



Cyfrowy Polsat IR Newsletter

March 13 – 19, 2017



Media about us	Date	Media about the TMT market in Poland
	15.03	<p>Rzeczpospolita: Radio and TV license fee causes objections <i>by Magdalena Lemańska</i></p> <p>The idea of having pay TV companies collect subscriber declarations confirming that their TV sets have been registered has met with criticism from further parties.</p> <p>The latest critical opinion on the amendment of the radio and TV license fee comes from Henryk Kowalczyk, the Chairman of the Standing Committee of the Council of Ministers. Similarly as cable TV operators, and earlier also Cyfrowy Polsat, Kowalczyk noted that applying the new regulations to pay TV customers would only result in creating inequality on the market. Pay TV platform nc+ has also spoken against the planned changes.</p> <p>According to GIODO (General Inspector of Personal Data Protection), the concept of involving pay TV providers, i.e. private parties, in the process of collection of TV license fees, which are a kind of a public levy, is questionable. GIODO is of the opinion that there is no need for any interim law now since starting from the new year the Ministry has a plan of introducing changes in the system of public media financing (the plan is to collect the fees together with taxes).</p>
	16.03	<p>Puls Biznesu: Multimedia is defending itself against the take-over <i>by MZAT</i></p> <p>In October 2016 UPC, owned by the British Liberty Global, announced the preliminary agreement for the acquisition of Multimedia Polska for USD 760m, or ca. PLN3 bn. At the moment, the company is still waiting for the approval from the Office of</p>

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	16.03	<p>Competition and Consumer Protection.</p> <p>Meanwhile, Multimedia Polska ended 2016 with revenues from continued operations of PLN 699.2m (by 0.25% less than a year earlier), gross profit of PLN 110m (down by 19%) and net profit of PLN 21.5m versus PLN 88m a year earlier.</p> <p>The company lost 30K customers and at the end of 2016 it had a customer base of 783K. It increased the number of provided services (RGUs) to 1.69m (up by 2.5%), which meant that upselling to existing customer base improved.</p> <p>The company stated that before the take-over by UPC it would have to discontinue the sale of electricity and natural gas.</p>
<p>Parkiet: Cyfrowy Polsat to announce dividends soon by Urszula Zielińska</p> <p>Cyfrowy Polsat's results for 2016 were well received by investors as the company's stock price went up. Cyfrowy Polsat generated free cash flows on the amount of PLN 1.5 bn, versus the guided PLN 1.2-1.4 bn, which is good news in the opinion of Konrad Książopolski, the head of analysts of Haitong Bank.</p> <p>Cyfrowy Polsat's Management Board sees the company's Q4 and 2016 results as good and very good. On a pro forma basis (showing the picture of the group assuming that Midas belonged to it also in 2015), in 2016 Cyfrowy Polsat Group generated revenue in the amount of PLN 9.65 bn, up by 2.5% versus 2015, while EBITDA decreased slightly – by</p>	17.03	<p>telko.in: Play redeems its bonds – their owners will get EUR 500m by Tomasz Świderek</p> <p>P4, the operator of Play mobile network, has started the process of debt refinancing, which also includes the debt of Play Topco on account of the PIK bonds with the nominal value of EUR 415 million.</p> <p>Play Topco also plans an issue of PIK bonds with the nominal value of EUR 500m (PLN 2.15 bn) and maturity date of 2022. According to Moody's, after this bond issue the company's debt will increase by 34% from the level of PLN 6.2 bn. In Moody's opinion, this demonstrates the company's aggressive financial strategy. The funds from the bond issue will go to the owner of P4, Olympia Development group, which is controlled by the Greek businessman, Panos Germanos, and to Novator investment fund, controlled by the Icelandic billionaire, Thor Bjorgolfsson.</p>

Press review



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<p>0.5%, i.e. to PLN 3.66 bn. Revenue generated in Q4 by the TV broadcasting and production segment amounted to PLN 414m, i.e. 7% more than a year earlier, with EBITDA at PLN 154m, that is 23% more than in Q4 2015. During the whole of 2016 the Group's broadcasting business generated PLN 1.48 bn in revenue (+14% yoy) while EBITDA reached PLN 563m (+27% yoy).</p> <p>The decision regarding dividend payment will be made by the Board during the next few weeks. In accordance with the dividend policy which was published in November, taking into account the level of the Group's debt as of the end of December it could pay from PLN 200m to PLN 400m in dividends this year. In the opinion of Książopolski, the amount the company will allocate to dividend payment will be closer to PLN 200m as the group has declared that debt reduction remains an important target.</p> <p>Analysts pointed to weaker than expected results of the group's convergent strategy. At the end of December 1.3m of the Group's customers, or 22% of the customer base, joined the smartDOM program. The earlier goal was 1.4m customers.</p>	17.03	<p>Pre-term redemption will also include bonds issued by Play Finance 1 (with the nominal value of EUR 270m and maturity date of 2019), as well as bonds issued by Play Finance 2 (with nominal values of EUR 725m and PLN 130m, due in 2019).</p> <p>The bond redemption is to be financed from the PLN 7m bank loan which P4 obtained on March 7.</p>

Press release
March 16, 2017

Cyfrowy Polsat Group sums up 2016: dynamically growing base of services and very good financial results

Cyfrowy Polsat Group posted very good operating and financial results for 2016. Most important events and achievements of the past 12 months include: finalization of acquisition of Midas Group and its effective integration with CP Group, growth of the number of contract services and ARPU generated by contract customers, growth of viewership of Polsat TV channels and dynamic growth of TV advertising revenue, supported by the commercial success of the UEFA EURO 2016 project, retention of high margins, debt reduction, improvement of free cash flow level as well as continued development of SmartDOM Savings Program for Homes which currently offers as many as nine different products and services for households. The Group's revenue exceeded PLN 9.6 bn, EBITDA reached PLN 3.66 bn while EBITDA margin stayed at 37.9% (on pro forma basis).

"Similarly as in previous years, in 2016 we consistently and successfully pursued our strategy and effectively responded to the challenges from customers and the market. We have accomplished the key goals for 2016, including finalization of acquisition of Midas Group, completion of the process of refinancing of the Group's debt, substantial growth of the number of provided services (RGU's), which we among others owe to the regular growth of our smartDOM program, as well as the commercial success of the UEFA EURO 2016 project which had positive influence on both, Polsat TV's viewership results and revenues from advertising," says Tobias Solorz, the CEO of Cyfrowy Polsat S.A. and Polkomtel Sp. z o.o. *"Very good financial results of the whole Group and of individual segments are a confirmation of effectiveness of our efforts, which we plan to continue equally efficiently this year."*

"It has been yet another year during which we achieved very good financial results in the whole Group. Stable revenues and operating costs control resulted in stabilization of EBITDA value and strong EBITDA margin. Last year we consistently reduced our debt, which also remains a priority for us for this year. Stable and high cash flows continue to be a strong item in our Group. They not only enable us to achieve our business goals but also to reduce our Group's debt according to a defined plan," sums up Katarzyna Ostap-Tomann, the Management Board Member responsible for finance in Cyfrowy Polsat S.A., Polkomtel Sp. z o.o. and Telewizja Polsat Sp. z o.o.

[More>><http://www.grupapolsat.pl/en/archive/cyfrowy-polsat-group-sums-2016-dynamically-growing-base-services-and-very-good-financial>](http://www.grupapolsat.pl/en/archive/cyfrowy-polsat-group-sums-2016-dynamically-growing-base-services-and-very-good-financial)

Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Trade value (kPLN)
2017-03-13	23.16	22.91	23.16	0.30%	7 885
2017-03-14	23.43	23.17	23.38	0.95%	7 399
2017-03-15	23.72	23.15	23.44	0.26%	7 497
2017-03-16	24.28	23.73	24.25	3.46%	21 656
2017-03-17	24.70	24.24	24.48	0.95%	23 531



Investor's calendar



March 21, 2017	PKO BP: CEE Capital Markets Conference - London 2017
March 22, 2017	Citi 17th Annual European & EM Telecoms Conference, London
April 27 – May 11, 2017	Closed period prior to the publication of Q1 2017 results
May 11, 2017	Publication of the quarterly report for Q1 2017

