



Cyfrowy Polsat IR Newsletter

19 – 25 February 2018



Puls Biznesu
19 February 2018

UPC has a new boss

by MZAT

A day after announcing the results for 2017, UPC Polska, the biggest cable TV player in Poland, informed that it was replacing its CEO.

Frans-Willem de Kloet is leaving the position after two years. In April he will be replaced by Robert Redeleanu, who was CEO of UPC in Hungary and Romania, and earlier worked, among others, for Unilever. UPC, owned by Liberty Global group, has 1.44m customers in Poland and generated PLN 1.58bn in revenues last year. Under the leadership of the new CEO the company might grow substantially — since the end of 2016, UPC has been waiting for the approval of the antimonopoly office to take control over Multimedia Polska, the third biggest player on the Cable TV market.

Puls Biznesu
22 February 2018

Orange losses as planned

by Marcel Zatoński

After publishing the annual results, the stock price of Orange Polska has fallen by over 5%. This happened despite the fact that the telecom has met its obligations set for 2017 – it achieved adjusted EBITDA at the level of PLN 3bn and the results in Q4 2017 were strong, despite the costs of introduction of new roaming regulations.

The implementation of Roam like at home regulation in mid-2017 reduced the telecom's EBITDA in 2017 by ca. PLN 119m, including PLN 46m in Q4. The company recorded a net loss of PLN 60m in 2017 and revenues in the amount of PLN 11.38bn, down by 1.4%. This is a slower pace than in the two previous years, when revenues were decreasing by 2.4-2.9%. Revenues from a shrinking group of fixed-line telephony users are decreasing the most. On the other hand, the number of users of broadband Internet access, mobile telephony subscriptions and convergent customers, that is customers using a few services of the operator, is growing consistently.

“In 2018 we expect a stable EBITDA result and smaller pressure on revenues. Focusing on convergence and monetization of investments in the fiber optic network should further boost the revenue from broadband services. In the mobile segment, the results will improve thanks to the national roaming agreement with Play,” said Maciej Nowohoński, CFO of Orange.

In connection with the roll-out of the state-of-the-art FTTH fiber optic infrastructure, the company does not intend to share its profits with shareholders in the nearest future. The telecom spent PLN 673m on the construction of fiber optic lines last year, vs. anticipated PLN 800m.

2.5m of households is currently within the coverage of FTTx network, by 1m more than a year before, however the percentage of households actually using the available infrastructure does not exceed 10%. This year, fiber optic investments should cost the telecom PLN 700-800m.

Rzeczpospolita
22 February 2018

New standard spoils image

by Urszula Zielińska

Simultaneously with the presentation of its results for 2017, Orange Polska presented the impact of the new accounting standard IFRS 15 on future results. EBITDA is lower by PLN 250m in this approach. Although the operator's business has not changed and according to the to-date approach EBITDA should be stable in 2018, brokerage houses started drawing the attention of investors to differences in valuation of Orange and Play.

Puls Biznesu
23 February 2018

T-Mobile is regaining what it lost

by Marcel Zatoński

The telecom has lower revenue and profits, but is satisfied with the growth of the number of contract customers, whom it has been losing in recent years.

Andreas Maierhofer, CEO of T-Mobile Polska, emphasized that 2017 was an important year for T-Mobile. It was a year of strong investments in the development of the sales network and increasing headcount in areas directly related to customer service.

The operator, belonging to Deutsche Telekom Group, had PLN 6.42bn of revenue last year, down by 1.1% as compared to the previous year. The adjusted EBITDA profit amounted to PLN 1.78bn (down by 15.1%). Margin at this level decreased by 4.7 percentage points.

"After a few years of constant decline, in 2017 the total revenue of T-Mobile practically stabilized, which is confirmed by good operating results. Lost revenues from services and higher costs related to the growth of headcount and

introduction of the Roam Like At Home regulation, as well as higher marketing expenditures, had an impact on the operating effectiveness measured by EBITDA. In the future we expect stabilization of the EBITDA margin, because the impact of the majority of one-off events will disappear,” commented Juraj Andras, CFO of T-Mobile Polska. Only in Q4, new roaming regulations, valid since June 2017, reduced the EBITDA result of T-Mobile by PLN 44m.

T-Mobile, however, may be satisfied. Although last year the total customer base shrank again, it was mostly due to the deactivation of a big part of prepaid SIM cards in connection with the introduction of mandatory registration. The contract customer base increased last year by 4.7%, up to 6.92m customers. A total of 10.45m customers uses T-Mobile services in Poland.

Rzeczpospolita
23 February 2018

Play and Plus rule

by Urszula Zielińska

In the ranking of the most valuable Polish telecommunication brands in the ranking prepared by “Rzeczpospolita” daily the first two places are occupied by mobile network brands belonging to Play Communications and Polkomtel from Cyfrowy Polsat Group.

The value of the Play brand was estimated at PLN 2.46bn, that is by 8% less than a year before, and it was ranked fourth among the most valuable Polish brands.

The Plus brand was valued at PLN 2.26bn, that is by 10% less than a year before and took the 5th position in the ranking.

Although the valuations of mobile network brands decreased this year, the value of the fixed-line brand Netia grew – its valuation exceeded PLN 300m (56th position).

The Cyfrowy Polsat brand, valued at nearly PLN 740m, was ranked 21st.

Current report no 8/2018
23 February 2018

Extension of the term to place subscriptions under the tender offer for shares in Netia S.A.

The Management Board of Cyfrowy Polsat S.A. (“**Cyfrowy Polsat**”) reports that in connection with the tender offer to place subscriptions for the sale of shares in Netia S.A. (the “**Company**”, the “**Tender Offer**”) announced on 5 December 2017 by Cyfrowy Polsat pursuant to Article 73 Section 1 of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies (consolidated text: Dziennik Ustaw of 2016 item 1639, as amended) and the Ordinance of the Minister of Development and Finance of 14 September 2017 concerning forms for tender offers to subscribe for the sale or exchange of shares of a public company, detailed procedures for announcing such tender offers and the terms of acquisition of shares under such tender offers (the “**Ordinance**”) the Management Board of Cyfrowy Polsat decided to extend the term to place subscriptions for the sale of shares in the Company under the Tender Offer until 9 April 2018 inclusive.

The extension of the term to place subscriptions for the sale of shares in the Company is due to the fact that as at 22 February 2018 the condition precedent provided for in Section 29 of the Tender Offer has not yet materialized, i.e. Cyfrowy Polsat has not obtained an unconditional decision from the President of the Office for Competition and Consumer Protection consenting to the concentration consisting in the takeover of control of the Company and the term prescribed for the issuance of such decision has not expired and, in addition, the condition precedent provided for in Section 30 item b) of the Tender Offer has not been satisfied, i.e. the supervisory board of the Company has not passed a resolution adopting the consolidated text of the Articles of Association of the Company incorporating the registration of a change in the Company’s share capital by the relevant registry court following its decrease.

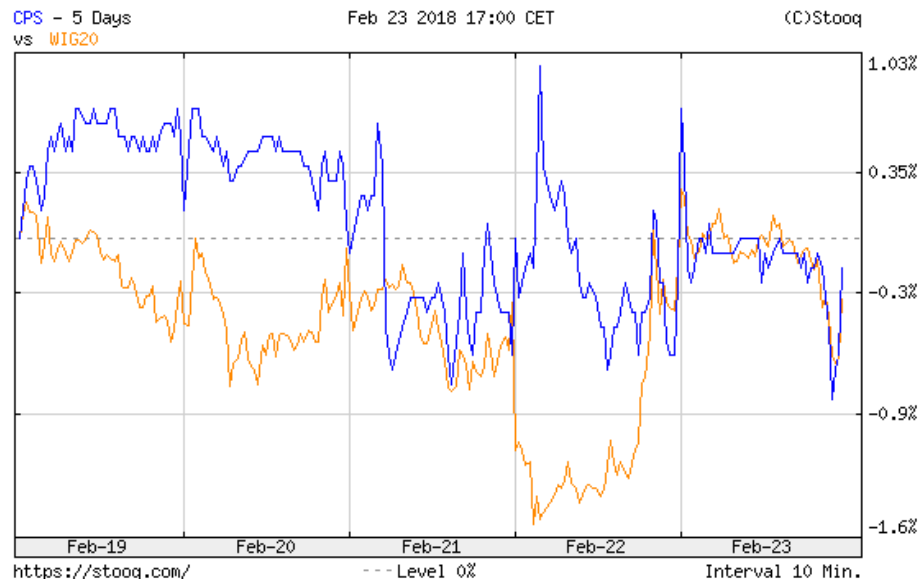
Cyfrowy Polsat reported on the announcement of The Tender in Current Report No. 26/2017 of 5 December 2017.

A full statement on the extension of the term to place subscriptions under the Tender Offer has been published by PAP.

Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2018-02-19	23.5	23.1	23.4	1.4%	2.8
2018-02-20	23.5	23.3	23.3	-0.5%	4.2
2018-02-21	23.5	23.1	23.1	-0.8%	6.2
2018-02-22	23.1	23.1	23.1	0.0%	0.0
2018-02-23	23.5	23.0	23.2	0.5%	2.9



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
16 April – 10 May 2018	Closed period prior to the publication of Q1 2018 results
10 May 2018	Quarterly report for Q1 2018
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