



Cyfrowy Polsat IR Newsletter

January 18 – 24, 2016



Media about us	Date	Media about the TMT market in Poland
	18.01	<p>Rzeczpospolita: Office for Consumer and Competition Protection (UOKiK) on cooperation between Orange and T-Mobile</p> <p><i>by ziu</i></p> <p>The Office for Competition and Consumer Protection has ended the proceedings aimed at checking whether the cooperation between operators in Poland poses a threat to market competition. Analyses started in April 2014 in connection with doubts raised by Polkomtel, as to whether Orange and T-Mobile, as shareholders of Networks! joint venture company, should be permitted to participate jointly in the 800 MHz and 2600 MHz spectrum auction.</p> <p>Operators were not named in the statement released by UOKiK. The Office for Competition and Consumer Protection sees no negative impact of the cooperation between operators, however it does not rule out that advanced cooperation – especially with respect to sharing involving spectrum or active network elements (antennas) – could limit competition in the future.</p>
<p>Parkiet: New strategy for LTE bandwidth and the hopes of acquisition moved shares prices up</p> <p><i>by ziu</i></p> <p>The closer the date of buyout of Polkomtel’s EUR and USD bonds by Cyfrowy Polsat, the better the performance of Midas’ share price. The reasons for this include analysts’ expectations of Cyfrowy Polsat Group taking over Midas this year.</p>		

Press review



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<p>Paweł Puchalski, head of analysts at DM BZ WBK brokerage house, stressed that the factors positively affecting Midas share price also include Cyfrowy Polsat Group's declarations that it no longer needs the 800 MHz bandwidth to pursue the strategy of network roll out for the needs of mobile Internet access (LTE). Puchalski is of the opinion that this statement substantially reduces the risk associated with the purchase of 800 MHz spectrum or the need for its reimbursement.</p>	<p>19.01</p>	
	<p>20.01</p>	<p>Rzeczpospolita: Telecoms are afraid of social media rivals <i>by Urszula Zielińska</i></p> <p>Over the past ten years telecommunication operators active on Polish market, with the exception of P4 - Play network operator, recorded a decline of revenues and profits. Orange was affected by the greatest falls due to the crisis in the fixed-line telephony segment. The group's revenue decreased from PLN 18.3 bn in 2005 to PLN 12.2 bn in 2014, with EBITDA dropping from nearly PLN 8 bn down to PLN 3.9 bn.</p> <p>According to EY experts, the companies from the OTT segment seem to be the biggest competition for telecoms. Owners of applications, who do not have their own infrastructure, such as Google or Facebook, are dangerous as they change people's customs and habits. Instead of making voice calls or sending text messages, young people prefer to communicate via social networking services.</p>

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	20.01	Telecoms also fear regulatory uncertainty, including the cost of spectrum. They increase their capital expenditures in order to improve the quality of their infrastructure and pay increasing attention to the quality of customer care. Take-overs and mergers constitute other methods of achieving growth and savings.
	21.01	<p>Parkiet: The regulator wants to relieve Orange Polska of its obligations <i>by Urszula Zielińska</i></p> <p>The Office of Electronic Communications (UKE) plans to relieve Orange Polska of further regulatory obligations, as Parkiet daily learned from an interview with Magdalena Gaj, President of UKE. Local Loop Unbundling (LLU) in around 20 local communes is in question. In the opinions of analysts, the deregulation will give Orange more room to maneuver and improve its price flexibility, however it may also mean further obligations to invest in the fiber optic network.</p> <p>Analysts also indicate that the decision could weaken Netia's position, who used 136 thousand LLU lines provided by Orange in September 2015. 17% of Netia's subscribers, paying around PLN 100-120 million yearly for Internet access, were connected to the Internet this way. No increase in competition for customers is expected in the deregulated areas since Netia's priorities have changed in this field. The telecom prefers to fight for those subscribers, who use its own network. Analysts stress that deregulation will help Orange compete for customers with cable operators.</p>

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	21.01	<p>Analysts also note that fixed-line operators will have to compete with LTE mobile Internet access. In the interview for Parkiet daily, Magdalena Gaj announced that she wished to issue spectrum reservations to the winners of LTE auction before the end of January. The regulator acknowledged that European Commission was investigating delays in the LTE auction in Poland. Ms. Gaj said that theoretically Poland could face a complaint filed with the European Tribunal of Justice but she estimated the risk of a potential penalty as low.</p>



Press release
January 18, 2016

Both matches played by Poles during the 2016 EHF European Handball Championship, against Serbia and Macedonia, were watched by 5.3 million viewers

During the matches Polsat was the viewership leader in both audience groups. The Friday match with Serbia was watched by 4.4 million viewers on Polsat's main channel and 920 thousand on Polsat Sport channel. The Sunday match against Serbia attracted over 4.6 million viewers to Polsat main channel and nearly 900 thousand to Polsat Sport. Such big audiences translate to higher viewership shares of both channels. During the match against Serbia one out of every three viewers was with Polsat, thanks to which Polsat and Polsat Sport achieved 36.5% SHR in the 16-49 age bracket and 32.6% SHR in the 4+ group. Viewership shares were similar during the match against Macedonia – both stations attracted 35.1% SHR in the commercial group (16-49) and 31.1% in the 4+ group.

Press release
January 20, 2016

Over 5.8 million viewers watched Poland's handball team play against France in Polsat and Polsat Sport channels

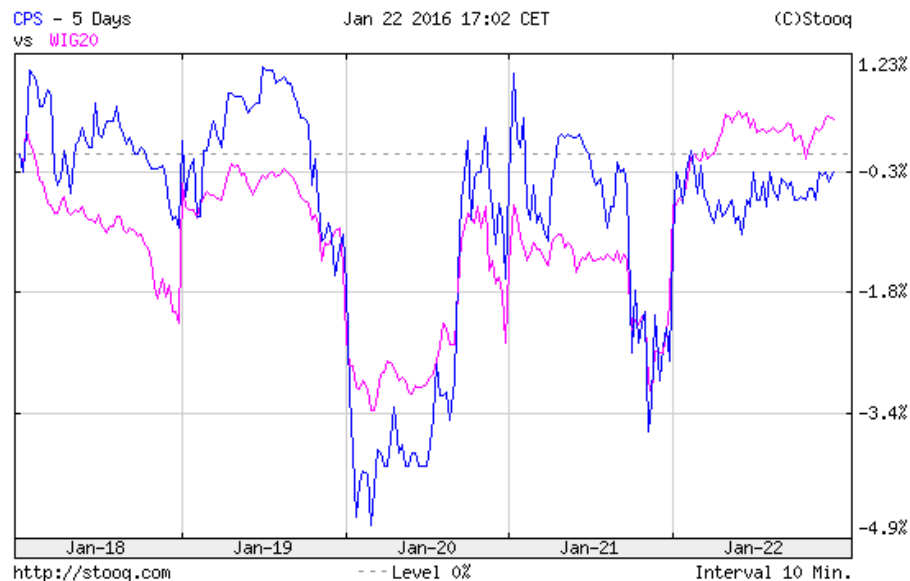
Poles defeated their titled opponents 31 to 25 in fine style and advanced to the main round of the tournament, winning every match so far. The match against France was yet another one played by Poles in the European Championship which attracted over 5 million viewers to their TV sets.

One out of every three viewers of TV was with us during the coverage of the Poland vs. France match. The average number of viewers watching the matches was 5.8 million, which translated to high viewership shares of both channels. Polsat and Polsat Sport attracted the total audience of 33.8% in the 4+ group and as much as 38.5% in the 16-49 age group.

Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Trade value (kPLN)
2016-01-18	21.30	20.71	20.84	-1.47%	11 496
2016-01-19	21.31	20.67	20.82	-0.10%	10 533
2016-01-20	21.21	20.00	20.69	-0.62%	8 773
2016-01-21	21.45	20.20	20.46	-1.11%	12 526
2016-01-22	21.07	20.51	21.00	2.64%	11 734



Investor's calendar



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