



# Cyfrowy Polsat IR Newsletter

23 – 29 July 2018



Rzeczpospolita  
July 23, 2018

## Orange shares gain following T-Mobile contract

by Urszula Zielińska

T-Mobile Polska and Orange Polska have signed a contract giving T-Mobile access to Orange's fiber-optic network in the areas not regulated by the Office of Electronic Communications (UKE). The contract has been signed for a period of 10 years, with an option for extending it for further 5 years, and it concerns an FTTH network which will be constructed by Orange till the end of 2018 and will offer access to 1.7 million households.

Under the contract T-Mobile will pay PLN 275 million to Orange Polska. Moreover, T-Mobile will be paying monthly fees, depending on the data transfer rates offered, per each connected customer.

The CEO of T-Mobile Polska confirmed that the company wants to provide such services also in the areas with regulated access.

The operator announced that it will launch convergent service at the end of this year or at the beginning of next year. Together with the fiber-optic access, T-Mobile also wants to launch pay TV offer.

The transaction has been entered into on non-exclusive basis.

Rzeczpospolita  
July 24, 2018

## Orange Polska results for Q2 2018 show clear growth of capital expenditures

by Urszula Zielińska

Based on the IFRS 15 reporting standard, which has been in place since 2018, Orange Polska posted revenue of PLN 2,706 million, EBITDA of PLN 709 million and net loss of PLN 16 million. According to the reporting standard binding before 2018, in Q2 Orange had revenue of PLN 2.77 billion (-2.6% yoy), EBITDA of PLN 785 million (-3.3% yoy), and net profit of 46 million PLN (-35.2% yoy). The operator is investing into its fiber-optic and mobile networks, and the capital expenditures for Q2 2018 amounted PLN 551 million (+26.1% yoy).

The company's main goals for the current year have been sustained: capital expenditures are expected not to exceed PLN 2.2 billion, with adjusted EBITDA at PLN 2.7 billion or PLN 3 billion, depending on the accounting standard applied.

The number of SIM's was 14.48 million (+116 thousand qoq), with the number of fiber-optic network users at 286 thousand (+39 thousand qoq). The FTTH network of Orange and its partners reaches nearly 3 million households.

**Parkiet**  
July 25, 2018

## **PLN 59.2 million from UKE** *by ZIU*

The Office of Electronic Communications informed that until July 20, 2018 it transferred the amount of PLN 59.2 million to Orange Polska on account of the cost of the universal service (USO) provided by the operator in 2009. The amount accounts for 93.7% of the total amount that Orange Polska is expected to receive for that year.

In the years 2015-2011 Orange Polska was the operator responsible for USO. As a result, the company was entitled to receive compensation for the part of the costs associated with the services whose provision is guaranteed to citizens by the state. The compensation is paid from the amounts contributed by the telecommunications industry.

Orange applied for PLN 1.1 billion in total on account of USO. UKE agreed to pay PLN 227 million.

**Telko.in**  
July 25, 2018

## **UKE has officially withdrawn from inviting tenders for 450 MHz spectrum** *by Tomasz Świderek*

The Office of Electronic Communications has withdrawn from inviting tenders for spectrum reservations from the 452.5-457.5 MHz and 462.5-467.5 MHz frequency bands.

The decision has been dictated by changes of the regulations. The spectrum which was to be offered in the tender will now be allocated for voice and data communications related to managing the networks which are used for transmission and distribution of gaseous and liquid fuels or electricity. The tasks associated with management of such networks will be fulfilled by the entity appointed by the Minister of Energy.

Telko.in  
July 25, 2018

**This year's revenue of T-Mobile Polska will be similar to last year's, as analysts say**  
*by Tomasz Świderek*

According to the forecasts developed by analysts, in Q2 2018 T-Mobile Polska is expected to record revenues ranging from EUR 313 million to EUR 407 million and EBITDA in the range from EUR 100 million to EUR 124 million.

The analysts also forecast that the operator's revenue for the whole year will be ca. EUR 1.51 billion (EUR 1.51 billion in 2017), with EBITDA at EUR 417 million (versus EUR 419 million in 2017).

T-Mobile Polska will publish its Q2 2018 results on August 9.

Rzeczpospolita  
July 25, 2018

**Ericsson will help Play in faster network roll out**  
*by Urszula Zielińska*

P4, the owner of Play, has signed a framework agreement with Ericsson Polska, as a result of which it will have another provider of mobile infrastructure, aside from Huawei.

The operator assumes that the 15-year contract with Ericsson will contribute to faster roll out of Play's own network while at the same time not affecting the level of capital expenditures. The company has sustained its claim that by 2020 it intends to have own nationwide network infrastructure.

**Dziennik Gazeta  
Prawna**  
July 26, 2018

## **Orange must pay a fine in the amount of EUR 127.6 million**

*by Elżbieta Rutkowska*

The EU Court of Justice repealed the motion by Orange Polska to annul the judgment concerning the fine charged by the European Commission in 2011. The judgment of the Court of Justice is final. The operator stated that it would pay the fine in the amount of EUR 127.6 million without undue delay upon receiving the request to pay from the European Commission.

The fine was imposed back in 2011 on Telekomunikacja Polska (Orange Polska is its legal successor) for abusing the position of the dominant market player on two wholesale markets for the purpose of defending its position on the retail market. According to the European Commission, the company's strategy involved offering irrational contractual terms to alternative operators, delaying the negotiations of respective agreements as well as restricting access to its network and telecommunication lines. By charging the fine, the European Commission accounted for the fact that the Polish regulator, the Office of Electronic Communications, intervened numerous times as regards this issue.

The operator made a provision for the fine. Upon payment of the fine, the net debt to EBITDA ratio for Orange Polska will increase from 2.2 to around 2.4.

**Rp.pl**  
July 26, 2018

## **Nc+ will show the Champions League. Some of its subscribers will have to pay extra**

*by Urszula Zielińska*

Nc+ pay TV platform announced that it acquired the rights to distribute Polsat's new sports channels, i.e. Polsat Sport Premium 1 and 2, from Telewizja Polsat. These are the channels which will be broadcasting the UEFA Champions League and the UEFA Europa League matches. The new season starts on August 21, 2018.

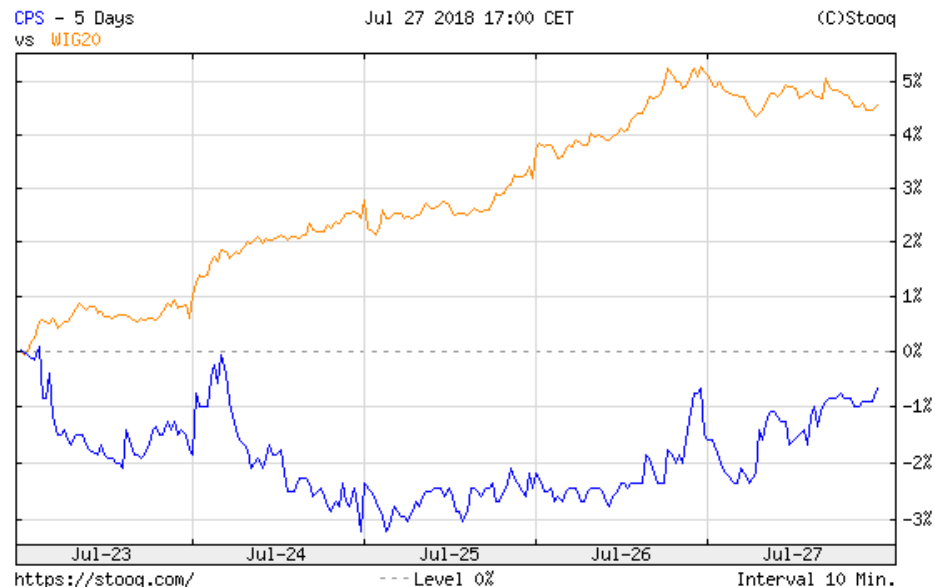
The company announced that the customers who have subscriptions which include Canal+ channel will be exempted from additional charges until the end of the year.

The additional fee for the package is expected to be PLN 30 at the highest.

# Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2018-07-23	23.80	23.24	23.32	-1.93	4.16
2018-07-24	23.74	22.94	22.98	-1.46	7.88
2018-07-25	23.26	22.94	23.16	0.78	9.19
2018-07-26	23.60	23.02	23.38	0.95	7.19
2018-07-27	23.58	23.16	23.58	0.86	3.43



# 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