



Cyfrowy Polsat IR Newsletter

15 – 21 January 2018



Parkiet
15 January 2018

Play close to UKE decision

by ziu

Based on unofficial information obtained by “Parkiet” daily, out of the three big mobile networks who have not yet obtained the approval of the Office of Electronic Communications for collecting additional charges for roaming services offered in the European Union, Play Communications is closest to getting such an approval.

Orange Polska is still in discussions with UKE. In the case of Orange, who is a member of an international telecommunication group, analyses may take some time. There is talk about the decision being issued in February, which means that for at least two-thirds of the first quarter the telecom will continue to provide services without the possibility of applying an additional charge. An application for the use of roaming surcharge has not been filed by T-Mobile Polska.

Among the listed telecom groups, Cyfrowy Polsat Group, or precisely Plus network which it owns, has so far been the only one to obtain the approval for applying the roaming surcharge. The decision was issued last year but so far there the operator has decided to change its roaming prices. Consent to applying the surcharge has also been granted to Netia Group companies and Virgin Mobile.

Parkiet
16 January 2018

Because spectrum reservation was too expensive

by ziu

The Office of Electronic Communications (UKE) has announced the second round of consultations related to the tender documentation for the spectrum from the 450 MHz band. All in all UKE will distribute 10 MHz in this bandwidth.

The opening price for the spectrum reservation, the same as in the first round of the consultations, is PLN 56.35 million. The reservation will be valid for 15 years, i.e. until the end of May 2033.

The fee will be the most important bid evaluation criterion. The bidders’ reliability and competitive position will also be taken into consideration. UKE will verify the ability of a given party to carry out investments necessary for the effective use of the obtained spectrum based on the analysis of the given party’s capital expenditures on telecommunication network roll-out in the years 2014-2016. When evaluating the bidder’s competitive position, both the opinion of the anti-trust office and the amount of owned spectrum in the 800 and 2600 MHz bands will constitute important factors.

Puls Biznesu
17 January 2018

Play can buy Virgin

by MZAT

The stock-listed telecom Play has informed that it entered into a set of agreements with Virgin Mobile Polska and its shareholders. These agreements give Play, among others, a call option to acquire all shares in Virgin Mobile Polska in 2020. The valuation of the option is based on Virgin's one time annual revenue adjusted by certain elements.

Virgin, currently managed by Grażyna Piotrowska-Oliwa, has been operating on the Polish market since 2012, and has been using Play's infrastructure since the beginning. When entering the Polish market, Virgin's shareholders were forecasting that the operator would reach 1 million customers within three years. These forecasts were verified by the Polish market, on which none of the virtual network operators were able to achieve such a position. At the end of 2016 Virgin had 412 thousand customers and ca. PLN 80 million of revenue.

At the end of Q3 2017 Play had 14.9 million active SIM cards and was the **market** leader in terms of customer base. The acquisition of Virgin would strengthen Play at the top spot but for the time being Play will continue to cooperate with Virgin in the current scope. According to the concluded agreements, the level of Virgin's minimum financial commitment to Play will be by ca. PLN 25 million higher and will reach ca. PLN 84 million in the years 2018-2021.

Parkiet
18 January 2018

What is the further fate of the PLN 317 million dispute?

by ziu

The Office of Competition and Consumer Protection has discontinued the anti-trust investigation against Polkomtel (Cyfrowy Polsat Group), T-Mobile Polska and Orange Polska. The investigation was initiated in 2013 and concerned retail prices that the above operators charged to their customers for calling P4, the operator of Play network. The discontinuation of the proceedings reduces the probability of P4 (Play Communications) winning the case in the dispute against the 3 other big mobile operators from whom Play demands a total of nearly PLN 317 million as compensation connected with the retail rates they charged in the years 2009-2012.

The issue was that the three operators were charging their customers more for calling Play customers than for calling other numbers. This way these operators could have reduced the traffic going to Play, and hence Play's wholesale revenue on account of interconnect charges. At that time, as a result of the MTR rate asymmetry, P4 enjoyed a privileged position which was granted to it by UKE.

Press release
19 January 2018

Plus and Cyfrowy Polsat introduce the Home Internet 300 Set

The Home Internet 300 is expected to be added to Plus and Cyfrowy Polsat's offer in the next few days. It is the latest generation solution and the next step in the development of this unique product which has been successfully marketed by Cyfrowy Polsat Group since 2014. The solution offers high speed LTE Internet access in the locations where other solutions do not work well. The new Home Internet 300 Set supports LTE-Advanced data transmission technology and enables data to be downloaded at the rates of up to 300 mbps.

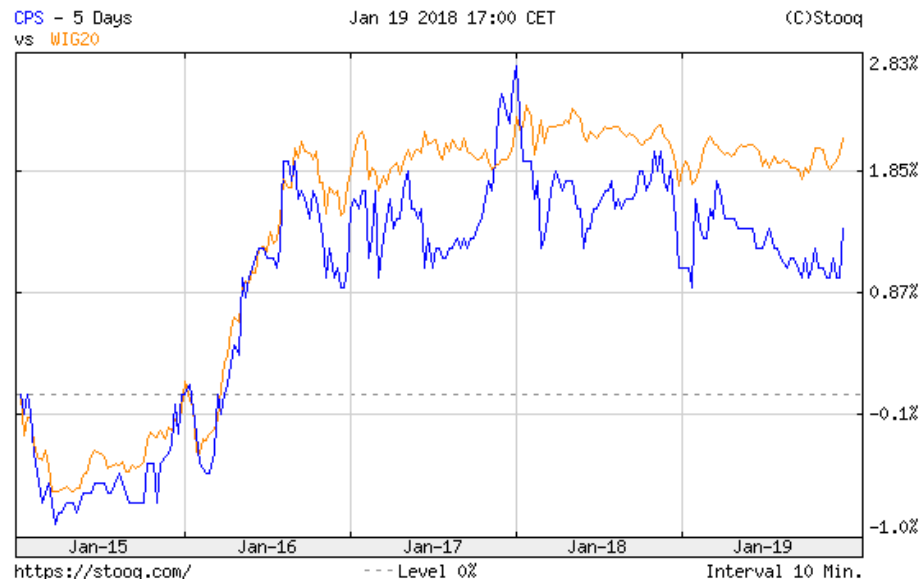
The Home Internet 300 Set is a unique solution which comprises an LTE (ODU-300) outdoor modem and Wi-Fi router (IDU-300). The offered equipment works particularly well in the areas characterized by difficult terrain conditions or where the signal is obstructed by neighboring building structures, as well as on the edges of the network coverage area and in all those places where fixed-line Internet access is not available, both in blocks of flats as well as in detached houses.

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Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2018-01-15	24.00	23.70	23.98	0.17%	1.68
2018-01-16	24.48	23.80	24.24	1.08%	36.51
2018-01-17	24.66	24.22	24.62	1.57%	11.46
2018-01-18	24.68	24.24	24.24	-1.54%	5.56
2018-01-19	24.44	24.12	24.32	0.33%	8.47



Investor's calendar



8 – 22 March 2018

Closed period prior to the publication of 2017 results

22 March 2018

Annual report and consolidated annual report for 2017