

# **Cyfrowy Polsat IR Newsletter**

**22 – 28 September 2014**



## The press about us

## Date

## The press about TMT market in Poland

24.09

**Puls Biznesu: Orange starts to profit from investments**

Orange and T-Mobile, who cooperate since May 2012 through the Networks! joint venture with regard to the development and usage of access networks, have finished modernizing their base stations. The network managed by Networks! consists of 10 thousand masts, but its components remain separate property of both operators.

Orange has not disclosed the amount of savings generated thanks to the cooperation with T-Mobile. The company estimated that until 2015 the cooperation will yield about PLN 1bn in free cash flow. Savings also resulted from the disposal of 1.3 thousand doubling masts.

The main benefit, however, is improved coverage of the 3G and 4G networks. In March 2012 Orange's 3G network covered 58% of the population and 12.7% of the country's area (mainly large cities), while today it is almost 99% of the population. LTE on the 1800 MHz band already covers 58.9% of the population and Orange declares that it will reach 61% by the end of the year.

**Rzeczpospolita: IT companies will overtake telecoms**

According to Audyteł's latest report, in 2014 the electronic communications market (telecommunication services and pay TV) will be worth PLN 45.2bn, i.e. 0.6% less compared to 2013. Audyteł estimates the average annual growth rate of the market at 1.3% and its value in 2019 at PLN 48.3bn.

In 2016 the IT market will be larger than the telecommunications one and telecoms will generate more revenue on internet access than on fixed-line services. Audyteł expects a rapid increase in the number of FTTH users as well as subscribers of multimedia available on the Internet. Revenue growth will be driven by new income of access networks, bundling and market consolidation.

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**Rzeczpospolita: Possible change of scenario for the new DTT package**

The conclusion following from opinions submitted within the consultation process is that the concept of managing the new package in digital terrestrial television (the so called eighth multiplex) needs to be modified. The industry is against assigning all eight new slots exclusively to TVP. The largest private broadcasters argue that there are too many channels on the market and TVP already has 9 channels on multiplexes – 1/3 of the total number of channels available on DTT. They emphasize that given the relatively small TV ad market, currently worth ca. PLN 3.6-3.7bn, new channels on multiplexes will have to be generic, because they will not be able to afford internal productions.

**Parkiet: More optical fiber networks**

Over the last 8 years mobile operators spent PLN 25bn in capital expenditures, 65% of which were investments in maintenance, modernization and network coverage – reports daily “Parkiet”. In 2010-2014 P4, Play network operator, invested ca. PLN 1.5bn and additionally paid PLN 498m for LTE frequencies. Compared to its competitors, P4’s capital expenditure was relatively low as the telecom uses other operators’ infrastructure within national roaming. In 2014 P4 will invest PLN 466m, mostly in the construction of a mobile LTE Internet network.

In 2010-2013 Polkomtel, Plus network operator, invested almost PLN 2.9bn in LTE with the support of WSE-listed Midas. Capital expenditure excluding purchase, lease or costs of extension of validity of telecommunications licenses, amounts to PLN 500-600m annually at Polkomtel.

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T-Mobile and Orange are terminating a joint project focused on network modernization so as to support the new LTE technology as well as to increase 3G network coverage. The companies have not disclosed the total value of the investment, which daily "Parkiet" estimates at PLN 4bn.

After several years of investments in mobile networks, focus will shift towards optical fiber fixed-line networks. Already Orange Polska and Netia are preparing to invest in this area.

26.09

**Rzeczpospolita: TVP terminates contract with Astra**

In September TVP announced a tender for a new satellite operator for the TVP Polonia channel addressed to Poles living abroad. The construction of the tender documentation, however, does not allow the current operator, Astra, to participate in the tender as it requires the new operator to have the right to use transponder capacity on the Eutelsat HotBird satellite.

Starting from 2015 TVP does not intend to lease any transponder capacity other than that dedicated for the TVP Polonia channel. This decision results from a cost control policy.

**Polska The Times: Orange will open 100 sports clubs in Poland**

Orange Polska implemented a program aimed at supporting the physical development of children – in two years 100 Orange sports clubs will be created throughout Poland. The project is addressed to local communities and the clubs will be opened in small and medium localities. Orange will finance the purchase of sports equipment and training of coaches and will provide technological equipment.



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27-28.09

#### **Rzeczpospolita: Mobile trends change our habits**

Every other Pole has a smartphone and tablet, according to research by GfK Polonia. Users surf the Internet on mobile devices on average 2-3 hours each day. 70% of users use at least two devices to connect to the net. GfK research further shows that users increasingly use devices simultaneously, eg. to surf the Internet while watching TV.

More and more frequently mobile devices substitute the TV set. According to IDG research, 85% of tablet owners use them to watch video.

### Latest events

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**Current report no. 65**  
**September 24, 2014**

#### **Resolutions adopted by the Extraordinary General Meeting of Cyfrowy Polsat S.A. on September 23, 2014**

The Management Board of Cyfrowy Polsat S.A. (the “**Company**”) hereby publishes the resolutions adopted by Extraordinary General Meeting of the Company on September 23, 2014, attached hereto.

Attachment: [Adopted resolutions](#) (.pdf)

**Current report no. 66**  
**September 24, 2014**

#### **List of shareholders authorized to at least 5% of votes at the Extraordinary General Meeting convened for September 23, 2014**

The Management Board of Cyfrowy Polsat S.A. (the “**Company**”) hereby publishes the list of shareholders authorized to at least 5% of votes at the Extraordinary General Meeting of the Company convened for September 23, 2014, attached hereto.

There were 693,431,340 votes, which constitute 84.67% of the total number of votes in the Company, represented at the Extraordinary General Meeting of the Company convened for September 23, 2014. Pursuant to the Company’s Articles of Association the Series A, B and C shares as well as 166,917,501 Series D shares are preferred shares, i.e. each share carries two votes.

Attachment: [List of shareholders](#) (.pdf)

**Press release**  
**September 26, 2014**

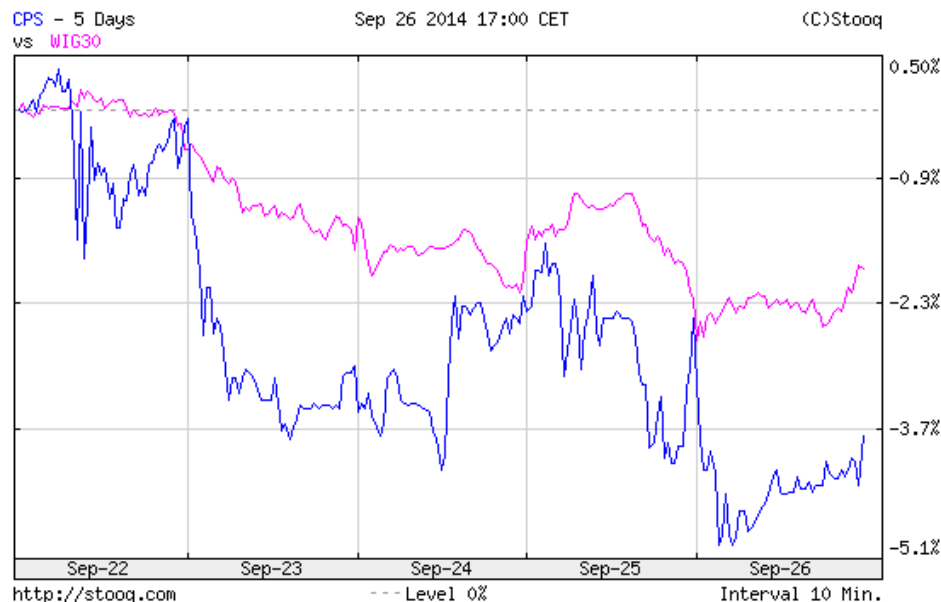
#### **MUZO.TV in Cyfrowy Polsat’s offer**

On September 26, 2014 Cyfrowy Polsat expanded its offer by adding MUZO.TV, Telewizja Polsat’s new music channel. The station broadcasts rock and pop music. MUZO.TV viewers will also see the best video clips, both the classics and the novelties. MUZO.TV is the second music channel, next to Disco Polo Music, in Polsat’s offering.

MUZO.TV occupies position 22 and 174 on Cyfrowy Polsat’s channel list and is available to subscribers of the Mini HD package upwards who use HD set-top boxes.

## Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Trade value (PLN ths.)
22-09-2014	27.88	27.07	27.64	-0.29%	10 495
23-09-2014	27.67	26.59	26.84	-2.89%	12 112
24-09-2014	27.09	26.50	27.07	0.86%	4 196
25-09-2014	27.29	26.50	27.00	-0.26%	7 573
26-09-2014	26.80	26.20	26.61	-1.44%	6 889



## Investor's calendar

October 30 – November 13, 2014	Closed period prior to the publication of Q3 2014 results
November 13, 2014	Publication of Q3 2014 results