



Cyfrowy Polsat IR Newsletter

March 6 – 12, 2017



Media about us	Date	Media about the TMT market in Poland
	7.03	<p>Puls Biznesu: Orange gives up the radio spectrum by MZAT</p> <p>The Office of Electronic Communications (UKE) wanted to obtain PLN 115.5m from Orange for the extension of the 450 MHz spectrum reservation. That turned out to be too much. <i>“We have withdrawn from seeking the extension of the 450 MHz spectrum reservation. The price was too high. We will propose other offers to our customers using CDMA,”</i> wrote Jabłczyński, Orange’s spokesman.</p> <p>Orange has held this spectrum reservation since 1991. Initially it was used to offer analogue mobile services but recently the company used the spectrum to offer wireless Internet access relying on the CDMA technology. At the end of last year the service was being used by 20K customers, as compared to 55K a year earlier.</p> <p>UKE will have to decide what to do with the released frequency band.</p>
	7.03	<p>biznes.pap.pl: UKE is working on its strategy until the year 2021; the auction for the spectrum from the 700 MHz band will not take place before 2020 - according to the President of UKE by gsu/ osz/</p> <p>The Office of Electronic Communications (UKE) is working on the strategy for the period until 2021, which will be presented upon having been consulted with the telecoms. The strategy includes the basic actions to be taken, e.g. the matter of distribution of spectrum or frequency refarming. The strategy will include the issue of</p>

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	7.03	<p>potential deregulation of the broadband Internet access market. According to the President of UKE, Marcin Cichy, the 700 MHz spectrum auction will certainly not take place before 2020.</p> <p>Cichy reiterated the earlier statement by Anna Streżyńska, the Minister of Digitization, who in her November's interview for PAP Polish Press Agency informed that there existed no ideas of a tax on telecoms. Cichy informed that he was also against any levies for the telecommunication industry.</p>
	8.03	<p>Dziennik Gazeta Prawna: New method of collecting the TV license fee <i>by Barbara Sowa</i></p> <p>The Ministry of Culture submitted for public and ministerial consultations the draft amendment of the radio and TV license act, the purpose of which is to improve the efficiency of collection of TV license fees. The amended law forces cable and satellite TV platform operators to provide their subscribers' data to the Polish Post and to register the TV sets their subscribers own. The amount of the license fee will remain at the current level of PLN 22.70 monthly.</p> <p>The industry has criticized the idea. In the opinion of Media Law Firm, anyone not wishing to pay for public media will choose DVB-T services instead, which will mean a loss of pay TV customers. This could in turn harm the national budget's income from VAT.</p> <p>The amendment assumes abolition for all those who have outstanding radio and TV license payments. The ministry counts on the amended law taking effect after the summer vacation season, or at the end of the year in the worst case.</p>

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	8.03	Ultimately, the government plans to introduce the audio-visual fee (PLN 6-8 monthly) which is to be collected together with CIT, PIT and KRUS (farmer's social insurance) tax payments.
	9.03	<p>Rzeczpospolita: "Sell" Orange</p> <p>Analysts from DM BZ WBK brokerage house reduced the target price for Orange Polska shares from PLN 4.46 to PLN 4.26 and maintained their "sell" recommendation. During the most recent stock exchange session, the telecom's shares traded at around PLN 4.65. In the experts' opinions, the Polish fixed-line telecommunication sector is in a definitive downward trend. They point out that the industry requires capital-intensive investments. What is more, the probable new, strong rival in the urban environment (cable TV operator UPC) may significantly threaten Orange's core business.</p>
	9.03	<p>biznes.pap.pl: P4 has a facility agreement for PLN 7 bn <i>by gsu/ asa/</i></p> <p>"P4, the operator of Play network, has signed an agreement for a loan in the amount of PLN 7 billion to be used for refinancing the company's existing debt," P4 informed in a press release.</p> <p>The financial institutions which have signed the agreement include: Alior Bank, BZ WBK, BNP Paribas, DNB Bank, DNB Bank Polska, PKO BP, TFI PZU (on behalf of PZU FIZ AN BIS 2 and PZU SFIO Universum) and Raiffeisen Bank International.</p>

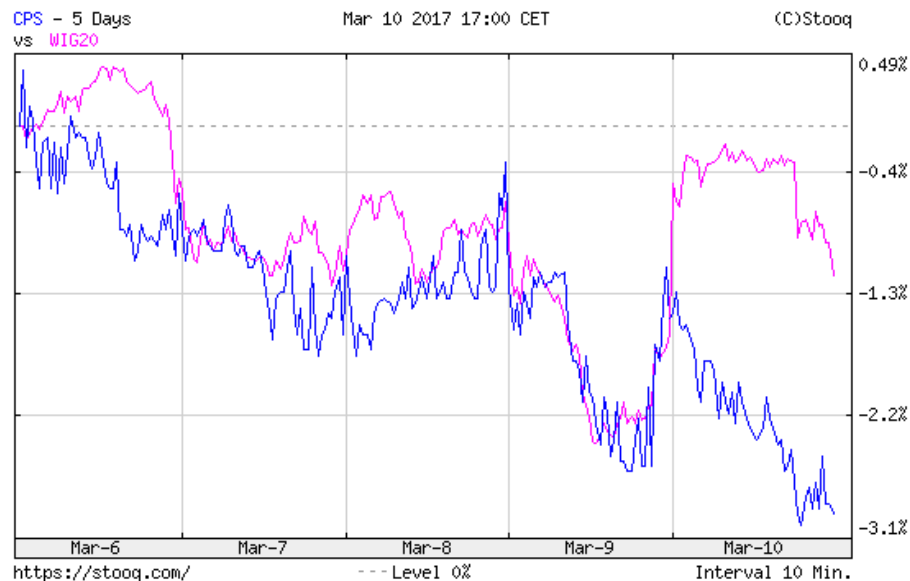
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	9.03	<p>Puls Biznesu: Netia accelerates its fiber optic network roll out <i>by Marcel Zatoński</i></p> <p>Netia's priority is to upgrade its network to a fiber-optic standard. The upgraded network already reaches 100K households but sales of FTTH access have only just begun. According to Tomasz Szopa, Netia's CEO, preliminary results are promising. Netia announced that until 2019 it will invest PLN 417m in network upgrade. By the end of the present year the company wants its fiber optic network to reach 700K households, while the overall plan calls for 1.6m by the end of 2018. In Szopa's opinion, mobile and fixed-line Internet access are not competing but complementary services.</p> <p>In 2016, Netia recorded revenue of PLN 1.53 bn, i.e. by 2.6% less than a year earlier. At the same time it recorded PLN 447m of adjusted EBITDA, while its EOY net debt was PLN 204m. Szopa noted that with the debt level of 0.5x EBITDA, Netia could use PLN 1 bn for acquisitions, if necessary. In Szopa's opinion, in the face of growing competition from mobile operators and big fixed-line operators, in 2-3 years consolidation will be required on the small ISPs market.</p> <p>For two years now Netia has been providing services as an MVNO relying on P4's network. So far it has acquired 120K customers and it expects to increase its customer base thanks to offering LTE Internet access. However, it is the B2B segment that is Netia's main driving force. The CEO sees the segment of small and medium enterprise as the area for development.</p>

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<p>Rzeczpospolita: Cyfrowy Polsat protests <i>by ele</i></p> <p>Cyfrowy Polsat presented an opinion regarding the proposed amendment of the radio and TV license law pursuant to which pay TV operators would be obligated to collect declarations from their subscribers confirming that their TV sets have been registered at post offices.</p> <p>“We consider such an amendment of the legislation as contradictory with the rule of constitutional equality of citizens before the law, while disclosure of protected personal data of pay TV customers is a violation of their consumer and personal rights,” as Cyfrowy Polsat informed.</p> <p>In the opinion of the company, customers of Internet platforms and customers of digital terrestrial TV services should be bound by the same duties.</p>	<p>10.03</p>	<p>Parkiet: Netia proposes a dividend of PLN 0.25 <i>by Urszula Zielińska</i></p> <p>This year Netia’s management board proposed a dividend of PLN 0.25. The company’s supervisory board has not issued an opinion on this matter yet.</p> <p>The amount that the telecom’s management board would like to allocate to dividend payments is slightly above PLN 87.1m. Ultimately, the proposal will on the one hand depend on the number of shares issued by the telecom for its employees in connection with the conditional increase of the share capital, and on the other - on the pace of the buyback of own shares.</p> <p>According to the average forecasts of brokerage houses, dividend will amount PLN 0.3 per share.</p>

Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Trade value (kPLN)
2017-03-06	23.94	23.57	23.70	-1.58%	9 182
2017-03-07	23.70	23.37	23.43	-1.14%	13 730
2017-03-08	23.76	23.36	23.76	1.41%	5 898
2017-03-09	23.71	23.16	23.46	-1.26%	11 437
2017-03-10	23.52	23.05	23.09	-1.58%	12 879



Investor's calendar



March 2 - 16, 2017	Closed period prior to the publication of 2016 results
March 16, 2017	<p>Publication of the annual report and consolidated annual report for 2016</p> <p><i>Schedule of publication:</i></p> <p>6:00 a.m. Publication of the reports for 2016 in ESPI (WSE publishing system)</p> <p>7:00 a.m. Publication of the reports for 2016 and additional materials on our website http://www.grupapolsat.pl/en/arc/results</p> <p>10:00 a.m. Meeting with investors and analysts (Radisson Blu Centrum Hotel, conference room Polonia 3, 1st floor, 24 Grzybowska str. , Warsaw)</p> <p>12:00 p.m. Meeting with journalists</p> <p>4:00 p.m. (CET) Conference call with investors and analysts</p> <p><i>Conference call details:</i></p> <p>Date: March 16, 2017</p> <p>Time: 4:00 p.m. (Warsaw), 3:00 p.m. (London), 11:00 a.m. (New York)</p> <p>Phone numbers: +44 203 043 2440 (international); +48 22 295 35 28 (Poland)</p> <p>Conference ID: 81251818#</p> <p>In order to view our investor presentation during the conference call via a dedicated platform, please click HERE and then log in as a participant by providing your name.</p>