



Cyfrowy Polsat IR Newsletter

2 – 8 July 2018



Parkiet
4 July 2018

Cyfrowy wants to make money on European football

by Urszula Zielińska

CP satellite platform, Plus mobile network and Ipla web TV which are owned by Cyfrowy Polsat Group have presented the offer for individual customers which includes a new package called “Polsat Sport Premium”, featuring two TV channels with Champions League and Europa League matches. Cyfrowy Polsat subscribers interested in the new package will pay from PLN 10 to PLN 30 extra. Nonetheless, access to the elite football series will be costing them less than it has costed to-date.

Cyfrowy Polsat’s spokesperson did not disclose the number of new customers that the company expected to subscribe to the new package. Official figures from NC+, a Cyfrowy Polsat’s competitor, indicate that Champion League matches were watched by 300-400 thousand subscribers of that digital platform.

According to the head of analytics of Haitong Bank, exclusive content offers competitive edge and sports being an important type of such content. Champions League is, in turn, premium-type content.

Rzeczpospolita
4 July 2018

Champions League matches will be offered for a fee but will be cheaper

by Urszula Zielińska

In the opinion of “Parkiet” business daily, Cyfrowy Polsat Group will exploit the broadcasting rights to Champions League and Europa League matches to acquire more subscribers and increase its monthly revenue from users. The group, which holds the exclusive rights to broadcasting of the matches from both of the above-mentioned leagues, has just introduced a new theme package called “Polsat Sport Premium” which features access to the matches in those leagues. The cheapest subscription which includes the new package will cost PLN 50 per month. The group is in the process of developing an offer for match broadcasts for competitive TV operators.

According to the analyses developed by “Parkiet,” the cost of access to Canal+, who broadcasted Champions League matches last season, ranged from PLN 35 to PLN 50 depending on the pay TV operator via which access was offered. However, this was not the total cost of access to the matches, since it was an additional payment on top of the core offer. In the case of NC+, the owner of Canal+, the subscriptions which included these additional channels started from PLN 89.90.

Telko.in
5 July 2018

UKE has announced consultations re. allocation of spectrum for 5G

by Marek Jaślan

Office of Electronic Communications (UKE) has announced the consultations regarding allocation of spectrum for 5G networks. The consultations will continue till August 8, 2018.

UKE intends to release the spectrum from 700 MHz band by June 30, 2020. According to Telko.in, the process is hindered by the discussions with Russia as regards use of this frequency band for the needs of TV, since Russia, and also Ukraine, indicate distant dates for releasing this band for broadcasting.

As regards the 3.4 –3.6 GHz band, spectrum reservations and permits to use the spectrum are currently held by 66 parties, with the last of the reservations expiring on 31 January 2032. UKE hopes that in many cases it will be possible to change the expiry dates and the terms of use of the reservations.

Three parties have nationwide spectrum reservation for 3.6 – 3.8 GHz band (T-Mobile and P4 till the end of 2019, and Netia till the end of 2020). There are also spectrum reservations designed for providing Internet access in selected local communes, which are valid till 2020, and regional spectrum allocations from the same band (held by 24 parties), with the latest of these expiring at the end of 2022. By 2023 UKE intends to distribute the spectrum from this frequency band for the needs of 5G networks.

As regards the 26 GHz band, the approvals and permits for using the spectrum are currently held by 51 parties, with the permits expiring in the years 2022 -2023. It is also this frequency band that UKE wants to rearrange and allocate to 5G.

Dziennik Gazeta
Prawna
5 July 2018

Netia files a complaint with European Commission against UKE regarding Orange

by Elżbieta Rutkowska

The Office of Electronic Communications (“UKE”) decided to deregulate the WLR market (Wholesale Line Rental). It is a market of fixed-line telephony services provided by other operators through the network of Orange in exchange for a fee the value of which is currently set by the UKE President. According to the letter sent by Netia to the European Commission, the activities performed by UKE may jeopardize the competitiveness of this market on which Orange Polska is the only provider.

UKE decided to resign from the regulation of the WLR market claiming that since 2005 there has been a downward trend on this market. Nevertheless, the latest “Report on the status of the telecommunications market” published by UKE indicates that despite the decline, the above mentioned part of the market was worth PLN 2.3bn last year, and over half of the fixed-line subscribers, out of the 4.8m pool, belonged to Orange. Furthermore, UKE believes that in the recent years Orange has not abused its position, and fixed-line voice services can be also provided in a different form, e.g. via the Internet.

The Polish Chamber of Commerce for Electronics and Telecommunications believes that the WLR market, due to its structure, market environment and experience coming from the to-date activities of Orange on deregulated markets, should remain under control and regulation.

The Office of Competition and Consumer Protection appreciates the intentions of UKE, but adds that the deregulation should be based on the rules which are beyond any doubts.

T-Mobile also questioned the UKE’s draft, pointing to “unjustified strengthening of the market position of Orange, which will be used in different segments of the telecommunications market in which there is an effective competition”. The Spokesman of Orange has a different view and claims that deregulation is always beneficial to the market itself and end-users of this market who, thanks to this, have a broader choice of services and prices.

The final decision of UKE may be expected in autumn this year.

Telko.in
6 July 2018

MNP: Premium Mobile with the best mobile number portability balance in Q2 2018

by Tomasz Świderek

The Office of Electronic Communications (UKE) published the data on number portability between the operators’ networks. The total of 424.2 thousand mobile numbers were ported in Q2 2018. P4 gave away ca. 134.5 thousand and received ca. 120 thousand numbers. Orange Polska gave away ca. 112.1 thousand and received 91.7 thousand numbers. T-Mobile Polska gave away 81.3 thousand and received 87.4 thousand numbers and Polkomtel gave away 78.1 thousand and received 78.8 thousand numbers.

Out of all mobile operators – including MNOs and MVNOs - Orange (ca. 20.4 thousand), P4 (14.5 thousand) and Cyfrowy Polsat (ca. 2.6 thousand) lost the biggest volume of ported numbers in Q2. Premium Mobile (ca. 13.4 thousand), T-Mobile (ca. 6.1 thousand) and Aero2 (nearly 4.9 thousand) gained the biggest volume of ported numbers.

Current report 26/2018
2 July 2018

Execution of an amendment to the Agreement on the Joint Acquisition of Shares in a Tender Offer and Preliminary Share Purchase Agreement entered into on 5 December 2017 and the decision to acquire 17,331,023 shares in “Netia” S.A. having its registered office in Warsaw from Karswell Limited having its registered office in Nicosia, Cyprus on 3 July 2018

The Management Board of Cyfrowy Polsat S.A. having its registered office in Warsaw (“**Cyfrowy Polsat**”, the “**Company**”) hereby gives notice that on 2 July 2018 an amendment to the Agreement on the Joint Acquisition of Shares in a Tender Offer and Preliminary Share Purchase Agreement of 5 December 2017 was entered into with Karswell Limited having its registered office in Nicosia, Cyprus (“**Karswell**”) (the “**Acquirers’ Agreement**”), which amends the Acquirers’ Agreement in such way that the obligation of Cyfrowy Polsat to effect one-off acquisition of all the shares in “**Netia**” S.A. having its registered office in Warsaw (“**Netia**”) acquired by Karswell under the Tender Offer was replaced by the obligation of Cyfrowy Polsat to acquire said shares in subsequent instalments (the “**Amendment**”).

At the same time the Management Board made a decision to acquire 17,331,023 shares in Netia from Karswell for the aggregate purchase price of PLN 100,000,002.71 (i.e. PLN 5.77 for one share) equal to the price for which Karswell acquired said shares under the Tender Offer (the “**Transaction**”).

Additionally, pursuant to the Acquirers’ Agreement as amended, Cyfrowy Polsat will pay Karswell the total amount of PLN 1,163,495.38 by way of remuneration composed of the following (i) the amount of PLN 787,194.00 as remuneration for a period between the date of announcing the Tender Offer and the settlement date on which Karswell acquired the last share under the Tender Offer; and (ii) the amount of PLN 376,301.38 as remuneration for the period between the settlement date on which Karswell acquired the last share under the Tender Offer and the date on which 17,331,023 shares acquired by Karswell under the Tender Offer are sold to the Company, i.e. 3 July 2018 (the “**Holding Period**”) in the amount corresponding to the weighted average cost of financing of the Company’s capital group by financial institutions with respect to the acquired shareholding, converted into a specified fraction of the price for which Karswell acquired shares under the Tender Offer for each day of the Holding Period.

The Transaction will be carried out on 3 July 2018 in the form of an OTC transaction.

[Read more>>](#)

Current report
23/2018/K
3 July 2018

Correction of current report no. 23/2018 dated June 28, 2018

The Management Board of Cyfrowy Polsat S.A. (the “**Company**”) hereby informs that there was a typographical error in its current report no. 23/2018 dated June 28, 2018 concerning the resolutions adopted by the Annual General Meeting on June 28, 2018, with respect to the number of votes “in favor” and “against” resolutions no. 37-43 on the appointment of members of the Supervisory Board.

The incorrect number of votes:

- votes “in favor” of the resolution: 587,864,733;
- votes “against” the resolution: 39,328,851;

shall be replaced by:

- votes “in favor” of the resolution: 587,247,284;
- votes “against” the resolution: 39,946,300;

The remaining text of the report remains unchanged.

Attachments: Corrected [resolutions adopted](#) by the Annual General Meeting of the Company on June 28, 2018 (.pdf)

Press release
2 July 2018

UEFA Champions League in Cyfrowy Polsat's offer. Best of European club football included in the monthly fee

New championship offers from Cyfrowy Polsat, which include the Polsat Sport Premium package of sports channels, are available from today (<http://sklep.cyfrowypolsat.pl/uefa>). Thanks to this exceptional offer, club football fans in Poland will be able to enjoy live coverage of all the UEFA Champions League matches as well as watch the UEFA Europa League games. All this will be available in Super HD quality in the new Polsat Sport Premium 1 and Polsat Sport Premium 2 sports channels as well as via four premium PPV services.

Once again Cyfrowy Polsat lives up to the expectations of its subscribers and Polish fans who want to enjoy rich offer of TV programs at affordable prices and watch the UEFA Champions League and the UEFA Europa League matches starting for the 2018/2019 seasons. During a total of 3 years, Polsat TV and Cyfrowy Polsat digital platform will show over 1000 matches, also in the new Super HD quality.

UEFA Champions League in Cyfrowy Polsat means:

The new Polsat Sport Premium package which consists of 2 Super HD channels, i.e. Polsat Sport Premium 1 and Polsat Sport Premium 2, as well as 4 premium PPV services offering access at no extra charge. For more information visit <http://sklep.cyfrowypolsat.pl/uefa>.

The Premium Max Plus Offer for Champions provides access to the full TV offer of Cyfrowy Polsat (Familijny Max HD, Sport HD, Film HD, Cinemax HD, HBO HD HBO GO, Eleven Sports HD, Rozrywka HD channel packages) and now also to the Polsat Sport Premium package at the unchanged price of PLN 120 monthly, with the access during the first three months offered for free. Current subscribers, using the Premium Max Plus package, will be also offered access to the package which includes the UEFA Champions League matches.

There are many proposals for fans of sport, so that everyone can choose something they like – in the new promotional offers Polsat Sport Premium package is bundled with Cyfrowy Polsat's basic packages which are offered at prices starting from PLN 50 per month.

[Read more>>](#)

Press release
3 July 2018

UEFA Champions League and UEFA Europa League in IPLA. All best club football matches shown live

From this August fans of football will be able to watch even more top class matches in IPLA, the biggest Internet entertainment service known for broadcasting major sports events in numerous disciplines. Now also all Champions League and Europa League matches will be shown live, in high quality and without commercials. The matches will be available in a special IPLA POLSAT SPORT PREMIUM package which will be added to the offer from July 2, 2018. Thanks to this unique proposal, the fans of the best club football will be able to watch the matches wherever they want, and however they want.

Starting from August 21, that is the date of the first play-off round matches, 38 best European clubs will be fighting for victory in the 27th season of the UEFA Champions League. And this will not be the end of the thrilling encounters. Shortly afterwards we will see the kick-off of the new season of the UEFA Europa League. All the matches of the two prestigious football events can be watched on IPLA, in the new dedicated IPLA POLSAT SPORT PREMIUM package which will include live broadcasts in high quality and without commercials.

IPLA POLSAT SPORT PREMIUM package is offered in two variants:

- a variant covering the whole of 2018/2019 season of UEFA Champions League and UEFA Europa League – for PLN 360,
- a variant offering 7-day access to UEFA Champions League and UEFA Europa League matches for PLN 40.

Thanks to availability of IPLA application on many devices, it will be possible to watch the matches at any place – at home and outside home – on any device of one's choice – on a laptop, a tablet, a smartphone or a smart TV while not missing a single moment of the football games that are so important for fans.

A true football feast in IPLA POLSAT SPORT PREMIUM package means:

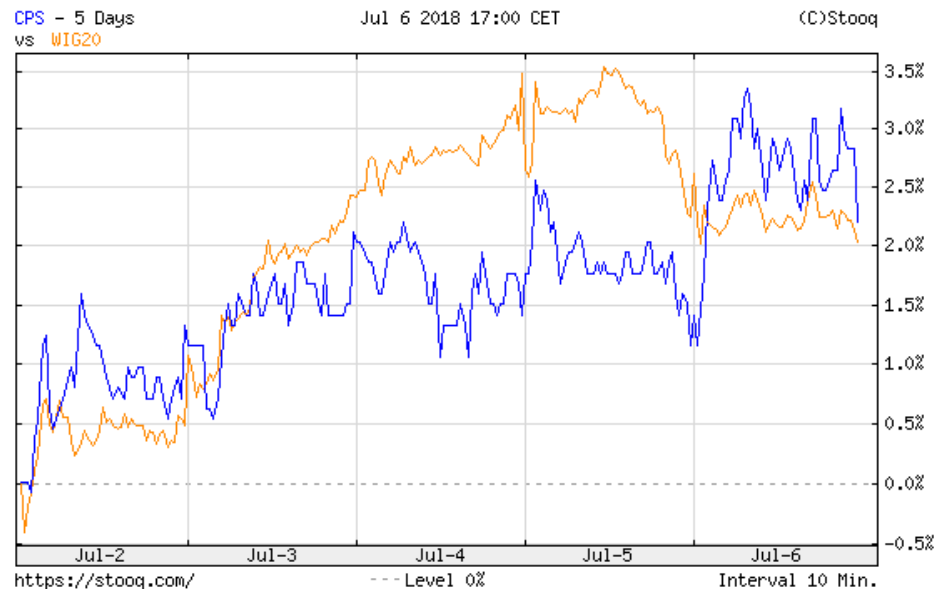
- All UEFA Champions League and UEFA Europa League matches shown live, in high quality and without commercials.
- 1029 matches during 3 years, 343 matches shown each season.
- New kick-off times for UEFA Champions League: 2 matches starting at 6.55 p.m. and 6 at 9 p.m. on Tuesdays and Wednesdays; UEFA Europa League matches played on Thursdays.
- Around 8 hours of daily live broadcasts every match day – studio commentaries and matches.
- Most advanced and biggest studio for sports event coverage in Poland – designed specifically for the UEFA Champions League and the UEFA Europa League tournaments. The 700-square-meter studio has 4x4K video wall. Visual realization relies on state-of-the-art technologies – augmented reality (AR) and 3D models.
- Rich offer of accompanying programs – before and after the matches. In-depth analyses, reporting, interviews, experienced experts and commentators, numerous special guests and many other dedicated materials for football fans.

Polsat Group has acquired exclusive rights to live broadcasts of UEFA Champions League and UEFA Europa League for Polish fans in all distribution channels, including TV, the Internet and mobile devices. The new season's football matches will be also available to Cyfrowy Polsat subscribers and Plus mobile network customers.

Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2018-07-02	23.08	22.54	23.00	-0.61	14.02
2018-07-03	23.18	22.82	23.18	0.78	6.29
2018-07-04	23.20	22.92	23.02	-0.69	6.94
2018-07-05	23.28	22.96	22.96	-0.26	6.44
2018-07-06	23.48	22.96	23.20	1.05	7.72



Investor's calendar



9 – 23 August 2018	Closed period prior to the publication of H1 2018 results
23 August 2018	Consolidated semi-annual report for H1 2018
25 October – 8 November 2018	Closed period prior to the publication of Q3 2018 results
8 November 2018	Quarterly report for Q3 2018

