



Cyfrowy Polsat IR Newsletter

23– 29 April 2018



Parkiet
24 April 2018

Multimedia Polska > A look behind the failure of the company's acquisition

By ZIU

In the interview with „Parkiet”, Andrzej Rogowski, CEO and shareholder of Multimedia Polska cable TV, commented on the lack of agreement regarding the acquisition of this company by UPC. He confirmed that the decision about withdrawal from the transaction had been made by Multimedia. Earlier, during the examination of the transaction, the Competition and Consumer Protection Office (UOKiK) conditioned its approval of the acquisition on dividing Multimedia and separating its cable TV networks in 11 cities which should be then sold to another buyer than UPC. UPC applied to the shareholders of Multimedia for amendment of the previously agreed terms, which was not accepted by the company.

Multimedia's CEO believes that it is possible to carry out large mergers and acquisitions in Poland while meeting the conditions set by UOKiK. In his opinion, the market is more and more attuned to a possibility of consolidation of operators from different segments (merger of cable TV and mobile telephony networks), however, he stated that he was not conducting any talks in this respect.

Multimedia currently focuses on execution of its strategy by developing services for business sector and virtual mobile network services as well as enhancing the functionality of its video platform (including nPVR – a recorder in the cloud). The company's CEO assumes that the downward trend of revenue growth will be slowed down this year and then reversed. He does not exclude an acquisition of small and medium companies, although the market of cable TV operators is already strongly consolidated around three operators and he does not see a big potential in this area.

telko.in
24 April 2018

Polkomtel – UOKiK: 2:1 in March

By Łukasz Dec

Three court rulings regarding decisions of UOKiK vs. mobile operator Polkomtel were issued. Two of them were favorable to Polkomtel and one to UOKiK. In the latest ruling, the court upheld the decision of UOKiK made in 2012 about imposing on the operator a penalty in the amount of nearly PLN 4.5m for misleading, in the opinion of UOKiK, advertisements of prepaid services. Two earlier court rulings issued in March 2018, favorable to the operator, are “worth” PLN 17.6m.

Parkiet
25 April 2018

Management Board of Orange Polska upheld the forecast

By Urszula Zielińska

The results of Orange Polska published for the first time according to the new IFRS 15 standard turned out to be consistent with the forecasts. In Q1 2018 the group had PLN 2.71bn of revenue, PLN 674m of EBITDA and PLN 50m of net loss. Brokerage houses questioned by "Parkiet" forecasted PLN 2.69bn of revenue, PLN 666m of EBITDA and PLN 41.3m of net loss. Whereas the PAP consensus was showing a slightly higher EBITDA (PLN 667m) and a lower net loss (PLN 38.5m).

While applying a previous approach, Orange Polska generated PLN 2.76bn of revenue (down by 1.8% YoY), PLN 746m of EBITDA (vs. PLN 748m last year) and PLN 8m of net profit (down by nearly 80% YoY).

The Management Board upheld the assumptions for EBITDA in 2018 at the level of PLN 3bn according to the old approach or PLN 2.75bn according to the new approach.

The total number of SIM cards equaled 14.368m (- 5.9% YoY), including 9.747m contract cards (+ 3.1% YoY) and 4.621m prepaid cards (- 20% YoY).

According to Orange's estimates, its market share at the end of March 2018 amounted to 27.5% (- 2.4 p.p. YoY and - 0.4 p.p. QoQ).

The number of users of the fixed broadband Internet access increased to 248 thousand (+34 thousand, QoQ). The number of residential customers using bundled services amounted to 1.09m (+65 thousand QoQ), whereas the total number of customers of convergent services amounted to 1.376m (+70 thousand QoQ).

Parkiet
27 April 2018

Orange Polska | Results for Q1 have not surprised analysts

By Urszula Zielińska

Financial results of Orange Polska were in general consistent with the analysts' expectations. The Management Board upheld the assumptions for EBITDA in 2018 (PLN 2.75bn according to the new IFRS 15 standard and PLN 3bn according to the previously valid IAS 18 standard), a plan of returning to an upward trend in 2019 and extending the coverage of the fiber optic network by 1m households. The Company is satisfied with the pace of execution of its strategy of convergent operator.

In the interview with “Parkiet” the CEO of Orange Polska said that this year the company could spend more than assumed for investments into FTTH. He also confirmed that Orange and T-Mobile would end the cooperation in the area of radio bandwidth sharing (900 MHz bandwidth – until the end of 2018, 1800 MHz bandwidth – until the end of 2019). He stated that the talks about spectrum reshuffling were held under the auspices of the Office of Electronic Communications (UKE). When asked about a possibility of purchasing Multimedia Polska cable TV operator by Orange Polska, he answered that every option beneficial to the company would be definitely considered.

Parkiet
27 April 2018

It is worth being a transparent company to the customers, market and shareholders

By Agnieszka Zielińska

“Parkiet”, together with the Accounting and Tax Institute, presented awards to the most transparent companies listed on the WSE. Rankings of companies for each of the three main indexes, that is WIG20, mWIG40 and sWIG80, have been prepared based on the questionnaire surveys covering such areas as financial reporting and accounting, investor relations and corporate governance rules. The goal of the ranking is to improve the quality of communication of listed companies with the market and promotion of the transparent business. 28 issuers received awards, including Cyfrowy Polsat.

Parkiet
28 April 2018

Netia: What's next for network investments?

By Urszula Zielińska

Thanks to cost reductions Netia's consolidated net profit amounting to PLN 21.1m (an increase by nearly 70% YoY) favorably surprised brokerage houses. The revenues were down to PLN 347m (-5% YoY) as compared to PLN 352m forecasted by analysts. EBITDA in turn amounted to PLN 90.7m (-6.1m YoY) and was in line with market's expectations. Netia recorded a decline in own network services, mainly due to telephony, by 2.5 thousand. According to the company's spokesman, the group was close to sustain the number of fixed Internet services in own network and hopes to achieve it in the present quarter.

As the end of March 2018 Netia provided in total 1.96m services (-26.7 thousand QoQ), including 196.1 thousand TV services (+6 thousand QoQ), 146.7 thousand mobile services (+3.9 thousand QoQ) and 628 thousand Internet services (-11 thousand QoQ).

It is not clear what decisions is the company going to make concerning its investment in network modernization. In Q1 2018 it dedicated only PLN 11m for this purpose.

The company has not revealed what variants of modifications to its investment plan worth PLN 417m it considers.

Recent events



Current report no 13/2018
27 April 2018

Information on the change of the share in the total number of votes at the General Meeting of Cyfrowy Polsat S.A. -
Karswell

[Full report>>](#)

Current report no 14/2018
27 April 2018

Information on the change of the share in the total number of votes at the General Meeting of Cyfrowy Polsat S.A. –
Reddev

[Full report>>](#)

Press release
26 April 2018

New sports channels and services of Polsat Television | Starting from 2018/2019 season, all UEFA Champions League Matches broadcast live for the first time in Poland

Polsat TV will launch two new, regular, 24-hour premium sports channels – Polsat Sport Premium 1 and Polsat Sport Premium 2, available in the new Super HD quality and without any advertisements, and four additional premium television services, which will show UEFA Champions League and Europa League matches in the next three years. All sixteen matches of each round of the Champions League will be broadcast live starting from the new season.

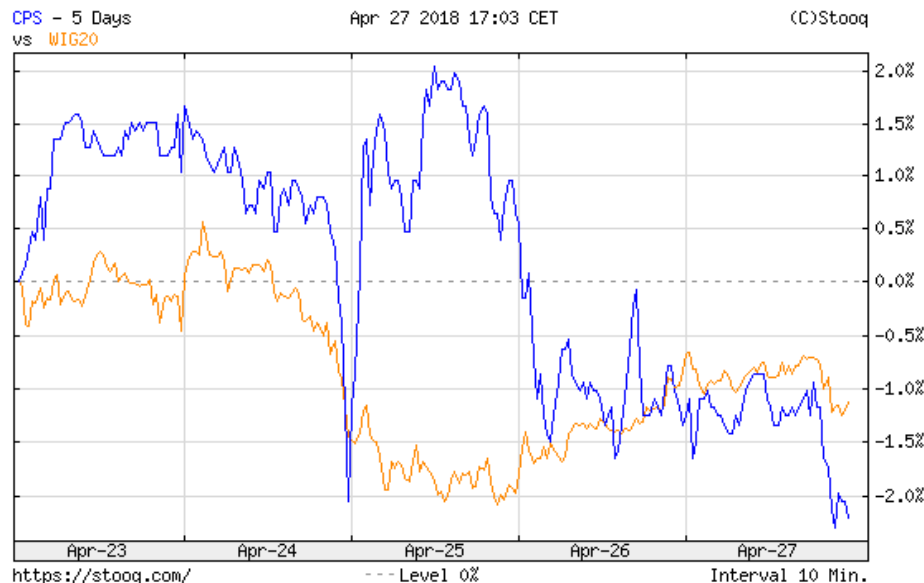
“Our viewers and customers will be able to watch all matches live and will be able to watch more matches each day thanks to the new hours when the matches will be played – at 6.55 p.m. and 9 p.m. We have prepared a comprehensive offer – everyone will be able to watch matches at any time and at any place, in a way which is most convenient to him – on a satellite platform of Cyfrowy Polsat, in the Internet in IPLA web TV or on mobile devices in Plus network. Two new channels in a new Super HD quality, plus four premium services with matches broadcast live, some matches shown in 4K as a test – Polsat is preparing a true football feast for viewers and sports fans”, **says Maciej Stec, Member of the Management Board of Polsat Television and Cyfrowy Polsat.**

Super HD technology, in which two new, regular Polsat Sport Premium 1 and Polsat Sport Premium 2 channels will broadcast all content, will ensure even better picture quality – thanks to the introduction of the twice as high bandwidth. It is a viewer-friendly technology, because it does not require replacement of a TV set or STB with devices other than those supporting HD. All subscribers of Cyfrowy Polsat, who have had HD set-top-boxes for years, will be able to watch new channels in Super HD quality.

Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2018-04-23	25.78	25.36	25.62	-0.08%	7.01
2018-04-24	25.78	24.84	24.84	-3.04%	9.17
2018-04-25	25.90	25.06	25.52	2.74%	8.11
2018-04-26	25.50	24.94	25.02	-1.96%	9.40
2018-04-27	25.18	24.76	24.80	-0.88%	7.81



Investor's calendar



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