



# Cyfrowy Polsat IR Newsletter

24 – 30 September 2018



Puls Biznesu

23 September 2018

## 5G is a great...vision

*by Bartłomiej Mayer in collaboration with Grzegorz Suteniec*

In the interview for Puls Biznesu, Marek Zagórski, the Minister of Digitization said that right now it is impossible to conclude about the mode or the sequence in which spectrum will be released for use by 5G networks. First a decision is required as regards the model of operation: will it be several networks rolled out by several operators (as it is in the case of 4G), or one network, managed by one operator or by a consortium of operators. For the time being, the discussions are held regarding the issue inside the Ministry itself as well as with the telecommunication operators. In the opinion of the minister, the decision could take place within several months, ideally in November 2018.

By 2020, in accordance with the obligations imposed by the European Commission, a pilot 5G network should be created in at least one city in Poland.

In accordance with the European Commission's guidelines, 700 MHz is the core frequency to be used by the 5G network. Thus one should resolve the issue of potential interference in the east of Poland, caused by the terrestrial TV broadcasting equipment which operates in Russia. At present there is no clear declaration of the Russian authorities as regards allocation of the 700 MHz frequency band for 5G needs.

The ministry has identified 20 cities where frequency bands, other than 700 MHz, are potentially available to enable 5G network launch.

Łódź is the city which is most interested in the pilot network, which does not mean that the issue of location has been definitively decided. More than one city or region could participate in the pilot project. The decision is to be made in 2020. Telecom operators, with the support of the state, would be the major investors in the project. Co-financing of the project from EU funds is contemplated, which however requires arrangements with the European Commission.

Puls Biznesu  
26 September 2018

## UOKiK will consider the take-over in the cable industry

by MZAT

Office of Competition and Consumer Protection (UOKiK) submitted the proceedings regarding the take-over of Multimedia by Vectra to the second stage of the process. Thus the office has additional four months for the decision, plus whatever is needed for the parties of the transaction to provide additional documents.

In UOKiK's opinion, the two companies' operations overlap in 39 cities in the field of cable TV, and in 45 cities in the area of broadband Internet access. The transaction could result in restriction of competition in a dozen or so cities, thus a decision has been taken to verify the data in the second stage of the proceedings. The commencement of the second stage does not determine the ultimate decision which will be issued in the future.

Earlier, whenever there were major takeovers on the cable operator market, UOKiK issued conditional approvals for the deals. Such conditional approvals included the requirement to resell the network to another party in the locations where the buyer could achieve too strong position. This way in 2013 Netia acquired networks in Warsaw and Cracow, with access to 446 thousand homes, which UPC had to resell upon acquiring Aster.

Telko.in  
26 September 2018

## Virgin Mobile Polska becomes a full MVNO

by Marek Jaślan

At the end of September Virgin Mobile Polska completed migration of customers to its own IT platform. Thus the operator has gained the status of a full MVNO, which means that it now has the entire telecommunication infrastructure, except the radio network. Virgin Mobile will continue using the network infrastructure of Play, who has a call option for buying all of Virgin Mobile Polska shares in 2020.

According to the operator, the benefits of full migration include faster configuration of existing and new products, shorter time to market for the products, and it will also have influence on customer care. The company's priority is to continue streamlining its business processes, which is presumed to help it to achieve revenues at the level of PLN 120 million.

Parkiet  
28 September 2018

## Operators are defending the smartphone market

by Urszula Zielińska

It is this year that decline was visible in the area of mobile operators' revenue generated from selling smartphones on the basis of installment plans. Thus the operators have started entering an open market on which a consumer buys a smartphone without being "tied" to an operator as a provider of services.

Play is the first network to have started selling the devices in such a model. It has been running open market sale of smartphones since the beginning of the year, offering them both, to its own subscribers as well as to other operators' customers.

Orange Polska is currently selling smartphones on the basis of installment plans and without a subscription to its own customers only, but ultimately it intends to extend the offer also to the customers of other operators.

T-Mobile Polska plans to launch a similar offer at the beginning of Q4 2018.

Cyfrowy Polsat, in turn, has been offering the possibility of buying a mobile phone on stand-alone basis for a long time (but not under installment plans), with sale of own services being the operator's priority.

Current report 28/2018  
26 September 2018

## Notice of intention to merge Cyfrowy Polsat S.A. seated in Warsaw and Cyfrowy Polsat Trade Marks Sp. z o.o. seated in Warsaw

The Management Board of Cyfrowy Polsat S.A. (“Cyfrowy Polsat”, the “Taking-over 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 merger of Cyfrowy Polsat and Cyfrowy Polsat Trade Marks Sp. z o.o. seated in Warsaw, address: 4a Łubinowa St., 03-878 Warsaw, Poland, registered in the entrepreneurs register kept by the District Court for the Capital City of Warsaw in Warsaw, XIII Business Division of the National Court Register, under the number KRS 0000373011 (“CPTM”, the “Acquired Company”), in which Cyfrowy Polsat S.A. holds 100% of share capital.

The merger will be effected by:

(i) transferring to the Taking-over Company - as the sole shareholder of the Acquired Company - all the assets of the Acquired Company by the way of universal succession, and

(ii) termination of the Acquired Company without liquidation,

in accordance with article 492 §1 item 1) 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, assets and liabilities of CPTM, effective on the date of the merger.

Given that the Taking-over Company holds all the shares of the Acquired Company, and according to article 515 §1 of the CCC, the merger will be effected without increasing the share capital of the Taking-over Company.

The detailed terms of the merger are specified in the Merger Plan prepared on September 12, 2018 and announced in the Court and Commercial Gazette (Monitor Sądowy i Gospodarczy) no. 187/2018 (5575) position. 41721 on September 26, 2018.

[Read more>>](#)

**Current report 29/2018**  
**26 September 2018**

**The decision to acquire 58,709,376 shares in “Netia” S.A. having its registered office in Warsaw from Karswell Limited having its registered office in Nicosia, Cyprus on October 2, 2018**

The Management Board of Cyfrowy Polsat S.A. having its registered office in Warsaw (“Cyfrowy Polsat”, the “Company”) hereby gives notice, in connection with the Company’s [current report no. 26/2018](#) dated July 2, 2018 concerning the execution of an amendment to the Agreement on the Joint Acquisition of Shares in a Tender Offer and Preliminary Share Purchase Agreement of 5 December 2017 was entered into with Karswell Limited having its registered office in Nicosia, Cyprus (“Karswell”) (the “Acquirers’ Agreement”), that on September 26, 2018 the Management Board made a decision to acquire 58,709,376 shares in Netia from Karswell for the aggregate purchase price of PLN 338,753,099.52 (i.e. PLN 5.77 for one share) equal to the price for which Karswell acquired said shares under the Tender Offer (the “Transaction”).

Additionally, pursuant to the Acquirers’ Agreement as amended, Cyfrowy Polsat will pay Karswell the amount of PLN 4,135,108.04 as remuneration for the period between the settlement date on which Karswell acquired the last share under the Tender Offer and the date on which 58,709,376 shares acquired by Karswell under the Tender Offer are sold to the Company, i.e. October 2, 2018 (the “Holding Period”) in the amount corresponding to the weighted average cost of financing of the Company’s capital group by financial institutions with respect to the acquired shareholding, converted into a specified fraction of the price for which Karswell acquired shares under the Tender Offer for each day of the Holding Period.

The Transaction will be carried out on October 2, 2018 in the form of an OTC transaction.

Previously, on July 3, 2018, Cyfrowy Polsat acquired from Karswell 17,331,023 Netia shares (see [current report no. 26/2018](#) dated July 2, 2018).

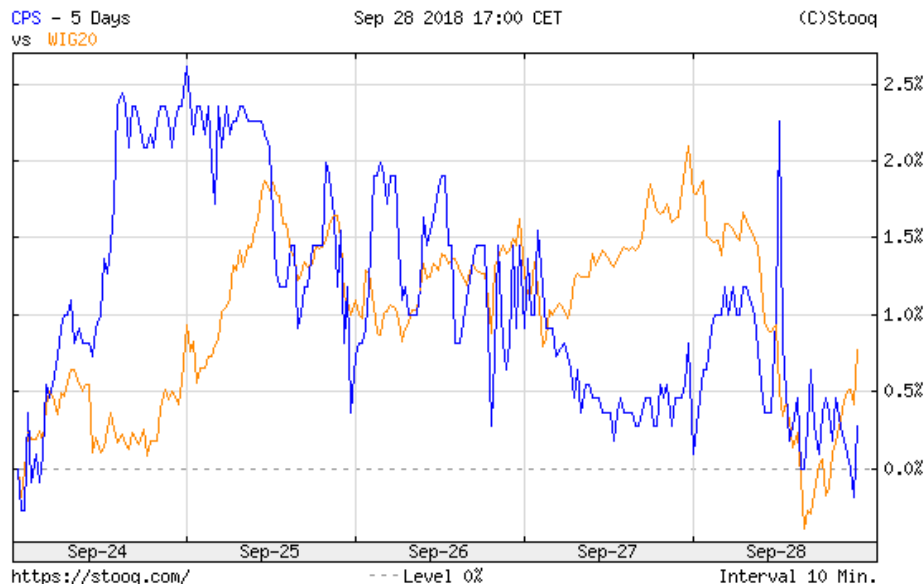
Following the Transaction:

- (i) Cyfrowy Polsat will hold directly 221,404,885 Netia shares constituting in total 65.98% of the share capital of Netia and carrying the right to 221,404,885 votes at the general meeting of Netia, as well as representing 65.98% of the total number of votes at Netia’s general meeting;
- (ii) Karswell will hold directly null Netia shares.

# Cyfrowy Polsat shares



Data	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2018-09-24	22.16	22.70	22.74	2.44	8.31
2018-09-25	22.76	22.26	22.76	-1.94	4.74
2018-09-26	22.34	22.50	22.62	1.08	4.91
2018-09-27	22.52	22.36	22.52	-0.62	7.51
2018-09-28	22.16	22.24	22.70	-0.54	15.69



# Investor's calendar



10 October 2018	Erste Group Investor Conference 2018, Stegersbach
25 October – 8 November 2018	Closed period prior to the publication of Q3 2018 results
8 November 2018	Quarterly report for Q3 2018
12 – 13 November 2018	Goldman Sachs Tenth Annual CEEMEA One-on-One Conference, London
27 – 28 November 2018	UBS, Global Emerging Markets One-on-One Conference, New York
4 – 5 December 2018	WOOD's Winter Wonderland – EME Conference in Prague