

Cyfrowy Polsat IR Newsletter

27 April – 3 May 2015

The press about us	Date	The press about TMT market in Poland
	28.04	<p>Dziennik Gazeta Prawna: Customers have become mobile <i>by Piotr Dziubak</i></p> <p>Even though the development of the mobile segment has been discussed for some time now, it wasn't until 2014 that the use of mobile devices in everyday life recorded a dynamic growth rate. Results of the Megapanel survey support this fact - in December 2013 there were 1.5 billion views of mobile websites, while a year later the number of views increased to as many as 2.5 billion</p> <p>According to "Dziennik Gazeta Prawna" daily, the IAB Polska Mobile 2014 report indicates that during the 12 months of 2014 alone the total time consumed for browsing web pages via smartphones increased from over 20 million hours in January to nearly 35 million hours in December. Currently, over 71% of Internet users own a smartphone, while 30% of them have tablets. The number of audio content items played back on mobile devices increased from around 9 million to nearly 20 million.</p>
	29.04	<p>Parkiet: Orange Polska – better than expected <i>by ziu</i></p> <p>EBITDA of Orange Polska amounted to PLN 960 million in Q1 2015 (up by 1.4% compared to the corresponding period of 2014) and exceeded the expected value. Net profit dropped by 37%, down to PLN 171 million.</p> <p>Free cash flows from the company's core business amounted to PLN 152 million (down by 3.2% year-on-year), however the figure does not account for the deposit, in the amount of PLN 200 million, which the operator paid in connection with the 800/2600 MHz spectrum auction.</p>

Latest events

**Current report 24/2015
April 29, 2015**

Notice of intention to merge Cyfrowy Polsat S.A. seated in Warsaw and Redefine Sp. z o.o. seated in Warsaw – second notice

The Management Board of Cyfrowy Polsat S.A. (the “**Company**”, “**Cyfrowy Polsat**” or the “**Taking-over Company**”), in accordance with article 504 § 1 and § 2 of the Polish Commercial Companies Code (the “**CCC**”), informs the Shareholders of Cyfrowy Polsat on the planned merger of Cyfrowy Polsat and Redefine Sp. z o.o. seated in Warsaw, address: 61A Stanów Zjednoczonych Ave., 04-028 Warsaw, Poland, registered in the entrepreneurs register kept by the District Court for the Capital City of Warsaw in Warsaw, XIII Business Division of the National Court Register, under the number KRS 0000287684 (“**Redefine**” or the “**Acquired Company**”), in which Cyfrowy Polsat S.A. holds 100% of share capital.

The merger will be effected by:

- (i) transferring to the Taking-over Company - as the sole shareholder of the Acquired Company - all the assets of the Acquired Company by the way of universal succession, and
- (ii) termination of the Acquired Company without liquidation, in accordance with article 492 §1 item 1) of the CCC.

As a result of the merger, Cyfrowy Polsat - in accordance with article 494 §1 of the CCC will assume all rights and obligations of Redefine, effective on the date of the merger.

Given that the Taking-over Company holds all the shares of the Acquired Company and according to article 515 §1 of the CCC, the merger will be effected without increasing the share capital of the Taking-over Company.

The detailed terms of the merger are specified in the Merger Plan prepared on April 14, 2015 and made publicly available, free of charge, on the website of the Taking-over Company and the Acquired Company, in accordance with article 500 § 2¹ of the CCC.

The Management Board of Cyfrowy Polsat also informs, that the following documents:

1. Merger Plan,
2. Financial Statements and Management Boards’ Reports on Activities of the merging companies for the last three financial years, together with the opinion of an independent auditor and a report supplementing the auditor's opinion (if an opinion or report was issued),
3. Draft resolution of the General Meeting of the Taking-over Company concerning the merger,
4. Draft resolution of the Shareholders Meeting of the Acquired Company concerning the merger,
5. Valuation of assets and liabilities of the Acquired Company as at March 1, 2015,
6. Statement containing information on the accounting condition of the Acquired Company as at March 1, 2015,

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(the “**Merger Documents**”) are available for inspection for Cyfrowy Polsat shareholders from the date of publication of the first notice regarding the merger, that is April 14, 2015, until the date of adoption of the resolution regarding the merger.

Pursuant to article 499 § 4 of the CCC, with regard to the fact that the Taking-over Company is a public listed company and in line with the regulations on public offering and conditions for introducing financial instruments to organized trading system and on public companies, it publishes and presents to shareholders semi-annual financial reports, no declaration has been drafted that would include information on the book value of the Taking-over Company.

The Merger Documents are available in the head office of Cyfrowy Polsat, at 4A Lubinowa Street in Warsaw, building B1 room 123, from Monday to Friday from 9.00 a.m. to 4.00 p.m.

Cyfrowy Polsat Shareholders may request copies of the Merger Documents free of charge at the head office of Cyfrowy Polsat.

This notice is the second notice.

Current report 25/2015 April 30, 2015

Conclusion of a significant agreement and acquisition of assets carrying significant value by subsidiaries of Cyfrowy Polsat S.A.

The Management Board of Cyfrowy Polsat S.A. (the “**Company**”, “**Cyfrowy Polsat**”) hereby informs that on April 30, 2015 subsidiaries of the Company - Plus TM Group spółka z ograniczoną odpowiedzialnością S.K.A. (“**Plus TM**”) and Plus TM Management Sp. z o.o. (“**Plus TM Management**”) - concluded a significant agreement of sale of intellectual property rights (the “**Agreement**”).

Under the Agreement, Plus TM sold and Plus TM Management purchased rights to certain trademarks and an industrial sign (the “**Intellectual Property Rights**”) valued at PLN 1,150.0 million. The terms of the Agreement do not vary from market standards applied in such agreements.

Furthermore, on April 30, 2015, Plus TM Management issued in favor of Plus TM, and Plus TM acquired 59 registered bonds with the total value of PLN 1,150.0 million, comprising:

- (i) 15 registered, series 1/2015 bonds with the nominal value of PLN 50.0 million each and the total value of PLN 750.0 million;
- (ii) 14 registered, series 2/2015 bonds with the nominal value of PLN 20.0 million each and the total value of PLN 280.0 million;
- (iii) 10 registered, series 3/2015 bonds with the nominal value of PLN 10.0 million each and the total value of PLN 100.0 million;

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Current report 25/2015 April 30, 2015

(iv) 20 registered, series 4/2015 bonds with the nominal value of PLN 1.0 million each and the total value of PLN 20.0 million, hereinafter the “**Bonds**”.

The nominal value of the Bonds is equivalent to their issue price. The book value of the Bonds in the accounts of Plus TM, as at the date of acquisition of the Bonds, amounts to PLN 1,150.0 million. The Bonds were issued in the form of a document and are unsecured. The interest on the Bonds is determined based on the interest rate being the sum of the WIBOR 1M base rate and the margin. The maturity date of the Bonds is December 31, 2025.

Funds raised from the issue of the Bonds were dedicated by Plus TM Management to settle the price of purchase of the Intellectual Property Right under the Agreement.

The Company holds indirectly, through its subsidiary – Metelem Holding Company Limited – 100% shares in Plus TM and 100% shares in Plus TM Management. The following personal connections exist between the Company and Plus TM Management:

- Mr. Tobias Solorz is the President of the Management Board of the Company and the President of the Management Board of Plus TM Management.
- Mr. Tomasz Szelaż is a Member of the Management Board of the Company and a Member of the Management Board of Plus TM Management.
- Ms. Aneta Jaskólska is a Member of the Management Board of the Company and a Member of the Management Board of Plus TM Management.

There are no personal connections between the Company and Plus TM.

The criterion of constituting at least 10% of the value of the revenue of the Company’s capital group for the last four financial quarters was applied to determine that the Agreement shall be deemed a significant agreement and the Bonds shall be deemed assets carrying significant value.

Current report 26/2015 April 30, 2015

Pledge over assets carrying significant value

The Management Board of Cyfrowy Polsat S.A. (the “**Company**”, “**Cyfrowy Polsat**”) hereby informs of the establishment of securities on assets carrying significant value by a subsidiary of the Company in connection with the Senior Facilities Agreement concluded on June 13, 2013 by subsidiaries of the Company – Eileme 2 AB (publ), Eileme 3 AB (publ), Eileme 4 AB (publ) and Polkomtel Sp. z o.o. – (the „**SFA PLK**”), and the Senior Notes for a total nominal amount of EUR 542.5 and USD 500.0 issued on January 26, 2012 by a subsidiary of the Company – Eileme 2 AB (publ).

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Current report 26/2015 April 30, 2015

On April 30, 2015, a Bonds Pledge Agreement was concluded between an indirect subsidiary of the Company – Plus TM Group spółka z ograniczoną odpowiedzialnością S.K.A. (“Plus TM”) and Citicorp Trustee Company Limited (“Citicorp”), based on which a pledge was established in favor of Citicorp, acting as security agent of the SFA PLK, over 59 registered, unsecured bonds comprising:

- (i) 15 registered, series 1/2015 bonds with the nominal value of PLN 50.0 million each,
- (ii) 14 registered, series 2/2015 bonds with the nominal value of PLN 20.0 million each,
- (iii) 10 registered, series 3/2015 bonds with the nominal value of PLN 10.0 million each,
- (iv) 20 registered, series 4/2015 bonds with the nominal value of PLN 1.0 million each

and the total nominal value of PLN 1,150.0 million, issued by Plus TM Management Sp. z o.o. in favor of Plus TM on April 30, 2015 (the “**Bonds**”), which was notified by the Company in current report no. 25/2015 dated April 30, 2015. The book value of the Bonds in the accounts of Plus TM, as at the date of acquisition of the Bonds, amounts to PLN 1,150.0 million.

The registered pledges shall be effective from the date of entry into the pledge registry.

The Bonds were deemed assets carrying significant value due to the fact that their value exceeds 10% of the value of revenue of the Company’s capital group for the last four financial quarters.

There are no links between the Company, Plus TM as well as the persons managing or supervising the Company or Plus TM and Citicorp and persons managing or supervising Citicorp.

Press release April 30, 2015

IT support service offered for your company by Plus

On April 30, Plus launched a new service - *Informatyk* which offers comprehensive IT support for devices installed in offices, shops and homes. The service features remote support and assistance in day-to-day use of computer hardware and software. It is available 24/7. The service has been developed to meet the needs of small and medium enterprises.

Press release April 30, 2015

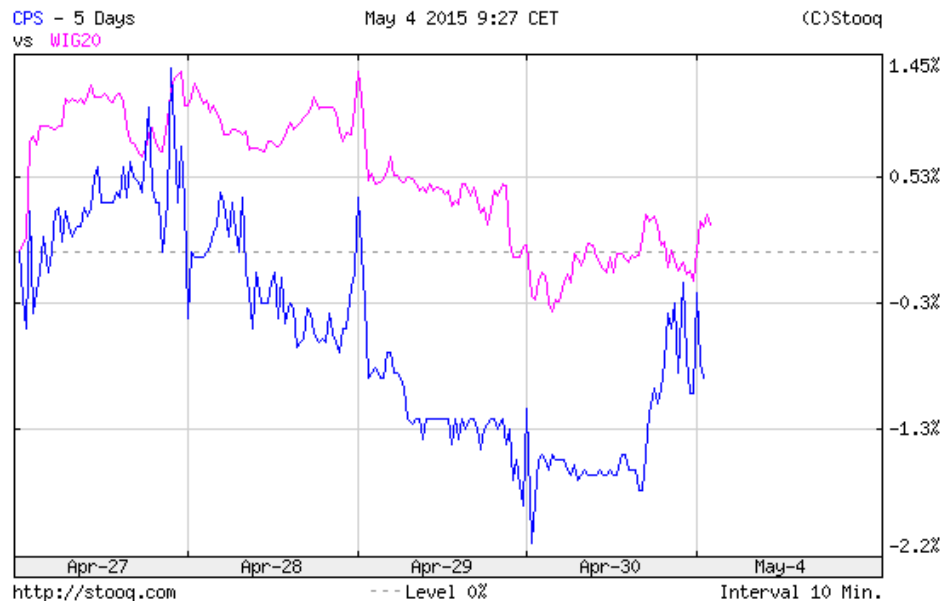
More HD channels in Cyfrowy Polsat

Starting on May 1, 2015, the list of channels available from Cyfrowy Polsat will be extended to include the following thematic channels in HD quality from TVN’s portfolio: TVN 24 HD, TVN Turbo HD, TVN Style HD and TVN Fabuła HD (a film channel).

Customers subscribed to the Familyjny HD programming package or higher will have the possibility to watch the new proposals. The channel TVN Fabuła HD, offering feature films and TV series, is a total novelty for Cyfrowy Polsat subscribers. Currently, Cyfrowy Polsat customers have access to over 160 TV channels, including 46 HD channels.

Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Trade value (PLN ths.)
2015-04-27	25,80	25,18	25,50	0,04%	10 429
2015-04-28	25,59	25,18	25,36	-0,55%	6 353
2015-04-29	25,51	24,90	24,90	-1,81%	4 908
2015-04-30	25,38	24,82	25,12	0,88%	11 739
2015-05-01	-	-	-	-	-



Investor's calendar

April 30 – May 14, 2015	Closed period prior to the publication of Q1 2015 financial results
May 14, 2015	<p>Publication of Q1 2015 financial results</p> <p>Schedule of publication:</p> <p>7:00 a.m. Publication of the quarterly report in ESPI (WSE publishing system)</p> <p>8:00 a.m. Publication of the quarterly report on our website http://www.grupapolsat.pl/en/arc/results</p> <p>10:00 a.m. Meeting with investors and analysts (Radisson Blu Centrum Hotel, conference room: Polonia 3, 1st floor, Grzybowska 24, Warsaw)</p> <p>12:00 p.m. Meeting with journalists</p> <p>4:00 p.m. (CET) Conference call with investors and analysts</p> <p>Conference call details:</p> <p>Date: May 14, 2015</p> <p>Time: 4:00 p.m. (Warsaw), 3:00 p.m. (London), 10:00 a.m. (New York)</p> <p>Phone numbers: +44 203 043 2440 (international); 22 295 35 28 (Poland)</p> <p>Conference ID: 964416#</p> <p>In order to view our investors' presentation during the conference call via a dedicated platform, please click on this link and then log in as a participant by providing your name. https://cyfrowypolsat.anywhereconference.com/?UserAudioMode=DATA&Name=&Conference=135294007&PIN=964416</p>