



Cyfrowy Polsat IR Newsletter

August 7 – 15, 2017



Parkiet
August 8, 2017

UKE declared tender from ten years ago void

by Urszula Zielińska

On August 7, 2017 the Office of Electronic Communications (UKE) pronounced the tender for frequencies in the 1800 MHz band void. Ten years ago the tender was won by CenterNet and Mobyland, companies subsequently acquired Midas, now part of Cyfrowy Polsat. UKE's decision is the outcome of the legal dispute that the regulator lost in a suit filed by T-Mobile.

The parties who are dissatisfied with the decision can file a motion with UKE for renewed reviewing of the case, or they can file with the Voivodship Administrative Court (WSA).

According to UKE, the decision has no impact on the spectrum reservations which Cyfrowy Polsat uses for providing LTE services. According to the information obtained by Parkiet daily, T-Mobile filed for suspending the implementation of the 2009 decision regarding spectrum allocation in respect of the disputable frequencies, while arguing that UKE must have the disputed resources at its disposal in order to rerun the tender.

UKE claims that it is still too early to set the date of a potential tender. According to Parkiet daily, in addition to T-Mobile Play can be yet another party interested in participation in a potential tender, as it considers the 1800 MHz spectrum resources as the "LTE workhorse." Orange's spokesperson commented that the telecom would always be interested in additional spectrum as long as the potential purchase has business rationale and is reasonably priced.

Rzeczpospolita
August 9, 2017

UPC is growing slower without acquisitions

by ziu

UPC Polska, the biggest cable TV operator in Poland, owned by Liberty Group, has 3.22 million households within its reach, or 40 thousand more than a quarter earlier. In spite of the fast growth of the network's technical coverage, the operator recorded a slight outflow of subscribers in Q2 2017 (1.3 thousand) and in June it had 1.43 million customers.

All in all, the operator provides nearly 2.96 million services (cable TV, Internet access and fixed-line voice), by 1.9 thousand more than in March. Broadband access is currently the best-selling service for the cable operator (+6 thousand subscribers acquired in Q2 2017, bringing the total base to nearly 1.2 million). Churn affected analogue TV and fixed-line telephony.

Rzeczpospolita
August 9, 2017

While waiting for the approval from the Office of Competition and Consumer Protection for the acquisition of Multimedia Polska, UPC is not acquiring any small cable networks, as it did earlier. The effect of earlier transactions is visible in UPC's revenues, which grew by 1.5% YoY, to nearly PLN 391 million.

Rzeczpospolita
August 10, 2017

Roaming: bigger companies can less

by Urszula Zielińska

According to Rzeczpospolita daily, two out of the four biggest mobile operators in Poland do not offer use of roaming services in the EU for its biggest business clients in the way anticipated by the "roam like at home" (RLAH) principle, which has been in force since June 15. Orange Polska and Polkomtel, the operator of Plus network, have offered corporations with whom they have individually-negotiated contracts a different solution than to residential customers and small and medium businesses.

Orange informed that individually-negotiated terms of use of voice services, text messages and data transmission are only valid on the territory of Poland. Additional charges for use of roaming services on the territory of the EU correspond to the maximum wholesale rates used in settlements with other operators in the EU. Customers of Plus network bound by dedicated contracts are able to use roaming services in the EU on the principles which have been agreed upon in the course of negotiations with the telecom. Play does not provide services to big corporations assuring that all of its business clients have been offered RLAH. T-Mobile, in turn, allowed the corporations it serves to choose between RLAH and the prices which they have negotiated in their contracts.

According to the statement of the UKE spokesman, Martin Stysiak, the regulator permits individual arrangements in relations with big customers.

Puls Biznesu
August 10, 2017

Investment funds are analyzing Inea's books

by Magdalena Wierzchowska

Warburg Pincus, holding a 72% stake in Inea, network operator in the Wielkopolska region, is testing potential buyers' interest. Preliminary bids were received in mid-July while binding offers are expected by mid-September. According to the sources of Puls Biznesu daily, infrastructural investment funds, including Macquarie Group, Antin Infrastructure and Partners Group are most interested. Inea's books are also being reviewed by UPC but a

Press review



Puls Biznesu
August 10, 2017

transaction involving UPC is very unlikely due to the pending acquisition of Multimedia cable TV operator. According to Puls Biznesu, Orange is also interested in the acquisition of Inea.

Warburg Pincus treats Inea as an infrastructural asset, pricing it at 10 times EBITDA. With Inea's EBITDA for the past 12 months at the level of PLN 140 million and revenue exceeding PLN 300 million, it can be estimated that bids will start at PLN 1.5 billion.

According to UKE's data for 2016, Inea's share in the FTTH market is 11%, making it a strong no. 2, behind Orange. Inea is the biggest alternative multimedia operator in the Wielkopolska region, and one of the four biggest cable networks in Poland. At the end of 2016 the group served 240 thousand residential subscribers to whom it sold two services (RGU's) on average. During the past five years the group invested PLN 1 billion in network roll-out. Inea has acquired PLN 200 million of EU funding under the Digital Poland Operational Programme, which – together with own contribution – offers nearly PLN 500 million for connecting nearly 160 thousand households to the network.

Current report no. 20/2017
August 8, 2017

Moody's Investors Service upgraded Cyfrowy Polsat Group's rating outlook

The Management Board of Cyfrowy Polsat S.A. (the “**Company**”) informs that on August 8, 2017 Moody's Investors Service (“**Moody's**”) revised the rating outlook for Cyfrowy Polsat Group (the “**Group**”) to positive from stable, concurrently affirming the Ba2 corporate family rating.

In its justification Moody's stated that the upward revision of the rating outlook reflects in particular the Group's improved leverage metrics and strong cash flows, thanks to which the Group proactively reduced its indebtedness over the past year. The positive outlook reflects Moody's expectations with respect to further deleveraging and consistent improvement of indebtedness ratios over the next two years and it assumes that the Group will not implement significant changes to its dividend and leverage policies.

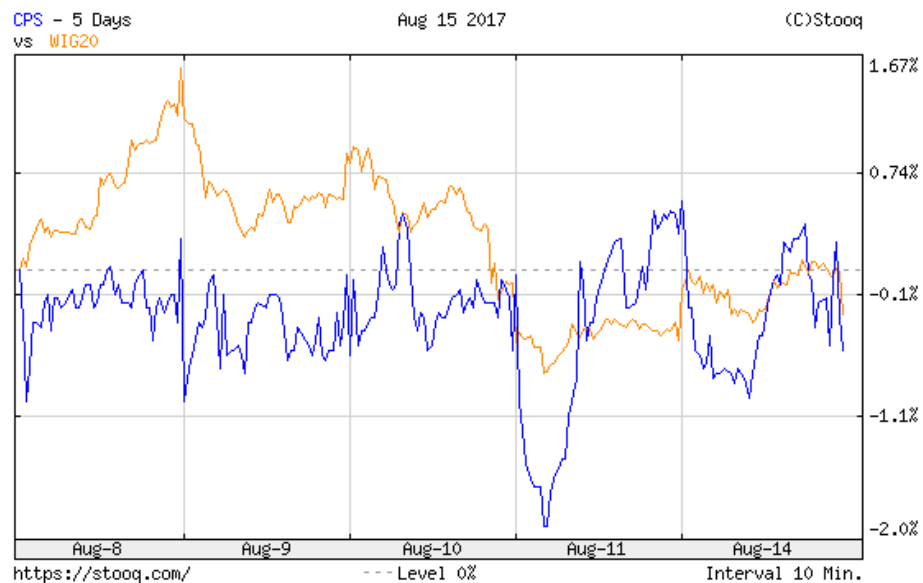
Moody's sees the possibility of upgrading the Group's ratings were it to achieve targets set by Moody's for specific ratios. Negative pressure could be exerted on the Group's ratings as a result of a material weakening of its operating performance or its liquidity, or an increase in its debt levels.

The rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2017-08-07	26.56	26.15	26.20	0.00%	7.20
2017-08-08	26.44	26.00	26.35	0.57%	5.00
2017-08-09	26.27	26.00	26.27	-0.30%	5.39
2017-08-10	26.41	26.02	26.11	-0.61%	5.22
2017-08-11	26.44	25.74	26.36	0.96%	4.47
2017-08-14	26.44	25.93	26.11	-0.95%	5.17



Investor's calendar



August 10 – 24, 2017	Closed period prior to the publication of H1 2017 results
August 24, 2017	Publication of the semi-annual report for H1 2017
September 5, 2017	Media & Entertainment - Haitong
September 6 – 7, 2017	Deutsche Bank 2017, 16th Global Emerging Markets One-on-One Conference
September 11 – 12, 2017	14th Emerging Europe Investment Conference - Pekao Investment Banking
October 11, 2017	Erste Group Investor Conference 2017 in Stegersbach