



Cyfrowy Polsat IR Newsletter

August 10 – 17, 2015



Media about us	Date	Media about the TMT market in Poland
<p>Parkiet: Acquisitions not prohibited by bond prospectus <i>by ziu</i></p> <p>Brokerage house analysts expect that in Q2 2015 Cyfrowy Polsat Group will generate revenue of PLN 2.45 bn, EBITDA of PLN 940m and net profit of PLN 231m. This is a substantial growth compared to the results reported by the group a year ago but the figures are not fully comparable due to the acquisition of Plus mobile network, which took place on May 7, 2014.</p> <p>Analysts believe that the group's customer base decreased slightly while Plus recorded a decline of revenue from voice services. On the other hand, they expect Polsat TV to strengthen its position on the TV advertising market.</p> <p>As regards debt refinancing, non-secured bonds with the nominal value of PLN 1 bn have been placed on the market. According to the prospectus, the first interest payment will take place in January 2016 and the group is permitted to acquire companies involved in activities of a nature similar to its own operations. Transactions in excess of PLN 200m will require an opinion by an external company regarding the valuation of acquisition targets. The group committed to maintain the net debt to EBITDA ratio at below 4.5x at the end of coming quarters.</p>	<p>11.08</p>	

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<p>Parkiet: Cyfrowy Polsat</p> <p>Pursuant to the decision of the management board of WSE, trading of CP bonds, with the nominal value of PLN 1 bn, will start on the Catalyst market on August 12 (Wednesday). One million bonds, with the nominal value of PLN 1000 each will be floated.</p>	<p>12.08</p>	<p>Rzeczpospolita: Original sins of the LTE auction <i>by Anna Strężyńska</i></p> <p>In an article published by "Rzeczpospolita" daily Anna Strężyńska, former head of the Office of Electronic Communications (UKE), writes that "resolving the auction based on the currently defined terms is not only very unlikely but would above all be harmful for the market, its development and the aspirations of the Polish digital society."</p> <p>While listing the most important flaws of the auction in its current form, Strężyńska writes, among others, that the obligatory LTE network coverage footprint coincides substantially with the hubs and the coverage of local broadband networks which are rolled out with the use of EU funding. Moreover, in accordance with the auction's assumptions, participants are able to bid for maximum 2 blocks of 10 MHz each out of the total available spectrum range of 25 MHz. Thus resolving the auction will naturally discriminate against one or more market players. What is more, the auction's structure prevents the possibility of launching LTE Advanced technology by a single player as this technology requires 2 x 15 MHz of spectrum. As Strężyńska writes: "This, in turn, means that the rare commodity, that radio spectrum is, would be distributed in a way which prevents its effective use." In her opinion, the auction should be cancelled and its future shape should be reanalyzed.</p>

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	12.08	<p>Rzeczpospolita: Controversial auction <i>by Urszula Zielińska</i></p> <p>More and more stock exchange analysts are of the opinion that the auction will be cancelled. Such a view was expressed by Raiffeisen Centrobank and mBank Brokerage House. Magdalena Gaj, head of the Office of Electronic Communications (UKE), did not confirm any intention of cancelling the auction.</p> <p>On Tuesday the price of an 800 MHz spectrum block was PLN 1.08 bn. The sum of the highest bids for all spectrum blocks reached PLN 5.87 bn, or 3.6 times the initial price from February.</p>
	13.08	<p>PAP Polish Press Agency: UKE has no plans of invalidation or cancellation of the spectrum auction <i>by seb/kuc/asa</i></p> <p>The Office for Electronic Communications (UKE) informed on its website that it was not conducting any analyses aimed at declaring the auction void or cancelling it.</p> <p>“At the same time UKE President once again stresses that it is only up to the participants to decide when the bidding process will end. In accordance with the auction’s terms, found in the documentation, it is the participants who determine the prices for respective spectrum blocks. The amount declared for a given spectrum block is the only criterion and the parties involved in the auction make a commitment, while entering the auction, that they will pay the amounts declared in their bids,” states UKE press release.</p>

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	17.08	<p>Rzeczpospolita: Telecoms are headed for a revolution <i>by Urszula Zielińska</i></p> <p>The strategies of mobile operators are becoming increasingly diverse. Orange and T-Mobile Polska are betting on packages of mobile and fixed-line services, however Orange puts more stress on the residential market while T-Mobile - on services for corporate clients. Cyfrowy Polsat Group, which includes Plus mobile network, a satellite TV platform and TV Polsat broadcaster, seems to be closer to cable operators. P4, the operator of Play, is the only company which has not contemplated a change of strategy yet as it is still growing in its core business and acquiring new customers.</p> <p>In the opinion of Mirosław Godlewski, the former CEO of Netia, the decline of the biggest telecoms' revenues and profits is the outcome of competition coming from beyond their main market.</p> <p>The latest data published by the Central Statistical Office of Poland point to a slight increase of prices for the most important service, namely Internet access. Godlewski is of the opinion that aggressive entry into the video content streaming market is the way for the operators to continue growth.</p> <p>According to "Rzeczpospolita" daily, Play has been thinking about stronger entry into the TV business. A new strategy could help the shareholders in proper valuation of their stakes in P4. According to TMT Finance, Novator, one of P4's shareholders, will consider exiting the company in 2016.</p>

Current report no. 39
August 11, 2015

Setting the first trading day for series A bonds of Cyfrowy Polsat S.A.

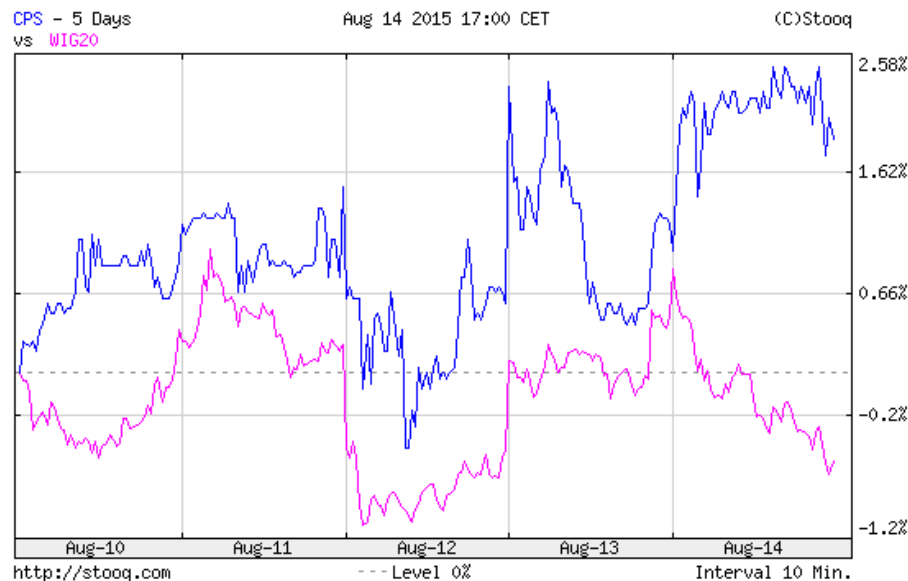
The Management Board of Cyfrowy Polsat S.A. (the “**Company**”) announces that on August 10, 2015 it became aware of the adoption by the Management Board of the Warsaw Stock Exchange (“**WSE**”) of Resolution No. 810/2015 of August 10, 2015 concerning setting the first trading day for series A bearer bonds of the company Cyfrowy Polsat S.A. in the alternative trading system on the Catalyst market (the “**Resolution**”). According to § 1 item 1 of the Resolution, the Management Board of WSE decided to determine August 12, 2015 as the first trading date in the alternative trading system on the Catalyst market of 1,000,000 series A bearer bonds of the Company with a nominal value of PLN 1,000 each, coded as “PLCFRPT00039” by the National Depository for Securities (the “**Bonds**”). According to § 1 item 2 of the Resolution the Bonds will be listed in the continuous trading system under the abbreviated name of “CPS0721”.

The information on the issuance of the Bonds was made available to the general public in the Company’s current report number 35/2015 of July 21, 2015.

Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Trade value (kPLN)
2015-08-10	22.77	22.29	22.63	1.71%	3 920
2015-08-11	22.81	22.55	22.77	0.62%	4 317
2015-08-12	22.74	22.24	22.55	-0.97%	10 593
2015-08-13	23.01	22.47	22.70	0.67%	6 502
2015-08-14	23.00	22.65	22.86	0.70%	7 651
2015-08-17	22.98	22.33	22.65	-0.92%	4 713



Investor's calendar



August 18, 2015	Extraordinary General Meeting
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

