

# Cyfrowy Polsat IR Newsletter

**9 – 15 February 2015**

The press about us	Date	The press about TMT market in Poland
	<p>9.02</p>	<p><b>Puls Biznesu: Billions to be spent on spectrum</b>  <i>by MZAT</i></p> <p>The auction for frequencies from the 800 MHz and 2600 MHz spectrum ranges, designed for the development of high speed LTE networks, started on February 10, 2015. 5 blocks from the 800 MHz bandwidth, with the initial price of PLN 250m each, and 14 blocks from the 2600 MHz bandwidth, with the initial price of PLN 25m each, have been put up for sale. The Office of Electronic Communications estimates the state treasury’s income from the auction at PLN 1.8 bn. Based on the information obtained by ‘Puls Biznesu’ daily, analysts estimate that the telecoms will spend over PLN 3bn during the auction. Moreover, analysts expect that Orange will be the most determined player as it is the only telecom without LTE frequencies of its own. It is estimated that Orange will spend ca. PLN 1.4-1.5bn in the auction.</p>
	<p>11.02</p>	<p><b>Rzeczpospolita: Electric energy</b>  <i>by awk</i></p> <p>Following positive results of the pilot project, Orange Polska has decided to implement sales of electricity to end users under the ‘Orange’ brand on the whole territory of Poland. The offer is addressed to residential customers as well as to small and medium enterprises. The services and products will be offered under the trade name ‘Orange Energia’ (Orange Energy).</p> <p><b>Dziennik Gazeta Prawna: Television in Poland relies on revenue from satellite TV platforms</b>  <i>by Piotr Dziubak</i></p> <p>Analysts estimate that in the next few years pay TV will see a slight decline in the number of subscribers. The trend has no adverse impact on either sales or revenue since subscribers choose more expensive program packages.</p>



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	<p><b>11.02</b></p>	<p>According to estimates of the daily ‘DGP’, the total pay TV market was worth over PLN 12bn in 2014. The biggest share is held by satellite TV platforms, i.e. Cyfrowy Polsat and nc+ who have around 5.7m subscribers in total. According to ‘DGP’, the pay satellite TV segment is shrinking at the pace of nearly 2% annually, mainly as a result of the outflow of customers using lower-end packages towards digital terrestrial TV offers. Cable TV operators maintain a strong market position, with the main players being UPC (900 thousand subscribers), Vectra (600 thousand), Multimedia (ca. 370 thousand.) and Inea (155 thousand).</p> <p>Based on Audytel’s estimates, the penetration of pay TV services was 78% in 2014 and experts estimate its increase to 81% in 2019. According to Grzegorz Bernatke from Audytel, the factors which will affect development of pay TV include development of digital terrestrial TV offers as well as the replacement of pay TV services by the services available over the Internet. Analysts expect to see growth of significance of IPTV, i.e. TV broadcast over the Internet, as well as of digital CATV offers. In spite of this, satellite TV will remain the biggest market segment, with a market share of around 48% at the end of 2019.</p> <p>Both the number of users and the number of channels of free-to-air digital terrestrial TV are increasing. The expanding DTT offer attracts new viewers and also leads to a drop in viewership of leading TV channels – TVP , Polsat and TVN.</p> <p>According to analysts, the development of OTT services as well as potential entry of Netflix to Poland pose a threat to satellite platforms and cable TV offers.</p>

## The press about us

## Date

## The press about TMT market in Poland

12.02

**Rzeczpospolita: LTE auction is slowly gaining momentum***by ZIU*

Based on the information published by the Office of Electronic Communications, after the first day of the LTE auction the sum of the highest bids offered for a specific block of spectrum was ca. PLN 1.66bn, or 3.8% more than the initial price. On the second day the amount reached PLN 1.69bn. According to the information published by 'Rzeczpospolita' daily, the highest price for a block of spectrum from 800 MHz frequency range reached PLN 273m, or over 10% more than the initial price.

**Rzeczpospolita: Europe still lacks fiber-optic network coverage***by ZIU*

According to a ranking published by IDATE, in December 2014 fiber-optic links (FTTH/B) were being used by ca. 15m households and companies in Europe. Older data from the European Commission indicate that in July 2014 FTTH-based Internet access was used by ca. 10m entities, or 7% of fixed-line Internet access users in the European Union, which demonstrates growing popularity of FTTH access.

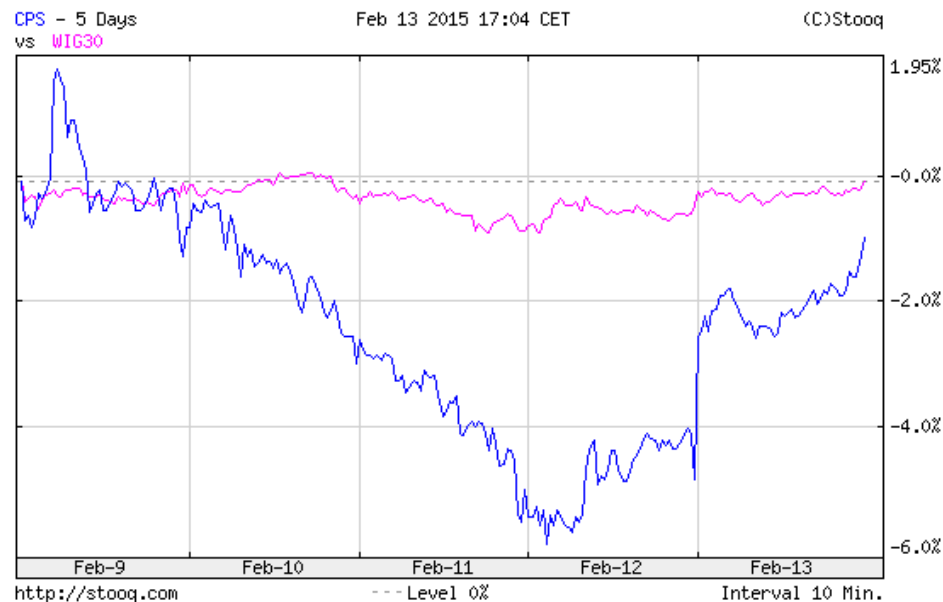
Based on the latest statistics, FTTH is used by 3% of fixed-line Internet users in Poland, which includes the users of hotpots and corporate LAN's. According to IDATE, at the end of 2014 broadband Internet access was used by around 97 thousand entities, or 1% of all users, in Poland.

Fiber-optic technology is best developed in Scandinavia and in Baltic states, as well as in Romania and Bulgaria, with the poorest development of this technology seen in such Western European states as Germany, France, or Italy.

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<p><b>Parkiet: Another disappointment</b> <i>by MR</i></p> <p>Against the expectations of analysts, the weights of LPP and Cyfrowy Polsat did not change in the MSCI Poland index. In the morning, the price of Cyfrowy Polsat shares decreased by a maximum of 1.45%, down to PLN 22.42. In the afternoon the shares gained even as much as 0.9%.</p> <p>During the semi-annual revision last November, the weight of Cyfrowy Polsat was not increased in MSCI Poland index either. The reasons behind the expected growth of significance of Cyfrowy Polsat was the growth of the company's free float, following the sale of 2.4% of its shares by EBRD in September 2014.</p>	<p><b>13.02</b></p>	<p><b>Rzeczpospolita: Media and technologies</b> <i>by ziu</i></p> <p>'Capital expenditures of Orange Polska will increase to PLN 2bn up from PLN 1.77bn (this does not include special expenditures, including the spectrum auction) - the company disclosed in its 2014 financial statement. According to the presented plan the company wants to invest PLN 450m in fiber-optic networks. The management board proposed dividend of PLN 0.50 per share, in spite of concerns of some analysts that dividend payment could drop to PLN 0.30 per share.'</p>
<p><b>Parkiet: Changes in indices</b> <i>by MR</i></p> <p>According to information by the daily 'Parkiet' following the annual revision of indices Enea, Energa and Cyfrowy Polsat will join the WIG20 and WIG20TR portfolios, which is in line with market expectations. These companies will replace JSW, Kernel and Lotos in the index. The changes will come into effect after the trading session on March 20.</p>	<p><b>14-15.02</b></p>	

## Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Trade value (PLN ths.)
09-02-2015	24.50	23.50	23.80	-0.42%	6 067
10-02-2015	23.92	23.25	23.25	-2.31%	5 878
11-02-2015	23.40	22.52	22.75	-2.15%	8 641
12-02-2015	23.00	22.42	22.79	0.18%	7 926
13-02-2015	23.76	23.00	23.76	4.26%	8 596



## Investor's calendar

February 18 – March 4, 2015	Closed period prior to the publication of results for 2014
March 4, 2015	Publication of results for 2014