

Cyfrowy Polsat IR Newsletter

26 January – 1 February 2015

The press about us	Date	The press about TMT market in Poland
<p>Rzeczpospolita: Lower mark for Cyfrowy Polsat</p> <p>In their report of January 19, experts at DM BDM changed their recommendation for Cyfrowy Polsat from “accumulate” to “reduce”, with a target share price of PLN 20.11. On Monday CP shares were traded at PLN 24.35 on WSE. Analysts pointed to the growth of costs of services provided to residential and business customers in Q3, generated by customer acquisition in the smartDOM program as well as by the growing volume of data transmission due to the increasing number of mobile Internet users. As regards TV broadcasting, analysts expect continuation of the positive trends from past quarters.</p> <p>The forecasts put CP revenue for 2014 at PLN 7.55bn (vs. PLN 2.91bn in 2013), EBITDA at PLN 2.77bn (PLN 1.05bn in 2013) and net profit at PLN 0.27bn (PLN 0.53bn in 2013). In 2015 sales are expected to reach PLN 10.42bn, with EBITDA of PLN 3.61bn and net profit of PLN 0.41bn.</p>	<p>26.01</p>	<p>Rzeczpospolita: Increasing number of digital terrestrial television viewers</p> <p><i>by Ele</i></p> <p>According to “Rzeczpospolita” daily, the latest NAM (Nielsen Audience Measurement) surveys show that traditional TV broadcast is now received by ca. 13m households. Satellite TV platforms hold the biggest market share, at the level of 35.3%. Quoting “Rzeczpospolita”:</p> <p>” Digital terrestrial television, which started broadcasting in its ultimate form only in Q1 2014, is currently received by 4.41m households, which translates to nearly 11.5m people, or nearly one million more than in July. Work is in progress on adding new channels to the DTT offer.”</p>
<p>Puls Biznesu: Boom for telecoms on WSE</p> <p><i>by KA</i></p> <p>On Monday the shares of telecom companies gained substantially: Orange Polska +7%, Cyfrowy Polsat +6.3%. Quote from PB daily: “Earlier the telecom and the media-telecommunications group performed below the market. From September 2014 to January 22, 2015 Orange lost one-third of its value, while Cyfrowy Polsat lost 19%.” According to analysts at BZ WBK, the downward trend could be explained by the upcoming 800 MHz and 2600 MHz spectrum auction. In addition, in the case of Cyfrowy Polsat analysts also point to the unexpected change of CEO and higher customer acquisition costs. As regards Orange, payment of the dividend of PLN 0.50 per share seems uncertain in the face of the LTE auction and planned investments into FTTH.</p>		

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	28.01	<p>Dziennik Gazeta Prawna: Handsets sold via sales chains by Piotr Dziubak</p> <p>According to “Dziennik Gazeta Prawna”, Polish mobile operators closed one-fifth of their company stores during the past four years. Based on data provided by the daily “DGP”, Orange Poland reduced the number of stores from 1,070 in 2011 to 845, while the number of T-Mobile stores decreased from 1,045 (in 2010) to 810 currently. Also Play reduced the number of their stores and based on the information obtained from the company’s spokesperson Play’s services are now available in about 1 thousand outlets. The combined sales network of Plus and Cyfrowy Polsat has around 1.3 thousand points of sale.</p> <p>The reasons behind trend include, among others, growing sale of services via the Internet. Polkomtel, who launched a new web page last summer, said that the share of sales via its e-store, to total sales, increased over fourfold. Sales via the Internet store of T-Mobile Polska, who also launched a new e-store and a remote customer service platform, increased several times as well.</p>
	29.01	<p>Puls Biznesu: Orange Finance also for companies by SW</p> <p>Orange Finance is the mobile banking project launched by Orange Polska and mBank 4 months ago. mBank provides the banking products as well as the mobile and Internet banking platform while Orange is responsible for marketing and sales. So far Orange Finance has only been available to residential customers, who opened 50 thousand accounts.</p> <p>At present the bank has extended its offer to also include companies, who have been offered access to an account, a debit card, an overdraft facility as well as to auxiliary and savings accounts.</p>

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	<p>30.01</p>	<p>Polska Agencja Prasowa (Polish Press Agency): Adam Sawicki resigns as Netia’s CEO</p> <p>In a press release Netia informed that Adam Sawicki tendered his resignation from the position of CEO of Netia with the resignation taking effect from July 2015.</p> <p>The press release stated that: "The resignation was filed as a result of a termination notice concerning the employment contract of April 22, 2014 which Mr. Adam Sawicki submitted on January 30, 2015. "</p> <p>It was added that Mr. Adam Sawicki justified his resignation with the intention to continue his career outside Netia Group.</p> <p>Parkiet: Netia’s CEO still has some business to go about <i>by ziu</i></p> <p>Based on the information published by "Parkiet" daily, on Monday Netia will present its strategic partner in the mobile telephony business. To-date the operator provided mobile services as a virtual operator based on contracts with Polkomtel and P4. Parkiet’s information indicates that it is Play was chosen as Netia’s strategic partner.</p> <p>According "Parkiet," the services provided as an MVNO, addressed to business customers, did not give Netia tangible revenue while in recent quarters the number of active SIM cards continued to decrease systematically. According to the new strategic assumptions, Netia will be offering mobile services also to residential customers. This way the company wants to reduce the outflow of customers from its fixed-line telephony business.</p>



Latest events

Press release
January 26, 2015

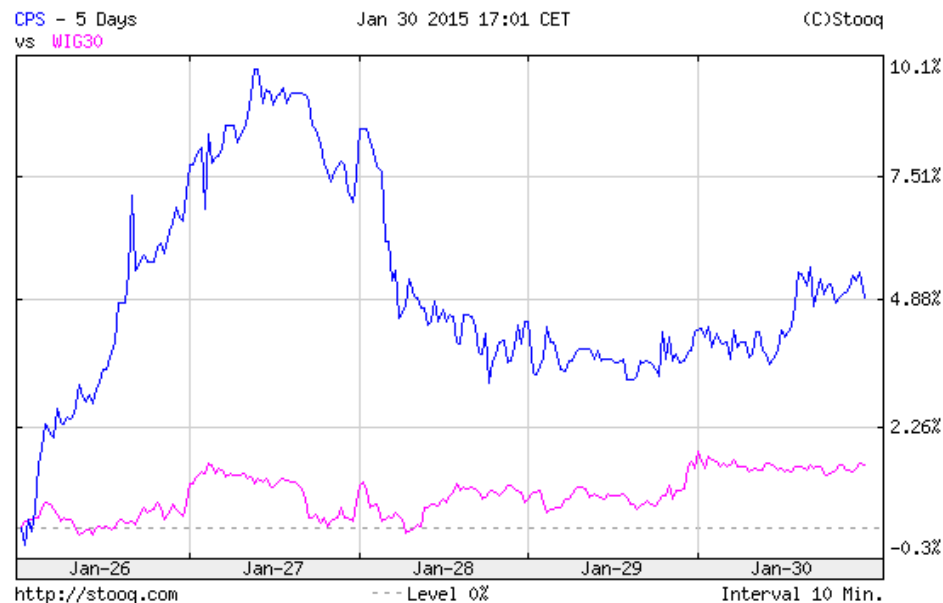
Switch your electricity over to Plus!

A new release of Plus's electrical power supply offer for households is taking off on January 27. Electricity from Plus is a guarantee of fixed, attractive pricing throughout the contract's validity period, no forecasts or hidden charges and a simple and transparent invoice. The new offer will be supported by a nationwide advertising campaign: "Switch your electricity over to Plus!"

Plus's offer is characterized by a lack of trading fees and a low rate per kWh. Existing Plus, Cyfrowy Polsat and PlusBank customers are offered the lowest price on the market. Customers can choose from among two electricity sales models which are innovative on Polish market, i.e. "Energia na abonament," ("Energy subscription") that is a fixed monthly fee-based model, and "Energia bez prognoz," ("Energy without forecasts") where a customer pays on the basis of regular meter readings, rather than based on usage forecasts.

Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Trade value (PLN ths.)
26-01-2015	24.36	22.62	24.35	6.33%	26 349
27-01-2015	25.09	24.05	24.44	0.37%	42 528
28-01-2015	24.76	23.40	23.70	-3.03%	8 314
29-01-2015	23.93	23.40	23.65	-0.21%	5 559
30-01-2015	24.03	23.49	23.82	0.72%	11 389



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