

# Cyfrowy Polsat IR Newsletter

**16 – 29 June 2014**

The press about us

Date

The press about TMT market in Poland

18.06

**Parkiet daily: Orange Polska – Number porting. May slowdown**

According to www.rpkom.pl, some 641 thousand numbers were ported over the last five months. Most transfers were made to Play, which gained 328 thousand new numbers. Orange Polska maintained a positive net balance (up by some 13 thousand numbers), despite a slight drop in May.

As at the end of May 2014, Orange’s gross share of the number porting market was 28.6%, compared with 9.8% and 9.7% recorded by T-Mobile Polska and Plus, respectively.

23.06

**Rzeczpospolita: Telecoms with money to burn**

According to the report, European telecom operators invested a combined total of EUR 36.3bn last year, which represented a moderate increase of 0.8% on the previous year. However, based on a consensus forecast by consulting firms, in 2014 their capital expenditure will soar by 10%, to EUR 40.1bn, on the back of increased investment in fixed-line broadband services.

The Polish telecommunications market is worth PLN 38bn annually, not counting the pay TV segment. Optimistic about the future, the CEOs of Polish operators (Orange, T-Mobile, P4) expect 2015 to bring bumper revenues, but are also wary of the market's consolidation. We may see some activity from Orange Polska and the Cyfrowy Polsat Group. Dominik Libicki, the CEO of Cyfrowy Polsat, has said recently that the group has PLN 2bn for minor investments, but may issue equity to finance larger acquisitions.

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24.06

**Rzeczpospolita: Majority support for Orange deregulation, says UKE**  
Plans to release Orange from the obligation to provide access to its broadband lines to competitors are far from uniformly opposed. Advocates of the deregulation include BCC, the Employers of Poland, the Polish Chamber of Information Technology and Telecommunications (of which Orange is a member), as well as other telecoms.

“We believe the market should be opened,” says Jarosław Niechcielski, who is in charge of relations with the Polish regulator at the radio broadcasting company Emitel.

Magda Gaj, President of the Polish Office of Electronic Communications (UKE), hopes that Orange will increase investment in fibre-optic infrastructure. CEO of Orange Polska Bruno Duthoit says it is indeed possible that the deregulation may encourage the telecom to invest more in the fibre-optic technology.

25.06

**Dziennik Gazeta Prawna: Roaming charges to stay high after all. War over roaming in Europe**

International calls at local rates are nothing more than wishful thinking. In many countries, wholesale roaming charges are higher than local retail rates. In Poland the lowest rate is PLN 0.13 per minute, whereas telecoms are charged PLN 0.21 per minute for roaming services. If operators were to apply local tariffs to calls made abroad, they would be running up losses.

Herself an advocate of change on the European telecommunications market, Neelie Kroes, the European Commissioner for Digital Agenda, has admitted that negotiations on the reform are not over yet and she is unable to say when this happens.

As of July 1st 2014, additional charges on inter-operator settlements will be scrapped, and the following tariff will take effect: PLN 0.97 per minute of a call made, PLN 0.31 per a text message, PLN 1.02 per 1 MB of data transferred.

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25.06

**Dziennik Gazeta Prawna: Orange will not share lines with competitors**

Consultations over UKE's decision on releasing Orange from its regulatory obligations on the broadband market have come to an end. If the decision is approved in its current form, Orange will no longer be required to make its broadband infrastructure available to competitors. Netia is calling for a review, as is Adam Jasser, President of the Polish Office of Competition and Consumer Protection. He claims that UKE's analysis was based on out-of-date market information, which stands in violation of the telecommunications law.

26.06

**Rzeczpospolita: Heated debate among telecoms**

Although UKE consultations on releasing Orange from its regulatory obligations on the broadband market are over, the industry still has doubts. Objections have been raised not only by the Polish Office of Competition and Consumer Protection and Orange Polska, but also by T-Mobile Polska. "We disagree with how the deregulation process has been conducted," said Cezary Albrecht, a director with T-Mobile. Telecoms market expert Andrzej Piotrowski believes that "the consultations boiled down to a survey of support for the President of UKE's project, which doesn't do justice to the weight of the issue at hand."

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**Rzeczpospolita: New digital multiplex for TVP**

The National Broadcasting Council (KRRiT) wants the new terrestrial digital TV package to be allocated exclusively to TVP stations, to be broadcast free of charge and in high definition. Jacek Rakowiecki, a spokesman for TVP, stressed that this was KRRiT's position only at this point, and consultations are yet to commence. An official letter on the matter was sent by KRRiT to UKE today. "Following its receipt, the President of UKE will open consultations on the tender documentation for all interested entities to voice their opinions and comments," says Dawid Piekarczyk, a spokesman for UKE.

KRRiT's decision may not be taken kindly by private broadcasters, as it would prevent them from transmitting content on digital multiplexes in high definition.

27.06

**Rzeczpospolita: Netia has lost the battle but is not giving up**

It has been five years since Netia, an alternative fixed-line operator listed on the WSE, began its dispute with the Tax Chamber over the amount of tax it should pay for 2003. Netia's appeal against the most recent decision has just been dismissed by the Supreme Administrative Court. Netia's legal advisers believe that "the written statement of reasons for the Provincial Administrative Court's judgment failed to fully reflect all the arguments previously raised by the company before the Supreme Administrative Court."



### Latest events

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**Current report no. 56  
June 20, 2014**

#### **Registration of the change in the amount of the share capital of Cyfrowy Polsat in connection with the issuance of shares for the shareholders of Metelem Holding Company Limited**

The Management Board of Cyfrowy Polsat S.A. (the "Company") hereby informs that on 20 June 2014 it received the decision issued on 13 June 2014 by the District Court for the city of Warsaw in Warsaw, XIII Economic Division of the National Court Register, on the basis of which a new amount of the Company's share capital was entered into the register.

The registration of the new amount of the share capital relates to 47,260,690 series I shares and 243,932,490 series J shares issued and delivered to the shareholders of Metelem Holding Company Limited, notified by the Company by way of its current report no. 45/2014.

The increase in the Company's share capital, in accordance with Article 452 § 1 of the Commercial Companies Code, was carried out on 14 May 2014 when the new shares were registered on the securities accounts of the acquirers. Following the increase, the Company's share capital amounts to PLN 25,581,840.64 and is divided into 639.546.016 shares. The total number of votes at the General Meeting is currently of 818,963,517.

The purpose of the registration was to update the data regarding the amount of share capital of the Company and the number of shares representing it in the register of entrepreneurs of the National Court Register.



## Latest events

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**Press release**  
**June 18, 2014**

### **HBO GO accessible through Cyfrowy Polsat's set-top boxes**

Following a software update, users of Cyfrowy Polsat's set-top boxes can now access HBO GO, an internet video service offering over two thousand hours of films and series. On June 23rd, HBO will offer a free preview of the first episodes of its acclaimed "Pure Blood" series, followed by "The Leftovers," a new production set to air on June 30th.

<http://media.cyfrowypolsat.pl/pr/282186/hbo-go-w-dekoderach-satelitarnych-cyfrowego-polsatu>

## Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Trade value (PLN ths.)
16-06-2014	22.36	21.92	22.05	-2.43%	6 554
17-06-2014	22.29	21.94	22.00	-0.23%	9 859
18-06-2014	22.29	22.00	22.20	0.04%	6 143
20-06-2014	23.41	22.20	22.89	3.11%	34 119
23-06-2014	22.86	22.39	22.59	-1.31%	3 802
24-06-2014	22.62	21.88	21.88	-3.14%	1 838
25-06-2014	22.68	21.88	21.99	0.50%	8 641
26-06-2014	22.50	22.10	22.20	0.95%	6 928
27-06-2014	22.68	22.00	22.48	1.26%	8 654

