

Cyfrowy Polsat IR Newsletter

16 – 22 March 2015

The press about us

Date

The press about TMT market in Poland

16.03

Puls Biznesu: Scripps takes TVN*by Magdalena Wierzchowska*

'Puls Biznesu' daily reported that Scripps Networks Interactive (SNI), through its British subsidiary South Bank Media, purchased from ITI and Canal+ 100% of shares in N-Vision, owner of Polish Television Holding. This gives Scripps control over almost 53% of shares in TVN.

Scripps will pay EUR 580m (PLN 2.4bn) for shares in PTH and take on the company's debt – bonds with the nominal value of EUR 300m (PLN 1.2bn) maturing in 2021. This gives a valuation of TVN at the level of PLN 20.5 per share. The condition precedent is the consent of the anti-monopoly office. SNI should announce a call for shares in order to achieve 66% of capital.

SNI sees huge synergies – TVN brings to the group the skill to manage information channels along with its flag TVN24, while Scripps specializes in thematic channels and puts a lot of emphasis on the development and distribution of content on multimedia platforms.

Gazeta Wyborcza: Global entertainment TV*by Martin Stysiak*

According to BBC Worldwide Polska data, in 2013 viewers worldwide spent on average 3 hours and 14 minutes daily on watching TV, while a Polish viewer spent on average as much as 4 hours 7 minutes daily on this activity (according to Nielsen Audience Measurement). Information obtained from broadcasters suggests that local productions have better viewership results in most countries. According to BBC Worldwide Polska expert, the general trend shows that TV stations use global brands but adapted them to meet the expectations of local viewers.

On most markets television remains the dominant position in media advertising budgets – in Poland the share of TV is ca. 50% of advertising expenditure. Television remains popular among advertisers in Poland due to the attractive cost of reaching the viewer, which is significantly lower compared to other markets in the region.

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Rzeczpospolita: TVN's new owner isn't planning a revolution*by Urszula Zielińska and Magdalena Lemańska*

- We have a strong new shareholder with knowledge and experience on the TV market and our assets complement his portfolio – Markus Tellenbach, CEO at TVN, told 'Rzeczpospolita' daily.

Moreover, managers from Scripps - Joe NeCastro and Jim Samples confirmed for 'Rzeczpospolita' daily that neither redundancy nor changes in the management board are planned. They emphasized that the new owner supports TVN's strategy, based on strengthening the portfolio of thematic channels and developing distribution via new platforms.

Formally, the entity taking over the controlling stake at TVN will be Southbank Media. As it exceeded the threshold of 33% shares in TVN, Southbank Media will have to announce a call for shares in order to achieve 66% of votes on the general shareholders meeting. The call price is still unknown. NeCastro says that the transaction will probably close in the third quarter of this year and decisions concerning i.a. the call for shares will be made then.

Puls Biznesu: TVN's new owner aims high*by Magdalena Wierchowaska and Karol Jedliński*

The acquisition of the majority stake at TVN by Scripps Network Interactive (SNI) came as a surprise to the market. For SNI the acquisition is a pass to Europe. SNI management board member, Joseph NeCastro, says that the aim of the group is to achieve 30% of revenue from foreign operations. – We want to achieve this through the organic development of TVN, though we don't rule out acquisitions – he says.

'Puls Biznesu' daily cites Kenneth Lowe, chief executive at SNI: - TVN tempted us because it is profitable and operates on a growing market, abundant in both valuable employees and viewers attractive to advertisers. It will be our development center in the region, where we

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	17.03	<p><i>also want to distribute our content. We have an offensive approach and we see potential for the development of TVN through an increase in revenue and higher prices. It's too early to say what will change at TVN. We are aware, however, that there is room for more lifestyle components in the Polish company.</i></p> <p>Minority investors are worried about the price in the call for share, which Scripps is to announce after the closing of the transaction, expected in the third quarter of this year. The company declared that it does not want a conflict with minority shareholders but it also does not want to overpay.</p> <p>Together with the stake in TVN, Scripps also acquired a minority stake in the satellite platform nc+. Vivendi, who held shares in TVN until now, will focus on pay TV. Scripps want to use this fact to strengthen its position among other cable TV and satellite platform operators.</p>
	19.03	<p>Rzeczpospolita: Virtual operators gathered in Play <i>by Urszula Zielińska</i></p> <p>According to the Office of Electronic Communications, in 2013 there were over 950 thousand users of mobile virtual network operators. This is a relatively small number compared to the 58m SIM cards active in mobile networks at the end of December. Based on the data on mobile number portability, the daily 'Rzeczpospolita' estimates that there were 26 active MVNOs last year.</p> <p>The largest number of MVNO cards are active in the network belonging to the infrastructural operator P4. According to data published by the company, as at December 2014 250 thousand SIM cards used by MVNO customers were active in P4's network. For Play cooperation with MVNOs is an element of a long-term strategy of building revenue following the phase of dynamic customer base building. Polkomtel is the second, after P4, operator with the largest number of active MVNO cards.</p>

The press about us	Date	The press about TMT market in Poland
	20.03	<p>Rzeczpospolita: What nc+ viewers want <i>by d.e.</i></p> <p>Julien Verley, CEO at nc+, announced an expansion of the Canal+ offer from 6 to 8 channels and said that each channel will have a clearly defined characteristic.</p> <p>The flag channel Canal+ will be extend to include sports events, music and new programs. A second sports channel will also be created. Series are currently the phenomenon in TV. Canal+ plans to air chiefly American production, but also several chosen European series as well as own production.</p>

Latest events

Current report no. 12 March 18, 2015

Information of change of the share in the total number of votes at the general meeting of Cyfrowy Polsat S.A.

The Management Board of Cyfrowy Polsat S.A. (the "Company") hereby announces that on March 17, 2015 it received from Embud Sp. z o.o., seated in Warsaw ("Embud"), information provided under article 69 of the Act dated July 29, 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies (the "Act on Public Offering") regarding the acquisition of the Company's shares by Embud on March 16, 2015.

On March 16, 2015, Embud acquired from Argumenol Investment Company Limited, seated in Nicosia, Cyprus ("Argumenol"), 28,415,173 ordinary series J bearer shares of the Company. The transaction was recorded on the securities account on March 16, 2015.

As a result of the above mentioned transaction, Embud currently holds 58,063,948 shares of the Company, constituting 9.08% of the Company's share capital, representing 58,063,948 votes at the general meeting of the Company, which constitutes 7.09% of the total number of votes in the Company.

Prior to the above-mentioned acquisition of shares Embud held 29,648,775 shares in the Company in total, constituting 4.64% of the Company's share capital, carrying the right to 29,648,775 votes at the General Meeting of the Company, which constituted 3.62% of the total number of votes at the General Meeting of the Company.

Moreover, on March 17, 2015 the Company received a lock-up letter from Embud regarding the acquired shares, resulting from the restriction of sale of the shares by which Argumenol is bound.

On January 22, 2014, Argumenol, in connection with the intended acquisition of 58,063,948 new-issue shares of the Company (the "New-Issue Shares"), made a representation regarding the lock-up of these shares ("Lock-Up Letter Argumenol"). The content of the Lock-Up Letter Argumenol was disclosed by the Company in current report no. 8/2014 of January 22, 2014.

On March 16, 2015 Embud, being a member of the same capital group as Argumenol, acquired from Argumenol 28,415,173 New-Issue Shares covered by the Lock-up Letter Argumenol (the "Acquired Shares").

Bearing in mind Argumenol's obligation to assure that Embud makes a representation to the Company with substantially the same content as the Lock-Up Letter Argumenol, covering the period from the date of acquisition of the Acquired Shares by Embud to a date falling 360 days after the submission of the representation on the acquisition of the Acquired Shares by Argumenol (i.e. since May 7, 2014), Embud made the following representation to the Company:

"Over the period of 360 days since the date of submission of the representation on the acquisition of the Acquired Shares by Argumenol (i.e. since May 7, 2014), Embud shall not offer or sell any Acquired Shares or securities

Latest events

Current report no. 12 March 18, 2015

convertible or exchangeable into Acquired Shares or enabling the acquisition of the same through the exercise of rights attached to such securities, nor other rights that enable it to acquire the Acquired Shares, nor other securities or financial instruments valued directly or indirectly with reference to the price of the Acquired Shares being their underlying instruments, including share swaps, futures and options, and shall not enter into any other transaction that may result in an offer or sale of the Acquired Shares, except for transfer to the entities from the same capital group as Embud or entities established by the entities from the same capital group as Embud, provided that prior to the transfer to the entities referred to above, Embud will ensure that such an entity makes a representation to the Company with substantially the same content as this representation, covering the period from the date of acquisition of the Acquired Shares by such an entity to a date falling 360 days after the submission of the representation on acquisition of the New-Issue Shares by Argumenol.

For the avoidance of doubt, the restrictions referred to in the preceding paragraph do not exclude the right of Embud to encumber with any right in rem all, part or any of the Acquired Shares, or any other security interest, including, without limitation, pledge (in any form whatsoever) on all, part or any of the Acquired Shares.”

There exist no subsidiaries of Embud which hold shares in the Company and Embud is not a party to any agreements whose scope includes transfer of voting rights based on the Company’s shares, as defined by Art. 87, section 1, point 3 c of the Act on Public Offering.

Current report no. 13 March 18, 2015

Information on transactions of entities controlled by a member of the Supervisory Board of Cyfrowy Polsat S.A.

The Management Board of Cyfrowy Polsat S.A. (the "Company") hereby announces that on March 18, 2015 it received a notification from Mr. Zygmunt Solorz-Żak, Chairman of the Supervisory Board of the Company, provided under article 160 of the Act of July 29, 2005 on Trading in Financial Instruments.

According to the received notification, under the agreement of March 16, 2015, Argumenol Investment Company Limited, seated in Nicosia, Cyprus, entity controlled by Mr. Solorz-Żak, disposed to Embud Sp. z o.o. seated in Warsaw, Poland, entity also controlled by Mr. Solorz-Żak, the ownership of 28,415,173 ordinary series J bearer shares of the Company.

According to Mr. Solorz-Żak’s notification, the total price of the disposed shares of the Company amounted to PLN 660,936,923.98, i.e. PLN 23.26 per share. The registration of shares on the securities account took place on March 16, 2015.



Latest events

Press release
March 18, 2015

Paramount Channel HD now available in Cyfrowy Polsat

On March 19 this year subscribers of Cyfrowy Polsat gain the possibility to view a new thematic channel of high quality - Paramount Channel HD. The channel will expand the platform's film channels portfolio and will be included on a promotional basis in the package Film HD. We also offer an open window from April 1 until April 30, during which subscribers of the digital TV operator will have free access to the broadcaster's spring programming schedule.

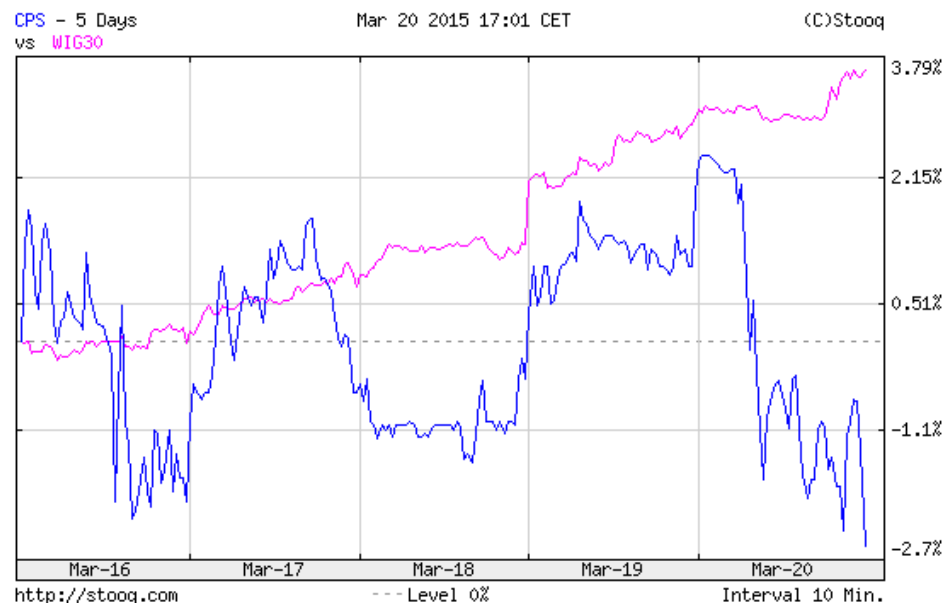
Press release
March 19, 2015

Corporate internet service of Cyfrowy Polsat Group

The new corporate of Cyfrowy Polsat Group has been launched. The service is available at www.grupapolsat.pl. The launch of the website is a step further in the implementation of the strategy of integration of companies within the Group. The website constitutes a source of knowledge about the whole capital group and is aimed at improving communication with all its end-users.

Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Trade value (PLN ths.)
2015-03-16	25.75	24.63	24.73	-3.59%	16 330
2015-03-17	25.80	24.80	25.10	1.50%	14 031
2015-03-18	25.25	24.77	25.15	0.20%	11 884
2015-03-19	25.86	25.20	25.80	2.58%	14 743
2015-03-20	25.94	24.56	24.58	-4.73%	78 810



Investor's calendar

April 2, 2015	Annual General Meeting
April 30 – May 14, 2015	Closed period prior to the publication of Q1 2015 results
May 14, 2015	Quarterly report for Q1 2015