

Cyfrowy Polsat IR Newsletter

30 March – 6 April 2015

The press about us	Date	The press about TMT market in Poland
	31.03	<p>Rzeczpospolita: CEO at TVP running for CEO at TVP <i>by Magdalena Lemańska</i></p> <p>In 2014 TVP’s sales revenue increase by 2.2% to almost PLN 1.52bn, of which advertising and sponsoring revenue constituted PLN 902m and revenue from radio-TV subscription fees – PLN 436m. The company posted a net profit of PLN 6.3m in 2014 compared to a loss of PLN 20.5 in 2013. At the end of 2014 TVP employed 2,913 people, including 2,889 full-time equivalents.</p> <p>The company plans to develop its revenues from internet services, which amounted to PLN 16m in 2014. It also plans to participate in the competition for the operator of the new package of digital terrestrial TV channels. TVP wants to broadcast TVP Kultura in HD resolution and a new channel – TVP Dokument – in SD resolution on the eighth multiplex. Yesterday, the supervisory board of TVP announced a competition for a new, three-person management board. Juliusz Braun, the current CEO, officially informed that he will take part in the competition.</p>
	1.04	<p>Rzeczpospolita: Over 1 billion customers of pay TV <i>by ele</i></p> <p>According to ABI Research, in 2014 there were 923.5m subscribers of pay TV worldwide, i.e. 4% more than in 2013. ABI Research estimates that the number of customers of the pay TV market will exceed 1.1bn in 2020. Due to increasing competition factors such as the quality of offered content, innovation and the price of pay TV services are quickly gaining importance.</p> <p>In Poland the two largest pay TV operators, Cyfrowy Polsat and nc+, are no longer significantly increasing their subscriber base. According to Digital TV Research forecasts, Poland along with Bosnia, Hungary, Latvia, Lithuania, Romania and Slovakia will grow marginally. Experts estimate that in these countries pay TV operators’ revenue will grow by no more than 5% in the period from 2014 to 2020.</p>

The press about us	Date	The press about TMT market in Poland
	2.04	<p>Parkiet: Weakening advertising demand for large channels <i>by ele</i></p> <p>The first quarter of 2014 brought a fall in audience shares of the largest TV channels and a deepening trend of outflow of advertisers towards cheaper thematic channels. Experts from Codemedia and ZenithOptimedia Group confirm these observations. In its report, ZenithOptimedia Group states that lower usage of advertising resources is noticeable since March this year. According to this company, the advertising market will grow by only 2.6% this year.</p> <p>According to Nielsen Audience Measurement data, after the first quarter Polsat had advertising revenue based on its rate list (i.e. before rebates) of PLN 684.4m (increase by 2.4% compared to 2013), TVN – PLN 601.3m (1.2% increase), TVP 1 – PLN 316.7m (decrease of 24.4%) and TVP 2 – PLN 256,7m (decrease of 26.1%). TVP 1 had the highest audience share in the group above 4 years of age (12.9%), followed by Polsat (11.6%), TVN (10.9%) and TVP 2 (9.4%).</p> <p>Rzeczpospolita: Infrastructural scenario for Netia <i>by Urszula Zielińska</i></p> <p>‘Rzeczpospolita’ daily reports that Netia has exclusivity to negotiate the purchase of TK Telekom with PKP (Polish Railways).</p> <p>TK Telekom manages an optical fiber network of 30 thousand km located along railways on the entire territory of Poland. According to analysts, the valuation of the company may be PLN 200m. Paweł Puchalski, head of analysts at DM BZ WBK, thinks that for Netia the purchase of TK Telekom is a means to improve EBITDA and the scale of its operations.</p>

The press about us	Date	The press about TMT market in Poland
	3.04	<p>Rzeczpospolita: Media</p> <p>The National Broadcasting Council opened the consultation process regarding the new multiplex of digital terrestrial television. Opinions on which private channels should be included in the offer of the new package of DTT channels (the eighth multiplex) can be submitted to the Council until the end of April. Earlier on, the National Broadcasting Council decided that three slots shall be allocated to Telewizja Polska. The remaining four will be allocated to broadcasters by way of competition, which will be announced by the Council.</p>

Latest events

Current report no. 14 April 2, 2015

Resolutions adopted by the Annual General Meeting of Cyfrowy Polsat S.A. on April 2, 2015

The Management Board of Cyfrowy Polsat S.A. (the “**Company**”) hereby publishes the resolutions adopted by Annual General Meeting of the Company on April 2, 2015, attached hereto.

Attachment: [Adopted resolutions](#) (.pdf)

Current report no. 15 April 2, 2015

List of shareholders authorized to at least 5% of votes at the Annual General Meeting convened for April 2, 2015

The Management Board of Cyfrowy Polsat S.A. (the “**Company**”) hereby publishes the list of shareholders authorized to at least 5% of votes at the Annual General Meeting of the Company convened for April 2, 2015, attached hereto.

There were 707,594,376 votes, which constitute 86.4% of the total number of votes in the Company, represented at the Annual General Meeting of the Company convened for April 2, 2015. Pursuant to the Company’s Articles of Association the Series A, B and C shares as well as 166,917,501 Series D shares are preferred shares, i.e. each share carries two votes.

Attachment: [List of shareholders](#) (.pdf)

Current report no. 16 April 2, 2015

Appointment of members of the Supervisory Board of Cyfrowy Polsat S.A.

The Management Board of Cyfrowy Polsat S.A. (the “**Company**”) hereby informs that the Annual General Meeting, based on the resolutions adopted on April 2, 2015, decided that the Supervisory Board of the new term will consist of six members and appointed Mr. Zygmunt Solorz-Żak, Mr. Robert Gwiazdowski, Mr. Józef Birka, Mr. Aleksander Myszką, Mr. Heronim Ruta and Mr. Leszek Reksa to the Supervisory Board for the subsequent three-year term.

The curricula vitae of the members of the Supervisory Board appointed on April 2, 2015 are as follows:

Mr. Zygmunt Solorz-Żak is active in various business sectors of Poland's economy. At the end of the 1980s, he founded Przedsiębiorstwo Zagraniczne SOLPOL, a foreign trade enterprise. At the beginning of the 1990s, Mr. Solorz-Żak entered the media sector by investing in Kurier Polski Sp. z o.o., a daily newspaper. In 1993, he launched Polsat, the first private satellite television in Poland, which received a broadcasting license later that year and transformed into a nationwide television channel. Within the first few years of its operations, Telewizja Polsat became one of the leaders of the TV broadcasting market in Poland.

Currently, Mr. Solorz-Żak focuses his business activities on the media and telecommunication sectors, where he operates chiefly through such companies as Cyfrowy Polsat S.A. (being also its founder), Telewizja Polsat Sp. z o.o., Polkomtel Sp. z o.o. and companies of Midas Group. Mr. Solorz-Żak has many years’ experience in serving on the governing bodies of commercial-law companies, which includes positions on the Supervisory Boards of such companies as Telewizja Polsat Sp. z o.o., Polkomtel Sp. z o.o., Midas S.A., Plus Bank S.A. (formerly: Invest-Bank S.A.) and Zespół Elektrowni Pątnów-Adamów-Konin S.A.

Latest events

Current report no. 16 April 2, 2015

Mr. Zygmunt Solorz-Żak does not run a business competitive to Cyfrowy Polsat S.A. and is not entered into the Registry of Insolvent Debtors held by the Registry Court.

Mr. Robert Gwiazdowski holds a post-doctoral degree of Habilitated Doctor (doctor habilitatus) in law and is a professor at Łazarski University. Mr. Gwiazdowski is an active attorney-at-law and tax advisor and has served as President of the Adam Smith Centre since 2004. In 2006-2007, he served as Chairman of the Supervisory Board of the Polish Social Insurance Institution (Zakład Ubezpieczeń Społecznych). At present, Mr. Gwiazdowski serves as Member of the Supervisory Boards of the following listed companies: Cyfrowy Polsat S.A., DGA S.A., SARE S.A., Dom Maklerski IDM S.A., and MNI S.A., which operates on the telephony and TV markets.

Mr. Robert Gwiazdowski does not run a business competitive to Cyfrowy Polsat S.A. and is not entered into the Registry of Insolvent Debtors held by the Registry Court. Mr. Robert Gwiazdowski fulfills the independence criteria set forth in Code of Best Practices of WSE Listed companies in Chapter III point 6.

Mr. Józef Birka is an advocate and graduate of the Faculty of Law of Wrocław University. He has been associated with Telewizja Polsat S.A. since its inception, he was in charge of the function of the President of the Management Board of Telewizja Polsat during the first licensing procedure granting terrestrial license to broadcast the first independent nationwide TV channel in Poland. Since its establishment, he is a member of the Board of the POLSAT Foundation, one of the largest non-governmental organizations operating in Poland.

Mr. Józef Birka has large experience of working in statutory bodies of commercial-law companies. He is a member of the Supervisory Board Telewizja Polsat Sp. z o.o., Polkomtel Sp. z o.o. and Elektrim S.A. Between 2004 and 2006 he was also in the Supervisory Board member of Polska Telefonia Cyfrowa Sp. z o.o. He acts actively in the Association of Private Media Employers, incorporated into Polish Confederation of Private Employers "Lewiatan". He was honored by the Polish Bar Council with a medal "Commendable Service to the Advocates Bar".

Mr. Józef Birka does not run a business competitive to Cyfrowy Polsat S.A. and is not entered into the Registry of Insolvent Debtors held by the Registry Court.

Mr. Aleksander Myszka is a solicitor and graduate of the Faculty of Law of Wrocław University. He commenced his career as a solicitor in a Law Firm in Oleśnica, and then he worked for Law Office No. 4 in Wrocław where he also held a position of a Director for two terms of office. In particular, he focused in his practice on civil law and since the mid-eighties he has specialized in commercial law and developed legal services for business entities. His career has been connected with Telewizja Polsat Sp. z o.o. since its establishing, as Mr. Myszka is one of its co-founders. For 12 years – in the period from 1995 to 2007 – he held the position of the President of the Management Board of Telewizja Polsat.

Latest events

Current report no. 16 April 2, 2015

Since April 30, 2007 Mr. Aleksander Myszka has been a member of the Supervisory Board of Telewizja Polsat Sp. z o.o. and since November 9, 2011 - a member of the Supervisory Board of Polkomtel Sp. z o.o. He is also a co-founder and a member of Stowarzyszenie Kreatywna Polska, a society gathering the community of artists and creative industries, whose main goals are the protection of copyrights and intellectual property. In 2015, Mr. Myszka was elected for a 3-year term of office to the Council of the Polish Film Institute.

Mr. Aleksander Myszka does not run a business competitive to Cyfrowy Polsat S.A. and is not entered into the Registry of Insolvent Debtors held by the Registry Court.

Mr. Heronim Ruta graduated from the Electrical Faculty of the Warsaw University of Technology.

From 1978 to 1979, he was a specialist supervising the development of an experimental car for ultrasonic detection of cracks in rail tracks at the National Railway Technology Research Centre (Centralny Ośrodek Badań Techniki Kolejnictwa). In 1980-1987, he was head of Wytwórczo-Uslugowa Spółdzielnia Pracy (a production and services cooperative). In 1987, he founded Herom Sp. z o.o., where he was President until 1992. In 1992-1994, he was President of Ster Sp. z o.o. In 2002-2005, he was a member of the Management Board of Polaris Finance B.V., and from 2002 to 2004 – a member of the Supervisory Board of Uzdaroji Akcine Bendrove 'Baltijos Televizja'. Mr. Ruta serves on the Supervisory Boards of various companies, including Plus Bank S.A., PAI Media S.A. w likwidacji (in liquidation), Dolnośląskie Centrum Aktywności Gospodarczej S.A. (formerly: Gurex S.A.), Cyfrowy Polsat S.A. and Telewizja Polsat Sp. z o.o. From November 2011 to February 2014, he was also Chairman of the Supervisory Board of Polkomtel Sp. z o.o., where he now serves as Deputy Chairman.

Mr. Heronim Ruta does not run a business competitive to Cyfrowy Polsat S.A. and is not entered into the Registry of Insolvent Debtors held by the Registry Court.

Mr. Leszek Reksa graduated from the Foreign Trade Faculty of the Central School of Planning and Statistics in Warsaw (currently: Warsaw School of Economics). He has also completed numerous specialist seminars and courses in management and finance, including a seminar on corporate management at the Faculty of Finance at DePaul University in Chicago.

He has vast experience in managerial positions at various companies, including 20 years in the banking sector (Powszechna Kasa Oszczędności Bank Polski S.A.). Mr. Reksa also has many years' experience in serving on the governing bodies of commercial-law companies, which includes the positions of President of the Management Board of PHU BIMOT S.A., member of the Supervisory Board of Bankowy Fundusz Leasingowy S.A., and member of the Supervisory Board of Zakłady Azotowe Kędzierzyn S.A.

Mr. Leszek Reksa does not run a business competitive to Cyfrowy Polsat S.A. and is not entered into the Registry of Insolvent Debtors held by the Registry Court. Mr. Leszek Reksa fulfills the independence criteria set forth in Code of Best Practices of WSE Listed companies in Chapter III point 6.

Latest events

Current report no. 17 April 3, 2015

Early prepayment of a part of the term loan by a subsidiary of Cyfrowy Polsat S.A.

The Management Board of Cyfrowy Polsat S.A. (the "Company") informs that on April 3, 2015, Polkomtel Sp. z o.o., a wholly owned subsidiary of the Company ("Polkomtel"), submitted to the SFA Agent an instruction for initiating the procedure of early prepayment of a part of the term loan in the amount of PLN 600 million. The prepayment, along with the allocation to individual credit tranches, is to be effected on April 13, 2015.

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 a 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 material because the reduction of Polkomtel's debt has an impact on the reduction of subsequent principle instalments 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. 18 April 3, 2015

Formation of the Supervisory Board of Cyfrowy Polsat S.A. and appointment of the Audit Committee and the Remuneration Committee

The Management Board of Cyfrowy Polsat S.A. (the "Company") hereby informs that in connection with the appointment of the Supervisory Board for a subsequent three-year term of office by the Annual General Meeting on April 2, 2015, the Supervisory Board, acting in accordance with § 20 item 1 of the Articles of Association of the Company, during its meeting elected Mr. Zygmunt Solorz-Żak as the Chairman of the Supervisory Board.

At the same meeting, the Supervisory Board, acting in accordance with § 7 sec. 1 of the Regulations of the Supervisory Board of the Company, appointed its Members to the Audit Committee and the Remuneration Committee.

The Audit Committee comprises: Mr. Heronim Ruta, Mr. Robert Gwiazdowski and Mr. Leszek Reksa.

The Remuneration Committee comprises: Mr. Zygmunt Solorz-Żak and Mr. Heronim Ruta.

Latest events

Press release
April 1, 2015

Polsat the leader in the commercial group 16-49 in the first quarter of 2015, very good results of Polsat Group

Polsat turned out to be the unquestionable leader of viewership in the commercial group 16-49 in the first quarter of 2015, with 13.4% SHR. As the only channel among the so called 'Great Four' Polsat improved its audience share by 2% y-o-y. The remaining channels noted a fall in audience shares: TVN (12.67% SHR – decrease by 3%), TVP1 (8.87% SHR – decrease by 15%) and TVP2 (8.36% - decrease by 6%).

Polsat Group also recorded very good results in the commercial group 16-49 with a result of 24% SHR. Compared to the corresponding period of 2014, the Group improved its audience share by 1.5%.

Press release
April 2, 2015

Cyfrowy Polsat Group with new companies: Teleaudio Dwa and InterPhone Service

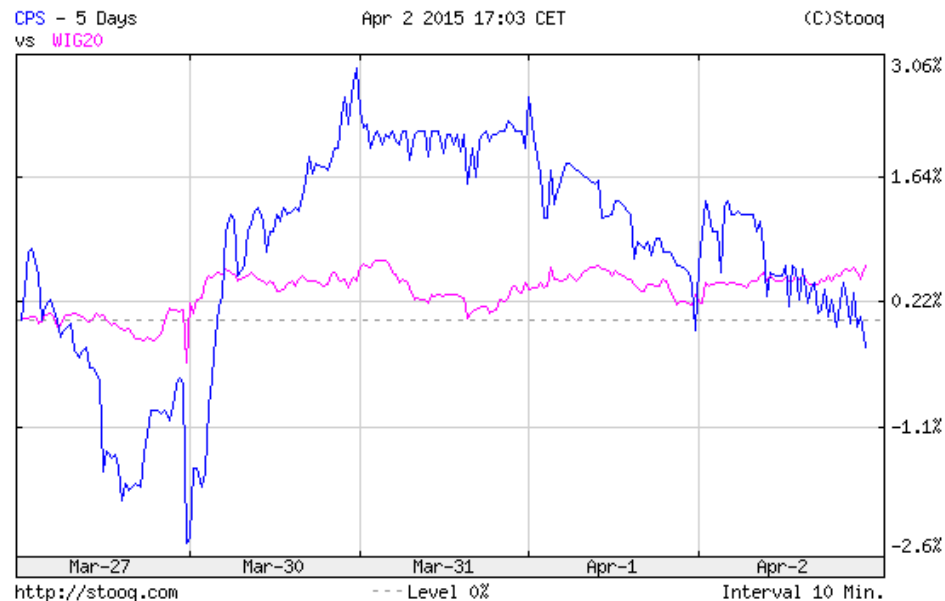
In line with its strategy to develop the Group in the field of new technologies and following the conclusion of two purchase agreements, Cyfrowy Polsat Capital Group was expanded to include the companies Teleaudio Dwa – leader of Premium Rate services, and InterPhone Service, manufacturer of state-of-the-art telecommunications equipment and low-line electronic items. The total value of the transactions amounted to PLN 35m.

Teleaudio Dwa operates since 1996 and is a leading company in the telecommunications and IT industry, specializing in the provision of premium rate services based on SMS/IVR/MMS/WAP technologies. The company's operations are based on a proprietary, modern and systematically developed IT platform dedicated to support even the most advanced projects. Thanks to over 18 years of experience Teleaudio Dwa is one of the leading providers of value added services in Poland, a fact confirmed by the recognition by over 600 B2B customers.

Interphone Service is a factory equipped with a modern machinery stock which manufactures telecommunications equipment designed for data transmission as well as low-line electronic equipment, such as set-top boxes. It is located in the Special Economic Zone EURO-PARK MIELEC.

Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Trade value (PLN ths.)
2015-03-30	25,19	23,81	25,19	5,84%	10 568
2015-03-31	25,15	24,83	24,95	-0,95%	17 396
2015-04-01	25,10	24,41	24,41	-2,16%	2 744
2015-04-02	24,80	24,32	24,36	-0,20%	2 693
2015-04-03	-	-	-	-	-



Investor's calendar

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