

# Cyfrowy Polsat IR Newsletter

**17 – 23 November 2014**

## The press about us

## Date

## The press about TMT market in Poland

18.11

**Rzeczpospolita: LTE network generates profit for the first time**

In the third quarter of 2014, for the first time, Midas group had a positive EBITDA of PLN 1.6m. Together with the results for the third quarter of 2014, the fund informed that it began work on updating its strategy. According to Piotr Owdziej, responsible for investor relations at Midas, analysis of a model of the company's participation in "Project 800" (relating to the acquisition and use of the 800 MHz frequency band) is currently underway.

Revenue of the wholesale operator of mobile internet increased by 100% in the third quarter of 2014, to PLN 114m, due to higher demand for data packages from customers of Cyfrowy Polsat and Plus. In the past quarter individual and business customers of their services used 22.7m GB, whereas a year earlier – only 8.1m GB, and in the second quarter of 2014 – 14m GB.

On Monday the share price of Midas on the Warsaw Stock Exchange gained 3.5%, increasing to PLN 0.60.

21.11

**Rzeczpospolita: Play has over 20% market share**

The value of the Polish mobile operator market, measured as the sum of revenue of the four largest infrastructural mobile operators, decreased by 1.2% y-o-y after three quarters of 2014, to PLN 17.27bn.

Polkomtel, operator of Plus network and part of Cyfrowy Polsat group, had the highest revenue of PLN 4,9bn and was the most profitable operator in Poland, with an EBITDA margin of 43%. The second largest telecom in terms of revenue was T-Mobile Polska, with PLN 4.61bn in three quarters of 2014. The mobile services segment of Orange, gaining this year thanks to the introduction of the installment plan purchase of smartphones and tablets, had PLN 4.6bn after three quarters of 2014.

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Revenue of P4, operator of Play network, amounted to PLN 1.15bn in the third quarter of 2014 (increase by 22% y-o-y). According to management, the main driver behind the growth of the network is its 'smartphone company' strategy: envisaging increased use of mobile data transfer and substitution over time of out-of-date end-user devices with those supporting the LTE technology. According to the operator, less than 20% of all devices owned by its users support LTE.

The number of Play's customers still increases. At the end of September the operator reported 11.79m active SIM cards, 515 thousand more compared to the end of June. For the first time the telecom's market share exceeded 20%. The operator improved the structure of its user base by increasing the share of contract customers. After the third quarter they constituted 46.3% of the whole base.

In the third quarter EBITDA of P4, adjusted for one-offs, grew by 45% and amounted to PLN 275m. Adjusted EBITDA margin increased to 24%.

**Parkiet: TVN published forecasts and waits for an investor**

TVN, in preparation for a change in ownership (in October ITI and Canal+ Group announced that they want to sell a 51% stake in TVN), published forecasts for the Polish market and for the company itself for the coming years.

In its forecast, TVN declared a low one-digit growth of consolidated revenue of the whole group this year, and in 2015-2016 an increased rate of growth at the level of 5-9%. Annual consolidated adjusted EBITDA will amount to PLN 520m this year, PLN 590m next year and PLN 630m in 2016. It was also announced that in 2015 the company plans a proportional buy back worth PLN 225m-250m, while in 2016 it will pay a dividend equal to ca. 50% of consolidated net profit for 2015. Capital expenditure of the television group will amount to PLN 60m this year, PLN 70m next year and PLN 60m in 2016.

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### **Puls Biznesu: Billions in the hands of lawyers**

The Bureau of Research of the Chancellery of the Sejm contested the correctness of the announcement of the auction of frequency blocks in the 800 and 2600 MHz bands. The Office of Electronic Communications (UKE) announced that the deadline for the submission of initial offers is November 24 at 3p.m., while the Bureau of Research believes that the deadline should be midnight on November 24 and unequivocally declared that UKE made a mistake and should cancel the auction.

The President of UKE confirmed the opinion that the deadline of submission of initial offers was defined correctly and that the auction will take place according to the earlier schedule.

Marcin Gruszka, spokesperson of Play operator, says that the telecom is fully prepared to participate in the announced auction. T-Mobile Polska representatives think that the auction should take place according to the schedule adopted by UKE. Orange and Polkomtel did not comment.

## Latest events

### Current report no. 69 November 18, 2014

#### **Supplementary information to the current report on the change in the composition of the Management Board of Cyfrowy Polsat S.A.**

With reference to current report No. 67 dated October 28, 2014, regarding the appointment of Mr. Tomasz Gillner-Gorywoda to the position of President of the Management Board of Cyfrowy Polsat S.A. (the “Company”), the Management Board of the Company hereby provides supplementary information to the aforesaid current report concerning professional positions held earlier by Mr. Gillner-Gorywoda as well as the course of his professional career.

Mr. Tomasz Gillner-Gorywoda is a graduate of the Faculty of Law and Administration at the University of Warsaw and post-graduate studies in management at Monash University in Melbourne.

He began his professional career in 1979 in the operational department at LOT Polish Airlines, where he worked for almost 10 years. From 1988 to 1993 he worked as Key Account Manager/Product Manager at General Woods & Veneers Ltd. (Montreal) in Canada. In 1993 he moved to Australia, where he worked for the following companies:

- 1993 – 1996 Furncraft Pty. Ltd. – Production manager and Operations Manager (Board Member);
- 1996 – 2001 Marbut Mouldings Pty. Ltd. (Gunnensen Group of Companies) – Board Member, Operations;
- 2002 – 2006 DWT Pty. Ltd. (Gunnensen Group of Companies) – Board Member, Operations;
- 2006 – 2006 Australian Char Pty. Ltd. (Morwell) – Plant Manager.

After his return to Poland in 2008, Mr. Tomasz Gillner-Gorywoda held managerial positions and acted as proxy for several companies. Notably, he was the President of the Management Board of Laris Investments Sp. z o.o. between 2008 and 2013 and of Apena S.A. from 2011 to 2012. He holds the position of vice-president of the Management Board of PRN Polska Sp. z o.o. since 2008. Additionally, he acted as proxy for SPV Grodzisk Sp. z o.o. (2012-2013), JK Project Sp. z o.o. (2010-2013) and 3G Sp. z o.o. (since 2011 until the present). Moreover, between 2011 and 2012 he held the position of member of the supervisory board of Tower-Service Sp. z o.o.

In 2011 he was appointed to the position of General Director at Polkomtel Sp. z o.o. where he was responsible chiefly for the restructuring of the company.

### Press release November 21, 2014

#### **29th KSW Gala: Reload in PPV from Cyfrowy Polsat and IPLA**

Cyfrowy Polsat and IPLA offer the possibility to view the 29th KSW Gala which will take place on December 6 this year on Kraków Arena. During the evening many competitors will present their skills, among them: the most dangerous competitor in Europe – Mamed Khalidov, the strongest MMA competitor in the world –Mariusz Pudzianowski, the pioneer of Polish MMA – Paweł Nastula, and the youngest KSW champion in history – Borys Mańkowski. Customers of satellite TV operator Cyfrowy Polsat and the largest online TV IPLA can order access to the 29th KSW Gala in the ‘pay-per-view’ (PPV) system for PLN 40. A sports studio will be prepared by Polsat Sport reporters especially for PPV viewers.

## Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Trade value (PLN ths.)
17-11-2014	25.25	24.12	24.40	-4.31%	20 362
18-11-2014	24.79	23.95	24.50	0.41%	25 974
19-11-2014	24.83	24.40	24.69	0.78%	7 955
20-11-2014	24.70	24.43	24.64	-0.20%	2 357
21-11-2014	24.64	24.11	24.30	-1.38%	7 827

