



Cyfrowy Polsat IR Newsletter

5 – 11 February 2018



Parkiet
3 February 2018

UOKiK's decision on acquisition delayed

by Urszula Zielińska

The proceedings conducted by the Office for Competition and Consumer Protection (UOKiK) at the motion of Cyfrowy Polsat for approval of the acquisition of Netia have entered the second stage. This means that, according to the law, the companies and their shareholders may wait another four months for a decision of the anti-monopoly office.

The Office informed on Friday morning that it wanted to examine the position of companies on local markets (in the cities). A positive decision by UOKiK is a prerequisite for effectiveness of the public tender offer for 34% of Netia's shares announced by Cyfrowy Polsat. Subscriptions for the sale of shares will be accepted until 5 March, but this deadline may be extended.

However, Dominik Niszczyński, an analyst at Raiffeisen Centrobank, does not expect any objections from the regulator. *"Netia is available with its TV offer in bigger cities, whereas the satellite TV of Cyfrowy Polsat is popular in smaller towns and in non-urbanized areas. The decision of UOKiK indicates that there are some cases of local markets, where it is necessary to examine the market shares of individual operators, but I presume that the transaction and the public tender offer will be finalized,"* he said. In the opinion of Niszczyński, after the pending public tender offer for ca. 34% of shares, another offer is possible – for up to 100% of shares.

pb.pl
6 February 2018

European Commission granted conditional approval on Scripps-Discovery deal

The European Commission granted conditional approval of the acquisition by the American concern Discovery of Scripps, which is among others the owner of Polish TVN. Making TVN's news channels available to distributors at a "reasonable price" is the aforementioned condition.

EC informed on Tuesday that the European Commission dealt with the Scripps-Discovery deal based on the EU Regulation on the control of concentration between undertakings (the EC Merger Regulation). Both entities are media concerns with registered offices in the US, but their activities consist in delivering basic pay TV channels on the territory of the European Economic Area (EEA).

The Commission informed that during the proceedings it concluded that the concentration would not create problems with respect to competition in the United Kingdom, because the areas of operations of both companies there overlap to a very small degree.

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6 February 2018

Whereas in Poland – in the EC’s opinion – the planned concentration might lead to an increase of negotiating power of Discovery towards television distributors. The European Commission deemed in particular TVN24 as the channel of key importance for retail television offers.

Therefore, the Commission conditioned its approval on fulfilling by Discovery of the commitment that it will offer the TVN24 channel and TVN24 Bis channel "to current and future television distributors in Poland at reasonable prices determined by reference to comparable agreements." This commitment will be valid for seven years.

At the same time the Commission rejected Poland’s request to forward this case for examination by the Polish Office of Competition and Consume Protection in the light of the Polish competition law.

Parkiet
7 February 2018

The giant is also buying *by ziu*

A part of the fiber optic network (FTTH) construction program Orange Polska will take over part of Nettlekom from Kielce. The relevant agreement was signed on 1 February 2018.

“Acquisition of the infrastructure of a local operator is an element of the strategy of the development of Orange Polska’s fiber optic network. In the future, we do not exclude similar purchases or even acquisitions of local operators, where it is justified from the economic point of view and where the infrastructure meets our standards,” stated Piotr Jaworski, Executive Director for Networks and Technology of Orange Polska.

The value of the concluded agreement has not been revealed. Orange only informed that the acquired infrastructure covers 14.8 thousand households and business premises.

Orange is conducting a program of fiber-optic investments, on which it intends to spend ca. PLN 4.3 billion in the years 2016-2020. This technology should cover 5 million households, whereas today it reaches over 2.5 million. The telecom is executing this project using public funds received under the “Digital Poland” operational programme.

money.pl
8 February 2018

Netia enters the Ukrainian market – it launched a physical access point

Netia continues to expand its network outside the borders of Poland. The operator informed that it launched an access point in Lviv in Ukraine, which was added to the access point operating for years in Germany and a node launched last year in the capital of the Czech Republic.

"We are developing our business in neighboring countries, responding to the needs of our customers, especially Polish companies who are our customers in Poland and who are expanding their businesses to foreign markets. Thanks to such access points abroad we may, similarly as in Poland, provide convergent services. These are mostly advanced data transmission services, based on which entire corporate networks operate, and less frequently – Internet access," said Tomasz Tlak, responsible for the project *Netia International*, quoted in the company's press release.

By launching its own node and new international connections in Ukraine, Netia also strengthened its position on the operators data transmission market in Central and Eastern Europe. The attractiveness and dynamics of this market are proven by the fact that at the moment of implementation of a new node, Netia has already commercialized 50% of resources available at the time.

Press release
9 February 2018

SmartDOM Home Savings Program for everyone and with every subscription

A new smartDOM Program, which will be offered from 14 February 2018, is even simpler. From now on it will be available to every customer and with every subscription. Joining of the smartDOM Home Savings Program is a perfect proposal for those who care about their home budget, look for beneficial solutions and do not like to overpay for services they use daily. Cyfrowy Polsat and Plus introduce new, even simpler rules of the Program which is currently used by nearly 1.5m Polish families:

- There is no admission threshold in the Program now, every customer may join the smartDOM, irrespective of the value of selected monthly access fee.
- New services with discounts can be added at any moment.
- For every subsequent service from the offer of television (including digital terrestrial television DVB-T), mobile phone, fixed-line phone or Internet the customer will pay PLN 10 less per month.
- Two new services are available in the Program: a digital terrestrial television including 12 scrambled TV channels and 11 radio channels and a fixed-line telephony.

A set of basic services in the new smartDOM Program: television including 86 channels, Internet with a basic package of 30 GB and a mobile phone subscription with unlimited calls, SMSs and MMSs to all networks and 2 GB data pack for the phone is available for as little as PLN 60 per month.

Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2018-02-05	24.08	23.84	23.96	-0.25%	5.15
2018-02-06	23.76	23.30	23.50	-1.92%	32.88
2018-02-07	23.74	23.04	23.34	-0.68%	21.30
2018-02-08	23.62	23.22	23.32	-0.09%	12.15
2018-02-09	23.46	22.72	22.72	-2.57%	11.30



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