



Cyfrowy Polsat IR Newsletter

December 14 – 20, 2015



Media about us	Date	Media about the TMT market in Poland
	14.12	<p>Rzeczpospolita: Strężyńska on the LTE auction and the national operator <i>by Urszula Zielińska</i></p> <p>The Ministry of Digitization will not recommend to the government the cancellation of auction of 800 and 2600 MHz frequencies, which is expected to contribute nearly PLN 9.2 bn to the national budget. In the opinion of the minister, Ms. Anna Strężyńska, the intervention of the ministry would not have any direct impact on the spectrum reservation process currently underway at the Office of Electronic Communications and the matter should be left to courts which are competent to resolve the disputes between the parties.</p> <p>In Ms. Strężyńska's opinion, it would be worth to establish a dedicated telecommunication operator for the public administration. She pointed out that such an operator could be created based on the assets of Exatel, supported by the Research and Academic Computer Network (leading Polish data network operator) and by regional broadband networks.</p>

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<p>Rzeczpospolita: “Buy” Cyfrowy Polsat</p> <p>In a report dated December 15, analysts at Haitong Bank reduced the price for Cyfrowy Polsat shares from PLN 28 to PLN 26.10. At the same time they upheld their “buy” recommendation. On Thursday the company’s shares traded at around PLN 21.80. The experts reduced the forecasted financial results of the company due to the lack of high margin revenues from national and international roaming services, growing cost of data transmission as well as price pressure in the segment of voice services and mobile data packages, as a consequence of the LTE spectrum auction.</p> <p>However, they considered the most recent fall in the valuation of the company as exaggerated, convincing that the situation offers an opportunity to buy shares. The positive aspects they see include the competitive, in terms of pricing, smartDOM offer which should contribute to the growth of net adds and which at the same time hedges the company against the inevitable growth of competition in the area of LTE offers.</p>	<p>18.12</p>	<p>Rzeczpospolita: EU court sustained the PLN 0.55bn fine for Orange Polska</p> <p><i>by Urszula Zielińska</i></p> <p>The EU court in Luxembourg repealed in full the appeal submitted by Orange Polska against the EU Commission’s decision of 2011 by means of which the company (operating as Telekomunikacja Polska at that time) was fined over EUR 127.5m for abusing its market position on the wholesale market of telecommunication access in the years 2005-2009. The telecom demanded that the decision be cancelled in full, or at least in part, and that additionally the penalty be reduced as being incommensurately high compared to the offence committed.</p> <p>Orange Polska is contemplating an appeal to the European Tribunal of Justice and reminds that it had already made a provision for the potential penalty payment.</p> <p>The EU court’s decision reduces the chances, or at least postpones in time, the additional receipts that Netia could obtain from Orange Polska by virtue of the composition agreement concluded in 2014. Based on that agreement, Netia was paid PLN 145m, and should the penalty for Orange fall below EUR 112m, then Netia could additionally count on 45% of the difference between the actual penalty and that amount.</p>

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	18.12	<p>Gazeta Wyborcza: Hard times for pay TV. Viewers prefer free television <i>by Martin Stysiak</i></p> <p>66% of 13.5m households in Poland use pay TV today. That's nearly 10% less than still a few years ago. Cyfrowy Polsat is the biggest market player with 3.5m customers, followed by nc+ (nearly 2.1m subscribers) and UPC (1.2m).</p> <p>Last year as many as 27% customers were contemplating withdrawal from using pay TV services. According to the conclusion of the survey "Digitization II Project" carried out by MEC media agency, the main reason is the attractive offer of the digital terrestrial TV. However, on the other hand the survey indicated that 15% of users of digital terrestrial TV contemplated the purchase of a pay TV package over the last year, with the majority of them opting for a digital platform - either nc+ or Cyfrowy Polsat.</p> <p>In the opinion of MEC, the shares of pay TV will continue to shrink in near future in favor of terrestrial TV. The scale of churn may increase with the development of the terrestrial TV's offer, now featuring 24 channels. Seven new channels will be put on-air in 2016.</p>

Press release
December 17, 2015

Cyfrowy Polsat introduces the Wellbeing Network channel

On December 21, 2015 the list of thematic channels offered by Cyfrowy Polsat will be expanded to include the channel Wellbeing Network, which is new on the Polish market. It is addressed to health-minded people. The programming of the channel includes documentaries dealing with health in the broad sense of the term, medical programs as well as opinions and advice from experts: nutritionists, trainers, instructors, and also from doctors and personal development trainers.

Press release
December 17, 2015

Polsat 1 – launch of a channel addressed to Poles living abroad

Polsat Group's new satellite channel, Polsat 1, will be launched on December 18. It is addressed to Poles who live abroad. Polsat 1 will broadcast attractive shows selected from the rich programming library of Polsat, TV4, Polsat Cafe and Polsat Play.

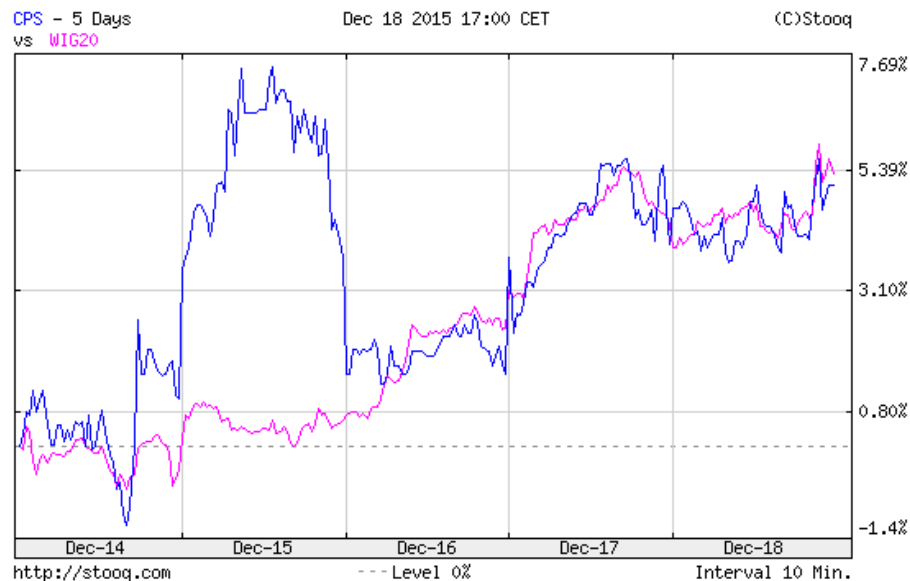
The channel's offer has been designed in such a way that the viewers outside Poland will be able to watch the latest programs shortly after their premiere in Polsat's main channel. The goal of the channel is to reach the broadest possible group of Poles living abroad, hence the channel has a universal nature and features programs which are designed for a broad spectrum of viewers.

Polsat 1 will be available in the USA (Dish Network) and in the United Kingdom (PolskaPlus). In the near future it will also become available in Austria, Belgium, Denmark, France, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Switzerland, Sweden, Australia and New Zealand.

Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Trade value (kPLN)
2015-12-14	21.56	20.46	21.00	2.79%	21 894
2015-12-15	23.15	21.12	21.58	2.76%	15 729
2015-12-16	21.50	20.94	21.10	-2.22%	24 049
2015-12-17	22.10	21.20	21.64	2.56%	15 991
2015-12-18	22.00	21.56	21.89	1.16%	22 251



Investor's calendar



January 20 – 21, 2016	dbAccess CEEMEA Conference, London
February 15 – 29, 2016	Closed period prior to the publication of 2015 results
February 29, 2016	Publication of the annual report and consolidated annual report for 2015