



Cyfrowy Polsat IR Newsletter

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www.telko.in
28 February 2018

T-Mobile Polska: time to improve financial results

by Marek Jaślan

At the end of 2017, T-Mobile provided its services with nearly 10.45 million SIM cards, which was 1.7% less than at the end of 2016 and 2.2% more than at the end of Q1 2017. According to Andreas Maierhofer, the CEO of T-Mobile Polska, the growth since Q1 2017 is the outcome of the company's new marketing strategy, an increase in the number of points of sale as well as the launch of new offers, including unlimited mobile Internet access.

T-Mobile Polska filed with the Office of Electronic Communications (UKE) for consent to applying a surcharge to roaming services provided on the territory of the European Union, in a similar manner as Polkomtel, Play and Orange did earlier.

Andreas Maierhofer stressed that the company's shareholders (Deutsche Telekom group) expect T-Mobile Polska to stabilize its results. That is why the operator intends to continue investments in its network. Plans include trials of 5G technology in Poland, which could take place in the second half of this year or at the beginning of next year. T-Mobile confirmed its plan of launching fixed-line Internet access services at the turn of 2018. This, however, is dependent on the finalization of negotiations with Orange regarding wholesale access to Orange's fiber-optic infrastructure.

T-Mobile intends to expand its offer for B2B customers. Closer cooperation with the company T-Systems is supposed to help the plan. T-Mobile also intends to expand its portfolio by adding further services from the area of cyber-security.

www.parkiet.com
28 February 2018

Fiber-optic lines according to T-Mobile and Play

by Urszula Zielińska

New TV services, competition for home Internet users are the plans for the next dozen or so months that the two most intensely competing mobile players in Poland have just announced.

This year Play will be trying to convince its consumers that a network connection with the "over-the-air fiber-optic connection," i.e. the "Air-Fiber" solution which consists of a dedicated set with router, is all that families need. In Play's view, the market for such a solution in Poland is around 40-50% of households.

T-Mobile has admitted that mobile Internet access, as a replacement of fixed-line access for homes, has been selling very well in Poland but Andreas Maierhofer, the company's CEO, upholds that by year end the company will offer its subscribers access relying on a true fiber-optic link, along with a package of convergent services. To this end T-Mobile has been talking with Orange Polska from whom the company wants to lease lines.

Each of the telecoms has a plan of launching a new TV offer but for each of them this issue has a slightly different meaning. Play has already done quite a lot in this area and is talking about the new generation of its already operating Play TV Now.

T-Mobile has not developed any proprietary TV offer so far while according to Maierhofer such an offer will form an important element of the company's new convergent offer. The telecom's CEO stated that the offer would in part include the free-to-air (FtA) terrestrial TV channels, but its main part will be a library of VOD programs, offered in the same model as the one which has been popularized by Netflix or Showmax.

For Play this year will be a year of further growth of revenues and stabilization of profitability, understood as the EBITDA to revenue ratio. T-Mobile, in turn, is talking of stabilization of both revenues and margin. The last three months of 2017 brought growth of customer bases for both operators. At the end of December Play provided services to 15.52 million customers (estimating its market share at 28.8%). The overall number of postpaid subscribers grew by 226.9 thousand during the three months and reached 9.43 million, while the prepaid base increased by 103.8 thousand, reaching 5.79 million. Orange Polska took the second spot after Play (14.4 million SIM cards and a 27.9% market share), with the third place taken by Cyfrowy Polsat Group (the results have not been published yet), and T-Mobile Polska was number 4 (with 10.45 million SIM cards).

Puls Biznesu
1 March 2018

Play sees no problems with dividends

by MZAT

The biggest telecom in Poland, in terms of the number of customers, improved its performance last year. In 2017, Play's operating revenue was PLN 6.57 bn, or 9% more than a year earlier. Adjusted EBITDA increased by nearly 13% yoy, to PLN 2.3 bn, in spite of the fact that in H2 2017 Play, similarly as other operators, suffered because of abolition surcharges for roaming services on the territory of the European Union. In Play's case, this translated into a decrease of EBITDA was over PLN 100 million.

“We estimate that as a result of the activities that we embarked on in 2018, roaming regulations will reduce our bottom by a similar amount over the entire year rather than just six months,” says Jørgen Bang-Jensen, Play’s CEO.

Play sustained its announcements from before its debut on the stock exchange that this year it will pay out PLN 650 million in dividends to its shareholders.

“Looking at our results for 2017, we are confident about our strategy and about the results for 2018, even in spite of the adverse influence of roaming regulations and the plans of further nationwide roll-out of our network. As a result, our intention is to uphold the nominal value of the dividend to be paid out in 2019 at the same level as the dividend paid in 2018,” says Jørgen Bang-Jensen.

Puls Biznesu
2 March 2018

Netia is shrinking before its take-over

by Marcel Zatoński

Netia, the fixed-line telecom which is to be taken over by Cyfrowy Polsat, has noted a decline in revenues and profits.

In 2017, the telecom’s revenue amounted to PLN 1.44 bn, or 5% less than a year earlier. EBITDA adjusted for one-off events decreased by 11%, to less than PLN 0.4 bn. The figures were mostly in line with the expectations of analysts interviewed by PAP Polish Press Agency.

Netia’s management board assessed the company’s performance in Q4 positively and underscored that the decline in revenue occurred mainly in the segment of voice services and services provided with the use of Orange’s network, where Netia generates lower margins. *“The downward trend has slowed down and the target for this year is to stop the fall of revenue generated from our own network, in the development and upgrade of which we are investing,”* says Katarzyna Iwuć, Netia’s CEO.

During the entire year 2017 Netia’s capital expenditures amounted to PLN 281 million and were by nearly PLN 40 million higher than a year earlier. The modernization of the access network for residential customers alone is expected to consume PLN 84 million. At present Netia’s fiber-optic network reaches around 300 thousand households.

Current report no 9/2018
3 March 2018

Execution of an amendment and restatement deed to the Facilities Agreement of Cyfrowy Polsat S.A. capital group

The Management Board of Cyfrowy Polsat S.A. (the “**Company**”) announces that on March 2, 2018, the Company, acting as the Obligors’ Agent, and UniCredit Bank AG, London Branch, acting as the Finance Parties’ Agent, executed the Second Amendment and Restatement Deed (the “**Second Amendment and Restatement Deed**”) to the Facilities Agreement of 21 September 2015, amended by the Amendment, Restatement and Consolidation Deed of 21 September 2015, originally executed between the Company, Polkomtel sp. z o.o., Telewizja Polsat sp. z o.o., Cyfrowy Polsat Trade Marks sp. z o.o., Polsat License Ltd., Polsat Media Biuro Reklamy Spółka z ograniczoną odpowiedzialnością sp.k., Eileme 2 AB (publ), Eileme 3 AB (publ), Eileme 4 AB (publ), Plus TM Management sp. z o.o., TM Rental sp. z o.o. and Plus TM Group sp. z o.o. and the consortium of Polish and foreign financing institutions (the “**Facilities Agreement**”). The Facilities Agreement provided for a Term Facility Loan (the “**Term Facility Loan**”) up to the maximum amount of PLN 11,500,000,000.00 (eleven billion five hundred million zloty) and a Revolving Facility Loan (the “**Revolving Facility Loan**”) up to the maximum amount of PLN 1,000,000,000.00 (one billion zloty). The Company reported on the execution of the Facilities Agreement in its current report No. 42/2015 of 21 September 2015.

The Second Amendment and Restatement Deed introduced the following amendments:

- (1) the termination date of the Term Facility Loan and the Revolving Facility Loan is changed to September 30, 2022 (originally falling on September 21, 2020); and
- (2) the level of the ratio of consolidated net debt to consolidated EBITDA, upon achieving of which the Company may request the release of security established in connection with the Facilities Agreement (excluding the release of guarantees granted pursuant to the Facilities Agreement) or after exceeding of which the Company shall re-establish the released security, is revised to 3.00:1 (originally 1.75:1).

In connection with a change of the termination date of the Term Facility Loan, the repayment schedule of the Term Facility Loan has been changed, so that the amortized amounts of the Term Facility Loan in subsequent years be as follows:

Recent events



Current report no 9/2018
3 March 2018

- (1) in years 2019 through 2021, the aggregate annual amount of repayment installments of the Term Facility Loan is PLN 1,017,600,000.00 (one billion seventeen million six hundred thousand zloty); and
- (2) in year 2022, the aggregate amount of repayment installments of the Term Facility Loan is PLN 6,626,700,000.00 (six billion six hundred twenty six million seven hundred thousand zloty).

The primary objective of the capital resources management policy of Cyfrowy Polsat Capital Group remains the continued reduction of indebtedness below the level of 1.75x consolidated net debt/consolidated EBITDA. This objective is being consistently pursued since the moment of taking control over the capital group of Polkomtel in the second quarter of 2014, when total gross consolidated indebtedness of Cyfrowy Polsat Capital Group amounted to ca. PLN 14.3 billion, to the current level of PLN 11.4 billion at the end of the third quarter of 2017.

Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2018-02-26	23.66	23.14	23.66	1.81%	11.95
2018-02-27	23.68	23.22	23.36	-1.27%	7.45
2018-02-28	23.74	23.16	23.36	0.00%	11.78
2018-03-01	23.22	22.50	22.94	-1.80%	10.11
2018-03-02	22.90	22.56	22.80	-0.61%	8.88



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