



Cyfrowy Polsat IR Newsletter

December 21 – 27, 2015



Media about us	Date	Media about the TMT market in Poland
	21.12	<p>Rzeczpospolita: HBO Go ceases to be tied to TV <i>by ele</i></p> <p>Cyfrowy Polsat is yet another operator who – just like operators in other countries – offers HBO Go film service without requiring customers to buy the pay TV offer. However, in Poland one still has to wait for full freeing of such services and their independent sales. At present the service is offered on the Polish market in a bundle with Internet access. The situation could change following the launch of the US Netflix service in Poland, which is expected soon. The new service will attract those viewers who are not interested in paying for cable or satellite TV services.</p>
	22.12	<p>Dziennik Gazeta Prawna: Internet access offered in Poland is good enough for web browsing but not for HD movie watching <i>by Krzysztof Majdan</i></p> <p>Based on the report entitled "The State of the Internet," developed by the US technology firm Akamai, the average throughput of broadband links in Poland was 10.6 Mbps in the last quarter versus the global average of 5.1 Mbps. The result puts Poland in the 29th spot worldwide and the 17th spot in Europe.</p> <p>According to UKE (the Office of Electronic Communications), at the end of last year nearly half of the fixed-line links in Poland offered data transfer rates of 2-10 Mbps while less than a quarter of all the links offered transfer rates ranging from 10 to 40 Mbps. Furthermore, over 20% of the links offered from 30 to</p>

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		<p>100 Mbps and slightly more than 5% offered more than 100 Mbps. There are over 7 million fixed-line network subscribers and nearly 6 million mobile subscribers in Poland. Mobile penetration exceeds 80%, which is much above the European average (66.7%), which puts Poland in the 5th place in Europe. The share of mobile Internet access continues to grow. Last year the Internet access market in Poland generated more than PLN 5 bn of revenue, with one third of that amount coming from mobile Internet access.</p>
<p>Puls Biznesu: Telecoms are recommended <i>by KZ</i></p> <p>In their report dated December 15, 2015, the analyst from DM PKO BP Brokerage House raised the recommendations for Cyfrowy Polsat and Orange to “buy” while not changing the positive attitude towards Netia. In their opinion, as a result of the recent strong revaluation of Polish telecoms, their shares have become attractive. TP for Cyfrowy Polsat shares decreased to PLN 26.6 while for Orange it went down to PLN 7.5 (from PLN 9). Netia is valued at PLN 7.1 per share.</p> <p>DM PKO BP analysts expect that Cyfrowy Polsat will acquire Midas by mid-2016, which will be neutral to revenue and EBITDA but will increase the company’s debt by PLN 1.4 bn. No dividend payment is expected in 2016.</p> <p>Orange’s valuation decreased following the announcement of lower than expected dividend for 2015 (PLN 0.25 per share).</p>	<p>23.12</p>	

Press review



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<p>The analysts are of the opinion that Orange's debt/EBITDA ratio will decrease to 1.7 at the end of 2016, which should enable the dividend to be increased to PLN 0.35 per share starting from 2017. As regards Netia, the analysts expect dividend payments of PLN 0.6 per share in the years 2016 and 2017 due to the high cash flow from operations and low net debt/EBITDA ratio.</p>		



Current report no. 52

December 28, 2015

Decision regarding investments in further network development

The Management Board of Cyfrowy Polsat S.A. (the "**Company**") hereby informs that on December 28, 2015 it became aware of resolutions adopted by the Management Board and Supervisory Board of Polkomtel Sp. z o.o. ("**Polkomtel**"), a wholly owned subsidiary of the Company, regarding further network development, pursuant to which Polkomtel will invest in further development of its network based on frequencies currently owned and utilized by Polkomtel. Based on internal analyses, the Management Board of Polkomtel decided that potential cooperation with entities, who won 800 MHz frequency blocks in the auction for frequency licenses in the 800 MHz and 2600 MHz bands, announced by the President of the Office of Electronic Communications on October 10, 2014, would be financially inviable and irrational, both for the Company's Capital Group as well as for its customers.

The Management Board of Polkomtel expects that investments in the 1800 MHz network rollout relying on the state-of-the-art ODU-IDU technology (Outdoor Unit Indoor Unit) will allow for achieving network coverage similar to that of the 800 MHz frequency band. Refarming of the 900 MHz and 2100 MHz spectrum constitutes another important solution. As a result, higher quality of Internet access services than in the case of 800 MHz network is expected at significantly lower capital expenditures. Ultimately, this may translate into more attractive services and prices for customers than in the case of a network rollout based on the 800 MHz frequency band. In view of the above, Polkomtel is developing a network rollout model based on 900 MHz, 1800 MHz, 2100 MHz and 2600 MHz frequency bands.

Press release
December 22, 2015

End of Wi-Fi Calling trial in Plus

Plus has successfully completed the Wi-Fi Calling service trial. For two months Plus customers who were testing the service were offered the possibility of making and receiving voice calls within the coverage footprint of a Wi-Fi network to which they had access.

The Wi-Fi tests which have just been completed relied application solutions. The participants were offered the possibility of using one of the two dedicated applications: "WiFi Calling+," developed by Nokia Networks and Optimobile, as well as "WiFi Calling" - an application provided by Ericsson and Taqua.

10 thousand Plus customers participated in the trial. At present information is being collected from the participants. Precise analysis of the collected information will enable development of technical improvements as well as design of the target service.

Press release
December 28, 2015

Decision regarding investments in further network development

When analyzing cost models of further development of the network and services for the customers, Polkomtel (a company belonging to Cyfrowy Polsat Capital Group) decided that it would be more profitable and effective, while at the same time ensuring the highest quality of services, to roll out the network on other frequencies than 800 MHz band.

Since the beginning of 2014, Polkomtel has promoted a concept of one common network for all the operators as the only rational and profitable option for the utilization of 800 MHz spectrum. Polkomtel has taken the view that one common network, ensuring the best quality and highest data transfer, would be the best solution for Poland and Poles. Two networks with the maximum of legally permissible 15 MHz (2x15 MHz) were supposed to be a transition phase toward one network of 1x30 MHz. In this context, however, it was surprising when Orange and T-Mobile, which cooperate with each other and share their radio frequencies, bid for 10 MHz each (20 MHz in total).

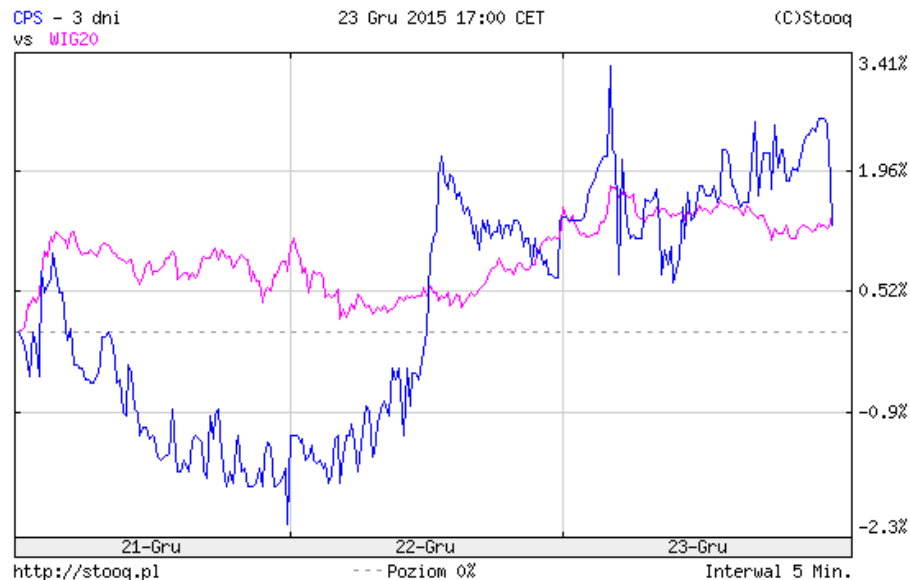
Polkomtel withdrew from the active bidding for 800 MHz blocks in March 2015 at the level of approximately PLN 360m per one frequency block. Polkomtel announced that this way it had created an opportunity for other participants to quickly finalize the auction at the rational pricing levels from the business point of view and that the company was interested in cooperating with them in order to accomplish the above mentioned goal.

More>> <http://www.grupapolsat.pl/en/archive/decision-regarding-investments-further-network-development-0>

Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Trade value (kPLN)
2015-12-21	22.30	21.47	21.47	-1.92%	10 038
2015-12-22	22.50	21.57	22.30	3.87%	23 911
2015-12-23	22.81	22.06	22.29	-0.04%	14 648
2015-12-24	-	-	-	-	-
2015-12-25	-	-	-	-	-



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