



Cyfrowy Polsat IR Newsletter

28 May – 3 June 2018



Rzeczpospolita
21 May 2018

Polsat acquires a stake in Eleven Sports Network

by Urszula Zielińska

TV Polsat, a Cyfrowy Polsat Group company, acquired 50% plus one share in Polish operations of Eleven Sports Network ("ESN"), an Aser group member. The price for the controlling stake is EUR 38 million and it is payable in two instalments: EUR 18 million was paid by 26 May 2018 while EUR 20 million, adjusted for existing debt, will be payable in maximum 4 months after the first instalment. If the second payment is not made, ESN will be able to buy back the shares for EUR 18.75 million. If ESN's value, calculated as 9x its EBITDA for the financial year ending June 30, exceeds EUR 80 million in 2020, TV Polsat will additionally have to pay a quarter of the surplus in excess of the 80 million euro.

ESN Group, which has been operating for three years, holds broadcasting rights to such sports events as football league matches (Spanish La Liga Santander, German Bundesliga, Italian Serie A TIM, English Emirates FA Cup), Formula 1 races and speedway meetings. ESN programs, watched by 2 million subscribers, are broadcasted via 4 channels which are distributed by pay TV operators.

Telko.in
28 May 2018

WLR could be cheaper. By 6 percent

by Łukasz Dec

The Office of Electronic Communications has just published a draft decision obligating Orange Polska to reduce its charges for WLR, i.e. a service thanks to which alternative telecom operators can provide voice services while using the incumbent operator's network. The rate indicated in the published draft document is PLN 18.82 (excl. VAT) per month and it is by ca. 6% lower than the currently valid rate of PLN 20.05.

The adoption of the above-mentioned decision would mean a drop of the wholesale revenue for Orange Polska by PLN 600 thousand per month, and an identical growth of revenue on the part of alternative operators. UKE's proposal is not final as the consultations of the draft decision have not been completed yet.

UKE has also started consultations regarding deregulation of the WLR market.

Parkiet
29 May 2018

The tender offer will lead to agreement among investors?

by Urszula Zielińska

The investors who responded to Cyfrowy Polsat's tender offer for Netia shares include SISU Capital, an investment fund who has been in dispute with Netia's other shareholders, i.e. Mennica Polska and FIP 11 FIZAN.

According to "Parkiet" daily, this could signal that change of Netia's ownership will end the court suit between SISU Capital, on the one hand, and Mennica Polska and FIP 11 FIZAN, on the other. In response to the tender offer, SISU sold 53% of Netia's shares it held for PLN 107 million and right now owns less than 5% of Netia's shares.

rpkom.pl
29 May 2018

Cyfrowy Polsat does not intend to pay any dividend this year

by Urszula Zielińska

Cyfrowy Polsat Group informed of its Management Board's decision not to pay out any dividend this year. The proposal gained the Supervisory Board's approval. The decision has been motivated by the acquisitions which took place in the years 2017-2018, including the acquisition of shares/stakes in Netia and Eleven Sports Network, as well as by the reduction of the Group's debt level while observing the main strategic goal, i.e. reduction of net debt/EBITDA ratio below the level of 1.75x in the shortest possible time.

At the same time, the Group confirmed its dividend policy from 2016, according to which dividend payouts may range from PLN 200 million to 100 percent of net profit from the preceding year depending on the value of the net debt/EBITDA ratio.

Brokerage houses expected this year's dividend to be similar to last year's, i.e. PLN 0.32 per share. Their expectations, however, did not account for the purchase of Eleven Sports Network, a move which surprised the market.

Rpkom.pl
31 May 2018

Fixed-line services – big but gradual changes are coming

by Urszula Zielińska

Office of Electronic Communications has presented, for consultations, the draft decisions regarding new, lower rates for the termination of calls in fixed-line networks (the so-called FTRs). The new, symmetric FTRs, relying on the cost-based model, are expected to amount 0.32 grosz per minute (so far they have amounted 2 grosz per minute) and take effect not earlier than from January 2019.

It is estimated that once these changes have been introduced revenues (and costs) generated by fixed-line termination may fall from around PLN 220 million to ca. PLN 34 million.

Parkiet.com
1 June 2018

T-Mobile Polska will apply the surcharge for roaming services in the EU from July

by Urszula Zielińska

T-Mobile Polska informed of the introduction of a surcharge on the roaming services provided on the territory of the European Union. The surcharge will take effect from 1 July 2018.

The operator will not collect any additional charges from its postpaid subscribers for such services as voice calls and messaging. Additional charges will be introduced in this segment only for new customers of mobile broadband access using the service while roaming in the EU. The surcharge will be applied once usage exceeds 1 GB and it will amount PLN 14.91 per 1 GB (PLN 12.12 (excl. VAT) in general offers for the business), however the fee will be charged on a per megabyte basis.

Prepaid customers who use unlimited offers will be offered, at no additional fee, a monthly call pack for voice calls (100 minutes), a 50 SMS pack and a 500 MB data pack. Once their usage exceeds 500 MB, the above-mentioned surcharge, in the amount of PLN 14.91 per GB of data transmission, will be applied.

Customers using prepaid offers other than unlimited will be billed for usage on a per unit basis from the first minute, SMS/MMS or kilobyte of transmitted data.

Current report no. 21
May 29, 2018

Recommendation of the Management Board and the opinion of the Supervisory Board concerning the distribution of profit for the financial year ended December 31, 2017

The Management Board of Cyfrowy Polsat S.A. (the "**Company**") hereby informs that on May 29, 2018 it adopted a resolution on the submission to the Supervisory Board of the Company for assessment of a motion not to distribute a dividend from the Company's profit for the financial year 2017.

Taking into consideration the strategic investments made by the Company and some of its subsidiaries in 2017 and 2018, which ensure the continuation of the development of the capital group of the Company (the "**Group**") in the long term in accordance with its key strategic goal to sustainably grow the Company's value for its shareholders as well as bearing in mind a relatively high level of the Group's indebtedness, the Management Board of the Company decided not to recommend a dividend payment from the profit for 2017. In the opinion of the Management Board, this will allow to reduce the indebtedness level of the Group, in line with the adopted strategic assumptions, and with the goal of the capital resources management policy in particular, which is to reduce in a possibly short time the total net debt ratio for the Group (net debt to EBITDA) below 1.75x. In parallel, the Management Board of the Company confirms the dividend policy adopted on November 8, 2016.

Therefore, the Management Board recommends to the General Shareholders Meeting to allocate the entire net profit earned by the Company in the financial year ended December 31, 2017, amounting to PLN 605,963,020.33 (say: six hundred five million nine hundred sixty three thousand twenty zlotys and thirty three grosze) to the reserve capital.

Furthermore, the Management Board of the Company hereby informs that on May 29, 2018 the Company's Supervisory Board adopted a resolution in which it issued a positive opinion on the Management Board's proposal concerning the allocation of the entire net profit earned by the Company in the financial year ended December 31, 2017, amounting to PLN 605,963,020.33 (say: six hundred five million nine hundred sixty three thousand twenty zlotys and thirty three grosze), to the reserve capital.

**Current report no. 22
May 29, 2018**

Information on convening the Annual General Meeting of Cyfrowy Polsat S.A on June 28, 2018 and the content of draft resolutions for the Annual General Meeting of Cyfrowy Polsat S.A.

The Management Board of Cyfrowy Polsat S.A. (the “**Company**”), acting pursuant to Article 399 § 1 in conjunction with Articles 402¹ and 402² of the Commercial Companies Code, announces that the Annual General Meeting of the Company has been convened for June 28, 2018 at 11:00 a.m. at the Company’s headquarters in Warsaw, at Łubinowa 4a Street.

Agenda of the Annual General Meeting:

1. Opening of the Annual General Meeting.
2. Appointment of the Chairman of the Annual General Meeting.
3. Validation of the correctness of convening the Annual General Meeting and its ability to adopt binding resolutions.
4. Appointment of the Ballot Committee.
5. Adoption of the agenda.
6. Management Board’s presentation of:
 - a) the Management Board’s Report on the Company’s activities in the financial year 2017 and the Company’s financial statements for the financial year 2017,
 - b) the Management Board’s Report on the activities of the capital group of the Company in the financial year 2017 and the consolidated financial statements of the capital group of the Company for the financial year 2017,
 - c) the financial statements of Metelem Holding Company Ltd. seated in Cyprus (company merged into Cyfrowy Polsat S.A. on April 7, 2017) for the period from January 1, 2017 to April 6, 2017,
 - d) the financial statements of Eileme 1 AB (publ) seated in Stockholm (company merged into Cyfrowy Polsat S.A. on April 28, 2018) for the financial year 2017.

7. The Supervisory Board's presentation of its statement concerning the evaluation of the Management Board's Report on the Company's activities in the financial year 2017, the Company's financial statements for the financial year 2017 and the Management Board's motion regarding the distribution of the Company's profit generated in the financial year 2017.
8. The Supervisory Board's presentation of the evaluation of the Company's standing and the Management Board's activities.
9. Consideration and adoption of a resolution approving the Management Board's Report on the Company's activities in the financial year 2017.
10. Consideration and adoption of a resolution approving the Company's annual financial statements for the financial year 2017.
11. Consideration and adoption of a resolution approving the Management Board's Report on activities of the capital group of the Company in the financial year 2017.
12. Consideration and adoption of a resolution approving the consolidated annual financial statements of the capital group of the Company for the financial year 2017.
13. Consideration and adoption of a resolution approving the financial statements of Metelem Holding Company Ltd. for the period from January 1, 2017 to April 6, 2017.
14. Consideration and adoption of a resolution approving the financial statements of Eileme 1 AB (publ) for the financial year 2017.
15. Consideration and adoption of a resolution approving the Supervisory Board's Report for the financial year 2017.
16. Adoption of resolutions granting a vote of approval to the members of the Management Board for the performance of their duties in the year 2017.
17. Adoption of resolutions granting a vote of approval to the members of the Supervisory Board for the performance of their duties in the year 2017.

18. Adoption of resolutions granting a vote of approval to the members of the Management Board of Metelem Holding Company Ltd. for the performance of their duties for the period from January 1, 2017 to April 6, 2017.
19. Adoption of resolutions granting a vote of approval to the members of the Management Board of Eileme 1 AB (publ) for the performance of their duties in the year 2017.
20. Adoption of a resolution on the distribution of the Company's profit for the financial year 2017.
21. Adoption of a resolution on the coverage of loss of Metelem Holding Company Ltd. for the period from January 1, 2017 to April 6, 2017.
22. Adoption of a resolution on the coverage of loss of Eileme 1 AB (publ) for the financial year 2017.
23. Adoption of a resolution on determining the number of members of the Supervisory Board and appointing the members of the Supervisory Board for a new term of office.
24. Closing of the Annual General Meeting.

The Management Board of the Company attaches to this current report:

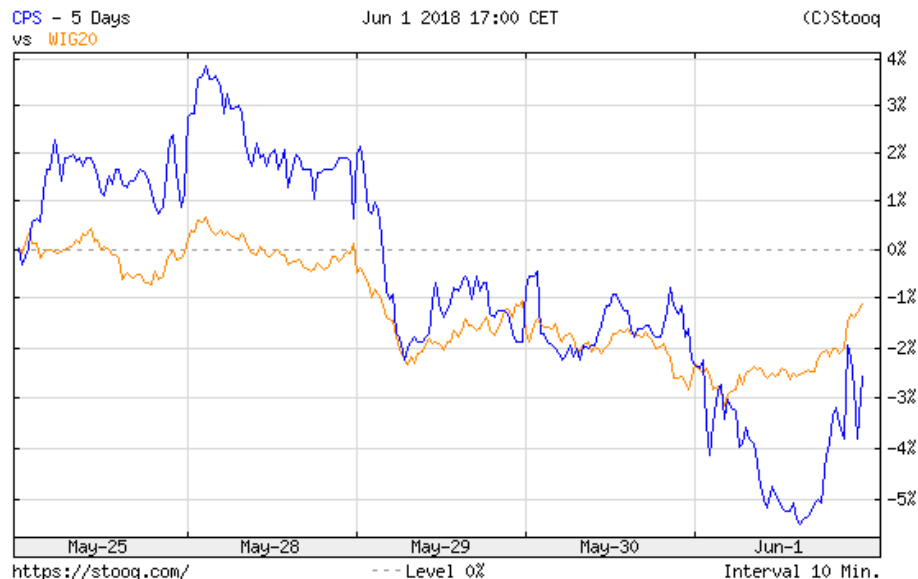
- [the Notice](#) on convening the Annual General Meeting for June 28, 2018, prepared pursuant to Article 402² of the Code of Commercial Companies;
- [draft resolutions](#) to be adopted at the Annual General Meeting convened for June 28, 2018.

All information concerning the Annual General Meeting is available on the website of the Company at <http://www.grupapolsat.pl/en> in section Corporate Governance, tab General Meetings – Materials.

Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2018-05-28	26.48	25.64	25.64	-0.54	5.40
2018-05-29	26.08	24.80	25.00	-2.50	9.40
2018-05-30	25.54	24.84	24.90	-0.40	62.46
2018-05-31	-	-	-	-	-
2018-06-01	25.00	24.06	24.82	-0.32	24.23



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