



# Cyfrowy Polsat IR Newsletter

25 June – 1 July 2018



rpkom.pl  
26 June 2018

## Play is running behind schedule with 800 MHz network roll out

by Urszula Zielińska

At the beginning of July the Office of Electronic Communications ("UKE") will review the fulfillment of network roll-out commitments by the mobile operators who won spectrum blocks in the LTE auction for spectrum from the 800 MHz band that was held back in 2015.

In the auction the operators spent a total of PLN 9.2 billion for spectrum reservations from the 800 MHz and 2600 MHz bands, with T-Mobile Polska spending ca. PLN 4.2 bn, Orange Polska – ca. PLN 3.2 bn, Play – ca. PLN 1.7 bn and Cyfrowy Polsat Group – ca. PLN 156 mln (Cyfrowy Polsat Group did not seek any 800 MHz spectrum as it already held a reservation in that frequency band).

As regards the 800 MHz band, the operators' commitments concerned network roll-out in the local communes, indicated by UKE, over a period of four years following the date of receiving the spectrum reservation decision, while verification of the progress in that area takes place after two and three years.

Orange Polska and T-Mobile informed that they had fulfilled their commitments. The statement made by UKE spokesperson indicates that Play will not be able to fulfill some of its commitments for 2018 in a timely manner.

UKE did not specify the extent in which the commitment was not fulfilled. UKE spokesperson indicated however that Play signaled that there existed some difficulties in network roll out, for reasons beyond the operator's control, and that the operator declared that it would fulfil its commitments. UKE spokesperson also stressed that UKE tried to support the telecoms in the fulfillment of their roll out commitments by, among others, requesting that the local authorities support the operators' efforts aimed at the development of the telecommunication infrastructure.

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26 June 2018

## Network neutrality in Poland – first UKE report

by Marta Rzeźnicka

Office of Electronic Communications ("UKE") has published a report concerning the status of implementation of the EU regulation regarding open Internet in Poland. The report covers the period from May 2017 to April 2018.

According to UKE, all the Internet service providers have adjusted their offers to the provisions of the above Regulation but there still exist some issues which require verification.

These issues include: the way of informing the consumers of the data speeds offered, the methods of providing dedicated services which should observe the network neutrality principle as well as the method of offering the “zero rating” type services in whose case access to some type of content will be subject to a “zero” rate, also once the data bundles offered as part of subscriptions have been fully consumed.

UKE also stated that a certified mechanism for monitoring the quality of Internet access would be launched. V-Speed is the company who has been selected as the provider of such mechanism. The mechanism will be launched at the end of 2018, with the launch being preceded by a pilot project in Q3 2018.

money.pl  
28 June 2018

## **UKE: The number of SIM cards in the mobile operators' bases decreased to 53.3 million at the end of 2017**

The report on the status of the telecommunication market in 2017, which was prepared by the Office of Electronic Communications (UKE), indicates that at the end of 2017 number of SIM cards was 53.3 million (- 0.2 million y/y), which translated into mobile saturation of 138.6% (- 5.6 p.p. y/y).

Introduction of the 'Roam Like At Home' rule was the key event during the year. Introduction of the obligation of registration of prepaid SIMs resulted in a significant decrease of the number of customers using these services (-22.3% y/y) in favor of the growth of the number of postpaid subscribers who accounted for nearly 65% of all users of mobile services.

Simultaneously the number of M2M cards increased to 2.8 million (+14% y/y).

Market shares of mobile operators, calculated in terms of the number of users, were as follows: P4 - 30%, Orange Polska - 27%, Polkomtel – 19.7% and T-Mobile Polska – 19.1%, with P4 being the only operator recording growth of the number of users of its services.

In terms of generated revenue, the market shares were as follows: Polkomtel – 27.6%, Orange Polska – 26.5%, P4 – 23.4% and T-Mobile Polska – 19.7%. The shares of all four major operators decreased in favor the remaining companies which achieved a total share of 2.8%.

Revenue shares in the data transmission market where as follows: Orange Polska – ca. 40% ,P4 – 27.3%, T-Mobile Polska - 26%, Polkomtel – ca. 7%.

telko.in  
28 June 2018

## **UKE: The value of the Polish telecommunication market has not grown**

*by Tomasz Świderek*

As the report published by the Office of Electronic Communications indicates, the value of the telecommunication market in Poland was ca. PLN 39.5 bn in 2017, which is a similar value to the 2016 figure.

The value of the Internet access market was PLN 4.7 bn (- 0.2 bn y/y), including modems operating in mobile networks - PLN 1.7 bn, cable modems - PLN 0.9 bn and xDSL lines - PLN 1 bn. FTTH lines accounted for less than PLN 0.4 bn.

The value of the fixed-line telephony market decreased to PLN 2.3 bn, down from PLN 2.6 bn in 2016. Monthly access fees accounted for slightly over  $\frac{3}{4}$  of the revenue in this segment.

The revenues in the mobile telephony segment decreased to PLN 15 bn (-10.5% y/y). The revenue from monthly access fees decreased by 4.5%, with the revenue from voice calls decreasing by more than 17%. Also the revenue generated from SMSs decreased by more than 24%, with the revenue from mobile-originated roaming calls declining by 17%. Growth was in turn witnessed in the revenue from data transmission (up by 16%, to the level of PLN 3.8 bn) and from calls received while roaming (up by 27.9%, to PLN 201.2 million).

Mobile modems had the biggest share in the Internet access market (35.1%), followed by xDSL technology (21.9%) and access via cable modems (19.9%). Share of FTTH access on the entire market increased from 6.2% in 2016 to 7.5% in 2017.

The regulator noted growth of the number of multiplay service users. The number of such users increased by 29% last year, to 10.15 million. Fixed-line plus mobile services was the most popular package of bundled services. Such a package was used by 60% of all multiplay service users. The value of the market of multiplay services increased by over PLN 1 bn last year, reaching PLN 4.72 bn.

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30 June 2018

## First decisions in the third Digital Poland Operational Programme

by Tomasz Świderek

The Digital Poland Project Centre informed of its first decisions in the 3rd contest for the roll out of broadband networks.

The decisions concern Chełm-Zamość area (part B1), Legnica-Głogów area, Włocławek area (part A) and Włocławek area (part B). The offer of FIBEE I sp. z o.o. has been selected for Legnica-Głogów area, while in Chełm-Zamość area (part B1), Włocławek (part A) and Włocławek (part B) the winner is FIBEE IV sp. z o.o. The value of the funding provided on the terms of the programme is respectively: PLN 52.7 million, PLN 50.1 million, PLN 41.2 million and PLN 34.4 million.

FIBEE IV is a joint-venture of P4, the operator of Play network, and of Easyhost (a company which is controlled by Macquarie Group, the main owner of Inea cable operator). Easyhost is the major shareholder of FIBEE I.

Further decisions in the contest should be expected next week.

Forbes  
1 July 2018

## Solorz checkmated the rivals

by Magdalena Lemańska

The acquisitions completed on the media market by Cyfrowy Polsat over the past six months, including acquisition of control over Netia, cost PLN 1.5 bn. In the opinion of analysts, the moves were very logical in the light of the development strategy pursued by the group.

Paweł Puchalski, a DM BZ WBK brokerage house analyst, is of the opinion that the recent acquisitions in the media sector, i.e. acquisition of broadcasting rights to the Champions League for the next three years as well as obtaining the rights to broadcasting the matches from European football leagues as a result of acquisition of stakes in Eleven Sports Network, will enable the group to offer a full football package to the TV viewers.

According to Konrad Książopolski of Haitong Bank, acquisition of Eleven Sports Network should not be viewed as purchase of TV channels but rather as acquisition of the content offered by these channels. The acquired content can be offered to viewers in many ways, while using the media-and-telecommunication infrastructure that the company has been developing in recent years. The analyst also points to the fact that the Champions League matches, as well as the matches of the best European leagues, attract biggest numbers of viewers in the big cities where Netia's infrastructure is best developed.

# Recent events



**Current report 23/2018**  
**28 June 2018**

## **Resolutions adopted by the Annual General Meeting convened for June 28, 2018**

The Management Board of Cyfrowy Polsat S.A. (the “**Company**”) hereby publishes the resolutions adopted by the Annual General Meeting of the Company on June 28, 2018, attached hereto.

Attachments: [Resolutions adopted](#) by the Annual General Meeting of the Company on June 28, 2018 (.pdf)

**Current report 24/2018**  
**28 June 2018**

## **List of shareholders authorized to at least 5% of votes at the Annual General Meeting convened for June, 2018**

The Management Board of Cyfrowy Polsat S.A. (the “**Company**”) hereby publishes the list of shareholders authorized to at least 5% of votes at the Annual General Meeting of the Company convened for June 28, 2018, attached hereto.

There were 652,268,873 votes, which constitute 79.65% of the total number of votes in the Company, represented at the Annual General Meeting of the Company convened for June 28, 2018. Pursuant to the Company’s Articles of Association the Series A, B and C shares as well as 166,917,501 Series D shares are preferred shares, i.e. each share carries two votes.

Attachment: [List of shareholders authorized to at least 5% of votes at the Annual General Meeting of the Company convened for June 28, 2018](#) (.pdf)

Current report 25/2018  
28 June 2018

## Appointment of members of the Supervisory Board, formation of the Supervisory Board and appointment of the Audit Committee and the Remuneration Committee

The Management Board of Cyfrowy Polsat S.A. (the "Company") hereby informs that on June 28, 2018 the Annual General Meeting (the "AGM") resolved that the Supervisory Board of the new term will consist of seven members and appointed the following persons to the Company's Supervisory Board: Mr. Józef Birka, Mr. Robert Gwiazdowski, Mr. Marek Kapuściński, Mr. Aleksander Myszka, Mr. Leszek Reksa, Mr. Tomasz Szelağ and Mr. Piotr Źak.

The curricula vitae of the members of the Supervisory Board are attached in an attachment to this current report.

Furthermore, in connection with the appointment of the Supervisory Board for a subsequent three-year term of office by the AGM, the Supervisory Board, acting in accordance with § 20 item 3 of the Articles of Association of the Company, during its meeting held on June 28, 2018 elected Mr. Marek Kapuściński as the Chairman of the Supervisory Board.

At the same meeting, the Supervisory Board, acting in accordance with § 7 sec. 1 of the Regulations of the Supervisory Board of the Company, appointed its members to the Audit Committee and the Remuneration Committee.

The Audit Committee comprises: Mr. Robert Gwiazdowski, Chairman of the Audit Committee, Mr. Leszek Reksa and Mr. Tomasz Szelağ.

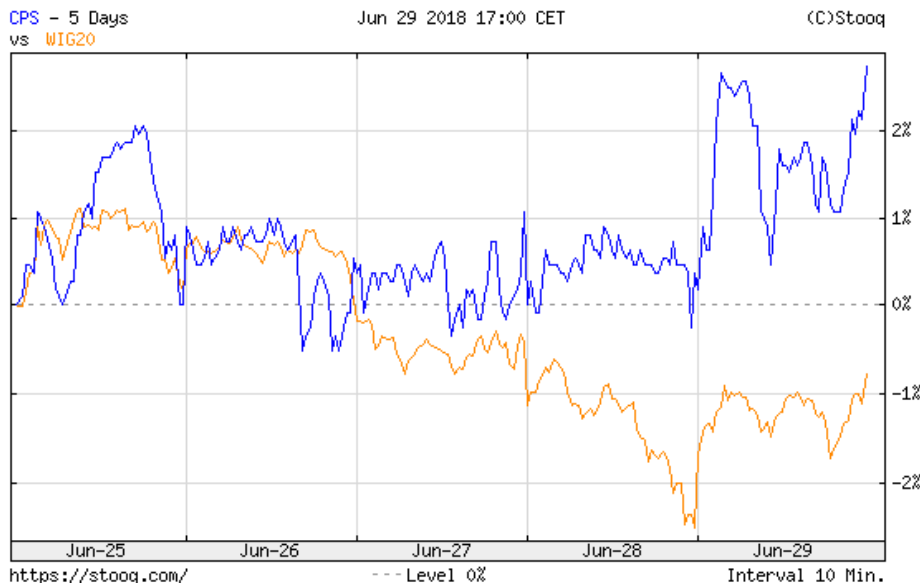
The Remuneration Committee comprises: Mr. Tomasz Szelağ, Chairman of the Remuneration Committee, and Mr. Marek Kapuściński.

[Read more>>](#)

# Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2018-06-25	23.00	22.50	22.52	-0.71	7.70
2018-06-26	22.86	22.34	22.64	0.53	12.45
2018-06-27	22.76	22.36	22.76	0.53	19.89
2018-06-28	22.90	22.34	22.60	-0.70	21.55
2018-06-29	23.28	22.54	23.14	2.39	24.11





# Investor's calendar



28 June 2018	Annual General Meeting
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