

Cyfrowy Polsat IR Newsletter

15 – 21 September 2014



The press about us

Date

The press about TMT market in Poland

16.06

Puls Biznesu: Orange sells its sport channel

On Monday Orange announced that in the coming months it wants to sell Orange Sport, a sports channel received by 5 million households. A conditional agreement has been signed with RMVC, a company controlled by Roman Młodkowski, former reporter and head of TVN CNBC. The transaction price was not disclosed.

17.09

Puls Biznesu: Virgin gets financial boost

Global virtual operator, Virgin Mobile, received EUR 40m for the development of operations in Poland and creation of a branch in Turkey. The money came in equal parts from the European Bank for Reconstruction and Development, International Financial Cooperation, CEE Mobil Capital and Delta Partners, a fund from Dubai. – *With the support of our new stakeholders we want to accelerate growth in Poland and become the leading MVNO in Central and Eastern Europe* - says Alan Gow, director of Virgin Mobile for Central and Eastern Europe.

In Poland Virgin uses Play's infrastructure and has about 80 thousand customers, but wants to reach 1 million in the next two years. It will fight for young , less wealthy clients especially with the LTE internet offer.

Rzeczpospolita: A million transferred numbers

993 thousand phone numbers were transferred in Poland during the first eight months of this year. An average of 124 thousand numbers were transferred monthly. In August only Play had a positive balance of 47 thousand numbers, while during the first eight months of 2014 the telecom gained ca. 390 thousand numbers net. The remaining operators have lost more numbers than they gained.

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Rzeczpospolita: Stabilization of the telco market in 2015

PMR forecasts that the value of the telco market this year will amount to PLN 44.4 bn. – *The telecommunication market in Poland is currently in a downward trend. Although the erosion of cumulated revenue of operators is insignificant, this year will be a consecutive period during which the value of the market does not increase. Revival is possible in 2015 – says Zoran Vuckovic, analyst at PMR. Grzegorz Bernatek, analyst at Audytel expects a 0.5% decrease in the value of the market , to PLN 45 bn. He anticipates growth in 2015 mainly due to infrastructural projects, including higher wholesale settlements.*

The largest telecoms expect a gradual stabilization of the market. What is more, they turn the trend themselves, by entering into new areas of activities, such as financial or energy services. The general opinion in the industry is that bundling of services, market consolidation, discounts for business clients and administration as well as the sale of IT services are the main factors that will influence the results of operators in the next years.

Rzeczpospolita: Traditional TV put out to pasture

Already ¼ of mobile internet users watch video on their smartphones or tablets rather than on a traditional TV set. According to Ericsson, streaming is almost as popular as traditional television, losing by only 2 percentage points. Following the changes in behavior patterns of TV users, old formats are being abandoned in favor of high quality entertainment available on demand.

Video is the most rapidly growing traffic category in mobile networks – 41% of viewers would like to watch their favorite programs in any chosen location. In 2019 video traffic will account for half of all mobile traffic. Consequently, the amount of data transfer per user per month will increase over the next five years from 0.65 to 2.5 GB.

Latest events

**Current report no. 64
September 18, 2014**

Information on the disposal of shares and change of the share in the total number of votes at the General Meeting of Cyfrowy Polsat S.A.

The Management Board of Cyfrowy Polsat S.A. (the “**Company**”) hereby informs that on September 18, 2014 the Company received a notification from the European Bank for Reconstruction and Development (the “**EBRD**”) pursuant to the provisions of Art. 69 of the Act of 29 July 2005, the Law on Public Offerings, Conditions governing the Introduction of Financial Instruments to Organised Trading and Public Companies, in which the EBRD informs that on September 15, 2014 it disposed of 15,596,026 shares of the Company (“**Disposal of Shares**”).

The Disposal of Shares by the EBRD took place in block trade transactions concluded on the Warsaw Stock Exchange.

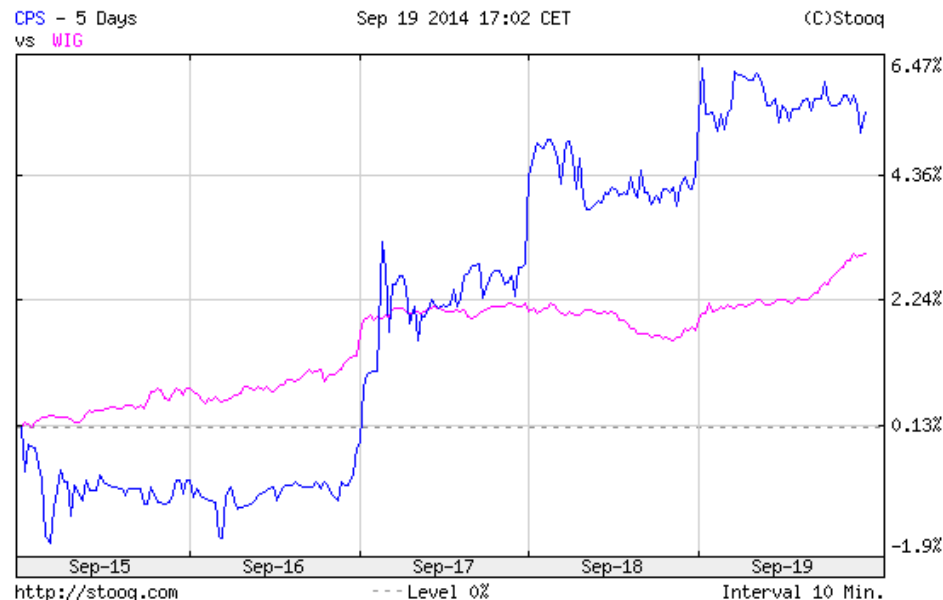
Prior to the Disposal of Shares, the EBRD held 47,260,690 of the Companies’ shares, representing 7.39% of the Company’s share capital and carrying the right to 47,260,690 votes at the General Meeting of the Company, which constituted 5.77% of the total number of votes at the Company’s General Meeting.

Following the Disposal of Shares, the EBRD holds 31,664,664 of the Companies’ shares, representing 4.95% of the Company’s share capital and carrying the right to 31,664,664 votes at the General Meeting of the Company, which constitute 3.87% of the total number of votes at the Company’s General Meeting.

According to the EBRD’s notification, subsidiaries of the EBRD do not hold any shares in the Company. The EBRD has not concluded any agreements on transferring the voting rights to its shares in the Company.

Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Trade value (PLN ths.)
15-09-2014	26.25	25.72	26.00	-0.95	8 917
16-09-2014	26.20	25.70	26.15	0.58	7 628
17-09-2014	27.10	26.16	27.00	3.25	8 876
18-09-2014	27.70	27.00	27.42	1.56	9 861
19-09-2014	27.94	27.36	27.72	1.09	14 095



Investor's calendar

September 23, 2014	Extraordinary General Meeting
October 30 – November 13, 2014	Closed period prior to the publication of Q3 2014 results
November 13, 2014	Publication of Q3 2014 results