

Cyfrowy Polsat IR Newsletter

15 – 21 December 2014

The press about us

Puls Biznesu: Better outlook for Cyfrowy Polsat

Analysts at DM PKO BP upgraded their recommendation for Cyfrowy Polsat from 'hold' to 'buy' and raised the target price from PLN 26.6 do PLN 28.4. On the date the report was published, the share price was PLN 24.2, while yesterday it exceeded PLN 25.

Experts forecast that the company will generate PLN 7.3bn of consolidated revenue and PLN 2.8bn EBITDA. In 2015 they expect growth of consolidated revenue to PLN 9.8bn and EBITDA of PLN 3.9bn.

Date

15.12

The press about TMT market in Poland

Parkiet: Hawe and Netia on the short list

Daily 'Parkiet' reports that according to its unofficial information Netia and Hawe are on the short list of entities admitted to further talks with PKP on the purchase of shares in TK Telekom. Emitel had not submitted a preliminary offer, said management board member Krzysztof Kaczmarczyk.

PKP expects to start due diligence of TK Telekom at the turn of December and January, while negotiations of the terms of the transaction at the turn of the first and second quarter of 2015. The closing of the transaction is planned at the end of the first half of 2015. The value of TK Telekom is estimated at PLN 200-250m.

Dziennik Gazeta Prawna: All of Netia's problems. Revenue still falling

Netia is reducing employment and costs. According to analysts, we will witness a race between falling revenue and cost cutting for the next several quarters. As a result of two stages of restructuring, Netia will save ca. PLN 100m annually. Additionally, it received PLN 145m in consequence of a settlement with Orange. On the other hand the number of users of fixed-line telephones is falling, which translates into falling revenue from these services. Włodzimierz Giller from PKO BP estimates that this trend will keep up for at least two more years. The fact that the operator also provides internet and TV services partially mitigates this problem, however, competition on the pay TV market is increasing while the number of Netia's internet users is falling. Netia is making savings in order to finance the telecom's expansion in new, promising areas.

The press about us	Date	The press about TMT market in Poland
	15.12	<p>Rzeczpospolita: Atmedia in liquidation but talks with Gazprom continue</p> <p>Starting from 2015 Atmedia will not sell advertising time on thematic channels in Poland anymore. Marcin Boroszko, CEO of Atmedia, says that this is not a bankruptcy but a liquidation, which is a reversible process. Last year, Polsat Media advertising office and Premium TV, owned by TVN, took over part of Atmedia’s clients. As a result, the company’s portfolio was reduced from over 50 to a dozen or so clients.</p> <p>According to daily ‘Rzeczpospolita’, despite the decision to shut down activities in Poland, Atmedia’s owners continue talks with Gazprom Media on its potential entry into the company.</p>
	16.12	<p>Puls Biznesu: Six will fight over LTE</p> <p>All the bidders who submitted preliminary offers for the 800 MHz and 2600 MHz frequencies were qualified for the second stage of the auction. In November six entities submitted offers in the auction: Orange Polska, P4, T-Mobile, Polkomtel, Hubb Investments and NetNet. The auction is the begin on December 24. The minimum expected income for the national budget is PLN 1.8bn.</p>
	18.12	<p>Dziennik Gazeta Prawna: Poczta splits up with Orange</p> <p>According to daily ‘Dziennik Gazeta Prawna’, the consortium of Netia and GTS, owned by T-Mobile, submitted the best offer in the tender for internet services provision for over 5 thousand premises of Poczta Polska (Polish Post). The Post will pay the two companies ca. PLN 40m, which is PLN 60m less than assumed in the tender documentation. The hitherto, long-term partner of Poczta Polska – Orange Polska – submitted an offer of around PLN 79m.</p>

Latest events

Current report No. 73 December 17, 2014

Registration of amendments to the Articles of Association of Cyfrowy Polsat S.A. and the consolidated text of the Articles of Association of the Company

The Management Board of Cyfrowy Polsat S.A. (the "**Company**") hereby informs, that on December 16, 2014 it was notified about the registration on December 9, 2014 by the District Court for the Capital City of Warsaw in Warsaw, XIII Business Division for the National Court Register of amendments to the Articles of Association of the Company.

The Articles of Association of the Company were amended based on the resolution number 6 of the Extraordinary General Meeting of the Company held on September 23, 2014, as follows:

I. the wording to date of Article 8 of the Articles of Association of the Company as follows:

"Art. 8

Share capital of the Company amounts to 13,934,113.44 (thirteen million nine hundred thirty four thousand one hundred and thirteen 44/100) zlotys, and is divided into 348,352,836 (three hundred forty eight million three hundred fifty two thousand eight hundred and thirty six) shares of face value of four groszy (0.04 zlotys) each, including:

- 1. 2,500,000 (two million five hundred thousand) registered shares series A, privileged as to the voting rights, identified by the numbers A No. 1 - 2,500,000. Each A series share gives a right to two (2) votes in a General Meeting.*
- 2. 2,500,000 (two million five hundred thousand) registered shares series B, privileged as to the voting rights identified by the numbers B No. 1 - 2,500,000. Each B series share gives a right to two (2) votes in a General Meeting.*
- 3. 7,500,000 (seven million five hundred thousand) registered shares series C, privileged as to the voting rights identified by the numbers C No. 1 - 7,500,000. Each C series share gives a right to two (2) votes in a General Meeting.*
- 4. 175,000,000 (one hundred seventy five million) shares series D, identified by the numbers D No. 1 - 175,000,000 including:
 - a) 66,917,501 (one hundred sixty six million nine hundred seventeen thousand five hundred and one) registered shares, privileged as to the voting rights in a manner that each of the shares entitles to two (2) votes in a General Meeting identified by the numbers D No. 1 - 166,917,501,*
 - b) 8,082,499 (eight million eighty two thousand four hundred and ninety nine) bearer shares identified by the numbers D No. 166,917,502 - 175,000,000.**
- 5. 75,000,000 (seventy five million) ordinary, bearer shares series E identified by the numbers E No. 1 - 75,000,000.*
- 6. 5,825,000 (five million eight hundred twenty five thousand) ordinary, bearer shares series F identified by the numbers F No. 1 - 5,825,000.*

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7. *80,027,836 (eighty million twenty seven thousand eight hundred and thirty six) bearer shares identified by the numbers H No. 1 - 80,027,836."*

was replaced with the following wording:

"Art. 8

Share capital of the Company amounts to 25,581,840.64 (twenty five million five hundred eighty one thousand eight hundred forty 64/100) zlotys, and is divided into 639,546,016 (six hundred thirty nine million five hundred forty six thousand sixteen) shares with a nominal value of 4 (four) groszy (0.04 PLN) each, including:

1. *2,500,000 (two million five hundred thousand) series A registered shares, privileged as to the voting rights, identified by the numbers A No. 1 – 2 500 000. Each series A share gives a right to two (2) votes in a General Meeting.*
2. *2,500,000 (two million five hundred thousand) series B registered shares, privileged as to the voting rights, identified by the numbers B No. 1 – 2 500 000. Each series B share gives a right to two (2) votes in a General Meeting.*
3. *7,500,000 (seven million five hundred thousand) series C registered shares, privileged as to the voting rights, identified by the numbers C No. 1 – 7 500 000. Each series C share gives a right to two (2) votes in a General Meeting.*
4. *175,000,000 (one hundred seventy five million) series D shares, identified by the numbers D No. 1 – 175 000 000, including:*
 - a) *166,917,501 (one hundred sixty six million nine hundred seventeen five hundred one) registered shares, privileged as to the voting rights in such a way that each of these shares gives the right to 2 (two) votes at the General Meeting, identified by the numbers D No. 1 – 166 917 501*
 - b) *8,082,499 (eight million eighty two thousand four hundred ninety nine) bearer shares, identified by the numbers D No. 166 917 502 – 175 000 000.*
5. *75,000,000 (seventy five million) series E bearer shares, identified by the numbers E No. 1 – 75 000 000.*
6. *5,825,000 (five million eight hundred twenty five thousand) series F bearer shares, identified by the numbers F No. 1 – 5 825 000.*
7. *80,027,836 (eighty million twenty seven thousand eight hundred thirty six) series H bearer shares, identified by the numbers H No. 1 – 80 027 836.*
8. *47,260,690 (forty seven million two hundred sixty thousand six hundred ninety) ordinary series I bearer shares, identified by the numbers I No. 1 – 47 260 690.*

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9. 243,932,490 (two hundred forty three million nine hundred thirty two thousand four hundred ninety) ordinary series J bearer shares, identified by the numbers J No. 1 – 243 932 490.”

II. the wording to date of Article 15, section 1 of the Articles of Association of the Company as follows:

“Art. 15 sect. 1

The Management Board shall be composed of one (1) member, including the President of the Board.”

was replaced with the following wording:

“Art. 15 sect. 1

The Management Board shall be composed of 1 (one) or more members, including the President of the Board and the Vice-President of the Board.”

III. the wording to date of Article 16 of the Articles of Association of the Company as follows:

“Art. 16

The following are entitled to issue statements on behalf of the Company:

- in the case of one person board - the President of the Board acting solely,

- in the case of group board - the President of the Board acting solely, two members of the Board acting jointly, or a member of the board acting jointly with a proxy.”

was replaced with the following wording:

“Art. 16

The following are entitled to issue statements on behalf of the Company:

- in the case of one person board - the President of the Board acting solely,

- in the case of a group board - the President of the Board acting solely, the Vice-President of the Board acting jointly with a member of the Board, two members of the Board acting jointly, the Vice-President of the Board acting jointly with a proxy, or a member of the Board acting jointly with a proxy.”

The consolidated text of the Articles of Association of the Company adopted by the resolution 01/02/10/2014 of the Supervisory Board dated October 2, 2014, based on the authorization granted by the resolution no 6 of the Extraordinary General Meeting of the Company held on September 23, 2014 constitutes an attachment to this current report.

Attachment: [Consolidated text of the Articles of Association of Cyfrowy Polsat S.A. \(.pdf\)](#)

Latest events

Current report No. 74 December 18, 2014

Early prepayment of a part of the term loan

The Management Board of Cyfrowy Polsat S.A. (the "**Company**") informs that on December 17, 2014, Polkomtel Sp. z o.o. - a wholly owned subsidiary of the Company ("**Polkomtel**") - submitted to the SFA Agent an instruction for starting the procedure of early prepayment of a part of the term loan in the amount of PLN 200 million (two hundred million zloty). The prepayment, along with the allocation to individual credit tranches, is to be effected on December 29, 2014.

The Senior Facilities Agreement for the total amount of PLN 7.95 billion was signed on June 17, 2013 between Eileme 2 AB (publ) Group, of which Polkomtel is a member, and the consortium of Polish and foreign banks and financial institutions. The effected early prepayment of a part of the term loan has no impact on the provisions of the Senior Facilities Agreement. The final repayment date for the entire facility is June 24, 2019.

The Company's Management Board has decided that this information is important because the reduction of Polkomtel's debt has an impact on the reduction of subsequent principle installments and accrued interests, which in turn should have a positive impact on the financial standing of Polkomtel and the entire capital group of the Company in the future.

Current report No. 75 December 19, 2014

Information on convening an Extraordinary General Meeting of the Company

The Management Board of Cyfrowy Polsat S.A. (the "**Company**") hereby notifies that the Company's Extraordinary General Meeting is to be held on 16 January 2015, at 11.00 a.m. CET, in Warsaw, at the registered office of the Company at ul. Łubinowa 4A.

Agenda of the Extraordinary General Meeting:

1. Opening of the Extraordinary General Meeting.
2. Appointment of the Chairman of the Extraordinary General Meeting.
3. Drawing up an attendance list, confirming that the Extraordinary General Meeting has been properly convened and is able to adopt valid resolutions.
4. Appointment of the Ballot Counting Committee.
5. Adoption of the agenda of the Extraordinary General Meeting.
6. Adoption of the resolution on the bond issue program of the Company.
7. Adoption of the resolution on the amendments to the Company's Articles of Association.
8. Closing of the Extraordinary General Meeting.

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Suggested amendments to the Company's Article of Association:

1. In Article 7 of the Company's Articles of Association, immediately following Section 34, Section 35 shall be added reading as follows:

"35. activities of intermediaries and agents organizing the sales of electricity through distribution systems, operated by other entities."

2. In Article 11 of the Company's Articles of Association, immediately following Section 3, Section 4 shall be added reading as follows:

"4. The Company may issue convertible bonds."

3. In Article 14 of the Company's Articles of Association, immediately following Section 3, Section 4 shall be added reading as follows:

"The Supervisory Board determines the division of responsibilities among the members of the Management Board."

4. Amendment of Art. 15.1 of the Company's Articles of Association:

Current wording:

"1. The Management Board shall be composed of 1 (one) or more members, including the President of the Board and the Vice-President of the Board."

Proposed wording:

"1. The Management Board shall consist of 1 (one) or more members, including the President and Vice-President or Vice-Presidents of the Management Board."

5. Amendment of Art. 16 of the Company's Articles of Association:

Current wording:

"Art. 16. The following are entitled to issue statements on behalf of the Company:

- in the case of one person board - the President of the Board acting solely,

- in the case of a group board - the President of the Board acting solely, the Vice-President of the Board acting jointly with a member of the Board, two members of the Board acting jointly, the Vice-President of the Board acting jointly with a proxy, or a member of the Board acting jointly with a proxy."

Proposed wording:

„Art. 16. The following individuals shall be authorized to make statements on behalf of the Company:

- if the Management Board consists of one member – the President of the Management board, acting individually;

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- if the Management Board consists of more than one member – the President of the Management Board, acting individually; a Vice-President of the Management Board, acting jointly with a Management Board member or another Vice-President; two Management Board members, acting jointly; two Vice-Presidents acting jointly; a Vice-President, acting jointly with a registered proxy; or a Management Board member acting jointly with a registered proxy.”

6. Amendment of Art. 24(j) of the Company’s Articles of Association:

Current wording:

“j) issuance of bonds,”

Proposed wording:

“j) issuance of convertible bonds or seniority bonds,”

The Management Board of the Company encloses to this current report:

1. [Notice of the Extraordinary General Meeting](#) prepared pursuant to Article 402(2) of the Commercial Companies Code.
2. [Draft resolutions](#) to be adopted by the Extraordinary General Meeting convened on 16 January 2015.

The Company makes all information concerning the Extraordinary General Meeting available on its website at <http://www.cyfrowypolsat.pl/>, subpage: Investor Relations, tab: General Shareholders Meeting/Materials.

Press release December 18, 2014

Viewership of 2.75m of ‘On the edge 2’ in IPLA

The total viewership in IPLA of the second edition of the high-budget Polish series ‘On the edge 2’, the premier of which, as the first in Poland, was launched in full on the internet, was 2.75m in the paid model. Each episode gathered on average 200 thousand viewers of the largest online television in Poland. The largest audience saw the show via the website www.ipla.pl and the PC application.

Press release December 19, 2014

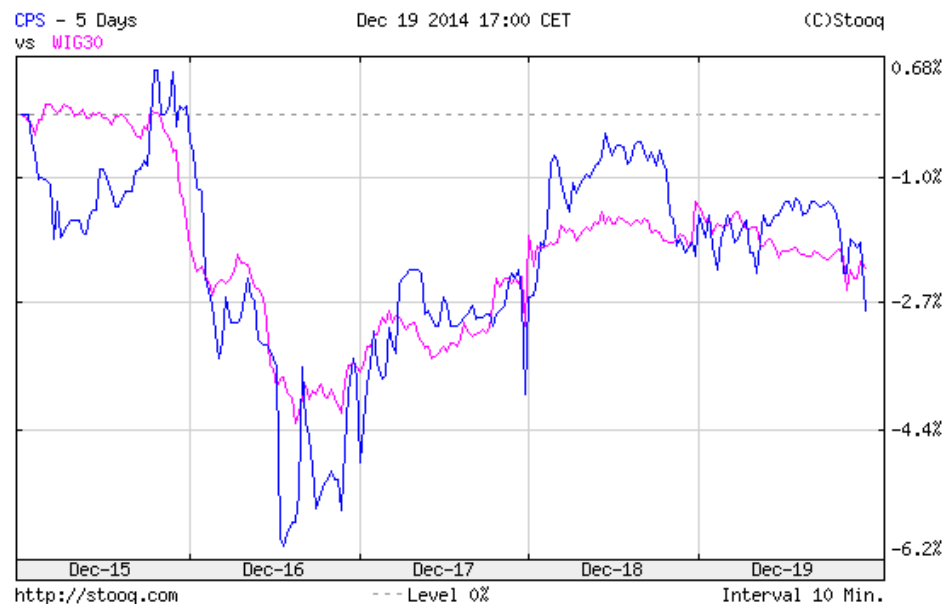
Cyfrowy Polsat and TVN prolonged the agreement on distribution of TVN channels

Cyfrowy Polsat S.A. and TVN S.A. signed agreements extending the current cooperation regarding the distribution of paid and FTA channels broadcast by TVN.

The agreements concern the nine channels of TVN Group, which were thus far broadcast by Poland’s largest satellite platform Cyfrowy Polsat: TVN, TVN7, TTV, TVN24, TVN Meteo, TVN Style, TVN Turbo, TVN 24 Biznes i Świat and Mango24 as well as their HD versions. Thanks to the new terms of the agreements soon Cyfrowy Polsat’s offer will be expanded to include the stations TVN24, TVN Turbo and TVN Style in HD standard.

Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Trade value (PLN ths.)
15-12-2014	25.16	24.48	25.00	0.00%	5 990
16-12-2014	24.87	22.90	24.01	-3.96%	21 438
17-12-2014	24.42	23.71	23.95	-0.25%	6 179
18-12-2014	24.93	24.30	24.45	2.09%	14 470
19-12-2014	24.75	24.25	24.25	-0.82%	15 729



Investor's calendar

January 16, 2015

Extraordinary General Meeting of the Company