 channels of the “great four” had slightly over 43% of the market in the commercial group (16-49 year olds). According to analysts the toughest times are behind large channels and while regaining a dominant position will be difficult, maintain their current one is realistic. Large broadcasters are launching successive thematic channels in an attempt to defend themselves against market fragmentation, thanks to which they are able to maintain, or even increase, their market share at the group level.</p>

Press review



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	06-07.06	<p>This spring Polsat was the leader in terms of viewership in the commercial group with a 13.8% audience share, followed by TVN (13.1%), TVP1 (8.76%) and TVP2 (8.11%). Polsat group gained a 24% share on the entire TV market. Telewizja Puls continues to record good results with a market share of 5.11%. The competitive edge of large players on the Polish market is that they can invest in local productions, which attract viewers.</p> <p>In the period from January to April this year the share of channels broadcasting only via pay TV decreased by 7%, mainly due to the fact that the share of households with cable or satellite TV decreased slightly.</p>

Current report no. 29
June 6, 2015

Information on the indirect acquisition of shares of Cyfrowy Polsat S.A.

The Management Board of Cyfrowy Polsat S.A. (the “**Company**”) hereby gives notice that on June 5, 2015 the Company received a notification from IB Towarzystwo Funduszy Inwestycyjnych S.A. with its registered office in Warsaw (the “**Association**”), on behalf of a fund managed by the Association, IB 8 Funduszu Inwestycyjnego Zamkniętego Aktywów Niepublicznych (IB 8 Closed-end Investment Fund of Non-Public Assets) (the “**Fund**”), made pursuant to Article 69 section 1, item 1 and Article 69a section 1, item 3, in connection with Article 87, section 1, item 2 of the Act of July 29, 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies (for consolidated text, see Journal of Law of 2009, item 1382) (the “**Act**”), regarding the increase of the Fund’s indirect share in the total number of votes in the Company to over 5%.

The change of the share in the total number of votes in the Company resulted from creating new shares of FIZAN Limited, with its registered office in Limassol (“**FIZAN Ltd**”), which the Fund has obliged to take up, after the fulfillment of the conditions of the Share Subscription Agreement of March 12, 2015, in a manner causing the Fund to obtain the status of dominant entity to FIZAN Ltd pursuant to Article 4 item 4a) of the Act. FIZAN Ltd is a dominant entity to Embud Sp. z o.o. (“**Embud**”) which holds 58,063,948 shares of the Company.

Prior to taking over control of the entity indirectly holding shares of the Company, neither the Fund nor any other funds managed by the Association, held any shares of the Company.

After acquiring control over the entity indirectly holding shares of the Company, the Fund indirectly holds 58,063,948 shares of the Company, constituting 9.08% of the Company’s share capital and representing 58,063,948 votes at the general meeting of the Company, which constitute 7.09% of the total number of votes at the general meeting of the Company. Other funds managed by the Association do not hold any shares of the Company, either directly or indirectly.

Except for the above mentioned entities, there exist no other subsidiaries of the notifying entity which hold shares of the Company.

There exist no parties referred to in Article 87 section 1 item 3c) of the Act.

Recent events



Press release
June 1, 2015

Polsat on the top with a winning spring schedule

This spring Polsat was the leader in terms of viewership in the commercial group of 16-49 year olds with an audience share of 13.8%. Thus Polsat came before TVN (13.1% SHR), TVP1 (8.76% SHR) and TVP2 (8.11% SHR). Polsat Capital Group also performed very well in the commercial group of 16-49 year olds, recording an audience share of 24% SHR.

Good viewership results of Polsat's spring schedule were driven by the channel's excellent programming offer. Viewers appreciated various entertainment positions including 'Dancing with the Stars' and 'Your face sounds familiar', as well as series and film hits.

Press release
June 2, 2015

Cyfrowy Polsat's new sales promotion on Home LTE Internet

Cyfrowy Polsat introduced a promotional offer of its LTE Internet service for the home - Home LTE Internet without limits for only PLN 25 per month with the smartDOM discount.

Home LTE Internet is a unique set comprised of an external LTE modem and a Wi-Fi LTE router. The external LTE modem allows for wider coverage and stronger signal by eliminating attenuation of radio waves by walls and other construction elements of the building. The modem can be installed separately or as part of the existing satellite or terrestrial TV installation. The signal is transmitted through the antenna cable to the Wi-Fi router and is then distributed throughout the house or apartment.

The offer includes a wide range of basic data packages (from 25 GB to 100 GB) and the possibility to use unlimited LTE Internet without additional charges. Customers also gain 3 months exempt from subscription fees, an additional 200 GB in the Night Package for PLN 2.90 per month and access to three IPLA packages for 2 months within the subscription fee.

Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Trade value (kPLN)
2015-06-01	25.33	24.78	25.00	-0.12%	6 383
2015-06-02	25.07	24.82	24.82	-0.72%	6 950
2015-06-03	25.25	24.61	24.61	-0.85%	8 716
2015-06-04	-	-	-	-	-
2015-06-05	24.67	24.05	24.44	-0.69%	6 166



Investor's calendar



August 12 – 26, 2015	Closed period prior to the publication of H1 2015 results
August 26, 2015	Publication of the consolidated semi-annual report for the 1st half of 2015