

Cyfrowy Polsat IR Newsletter

1 – 7 December 2014

The press about us	Date	The press about TMT market in Poland
	1.12	<p>Parkiet: Inea’s cooperation with Play network</p> <p>24 thousand subscribers of Inea (cable network operating in Greater Poland) who use 27 thousand mobile services were transferred from Orange systems to P4, Play network operator. 22 thousand mobile internet and 5 thousand telephony services were migrated.</p> <p>Construction of optic fiber networks (FTTH) is an important element of Inea’s strategy. Consequently, the cable operator’s capital expenditure is significantly higher compared to the industry average. The operator’s FTTH coverage will increase to 68 thousand households this year from 48 thousand in January, and by another 100 thousand in 2015, and total coverage will be 500 thousand. According to company representatives, Inea’s revenue this year will amount to PLN 220m, that is 17-18% more than in 2013. EBITDA may reach PLN 83m (38% margin).</p>
	3.12	<p>Parkiet: Shortlist of investors in a few days</p> <p>Next week owners of TVN will select a smaller group from among investors declaring interest in the controlling stake of the company, with whom negotiations will be continued, said Markus Tellenbach, CEO at TVN. He admitted that both Time Warner and Discovery are among interested parties. According to Tellenbach, the selection should take place in the first quarter of 2015.</p> <p>T-Mobile introduced a new pay TV offer – Strefa T-Mobile, with content provided by TVN and based on Player, the video on demand solution of the group. The telecom expects that 350 thousand customers will subscribe to the offer by the end of 2015. The offer is available to both post- and prepaid clients and includes a free of charge package with a limited number of channels and two paid packages: one for PLN 4.99 including content for children and an additional 5 hours of data transfer free of charge) and the other for PLN 14.99 (full access without usage of data transfer already purchased). T-Mobile is not planning to open up the offer for customers of other operators.</p>

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	4.12	<p>Rzeczpospolita: Paid packages from free Internet provider</p> <p>Aero 2, a company belonging to the listed Midas group, known until recently for its free of charge internet access services (so called BDI), introduced paid services. Packages for PLN 5 and PLN 10 per month for 3 and 5GB of data transfer, respectively, are available only to users of Aero 2’s free Internet access. The company is not withdrawing from its BDI services. According to the terms of the frequency reservation in the 2600 MHz band, the company is obliged to provide free Internet access services until the end of 2016. The daily ‘Rzeczpospolita’ estimated the number of users of Aero 2’s free Internet at 300-400 thousand.</p>
	5.12	<p>Rzeczpospolita: Technological changes in pay TV</p> <p>Liberty Global and its subsidiary, cable operator UPC, announced the introduction of a new technological platform for digital television in Poland. It is a set-top box named Horizon. Horizon allows to consume content from UPC on several devices simultaneously and will constitute the main element of UPC’s offer in 2015.</p> <p>Balan Nair, member of the management board of Liberty responsible for technology, admitted that the company has plans related to mobile services. According to daily “Rzeczpospolita”, UPC may be negotiating with P4, Play network operator. When asked about investments in optical fiber networks, Nair said that the currently applied technology, based on the so called ‘fiber deep’, is sufficient for now.</p> <p>Rzeczpospolita: Online advertising without fireworks</p> <p>According to forecasts by IAB Polska and Starlink, there is no chance of a two-digit growth of advertising expenditure neither this year not next year. IAB Polska and PwC research indicate that this year the online ad market will grow at most by 7.8%, to PLN 2.62 bn. According to estimates of media house Starlink, online ad expenditure in Poland will reach ca. PLN 1.7 bn this year (i.e. 6.5% more compared to 2013) and PLN 2 bn next year (forecast growth of 7-8%).</p>

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	5.12	<p>There are also PwC forecasts of significantly higher dynamics and market growth – according to this data the Polish online advertising market will grow at a two-digit rate and next year may be worth ca. PLN 3 bn. PwC’s scenario assumes that a ‘digital leap’ will occur in connection with the development of access to broadband Internet.</p> <p>Dziennik Gazeta Prawna: Viewers gain, TV station loses</p> <p>On November 17, 2014 the National Broadcasting Council adopted a regulation on the list of important events thus expanding the list of sports events that should be broadcast without subscription fees on FTA channels. Mandatory public broadcasting of certain sports events limits operating possibilities of private companies and therefore may have a negative impact on their profit.</p>



Latest events

Press release
December 2, 2014

H2 HD and Lifetime HD – new thematic channels from Cyfrowy Polsat

As a result of extended cooperation with media company A+E Networks, Cyfrowy Polsat's programming offer will be expanded to include two new thematic channels in HD standard - H2 HD and Lifetime HD. Both channels will begin broadcasting on the platform on December 3 and will be included in one of the most popular programming packages – Familijny Max HD, which will now offer 103 popular channels for the entire family, 22 in HD standard.

H2 HD channel offers documentary series from all over the world, which will satisfy the curiosity of the most demanding viewers. H2 HD complements the HISTORY channel with a wide offer of programs, starting from warfare, through ancient and modern history, ending with science, motorization and engineering.

Lifetime HD is available in over 100 countries to over 150m households. The programming strategy of Lifetime is based on 3 main pillars. The offer includes awarded series, several dozens of high quality feature films annually (the so called Lifetime Original Movies) and entertainment documentary productions. Lifetime HD cooperates with the most famous Hollywood directors and actors.

Press release
December 4, 2014

PlusLiga and Orlen Liga on Polsat sports channels for the next 5 years

Telewizja Polsat purchased rights to sports league PlusLiga and Orlen Liga for a consecutive 5 years.

Until the end of the 2019/2020 season Telewizja Polsat will hold full rights to domestic volleyball. Polsat Sport, Polsat Sport Extra and Polsat Sport News will broadcast the most interesting matches of the world champions' league – PlusLiga, as well as meetings of Orlen Liga. Apart from league events Polsat sports channels will broadcast games of men's and women's Polish Cup and Polish Supercup.

Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Trade value (PLN ths.)
01-12-2014	24.65	24.17	24.17	-2.15%	26 172
02-12-2014	24.30	24.02	24.14	-0.12%	14 359
03-12-2014	24.54	24.15	24.15	0.04%	10 404
04-12-2014	24.85	24.14	24.14	-0.04%	14 412
05-12-2014	24.97	24.23	24.70	2.32%	14 915

