



# Cyfrowy Polsat IR Newsletter

29 January – 4 February 2018



Rzeczpospolita  
29 January 2018

## Some Play users will pay more for roaming in the EU

*by ziu*

At first, at the consent of the Office of Electronic Communications (UKE), a roaming surcharge for roaming services on the territory of the EU was applied by MVNOs, and from 26 January the surcharge was also introduced by Play for its postpaid subscribers. The operator has also modified its offer and is now selling subscriptions with smaller data packs for Internet access when roaming in the EU than it has done to-date. The additional fees charged upon exceeding the allowed limit have also increased.

The biggest changes can be expected by users of prepaid and mix services. Effective 1 March the free data limit for use while roaming will be granted to users of only one prepaid tariff (an unlimited tariff) while remaining customers will be paying for usage at the unit rates permitted by UKE (i.e. PLN 0.06 per-minute of a mobile-originated outbound voice call while roaming, PLN 0.03 per-minute of a mobile-terminated incoming voice call, PLN 0.01 per SMS, and PLN 1.23 per 1 MB of data transmission).

According to Play, a significant group of users has been intensively using roaming services in the EU, which translated to significant losses for the telecom due to the cost of the settlements with foreign operators. The introduced surcharges are intended to reduce the loss.

Parkiet  
29 January 2018

## Terrestrial TV channels brought to court

*by Ele*

Terrestrial TV broadcasters, WP (owned by Wirtualna Polska Holding) and Nova TV (owned by ZPR Media Group and - in 34% - by Polsat Group) have been sued by Emitel, the provider of terrestrial TV transmission signal. The dispute involves the coverage of digital TV stations. For months the broadcasters have been complaining that the TV signal broadcast via the eighth multiplex is not reaching as many households as provided for by the contract and they have been trying to force Emitel to reduce the rates (PLN 6 million annually at present). In the opinion of Emitel, the multiplex covers a territory inhabited by 98% of Poland's population, while a Nielsen survey has indicated that only 40% of Poles can watch channels from this multiplex. Relying on the surveys conducted jointly with MillwardBrown, the broadcasters claim that it is rather Nielsen than Emitel who is much closer to the truth. Thus the aforementioned broadcasters are paying accordingly less to Emitel, while Emitel is suing them for the remainder of the disputed amount. Emitel declined to comment the information regarding the court suit.

Puls Biznesu  
30 January 2018

## Netia close to leaving the stock exchange

by Marcel Zatoński

A tender offer for Netia shares, issued by Cyfrowy Polsat and Zygmunt Solorz, is taking off. *“I expect that Cyfrowy Polsat will issue yet another tender offer for Netia shares this year and will de-list Netia. The shareholders should of course respond to the tender offer. The price in the tender offer is high and the scenario involving a counter-offer, leading to an increase of the price is, in my view, very unlikely,”* says Paweł Puchalski, head of analytics at DM BZ WBK brokerage house.

Cyfrowy Polsat and the Cypriot company of its owner are paying PLN 5.77 per Netia share, that is more than indicated by the most optimistic price forecasts from analysts before the tender offer.

*“For us it is a good purchase for a reasonable price. We are financing the transaction from our own funds and from a revolving loan. We intend to spend PLN 200 million on the tender offer. Karswell’s involvement results from the facility agreements by which Cyfrowy Polsat is bound. We do not rule out the possibility of increasing our involvement in Netia at a further stage,”* as Katarzyna Ostap-Tomann, the head of finance at Cyfrowy Polsat said in December.

FIP 11 FIZAN, related to Zbigniew Jakubas, holding 11.78% of the capital wants to sell all its shares. The fund has already signed an agreement with the issuers of the tender offer, on the basis of which it will place its orders by Wednesday at the latest. Netia still has four other significant shareholders. Three open pension funds have holdings exceeding 5% - PZU Żłota Jesień (10.01%), Nationale-Nederlanden (9.55%) and Aviva (5.81%). In addition, Sisu Capital fund holds 12.72% of Netia’s shares. The fund is one of the oldest shareholders of Netia and in recent years has been in legal disputes with companies related to Jakubas, demanding they be deprived of voting rights at the general meeting. The free float accounts for 18.37% of shares worth PLN 370 million at the tender offer price.

On Monday, just before the start of the tender offer, Netia’s shares traded at PLN 5.33 at WSE, or nearly 8% below what is offered by Zygmunt Solorz’s group. The acquisition by Cyfrowy Polsat comes at the time when Netia is regularly losing customers and revenue, though it still generates a lot of cash. From the point of view of small investors it will be important whether Netia will pay out dividend, In 2017 dividend amounted to PLN 0.38 per share. This year DM BOŚ brokerage house expects dividend in the amount of PLN 0.25 but there is substantial risk that no dividend will be paid at all, as has already been signaled by representatives of Cyfrowy Polsat.

**Parkiet**  
31 January 2018

## **Netia: Wojciech Pytel joins the supervisory board**

*by ziu*

The Extraordinary General Meeting of shareholders of Netia agreed on Tuesday to the redemption of its treasury shares (3.76% of share capital) and to the appointment of Wojciech Pytel to the company's supervisory board. Mr. Pytel is associated with Cyfrowy Polsat Group at whose request the Extraordinary General Meeting was convened.

Though the decision regarding the appointment was not unanimous (there were votes against), still in contrast to other general meetings no one voiced an objection to the resolution.

**rpkom.pl**  
31 January 2018

## **UPC CEO: mobile telephony in Q1 2019**

*by Urszula Zielińska*

During a chat with the employees, held at the cable TV's social networking forum, Frans-Willem De Kloet, the CEO of UPC Polska, informed that work was in progress on the technical launch of mobile services and on a mobile offer, planned for Q1 2019.

De Kloet upheld his earlier statement that UPC had the goal of increasing its coverage to 6 million households. Currently, there are 3.3 million households within UPC's coverage footprint.

The cable TV's chief announced that launch of Horizon Go on Android TV, Apple TV and Amazon Fire platforms would take place still this year.

Answering the question about the process related to the request for consent to the acquisition of Multimedia Polska, De Kloet stated that the company's attitude was positive, but he declined to comment on the details of the process. He did not rule out further acquisitions. "We are looking at possibilities of development through acquisitions of other operators and the expansion of our network, including its extension to detached houses," said the CEO of UPC Polska.

Puls Biznesu  
1 February 2018 r.

## Play's family is taking off with Folx

by Marcel Zatoński

Folx, a mobile virtual network operator connected with Play, is taking off. It wants to distinguish itself on the market by the model of sales and payments.

The company entering the Polish market, inspired by the subscription model used by Spotify or Netflix, has decided not to build any sales network and rely fully on an application which will enable customers to select phone numbers and order SIM cards, set up payments for bills by credit card, as well as contact customer service.

Folx was launched in seven biggest Polish cities. The implemented model is to be copied in other countries. Josef Mayer, the CEO of Folx, wants to take the offer to other countries using a single platform. It is possible that the company will launch services in one or two European Union countries still this year.

Folx offers only one package for a monthly fee of PLN 29.99, with unlimited voice calls and text messages in Poland and in EU roaming and additionally a 20 GB data pack. The situation is slightly different when Internet access is used while roaming. The data limit for usage on the territory of the European Union is 1.95 GB, with additional fees being charged for use exceeding this threshold.

Folx's relations with Play are not limited to network sharing. Folx's supervisory board includes members who are linked to Novator investment fund and Olympia group, i.e. parties who control Play.

*"We are a company which is independent from Play, though financing of our expansion has been obtained from the people who are related to Play. During the next few years we want to achieve the level of several hundred thousand users in Poland and we will be gradually entering further cities in the country,"* says Paweł Lewandowski, a management board member of Folx, who was connected to Play for over a decade.

Parkiet  
2 February 2018

## Play: we have enough money for network roll out

by Urszula Zielińska

A part of its network infrastructure expansion, Play Communications, the owner of Play mobile network, built 697 transceiver sites in 2017 and upgraded over 1.6 thousand existing base stations. At present the telecom's network consists of 5,746 base stations, with over 5,650 with transceivers which support LTE frequencies.

*"This year's plan calls for an acceleration of investments and the construction of over a thousand BTS masts,"* said Joergen Bang-Jensen, the telecom's CEO. During the first half of the year Play plans to offer voice calls over the LTE network (VoLTE).

In accordance with the company's strategy until 2020 Play wants to cease to rely on national roaming agreements with its competitors. Currently, around 5% of data transmission generated by the telecom's users passes through roaming partners' networks. In the case of voice services, the share of calls going via partners is 20%.

When inquired about money for the investments, Bang-Jensen assured that company needed no additional funding for this purpose. He declined to disclose the level of last year's network-related capital expenditures, or the cost of network roll out anticipated this year.

# Recent events



Current report no. 4  
31 January 2018

Information on the change of the shares in the total number of votes at the General Meeting of Cyfrowy Polsat S.A. relating to: Karswell Limited

[Full report>>](#)

Current report no. 5  
31 January 2018

Information on the change of the shares in the total number of votes at the General Meeting of Cyfrowy Polsat S.A. relating to: EVO Foundation, EVO Holding Ltd. and Sensor Overseas Limited

[Full report>>](#)

Current report no. 6  
31 January 2018

Information on the change of the shares in the total number of votes at the General Meeting of Cyfrowy Polsat S.A. relating to: TiVi Foundation, Reddev Investments Limited

[Full report>>](#)

Current report no. 7  
31 January 2018

Information on the change of the shares in the total number of votes at the General Meeting of Cyfrowy Polsat S.A. relating to: Mr. Zygmunt Solorz

[Full report>>](#)

# Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2018-01-29	24.96	24.66	24.96	0.81%	5.02
2018-01-30	24.90	24.40	24.70	-1.04%	4.81
2018-01-31	24.72	24.02	24.06	-2.59%	8.78
2018-02-01	24.46	23.90	23.98	-0.33%	2.79
2018-02-02	24.16	23.84	24.02	0.17%	6.96





# 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