



Cyfrowy Polsat IR Newsletter

18 December 2017 – 1 January 2018



Rzeczpospolita
20 December 2017

Telecoms seek support

by Urszula Zielińska

This month the Polish Chamber of IT and Telecommunications (PIIT) and the Polish Chamber of Commerce for Electronics and Telecommunications have written a joint letter to the Minister of Digitization, Ms. Anna Streżyńska, regarding EU regulations under preparation aimed at enforcing a reduction of prices for international calls (which are still relatively expensive and which continue to be confused with international roaming services).

In its amendments to the so-called European Electronic Communications Code, the European Parliament has proposed an obligation to equalize tariffs for intra-EU connections with domestic tariffs. According to a report commissioned by the EU Commission to assist it in the decision-making process related to introduction of the new regulations, the reduction of international service prices by operators would be relevant for 45% of EU population. In Poland price reductions could prove relevant for 40% of the population.

As “Rzeczpospolitej” daily learned from Mirosław Śmiątek, the Vice-President of PIIT, operators have been appealing not be forced to provide their services at prices below the cost level. He reminded that as a result of the Roam Like at Home regulation, which has been in place since 15 June 2017 (RLAH equalizes prices of roaming services with domestic prices when we travel in the EU), Polish operators lost PLN 250 million in one quarter alone.

Puls Biznesu
21 December 2017

T-Mobile will connect via Orange

by Marcel Zatoński

On Wednesday T-Mobile, an operator from the Deutsche Telekom group, started negotiations with Orange regarding access to Orange’s fiber-optic infrastructure.

The companies signed a letter of intent in accordance with which they decided to enter into negotiations regarding the terms of wholesale access to the broadband network of Orange Polska for T-Mobile in non-regulated areas. In the course of the potential cooperation Orange could offer broadband access to its fiber-optic infrastructure for T-Mobile customers who live in apartment buildings.

According to the preliminary assumptions, T-Mobile would be paying an initial fee for access to respective buildings, the installation fee and a monthly fee per each active customer. Detailed terms of cooperation are to be negotiated by

30 June next year. When using Orange's infrastructure, by 2020 T-Mobile could potentially provide fiber-optic network-based services to 5 million households.

Already in September 2017 T-Mobile took off with an offer of Internet access for households relying on LTE technology. At that time Andreas Maierhofer, the CEO of T-Mobile Polska, said that one can no longer be a purely mobile operator and it is necessary to move in the direction of integrated services.

Bankier.pl
21 December 2017

S&P changes Cyfrowy Polsat's rating prospects to stable

by pr/ tus/

Cyfrowy Polsat's rating prospects have been changed by S&P to stable from positive, following the announcement of the acquisition by CP of 32% of Netia's shares, for around USD 180 million, and of several TV channels, as S&P informed in its press release.

S&P did not change the long-term rating of Cyfrowy Polsat which continues at "BB+".

" Although we see these acquisitions as supportive of Cyfrowy Polsat's future network capacity, cost position, product portfolio, and client base, we assume Cyfrowy Polsat will deleverage slower than we had previously anticipated," says the S&P press release.

S&P analysts assume that Cyfrowy Polsat will be able to maintain its net debt to EBITDA ratio in the range of 3.0-3.5x in the years 2017-18 and will gradually reduce it thereafter.

telko.in
22 December 2017

Deutsche Telekom acquires UPC's Austrian unit

by Łukasz Dec

Deutsche Telekom Group will acquire the Austrian UPC network from Liberty Global. The target company has been valued at EUR 1.9 bn. Based on this transaction, its EV/EBITDA ratio is 6.8. IT and network management areas are expected to generate 80% of the planned synergies whose overall value is estimated at EUR 800 million (the time over which the synergies will be generated has not been indicated). Pro forma revenues of the two companies for 2017 will be around EUR 1.2 bn.

The transaction still requires the consent of the respective regulatory authorities. Its finalization is planned for the second

half of 2018. Liberty Global will grant Deutsche Telekom a 3-year license for use of the UPC brand while also offering 4 years of technical support for the newly acquired network.

In terms of size UPC is the no. 2 fixed-line telecom in Austria. Its network passes 1.4 million households, with 654 thousand being UPC subscribers. UPC provides 513 thousand broadband access services, 450 thousand telephone lines and 468 thousand TV packages. In 2018 EBITDA is expected to be positive, at the level of EUR 200 million.

T-Mobile Austria, in turn, has 4 million customers, which makes it the no. 2 operator on the Austrian mobile market.

Rzeczpospolita
27 December 2017

Time of mobile-and-optic fiber mix

by Urszula Zielińska

Experts and heads of telecoms and pay TV companies expect small value growth on the telecom services and pay TV markets in 2018. According to PMR, accounting for all services including pay TV, market growth in 2018 will be similar to that from 2017, i.e. 1-2%, bringing the value to around PLN 43.6 billion.

In the opinion of Andreas Maierhofer, CEO of T-Mobile Polska, the segment of mobile services alone could grow at a similar pace due to growing revenues from convergent services and ICT.

The market of wholesale access to infrastructure will be an essential element of the landscape next year. Convergence, which is now understood not only as packaging of various types of services and offering of discounts but as a mix of mobile and fiber-optic technologies, will provide an important stimulus for the operators, and experts expect that this trend will gain in strength.

Mergers and acquisitions will continue. Finalization of the projects initiated in 2017 is expected to take place, including the acquisition of Inea by the Australian fund Macquarie and of Netia by Cyfrowy Polsat, and maybe ownership changes in ATM, a data centers operator. In January, we should see whether the two cable TV operators, UPC and Multimedia, will finally merge. The beginning of 2018 could be interesting for the shareholders of Play as the company's founders will see the end of the restrictions related to trading of their shares.

Biznes.pap.pl
29 December 2017

Decision on UPC - Multimedia Polska merger in Q1 2018, says UOKiK Vice-President

by *kuc/jtt/*

The decision of the Office of Competition and Consumer Protection (UOKiK) regarding the take-over of Multimedia Polska cable TV network by UPC may be issued in Q1 2018, as can be concluded from the statement of Michał Holeksa, the vice-president of the competition watchdog. According to Holeksa, UOKiK's investigation of take-over of Netia by Cyfrowy Polsat could be shorter than in the case of UPC-Multimedia Polska deal.

The take-over of Multimedia Polska cable TV network by another cable operator, i.e. UPC Polska (owned by the British Liberty Global), was announced in October 2016. The transaction's value was fixed at PLN 760 million. In October 2017 the Office of Competition and Consumer Protection assessed that when taking into account the position of the two companies on local pay TV markets, their concentration could lead to a significant strengthening of UPC's position and hence to restriction of competition in 15 cities.

In Holeksa's view the investigation carried out by the Office of Competition and Consumer Protection as regards the acquisition of Netia by Cyfrowy Polsat could be shorter than in the case of the UPC-Multimedia Polska deal. On 4 December 2017 Cyfrowy Polsat informed of the purchase of ca. 32% of Netia's shares from Mennica Polska and FIP 11 FIZ AN for a total of PLN 638.8 million. A day later Cyfrowy Polsat announced a tender offer for further 34.24% of Netia's shares. Subscriptions for shares will start on 30 January 2018 and continue until 5 March.

Current report no. 29
20 December 2017

Dates of publication of periodic reports and information on submitting consolidated periodic reports of Cyfrowy Polsat S.A. in the financial year 2018

The Management Board of Cyfrowy Polsat S.A. (the "**Company**"), hereby announces the publication dates of periodic reports in the year 2018.

1. Consolidated quarterly reports:
 - quarterly report for Q1 2018 – May 10, 2018;
 - quarterly report for Q3 2018 – November 8, 2018;
2. Consolidated semi-annual report for H1 2018 – August 23, 2018;
3. Annual reports:
 - Annual report for 2017 – March 22, 2018;
 - Consolidated annual report for 2017 – March 22, 2018.

In addition, pursuant to the provisions of § 83 sec. 1 and 3 of the Ordinance of the Minister of Finance of February 19, 2009 on current and periodic reports published by the issuers of securities and the conditions of recognizing as equal the information required by the laws of non-member states (the "Ordinance"), the Company will not publish standalone quarterly or semi-annual reports. The Company informs that it is its intention to present in 2018 consolidated quarterly reports including condensed standalone financial statements as referred to in § 83 sec. 1 of the Ordinance as well as to present the consolidated semi-annual report for the first half of 2018 including the condensed standalone financial statements for the six months ended June 30, 2018 as referred to § 83 sec. 3 of the Ordinance.

The Company also announces that it will not publish a consolidated quarterly report for Q4 2017, nor a consolidated quarterly report for Q2 2018 pursuant to the provisions of § 101 sec. 2 of the Ordinance.

Current report no. 30
21 December 2017

Notice of intention to conduct a cross-border merger by acquisition between Cyfrowy Polsat S.A. with its registered office in Warsaw and Eileme 1 AB (publ) with its registered office in Stockholm – second notice

The Management Board of Cyfrowy Polsat S.A. (“**Cyfrowy Polsat**” or the “**Acquiring Company**”), in accordance with article 504 §1 and §2 of the Polish Commercial Companies Code (the “**CCC**”), informs the shareholders of Cyfrowy Polsat of the planned cross-border merger by acquisition of Cyfrowy Polsat and Eileme 1 AB (publ), a public limited company (original name: *publikt aktiebolag*) established under the laws of Sweden, with its registered office in Stockholm, address: Stureplan 4C, 4 tr, 114 35 Stockholm, Sweden, recorded in the Swedish Companies Register under Reg. No. 556854-5668 (the “**Ceasing Company**”), in which Cyfrowy Polsat holds directly 100% of the share capital.

The merger of the Merging Companies will be effected via

- (i) transferring to the Acquiring Company, as the direct holder of 100% share of the Ceasing Company share capital, all of the assets and liabilities of the Ceasing Company by way of universal succession, and \
- (ii) dissolving the Ceasing Company without going into liquidation

in accordance with article 492 §1 item 1) of the CCC, in conjunction with article 516¹⁵ of the CCC and article 516¹ 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 the Ceasing Company, effective on the date of the merger.

Given that the Acquiring Company (as parent company) holds directly all the shares of the Ceasing Company, according to article 515 §1 of the CCC, the merger will be effected without increasing the share capital of the Acquiring Company.

The detailed terms of the merger are specified in the Common Draft Terms of a Cross-Border Merger by Acquisition approved on December 6, 2017 and made publicly available, free of charge, on the website of the Acquiring Company at <http://www.grupapolsat.pl/en/investor-relations>, in accordance with article 516⁴ §1 of the CCC.

With regard to the fact that the Acquiring Company (as parent company) holds directly all the shares in the Ceasing Company, in accordance with art. 516¹⁵ §1 of the CCC in conjunction with art 516⁶ of the CCC, the Common Draft Terms of a Cross-Border Merger by Acquisition are not subject to review by an independent auditor.

Current report no. 30
21 December 2017

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

1. Common Draft Terms of a Cross-Border Merger by Acquisition,
2. Financial statements and Management Board's reports on the activities of the merging companies for the last three financial years, together with the opinion of an independent auditor and report supplementing the auditor's opinion (if an opinion or a report had been issued),
3. Report of the Management Board justifying the merger,

(the “**Merger Documents**”) are available for inspection to Cyfrowy Polsat shareholders and employees from the date of publication of the first notice regarding the merger, that is December 6, 2017, until the date of adoption of a resolution regarding the merger.

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

Cyfrowy Polsat shareholders and employees may request copies of the Merger Documents free of charge at the head office of Cyfrowy Polsat.

This notice is the second notice.

Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2017-12-18	24.20	23.54	24.20	1.72%	6.85
2017-12-19	24.15	23.81	24.14	-0.25%	6.51
2017-12-20	24.13	23.67	24.13	-0.04%	4.98
2017-12-21	24.36	23.88	24.36	0.95%	5.84
2017-12-22	24.35	23.98	24.35	-0.04%	4.97
2017-12-25	-	-	-	-	-
2017-12-26	-	-	-	-	-
2017-12-27	24.80	24.20	24.80	1.85%	6.32
2017-12-28	25.10	24.61	25.10	1.21%	9.18
2017-12-29	25.43	24.61	24.86	-0.96%	21.35



Investor's calendar



9 January 2018	CPS: Extraordinary General Meeting
8 – 22 March 2018	Closed period prior to the publication of 2017 results
22 March 2018	Annual report and consolidated annual report for 2017

