



# Cyfrowy Polsat IR Newsletter

May 4 – 10, 2015



Media about us	Date	Media about the TMT market in Poland
	05.05	<p><b>Rzeczpospolita: Broadcasting in digital terrestrial TV pays off</b> <i>by ele</i></p> <p>According to Starlink media house, the TV advertising market in Poland was worth PLN 873m, net, in Q1 2015, or 3.7% more than a year earlier. Total revenue from advertising of the four major TV stations - TVP 1, TVP 2, TVN and Polsat - accounted for nearly 60% of the total amount.</p> <p>Smaller DVBT broadcasters gained at the expense of the 'big four'. Revenue from commercials broadcast in DVBT stations excluding TVP 1, TVP 2, TVN and Polsat increased by 34.4% y/y in Q1 and reached PLN 173m, while the share held by these broadcasters in the TV advertising market approached 20% vs. 14.7% in 2014. According to Starlink's data, the leading channels in this group include TV Puls, who recorded the highest revenue from advertising, TV4 (with the highest growth of revenue from commercials in terms of volume) and Stopklatka. Revenue of other thematic stations available via cable and satellite networks increased by 2.2% in Q1 2015.</p>
	06.05	<p><b>Parkiet: At least PLN 20 per share in the tender offer for TVN shares?</b> <i>by Magdalena Lemańska</i></p> <p>The management of TVN expects that the price per share in the obligatory tender offer that the new owner, Scripps Networks Interactive, will have to announce will be minimum PLN 20. The company expects to obtain the approval of the Office for</p>

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	06.05	<p>Competition and Consumer Protection for the sale of its controlling stake within several weeks, and it plans to close the transaction at the beginning of Q3. Analysts were surprised by the one-time costs associated with the transaction related to sale of the controlling stake at TVN. The company informed that these costs include PLN 40m associated with the long-term incentive program and PLN 8m of consulting costs. An additional cost amounting to PLN 15-20m will be incurred on closing the change of control transaction.</p> <p>In Q1 2015, TVN's revenue reached PLN 362.9m (growth by 3.2% y/y), with operating profit of PLN 41.7m (decrease by 47% y/y) and net profit of PLN 79.5m (7 times higher than a year earlier). The average of analysts' forecasts, as calculated by the Polish Press Agency, assumed revenue of PLN 365.5m, operating profit of PLN 85.5m and net profit of PLN 117m. TVN's Board confirmed the expected single-digit yearly revenue growth dynamics, ranging from medium to high, as well as the adjusted EBITDA forecast of around PLN 590m.</p>
	07.05	<p><b>Rzeczpospolita: Play changes its approach to roaming</b> <i>by ziu</i></p> <p>P4, operator of Play network, has launched a new offer in which it proposes a new approach to roaming.</p> <p>In the higher-end price plans the operator offers unlimited voice calls and SMS for use during 30 to 60 days during the contract's validity and adds data packs of 500 MB or 1 GB, respectively, for use for mobile Internet access. It is a novelty compared to other</p>

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	07.05	<p>operators in Poland who usually offer roaming service packages with short validity periods.</p> <p>This way Play is preparing for anticipated changes in legislation. The European Commission announced that it aims to eliminate the surcharges for roaming services. In accordance with the schedule, prices of roaming services have been declining over the past few years, with the most recent rate reduction introduced last summer.</p> <p><b>Parkiet: Official proposal of this year's dividend payout</b> <i>by ziu</i></p> <p>Netia's management board convened an extraordinary general shareholders' meeting for June 2, during which shareholders will decide, among others, about the distribution of profit. The draft resolution related to this issue provides for a dividend of PLN 0.42 per share, which puts the total payout at PLN 146.2m. The proposed record date is June 12, while the proposed payment date is June 26.</p> <p>As regards the remaining part of the net profit generated by Netia in 2014 (not more than PLN 129.44m), the General Meeting intends to allocate it to the reserve capital.</p> <p><b>Parkiet: Official proposal of this year's dividend payout</b> <i>by ziu</i></p> <p>Netia's management board convened an extraordinary general shareholders' meeting for June 2, during which shareholders will</p>

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	9-10.05	<p>Parkiet: Netia signs an agreement for the acquisition of TK Telekom with PKP by Urszula Zielińska</p> <p>On Friday Netia and Polskie Koleje Państwowe (Polish Railways) signed a preliminary agreement regarding the acquisition of TK Telekom by Netia. TK Telekom is a telecommunication operator providing services to other companies and operators. Netia will pay ca. PLN 222m for 100% shares in TK Telekom, which is equal to 5.2x TK Telekom's EBITDA for 2014 and does not include potential cost synergies.</p> <p>If the Minister of Infrastructure and Development as well as the anti-monopoly authority express their consent to the deal, the transaction could be finalized in September. Consolidation of the telecom operator's revenue could help Netia slow down its revenue decline and possibly help it retain its EBITDA at the current level. Analysts expect a decline of Netia's EBITDA down to PLN 112m in Q1 2015, compared to PLN 134m a year earlier.</p>

Press release  
May 4, 2015

## Cyfrowy Polsat's and Polkomtel's ratings placed on Standard&Poor's CreditWatch Positive

In connection with the information regarding the refinancing of its total debt being contemplated by Cyfrowy Polsat Group, Standard&Poor's Rating Services (S&P) placed Cyfrowy Polsat's and Polkomtel's ratings on its CreditWatch Positive.

The ratings placed on S&P's CreditWatch Positive include the 'BB' long-term corporate credit ratings of Cyfrowy Polsat and Metelem, the 'BB' rating on Cyfrowy Polsat's term loan in the amount of PLN 2.5 bn and the senior secured revolving credit facility of PLN 500m, as well as the 'B+' rating on the high yield bonds issued by Eileme2.

S&P based its decision on the positive assessment of the contemplated refinancing of the Group's total debt. According to S&P the move could bring numerous benefits for the Group, including:

- access to Metelem's cash flows as a result of the potential reduction of the restrictions imposed by the debt documentation,
- minimization of currency risk connected with the switch to PLN financial instruments contemplated by the Group,
- lower cost of debt.

It is not only the contemplated refinancing but also the completed integration of Cyfrowy Polsat and Polkomtel, the business potential of the combined Group and, consequently, the greater diversification of the product and service portfolio, the development of smartDOM convergent offer and the fact of owning the largest in Poland LTE network that are viewed very positively by S&P.

S&P will take the decision regarding raising the ratings for Cyfrowy Polsat and Polkomtel within 3 months during which time it expects the Group to finalize the refinancing.

[More>><http://www.grupapolsat.pl/en/archive/cyfrowy-polsats-and-polkomtels-ratings-placed-standardpoors-creditwatch-positive-0>](http://www.grupapolsat.pl/en/archive/cyfrowy-polsats-and-polkomtels-ratings-placed-standardpoors-creditwatch-positive-0)

# Recent events



Press release  
May 4, 2015

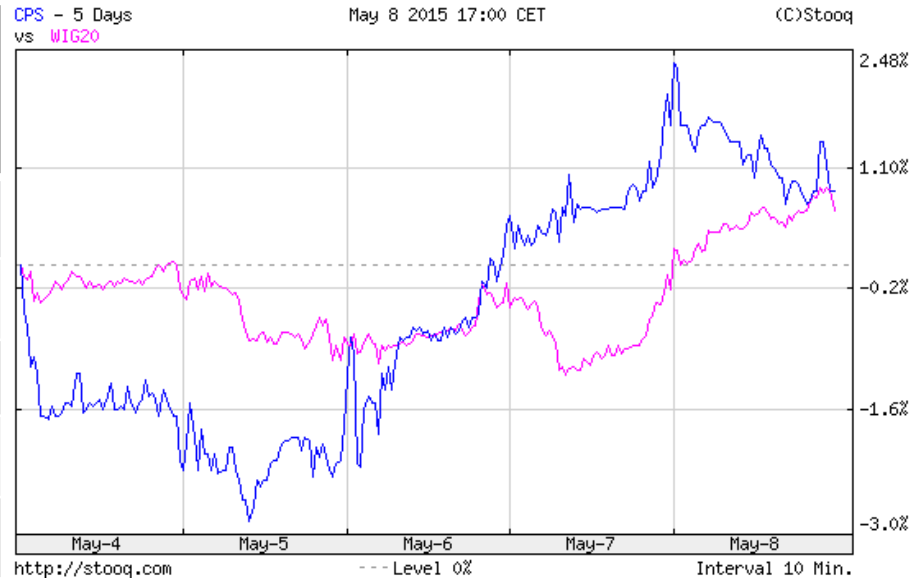
## Polsat - viewership leader in April in both viewer groups

TV POLSAT continues its winning streak. After ranking no. 1 in the viewership ranking in Q1, Polsat also recorded a very successful April. Polsat turned out to be the viewership leader in the first month of spring in both viewer groups. It recorded 14.2% SHR in the commercial group and 12.5% SHR in the survey covering all viewers (age 4+). In the 16-49 group Polsat was ahead of TVN (12.8% SHR), TVP1 (8.14% SHR) and TVP2 (8.01% SHR) while in the survey covering all viewers, Polsat was ahead of TVP1 (12.1% SHR), TVN (11.2% SHR) and TVP2 (9% SHR). The beginning of May was also successful, with Polsat being the viewership leader during the extended May weekend (May 1-3) in the commercial viewer group, with a result of 12.4% SHR.

# Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Trade value (kPLN)
2015-05-04	25.39	24.73	24.73	-1.55%	4 216
2015-05-05	24.95	24.55	24.83	0.40%	4 947
2015-05-06	25.44	24.70	25.44	2.46%	8 460
2015-05-07	25.89	25.35	25.75	1.22%	13 537
2015-05-08	25.95	25.45	25.55	-0.78%	7 397





# Investor's calendar



April 30 – May 14, 2015	Closed period prior to the publication of Q1 2015 financial results
May 14, 2015	<p><b>Publication of Q1 2015 financial results</b></p> <p><i>Schedule of publication:</i></p> <p>7:00 a.m. Publication of the quarterly report in ESPI (WSE publishing system)</p> <p>8:00 a.m. Publication of the quarterly report on our website <a href="http://www.grupapolsat.pl/en/arc/results">http://www.grupapolsat.pl/en/arc/results</a></p> <p>10:00 a.m. Meeting with investors and analysts (Radisson Blu Centrum Hotel, conference room Polonia 3, 1st floor, Grzybowska Str. 24, Warsaw)</p> <p>12:00 p.m. Meeting with journalists</p> <p>4:00 p.m. (CET) Conference call with investors and analysts</p> <p><i>Conference call details:</i></p> <p>Date: May 14, 2015</p> <p>Time: 4:00 p.m. (Warsaw), 3:00 p.m. (London), 10:00 a.m. (New York)</p> <p>Phone numbers: +44 203 043 2440 (international); +48 22 295 35 28 (Poland)</p> <p>Conference ID: 964416#</p> <p>In order to view our investors' presentation during the conference call via a dedicated platform, please click on this link and then log in as a participant by providing your name.</p> <p><a href="https://cyfrowypolsat.anywhereconference.com/?UserAudioMode=DATA&amp;Name=&amp;Conference=135294007&amp;PIN=964416">https://cyfrowypolsat.anywhereconference.com/?UserAudioMode=DATA&amp;Name=&amp;Conference=135294007&amp;PIN=964416</a></p>
May 18, 2015	<b>Extraordinary General Meeting</b>