

Cyfrowy Polsat IR Newsletter

18 – 24 August 2014

The press about us

Date

The press about TMT market in Poland

18.08

Rzeczpospolita: Virgin Mobile enters the fight for students

Virgin Mobile, Poland's largest virtual operator in terms of the number of users, presented a new offer. The operator offers packages of three services for pay-as-you-go users, containing minutes, short text messages and data transmission for PLN 29 and PLN 59. This offer is comparable to Nju mobile offered by Orange Poland (100 minutes, unlimited short text messages and 1 GB for PLN 29). In light of the approaching academic year Orange expanded Nju mobile's internet package to 3GB in LTE technology.

19.08

Dziennik Gazeta Prawna: Play's Internet counterattack

P4, Play network operator, introduced a new offer without data and transfer speed limits: 4G LTE Formula. The offer is to be simple and adapted to meet clients' expectations. Those are clear: clients want a fixed monthly payment for unrestrained access to the Internet, wherever they are. Unlimited access to the net is guaranteed in the most expensive, Sim-only tariff with a subscription fee of PLN 49,99. For PLN 29,99 customers receive unlimited access to LTE Internet for the first 6 months, afterwards, they get a data package of 25G.

This offer is Play's answer to Plus's and Cyfrowy Polsat's "Power LTE", announced in the beginning of June. This offer allows to use the first 20, 25 or 35GB (depending on the chosen subscription fee) of data transfer with the highest available transfer speed in all technologies. After exceeding the limit defined in the subscription plan, data transfer speed falls, however the user still has unlimited access to the Internet.

The press about us

Date

The press about TMT market in Poland

19.08

Rzeczpospolita: 60% of Internet users own a smartphone

According to recent research by media house MEC, 61% of Internet users have smartphones, compared to 53% in the previous year. 78% of smartphone owners are people aged between 15 and 19 years.

Smartphones are mainly used for browsing search engines, social media, e-mails and news services sites, much less frequently to settle financial transactions or do online shopping. 72% of questioned Internet users download mobile applications, a majority of which are free applications.

20.08

Dziennik Gazeta Prawna: Film on demand? Best from a pirate

According to the research firm Gemius, over half of the top 10 online services offering films and series are illegal websites, while only 4 of them are legal services (VoD.pl, IPLA, player.pl and VoD).

Such a large interest in sites offering illegal content is mainly due to the fact that they offer latest movies for free or for a small charge. Legal services, on the other hand, offer the same content later and for higher fees.

Teresa Wierzbowska, president of the association “Sygnał” explains, that people of higher material status also use illegal video websites, which indicates that the problem of piracy is rather an issue of social attitude than financial barrier. Some users have difficulty telling legal and illegal services apart. The music market is an example of how a wider and more elastic offer can help fight piracy.

The press about us

Date

The press about TMT market in Poland

20.08

Rzeczpospolita: More optical fiber networks and more „blind spots”

According to the latest report by the Office of Electronic Communications (UKE) on the telecommunications infrastructure in Poland, expenditure on optical fiber networks amounted to PLN 357m in the previous year and led to the construction of 7.1 thousand km of networks. That is 50% more than planned. The plan for next year assumes expenditure at the level of PLN 764m. Total investments in telecommunications networks in 2013 amounted to ca. PLN 1bn and are expected to increase to PLN 1.4bn this year.

UKE data suggests that the number of localities without access to telephony or Internet services increased, but that is most probably due to a change in the reporting method, not a deterioration in consumers' situation.

Dziennik Gazeta Prawna: Clients like mobile finance

The number of users of applications dedicated to mobile banking is growing dynamically. This year the number of mobile banking clients exceeded 3m. The growth dynamics of mobile banking is significantly higher than that of internet banking due to the rapidly advancing saturation of the market with smartphones and decreasing costs of Internet access.

Along with growing interest from clients, banks started to improve the functionality of their mobile systems, thanks to which the number of transactions executed via mobile channels is consistently increasing. The dynamic growth of mobile banking leads to believe that it may replace, to a significant extent, online transaction services in the future.

The press about us

Date

The press about TMT market in Poland

21.08

Rzeczpospolita: Netia stirs the TV market

Netia, whose strategic objective is to achieve a strong position on the pay TV market, started to fight for clients. Its new offer, marketed under the name “GigaKablówka”, is addressed to the clients of the network bought by Netia from Aster in 2013, today almost empty. The offer comprises a package of two services: Internet and television with fees starting from PLN 39.90. Neither other cable operators, nor Orange Polska have a competitive offer. Initially the offer is targeted at ca. 200 thousand potential subscribers, mainly in Cracow and Warsaw, who are covered by Aster’s network. Netia already announced that it intends to expand the offer.

Dziennik Gazeta Prawna: Encoded channels want to attract viewers with series

Recent research shows that the Polish pay TV market is highly saturated – every third clients of cable operators and satellite platforms is considering resigning from pay TV services (according to MEC research). Pay channels intend to fight for the market worth over PLN 5.5bn with interesting content. HBO, Cinemax and FOX 2 will offer Polish viewers new series as well as the continuation of popular series from previous years. The series will be available on encoded channels as well as on legal, paid streaming services.

22.08

Rzeczpospolita: Firms debate on the new multiplex

The Office of Electronic Communications (UKE) received 17 opinions on how to manage the eighth multiplex of digital terrestrial television. The Polish National Broadcasting Council (KRRiT) decided that the new multiplex should be dedicated entirely to TVP channels (including those in HD standard, which was denied to every private broadcaster present on DTT multiplexes).

The press about us

Date

The press about TMT market in Poland

22.08

Commercial broadcasters oppose this decision, arguing that this recommendation violates the principle of fair competition and discriminates against other broadcasters, as HD quality as a market standard expected by viewers of terrestrial television.

Rzeczpospolita: Play catches up with the big three

In the first half of 2014 Play significantly increased its revenue. For the first time quarterly revenue of the mobile network exceeded PLN 1bn, in the second quarter of 2014 it was higher by 14% compared to the corresponding period of 2013. In the first half of 2014 revenue increased by 13% and exceeded PLN 2bn. For comparison, T-Mobile's revenue for the same period decreased by almost 10% y-o-y, while revenue of Orange's mobile segment fell by 7.8% y-o-y.

Play's revenue increased mainly due to a growing client base, which comprised 11.275m active SIM cards at the end of the first half of the year. This means that in the second quarter the operator gained 332 thousand new clients. The structure of the client base is also improving, with postpaid clients constituting 45.6% of the total. The popularization of mobile Internet on smartphones also positively affected the level of revenue.

As concerns profitability, Play is still behind its competitors, but consistently improves this parameter. The growing and profit generating company is interesting for investors. Reuters agency cites Zbigniew Jakubas, main shareholder at Netia, who said: „*Play is an interesting asset. It is a potential partner for cooperation under various capital scenarios.*”



Latest events

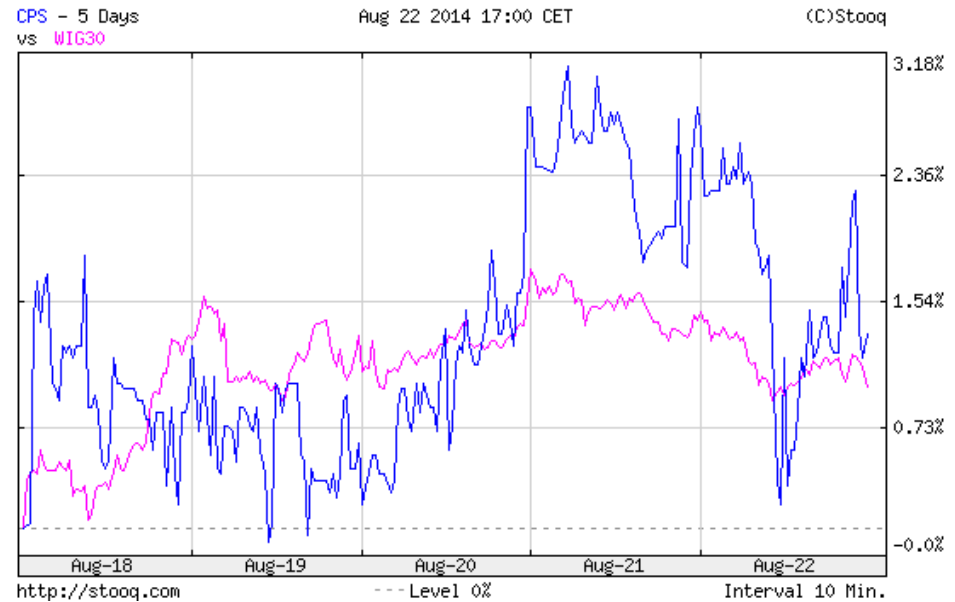
Press release
August 22, 2014

FIVB Men's Volleyball World Championships Poland 2014 available on IPLA

Starting on August 30, users of Poland's largest online television IPLA will have the possibility to watch live the FIVB Men's Volleyball World Championships, held for the first time in Poland. IPLA users will have the option to purchase access to a package of programmes containing all the matches of the Championships. Selected matches will be broadcast in HD standard and with the application of a new service, allowing to view the event from multiple angles. The cost of the package is PLN 99.

Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Trade value (PLN ths.)
18-08-2014	24.69	24.20	24.41	-0.20%	2 999
19-08-2014	24.50	24.17	24.34	-0.29%	4 874
20-08-2014	24.90	24.15	24.90	2.30%	5 553
21-08-2014	24.99	24.50	24.90	0.00%	6 084
22-08-2014	24.86	24.00	24.52	-1.53%	4 045



Investor's calendar

August 14 – 28, 2014	Closed period prior to the publication of H1 2014 results
August 28, 2014	<p>Publication of the interim report for H1 2014</p> <p>Schedule of publication:</p> <p>7:00 a.m. Publication of the interim report in ESPI (WSE publishing system)</p> <p>8:00 a.m. Publication of the interim report on our website: www.cyfrowypolsat.pl/investor-relations</p> <p>10:00 a.m. Meeting with investors and analysts</p> <p>12:00 p.m. Meeting with journalists</p> <p>4:00 p.m. (CET) Conference call with investors and analysts</p> <p>Conference call details:</p> <p>Date: August 28, 2014</p> <p>Time: 4:00 p.m. (Warsaw), 3:00 p.m. (London), 10:00 a.m. (New York)</p> <p>Phone numbers: +44 (0) 1452 555 566 (international); 22 307 0118 or 00 800 121 2655 (Poland)</p> <p>Conference ID: 84427405</p>