



Cyfrowy Polsat IR Newsletter

March 7 – 13, 2016



Media about us	Date	Media about the TMT market in Poland
	8.03	<p>Rzeczpospolita: UKE seeks legal opinion in dispute between Play and T-Mobile <i>by ziu</i></p> <p>The state's budgetary income from the auction of 800 and 2600 MHz frequencies, finalized last year, is still uncertain. Some of the companies who won spectrum in the auction have appealed against the reservation decisions issued by the Office of Electronic Communications (UKE).</p> <p>Magdalena Gaj, the president of UKE, said that the procedure may end in May. UKE must decide what to do with the 800 MHz block released by NetNet. According to Gaj, it could be allocated to T-Mobile. The telecom is willing to pay for two 800 MHz blocks under the condition that the blocks are adjacent to each other and to blocks belonging to Orange Polska. In order to satisfy this condition UKE would have to change its reservation decision issued for P4, who does not consent. Given the discrepant opinions, UKE turned to an external entity for a legal opinion.</p>
	9.03	<p>Rzeczpospolita: Mobile internet networks accelerate <i>by ziu</i></p> <p>P4, Play network operator, informed of the launch of its commercial mobile network in the LTE-Advanced technology, based on aggregation of frequencies from different spectra. Play informed that its new network will cover 31% of the population of Poland. It announced a broader coverage of the LTE internet access service (including the possibility of extending coverage to</p>

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	9.03	<p>rural areas) and higher data transmission speed – up to 262 Mb/s.</p> <p>At the beginning of March, Polkomtel, Plus network operator, announced the start of the construction of a commercial next generation network. Data transmission speed in Plus’s network will reach 300 Mb/s.</p> <p>Play is the first to prepare a dedicated offer in connection with the commercial start of its LTE Ultra network. Prices start at PLN 39.99 in tariffs with equipment and at PLN 29.99 in tariffs without equipment.</p> <p>Rzeczpospolita: “Sell” Netia</p> <p>Analysts at DM BZ WBK lowered their recommendation for Netia to “sell” from “hold”, concurrently reducing the target price by 24%, to PLN 4.44. Last week Netia’s supervisory board agreed to a buyback of the company’s shares for the amount of PLN 50m.</p>
	11.03	<p>Puls Biznesu: T-Mobile tries to win back the market</p> <p><i>by mzat</i></p> <p>According to T-Mobile Polska, the value of the mobile services segment will fall by PLN 1bn, to PLN 19.7bn in 2020, while the fixed-line market will shrink even more. In the last several years T-Mobile experienced the most severe declines, losing customers on a mass scale. The telecom announced a new strategy aimed at reducing losses.</p> <p>Adam Sawicki, CEO of T-Mobile Polska, said that the goal for 2016 is to stop the outflow of customers. Starting from next year</p>

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	11.03	<p>the telecom wants to visibly increase its base and in 2018-2020 it wants to be the market leader in terms of new subscribers.</p> <p>The operator is cutting costs. A voluntary redundancy program is aimed to reduce the number of full-time positions by ca. 500, thereby reducing employment costs by ca. 10%. T-Mobile also announced a radical simplification of its offer and procedures. It wants to compete mainly with high network quality and customer service standards.</p> <p>Sawicki announced that in 2020 T-Mobile wants to be the leader in terms of revenue on the market of mobile subscribers and small firms, and is counting on a 25% share in the pre-paid market. It also wants to double the scale of operations on the ICT market.</p> <p>Rzeczpospolita: Telecoms on new tracks <i>by Urszula Zielińska</i></p> <p>According to “Rzeczpospolita” daily estimates, three mobile operators and one cable operator, who decided to include banking services, electric energy or eg. monitoring in their bundled services, have acquired ca. 1 million customers of such services over 1.5 years (excluding services related with their core business, such as smartphone display insurance).</p> <p>Results are worse than expected. Alior Bank anticipated that during 5 years it would acquire 2 million customers (400 thousand annually) among users of T-Mobile services. The joint project of the two companies - T-Mobile Usługi Bankowe</p>

Press review



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	11.03	<p>Powered by Alior Bank – acquired 254 thousand customers in 1.5 years. Orange expected to gain 1 million customers in 3 years in its project Orange Finance. The results of this project indicate that in this time perspective it may acquire ca. 750 thousand.</p> <p>Despite results below expectations telecommunication companies are not turning back from the chosen path. According to T-Mobile, banking services do not generate high revenue but they help gain better knowledge about the customer. T-Mobile and Orange sell about 40-50 thousand banking services per quarter. As at the end of December 2015 T-Mobile Usługi Bankowe had nearly 530 thousand customers and Orange Finance – ca. 250 thousand (T-Mobile started out by acquiring the customer base of the platform Alior Sync). The third mobile network to offer banking services is Polkomtel, Plus network operator, but it does not publish the results of these operations.</p> <p>As regards sale of electric energy, Bruno Duthoit, CEO of Orange Polska, mentioned several tens of thousands of acquired customers. He stressed that the company is not giving up these operations, as they help increase customer loyalty.</p>



Recent events



Press release
March 9, 2016

Plusoczytelnia – Plus reading room – available on smartphones and tablets

Plus's customers can now enjoy their favorite readings wherever they are and whenever they want. A special mobile application "Plus Reading Room" has been launched. Thanks to this application digital press, e-books and audiobooks are available on the handset or tablet directly after their purchase. The application was created in cooperation with e-Kiosk S.A, Poland's largest e-press distributor and owner of the e-library Nexto.pl.

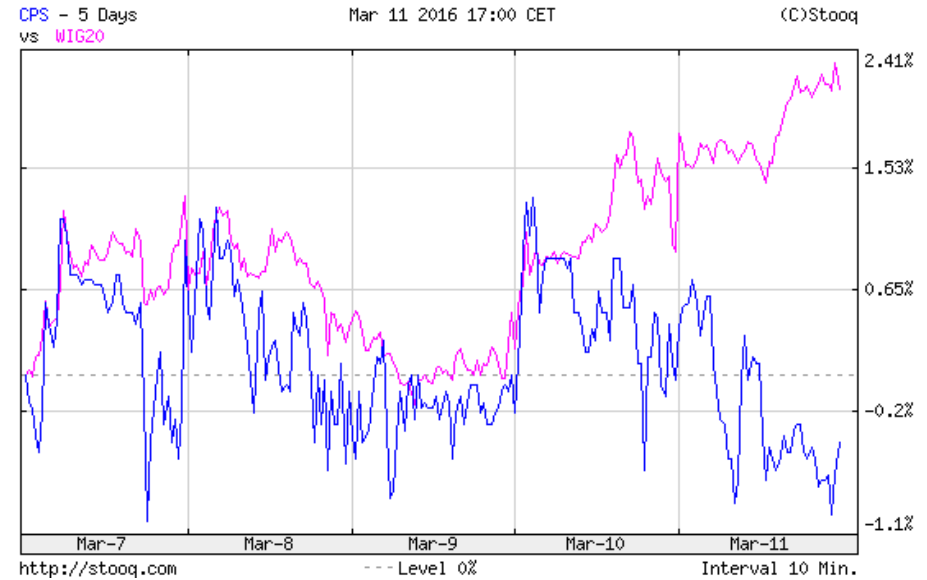
As the first operator on the Polish market, Plus offered its customers an online center with audiobooks, e-books and e-press over 8 years ago.

– For many years we have strived to offer the broadest possible array of additional services available on mobile devices and the "Plus Reading Room" application is yet another step in this direction – says Maciej Szymański, head of the team responsible for content at Plus network. – Now our customers have practically all possible forms of entertainment available on their smartphones, as music from Muzodajnia.pl and video content from IPLA and HBO GO have been complemented with press and literature, also in the form of audiobooks.

Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Trade value (kPLN)
2016-03-07	23.80	23.21	23.71	1.24%	5 458
2016-03-08	23.79	23.30	23.44	-1.14%	7 067
2016-03-09	23.53	23.12	23.47	0.13%	5 415
2016-03-10	23.79	23.30	23.46	-0.04%	6 067
2016-03-11	23.69	23.20	23.35	-0.47%	3 443



Investor's calendar



March 16, 2016	PKO BP: CEE Capital Markets Conference – London 2016
March 17, 2016	Citi 16th Annual European & EM Telecoms Conference, London
April 12-13, 2016	RCB Investor Conference, Züri 2016
April 28 – May 12, 2016	Closed period prior to the publication of Q1 2016 results
May 12, 2016	Quarterly report for Q1 2016